



# Drumbeat: December 2, 2010

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### Progress lagging on cellulosic ethanol

The future of renewable fuels is supposed to be largely about breaking down the stubborn cellulose fiber in such cheap materials as wheat straw, cornstalks, switch grass and wood chips, converting them to energy and putting the results in your fuel tank.

The future didn't seem to get much closer on Monday. That's when the Environmental Protection Agency lowered its 2011 expectations for cellulosic output from 250 million gallons to 6.5 million gallons.

### John Michael Greer: In the wake of victory

All this raises an interesting conundrum for the peak oil movement. Of the risks run by any movement that seeks to upend the status quo, the most commonly underestimated are the dangers of success. Plenty of movements that have triumphed over every adversity have faltered or even imploded when adversity gave way to achievement. There are plenty of ways that this can happen, but I suspect the one most likely to beset the peak oil movement will arrive when the movers and shakers of the world's industrial nations turn to the more respectable members of the movement and say, "Okay, you've made your point. So what do we do about it?"

I suspect that this challenge has been on the minds of a number of people in the peak oil scene of late. Several peak oil-related organizations and websites are pretty clearly shifting their focus from arguing for the reality and imminence of peak oil—the necessary focus of the last decade—to advocating and lobbying for some set of responses to the end of the age of cheap energy. A number of other people in the peak oil scene, most of them less organizationally connected, have reacted against this trend in one way or another. Which side is right? Both of them, of course.

#### Petrol shortage due to bad weather

The bad weather is leading to "critical" shortages of petrol, it has been revealed.

Some forecourts are already out of fuel and others could run out of petrol, and especially diesel, by the weekend, warned the Retail Motor Industry Independent Petrol Retailers Association (RMI Petrol).

## <u>Nigeria agency says to charge Dick Cheney over Halliburton</u>

(Reuters) - Nigeria's anti-corruption police said on Thursday they planned to file charges against former Vice President Dick Cheney in a \$180 million bribery case involving a former unit of oil services firm Halliburton.

### What's the future for fracking?

Yesterday's decision by the Obama administration to put a moratorium on drilling in the eastern Gulf of Mexico further intensifies the current debate about hydraulic fracturing, the controversial process by which much of the unconventional gas is being exploited in the US.

## 'BP still supported after oil spill'

BP continues to receive the backing of governments around the world after its Gulf of Mexico oil spill, chief executive Bob Dudley told employees in an e-mail today, even as doubts remain around its US business.

### <u>Spill Panel Co-Chairman Blames Management For BP Oil Spill</u>

WASHINGTON -(Dow Jones)- The co-chairman of President Barack Obama's commission investigating the blowout of BP Plc's (BP, BP.LN) Macondo well blamed management for the disaster that led to the worst offshore oil spill in U.S. history.

"The series of decisions that doomed Macondo evidenced a failure of management and good management could have avoided a catastrophe," William Reilly, a co-chair of the panel, said at the start of a final, two-day round of the commission's public deliberations.

### Why going unconventional is BP's safest bet

FORTUNE -- BP needs low-hanging fossil fuel fruit. After the Deepwater Horizon disaster in the Gulf, the company has tarnished its offshore exploration reputation. Also, the company is selling assets to free up \$30 billion in cash by the end of 2011.

So it's time for BP to get unconventional. BP got the all clear signal from partner Husky Energy to start moving on the Sunrise oil project in Alberta Canada. BP bought 50 % of the Sunrise project back in 2007, and now plans to fund the first \$2.5 billion of the project, the Financial Times reports, since it's time to start developing.

Supreme Court won't hear Saskatoon First Nations' claim against Enbridge

SASKATOON — The Supreme Court of Canada has dismissed the cases of three Saskatchewan First Nations who say they weren't adequately consulted about the construction of a massive pipeline.

The applications by the Sweetgrass, Moosomin and Standing Buffalo First Nations were dismissed Thursday with costs by the Supreme Court.

## <u>Oil price spike: blame greedy speculators or peak oil? (book review)</u> (review of *Griftopia*)

If you care about peak oil, it's natural to connect resource depletion to economic crisis.

And if you're growing increasingly impatient about the failure of government and the mainstream media to accept peak oil as a major challenge or even acknowledge the issue at all, then you may also be open to the idea that the American ruling class is wholly corrupt and self-serving.

### Europe turns to Africa for energy from the sun

Madrid - Imagine vast stretches of the Sahara desert, covered by shiny parabolic mirrors capturing heat from the sun that a system of steam turbines will transform into electricity.

An extensive network of high-tech cables would then transport the energy long distances to Europe, which would be getting all of its electricity from the sun and other renewable sources, with no more need for nuclear plants or contaminating fossil power.

Until recently, such a vision would have seemed like science fiction. But now, projects are already underway to make it reality.

### <u>A scramble for the Arctic</u>

But as the planet warms, as northern sea lanes become accessible to shippers, as companies hungrily eye vast petroleum and mineral deposits below its melting ice, a quiet, almost polite, scramble for control is transpiring in the Arctic.

"Countries are setting the chess pieces on the board. There are tremendous resources at stake," said Rob Huebert, director of the Centre for Military and Strategic Studies at the University of Calgary.

### Desire Falkland Oil Find May Reignite U.K., Argentina Feud

Desire Petroleum Plc, the U.K. energy explorer, said a well off the Falkland Islands made the region's second discovery this year, threatening to reignite a diplomatic Page 3 of 11 Generated on July 24, 2011 at 3:20pm EDT The Oil Drum | Drumbeat: December 2, 2010

dispute between the U.K. and Argentina.

In May, Rockhopper Exploration Plc made the first potentially commercial find around the South American islands 8,000 miles from the U.K. that Prime Minister Margaret Thatcher went to war to defend in 1982. Argentina still claims sovereignty and is protesting the drilling by forbidding vessels to load cargo at its ports, while the Falkland Islands has said no Argentine company will be given a license there.

"The more successes that happen, the greater the prize and the more that diplomatic tensions will rise," said Peter Hitchens, an analyst at Panmure Gordon & Co. in London. Desire's discovery "has proved up another play in the area and it could become a major hydrocarbon zone."

### <u>Oil hovers near \$87 in Asia on economic hopes</u>

KUALA LUMPUR, Malaysia – Oil prices hovered near \$87 a barrel Thursday in Asia after a sharp rally the day before that was powered by strong economic data from the U.S. and China.

## Iraqi oilfield target is raised

ExxonMobil and Royal Dutch Shell have raised their target for oil production from Iraq's West Qurna-1 oilfield by about 22 per cent to more than 2.8 million barrels per day (bpd), a volume equal to the total output capacity of Abu Dhabi.

The adjustment follows extensive reservoir appraisal and surveying work on the oilfield in the year since the Iraqi oil ministry awarded a 20-year contract to the companies to develop the field, which is among the largest in the Middle East.

## Russia November Crude Oil Exports 20.10 Million Tons; Down 2.5% On-Year

MOSCOW -(Dow Jones)- Russia exported 20.1 million metric tons of crude oil in November, down 2.5% from the same month last year, statistics from Russia's energy ministry showed Thursday.

## <u>`Fair' Price for Crude Is \$100; OPEC to Hold Output Steady, Ramirez Says</u>

The Organization of Petroleum Exporting Countries is unlikely to change its output quotas when it meets in nine days time and \$100 represents a "fair" price for a barrel of oil, Venezuela's energy minister said.

Gas-exporting nations also need an OPEC-like body to "regulate" prices, Rafael Ramirez told reporters today. The Venezuelan is one of several ministers attending a meeting in Doha of the Gas Exporting Countries Forum, a gas producers group that does not set supply quotas.

#### Angola Says OPEC to Keep Existing Oil Quota, Next License Rounds in 2011

OPEC is unlikely to change its production quota when it meets at the end of next week, said Jose Maria Botelho de Vasconcelos, Angola's Minister of Petroleum.

The members of the Organization of Petroleum Exporting Countries "feel" oil at \$80 to \$85 a barrel is a "comfortable price" and will probably keep the group's output targets unchanged at their meeting on Dec. 11 in Quito, Ecuador, Vasconcelos said in an interview late yesterday in Luanda.

### Chinese Power Producers Jump After Report of Government Coal Price Freeze

Chinese power producers including Huaneng Power International Inc. rallied in Hong Kong after the state-run Xinhua News Agency said the government ordered a freeze in 2011 contract prices for coal used in power stations.

#### Indonesia aims to end subsidised fuel for private cars by 2013

(Reuters) - The Indonesian government is aiming to end the use of subsidised fuel by private cars by 2013, starting with the capital Jakarta in January next year, officials said on Thursday.

#### Brazil changes oil drilling rules

Brazil's Congress has modified laws relating to the country's oil sector which could increase development of its offshore oil fields.

The bill ensures that the state-run oil company Petrobras will have a 30% stake in any new joint exploration ventures in Brazil's offshore fields.

Exploitation of the reserves could turn Brazil into a global energy exporter.

### <u>Soldiers raid militant camps in oil delta</u>

Lagos - Soldiers on Wednesday raided three militant camps hidden in the winding creeks of Nigeria's oil-rich and restive southern delta, seizing heavy weaponry in an attack rebels claimed killed more than 100 people.

#### Salazar vows 'utmost caution' OKing Arctic leases

ANCHORAGE, Alaska (AP) -- The Interior Department will use "utmost caution" in future drilling lease sales in Arctic Ocean waters, Secretary Ken Salazar said Wednesday as he announced an updated national offshore oil and gas policy.

Interior officials also said Shell Oil's plan to drill at least one exploratory well next year in the Beaufort Sea off Alaska's north shore remains under review, and they will not be rushed by Shell's request for a decision by this month.

## Administration's Offshore Plan Fails to Protect Arctic

Marilyn Heiman, director of the Pew Environment Group's U.S. Arctic Program, issued the following statement in response to the Obama administration's announcement today on offshore oil and gas leasing.

"We appreciate the leadership from President Obama on the importance of looking carefully at the nation's energy program to balance exploration with environmental concerns. We are, however, concerned about the pressure this decision puts on the U.S. Arctic Ocean. If we learned anything from the Gulf, it's that oil spill response is challenging—even in temperate waters."

## Louisiana Coastal Hurricane Fix Stymied by U.S. Holdup on Oil-Backed Debt

The federal government's failure to write rules for offshore-drilling payments is blocking Louisiana from borrowing as much as \$1 billion to fix a coastline ravaged by two hurricanes and the largest U.S. oil spill.

## <u>Tibet power grid to link with national network in 2012</u>

LHASA (Xinhua) -- A multi-billion dollar project to connect the power grid in Tibet to the one in the rest of China will be completed by 2012, ensuring a steady supply of electricity to the plateau region.

## Putin May Have Offered Berlusconi a Share of Energy Deals, WikiLeaks Says

Russian Prime Minister Vladimir Putin may have promised his Italian counterpart Silvio Berlusconi a percentage of profits on projects developed by OAO Gazprom with Eni SpA, a U.S. diplomatic cable posted on WikiLeaks.org shows.

"The Georgian ambassador in Rome has told us" that his government "believes Putin has promised Berlusconi a percentage of profits from any pipelines developed by Gazprom in coordination with Eni," U.S. Ambassador Ronald P. Spogli said in a cable sent on Jan. 26, 2009, according to the leaked document. Russian gas giant Gazprom behaves "like a vulture" in its attempts to gain new assets, WikiLeaks cables from the new tranche of the leaked documents said.

## Peak oil and the end of growth: we need to start planning now

Might Peak Oil spell the end of growth as a political, economic and social goal?

Let me try to explain.

We have become increasingly aware that there are fundamental constraints to ongoing economic expansion, that perpetual growth on a finite planet is a fool's dream.

If Peak Oil is here - and there is solid evidence showing that it is - then it means we have begun to run up against the planet's natural constraints. Mother Nature has begun to tell us that the party is over.

Community energy, climate action conference Saturday

Montpelier — On December 4, nearly 300 Vermonters are expected to gather at the Lake Morey Inn in Fairlee, Vermont for the annual "Community Energy and Climate Action Conference" co-hosted by the Vermont Energy and Climate Action Network, UVM Extension, VPIRG and Peak Oil Awareness.

## Food and Fiber Fun at Mann

Some event stands represented relevant issues, like Martha Goodsell's table about the impacts of natural gas drilling on agriculture, specifically in the Marcellus Shale. Goodsell is compiling studies from other areas — like Arkansas, California, and Alaska — where drilling impacted critical resources: water quantity and quality, soil erosion and ozone impacts on plants.

"I was surprised to find out about all Cornell Dining is doing with local foods. It's important for one of the nation's leading agriculture schools to set an example in sourcing food locally," said Casey Knapp '12.

Africa can feed itself within a generation: study

African nations can break dependence on food imports and produce enough to feed a growing population within a generation despite extra strains from climate change, a study said.

Research into new crops resistant to heat, droughts or floods, as well as better support for small-scale farmers and greater involvement by national leaders in setting policies in sectors from transport to education were needed, it said.

#### What it really costs to fill up a plug-in car

NEW YORK (CNNMoney.com) -- Even if they aren't always terribly accurate, EPA fuel economy estimates have at least made it easy to compare the gas mileage of one car to another. But now that plug-in cars are entering the market, things are about to get much more complicated.

How do you compare the fuel efficiency of a car that runs on gasoline to one that plugs into an outlet?

#### Ernst & Young: China clear leader in renewable energy

Driven by a surge in wind power installations, China is building on its lead in Ernst & Young's ranking of top renewable energy countries.

Wind investment in China this quarter is nearly half of global spending, ensuring that one out of every two wind turbines to go live this year will be in China, according to consultants at Ernst & Young which does a quarterly "country attractiveness" index.

### U.S. Needs Critical Boost in Energy Research, Panel Tells Obama

The United States needs to more than triple its spending on energy research, development and demonstration projects, from about \$5 billion now to \$16 billion, and should institute a strategic review of national energy policy every four years, an advisory group of scientists and engineers said in a report to President Obama this week.

#### Motech of Taiwan May Increase Capacity by 50% in 2011 to Meet Solar Demand

Motech Industries Inc., Taiwan's biggest solar cell maker by market value, said it may expand capacity by 50 percent next year to meet demand from customers turning to renewable energy sources.

### A Few Cheers for the Sun in Suffolk

The event at the Brentwood train station is part of a \$125 million project to install solar panels and generate electricity on carports at seven public parking areas in Suffolk County. Work has already begun on a related \$300 million project to build the state's largest solar energy farm on 153 acres at the Brookhaven National Laboratory. That project will provide up to 32 megawatts of power to the Long Island Power Authority grid – enough energy for 4,500 homes.

For those who think that we're actually creeping toward meaningful production of solar and other forms of renewable energy, this is good news, though, like virtually all good news today, it came with its share of nuance.

## Maine Officials Say Turbines Are Too Loud

Last week, in a letter to the wind farm's developers, Maine's Department of Environmental Protection concluded that the turbines do, under certain conditions, exceed state noise limits of 45 decibels. The agency further ordered the developer, within the next 60 days, to come up with a new operational plan to ensure that the turbines are in compliance at all times.

<u>Oil industry challenged by carbon - Public Christmas lecture examining relationship between oil industry and climate change</u>

Event is taking place at the University of Leicester on Monday December 6 at 5.30pm.

The University of Leicester is hosting a Christmas lecture focussing on climate change with a specialist speaker from the University of Cambridge on Monday, 6 December.

## <u>`Homeless' Industrial-Gas Offsets May Flood New Zealand, IdeaCarbon Says</u>

United Nations offsets from industrial-gas projects may flood the emissions-trading program in New Zealand and push the country's carbon prices lower if the European Union prohibits their use, according to IDEACarbon.

Leaked cables reveal Saudi minister of petroleum helped craft toothless Copenhagen climate accord

So far most of the attention on Wikileaks' Nov. 28 release of formerly secret U.S. diplomatic cables has been focused on what the cables reveal about Iran's nuclear aspirations. But buried in these cables are tantalizing clues about the back-door negotiations that surrounded last year's Copenhagen climate conference. A year later, many of the same negotiators are now in Cancun, where their motivations are likely to be the same. So what do these cables tell us about what to expect from current and future climate negotiations?

Climate-Science Critic Wants to Lead House Science Panel

A race is on for the chairmanship of the House Science Committee, but whatever the outcome, the post will clearly be held by a staunch opponent of mandatory caps on the

#### US, China move closer on key climate issue

CANCUN, Mexico – Prospects for a limited deal at the latest climate talks appeared to brighten with the U.S. and China narrowing differences on a key element: how to monitor greenhouse gas emissions.

But other issues that go to the heart of a new global warming treaty - long-term commitments for cutting emissions - proved stubbornly unmoving, and out of reach for any resolution during the annual two-week conference.

#### Emissions Performance Standards Needed to Meet U.K. Carbon Goals, MPs Say

Emissions performance standards limiting the amount of carbon dioxide produced by U.K. power stations are needed to meet climate change targets, according to an Energy and Climate Change Committee report released today.

#### Lakes Around the World Are Warming

The world's largest lakes are warming along with the air - and sometimes at faster rates - but the intensity of the warming trend differs strikingly around the globe, a new study by two scientists from NASA's Jet Propulsion Laboratory says.

The study, published in the journal Geophysical Research Letters, shows that the warming trend is most intense in northeastern Europe, where Lake Vanern in Sweden and two lakes in Russia, Ladoga and Onega, are. There, temperature data drawn from satellite measurements taken from 1985 to 2009 show a rate of warming as high as 1.72 degrees Fahrenheit per decade.

#### Sea Level Could Rise in South, Fall in North

Climate change is expected to cause sea levels to rise -- at least in some parts of the world. Elsewhere, the level of the ocean will actually fall. Scientists are trying to get a better picture of the complex phenomenon, which also depends on a host of natural factors.

#### <u>Unprecedented tundra fire likely linked to climate change</u>

A thousand square kilometers of the Alaskan tundra burned in September 2007, a single fire that doubled the area burned in the region since 1950. However, a new study in the *Journal of Geophysical Research* finds that the fire was even more unprecedented than imagined: sediment cores found that it was the most destructive

fire in the area for at least 5,000 years and maybe longer.

"If such fires occur every 200 years or every 500 years, it's a natural event," University of Illinois plant biology professor Feng Sheng Hu explains in a press release. "But another possibility is that these are truly unprecedented events caused by, say, greenhouse warming."

<u>Global Sea-Level Rise at the End of the Last Ice Age Interrupted by Rapid 'Jumps'</u>

ScienceDaily — Southampton researchers have estimated that sea-level rose by an average of about 1 metre per century at the end of the last Ice Age, interrupted by rapid 'jumps' during which it rose by up to 2.5 metres per century. The findings, published in *Global and Planetary Change*, will help unravel the responses of ocean circulation and climate to large inputs of ice-sheet meltwater to the world ocean.

## <u>Global warming could double food prices by 2050, experts say</u>

CANCUN, MEXICO—Even if we stopped spewing global warming gases today, the world would face a steady rise in food prices this century. But on our current emissions path, climate change becomes the "threat multiplier" that could double grain prices by 2050 and leave millions more children malnourished, global food experts reported Wednesday.

Beyond 2050, when climate scientists project temperatures might rise to as much as 6.4 degrees C over 20th century levels, the planet grows "gloomy" for agriculture, said senior research fellow Gerald Nelson of the International Food Policy Research Institute.

The specialists of the authoritative, Washington-based IFPRI said they fed 15 scenarios of population and income growth into supercomputer models of climate and found that "climate change worsens future human well-being, especially among the world's poorest people."

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