



## Drumbeat: October 6, 2010

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Topic: [Miscellaneous](#)

### [Jeff Rubin: We have run out of oil we can afford to burn](#)

As I head down to Washington to speak at the Association for the Study of Peak Oil and Gas 2010 World Oil Conference this week, I can't help but reflect on how far the peak oil movement has come over the last decade. It's not too hard to figure out why. There is a very simple litmus test for the credibility of the movement's central theory of depletion – the price of oil. With oil already trading at over \$80 (U.S.) per barrel in the shadow of the world's deepest-ever postwar recession, I guess there's not much of a debate anymore.

growing resource dependency on Africa and the Middle East explains its naval build-up and that the US must expand its own navy.

China is not intending to be a threat. It needs a vast amount of resources to maintain its economic growth – it will need twice as much oil by 2030 as it does now. Most of it is imported and it will need to come from the same places that the US gets its oil from. That will be seen as an economic threat – and a military one in some eyes.

### [Study: Global warming, energy shortages, food scarcity and recession could cause industrial 'failure' in 10 years](#)

The study predicts the "terminal depletion" of the world's traditional mineral energy reserves oil, gas, coal, and uranium within the first quarter of the 21st century, and warns of "catastrophic convergence" between energy, food and water shortages due to abrupt global warming as early as 2018. Developed economies could consequently experience a "collapse" in public services, while large states such as the US, Russia and China would struggle to maintain territorial integrity, potentially becoming embroiled in geopolitical conflict for land and resources.

### [Government blocked spill estimate](#)

The White House in the spring blocked release of government estimates on the worst-case scenario of the amount of oil that was spewing from BP's well in the Gulf of Mexico, the presidential commission looking into the accident said today.

## [Spill Panel Faults Obama Response Effort](#)

WASHINGTON—The Obama administration's response to the BP PLC oil spill in the Gulf of Mexico was affected by "a sense of over optimism" about the disaster that "may have affected the scale and speed with which national resources were brought to bear," the staff of a special commission investigating the disaster found.

## [Gulf oil spill response ill-managed, presidential panel says](#)

The report said that "for the first ten days of the spill, it appears that a sense of over-optimism affected responders. Responders almost uniformly noted that, while they understood that they were facing a major spill, they believed that BP would get the well under control."

As a result, the working paper said, "at least one high-level Coast Guard official thought that the oil would not come ashore and hesitated to open additional command posts."

## [Peak Coal Theory: Profit From the Peaks](#)

Conventional thinking is that we have 250 years of remaining coal reserves, that there is no need to worry about supply — at least, not during our lifetimes...

But, as we've been writing about in these pages for some time now, the "peak"-ing of a resource involves the supply of easy-to-get-to, high quality stuff. And while I hate to be the bearer of bad news, the reality is that oil isn't the only fuel source with a peak theory...

## [U.S. cities increasingly ban or tax plastic shopping bags](#)

More U.S. cities and territories are combating litter by banning or taxing plastic shopping bags, despite the recent defeat of a statewide ban in California.

## [Four-door Smart car coming to the U.S.](#)

NEW YORK (CNNMoney.com) -- Smart USA, the company that sells the tiny Smart ForTwo in the United States, is working on an agreement with Nissan's North American arm to produce a bigger four-door car for sale here late next year.

## [Frito-Lay sends noisy, 'green' SunChips bag to the dump](#)

Frito-Lay is preparing to quietly sack its "green" but noisy SunChips bag.

Roughly 18 months after Frito-Lay, with great fanfare, launched a biodegradable SunChips bag made from plant material that was billed as 100% compostable, the company is yanking the noisy material from the packages of five of six SunChips flavors immediately.

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### [Jeff Rubin: Canada's two new solitudes](#)

Fortunately for Canada, our first encounter with peak oil did not exact the same toll as it did in the U.S. or elsewhere. We can thank our oil resources, not our chartered banks, for that. Even so, unemployment jumped to over 9 per cent and in the process dramatically changed the fiscal landscape in the country.

But that oil blessing may soon become a double-edged sword. The very oil reserves that will soon make Canada an energy superpower are making the loonie a petro-currency. Already around parity with the greenback, the Canadian dollar will soar to unprecedented heights against the U.S. dollar as triple-digit oil prices pull more and more daily oil production from the tar sands. And a strong dollar means one thing to hockey fans: NHL franchises leaving Dixie and the desert, and moving to Canada.

### [New online publication covering green issues launches today](#)

Transition Voice launched today as the first magazine devoted to the subject of oil and fossil fuel depletion and what it means to the economy.

The online publication will run news, analysis, and features to help families, communities, business leaders, and government officials better understand the challenge of finding affordable energy and the need for our whole society to start moving towards an economy beyond fossil fuels.

...The launch issue of Transition Voice features interviews with the late Matt Simmons, oil-industry investment banker, as well as Rob Hopkins, the founder of the Transition movement. Dr. James Hansen, one of the world's leading climatologists, agreed to let the magazine reprint the speech he gave at the Appalachia Rising rally in Washington, DC in

September. The issue also offers pieces from more than a dozen contributors across the United States and beyond, with articles on the rise of Permaculture, how to talk about global climate disruption and the psychology of peak oil, and other features including book reviews, recipes, and an interactive reader poll.

### [When the Market Fails](#)

The market does some crucial jobs so well that we're tempted to make a quasi-religion of it. But at other jobs it fails: for example, at giving a timely signal to prepare for "peak oil."

In their new book, analyst Robert Hirsch and his colleagues take on the coming decline in global oil production, or as they put it, "the impending world energy mess." They estimate that a decline will start in 2-5 years, following the present "fluctuating plateau" on a graph of production.

The kicker is their conclusion that, once we start a "crash program," shifting our fleet of vehicles will take "more than a decade"; and building the infrastructure for new fuels, 10-20 years.

### [Bunbury at risk of oil crisis: academic](#)

An international oil expert has warned Bunbury could be vulnerable to an oil crisis if it does not develop a strategy to cope with any block in oil supply.

Speaking at Edith Cowan University last night, Australian Association for the Study of Peak Oil and Gas convener Bruce Robinson said the City of Bunbury should create an Oil Vulnerability and Mitigation Strategy to protect the City from a crisis in global oil supply.

### [Future Human: End of the Oil Age, October 13, London](#)

Future Human's latest event is a debate - The End of the Oil Age - featuring a panel of guests who will debate the future of energy and its impact on people's lives.

Panellists include Jeremy Leggett, founder of the UK's largest independent solar energy company, Solarcentury, Shaun Chamberlin, author of *The Transition Timeline* and Mark Stevenson, comedian and author of *An Optimist's Tour of the Future*.

### [Crude Declines From Five-Month High Before U.S. Government Supply Report](#)

Oil dropped, erasing earlier gains, as traders bet that crude's rally to a five-month high had left oil too expensive while a rebound in the dollar reduced the appeal of commodities to investors.

Oil earlier reached its highest price since May after a report showed U.S. gasoline inventories dropped last week by the most since May 2009. The Energy Department may say today that crude supplies rose by 413,000 barrels, a Bloomberg News survey shows. Oil's 14-day relative strength index rose above 70, a sign that prices may drop after rising too far, too fast.

### [Shipping Naphtha to Asia Dries Up as German Demand Rises](#)

European refiners will export little or no naphtha to Asia this month amid demand from German petrochemicals producers that has driven prices to the highest level in five months.

Asian-bound shipments of the oil product, which can be used to make motor fuel or as a feedstock for plastics, may drop to zero, from about 160,000 metric tons in September, according to a Bloomberg survey of six traders. Exports peaked this year at about 500,000 tons in May.

### [Steve LeVine - Foreign Policy: Iraq Is Back In The Game](#)

In the world of oil reserve forecasting, Iraq is hunky, handsome, and — to its dissatisfaction — often overlooked. Today, it sought to rectify this negligence with the announcement of a whopping 24 percent increase in its estimated reserves. With a poke in the eye to a traditional rival, Iraq's oil minister said the country had overtaken Iran as the world's fourth-largest petrostate, with 143 billion barrels of oil, or more than half of Saudi Arabia's mother lode.

### [Vietnam demands release of fishermen held in China](#)

Vietnam has demanded the unconditional release of nine fishermen detained by China last month, Vietnamese media reported today, as tension rose in the latest dispute in the South China Sea.

### [Militants attack British embassy vehicle in Yemen](#)

(Reuters) - Suspected al Qaeda militants attacked two Western targets in Yemen on Wednesday, firing a rocket at a senior British diplomat's car and killing a Frenchman at a gas and oil installation.

The attacks bore the hallmarks of al Qaeda, which has threatened to strike against

Western targets and the Yemeni government, which declared war on the group's local arm after it claimed a failed attack on a U.S.-bound airliner in December.

### [Houston Ship Channel partially reopens](#)

HOUSTON (AP) -- The Houston Ship Channel was partially reopened Wednesday after an electric tower that had teetered over the waterway since a weekend barge accident was lowered to the ground, the Coast Guard said.

### [Currency headwinds hit our only listed oil refiner Caltex](#)

Caltex expects petrol demand to be flat, although offset to a degree by resource sector-related diesel growth. Peak-oil theorists will be chuffed to hear that increased fuel efficiency has blunted the effect of population growth, but alternative fuels won't grab meaningful market share for another five to 10 years.

### [TNK-BP Set to Buy BP Algerian Assets in Foreign Expansion](#)

TNK-BP, the energy venture between BP Plc and Russian billionaires, will look to acquire the London-based company's Algerian fields to accelerate overseas expansion.

TNK-BP's billionaire shareholder and interim chief executive officer, Mikhail Fridman, said he hopes "their fate is decided positively." He spoke in Algiers, where he is accompanying Russian President Dmitry Medvedev.

### [Australian Oil Spills Are 'Inevitable,' Report on Coal Ship Grounding Says](#)

Future oil spills off the coast of Australia's Queensland state are "inevitable" as ship traffic increases, according to a report analyzing the April grounding of a Chinese coal carrier on the Great Barrier Reef.

The incident involving the vessel Shen Neng 1 "highlights the vulnerability of Queensland's coastline to a significant oil spill," the report released today by the state government shows. More shipping and "the continued likelihood of severe climatic events suggests that the threat of marine oil spills will remain and that future oil spills are inevitable."

### [Solar Power Plants to Rise on U.S. Land](#)

SAN FRANCISCO — Proposals for the first large solar power plants ever built on federal

lands won final approval on Tuesday from Interior Secretary Ken Salazar, reflecting the Obama administration's resolve to promote renewable energy in the face of Congressional inaction.

### [Good news and bad news on the energy revolution](#)

As European governments begin to outline concrete plans for a green-energy revolution, the vast costs of the endeavour are beginning to emerge, raising the prospect of public resistance that could stall the process. The opening last month of the world's largest offshore wind farm by Sweden's Vattenfall off the south-eastern coast of England, a group of 100 giant wind turbines capable of supplying 200,000 households with electricity, underscored the UK's determination to meet 15 per cent of its energy needs from green sources by 2020.

### [For Those Near, the Miserable Hum of Clean Energy](#)

VINALHAVEN, Me. — Like nearly all of the residents on this island in Penobscot Bay, Art Lindgren and his wife, Cheryl, celebrated the arrival of three giant wind turbines late last year. That was before they were turned on.

"In the first 10 minutes, our jaws dropped to the ground," Mr. Lindgren said. "Nobody in the area could believe it. They were so loud."

Now, the Lindgrens, along with a dozen or so neighbors living less than a mile from the \$15 million wind facility here, say the industrial whoosh-and-whoop of the 123-foot blades is making life in this otherwise tranquil corner of the island unbearable.

### [Valet bike parking eases commute](#)

LONG BEACH — With the help of bicycle advocates, this city and others are making it easier for people to park their cars and pedal to their destinations by providing valet bike parking.

"The whole idea is just to make an encouraging environment for people to ride their bikes. If they have somewhere safe to park, they'll do so," says Sumire Gant, transportation programs officer for this city near Los Angeles.

### [Toyota links homes, utilities and vehicles](#)

TOKYO - Toyota is pairing its little known housing business with its expertise in green cars to sell computer systems that link homes, utilities and vehicles to reduce energy use.

## [Climate talks struggle as China, U.S. face off](#)

(Reuters) - The United States said on Wednesday that U.N. climate talks were making less progress than hoped because of a rift over rising economies' emission goals, while China rejected pressure and put the onus on rich nations.

## [China Emissions Won't Peak Until GDP Per Head Matches Others, Xinhua Says](#)

China's greenhouse gas emissions are unlikely to peak before its per capita GDP reached \$40,000, the official Xinhua News Agency said, citing Xie Zhenhua, the country's top climate change official.

China's current per capita GDP just exceeds \$3,000, the news agency said.

## [UN agency to list 30 solutions to climate change](#)

In the run up to next month's major climate change conference in Cancun, the United Nations Environment Programme will release one case study daily for 30 days to prove that solutions to combat global warming - ranging from planting trees to creating mass markets for solar water heaters - are available, accessible and replicable.

Known as "30 Ways in 30 Days," the scheme was launched on Tuesday in Mexico City at a summit co-hosted by UNEP, the Global Compact, and the non-governmental organizations World Wildlife Fund (WWF) and Global Initiatives.

## [Global warming will vastly change Canada: study](#)

But even that two-degree change will bring about all kinds of changes, this new report says, including:

- melting half the summer Arctic sea ice
- significantly reducing runoff in the South Saskatchewan River basin
- affecting shipping through the Great Lakes
- displacing Atlantic salmon from the Gulf of St. Lawrence and the Grand Banks
- increasing risk to people and property from extreme weather

The changes would also affect insect populations, putting more trees at risk of pest infestations, and allow tick and mosquito populations to rise, putting more people at risk of Lyme disease and other vector-borne diseases.

Yet not all the impacts of climate change would be negative.

A two-degree temperature increase could allow more tree growth in some northerly locations; increase some kinds of crop yields; allow greater access to northern oil, gas



and mineral resources; and an increased abundance of Atlantic cod north of the 60th parallel. And while sports, such as skiing, would likely be hurt, others such as golf could benefit.

### [Is this what the future will look like?](#)

Canadians got a look at one vision of how climate change could affect regions across the country, as the National Round Table on the Environment and the Economy yesterday released its Degrees of Change diagram. Intended for use in 12,000 Canadian schools, it may mostly depress tomorrow's leaders with its (often vague and speculative) predictions. However, its call for adaptation for "climate prosperity" also includes some bright sides, including longer crop seasons and better golf weather. Some of the scenarios are based on a warm-up of as much as five degrees:

### [Postcards from the future: illustrators imagine how London could be affected by climate change](#)

A display of photomontages imagining how London could be affected by climate change is on display at the Museum of London from 1 October 2010 to 6 March 2011. The display and events form part of the Mayor's Story of London festival and the events are funded by Renaissance London. Like postcards from the future, familiar views of the capital have been digitally transformed by illustrators Robert Graves and Didier Madoc-Jones. They bring home the full impact of global warming, food scarcity, rising sea levels and how all Londoners will need to innovate and adapt to survive.

### [Arctic sea ice extent falls to third-lowest extent; downward trend persists](#)

This September, Arctic sea ice extent was the third-lowest in the satellite record, falling below the extent reached last summer. The lowest- and second-lowest extents occurred in 2007 and 2008. Satellite data indicate that Arctic sea ice is continuing a long-term decline, and remains younger and thinner than it was in previous decades.

"All indications are that sea ice will continue to decline over the next several decades," said NSIDC Director Mark Serreze. "We are still looking at a seasonally ice-free Arctic in twenty to thirty years."

### [The carbon dioxide precipice](#)

Few recognize the magnitude of the threat climate change poses to our planet; some activists and scientists are trying to change that.



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