



Drumbeat: September 24, 2010

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Rising Energy Demand Hits Water Scarcity 'Choke Point'

WASHINGTON (IPS) - Meeting the growing demand for energy in the U.S., even through sustainable means, could entail greater threats to the environment, new research shows.

The study was carried out by Circle of Blue, a network of journalists and scientists dedicated to water sustainability, and could have implications not just for the relationship between energy demand and water scarcity in the U.S. but elsewhere in the world, as well. "It is not just that energy production could not occur without using vast amounts of water. It's also that it's occurring in the era of climate change, population growth and steadily increasing demand for energy," explained Circle of Blue's Keith Schneider, who presented the findings in Washington Wednesday.

"The result is that the competition for water at every stage of the mining, processing, production, shipping and use of energy is growing more fierce, more complex and much more difficult to resolve," he said. About half the 410 billion gallons of water the U.S. withdraws daily goes to cooling thermoelectric power plants, and most of that to cooling coal-burning plants, according to the U.S. Geological Survey.

Meanwhile, climate change is leading to decreased snowmelt, rains and freshwater supplies, says Circle of Blue.

regular gasoline was \$2.71 a gallon on Friday, which is about 3 cents lower than a week ago, based on a survey by AAA, Wright Express and the Oil Price Information Service. It's about 17.6 cents higher than a year ago.

UK 'well prepared' for major oil spill

Far from the steamy waters of the Gulf of Mexico, a practice session is under way to prepare for what the oil industry must dread most: a repeat of the massive spill on the scale of the BP disaster off Louisiana.

Desire cashes up for Falklands shoot

UK explorer Desire Petroleum, one of the British companies hunting for oil in the Falkland Islands, raised 22.8 million pounds (\$35.7 million) in a share placing to speed up data surveys as it seeks to emulate rival Rockhopper's discovery in the basin.

U.S. cities tout conservation, but many don't take action

Two-thirds of U.S. cities and counties consider the environment and energy conservation a priority, but far fewer have taken steps to address those issues, a new survey reveals.

Air pollution stands in way of Hong Kong growth

HONG KONG — Hong Kong has long appealed to foreign companies as a gateway to the booming China market. But business leaders are warning that severe air pollution is hurting the city's competitiveness and its desirability as a place to live.

Test drive: Lincoln MKZ takes hybrid to cushy new heights

OK. No messing around. Right to the point: The 2011 Lincoln MKZ hybrid is a terrific car.

No, it isn't a jewel of this or paragon of that. It's a really well-tailored, extraordinarily competent sedan. Its generally frisky personality and agile handling make it seem like a car you'll appreciate long after the loan is paid off.

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Will Poland Run Out of Russian Gas?

Poland is about to soon use up the Russian gas available under its current contract with Gazprom and will stop getting gas from Russia right when the weather is about to get really cold, in mid-October, according to both the Polish government and the European Commission. For more than a year, its negotiations with Russia of a new agreement for higher deliveries have been a major headache.

Poland has been undersupplied with Russian gas since the early 2009, when RosUkrEnergo - a mysterious Swiss-registered 50-50 venture between Gazprom and Ukrainian businessmen - was squeezed out from the Ukrainian market.

Angola Oil Minister: Output 1.9 Million B/D, Above OPEC Quota -Agency

LONDON -(Dow Jones)- Angola is still producing 1.9 million barrels a day of oil, state media quoted the country's oil minister as saying Friday, well in excess of its quota with the Organization of Petroleum Exporting Countries.

News agency Angola Press quoted Jose Botelho de Vasconcelos as saying: "Angola, with a production of one million, nine hundred thousand barrels of oil a day, is the second largest producer in the Gulf of Guinea."

Hess, PetroChina Sign Accord to Explore `Tighter Oil Formations' in China

Hess Corp., the fifth-biggest U.S. oil company, will explore for crude in China in cooperation with that nation's largest oil company, PetroChina Co.

Hess and PetroChina will work with dense rock in the Daqing oil field, a formation that's similar to the Bakken basin in North Dakota, where Hess is already exploring, Jay Wilson, a Hess spokesman, said by telephone today.

T. Boone Pickens to natural gas drillers: stand down until prices rebound

CALGARY - Texas oilpatch veteran T. Boone Pickens has some advice for natural gas drillers: put the rigs away and wait for dismal prices to pass.

"I'd kill the drilling, let the supply go down and then get a better price for the gas," hePage 3 of 13Generated on September 24, 2010 at 1:01pm EDT

told a Calgary business audience Wednesday.

BHP seals \$1.5bn gas deal to help supply WA market

BHP Billiton has approved its \$US1.5 billion (\$A1.57 billion) Macedon gas joint venture with Apache Corporation in offshore Western Australia to supply the hungry domestic gas market.

BHP, which owns 71.43 per cent of the resource, has received West Australian environmental approval for the project, which will now start drilling four production wells to commercialise the 200 million cubic feet a day of gas, equivalent to about a quarter of the state's domestic gas production.

Southcentral Alaska residents warn of potential shortage of natural gas

ANCHORAGE, Alaska - Southcentral Alaska utilities and local governments are asking residents to prepare for a possible natural gas shortage this winter.

Emergency officials are asking users to voluntarily turn down the heat between 6 p.m. and 8 p.m. on Oct. 20.

And petrol makes a welcome comeback

LAHORE: After over a week of crippling petrol shortage, most petrol pumps were back in business on Thursday. Happy days for black marketeers, who made off with an estimated Rs150 million from desperate consumers, are behind them for now.

Black marketeers have been busy pointing fingers at one another for the high prices while consumers complained about the poor quality of fuel.

Bangladesh to install 12 more liquid and coal fired power plants in private sector

Dr Tawfiq e Elahi Chowdhury adviser to the prime minister said the government has decided to install 12 more liquid and coal fired power plants to meet the country's growing demand for electricity.

Deal struck to end high fuel costs

NAIROBI, Kenya - KenolKobil will now be able to refine its oil at the Kenya Petroleum Refineries Limited (KPRL) in Mombasa following an amicable agreement with the

government.

Energy Permanent Secretary Patrick Nyoike said on Thursday that this would address the fuel shortage currently being experienced in the country as a result of the dispute between KenolKobil and KPRL over the latter's decision to cancel the oil marketer's processing agreement.

Report: Queen made bid for poverty grant

LONDON — Critics slammed Britain's Queen Elizabeth II after a report revealed that a senior aide asked the government if the monarch would be eligible for an anti-poverty grant to heat her palaces, Sky News reported on Friday.

"It's appalling, it's the most crass thing I have ever heard in my life," Sky quoted Graham Smith, a spokesman for Republic, a campaign group calling for the monarchy to be scrapped, as saying. "The anti-poverty grant is meant to go to needy people — and the idea that the palace can take money from the poor to bankroll the rich is disgusting."

Denninger: Even A Blind Squirrel Finds A Nut (Reich)

We should have gasoline at about a buck a gallon along with other energy prices half what they were in 2007 at this point. Why? Because demand has collapsed. If that had happened it would have helped everyone in the lower and middle classes, since energy goes into every stage of food production, and thus the two major things everyone must buy - food and energy - would have come down in price. Those are a much larger proportion of the lower and working class people's budget than they are the rich.

But instead they got squeezed - all so the banksters could maintain their illusion of "value" in their so-called "assets", and now we have an intentional policy of trying to maintain the imbalances that led us to this mess - too much credit, too much debt - in the first place. Energy and food prices have gone to the moon, even though the economy is in the dump.

Hungary Opens New 'Green' Filling Stations

Hungary's network of outlets selling energy viewed as ecologically friendly expanded this week to include two new stations.

In Budapest, regional electricity utilities Elmu Zrt. and Emasz Zrt., both majority-owned by Germany's RWE AG, opened Hungary's first charging station for electric vehicles, state news agency MTI reported. Retail consumers may use the station free of charge until Sept. 30, 2011, the companies said. RWE, with the help of a local partner, launched a similar outlet in Warsaw last year.

<u>4 ways to cut winter energy bills</u>

These four home products can let you burn less cash when temperatures crash.

Book review: Peak of the Devil

Haynes succinctly states a couple of peak oil points that I've been struggling to articulate for a long time: the best place to be when oil supplies get tight is where you are living right now, and to look to the past for clues of what to expect in the future. Peak oil "will not be, as some have predicted, a return to the Dark Ages," he writes, suggesting we should work with our neighbours rather than think about moving to the countryside or even attempting to live, survivalist-style, in the woods – albeit with hints about those out in the 'burbs being advised to move closer to town. So it's a case of make friends and prepare for a life of low energy and hard physical work. Haynes observes that probably the safest assumptions we can make about a future of diminishing oil availability come from looking back to the past. As he calls it: ". . . the end of the 21st century is going to look a lot like the end of the 19th, but with better healthcare and stronger child labor laws, if we are lucky."

Cooperation Law for a Sharing Economy

What do you call a lawyer who helps people share, cooperate, barter, foster local economies, and build sustainable communities?

That sounds like the beginning of a lawyer joke, but actually, it's the beginning of new field of law practice. Very soon, every community will need a specialist in this yet-to-benamed area: Community transactional law? Sustainable economies law? Cooperation law?

In Close Proximity: To conserve, consume less

At base, conservation means consuming less -- and even, as in Theodore Roosevelt's creation of national parks, not producing anything (save recreation) to consume at all.

However, the idea of corporate capitalism is limitless capital accumulation driven by limitless consumerism. Thus, in corporate context, conservation and consumerism are antithetical.

Mining's Final Frontier

 A new generation of prospectors is eager to explore the ocean floor. Will deep-sea

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digging damage one of the earth's most valuable ecosystems?

GRFA to UN FAO: Reveal True Impact of Oil Prices on Food Security

TORONTO, ONTARIO--(Marketwire) - As the Food and Agricultural Organization of the UN prepares to hold an Extraordinary Meeting of the Intergovernmental Group on Grains and Rice, the GRFA is challenging the UN to reveal the true impact that crude oil prices have on food pricing and recognize that our heavy reliance on crude imports is one of the leading causes of food inflation and price spikes.

"The FAO has recognized a variety of drivers behind food price spikes, such as drought, energy prices and trade restrictions; however, the impact of crude oil prices on food inflation cuts across all national boundaries and has a disproportionate impact on food prices," said GRFA spokesperson, Bliss Baker.

"As long as we are dependent on crude oil for our primary source of energy, we will continue to see food prices climb as crude oil prices climb," added Mr. Baker.

Oil hovers above \$75 amid mixed US economic data

Oil prices hovered above \$75 a barrel Friday as an unexpected rise in German business confidence helped to shore up sentiment amid ongoing concerns about the pace of the U.S. economic recovery.

West Texas Crude Losing Status as Global Benchmark for Oil

The shutdown of a U.S. oil pipeline that caused prices to fluctuate twice as much as in Europe is adding to concern that the benchmark contract for crude is failing to reflect supply and demand for energy.

Nigeria's Bonny crude exports to hit 2-year high

LONDON (Reuters) - Repairs to sabotaged oil facilities in the Niger Delta will help to push exports of Nigeria's benchmark crude oil to the highest since early-2008, trade sources said on Friday.

According to preliminary loading programmes, Bonny Light output will average 285,000 barrels per day (bpd) in November, up from 245,000 bpd planned in October.

Tropical Storm Matthew May Become Hurricane in Caribbean, Strike Honduras

The Oil Drum | Drumbeat: September 24, 2010

Tropical Storm Matthew may near hurricane strength later today before hitting the Nicaragua- Honduras border along its Caribbean coast and continuing on a course toward Belize and Mexico's Yucatan peninsula.

US senator blocks Obama nominee over drilling ban

WASHINGTON (AFP) – A Democratic senator from Louisiana blocked US President Barack Obama's pick for budget director to pressure for an end to a ban on offshore drilling in the Gulf of Mexico.

Senator Mary Landrieu said Jacob Lew, whose nomination got 22-1 support Thursday from the Senate Budget Committee, "lacked sufficient concern for the host of economic challenges confronting the Gulf Coast."

European countries reject Atlantic oil drilling ban proposal

OSLO (AFP) – Countries bordering the north-east Atlantic rejected a ban proposal on deep-sea offshore drilling destined to avoid an environmental disaster comparable to the Gulf of Mexico oil spill, Norway said Friday.

The ban was proposed by Germany at a meeting in the western Norwegian city of Bergen of the OSPAR commission, a body through which the 15 countries with western coasts and catchments of Europe, together with the European Union, cooperate to protect the environment of the North-East Atlantic.

Norway's DNV sees Singapore as first Southeast Asia LNG bunker terminal

Singapore (Platts)- Norway-headquartered risk manager Det Norske Veritas, or DNV, has assessed the feasibility of implementing LNG infrastructure in Southeast Asia for LNG bunkering of ships, with Singapore poised to be the first LNG terminal in the region to provide such a service, Remi Eriksen, the company's CEO for Asia and the Middle East said late Thursday.

Iraq's Crude Exports via Turkey `Suddenly Drop' 20% After Technical Fault

Iraq's crude oil exports through Turkey "suddenly" dropped by about 20 percent due to a technical fault on the Iraqi side of the border, according to an official for the state-run North Oil Co.

"The flow suddenly dropped from the usual level of 600,000 barrels a day to between 400,000 and 450,000 barrels a day" yesterday, Imad Baqer, head of the company's production department, said today by telephone from Baghdad.

Medvedev Seeks to Diversify China Trade as Energy Exports Rise

President Dmitry Medvedev travels to China next week in a bid to diversify trade even as Russia plans to boost oil and gas exports to its Asian neighbor.

Medvedev, who took his first presidential trip outside the former Soviet Union to China in 2008, is returning for a three- day visit on Sept. 26 to push his agenda of Russia's modernization away from a "primitive" resource-based economy.

Poland Says Closer To Russian Gas Deal, Final Talks In Oct

WARSAW -(Dow Jones)- Poland and Russia have moved "significantly closer" to reaching a revised long-term agreement for natural gas deliveries to Poland, with final talks expected in early October, Poland's Economy Ministry said in a statement Friday.

Former BP Commodities Trader Quek Says Company Had an `Atmosphere of Fear'

BP Plc's former head of commodities trading Quek Chin Thean, who is accused by the oil company of misusing confidential information and helping a rival, told a Singapore court he backed up the data because there was an "atmosphere of fear" at the firm.

BP had been "conducting oppressive and disproportionate investigative proceedings against its employees and ex- employees," Quek, 41, said in papers filed in the Singapore High Court on Sept. 22. "It was this general atmosphere of fear in the BP Group that prompted me to back up my working e-mails and documents as a precaution."

Japan to release Chinese boat captain amid dispute

TOKYO – Japanese prosecutors decided Friday to release a Chinese fishing boat captain involved in a collision near disputed islands, following intense pressure from China in the worst spat between the Asian neighbors in years.

The move will likely ease the escalating tensions sparked when Japan arrested the captain earlier this month after his trawler collided with two Japanese patrol boats near islands in the East China Sea claimed by both countries.

Analysis: Experts urge nimbler global response to crises

(Reuters) - Unidentified attackers detonate a "dirty" bomb in the Strait of Hormuz, in

minutes disrupting global trade and shipping and devastating financial markets.

A German trawler collides with a Chinese warship in the newly-opened Arctic. Devastating floods hit a weapons bunker in nuclear-armed Pakistan, raising fears for atomic security.

Would the world's Cold War-era security institutions be up to managing any one of these crises, in which systemic problems like climate change worsen traditional security flashpoints?

SA is nearing peak coal, say scientists

South Africa has more coal than it can ever burn, right? If you think this, as many of us do, think again.

Research by international and local scientists has shown that coal, like other resources, is finite and can be expected to comply with peak resources theory. The theory shows that production in commodities such as oil grows until a peak is reached, whereafter production declines.

In the case of South African coal, the studies show production has already reached its peak, or soon will.

Can the world live with the pace of economic growth? Time to find out

It used to be the biggest question, but now it seems to be the forgotten question of the environment movement: can economic growth continue indefinitely? And this weekend it's going to be brought back into the spotlight at a major international gathering co-sponsored by *The Independent*.

Clean-energy miracles: Myth or viable strategy?

CAMBRIDGE, Mass.--As people consider the best path to a sustainable energy future, two polar ends of a debate are emerging between those who argue for technology research and those who advocate more aggressive use of existing technology.

Oil Dependence and Cuba

I believe that the oil shock will mean the undoing of capitalism, which depends so much on production perpetually increasing. However I worry about the survival of "State socialism" and other forms of authoritarianism; history has demonstrated that such systems are not necessarily dependent on petroleum.

An Interview with Edward Guinness on Solar-Powered "10-Baggers"

I think we are quite weak "peak oil" believers; while the reserves are finite, we don't think we've peaked yet. We're consuming 86 million barrels a day today; we think that in the next 15 years consumption is going to go to 100 million barrels a day. We think that demand will be met, albeit at higher prices. Actually, our view on demand is that it's going to be even stronger than that based on the strength of Asian demand.

The reason to be enthusiastic about alternative energy is because of the rising costs for fossil fuels, rather than the idea that next Thursday we're suddenly going to run out. The flipside for the alternative energy industry is that you have technologies that are still falling in costs.

Aid Sought for Nuclear Plants

The federal loan guarantee program and other aid for new nuclear plants may not be enough to induce Constellation Energy to build a third reactor at its Calvert Cliffs site, 40 miles south of Washington, the company's president and chief executive said on Thursday.

Lawmaker questions Kuwait's nuclear energy plans

KUWAIT CITY (AFP) – A Kuwaiti lawmaker on Thursday questioned plans by the oilrich Gulf emirate to build a number of nuclear reactors for power generation and demanded information about the expected costs.

Plants Near Chernobyl Appear to Grow a Shield

In April 1986, a nuclear reactor at the Chernobyl power plant in Ukraine exploded and sent radioactive particles flying through the air, infiltrating the surrounding soil. Despite the colossal disaster, some plants in the area seem to have adapted well, flourishing in the contaminated soil.

Forget palm oil and soya, microalgae is the next big biofuel source

Microalgae could help turn the tide on climate change by providing clean, green energy for everything from light bulbs to planes, argues Matthew Aylott. But does the UK have enough space, sunshine - or indeed the stomach - to grow them?

When a Drug Battle Spells Extinction

More than 40 percent of Colombia's 84 distinct indigenous groups are now at risk of extinction because of forced drug-trade recruitment and the fumigation of coca that destroys other crops.

The Battle of the Bulbs

Three House Republicans, Joe Barton and Michael Burgess of Texas and Marsha Blackburn of Tennessee, have introduced the Better Use of Light Bulbs Act, which would repeal the section of the Energy Independence and Security Act of 2007 that sets minimum energy efficiency standards for light bulbs and would effectively phase out most ordinary incandescents.

Shipping growth threatens climate change targets - report

A new report, published by the Tyndall Centre for Climate Change Research, suggests 'the global shipping industry's carbon emissions could account for almost all of the worlds' emissions by 2050 if current rates of growth continue.'

China seeks globally binding climate treaty late 2011: report

BEIJING - China wants the world to seal a binding climate change treaty by late 2011, a Chinese negotiator has told a newspaper, blaming US politics for impeding talks and making a deal on global warming impossible this year.

Two metre sea levels predicted by coastal geologist

An American coastal geologist describes rising sea levels is going to be the first major negative impact of global warming.

Described as America's most outspoken coastal geologist Professor Orrin Pilkey assumes sea levels will rise by 2 metres by 2100.

This is far beyond the predictions of the Intergovernmental Panel on Climate Change who claim levels will rise to half a metre.

The 'Hockey Stick' Lives

Two new studies bolstering the "hockey stick" hypothesis were published just recently. One that appeared this month in the journal Geophysical Research Letters analyzed seashell deposits on the North Atlantic seafloor and determined that 20th-century warming in the region "had no equivalent during the last thousand years." Another study, in The Journal of Geophysical Research, analyzed ice cores from glaciers in the eastern Bolivian Andes dating back to 400 A.D.

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