



# Drumbeat: December 15, 2010

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### Rising oil prices, the recession and a new world order

The trade bargaining position of developed countries is expected to continue to worsen with the rise in prices of natural resources, so developed countries' economic growth will remain slow.

The discussion between Mizuno and Kayano resembles what Jeff Rubin, an economist with a Canadian investment bank, wrote in his book, "Why Your World is About to Get a Whole Lot Smaller."

Like Mizuno and Kayano, Rubin attributes the ongoing global recession primarily to the rise in oil prices. He urges those skeptical about such an assertion to analyze all the recessions in the post-war period. He says the fingerprints of oil clearly remain in all post-war recessions, and the current one is no exception. A rise in interest rates, which is responsible for the bursting of the real-estate bubble in the United States, was triggered by skyrocketing oil prices.

#### China warns of power and energy shortages this winter

SHANGHAI (Reuters) - Some parts of China could face an intermittent shortage of crucial coal, oil, power or gas supplies crucial for heating during the winter months, China's top economic planning body said in a statement on Wednesday.

Most of China's resource production bases, including coal and and oil, are either concentrated in the northern or western provinces, away from the key demand areas located in the southern and eastern region, such as Shanghai and Guangdong.

# Prices edge up, inflation still at bay

Tepid rises in food and energy costs kept the rise in the overall index muted. Food prices rose a modest 1.5% for the year, while gasoline prices climbed 7.3% for the year. Though gasoline prices have been rising for several months, momentum is starting to wane -- the 0.7% monthly increase in gas prices was the slowest of the last five months.

### AAA expects 3.1% increase in holiday travel

(CNN) -- Americans traveling to see family and friends during the upcoming holiday season will have more company on the roads and in the skies, according to projections by AAA.

About 3.1% more Americans will travel at least 50 miles from home compared with last year, the AAA said Wednesday. The group expects 92.3 million Americans to travel at least 50 miles from December 23 to January 2.

### <u>Pipeline project a new Silk Road</u>

The significance of the signing of the inter-governmental agreement over the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas-pipeline project on Saturday in Ashgabat cannot be underestimated. It is a unique Silk Road project that holds the key to resolving many complicated issues in the region.

The project is ostensibly about the transportation of the huge Caspian energy reserves to the world market, but it is also about the stabilization of Afghanistan, fostering of Pakistan-India amity, bonding of Central Asia and South Asia and the overall consolidation of US political, military and economic influence in the strategic high plateau that overlooks Russia, Iran and China.

#### Mexico arrests 2 Chinese execs on bribery charges

Mexico City – Two top executives of a Chinese company were arrested in Mexico on charges they tried to bribe employs of state-owned Petroleos Mexicanos to obtain discounts on the purchase of polyethylene, authorities here said Tuesday.

Mexico state oil monopoly Pemex reshuffles board

Pemex chief executive Juan Jose Suarez has been shaking up the company's top leadership as the company struggles to boost lagging oil output and deal with a ballooning pensions deficit.

# China independents in exotic fuel imports to make diesel

BEIJING (Reuters) - Independent Chinese oil dealers have been importing an unusual fuel in recent months that can be easily turned into diesel to plug a domestic shortage, in transactions that could be legally contested.

Up to 700,000 tonnes (5.5 million barrels) of power kerosene, a fuel that can be turned to diesel after simple skimming or blending, have entered since August through southern and eastern Chinese ports, traders with close knowledge of the deals told Reuters.

### Foreign firms ask for Saudi Jizan bid extension

KHOBAR, Saudi Arabia (Reuters) - Foreign engineering firms keen on bidding for deals to design the Jizan refinery are asking state oil firm Saudi Aramco for more time to submit their proposals, industry sources said.

The refinery is designed to process 400,000 barrels-per-day (bpd) of crude, sources said. It is part of Saudi Arabia's plans to boost domestic refining capacity from the current level of 2.1 million bpd.

#### Japan, Saudi Arabia sign 3-year tank lease to store crude in Okinawa

Tokyo (Platts) - Japan and Saudi Arabia Tuesday signed a contract allowing the kingdom to store its crude for commercial use in Japan in exchange for prioritizing the supply of crude to the Asian country in an emergency, Japan's Ministry of Economy, Trade and Industry said in a statement.

### Barclays Survey Finds Higher E&P Spending in 2011

Global exploration and production (E&P) spending is forecast to rise 11 percent in 2011 to \$490 billion from \$442 billion in 2010, according to 402 companies surveyed by Barclays Capital for "The Original E&P Spending Survey" released Wednesday.

# GOM Offshore Industry Faces Infrastructure Challenge

The deadly explosion of the Deepwater Horizon drilling rig in April set off a fierce battle over deep-sea oil drilling aboard huge, state-of-the art vessels. But that debate has largely ignored what many experts say could be a bigger threat: The troubled state of offshore infrastructure that remains in place long after wells are drilled.

### Russian Deputy PM: Russian Cos May Take 25% Of Samsun-Ceyhan Pipe

ISTANBUL -(Dow Jones)- Russia's Deputy Prime Minister Igor Sechin and Turkey's Energy Minister Taner Yildiz announced a deepening of energy sector collaboration Wednesday, underlining the rapidly expanding economic and political ties between Ankara and Moscow.

#### Kenya: State strips oil marketers of fuel pricing powers

The Government has made good its threat to regulate retail prices of fuel by announcing maximum prices for petroleum products in the country.

### South Africa: Fuel 'running dry' at some Gauteng petrol stations

One fuel company said the shortage was caused by a recent power outage at two Durban refineries and operational changes at some inland plants.

Tenaska Awarded Texas Permit For Cleaner Coal-Fired Plant

Omaha-based Tenaska Incorporated has said the 600 megawatt power plant will use new technology to recover up to 90 percent of its carbon dioxide emissions. The emissions will be sold to oil companies that will then pipe it underground to help recover oil.

#### Book Review – Energy And Climate Wars by Peter C. Glover and Michael J. Economides

According to the authors, the book was written to give the reader a grasp on "the power politics of energy" or more specifically on the social ideology that increasingly influences and impacts you.

What is real, they say, is the threat on your energy security, but not for the reasons you believe (we're running out of oil/peak oil, or that alternative energies will substitute for 'dirty' hydrocarbons). The REAL threats to your energy security are numerous one being alternative energy. In other words, our lifestyle as we know it (military, cars, homes, gadgets, etc.) is predicated on energy, energy that grew out of the Industrial Revolution. If we scale back on fossil-fuel based energy sources, oil, coal, natural gas, we are going to lose our way of life, our military will suffer, and ultimately, our energy security will be at risk.

#### Energy independence: Gas prices and plug-in vehicles

Pretty interesting plans coming out of California to create a very robust charging infrastructure to support electric cars. Such a plan it seems should help more and more early adopters plug-in. Obviously, you can't have the chicken without the egg, and you can't have viable, short-range electric cars without some place to charge them.

# Low carbon: Where do we begin?

The Association for the Study of Peak Oil believes that world production of conventional oil is already declining. In the short term, total oil production will be sustained by oil from deep water and the northern polar region, supplemented by gas condensates. But the overall peak is probably only about five years away. Most of our transport planning is still based on the implicit assumption that we will always have cheap petroleum fuels. In the world-wide race to develop energy sources that are seen as "green" because they are renewable and less greenhouse gas-intensive, sometimes the most basic questions remain unanswered.

In a paper released today by the School of Public Policy at the University of Calgary, authors Michal Moore, Senior Fellow, and Sarah M. Jordaan at Harvard University in the Department of Earth and Planetary Sciences, look at the basic question of whether these energy sources are ethical.

### US ready to sign 123 agreement with Russia

With the completion of the congressional review, the way is clear for the Obama administration to enact a civilian nuclear energy cooperation agreement with Russia, according to lobby group the Nuclear Energy Institute.

It said that the US government is also now free to renew another with Australia. The bilateral agreements with the two nations will open the door for new nuclear trade, research and technology transfers.

# A Detailed Look at Indian Point's Environmental Effects

More than 90 percent of the striped bass that hit the protective screens in the Indian Point nuclear plant's cooling system survive, but only 38 percent of the alewives do, according to a new environmental impact statement prepared by the Nuclear Regulatory Commission.

# Refilling the Carbon Sink: Biochar's Potential and Pitfalls

The idea of creating biochar by burning organic waste in oxygen-free chambers — and then burying it — is being touted as a way to cool the planet. But while it already is being produced on a small scale, biochar's proponents and detractors are sharply divided over whether it can help slow global warming.

# The New Class Warfare over Bicycles

In Vancouver the pro-car crowd criticizes the Hornby bike lane by claiming to stand up for small business.

In Toronto, after being sworn in as new mayor, Rob Ford declares an end to the "war on cars." He plans to block a light-rail line and to abolish a \$60 vehicle registration fee. Don Cherry congratulates him for rising up against the "elite" and slams "bike-riding pinkos" who supposedly once ran the city.

# Advice to students: understand money, localize

A coal industry CEO told students at a small Quaker boarding high school to prepare for jobs in coal mines and power plants, rather than study philosophy or become community organizers.

"We don't need another community organizer," said Bob Murray, the chief executive of Ohio-based Murray Energy, to "revolutionize the country." Instead, he said, students need skills for jobs in the real world, and "I'm the guy that does create jobs."

### Dmitry Orlov: Fleeing Vesuvius (by sea)

This hefty tome was recently published by Féasta, Ireland's Foundation for the Economics of Sustainability. It contains two articles by me: the first is a text version of the presentation I gave at the Féasta conference in Dublin two summers ago, which you can read right on this blog.

My second article in this volume—*Sailing craft for a post-collapse world*—is a long piece that I wrote exclusively for this publication. It spells out the transportation options that will still exist once fossil fuels are no longer available, concentrating on sail transport. It pulls together pertinent information that is currently scattered across many academic disciplines, and is also informed by my personal experience as an ocean sailor and live-aboard who does all of his own maintenance.

# Monbiot: These astroturf libertarians are the real threat to internet democracy

I first came across online astroturfing in 2002, when the investigators Andy Rowell and Jonathan Matthews looked into a series of comments made by two people calling themselves Mary Murphy and Andura Smetacek. They had launched ferocious attacks, across several internet forums, against a scientist whose research suggested that Mexican corn had been widely contaminated by GM pollen.

Rowell and Matthews found that one of the messages Mary Murphy had sent came from a domain owned by the Bivings Group, a PR company specialising in internet lobbying. An article on the Bivings website explained that "there are some campaigns where it would be undesirable or even disastrous to let the audience know that your organisation is directly involved ... Message boards, chat rooms, and listservs are a great way to anonymously monitor what is being said. Once you are plugged into this world, it is possible to make postings to these outlets that present your position as an uninvolved third party."

#### Ecosystem Services: Pricing to Peddle?

We especially need more awareness of the trophic origins of money. Money doesn't grow

on trees, but it does come from the ground in a very real sense. The amount of money available for the purchasing of guns, butter, hogs or carbon sequestration originates from the agricultural and extractive surplus that frees the hands for the division of labor.

In other words, it is not the ozone layer that "generates" money for throwing at its priceless service. Nor does the North Pole "generate" the money for ecotourists to witness it. What generates money is activity on the ground – on the farm, in the forest, in the fishery – that gives everyone else their food, as well as the materials for their clothing and shelter. Everyone else is then free to work in the manufacturing or service sectors. With plenty of surplus, the economy can even support bankers, actors, and financial engineers who set up markets for trading carbon permits. That's the trophic structure of the human economy.

# Peak in oil demand will be the genuine wolf at the door

The post-First World War "gasoline crisis" in the US was followed by a 1956 prediction by M King Hubbert, a Shell geologist, that world oil extraction would start declining by the year 2000. Dr Colin Campbell, another geologist, wrote in 1989 that production was about to reach its peak - global output is now 16 million barrels per day (bpd) higher.

Of course, the boy who cried wolf was eventually eaten by one. But the current generation of doomsayers, often not oil professionals, have neither addressed reasons for so many incorrect predictions of apocalypse, nor explained why this time their warnings are any more credible.

# Stuart Staniford: Prospects for a New Peak in Crude & Condensate

The bottom line is this: those people running around saying that the all-time peak in monthly oil production was definitely in 2005 or 2008 are running a considerable risk of having events make fools of them.

# Oil slips below \$88 on US crude supplies, dollar

SINGAPORE – Oil prices fell below \$88 a barrel Wednesday in Asia after U.S. crude supplies fell less than expected and gasoline inventories jumped, suggesting demand remains sluggish.

...The American Petroleum Institute said late Tuesday that crude inventories fell 1.4 million barrels last week while analysts surveyed by Platts, the energy information arm of McGraw-Hill Cos., had forecast a drop of 3 million barrels. Inventories of gasoline soared 2.4 million barrels and distillates added 2 million barrels, the API said.

# Holiday strain: Gas prices put brakes on Christmas driving

The recent rise in gasoline prices may limit travel plans over the Christmas and New Year's holiday season for Northeast Mississippians, reflecting a national pattern.

Petrol's slippery customer is you, ACCC analysis reveals

You all think you are ripped off blind by the petrol companies. That the weekly price cycle pours liquid gold into their pockets.

Think again. If anything the motorist is ripping off the petrol companies. At least, she and he are getting their petrol very cheaply.

#### Hedge Funds Gain as Arctic Weather Boosts Nordic Power

Arctic weather, water shortages and halted reactors drove Nordic power prices to the biggest monthly gain in three years, boosting profits at hedge funds investing in European energy markets.

### Consumer Prices in U.S. Likely Rose in November on Fuel Costs

The cost of living in the U.S. probably rose for a fifth month in November, led by higher gasoline prices that aren't filtering through to other goods and services, economists said before a government report today.

#### <u>Fuel price hike upsets people across India</u>

The hike in price of fuels has upset citizens all across the country.

State-run oil retailers raised petrol prices at midnight on Wednesday by close to three rupees.

# Justification of petrol price rise 'a lie', says Javadekar

BJP today rejected Finance Minister Pranab Mukherjee's justification of the hike in petrol price that it was due to rise in cost of international crude and threatened to hold nation-wide agitations on the issue.

"This is a lie. A litre of petrol costs Rs 26 to the government but it is sold to people at Rs 60. Even traders do not keep such high margins," BJP spokesperson Prakash Javadekar told reporters here.

While India is keen to ease its subsidy burden, lifting fuel prices in a country where hundreds of millions live in poverty could anger the governing Congress party's core voter base.

"When the price of fuel goes up, everything goes up. If the diesel rise happens, the general price rises across all goods could have a big impact for Congress in 2011," said Mahesh Rangarajan, a political columnist and professor at Delhi University.

# TIMELINE - Fuel price policy and changes

**REUTERS** - The latest hike in petrol prices brings the overall increase at the pump to near 17 percent since deregulation in June, which prompted even government allies to protest and strikes which hit transportation.

State-owned Indian Oil Corp, Bharat Petroleum and Hindustan Petroleum will raise petrol prices by about 5.6 percent -- the steepest since June.

# Australia: Electricity and other rises to cost families an extra \$310

BASIC utility price hikes which will cost the average household an extra \$310 next year have angered AdelaideNow readers.

The latest power sting, announced yesterday, will increase the average annual electricity bill by \$140 or 12 per cent.

# Beware the rock star business guru

When a slick and smiling Jeff Rubin appeared in a Harry Rosen ad earlier this year, it was clear that the former CIBC World Markets chief economist has become more than a practitioner of the dismal science. He is a brand. A rock star. An international guru with a best-selling book and a long list of corporations eager to pay very large amounts of money to hear him forecast the future.

Unfortunately, the future the guru sees isn't pretty.

# Inflation and the "Commodity Supercycle"

In real terms, the 1973-1980 and 2001-2008 rises in the oil price were similar. The inflation-adjusted (IA) oil price exceeded its 1980 high in 2008, but not by much and not for long. As things currently stand, the IA oil price is near its average of the past 35 years, which contradicts the notion that the combination of "Peak Oil" and "Chindia's"

# Will Oil Inflation Destroy America Or Will 2011 Be The Year of The Rabbit?

The good news is that the Saudis are saying \$70 to \$80 is "Fair". The bad news is they may change their minds and with oil knocking at the door of \$90 and some OPEC malcontents muttering \$100, they are starting to look a bit wobbly. Or even if they are "steadfast", perhaps they won't be able to pump enough oil to contain prices?

#### Hedging against Peak Oil Shocks

#### Key points in this Outlook:

- Increases in oil prices have frustrated consumers and led to calls for U.S. "energy independence."
- One of the best ways to combat rising oil prices is expanding domestic fossil-fuel production.
- This can actually reduce unemployment and create jobs in energy-producing states-and help steer the United States out of the recession.

#### Why You Should Consider Shorting Crude Oil Right Now (Hint: Record Long Bets)

Over the longer haul, many of us believe that oil is heading higher. If you subscribe to the peak oil theory, or at least some derivation of it, this trend is basically regarded as fact.

But for the shorter term, oil may be due for some degree of pullback. Speculative longs on the black goo is at an all-time high, according to our boy David Rosenberg.

#### Does China Face a 'Peak Coal' Threat?

China's ravenous appetite for energy puts the country at risk of reaching a point of "peak coal," when demand for coal will outstrip domestic production capacity, a growing number of experts believe.

China now consumes approximately 47 percent of coal produced globally but by most estimates has just 14 percent of global coal reserves. Meanwhile, demand has risen by about 10 percent per year for the last decade, putting the country on an "unsustainable" path, according to a recent report by C.L.S.A. Asia-Pacific Markets, a Hong Kong-based brokerage firm.

Saudi Aramco Sees Red Sea, Jalameed Gas Flowing This Decade, CEO Says

Saudi Aramco, the world's largest state-run oil company, plans within this decade to produce natural gas at new fields in northern Saudi Arabia and off the Red Sea coast, Aramco's chief executive officer said.

"We've done quite well, and in the last few years we've made some significant discoveries," Khalid Al-Falih said in a Bloomberg Television interview on Dec. 8. "We have made discoveries in the north of Saudi Arabia in a place called Jalameed. We're exploring very aggressively in the Red Sea."

#### Reserves boost Qatar's World Cup plans

RAS LAFFAN // Qatar's possession of vast gas reserves is boosting the emirate's hopes of delivering a memorable and problem-free World Cup when, in 2022, it becomes the first Arab nation to host football's premier event.

### South Korea to Raise Overseas Crude, Gas Output by 33% Through Purchases

South Korea, Asia's fourth-largest crude importer, expects to increase production from oil and gas fields owned by its energy companies by 33 percent next year through the acquisition of overseas assets.

Production may rise to 409,000 barrels a day of oil equivalent next year from 308,000 barrels a day this year, the Ministry of Knowledge Economy said today in its 2011 policy plan. South Korea, which imports almost all its energy needs, shipped in 837.1 million barrels of crude and 25.8 million metric tons of gas in 2009.

# South Korea's LNG Imports Jump 35% in November, Gaining for a Tenth Month

South Korea, the world's second- largest buyer of liquefied natural gas, increased imports of the fuel for a 10th month as heating demand rose.

Exxon Has Room to Expand Papua New Guinea LNG Production, Bernstein Says

Exxon Mobil Corp.'s liquefied natural gas project in Papua New Guinea could add a third production line because of the possibility of finding more natural gas, Sanford C. Bernstein & Co. said.

Afghan government awards oil contract in first phase of revenue-generation plan

KABUL - The Afghan government on Monday awarded a small but potentially pathbreaking crude oil contract, marking the first phase of an effort that U.S. and Afghan officials say could bring the cash-strapped government significant revenue.

#### <u>Ghana to begin pumping oil for first time</u>

ACCRA, Ghana – The West African nation of Ghana is poised to begin pumping oil Wednesday for the first time, kicking off a lucrative new industry expected to bring \$1 billion annually to a part of the world where most people still get by on less than \$2 a day.

But critics warn the country, one of the most stable and democratic on the continent, has yet to pass crucial legislation to avoid what is known in Africa as the "resource curse." In places like Congo and Nigeria, oil or mineral wealth has fueled conflict instead of boosting desperately needed development.

#### <u>Ghana's Oil Wealth May Trigger Borrowing Spree, Raising Debts</u>

Ghanaian President John Atta Mills says the country will learn from the mistakes of other African oil producers and save some of the revenue for future generations after production starts today. Government agreements to borrow more than \$14 billion say otherwise.

#### China bid wins BP's Pakistan assets

KARACHI - British energy giant BP Plc is to sell energy assets in Pakistan to the United Energy Group Ltd (UEG), a Hong Kong-based investment group, for US\$775 million, trumping offers from Pakistani energy companies.

The deal, agreed on Tuesday and expected to be completed in the first half of next year, is part of BP's ongoing divestment plan to help pay for the devastating Gulf of Mexico oil disaster earlier this year.

#### U.S. expected to file Gulf oil spill civil case

WASHINGTON (Reuters) – The U.S. Justice Department is expected to announce as early as Wednesday its first significant legal action stemming from the BP oil spill in the Gulf of Mexico, a federal government source familiar with the matter said.

#### Government issues guidance on offshore drilling rules

WASHINGTON (Reuters) – The Interior Department on Monday issued guidance about its new regulatory regime for offshore drillers, responding to complaints that confusion over the agency's new policies has delayed deepwater permitting.

### NTSB: No external corrosion in CA gas pipe blast

SAN MATEO, Calif. -- A gas pipeline that ruptured and caused a deadly explosion in a Northern California neighborhood showed no signs of corrosion and wasn't dented or leaking, federal accident investigators said Tuesday.

The National Transportation Safety Board has yet to determine what caused the transmission line to rupture on Sept. 9, killing eight people and destroying dozens of homes.

### EPA monitoring cleanup of Chicago area oil leak

LOCKPORT, Ill. – The U.S. Environmental Protection Agency is monitoring the cleanup of an oil leak from an underground pipe near in the Chicago area.

### <u>Oil sands report criticizes all stakeholders</u>

Cutting through rhetoric that so often dominates debate over Canada's oil sands, a new report by a prominent academic group is a comprehensive snapshot of the failings and successes of all the industry's stakeholders and raises hope for a new era of oversight.

The peer-reviewed report, to be published Wednesday by the Royal Society of Canada, takes aim at oil companies, governments and environmental groups alike while recommending steps to improve environmental monitoring in the economically vital industry.

### WikiLeaks: China Reselling Chavez's Cheap Oil

(AP) President Hugo Chavez's government has sold China oil for as little as \$5 a barrel and was upset that China apparently profited by selling fuel to other countries, according to a classified U.S. document released by WikiLeaks.

The report about Chinese companies diverting oil was one of several newly released documents that also describe falling crude output in Venezuela caused by a host of problems within the national oil company Petroleos de Venezuela SA, or PDVSA.

#### In bid to break Taliban, US embraces more firepower

WASHINGTON (AFP) – The US military has dramatically stepped up air strikes and manhunts in Afghanistan in a bid to weaken the Taliban, reflecting a return to "counter-terrorism" tactics.

Dropping more bombs and carrying out more raids by special operations forces

underscores a sense of urgency in the war effort, as the White House prepares to release a strategy review and commanders try to change the dynamic of a conflict mired in stalemate.

### Venezuela opposition denounces Chavez as dictator

CARACAS (Reuters) – Venezuelan President Hugo Chavez moved on Tuesday to bypass parliament and govern by decree for one year in the oil-producing state, prompting opposition charges he was acting like a dictator.

### Crude: The Incredible Journey of Oil (ABC TV DVD Review)

Ever thought about where the petrol in your car's fuel tank comes from? That's where the story of "Crude: The Incredible Journey of Oil" begins around 160 million years ago in the area now known as the Middle East, which was then covered by sea.

### <u>UK: Govt to offer grants for electric cars</u>

LONDON (AFP) – The government on Tuesday launched state grants aimed at encouraging motorists to buy environmentally-friendly electric cars made by leading manufacturers including Mercedes-Benz and Toyota.

<u>Billionaire unveils Russia's first hybrid car</u>

MOSCOW (AFP) – Russian billionaire Mikhail Prokhorov on Monday unveiled a new hybrid car that is due to come on the market in 2012, a first in a country where motorists often show scant regard for the environment.

# Firewood buyers can get burned by too-small cords

When it comes down to it, few people today know how much a cord of wood is, and while most wood sellers are honest, there are unscrupulous and fly-by-night dealers who sell wood in meaningless amounts.

Pickens Plan no longer features wind energy

Oil ty con T. Boone Pickens' TV commercials blasted the airwaves in 2008 with his big idea to get America off foreign oil imports: natural gas and wind energy.

Two years later, let's just make that natural gas.

Since the billionaire's plans for the world's largest wind farm fell apart in the Texas

Panhandle, Pickens has edited his much-hyped "Pickens Plan" to focus primarily on his other big business interest: natural gas.

### New wind power technology: Offshore, stealth turbines

NEW YORK (CNNMoney.com) -- Stealth technology for wind turbines is just one of the latest examples of advances in wind power that aim to make the renewable resource more competitive with fossil fuels.

Applying the stealth capability is an effort to solve a persistent problem with the massive turbines: ground-based radar stations mistake them for incoming aircraft.

### To Conquer Wind Power, China Writes the Rules

TIANJIN, China — Judging by the din at its factory here one recent day, the Spanish company Gamesa may seem to be a thriving player in the Chinese wind energy industry it helped create.

But Gamesa has learned the hard way, as other foreign manufacturers have, that competing for China's lucrative business means playing by strict house rules that are often stacked in Beijing's favor.

# Alstom Paying for Lost Years of Focus on Coal Rather Than Wind

Alstom SA is seeking to reverse the worst stock return of any major French company this year with a push into renewable energy as the maker of trains and turbines seeks to narrow the gap with German rival Siemens AG.

#### India selects 37 companies to build solar power plants

NEW DELHI (Reuters) – India has selected 37 companies to build solar power projects, as the country moves forward with an ambitious plan that seeks to significantly scale up production from near zero to 20 gigawatts by 2022.

# Bid to revive rare Redditch apple tree

Alistair Waugh, who is involved in the Transition Redditch movement which aims to find local ways to tackle climate change and peak oil, said: "Every area of the country has its own distinctive fruit varieties.

"Many of these have grown out of favour because we no longer rely on that local supply of fruit. The range of fruit is shrinking all the time. As a result, our local varieties are The Oil Drum | Drumbeat: December 15, 2010

rarely seen and tasted. I think it's worth people growing them for the sake of heritage and to promote diversity in our orchards."

### Wild Permaculture Forest Gardening on the BBC (Video)

The BBC seems to have gotten on a permaculture kick lately. Not long ago the broadcaster aired a beautiful and big thinking documentary about peak oil, agriculture, and one farmers' attempts to redesign her farm along permaculture principles. Now I've just come across a great video in which the BBC's very own gardening guru Alan Titchmarsh explores a stunning forest garden created by two of the pioneers of permaculture in Britain.

### Renewing our focus on food

The challenge for Australia in coming decades is to assure its own food security in an increasingly food-insecure world. This will require renewed focus on science, technology, economics, food policy, consumer education and the national diet writes Julian Cribb.

# Off-Grid Homes Considered 'Weird' Living?

When Gerry Cunningham started building his Southern Arizona zero-energy home in the 1980s, he likely never dreamed that, after his death this year at the age of 88, his solar-powered house would become famous not for its earth-friendly footprint, but as a contender for one of the nation's weirdest homes.

#### Australia: Council fast tracking its energy change

Energy efficient buildings, roof-top Solar PV, and using renewable fuels are three 'spearhead' projects that have kick started Sunshine Coast Council's transition to a clean energy organisation.

These three spearhead projects were highlighted following the adoption of the Sunshine Coast Energy Transition Plan 2010-2020, which details how the Sunshine Coast can begin the transition to a low carbon and low oil economy.

# Full of high sentence, but a bit obtuse: 2010, in review

2010 was all about one question: how, exactly, does one balance economic opportunities with environmental responsibilities? It was a 'politic, cautious' year.

# Effort Falters on San Francisco Bay Delta

Because of 160 years of farming and the construction of 1,100 miles of levees, delta lands have sunk and are now 3 to 20 feet below sea level. Mindful of how Hurricane Katrina devastated New Orleans in 2005, planners are also focusing on the possibility that a big earthquake or storm could break crucial levees and allow saltwater from the bay to inundate the delta, which could shut off a large source of the freshwater supply for months.

# EPA Tussle With Texas Regulators Spreads to Gas Wells

The Environmental Protection Agency, invoking a special "endangerment order" under the Safe Drinking Water Act, today ordered a natural gas drilling company, Range Resources, to provide clean drinking water and other assistance to two North Texas homes whose wells, the agency said, had been contaminated with methane and benzene to the point of being at risk of an explosion.

# Conservationists lose fight to protect Moscow forest from road

The new Moscow to St Petersburg highway will be built through an ancient forest outside the capital as planned, a top official confirmed today, despite environmentalists' outrage over the issue.

The controversy over the Khimki oak forest is not just about irreplaceable trees. The fierce dispute has showcased Russia's gravest social ill: the abuse of power and the dangers associated with trying to expose it.

# Rosatom Agrees to Buy Mantra for \$1.2 Billion to Gain Uranium in Tanzania

Rosatom Corp., Russia's nuclear holding company, agreed to buy Mantra Resources Ltd. for A\$1.16 billion (\$1.15 billion), giving it the Australian-based company's Tanzanian uranium assets.

# Minerals found in consumer electronic devices help finance civil war in Congo

As you arm yourself with electronic gifts over the next few weeks, you probably won't think about the minerals your new cellphone, laptop or digital camera runs on. But no matter which company made the gadget, it's likely to be powered using tin, tantalum, tungsten or gold, all of which are mined in Eastern Congo, where profits contribute to financing the country's bloody war.

#### Japan cast as villain at U.N. climate talks

Japan found itself in unfamiliar territory at the just-concluded U.N. climate change conference in Mexico, having been cast as a major villain that blocked progress as delegates sought to strike a deal on new steps to curb global warming.

#### Britain Will Roll Back Margaret Thatcher's Energy Market to Cut Emissions

The U.K. will propose the biggest changes to energy policy in two decades tomorrow when the coalition government lays out plans to ensure aging power plants are replaced and climate targets met.

David Cameron's government is likely to reassert state control over the market-based system introduced by his predecessor Margaret Thatcher when proposals are made to parliament. The regulator has suggested a "carbon floor" price to force up the cost of emitting greenhouse gases, encouraging investment in nuclear reactors and offshore wind farms.

#### Global warming and civilisation

Rich nations like those in Europe, the US, Japan and Australia are reluctant to slash their greenhouse gas emissions because emerging nations with high economic growth in the last 15 years, especially China and India, have not legally committed to reducing their carbon emissions. In the meantime, developing and poor nations are worried that cutting emissions could hamper economic growth they badly need to deal with unemployment and poverty.

Such rationales, from both rich and poor nations, are depicted in Garret Hardin's "tragedy of the commons" story, which applies to almost all common-property resources.

### Maps predict future floods for cities

Rising sea levels are likely to cause serious and regular flooding in Australian coastal cities by the end of the century, according to maps released by the Federal Government today.

The maps for low-lying areas in Melbourne, Sydney, Perth, Newcastle, the New South Wales' central coast and south-east Queensland show significant levels of inundation by the year 2100.

#### <u>Sea level rise a 'challenging issue' that needs to be addressed: scientists</u>

Sea level is rising, and California's coastal communities will need to prepare for the gradual inundation of low-lying areas, as well as increased erosion rates and damage from storms. Gary Griggs, professor of Earth and planetary sciences at the University of California, Santa Cruz, is working on a guidebook for local government agencies to help them make the difficult the decisions ahead.

"This is going to be a challenging issue for the next century," Griggs said. "In the short term, it's hard for people to see the urgency, because there are uncertainties about how fast this is moving in on us. But we need to start planning for it now."

Jeff Rubin: Cancun summit no solution to global warming

There are basically two ways to cut carbon emissions, and neither one of them involves global climate change summits like the one just held in Cancun, Mexico. The way I see it, you can either price carbon, or you can restrict growth.

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