



Drumbeat: September 1, 2010

Posted by [Leanan](#) on September 1, 2010 - 8:56am

Topic: [Miscellaneous](#)

[The Peak Oil Crisis: Prospects for China](#)

The key question in all this is how much longer China's economic miracle can continue before the realities of finite mineral resources force a slowdown? Another five years of 10 percent annual economic growth will result in Beijing increasing its oil consumption by another 2.5-3 million barrels per day. This alone would likely mop up much of the world's spare capacity to produce oil and result in very large price increases. When China's ever growing demand is added to that of India, Brazil and the oil exporting states, the likelihood that we will see a substantial increase in oil prices within the next five years becomes very high.

f="http://news.yahoo.com/s/ap/20100831/ap_on_bi_ge/us_gulf_oil_spill_revolving_door">Drilling agency imposes conflict-of-interest rules

WASHINGTON – Scandalized by federal regulators who had sex with oil company executives and negotiated with them for jobs, the agency that oversees offshore drilling is imposing a first-ever ethics policy that bars inspectors from dealing with a company that employs a family member or personal friend.

Michael Bromwich, head of the Bureau of Ocean Energy Management, said the new policy should help restore credibility to his beleaguered agency, which was widely criticized under its former name — the Minerals Management Service — for being too close with oil and gas companies.

President Barack Obama and Interior Secretary Ken Salazar have pledged to end the agency's "cozy relationship" with industry and slow the revolving door between government and the energy industry.

[Pemex looks to shale](#)

Pemex is considering opening an entire line of exploration that concentrates on shale gas wells in the northern state of Coahuila.

Pemex board member Hector Moreira told Market News International the new line could reduce the company's dependence on natural gas imports.

[OPEC oil output falls to lowest since Nov 2009](#)

LONDON (Reuters) - OPEC crude oil supply fell in August to the lowest since November 2009 as reduced supplies from Nigeria, the United Arab Emirates and Iraq offset increased output in Angola, a Reuters survey showed on Wednesday.

Supply from the 11 members of the Organization of the Petroleum Exporting Countries with output targets, all except Iraq, averaged 26.83 million barrels per day (bpd) last month, down from 26.95 million bpd in July, according to the survey of oil companies, OPEC officials and analysts.

[The Gas Bulls of Summer Turn into Bears](#)

Recently, the last of the raging bulls on natural gas prices traded in their horns for bear uniforms – and we don't mean the Monsters of the Midway variety! By throwing in the towel on gas prices for this year, these bulls-turned-bears then proceeded to claw their future gas price forecast by stating they expected \$6 per thousand cubic feet (Mcf) to be the long-term average. The reality is that these bulls of summer were really merely acknowledging the power of the market as natural gas prices are about two dollars per Mcf below where they were at the start of 2010, and well below the \$7.50/Mcf average gas price the bulls had forecast.

[Feds downplay risk of leak when well cap moved](#)

The federal government's point man on the Gulf of Mexico spill response said Wednesday there is no "significant risk" that more oil will leak into the sea when engineers remove the temporary cap Thursday that first contained the gusher in mid-July.

Retired Coast Guard Adm. Thad Allen said vessels will remain on standby just in case to collect any leaking oil.

[FACTBOX - Key political risks to watch in Uganda](#)

(Reuters) - Uganda expects to become an oil-producing nation in 2011, but a protracted dispute with British exploration firm Heritage Oil may delay production and risks unsettling other investors.

With the potential to be a top 50 oil producer, Uganda stands to reduce its budget dependence on foreign aid and improve poor infrastructure.

[Nissan starts selling all-electric Leaf sedan today](#)

At long last, Nissan begins taking actual orders today for the first next-generation fully electric car from a major automaker, the Leaf.

[Carpooling](#)

Passengers might be the most under-appreciated factor in how much fuel and money you waste. As I write this, for example, a business headline boasts of Toyota's multi-million-dollar plan to boost fuel efficiency by 25 percent, with the usual discussion of what this will mean for the economy and the climate. Any of us, however, can boost the efficiency of our cars by several hundred percent instantly, with no additional expense or technology, simply by getting more people in the car.

This fact is also forgotten when we judge car owners by the wastefulness of their vehicles. An SUV is a spectacularly inefficient machine compared to a Prius, for example, but pack that Dodge Durango full of people and suddenly it is greener than the electric hybrid driven alone.

[Transit systems easier to predict with smart phone apps](#)

Allen Stern says he had a 40-minute wait between buses when he lived in Manhattan. Using a free mobile app that became available about a year ago, he could at least tap into the Metropolitan Transit Authority with his cellphone and find out exactly how far away the next bus was from his stop.

[Jatropha: A new form of energy](#)

SINGAPORE - Biotechnology firm JOil is confident that it can breed and genetically engineer the Jatropha plant to be a more sustainable alternative to fossil fuel and other biofuels.

It plans to create a Jatropha hybrid that can produce more fruits and match the four to six tonnes of oil per hectare that palm trees can generate.

[Pedal power takes off as exercise produces electricity](#)

Pedal power is gaining traction as thousands of bikes and elliptical machines are retrofitted to produce electricity.

Gyms are using sweat equity to help power their facilities. A Brooklyn eatery uses it to

make smoothies. Female inmates at a Phoenix jail pedal to power their TV to watch soap operas. Actor Ed Begley Jr. bikesrides a bike to run his toaster.

[Obama lobbied to add solar panels to White House](#)

A campaign to make the White House greener is intensifying as a group of environmentalists plan this month to give President Obama a solar panel that used to sit atop 1600 Pennsylvania Avenue.

[Points of departure](#)

There is a strong correlation between energy consumption and economic growth. We can for sure hope for "decoupling" - to be able to have continued economic growth while maintaining or even reducing energy use - but no country has ever managed this Indian rope trick and that does not bode well. Maybe we are high on energy, listening a little too closely to the voice of intoxication, but it will unfortunately all too soon be replaced by a massive hangover.

[The Peak Oil Crisis: Prospects for China](#)

The key question in all this is how much longer China's economic miracle can continue before the realities of finite mineral resources force a slowdown? Another five years of 10 percent annual economic growth will result in Beijing increasing its oil consumption by another 2.5-3 million barrels per day. This alone would likely mop up much of the world's spare capacity to produce oil and result in very large price increases. When China's ever growing demand is added to that of India, Brazil and the oil exporting states, the likelihood that we will see a substantial increase in oil prices within the next five years becomes very high.

[Secret German military study warns of dramatic oil crisis](#)

Berlin : A confidential German army study warned of a looming oil crisis which could have dramatic political and economic consequences for the world, the Hamburg-based weekly news magazine Der Spiegel said Tuesday.

According to the report, a think-tank of the German army has for the first time ever analyzed the security policy dimensions of the peak oil problem.

[Peak Oil from a Security Studies Perspective](#)

The Strategic Institute of the German Bundeswehr has now published a document on

the implications of peak oil for security (more precisely: the study was leaked). The study is very well written and recommended as an essential read not only for geostrategist but especially for those involved in global sustainability questions. In fact, at least in wording the authors care about such diverse issues as environmental impact of unconventional oils and the impact of global-marked-induced land-use change on indigenous populations. It is worthwhile to have a closer look on some of their results:

[Remembering Matt Simmons](#)

Matt Simmons, a long time friend of the Maine coast and its islands and a student of the winds and waters of Gulf of Maine, loved to tell the story of his first trip to Maine, courtesy of a labor strike while he worked construction one summer as a college student in his home state of Utah. When a labor dispute suddenly shut down the construction site, he and a buddy were only too happy to collect their strike checks and head out on a jaunt. They went north into the Canadian Rockies then turned right and headed toward the Inscrutable East, dipping back down into the United States via the border at Jackman, where they drove along the shores of Moosehead Lake before ending up in Boston. On a lark, Matt ducked into the Harvard Business School, which had not had a long history at that point of actively recruiting students from Mormon country in Utah, but the visit was enough to entice him to apply and enroll. Matt loved telling that story because it held the kinds of mutually opposed contradictions he loved to explore—a businessman who owed his right future to a labor strike. If genius is the ability to hold mutually opposing ideas in the mind at the same time without being paralyzed, Matt Simmons would certainly qualify.

[Oil Drops, Caps Worst Month Since May, as Hurricane Earl Threatens Demand](#)

Oil tumbled, capping its worst month since May, on forecasts Hurricane Earl will pelt the U.S. East Coast, curbing fuel demand during the Labor Day holiday weekend.

Crude dropped the most in 12 weeks amid speculation that stormy weather will keep beachgoers and travelers at home. Labor Day is the traditional end of the U.S. summer driving season, the peak gasoline demand period. U.S. gasoline demand slid to a 12-week low last week, MasterCard Inc. reported today.

“It’s the last thing we need,” said John Kilduff, a partner at Again Capital LLC, a New York-based hedge fund that focuses on energy. “It’s a big gasoline consumption weekend. Given how poor the gasoline demand has been, it will be a final parting blow for the summer driving season if people won’t hit the beach in droves.”

[Ethanol Surpasses Gasoline for First Time Since December](#)

For the first time since December, ethanol prices are higher than gasoline as corn surges and refiners profit from tax breaks.

[Gas Prices Explained](#)

So what determines the price of gasoline? Speculators? Evil conspiring oil companies? Well, actually no. It's demand and supply, of course. On the demand side the American automobile fleet gets better gas mileage than it did a few years ago and Americans, whacked by the recession and high unemployment rates, are driving a bit less than they used to. In addition, thanks to government subsidies, about 9 percent of what goes into our gas tanks is ethanol produced from corn, which also reduces the demand for refined crude. On the supply side, global oil supplies are ample and refiners in the U.S. evidently believed the Obama administration's rosy "recovery summer" scenarios and stockpiled a lot of gasoline.

[Sinopec Plans to Cut September Oil Processing by 4% at Refinery in Hainan](#)

China Petroleum & Chemical Corp., Asia's biggest refiner, will process 4 percent less crude oil at its Hainan plant in September compared with last month, an official at the refinery said.

[FACTBOX-Key political risks to watch in Saudi Arabia](#)

(Reuters) - Saudi Arabia, under the rule of an ageing King Abdullah, has the dilemma of making reforms that keep the austere clerical establishment that opposes change on side and violent Islamist militants at bay.

Any instability at the helm of Saudi Arabia, which controls more than a fifth of the world's crude oil reserves and is a regional linchpin of U.S. policy in the Middle East, would be a concern for the rest of the Arab Gulf region.

[FACTBOX-Key political risks to watch in Yemen](#)

(Reuters) - Rising al Qaeda militancy, a surge in violence in a secessionist south and crushing poverty will be this year's critical tests for Yemen, neighbour to top oil exporter Saudi Arabia.

[Reid hopeful for GOP energy votes after elections](#)

WASHINGTON (Reuters) – Senate Majority Leader Harry Reid said he hoped to pick up Republican votes for a pared-down energy bill after the midterm congressional elections.

"Maybe after the elections we can get some more Republicans to help us on these issues," Reid, a Democrat, told reporters in a teleconference on Tuesday.

[Sinopec Sees Solid Gas Growth Ahead](#)

While oil production experienced sluggishness in the first half, natural gas production showed solid growth. China is ramping up gas production as it seeks to find alternatives to coal, which emits high carbon levels. It is set to raise the country's energy needs from the current 3% to 10% by 2020.

[Insurance likely to reduce BP's liability for Gulf of Mexico oil spill](#)

BP PLC has taken on some of the blame for the Deepwater Horizon rig that spilled millions of gallons of oil into the Gulf of Mexico earlier this year, but the company is still expected to have limited liability for mistakes made misreading pressure data that indicated a blowout was imminent.

[BP Raises \\$363 Million in Malaysian Asset Sale to Help Pay for Gulf Spill](#)

BP Plc, seeking cash to help pay for the worst U.S. oil spill, agreed to sell its Malaysian chemical assets to Petroliam Nasional Bhd. to focus on projects in China and India.

BP will sell its 15 percent stake in Ethylene Malaysia Sdn and 60 percent interest in Polyethylene Malaysia Sdn for \$363 million, the London-based company said today in a statement. It will also be eligible for a possible \$48 million dividend from the ethylene unit.

[A Nuclear Giant Moves Into Wind](#)

Exelon, a nuclear giant that recently backed away from building new nuclear plants, is moving into wind.

[Canada company builds major waste-to-biofuel plant](#)

VANCOUVER, British Columbia (Reuters) - A Canadian company started construction on Tuesday on what it says is the world's first industrial-scale plant to turn municipal waste into biofuel.

Privately-owned Enerkem Inc said the C\$80 million (\$75 million) facility in Edmonton, Alberta, will produce enough biofuel to keep more than 400,000 cars a year running on a 5 percent ethanol fuel blend.

[Thorium Cures the Free Market](#)

Obama could kill fossil fuels overnight with a nuclear dash for thorium ... If Barack Obama were to marshal America's vast scientific and strategic resources behind a new Manhattan Project, he might reasonably hope to reinvent the global energy landscape and sketch an end to our dependence on fossil fuels within three to five years.

[New Warnings About Costs of Nuclear Power](#)

As anticipation grows about a possible renaissance for the nuclear power industry — and about its potential for curbing greenhouse gas emissions — some politicians are stepping up warnings about the high cost of such projects.

Last week, Traicho Traikov, the Bulgarian economy and energy minister, said the cost of building a second plant near the Danube River had reached 9 billion euros, or \$11.4 billion, according to the Sofia News Agency.

The original cost of the project for two reactors was expected to be just under \$4 billion.

[Homeowners Must Pay Off Energy Improvement Loans](#)

Many homeowners who participated in a program that let them repay the cost of solar panels and other energy improvements through an annual surcharge on their property taxes must pay off the loans before they can refinance their mortgages, two government-chartered mortgage companies said Tuesday.

The guidance came from Fannie Mae and Freddie Mac as efforts to resolve a dispute over the program — called Property Assessed Clean Energy, or PACE — have failed.

[Calif. rejects ban on plastic shopping bags](#)

SACRAMENTO, Calif. — California lawmakers have rejected a bill seeking to ban plastic shopping bags after a contentious debate over whether the state was going too far in trying to regulate personal choice.

The Democratic bill, which failed late Tuesday, would have been the first statewide ban, although a few California cities already prohibit their use.

[A Greener Champagne Bottle](#)

“This is how we’re remaking the future of Champagne,” he said, pointing to the area just below the neck. “We’re slimming the shoulders to make the bottle lighter, so our carbon

footprint will be reduced to help keep Champagne here for future generations.”

The Champagne industry has embarked on a drive to cut the 200,000 metric tons of carbon dioxide it emits every year transporting billions of tiny bubbles around the world. Producing and shipping accounts for nearly a third of Champagne’s carbon emissions, with the hefty bottle the biggest offender.

[Cleaner Cars, A to D](#)

The Obama administration has proposed new stickers for cars and light trucks that will make it easier to see whether you are buying a fuel-efficient one or a guzzler, and how much it contributes to global warming. The stickers are a symbol of how far this country has come in providing a wider range of environmentally responsible choices to help ensure cleaner air and a healthier planet.

[L.A. mayor, Latino activists take on oil companies over Proposition 23](#)

They say the ballot initiative to suspend the state's climate change law would hurt low-income communities already suffering the most from pollution.

[Jeff Rubin: High energy prices make Copenhagen green](#)

There is certainly much to be said for Denmark’s leadership in green energy. While North American carbon emissions have risen by around 30 per cent since 1990 (the reference point for the Kyoto Accord), Denmark’s emissions are actually lower than they were two decades ago. That’s generally ascribed to the fact that a world-leading 20 per cent of the power generated in Denmark comes from wind.

Less commonly known is the source of the other 80 per cent. I was surprised to discover that it comes from good old King Coal. In fact, coal’s share of power generation in Denmark’s power grid is basically the same as it is in China.

[Tiny creatures reveal ancient sea levels](#)

"It was a very big surprise," says David Barnes, lead author of the study at the British Antarctic Survey, of the find of similar bryozoans 2400 kilometres apart in seas on either side of the West Antarctic ice sheet, which is 2 kilometres thick.

"The most likely explanation of such similarity is that this ice sheet is much less stable than previously thought and has collapsed at some point in the recent past," he says.

"And if the West Antarctic ice shelf has been lost in recent times we have to re-think the possibility of loss in future with climate change."



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/us/).