



Drumbeat: August 17, 2010

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Mexico oil output slips in first-half Aug - Pemex

MEXICO CITY (Reuters) - Mexican oil production fell to 2.529 million barrels per day over the first 15 days of August from 2.573 million bpd in July, according to a preliminary report released by state oil monopoly Pemex on Monday.

The decline was due to lower output at the Ku Maloob Zaap, Cantarell and Offshore Light Crude projects, Pemex said.

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it gets hot in Texas—and it's darn hot in the Lone Star State in the summer—the state's ratepayers can't count on that wind energy. On Aug. 4, at about 5 p.m., electricity demand in Texas hit a record: 63,594 megawatts. But according to the state's grid operator, the Electric Reliability Council of Texas, the state's wind turbines provided only about 500 megawatts of power when demand was peaking and the value of electricity was at its highest.

Put another way, *only about 5 percent* of the state's installed wind capacity was available when Texans needed it most. Texans may brag about the size of their wind sector, but for all of that hot air, the wind business could only provide about 0.8 percent of the state's electricity needs when demand was peaking.

The green-energy landscape just keeps changing

Today there's a whole menu of options for going beyond the petroleum era, from biofuels and next-generation nuclear power to solar-powered syngas production. But which option will be the "magic bullet" for America's next energy era? It turns out that every energy alternative has its pluses and its minuses, just as oil, coal and natural gas do.

The current renewable-energy debate focuses on how to strike the right balance using all those alternatives — and avoid getting burned in the process.

Today several operational trends are suggested for the Alliance in the sphere of energy security. In the first place – the assurance of security of energy infrastructure in the territories of both the countries of the Alliance and in the states outside the block. This could include not only the physical security assurance but also the exchange of the intelligence information, experience and technologies. Another proposal was to make NATO a forum of consultations on the establishment of joint military units protecting the energy infrastructure.

Another possible trend could be the provision of collective support to countries suffering from the energy crisis. Decision on the provision of the above support could be determined by the incidents related to energy security or by the inability of certain allies to ensure stable supply of energy resources. NATO could ensure more smooth cooperation both in the Alliance and with the suppliers and transporters of energy resources.

The upsides and down sides of hydroelectric dams

Hydroelectric dams are among the greenest and most affordable electricity sources in the world—and by far the most widely used renewable energy sources—but they also take a heavy environmental toll in the form of compromised landscapes, ecosystems and fisheries. Hydroelectric dams have been an important component of America's energy mix since the powerful flow of rivers was first harnessed for industrial use in the 1880s. Today hydroelectric power accounts for seven percent of U.S. electricity generation —and some two-thirds of the country's renewable power—according to the U.S. Geological Survey.

China state firms dominate solar power tender

(Reuters) - State-owned companies eclipsed private rivals by offering the lowest grid feed-in tariffs for all of China's second batch of utility-level solar power projects open for tender, Chinese media reported on Tuesday.

Death by Growth: What the Climate-Bill Autopsies Missed

It's the economy stupid. And, no, not the recession. Not the lack of growth, but growth itself. Or, rather, the government's unwavering devotion to advancing it. I'm not going to spill any ink here explaining how the paradigm of unending growth is incompatible with preserving life, prosperity and security on a finite planet. Far more authoritative voices such has Bill McKibben and Gus Speth have already articulated that argument far more eloquently than I could. But for the purposes of doing a proper postmortem on the climate bill it needs to be said that as long as growth remains the number one priority of governments worldwide any effort to by those governments to seriously address climate change will be doomed to end in failure.

Analysis: Increase in Capex Leads to a Strong Rise in U.S. Rig Demand

At the end of last year as initial drilling plans were being announced for 2010, we took a sampling of approximately 30 E&P firms to get a gauge of capital spending budgets and their likely impact on rig activity. Original plans of these sampled firms called for exploration and development budgets to increase ten percent in aggregate. Factoring in 2009 service cost declines, drilling efficiency gains, and our belief that commodity prices appeared sustainable; we surmised that U.S. land rig activity in 2010 would rise 20% on average or double the pace of proposed spending increases.

PetroChina Starts Trial Runs at Qinzhou Oil Refinery in Country's South

PetroChina Co., the nation's largest oil company, started trial operations of its refinery in Qinzhou in the southern province of Guangxi to meet domestic fuel demand, a company official said.

Main facilities at the refinery have begun operating and commercial production will start based on the trial performance, Mao Zefeng, the company's Hong Kong-based spokesman, said by e- mail today.

China Huaneng Said to Be in Talks to Buy 50% of InterGen for \$1.2 Billion

The stake would give China Huaneng access to InterGen's 12 power plants in the U.K., the Netherlands, Mexico, Australia and the Philippines. GMR Infrastructure, based in Bangalore, bought 50 percent of InterGen in 2008 for \$1.1 billion from a fund owned by American International Group Inc. The rest of InterGen is owned by Ontario Teachers' Pension Plan.

Reports focus on lingering effects of Gulf oil spill

Researchers at the University of South Florida have concluded that oil from the Deepwater Horizon spill may have settled to the bottom of the Gulf of Mexico further east than previously suspected -- and at levels toxic to marine life. Their study is to be released Tuesday, as well, but CNN obtained a summary of the initial conclusions Monday night.

Initial findings from a new survey of the Gulf conclude that dispersants may have sent droplets of crude to the ocean floor, where it has turned up at the bottom of an undersea canyon within 40 miles of the Florida Panhandle, the University of South Florida team said.

In the coming years, BP will face a complex stew of litigation, fines and penalties stemming from the Gulf oil spill.

BP to stop handling claims related to Gulf spill

NEW ORLEANS (AP) -- BP plans to stop processing claims from people and businesses hurt by the Gulf oil spill as it prepares to transfer that role to a government-appointed administrator.

The company says it will stop accepting new claims after Wednesday. The Gulf Coast Claims Facility, led by Kenneth Feinberg, will take over the process starting Aug. 23.

Dozens killed as Baghdad bomber hits army recruits

BAGHDAD — A suicide bomber sat for hours Tuesday among hundreds of army recruits before detonating nail-packed explosives strapped to his body, killing 61 people and casting new doubt on the ability of Iraqi forces as U.S. troops head home.

Bodies of bloodied young men, some still clutching job applications in their hands, were scattered on the ground outside the military headquarters in central Baghdad. Some of the estimated 1,000 men who had gathered there before dawn for a good spot in line were so desperate for work they returned hours after being treated at hospitals for injuries in the attack.

Flood-triggered fuel shortage cripples life in Pakistan

ISLAMABAD (Xinhua News Agency) -- Pakistani citizens, businessmen and industrialists are facing massive problems due to the unavailability of petrol and diesel at most filling stations of the country following a limited supply of petroleum products after floods washed away the link roads.

Russian Ban on Grain: Bread is Going to Be 20% More Expensive

Estonian Association of Bakeries estimates that the value of the bread will grow from 10 to 20% of the currently price.

The future growth comes to confirm the fears that the Estonian Chamber of Agriculture and Commerce President Roomet Sõrmus who said that Russia's recent decision to temporarily suspend grain exports will probably impact national farmers and consumers, as he told on Kuku Radio and was reported by the Estonian national broadcasting.

UK: Rising price of hay drives rise in theft

The rising price for hay is driving a new crime wave of 'hay rustling', leaving farmers with no feed for animals over the winter.

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Enbridge cuts alternative pipeline rate by 8 percent

Alberta (Reuters) - Enbridge Inc has cut oil flows by 8 percent on a major pipeline that is an alternative to the one that ruptured in Michigan last month, an executive said on Monday, as the company waits for regulators to respond to its reworked plan to restart the downed line.

Turkmenistan opens up to West

Turkmenistan is opening its doors to western oil companies for the first time.

On Friday, the country's state television identified Chevron, ConocoPhillips and the Houston-based TXOil as the preferred US bidders for two oil and gas exploration blocks in Turkmenistan's portion of the Caspian Sea. Abu Dhabi's Mubadala Oil and Gas is also on the preferred list.

Final Gulf oil well 'kill' plan on hold amid pressure fears

WASHINGTON (AFP) – A long-standing deadline for sealing the ruptured Gulf of Mexico well deep below the seabed will be missed as US officials and BP tackle concerns about debris lodged in the well.

BP and US government representatives had hoped to complete a "bottom kill" procedure and officially pronounce the well dead by mid-August, but the US pointman on the oil spill response said Monday the bid was on hold.

Safety Warning Preceded Gulf Rig Blast

Weeks before the Deepwater Horizon drilling rig exploded in the Gulf of Mexico, the crew was warned not to let down its guard in a sternly worded memo from the rig's owner.

"Do not be complacent...Remain focused on well control," drilling company Transocean Ltd. wrote in a 10-page "operations advisory" on April 5.

Coal Executive Pushes Back

As energy executives go, few manage to stir controversy and elicit vitriol from environmentalists with as much relish as Don L. Blankenship, the mustachioed chief executive of Massey Energy, one of the largest coal companies in Appalachia.

Baghdad fuel consumption at record high amid frequent power cuts

Baghdad - Fuel consumption in Baghdad has reached a record of 6.5-7 million litres per day, an oil ministry official said Tuesday, as Iraqis increasingly turn to private generators because of frequent power cuts.

Fuel consumption in July was 16 per cent higher than consumption in the same month last year, an official told the German Press Agency dpa.

Poland Determined to Build National Electricity Champion

Poland's state-controlled electric energy utility PGE made the highest bid in the tender for smaller state-owned rival Energa and is now the most likely buyer of the firm, according to sources familiar with the matter. The deal that could be worth around \$2.7 billion, much more than earlier estimates by analysts, would create a national energy champion in Poland.

The state seems determined to sell its asset to another company it controls. A think tank has recently called projects like this "pseudo-privatization" that could generate a third of Poland's ambitious \$8 billion privatization drive. The main goal of this exercise isn't to sell state-owned firms to private owners, but to generate revenue to plug the budget deficit, experts said.

All-electric rental cars are on their way

As early as January, electric cars will be available at the nation's two largest auto rental companies.

Enterprise Rent-A-Car, North America's largest car rental firm, unveiled plans last week to offer about 500 Nissan Leaf all-electric cars, initially at dealerships in Los Angeles, San Diego, Portland and Seattle.

This came a few months after Hertz, the world's largest car rental company, said it planned to offer Leafs at a handful of locations in the United States and Europe next year. A fully charged Leaf has a range of about 100 miles.

Study: Megacities will drive huge demand for electric cars by 2020

According to an updated report released by Frost & Sullivan, the emergence of megacities in developing nations will drive demand for electric vehicles (EVs) up dramatically by 2020. The study – aptly titled "360 Degree Perspective of the Global Electric Vehicle Market - 2010 Edition" – provides an overview of the EV market while also focusing on trends such as urbanization, car sharing, personal mobility and city development.

Deadliest for Walkers: Male Drivers, Left Turns

Taxis, it turns out, are not a careering menace: cabs, along with buses and trucks, accounted for far fewer pedestrian accidents in Manhattan than did private automobiles. Jaywalkers were involved in fewer collisions than their law-abiding counterparts who waited for the "walk" sign, though they were likelier to be killed or seriously hurt by the collision.

And in 80 percent of city accidents that resulted in a pedestrian's death or serious injury, a male driver was behind the wheel. (Fifty-seven percent of New York City vehicles are registered to men.)

Ocean waves can power Australia's future, scientists say

(Reuters) - Waves crashing on to Australia's southern shores each year contain enough energy to power the country three times over, scientists said on Tuesday in a study that underscores the scale of Australia's green energy.

China: Helping Poor Matters More Than Rank

BEIJING -- China's government said Tuesday it still is a developing country despite becoming the second-largest economy, reflecting its reluctance to take on new obligations on climate change and other issues.

EPA seeks to regulate carbon from trucks, buses

(Reuters) - U.S. environmental regulators sent draft rules to the White House on Friday that would for the first time cut greenhouse gas emissions from heavy trucks and buses, a government website showed.

The Nation's Greenest Colleges

One way to measure environmentalism on college campuses is to size up their efforts to cut energy use or to recycle garbage. In rankings released on Monday, the Sierra Club's Sierra Magazine anoints Green Mountain College in Vermont, which gets heat and electricity by burning locally sourced wood chips and methane from cow manure, as the nation's greenest college.

Exclusive Golf Course Is Organic, So Weeds Get In

Opened eight years ago, the club is thought to be the only completely organic golf course in the United States, its 18 holes groomed without the use of a single synthetic pesticide, fertilizer, herbicide or other artificial chemical treatment.

"When we started here, some of my peers thought this golf course would be a dust bowl," Carlson said, walking across a lush, smooth green toward a rolling, verdant fairway. "I admit I wasn't so sure it could be done myself. People said we were crazy."

Peak oil theory has peaked and there is no apocalypse now

Simmons predicted "a collapse of 30 or 40 per cent of [Saudi] production ... sometime in the next three to five years – but it could even be tomorrow", yet the kingdom's production capacity has risen significantly since 2005. And Saudi Arabia was always a strange place to start with peak oil: even if we believed peak oil protagonists' contentions that Saudi reserves are overstated by half, the country would still be pumping less than 3 per cent of its reserves annually. When the UK's production peaked in 1999, it was extracting more than 20 per cent of its reserves each year.

Yet, just as during the 1970s oil crises, the idea of peak oil has gained particular resonance in these apocalyptic times. It has become conflated with the population explosion, with food shortages, with the very real problem of climate change and, inspired by the global financial crisis, the end of capitalism.

Crude Oil Trades Near Five-Week Low on Signs Economic Growth Is Faltering

Crude oil rebounded from a five-week low before reports that may show declining U.S. supplies and as advancing European equity markets stirred optimism about increasing demand.

U.S. oil inventories probably fell to a one-month low last week, a Bloomberg News survey showed before tomorrow's government report. A low-pressure area in the Gulf of Mexico has a 30 percent chance of becoming a tropical cyclone in the next two days, according to the National Hurricane Center. The Stoxx Europe 600 Index gained as much as 0.7 percent.

Cost of gas may be headed downward again

NEW YORK — The average price for a gallon of gasoline in the United States rose in the last three weeks but is expected to fall again, as a decline in the price of crude oil trickles down to the pump, an industry analyst said Sunday.

Fund managers make big bets on oil stocks

(Reuters) - Top hedge fund managers went bargain hunting in the oil patch in the second quarter, buying shares whose prices had tumbled after BP's Gulf of Mexico well disaster and in the face of lower oil prices.

Capacity Shortages Hurt Oil Exploration And Production

Some exploration and production companies were unable to secure oil service capacity on a timely basis during the second quarter of 2010 as the increase in onshore oil and gas development created shortages and long waiting times for some. This capacity shortage also caused a few companies to report lower production in the quarter, possibly impacting full-year production targets.

Interior Department limits use of environmental waivers

WASHINGTON (Reuters) – The U.S. Interior Department said on Monday it would limit the controversial practice of allowing environmental waivers for deepwater drilling projects and instead subject all such drilling to detailed analysis as it evaluates its review process.

Allowing companies to skip the environmental review process for specific drilling projects has come under intense scrutiny because BP was granted waivers for its exploratory well that blew out of control in April.

Norway's oil production up in July

(Reuters) - Norway's oil production rose to a preliminary 1.804 million barrels per day on average in July from actual production of 1.785 million barrels in June, the Norwegian Petroleum Directorate said on Tuesday.

Chinese oil majors eye domestic demand, govt policy

HONG KONG (Reuters) - Upcoming earnings from China's trio of oil majors, PetroChina, Sinopec Corp and CNOOC, will shine a spotlight on oil demand from the world's No.2 energy user, which could throttle back its fuel demand in a cooling economy.

What would an Israeli attack on Iran make better?

Is that worth it? I'm skeptical, to say the least. But even if you think it is, it's certainly not an actual answer to the problem described in paragraph two. Israel's plan for the future can't be to hope that either it or America will succeed in bombing or invading every unfriendly Arab nation that attempts to upgrade its military capabilities. And in making the short-term problem of Iran's weapon ambition a bit better, it may make the longer-term problems of regional hatred and angry terrorists even worse.

Power now comes at a very high price

Two matter above all others. The first is to address the transport fuels trade deficit, now standing at \$16 billion a year and heading towards \$30 billion in 2015 – and that is if the global crude oil price stays at its present levels and the Aussie dollar remains high. Change these two factors and a deficit of \$50 billion a year is not impossible.

Ever fortunate in energy resources, Australia can meet this impending crisis by having recourse to oil shale and/or natural gas for vehicles as well as by launching on the 20-year task of creating the infrastructure for electric vehicles. But it will take years to get either option to the point of delivering relief.

Unsustainable relationship between China and U.S. clouds both countries' prospects

Climate change, peak oil, competition for scarce resources including rare-earth metals, North Korea's nuclear program, Taiwan — all have highly destabilizing potential. While America has been exhausting itself in Iraq and Afghanistan, China has been building ties around the world to lock up resources and markets.

BP Pays Three Times 2009 Interest for Loans Amid \$50 Billion Spill Costs

BP Plc is paying almost three times its 2009 borrowing rate to shore up its finances amid costs to clean up the Gulf of Mexico spill that could reach \$50 billion.

Gulf oil spill: Are con artists posing as fishermen to scam BP?

BP is investigating reports that its claims process, in which thousands of business owners affected by the oil spill have applied for damages, has been the target of scam artists.

In some instances, people have posed as fishermen to receive checks from BP. In others, swindlers masquerading as BP employees have tried to convince Gulf Coast residents to give them personal financial information.

Scientists Say as Much as 79% of Oil Remains in Gulf of Mexico

A group of scientists says as much as 79 percent of BP Plc's leaked oil remains in the Gulf of Mexico, challenging an Obama administration assessment that the crude is largely gone or rapidly disappearing.

Most of the oil that leaked from BP's Macondo well from April 20 to July 15 is still beneath the water's surface, scientists including Samantha Joye, a professor of marine sciences at the University of Georgia in Athens, concluded in a memo made public yesterday. The researchers say they drew upon the U.S. government's study while reaching different conclusions.

Oily, slow start to Louisiana shrimping season

WASHINGTON (AFP) – Louisiana's first shrimping season since hundreds of millions of gallons of toxic crude spewed into the Gulf of Mexico opened Monday, but few boats took to the water and some found oil, while fears lingered that no one will buy the shrimp anyway.

Gulf oyster beds could start rebounding in fall

Here's what sounds like a riddle but isn't: Louisiana lost somewhere between 20% and 50% of its oyster beds because of the Deepwater Horizon disaster — but 0% because of the resulting oil spill.

BP spill health effects need to be tracked: experts

CHICAGO (Reuters) – Doctors in the Gulf Coast region need to be alert to both the short and long-term health effects of the Gulf of Mexico oil spill, U.S. health experts said on Monday.

Prior oil spills have shown that contact with oil and chemicals can affect the lungs, kidneys, and liver, and the mental strain can boost rates of anxiety, depression and post traumatic stress as many as six years later.

One year after release of Lockerbie bomber Megrahi, questions about BP role

Paris – Convicted Lockerbie bomber Abdel Basset al-Megrahi left a Scottish prison a year ago Friday on compassionate grounds that he had three months to live. But Britain's media and US senators now wonder if more compassion was given British Petroleum's oil interests off Libyan shores than the individual found guilty of downing a New York-bound Pan Am 103 with 259 people aboard, 190 of them Americans.

5 Years Later: Hurricane Katrina

"In a way, I am kind of sad, because we had people all around us. You'd get up, you'd see folk, 'Good morning, good evening, how are you?' Don't have that anymore."

Lester R. Brown - Dwindling Fossil Fuels and Our Food System

The relationship between energy and food is unsustainable, given the prospect of peak oil production. How long can we depend on fossil fuels to facilitate the transfer of food from farm to fork?

Experts ask if GDP is outmoded as prosperity indicator

GDP has long been used as the primary indicator of a country's prosperity. But global warming and economic strife have fuelled debate over whether growth really represents economic prosperity which is sustainable.

Old-style coal plants expanding

Utilities across the country are building dozens of old-style coal plants that will cement the industry's standing as the largest industrial source of climate-changing gases for years to come. An Associated Press examination of U.S. Department of Energy records and information provided by utilities and trade groups shows that more than 30 traditional coal plants have been built since 2008 or are under construction.

Out of fashion: Green lawns

Diane Faulkner's lawn was always causing her trouble. This Jacksonville, Fla., resident traveled frequently, and in her absence, her thirsty, fussy grass would go brown or otherwise run afoul of her neighborhood association's rules. She hated returning home to a \$50 fine, but the last straw was when her travels took her to rural Kenya. Immersed in local life, she'd wake up at dawn with the villagers to walk miles along a dried-up river toward a water source, then return with a few gallons for cooking and washing.

"That was their whole morning," she says. As soon as she got on the plane back to America, she had a thought: "How many gallons of water do I waste on that stinking lawn?" And more broadly, why did she even have a lawn in the first place?

Turning the grid into an info highway

In the near future, utilities and consumers across Canada will access a Web portal to share information about everything to do with energy -- from the state of system loads to power outages to billing. Already, some individuals and businesses are helping to supply their utility with renewable energies and generating a new stream of income for themselves in the process. This is possible because provinces and power generators across Canada are moving forward with smart electricity networks to conserve power, supply new demand and address global warming.

Patrick, rivals clash over Cape wind farm

Republican gubernatorial candidate Charles D. Baker came out swinging at Governor Deval Patrick yesterday afternoon in a debate on clean energy, calling the proposed Cape Wind project in Nantucket Sound "a sweetheart deal" among the state, Cape Wind, and the utility National Grid that is purchasing half of its power.

Obama: Wis. plant symbolizes clean-energy future

MENOMONEE FALLS, Wis. – President Barack Obama says a Milwaukee-area battery plant represents the country's future in renewable energy.

Obama visited ZBB Energy Corp. in Menomonee Falls on Monday morning. The company makes batteries and fuel cells that get used in renewable-energy products.

Around The World In 80 Days With Zero Emissions

Four electric vehicles powered solely by renewable energy offsets departed from Geneva today on an 80-day race around the world. Though they're sure to encounter adventure, this trip is less about Jules Verne and more about joules and volts.

Soaring temps cause mass coral killing in Indonesia-study

SINGAPORE (Reuters) - A dramatic spike in ocean temperatures off Indonesia's Aceh province has killed large areas of coral and scientists fear the event could be much larger than first thought and one of the worst in the region's history.

Russia Wildfires Not Due to Climate Change, Scientists Say

Russia's heat wave, drought and wildfires, by themselves, are not signs of global warming, according several leading climatologists - despite widely reported claims this week by a Russian scientist.

But experts agree that overall, the climate indeed shows signs of human-induced warming.

Russia Uses Nuclear Icebreakers to Send Oil to China via Arctic Not Suez

OAO Sovcomflot, Russia's largest shipper, and OAO Novatek aim to cut the time it takes to deliver oil and gas to China, sending their first cargo through the Arctic rather than the Suez Canal.

A 70,000 metric ton cargo of gas condensate left the port of Murmansk for Asia on Aug. 14, Mikhail Lozovoy, a spokesman for Novatek, Russia's second-largest gas producer, said today by telephone from Moscow. He declined to give the specific destination.

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