



## Drumbeat: August 12, 2010

Posted by [Leanan](#) on August 12, 2010 - 9:29am

Topic: [Miscellaneous](#)

### [America's Energy Future May Lie In Canada's Oil Sands](#)

The Gulf of Mexico disaster has changed U.S. priorities, costs and energy supply sources for years to come. But the fact that the U.S. needs energy isn't changing anytime soon, and as mass sources of green energy are still a while away, the most likely alternative might be the most surprising one.

With \$15 billion invested annually in offshore drilling in the United States, the disaster in the Gulf of Mexico means that this money is getting ready to migrate elsewhere. And it is the Athabasca oil sands of Alberta, Canada, that are number one on the list.

### [Analysis: U.S. oil spills hit support for Canada mega-pipeline](#)

(Reuters) - For Calgary-based TransCanada, a recent Michigan oil spill from a pipeline operated by its rival Enbridge Inc couldn't have come at a worse time.

The spill threatens to tilt public opinion against TransCanada's \$12 billion pipeline system that could ultimately stretch from Alberta to Texas.

More than 800,000 gallons (3.6 million litres) of crude oil from a 41-year-old stretch of Enbridge Inc's 6B pipeline spewed into a Michigan waterway on July 26, in one of the biggest pipeline spills in U.S. history.

That has rankled U.S. safety regulators, who earlier this year ordered Calgary-based Enbridge to monitor 6B closely for suspected corrosion.

### [Texas Files Challenge to Obama's Offshore-Drilling Ban](#)

Texas Attorney General Greg Abbott on Wednesday filed a legal challenge to the Obama administration's six-month deep-water-drilling moratorium, saying the federal government violated a law that requires consultation of affected states before imposing the ban.

"Under federal law, affected states are guaranteed the right to participate in offshore drilling-related policy decisions, but the Obama administration did not bother to communicate, coordinate or cooperate with Texas," Mr Abbott said.

### [Gulf fishermen: oil tainted our waters, our trust](#)

State and federal authorities, who insist they are closely following safety protocols, have begun reopening selected segments of Gulf of Mexico waters to recreational and commercial fishing after the successful capping and cementing of BP's blown-out deepwater Macondo well in recent weeks.

But fiercely independent Gulf fishermen, many of whom harbor a deep mistrust of authority since the much-criticized government response to Hurricane Katrina in 2005, believe both President Barack Obama's administration and BP may be moving too hastily to close this ecological and financial nightmare.

### [FACTBOX - Gulf of Mexico oil, gas ops returning to normal](#)

REUTERS - Several oil and gas companies restarted operations and began returning nonessential personnel to offshore infrastructure as Tropical Depression Five fizzled out into a cluster of thundershowers after it moved through the Gulf of Mexico and inland over southeastern Louisiana Thursday.

### [Brazil ANP Head Lima Says \\$8 a Barrel 'Reasonable' For Petrobras Oil Swap](#)

A "reasonable price" for Petroleo Brasileiro SA to pay for offshore oil reserves it's planning to buy from the government in exchange for stock would be \$8 a barrel, said Haroldo Lima, head of Brazil's petroleum regulator.

"Research that I have seen in the market, I have given my opinion, I think a price of \$5 to \$6 is lower than what would be possible," Lima said today in an interview in Rio de Janeiro. "A reasonable price in my opinion would ideally be around \$8 a barrel."

### [FACTBOX - Details on Petrobras' capitalization plan](#)

(Reuters) - Brazilian state oil company Petrobras is preparing a massive capitalization program that will help raise up to \$25 billion in new funds to finance an ambitious deep-water oil exploration campaign.

Under the oil-for-shares capital program, the government will give Petrobras access to up to 5 billion barrels of offshore oil in exchange for shares in the company, while minority shareholders will buy stock to retain their stakes.

### [ANALYSIS - Spill-wary oil sands to pump up revs at pipeline cos](#)

(Reuters) - In the oily wake of the BP and Enbridge spills, Canadian energy service firms that coat and maintain pipelines are eyeing lucrative contracts as oil sands majors spend more to prevent similar industry-tainting accidents.

Increased spending on pipelines will drive margins at companies such as ShawCor Ltd and North American Energy Partners Inc, which saw a lull in new energy projects last year.

### [BP to Pay Record Fine of \\$50 Million for Texas Accident](#)

BP has agreed to pay a record \$50.6 million fine to the federal government for safety violations found by regulators last year at its troubled refinery in Texas City, Tex.

In addition to the record fine, BP has agreed to take immediate steps to protect those now working at the refinery and spend at least \$500 million on that effort, according to the Department of Labor's Occupational Safety and Health Administration.

### [Pemex's Budget Request May Be Cut on Lower Oil Prices, Board Member Says](#)

Petroleos Mexicanos, Latin America's largest oil producer, may have its 54 percent proposed budget increase trimmed if oil prices extend this week's losses, a board member said.

"Let's hope the market losses are something temporary," said Hector Moreira, a board member of the state-owned company. Lawmakers "would be very worried at least" if crude prices keep falling during the budget debate, he said today in an interview in Mexico City.

### [Saudi Aramco offers rare Yanbu cargo](#)

Saudi Aramco is offering a rare cargo of high-viscosity, high-sulphur residue from its Yanbu refinery, tender documents showed on Thursday.

### [Maridive Q2 profit hit by sluggish oil sector](#)

CAIRO (Reuters) - Egyptian group Maridive and Oil Services posted second-quarter net profit below forecasts as it suffered from a continued oil industry downturn.

The biggest oil services company in the Middle East by fleet size posted second-quarter net profit of \$11 million on Thursday, down from \$29.5 million a year ago and below a forecast for \$18.7 million in a Reuters poll.

### [Maverick of the oil industry](#)

Simmons had carved a controversial public profile since at least 2005, when his book entitled *Twilight in the Desert: The Coming Saudi Oil Shock and the World Economy* hit US book stands before rapidly becoming an international best-seller.

He revelled in the often critical attention that ensued and might have delighted in the wilder rumours surrounding his death.

### [Matthew Simmons Showed the Supply of Oil Is Finite, Says Morse](#)

The late Matthew R. Simmons' greatest contribution was showing that the supply of oil is finite, said Edward Morse, the New York-based head of commodities research at Credit Suisse Group AG.

Simmons, an energy investment banker and leading proponent of the "peak oil" theory that claims the Earth is running out of crude, died Aug. 8 at 67 in an accidental drowning at his home in North Haven, Maine, local officials said. He made "remarkable contributions" in making the energy market transparent and helping the U.S. understand Saudi Arabia, Morse said.

### [Georgia decries Russian missile deployment in Abkhazia](#)

The Georgian Foreign Ministry on Wednesday protested the deployment of Russian S-300 air-defense systems on the territory of its former republic of Abkhazia.

### [CNG stations to remain closed for 6 hrs everyday](#)

All CNG stations would remain closed from 3 pm to 9 pm everyday from August 16 as part of the energy conservation plan adopted to overcome energy crisis.

"It is a temporary order for saving energy to feed the power plants and to meet the increased demand of electricity ", a top official of the Energy Ministry told BSS Thursday.

### [Zambia: Is Solar Power Viable Option?](#)

GRAPPLING with the increase in electricity tariffs by Zambia Electricity Supply Corporation (Zesco), most businesses and residences will now have to cushion the impact of the tariff hike.

After August 1, 2010 residential customers will be facing a 41percent increase and large power consumers a 12 percent increase, followed by a 14 percent increase for the small power consumers.

With unlimited sunshine in Zambia, could alternative energy like solar power be an answer to the fuel and energy crisis?

### [Nine Challenges of Alternative Energy](#)

Unlike conventional fossil fuels, where nature provided energy over millions of years to convert biomass into energy-dense solids, liquids, and gases--requiring only extraction and transportation technology for us to mobilize them--alternative energy depends heavily on specially engineered equipment and infrastructure for capture or conversion, essentially making it a high-tech manufacturing process. However, the full supply chain for alternative energy, from raw material to manufacturing, is still very dependent on fossil-fuel energy for mining, transport, and materials production. Alternative energy faces the challenge of how to supplant a fossil-fuel-based supply chain with one driven by alternative energy forms themselves in order to break their reliance on a fossil-fuel foundation.

### [U.S. firm's landmark solar deal with China starts off with a bang, then fizzles](#)

BEIJING -- With great fanfare, an Arizona-based energy company signed a preliminary agreement with China last fall to build the world's largest solar power plant in the Mongolian desert.

The deal was hailed as the first major example of the U.S. and China cooperating on a big-ticket energy project, and the largest foray by an American company into Asia's fast-growing alternative energy market. The agreement became a centerpiece achievement of President Obama's visit to China last November.

But nearly a year later, the deal has not been completed and there is growing skepticism as to whether it will happen.

### [France's New Rural Ghettos](#)

There is an extensive spread of settlements further and further away from towns; there is an intense concentration of jobs in urban centres. Because of this clash between settlement and job geography, rural areas mean pauperisation for those who cannot commute daily between home and work. "When I'm offered a job 30 kilometers away, I think twice," said Anne, "especially since travel time is not included in work time and petrol is never reimbursed. Anyway, my car's very old, every new problem gets me into a real mess."

### [How to build sustainable homes without spending a penny](#)

From Earthships to underground houses, The Moneyless Man says building low-impact housing for free is theoretically possible.

## [Starving Africa's Future?](#)

In what may be President Obama's most significant foray into changing U.S.-Africa policy since his election in 2008, the United States is embarking on a new initiative to boost agricultural production in the global south. Feed the Future (FTF) came out of the G8 summit in L'Aquila in 2009 where developed country leaders committed to acting to "achieve sustainable global food security." Obama pledged \$3.5 billion over three years toward this goal, in hopes that other rich nations would also make significant investments in agricultural development.

Food security, however, does not equal food sovereignty, nor does it ensure that the roots of hunger in the world's poorest countries will be addressed. Feed the Future is likely to be yet another program that benefits large corporations and does little to address the real issues hindering agricultural growth in Africa, Latin America, and Asia.

## [John Michael Greer: Thinking like an ecosystem](#)

Last week's post on composting had, as my more perceptive readers will probably have noted, more than one agenda. First on the list, obviously, was the straightforward goal of getting as many people as possible to start practicing one of the simplest and most useful skills in the green wizard repertoire, and getting plant nutrients out of the waste stream and into the soil in the process. Still, there's more involved here than that sensible step.

Composting, as I mentioned in passing last week, is more than just a core technology for organic gardening. It's also a template on which a much broader range of approaches to sustainability can be modeled – or, rather, need to be modeled. It's crucial to keep this in mind, because quite a few people who are discussing sustainability these days, with the best intentions in the world, are doing so from within the presuppositions of our current, utterly unsustainable civilization, and getting thoroughly bollixed up by the resulting misperceptions.

## [Land fertility decreasing in Rangpur](#)

Land fertility in Rangpur Division including Kurigram, Lalmonirhat, Gaibandha, Rangpur, Nilphamari, Dinajpur, Thakurgaon and Panchagarh districts are decreasing alarmingly due to shortage of green fertilizer, sulphur and zinc in the soil. Unabated use of chemical fertilizer and pesticides has created such situation a source in the department of Agriculture extension (DAE) disclosed.

## [Tom Whipple: A Gathering in Louisville](#)

Every year the National Conference of State Legislators (NCSL) holds a conference where legislators from all over the U.S. gather for updates on major policy concerns. This year the organization found that issues surrounding the future of nation's energy supply were becoming of such paramount importance to state governments that it set



up a task force to study the issues; produced a report on meeting the energy challenges; and devoted a whole day prior to the annual meeting to an "Energy Policy Summit."

### [Oil Falls for a Third Day on Stockpile Gain, Signs Economic Growth to Slow](#)

"The U.S. inventory report was bearish, showing that there wasn't much of a summer driving season again," said Victor Shum, a senior principal at consultants Purvin & Gertz Inc. in Singapore. "Global economic concerns are becoming the top-of- mind issue, so we've seen equities pull back. China is showing signs of weakness in growth."

Stockpiles of distillates such as diesel increased to the highest since January 1983. Inventories of distillate fuel, a category that includes heating oil and diesel, climbed 3.46 million barrels to 173.1 million. Analysts projected a 1.75 million-barrel increase.

U.S. refineries operated at 88.1 percent of capacity, down 3.1 percentage points from the prior week, the Energy Department report showed. Crude supplies declined 2.99 million barrels to 355 million. Analysts forecast a 2 million-barrel drop.

### [Fuel Oil Shipments to Singapore May Tumble as Profits Drop](#)

Fuel oil shipments to Singapore from Europe and the Americas may fall as much as 20 percent in August after the profits for such cargoes slumped 26 percent in July.

An estimated 3.2 million metric tons of the refining residue, used to generate electricity and power ships, are likely to arrive in Singapore this month, according to a Bloomberg News survey of seven traders in Singapore and Tokyo. That would be a three-month low, dropping from about 4 million tons in July.

### [Russia's LUKOIL resumes gasoline supply to Iran -trade](#)

SINGAPORE/MOSCOW—Russian oil giant LUKOIL has resumed gasoline sales into Iran together with China's state-run firm Zhuhai Zhenrong, even as the United States urges the global community to be tough on Tehran.

### [Turkey backs petrol sales to Iran](#)

ANKARA (Reuters) – Turkey will support petrol sales by Turkish companies to Iran, Energy Minister Taner Yildiz told Reuters on Wednesday, despite U.S. sanctions that aim to squeeze the Islamic Republic's fuel imports.

### [Turkey puts out fire at bombed pipeline](#)

DIYARBAKIR, Turkey (AFP) – Turkish firefighters on Thursday extinguished a blaze

on a pipeline carrying oil from Iraq that was triggered by a bomb attack by suspected Kurdish rebels, a security source said.

Tuesday's bombing ripped through a section of the conduit near the village of Midyat in Mardin province in southeastern Turkey, killing two civilians and halting the flow of oil.

### [Chechen rebels claim small blast near Gazprom HQ](#)

MOSCOW (Reuters) – Chechen rebels claimed responsibility on Thursday for a small explosion three days ago near the Moscow headquarters of Russia's state-controlled gas giant Gazprom.

"The aim of this operation was to show Kremlin businessmen... that the war is not over," Chechen rebel leader Doku Umarov said in a statement posted on the [www.kavkazcenter.com](http://www.kavkazcenter.com) Islamist website. "On the contrary: it has come to your homes and your comfortable offices."

### [PetroChina to Shut Daqing Oil Refinery Next Week for 40 Days' Maintenance](#)

PetroChina Co., the country's biggest oil company, will shut its refinery in northeastern Daqing city for about 40 days of planned maintenance, an official at the plant said.

All the 37 refining and petrochemical units at the facility will be closed starting Aug. 17, the official said today, asking not to be identified because of company rules.

### [Iraq willing to accommodate Syria-bound Iranian gas pipeline](#)

Baghdad - Iraq is open to allowing a pipeline transporting gas from Iran to Syria to run through its territory, a press release from the Iraqi oil ministry said Thursday.

'Iraq does not mind facilitating the extension of the Iranian gas pipeline through its territory to Syria and the Mediterranean Sea,' Iraqi oil minister Hussein al-Sharistani said in the statement.

### [IPIC offloads \\$2.2bn stake in Korean oil refinery](#)

An Abu Dhabi Government fund has agreed to sell a US\$2.2 billion (Dh8.08bn) stake in a South Korean refinery after it lost a long legal battle with Hyundai Heavy Industries.

The sale will end an 11-year presence that helped maintain South Korea's position as the second-largest market for the emirate's crude oil exports.



### [US wants Iraq to pay bill for war victims](#)

RAMADI, Iraq—Off a dusty street flanked by piles of rubble and bombed-out car skeletons, the Saleh family is rebuilding their home with American aid money they got because three family members were accidentally killed in crossfire between U.S. forces and insurgents.

In another neighborhood of the battleground city of Ramadi, a new boat motor and fishing nets are tucked into a corner of the Zeyadan family's courtyard, bought with money from the same U.S. aid fund.

The aid for these families and hundreds of others like them came from a special fund earmarked by Congress for innocent civilians killed in U.S. military operations in Iraq. But recently, members of Congress asked the U.S. Agency for International Development in Baghdad, which manages the fund, to explore having Iraq take over financing and management of the project.

### [China-based Brightoil aims to be global oil trader](#)

SINGAPORE (Reuters) - Hong Kong-listed Brightoil, which is expected to hire most of the former traders from BP's global fuel oil team and Asia marine fuels desk, plans to become a global oil trading presence, court documents show.

Brightoil's detailed plans dated May, including an organisational chart, hierarchy of hires and employee share schemes, were submitted to the Singapore High court by Quek Chin Thean, former global head of BP's fuel oil desk, as part of his defence to a breach-of-contract suit by the oil major.

### [Brazil Controls Mean Petrobras Can't Turn Oil Price Surge Into Profit Gain](#)

Petroleo Brasileiro SA, which lost a quarter of its market value this year, is set to post the smallest profit gain among the world's largest oil producers because of government controls on fuel prices.

The Rio de Janeiro-based company will report tomorrow that profit was little changed at 89 centavos a share in the three months through June, according to the average of four estimates in a Bloomberg survey. That would be the worst performance of any of the top ten major oil companies with the exception of BP Plc., whose earnings were hurt by the Gulf of Mexico oil spill.

### [Petrobras to Create Company to Manage Pre-Salt Oil Exploraton, Exame Says](#)

Petroleo Brasileiro SA plans to create a company to manage exploration of the so-called pre-salt oil fields off Brazil's coast starting in 2011, Exame magazine reported, without saying where it got the information.

Petrobras, as the Rio de Janeiro-based company is known, will own 10 percent of the company, while the rest will be owned by investors including the Petros and Funcef pension funds and FGTS, the workers' compensation fund, Exame said on its website. Banco Santander SA is acting as an adviser for the creation of the company, the magazine said, citing the bank.

### [Brazil May Determine Price in Oil-for-Stock Swap by Aug. 19, Estado Says](#)

Brazil's National Petroleum Agency, ANP, may get the results of studies to determine the price it will charge per barrel in an oil-for-stock swap with Petroleo Brasileiro SA by Aug. 19, O Estado de S. Paulo reported.

The National Council for Energy Policy will discuss the amount Petrobras will pay for the oil three or four days after ANP receives the calculations from external consultants, Estado said, without revealing where it got the information. The government will sign a final contract by Aug. 31, the newspaper said.

### [Gas production starts at Babbage field in southern North Sea](#)

Dana Petroleum said that gas production has commenced at the Babbage field, located in block 48/2a some 80km off the UK coast in the Southern North Sea, where the company holds a 40 per cent interest.

The Babbage field development was approved by the UK authorities in 2009 and is being executed in two phases. Total investment in the development will amount to around GBP300m.

### [Tropical depression fizzles out over Gulf of Mexico](#)

MIAMI (Reuters) – A tropical depression which had been forecast to pass close to BP Plc's oil spill site in the Gulf of Mexico dissipated on Wednesday, the U.S. National Hurricane Center said.

### [BP to start Libyan drilling this year](#)

LONDON (AFP) – British energy giant BP said Wednesday it will begin deep-water exploration drilling off the Libyan coast some time before the end of this year.

In late July, the company had said it would start drilling off the Libyan coast in a few weeks amid controversy over its 2007 deal with Tripoli and the oil firm's role in the Gulf of Mexico oil spill.

"We are working on the last details and we are talking now about the second half of the

year," a BP spokesman said.

### [Gulf of Mexico 'Dead Zone' Grows as Spill Impact Is Studied](#)

The Gulf of Mexico faces a renewed and enlarged threat to marine life: a low-oxygen "dead zone" about the size of Massachusetts, caused by chemical runoff into the Mississippi River that flows into the sea.

### [Greenpeace to launch expedition to probe BP oil spill impact](#)

MIAMI (AFP) – Environmental watchdog Greenpeace on Wednesday announced the launch of a three-month expedition on which researchers will analyze the impact of the massive BP oil spill on the Gulf of Mexico ecosystem.

A Greenpeace ship sets sail Thursday from Saint Petersburg, Florida, and will tour the southern tip of Florida and its Keys before heading northward to the area of the failed oil well.

### [Well capped, BP accused of reneging on contracts](#)

WASHINGTON (AFP) – The drawdown of the BP oil spill may bring relief to Gulf residents, but one sector is feeling the pinch -- companies that went into overdrive to produce containment boom and are now wallowing in loss.

The manufacturers charge that BP placed bulk orders but since last month has quietly reneged on commitments, leaving the companies saddled with millions of dollars in inventory and forcing them to lay off workers.

### [Markey wants BP to accept government oil estimate](#)

A Massachusetts congressman is asking BP to accept the government's latest estimate of how much oil spewed from the company's blown-out Gulf well as a basis to determine how much it may face in civil fines.

Rep. Ed Markey sent a letter Wednesday to the head of BP's U.S. operations telling him that the oil giant should legally own up to its obligations as one of the responsible parties for the spill.

### [The most important single factor for your investments](#)

The most important thing for your investments isn't gold or the dollar, or the consumer

price index or Treasuries or even the stock market.

It's energy. More specifically, it's crude oil. Oil absolutely dwarfs everything else.

### [LED Bulb Edges Below \\$20](#)

Not long ago, such bulbs were not expected by most experts to cost less than \$30 until 2012.

### [Viking plans still need more time](#)

Citing the recent deep water drilling disaster in the Gulf of Mexico and the pressing issue of energy security at a time of peak oil, Mr Wishart says he is more committed to the case for a wind farm in the isles than ever before.

"People are now realising that there is a big problem and there have to be alternatives. I haven't heard from anybody in Shetland an alternative that is better than what Viking Energy is doing at the moment."

### [UN launches massive feeding drive for children in drought-stricken Niger](#)

The United Nations World Food Programme (WFP) has begun a major round of feeding for 670,000 children under the age of two and their families in drought-stricken Niger, where as many as eight million people need assistance.

People in the West African nation are experiencing severe food shortages as a result of a prolonged drought that has caused crop failure and livestock deaths.

### [Analysis: Indonesia forest moratorium to stymie palm oil firms](#)

(Reuters) - Indonesia's plans to halt forest clearing will slow the aggressive expansion of plantation firms in the world's top palm oil producer, leading to higher costs as firms will need acquisitions or improved yields to boost growth.

The two-year moratorium on new permits to clear natural forest from 2011 will increase land prices, pushing some to consider following industry leader Wilmar in expanding overseas to Africa or to diversify into food crops.

### [The Last Stand? Rallying Behind a Primeval Forest](#)

Environmentalists say the last stand of primeval forest in all of Europe is at risk.

### [Germany mulls tax on coal for power generation-paper](#)

BERLIN (Reuters) - Germany is mulling a new tax on coal used in power generation to help make up for revenue it would lose if it kept much-debated tax breaks for large corporate energy consumers, a newspaper said on Wednesday.

The new tax, which would be footed by energy companies, would raise 410 million euros (\$534 million) next year and 710 million euros in 2012, the Handelsblatt newspaper said in a preview of its Thursday edition.

### [UK government urged to evaluate biochar potential with trial schemes](#)

The idea of burying charcoal produced from microwaved wood to tackle global warming is still beset with scientific uncertainties, says the UK government's first report on "biochar".

The warning comes as a separate US study published this week said that as much as 12% of global greenhouse gas emissions could be offset by biochar.

### [Australia can easily cut CO2 and keep growing - business](#)

(Reuters) - Australia, one of the world's top carbon polluters, can cut carbon emissions by at least 15 percent by 2020 without hurting its economy, business leaders at a climate conference said on Thursday.

By espousing the right policies, the country could cut its emissions by 25 percent by 2020, the conference heard. A price on carbon was a key component, but by no means the only one.

### [What's the carbon footprint of ... the internet?](#)

The internet releases around 300m tonnes of CO2 a year – as much as all the coal, oil and gas burned in Turkey or Poland, or more than half of the fossil fuels burned in the UK.

### [Greenland ice sheet faces 'tipping point in 10 years'](#)

The entire ice mass of Greenland will disappear from the world map if temperatures rise by as little as 2C, with severe consequences for the rest of the world, a panel of scientists told Congress today.

Greenland shed its largest chunk of ice in nearly half a century last week, and faces an

even grimmer future, according to Richard Alley, a geosciences professor at Pennsylvania State University

"Sometime in the next decade we may pass that tipping point which would put us warmer than temperatures that Greenland can survive," Alley told a briefing in Congress, adding that a rise in the range of 2C to 7C would mean the obliteration of Greenland's ice sheet.

The fall-out would be felt thousands of miles away from the Arctic, unleashing a global sea level rise of 23ft (7 metres), Alley warned. Low-lying cities such as New Orleans would vanish.



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