



## Drumbeat: November 4, 2010

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Topic: [Miscellaneous](#)

### [Weeden's Maxwell: Brace For \\$300/Barrel Oil](#)

When IndexUniverse.com Managing Editor Olivier Ludwig caught up with Charles Maxwell, Weeden & Co.'s senior energy analyst, it was to talk about so-called "peak oil," the theory that holds that the day when oil production around the planet is no longer sufficient to meet demand is nearly upon us. Maxwell, who has been involved in the oil industry for more than half a century, speaks with the slow cadence and easy charm of a man who has mastered his subject. The problem is that if you take his message seriously—and there are plenty of reasons to believe it unreservedly—it can pretty much ruin your day. From having to eat more root vegetables in winter instead of enjoying oranges from Chile, to watching oil prices spike to \$300 a barrel by 2020, a world of slowly but steadily dwindling supplies of petroleum would be very different indeed. But there is an upside, once the shock of it sets in: Peak oil will undoubtedly unleash a wave of technological innovation, most importantly in energy efficiency.

### [es-most-powerful-people-list">Saudi King surprises on Forbes Most Powerful People list](#)

Abdullah bin Abdul Aziz al Saud, at age 86, controls a large portion of the world's oil reserves and has begun some very small liberalization initiatives (though Saudi Arabia remains one of the most conservative Islamic countries in terms of religious and political freedoms, but many people have to ask: why number 3? After all, this puts him one spot behind Barack Obama, and one spot *ahead* of Russian President Vladimir Putin.

### [FACTBOX - UAE oil and gas concessions](#)

(Reuters) - Multinational companies hold large stakes in concessions that pump most of the oil and gas in the United Arab Emirates, the world's third-largest oil exporter.

The UAE has said it aims to increase its oil production capacity to 3.5 million barrels per day (bpd) by 2018 from 2.7 million bpd now and it will be reliant on these concessions for the increase.

### [Iraq to sign over fields in weeks](#)

Iraq's Oil Ministry expects to sign initial contracts for the Mansuriyah and Akkas gas fields on 14 November and for the Siba gas field on 15 November, a senior Iraqi oil official said today.

### [Entergy mulls sale of Vermont nuclear plant](#)

(Reuters) - Utility owner Entergy Corp said it was exploring the potential sale of its 605-megawatt nuclear plant in Vermont, eight years after buying it from the Vermont Yankee Nuclear Power Corp.

Entergy said while no decision had been made to sell the plant, it expects interest from "multiple" parties.

### [Cellulosic Biofuel Output Will Lag 2011 Requirements, EIA Forecast Shows](#)

Oil companies won't be able to get as much cellulosic biofuel as they might need next year, according to the U.S. Energy Information Administration.

EIA, a unit of the Energy Department that compiles industry data, expects cellulosic biofuel production in 2011 to be 3.94 million gallons, according to a letter written by an EIA official. That's less than 2 percent of the 250-million-gallon mandate for 2011. The government already slashed this year's target by more than 90 percent to 6.5 million gallons.

### [Carmakers' next problem: Generation Y](#)

Meet Natalie McVeigh, the auto industry's latest headache.

At 25 years old, McVeigh lives in Denver and has two good jobs, as a research analyst and an adjunct professor of philosophy. What she doesn't have — or want — is a car.

A confluence of events — environmental worries, a preference for gadgets over wheels and the yearslong economic doldrums — is pushing some teens and twentysomethings to opt out of what has traditionally been considered an American rite of passage: Owning a car.

### [Baby Boomers' dilemma: When should mom, dad stop driving?](#)

People in their 70s and beyond are often reluctant to give up their car, especially when there are no practical transportation alternatives. "Cars are the symbol of independence," she says. "But for most places in the U.S., the car is way more than a symbol. It actually equals independence."

### [UN report warns of threat to human progress from climate change](#)

The United Nations warned today that a continued failure to tackle climate change was putting at risk decades of progress in improving the lives of the world's poorest people.

In its annual flagship report on the state of the world, the UN said unsustainable patterns of consumption and production posed the biggest challenge to the anti-poverty drive.

"For human development to become truly sustainable, the close link between economic growth and greenhouse gas emissions needs to be severed," the UN said in its annual human development report (HDR).

### [Toyota Nears EU Targets, Leads Carmakers on CO2 Cuts](#)

Toyota Motor Corp. led carmakers in cutting carbon-dioxide discharges in Europe last year and is closest to achieving its target under European Union legislation, an environmental transport group said.

### [Dutch shelve CO2 storage project but keep policy](#)

AMSTERDAM (Reuters) - The Dutch government has shelved a plan to store carbon dioxide underground in the town of Barendrecht in the west but remains committed to CO2 storage.

Economy, Agriculture and Innovation Minister Maxime Verhagen said on Thursday due to a three-year delay and local opposition he had decided to stop the Barendrecht plan.

### [Eat local and reduce your carbon footprint](#)

Lexington — When Bill McKibben visited recently, he asked if we'd hold a global warming event at our garden. You may be wondering: What does a garden have to do with global warming?

Many people think of food miles — the distance our food travels to reach our plates. You may have heard that food travels an average of 1,500 miles to get to our table. There are a lot of greenhouse gases generated during those travels.

### [Weeden's Maxwell: Brace For \\$300/Barrel Oil](#)

When IndexUniverse.com Managing Editor Olivier Ludwig caught up with Charles Maxwell, Weeden & Co.'s senior energy analyst, it was to talk about so-called "peak oil," the theory that holds that the day when oil production around the planet is no longer sufficient to meet demand is nearly upon us. Maxwell, who has been involved in the oil industry for more than half a century, speaks with the slow cadence and easy charm of a man who has mastered his subject. The problem is that if you take his message seriously—and there are plenty of reasons to believe it unreservedly—it can pretty much ruin your day. From having to eat more root vegetables in winter instead of enjoying oranges from Chile, to watching oil prices spike to \$300 a barrel by 2020, a world of slowly but steadily dwindling supplies of petroleum would be very different indeed. But there is an upside, once the shock of it sets in: Peak oil will undoubtedly unleash a wave of technological innovation, most importantly in energy efficiency.

### [Oil Rises a Fourth Day After Fed Move Weakens Dollar, Fuel Supplies Drop](#)

Oil rose to a six-month high in New York after the Federal Reserve said it will expand record measures to spur the economy in the U.S., the world's biggest crude consumer.

Prices climbed for a fourth day, the longest rising streak since September, as the Fed's measures weakened the dollar and boosted investor demand for commodities. The central bank yesterday said it will buy an additional \$600 billion of Treasuries through June. U.S. gasoline stockpiles fell last week to the lowest in almost a year, according to government data.

### [OPEC members differ on oil price target](#)

Oil traded close to a six-month high yesterday amid a faltering consensus among Gulf oil exporters on a fair price for crude.

The UAE yesterday stuck to its position that oil prices close to \$70 a barrel are ideal for consumers and producers.

Oil ministers from Saudi Arabia and Qatar both said this week that crude should trade within a range of \$70 to \$90 a barrel, overturning a two-year consensus among Gulf states that prices should hold within a narrower band of \$70 to \$80.

The comments reflected new expectations within OPEC that prices will break above a relatively stable range that has been in place for 18 months, analysts said.

### [\\$100 Oil Looms for JPMorgan, Merrill After Fed Stimulus](#)

Oil may return to \$100 a barrel for the first time since the 2008 financial crisis as the U.S. Federal Reserve's stimulus measures weaken the dollar, drawing investors to raw materials.

Crude may rally to three digits next year as central banks pump cash into their economies to revive growth, according to JPMorgan Chase & Co. and Bank of America Merrill Lynch. The Dollar Index sank 7 percent in the past two months as the Fed moved closer to extending a bond-purchase program, luring investors to commodities including oil.

### [Green policies could lower oil price](#)

A reduction of 10% in oil demand could knock about \$20 off the price of a barrel of crude by 2035 if nations meet their climate change pledges and cut fossil fuel subsidies, the International Energy Agency says.

### [Strong margins boost profits at smaller refiners](#)

BANGALORE (Reuters) - Three smaller U.S. refiners, Holly Corp, Frontier Oil and Western Refining benefited from wider refining margins and joined their bigger peers in posting strong quarterly results and signaling a solid finish to the year.

Profits have risen at oil companies as U.S. crude prices rose 13 percent from a year earlier, while natural gas rose more than 30 percent in the quarter. A recovering economy has also increased demand for fuel, leading to improvement in refining margins.

### [Suncor profit up on higher production, prices](#)

Suncor Energy Inc., Canada's biggest energy company, said on Thursday its third-quarter net profit rose 10%, helped by additional upstream production and higher benchmark oil prices.

Suncor, best known for its Alberta oil sands operations, earned \$1.02-billion (US\$1.01-billion), or 65 Canadian cents a share, up from a year-earlier \$929-million, or 69 Canadian cents a share.

### [Norway says 37 firms apply for oil exploration](#)

(Reuters) - Thirty-seven oil and gas firms have applied for exploration licenses off Norway, the Nordic country's oil and energy ministry said on Thursday. "The (ministry) has received applications from 37 companies," it said in a statement. "The ministry aims at awarding new production licenses in spring 2011."

### [Abuja eyes oil law revamp](#)

Nigeria still aims to pass a bill this year that will overhaul its energy industry, but the timing of its next oil licensing round is uncertain, a senior government official said today.

The Petroleum Industry Bill will re-write Nigeria's decades-old relationship with its foreign oil partners, altering everything from the fiscal framework for offshore oil projects to the involvement of indigenous companies in the sector.

### [USGS Drops a Bomb on Alaska's Oil Future](#)

Even when oil prices shot up to \$150 per barrel, Alaska's oil production dropped 5.4% over 2007 levels.

I want you to take a look for yourself, and then tell me if you think the state will be able to keep writing checks to the next generation of residents:

### [A Probabilistic Assessment Of Short-Term Inflation, Deflation, Hyperinflation And Serious Deflation](#)

Issues associated with peak oil/resources will not be a factor within the next few years.

### [Paraguay Titanium Find May Be World's Largest, Discoverer Says](#)

The American explorer who discovered the world's biggest copper deposit in Chile has staked a claim in Paraguay to what he says may be the largest titanium find.

David Lowell, 82, the president of closely held CIC Resources Inc., controls mineral rights to at least 185,000 hectares (457,000 acres), according to Paraguay's sub-ministry of mining and energy. That is an area the size of London.

### [PM Lee Speaks At Singapore International Energy Week 2010](#)

On the demand side, demand is going up sharply. China, India and other rapidly growing economies have rising energy needs and although they may be using energy more efficiently, their growing appetite for more power as a result of rapid economic growth far outpaces any efficiency gains.

But on the supply side, it is not all pessimistic news. There is hope for new sources of supply. Time and again experts have warned that oil and gas deposits will soon be depleted and they calculate the year beyond which mankind will be out of oil and gas. But such talk of peak oil has been proven wrong many times in the past. And they may yet proved mistaken again because each time you think you have run out, oil companies

have consistently discovered not just new reserves but also developed new ways of extracting reserves that previously could not be tapped. Drilling in deeper waters, innovations like drilling tight shale rock formations to get that unconventional gas, better management techniques on oil fields so that you get out not just one-third of the oil which is there but even two-thirds of the oil which is there, which can make a tremendous difference. And in any case, whatever the prospects with oil and gas, as far as coal is concerned the supplies are sufficient to last mankind for centuries.

### [Focus Changes for Louisiana in Oil Cleanup](#)

Louisiana is scaling back and altering a project to construct sand berms along its coast to block and capture oil from the BP spill, the state's governor, Bobby Jindal, said this week.

### [Coal still king as green power IPO struggles](#)

MILAN/MUMBAI (Reuters) - Waning investor interest in clean energy contrasted sharply with enthusiasm for coal on Thursday as shares in Enel Green Power fell on their debut while Coal India's soared.

### [Solar Roads, urban mining, the Jevons Paradox and energy efficiency](#)

It's one thing to develop new technologies but making them more efficient is increasingly the focus. But can the pursuit of efficiency actually be counter-productive? Ever heard of the Jevons Paradox?

### [Why Marxism Has Failed, And Why Zombie-Marxism Cannot Die - Part 1](#)

Our workshop, entitled "The End of Capitalism? At the Crossroads of Crisis and Sustainability", was packed. A surprising number of people were both intrigued and supportive of our presentation that global capitalism is in a deep crisis because it faces ecological and social limits to growth, from peak oil to popular resistance around the world. Participants eagerly discussed the proposal that the U.S. is approaching a crossroads with two paths out: one through neo-fascist attempts to restore the myth of the "American Dream" with attacks on Muslims, immigrants and other marginalized groups; the other, a path of realizing and deepening the core values of freedom, democracy, justice, sustainability and love.

Despite the lively audience, I knew that somewhere lurking in that cramped, overheated classroom was the unquestionable presence of Zombie-Marxism. And I knew it was only a matter of time until it showed itself and hungrily charged at our fresh anti-capitalist analysis in the name of Karl Marx's high authority on the subject.

### [MBA in Managing for Sustainability at Marlboro College Graduate School starts in January 2011](#)

The Marlboro MBA provides you with the knowledge, skills, and connections to manage for sustainability. To succeed in the new millennium, organizational leaders must understand the impact of management practices on their business and the environment, the workforce, local cultures *and* profits. At Marlboro College, this multiple-bottom-line philosophy is integrated into all our MBA in Managing for Sustainability courses, from accounting and finance to business law, economic theory and renewable energy education.

### [Indian Solar Projects May Struggle to Get Funds for Development, ADB Says](#)

Developers of solar-power projects in India may be unable to obtain loans to complete the plants because the government's proposed stations are too small and tariffs may be too low, an Asian Development Bank official said.

"Banks are very uncomfortable financing solar in India," Don Purka, senior investment specialist for the Manila-based bank, said in an interview today at the Clean Energy Forum in Singapore. "The power purchase agreements must be modified for banks to lend."

### [Nuclear watchdog resists deadline in Abu Dhabi plant evaluation](#)

ABU DHABI // The independent nuclear watchdog will not be bound by pressure to meet any schedule when it begins evaluation of a proposed nuclear power plant project this year, its chief said yesterday.

The nuclear plants planned for Abu Dhabi, the first of their kind in the Arab world, need to undergo a lengthy safety check by the Federal Authority for Nuclear Regulation (FANR), expected to begin in December.

### [China Should Focus on Steel, Chemicals to Improve Efficiency, IEA Says](#)

China, the world's largest greenhouse-gas emitter, should focus on steel, chemicals and cement industries to improve energy efficiency, an official with the International Energy Agency said.

### [China May Establish Carbon Trading by 2013, Climate Exchange's Sandor Says](#)

China, the world's biggest energy consuming nation, may have a carbon trading system in place as soon as 2013, said Richard Sandor, one of the pioneers of the carbon credit



market.

A cap-and-trade market in China may be in place by 2020 and could be functioning by 2013 to 2015, Sandor said at a climate change forum in Hong Kong today. He helped found London-based Climate Exchange Plc in 2003, agreeing to sell his stake in the company in April to Intercontinental Exchange Inc.

### [Woman Loses Bid to Lead Navajos](#)

Lynda Lovejoy, a state senator in New Mexico, and her running mate, Earl Tulley, have lost their bid to become the first woman and the first environmental leader to lead the Navajo Nation, the largest American Indian tribe.

### [EU states express doubts over carbon offset ban](#)

European Union member states may oppose new rules on how far their factories and power plants can offset their carbon emissions, to be proposed by the European Commission, environment ministries told Reuters.

The EU executive is expected to propose in the next two weeks curbs or an outright ban from 2013 on the most common types of offsets.

### [Barack Obama's green agenda crushed at the ballot box](#)

With a slew of new climate change deniers entering Congress, Barack Obama's environmental ambitions are now dead.

### [Climate Cues From the Next House Speaker](#)

"The idea that carbon dioxide is a carcinogen that is harmful to our environment is almost comical," Mr. Boehner told ABC News in an April 2009 interview. "Every time we exhale, we exhale carbon dioxide. Every cow in the world, you know, when they do what they do, you've got more carbon dioxide."

### [Obama drops plan to limit global warming gases](#)

WASHINGTON — Environmental groups and industry seem headed for another battle over regulation of greenhouse gases, as President Barack Obama said he will look for ways to control global warming pollution other than Congress placing a ceiling on it.

"Cap-and-trade was just one way of skinning the cat; it was not the only way," Obama

said at a news conference Wednesday, a day after Democrats lost control of the House. "I'm going to be looking for other means to address this problem."

### [GOP win puts the brakes on energy, climate bills](#)

WASHINGTON — The election that put Republicans in control of the House and weakened Democrats' hold on the Senate also slammed the door on sweeping energy, oil spill and climate change legislation for at least the next two years.

But political leaders vowed Wednesday to seek consensus on some smaller proposals, including initiatives to expand natural gas production, give a boost to nuclear power and advance so-called clean coal technology.

### [Obama Needs China to Help Him Run Great Green Race](#)

It was a happy accident that Barack Obama found himself in Beijing on the day the U.S. Senate kicked climate change legislation into the spring. Obama needs Chinese President Hu Jintao's help to break the U.S. stalemate over global warming. And until Washington acts, there's scant chance for a binding international agreement to reduce greenhouse gases.

### [New Energy Outfoxes Old in California](#)

There are several ways to look at Tuesday's overwhelming endorsement by California's voters of the state's global warming law: as a vote for clean energy over dirty, as a rebuke to carpetbaggers, as proof that good things can happen when a political leader — in this case, Gov. Arnold Schwarzenegger — leads.

### [Prop. 23 battle marks new era in environmental politic](#)

Proposition 23, the oil industry sponsored initiative to suspend California's greenhouse gas law, was touted early on by environmentalists as a "David vs. Goliath" battle. "Its our slingshot vs. their oily club," said Steve Maviglio, a spokesman for opponents.

But in the end, Proposition 23 failed by a stunning 61% to 39%, giving heart to national environmental leaders and signaling the advent of new players in eco-politics: high-tech entrepreneurs, mainly based in Silicon Valley, who see clean energy as an economic investment.

### [A Surge in Lawsuits Challenging E.P.A. on Climate](#)

With many eyes on how Tuesday's elections will affect Congressional action on climate and energy issues, a new report points out that the battle over greenhouse gas emissions has been raging quietly on another front: the courts.

Litigation over greenhouse gas regulation is sharply on the rise, according to a report issued on Wednesday by DB Climate Change Advisors, the climate change investment and research business of Deutsche Asset Management.

### [Tropical agriculture "double-whammy": high emissions, low yields](#)

Food produced in the tropics comes with high carbon emissions and low crop yields, according to a new study in the *Proceedings of the National Academy of Sciences* (PNAS). In the most comprehensive and detailed study to date looking at carbon emissions versus crop yields, researchers found that food produced in the tropics releases almost double the amount of carbon while producing half the yield as food produced in temperate regions. In other words, temperate food production is three times more efficient in terms of yield and carbon emissions.

"Tropical forests store a tremendous amount of carbon, and when a forest is cleared, not only do you lose more carbon, but crop yields are not nearly as high as they are in temperate areas," explains lead author Paul C. West, a graduate student at the University of Wisconsin-Madison, in a press release.

### [Scientists consider impact of climate change on coast](#)

The initiative, which is being funded by a £6million EU grant, aims to develop a unified approach to safeguarding the future of European coastlines and will include strategies for flood defence and erosion prevention.

### [Rising Seas and the Groundwater Equation](#)

Worldwide overpumping of groundwater, particularly in northern India, Iran, Mexico, northeastern China and the American West, more than doubled from 1960 to 2000 and is responsible for about 25 percent of the rise in sea level, according to estimates in a new study by a team of Dutch researchers published in *Geophysical Review Letters*.

### [Current Global Warming May Reverse Circulation in Atlantic Ocean, as It Did 20,000 Years Ago](#)

ScienceDaily — Universitat Autònoma de Barcelona scientists have researched how ocean currents in the Atlantic were affected by climate change in the past. The study shows that there was a period when the flow of deep waters in the Atlantic was reversed. The results are relevant for the near future since similar changes are expected to occur in the course of climate warming over the next 100 years.

## [Water Flowing Through Ice Sheets Accelerates Warming, Could Speed Up Ice Flow](#)

ScienceDaily — Melt water flowing through ice sheets via crevasses, fractures and large drains called moulins can carry warmth into ice sheet interiors, greatly accelerating the thermal response of an ice sheet to climate change, according to a new study involving the University of Colorado at Boulder.

The new study showed ice sheets like the Greenland Ice Sheet can respond to such warming on the order of decades rather than the centuries projected by conventional thermal models. Ice flows more readily as it warms, so a warming climate can increase ice flows on ice sheets much faster than previously thought, said the study authors.



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