



## Drumbeat: January 14, 2011

Posted by [Leanan](#) on January 14, 2011 - 10:37am

### [BP 'set for Russian share deal'](#)

BP is set to announce a major deal with the state run energy giant Rosneft, according to BBC sources in Russia.

The share swap deal could allow BP to drill for oil and gas in the untouched and totally unproven waters in the Russian part of the Arctic.

BP new chief executive Bob Dudley is hosting a press conference later where details are expected.

It could mean the Russian government owning a significant part of the UK's largest oil major.

### [Gulf-oil studies stalled by scarce samples](#)

An estimated three-quarters of a billion litres of oil flowed from the mangled Macondo wellhead after the Deepwater Horizon disaster in the Gulf of Mexico. Yet since the flood was stemmed in July, samples of that oil have become increasingly scarce for independent researchers hoping to explore the ecological effects of the spill or improve response capabilities. Many now fear that their work, or its legal relevance to the continuing damage-assessment process of the BP blowout, might be limited.

### [US natgas rig count falls for 6th week-Baker Hughes](#)

(Reuters) - The U.S. natural gas drilling rig count fell for the sixth straight week, according to Baker Hughes data on Friday, stirring expectations the steady decline could lead to a slowdown in production this year from record or near record high output in 2010.

The overall number of rigs drilling for natural gas in the United States dropped by 12 this week to 902.

### [Peak Oil is Past Tense](#)

According to Exxon's (NYSE: XOM) official spokesman:

*All the easy oil and gas in the world has pretty much been found. Now comes the harder work in finding and producing oil from more challenging environments and work areas.*

That's the Exxon — the \$383 billion market cap, world's most profitable company Exxon.

I wonder what Shell (NYSE: RDS-A) thinks...

*It is pretty clear that there is not much chance of finding any significant quantity of new cheap oil. Any new or unconventional oil is going to be expensive.*

That was Ron Oxburgh, former Chairman of Shell, back in 2008.

### [Peak oilers still blind to economic reality](#)

The economists are generally going to be right and, as long as the engineers keep doing their job and deliver the oil according to our demand for it, all will be well.

But the problem is that, as Tom Bowers makes clear in his excellent book *Oil*, peak oil theory is being factored in to the price of oil by the traders who set the price. In the 1990s, these traders broke the OPEC cartel wide open and pushed oil down to \$10 a barrel. Today, they are driving up the price of oil at least in part because they believe in peak oil. It's no surprise that they should listen to the engineers rather than the economists - they are interested in where the oil is coming from and when, not the end use to which it is put. Yet that decision is having wide-ranging consequences for the rest of us.

### [Range Fuels Lays Off Workers, Plans to Meet 2011 Target](#)

Here's the bad news from next-gen biofuel producer Range Fuels: The company has let some workers go. But the good news the company wants you to know, is that Range Fuels is still planning to produce enough cellulosic ethanol to meet a government estimate for 2011.

### [Evergreen Solar closing Massachusetts plant because of competition from 'heavily subsidized solar manufacturers in China'](#)

BOSTON — A solar panel manufacturer that also runs operations in Midland is closing its Massachusetts facility, citing heavy competition from China and dropping prices, according to the Associated Press.

The company will lay off about 800 workers. Adding to the blow, the company received \$58 million in state aid in 2007 to open the factory, which is located at a former Massachusetts military base.

### [Iranian gas demand hits record high](#)

Iran said its natural gas consumption had hit a record high due to cold weather, despite a subsidy cut on essentials including energy.

"The average consumption of natural gas hit a new historical record of 530 million cubic metres a day," National Iranian Gas Company spokesman Majid Boujarzadeh was quoted as saying by the semi-official Mehr news agency.

Earlier this month Iran said its gas consumption had dropped by more than 20 million cubic metres a day since the government of President Mahmoud Ahmadinejad cut price subsidies.

### [Chicago gas prices soar to highest in country](#)

And a recent equipment fire at Canadian Natural Resources Ltd. is particularly problematic for the Midwest, which gets much of its fuel from Canada, said Chicago energy analyst Phil Flynn.

While city gas prices usually go up in the summer, a price spike is uncommon in the winter.

"I cannot remember a winter in all the years I have been doing this that we have had so many things go wrong," Flynn said. "We hope this is going to end soon, but I have been saying that for a month and a half."

### [Output in oilfields expected to rise](#)

Planners at Mexico's state oil company Pemex expect three oilfields to be redeveloped by private companies to contribute 42,000 barrels per day in new oil production by 2016, according to company documents.

The company's strategic planning department forecast output from the Carrizo, Magallanes and Santuario fields would rise to 54,000 bpd by 2016 from just over 12,000 bpd in documents released under an access to information request.

Pemex's forecast assumes roughly \$1 billion will be invested in the fields between 2011 and 2016, the documents said.

### [Mexican regulator announces new rules for deepwater drilling](#)

Mexico's upstream regulator, the National Hydrocarbons Commission, announced rules to govern deepwater drilling within the nation's territorial waters.

The new regulations, published in Tuesday's edition of El Diario Oficial -- the Mexican equivalent of the Federal Register -- are intended to prevent Macondo-like accidents and spills.

In a statement, the commission said the rules apply to all drilling in depths of 500 meters or more.

### [Analysis: Bender Sees Natural Gas as Larger Piece of Energy Pie in 2011](#)

Austin-based energy consulting firm Bender Consulting forecasts that natural gas will increase in importance and will claim a larger piece of the "energy pie" in the U.S., driven primarily by the supermajors' appetite for stable, proven reserves and the U.S. government's push for greater energy independence.

### [China's LNG work has eyes on Iran, and beyond](#)

(Reuters) - China may have the technical capability to build a natural gas liquefaction plant within five years, potentially opening the door to vast reserves in Iran where sanctions have kept away western firms.

A breakthrough for Chinese firms would allow them to tap Iran's vast gas reserves, the largest in the world outside Russia, as long as they are prepared to brave sanctions that have scared off Western oil majors.

### [Refinery outages tighten gas mart](#)

JEDDAH: Supply tightness and looming refinery outages in the Middle East have kept gasoline and gas oil premiums supported this week, traders said Wednesday.

Saudi Aramco, state-run Bahrain Petroleum Co (Bapco) and Abu Dhabi National Oil Company (Adnoc) will have partial shutdowns of some of their refineries between mid-January to mid-February.

### [Over 39 trillion cubic meters of gas yet undiscovered in MENA](#)

JEDDAH: Over 39 trillion cubic meters of gas reserves remain undiscovered in the Middle East and North Africa (MENA) region, the Dammam-based Arab Petroleum Investment Corporation (Apicorp) said in its study.

Proven gas reserves in the Gulf and other parts of MENA stood at around 84.5 trillion cubic meters (tcm) at the start of 2010 but nearly 39.6 tcm in extra resources are undiscovered, it said.

### [Firms eyeing Aramco's Shaybah NGL deals](#)

State oil giant Saudi Aramco received on December 29 construction bids for a natural gas liquids (NGL) project in its Shaybah oilfield.

Shaybah NGL is one of two new gas projects Aramco plans to develop to boost gas output and meet domestic demand rising at 5-6 per cent annually.

### [Sudan partition poses challenges for China](#)

JUBA, Sudan - The looming partition of Sudan after this week's independence vote in the south poses challenges for China, which faces dependence for nearly five percent of its oil imports on a new country long suspicious of its ties with Khartoum.

### [Transneft denies allegations](#)

The head of Russia's oil pipeline monopoly Transneft denied embezzlement allegations connected to the construction of a \$25 billion pipeline.

### [Mauritius May Face Fuel Shortage Due to India-Iran Payment Issue](#)

(Bloomberg) -- Mauritius may face a fuel shortage that will disrupt economic output if supplies from India's Mangalore Refinery are disrupted, Commerce Minister Shawkutally Soodhun said.

### [Fuel availability: A mirage?](#)

THE year 2011, it seems, will be a good year for Nigerians, particularly in term of availability of petroleum products.

Nigerians are still basking in the euphoria of celebrating the Christmas and the New Year without any case of fuel scarcity as it had been the case for several years where commuters and citizens who need petroleum products for domestic and industrial use queue up endlessly at service stations.

### [Steel Output in India May Drop on Australian Floods](#)

(Bloomberg) -- Tata Steel Ltd., Steel Authority of India Ltd. and local rivals may cut output and raise prices as floods in Australia disrupt coking coal supplies and boost costs, RBS Equities India Ltd. and Macquarie Group Ltd. said.

### [South Africa warns on electricity tariff](#)

Energy services company Manoa, Wednesday warned business in South Africa to prepare for a series of steep electricity tariff hikes that is expected to hit the country until Y 2015.

According to the Department of Energy's latest Integrated Resource Plan (IRP) which details the country's long-term energy generation and usage prospects, the price increases will be used to help fund urgently-needed electricity generation projects worth Billions of Rand.

### [Botswana: Fuel shortages to continue till March](#)

Government has authorised the release of 6.389 million litres of fuel from its strategic reserves to petroleum retailers as part of efforts to contain the current shortage that is now expected to continue up to March.

### [Bots looks to Nam and Moz as fuel dries up](#)

Gaborone- Botswana has approached Namibia and Mozambique for fuel supplies following intermittent shortages since early December and expected to stretch up to March.

### [Fuel shortage: PSO restores oil supply to railways](#)

LAHORE: Pakistan State Oil (PSO) has decided to restore the fuel supply to Pakistan Railways despite a pending payment of Rs750 million, *The Express Tribune* learnt on good authority on Thursday.

### [Alternative energy use urged](#)

Islamabad - Minister for Environment Hameedullah Jan Afridi on Thursday said that use of alternative energy is necessary in the face of growing shortfall of electricity, gas and other sources of energy in the country.

### [Rwanda targeting 300 MW of geothermal power in next six years](#)

Rwanda plans to include geothermal power in its energy mix in a bid to tackle severe electricity challenges and power its fast-expanding economy.

The East African nation says it has set itself a target of generating 300 MW from geothermal sources in the next six years.

## [Galway Debate on the Future of Energy in Ireland](#)

Experts will debate the future of energy in Ireland at NUI Galway later this month [Jan 26].

The event, which is open to the public, is being organised by the University's Chemistry, Energy and Physics Societies.

Experts from the fields of energy technology, policy, innovation and business will take part in a panel discussion entitled Averting a Future Irish Energy Crisis.

## [SOUTH AFRICA: Too much maize](#)

JOHANNESBURG (IRIN) - After a record maize harvest, a bid by South African farmers to form a pool to export the surplus – enough to feed its food insecure neighbours, Swaziland and Lesotho, for several years – has raised questions about the future of the crop and the manufacture of biofuel.

## [W.Va. Governor Urges State to Embrace Drilling](#)

Acting Gov. Earl Ray Tomblin promised Wednesday night to continue to fight to protect the coal industry and urged state residents to embrace increased natural gas drilling as part of a broader energy production agenda.

But Tomblin did not take advantage of his State of the State address to promote his own Department of Environmental Protection's proposal for wholesale changes in the way drilling is regulated. And the acting governor vowed he would "aggressively pursue" a lawsuit to block Obama administration plans to limit mountaintop removal mining.

## [Idaho Transportation Department sides with hearing examiner who said highway megaloads are OK](#)

BOISE, Idaho (AP) – The Idaho Transportation Department has rejected arguments by a group that wants the state to deny permits to ConocoPhillips to ship oversized oil-refinery equipment along north-central Idaho's U.S. Highway 12.

## [Global Oil Companies Discover Cash in Their Trash](#)

Companies like BP and Shell fetch top prices for assets many thought they'd struggle to discard.

### [Show me the evidence: Growth and prosperity](#)

Most cities in the U.S. have operated on the assumption that growth is inherently beneficial and that more and faster growth will benefit local residents economically. Local growth is often cited as the cure for urban ailments, especially the need for local jobs. But where is the empirical evidence that growth is providing these benefits?

I have completed a new study examining the relationship between growth and prosperity in U.S. metro areas. I found that those metro areas with the most growth fared the worst in terms of basic measures of economic well-being.

### [Proof that bikesharing works in the USA](#)

For all those who dismissed bike sharing as a woolly-headed European idea that would never work on the mean streets of U.S. cities, the success of the first season of MinneapolisNice Ride bike program will come as a surprise.

### [Peak oil and our finite world; or, in praise of waste](#)

The reason why Krugman is right is that there's tremendous waste in everything that we do, especially in rich countries. Tristram Stuart's fantastic book *Waste* details the scandal of all the food thrown out at every step in the system, from perfectly good food that's chucked in grocery store dumpsters to the carrots rejected just after picking because they're slightly misshapen or bent. Depending on whose numbers you believe, and how you define "waste," something like half of all the food that's grown gets wasted.

And of course we don't need to drive to the grocery store in SUVs. We don't need to have heated pools that leak all that energy—which was most likely ancient sunlight stored in natural gas, coal, or oil, and then burned to make electricity—back into the sky after we're done taking a dip. Californians don't have to fly to Hawaii to enjoy beautiful beaches. And so on.

### [A world in breakdown](#)

The events of a single day in three continents are a lesson in the interlocking crises that will define the decade.

### [John Michael Greer: The secret of herding cats](#)

Granted, it was the season for giving, but I'm not at all sure that justifies the extraordinary Christmas present Dr. David Shearman has given the climate change denialist movement. Readers of mine who haven't yet heard of Shearman need not worry; they will be hearing far too much about him in the months and years ahead.

### [Chile protests turn deadly as Latin America buckles under rising energy prices](#)

Santiago, Chile - Two people in the southern Chilean city of Punta Arenas were killed Tuesday night when a truck ran into the barricade where they were protesting the government's plan to increase natural gas prices.

The world's southernmost city, with a population of 110,000, remained largely paralyzed today by a general strike as local residents and elected officials demand that the national government maintain subsidies on natural gas, which is widely used in the region to power vehicles, heat homes, and provide energy for businesses.

The protests are the latest in a wave of anger in Latin America as governments attempt to reconcile budgets with energy prices, which have climbed to levels not seen since the record highs of 2008.

### [Crude Oil Falls a Second Day as U.S. Economy Signals Slowing Fuel Demand](#)

Oil declined for a second day in New York as signs of a slowing economic recovery in the U.S. bolstered speculation demand may falter in the world's biggest consumer of the fuel.

Crude fell from near the highest price since October 2008 after a Labor Department report yesterday showed the most first-time claims for unemployment-insurance benefits since October. Futures extended declines as equity prices fell after China's central bank raised lenders' reserve requirements.

### [\\$4-a-gallon gas: What effect would it have?](#)

Gas prices that already have topped \$3 a gallon could approach \$4 by summer if past trends hold — forcing consumers, businesses and governments to cut spending in other areas, raising prices on a broad range of consumer goods and slowing an already sluggish economic recovery.

### [Oil's Record U.S. Discount Lets Investors Quadruple Money](#)

U.S. oil, the cheapest in almost two years relative to other grades of crude, is poised to extend its discount, giving investors who trade price differences a chance to more than quadruple their money.

### [JPMorgan Recommends Investors Maintain Bullish Bets on Brent Crude Oil](#)

JPMorgan Chase & Co. recommended investors maintain bets Brent oil prices will rise as global supplies drop and demand from developed countries increases.

## [Wholesale prices post biggest gain in a year](#)

WASHINGTON — Wholesale prices in December posted their biggest rise in nearly a year, lifted by more expensive energy and food costs. But most other prices were largely well behaved, suggesting inflation isn't spreading through the economy.

## [Iraq's oil expansion plans face major challenges](#)

BASRA, Iraq (AP) -- Hundreds of miles of mostly rusty pipelines cut across the bleak desert landscape near this southern port city under a smog-filled sky, as foreign crews in flak jackets, guarded by armed security, work nearby to extract the crude oil on which Iraq has pinned its future.

They are among the hundreds tasked with boosting Iraq's oil after the country awarded foreign firms access to its fields. But as they begin their work, the scope of their challenge is becoming painfully clear. Pipelines are old and their capacity is too low. Storage terminals are needed. Ports must be upgraded after decades of neglect.

## [LUKoil faced reserve shortage in 2010](#)

Russia's largest private oil company LUKoil faced a lack of reserves last year but hopes to solve the problem by boosting exploration and efficiency as well as through cooperating with state energy companies, LUKoil President Vagit Alekperov said on Friday.

## [Norway's \\$186 Billion Gas Loss to Cement Russian Grip on Supply](#)

Europe may face a shortfall of Norwegian natural gas as soon as 2015 after the country slashed its estimate for undiscovered resources because of a dearth of discoveries from companies such as Royal Dutch Shell Plc.

Europe's second-largest supplier yesterday cut its estimate for gas yet to be discovered by 31 percent, or 570 billion cubic meters. That's equal to more than five years of production at current rates and would be valued at about \$186 billion based on today's prices at the U.K's trading hub.

## [Norway Gas Production Climbed 9 Percent in December, Crude Output Decline](#)

Norway, the second-biggest exporter of natural gas, said output of the fuel rose 9 percent in December from a year earlier, as oil production fell 9.2 percent.

## [Flood-Powered Currents, Drifting Fridges, Debris Shut Queensland Harbors](#)

Brisbane, Australia's third-busiest container port, is among export harbors for coal, cotton, explosives and oil products that remain shut by Queensland's "raging floodwaters."

### [Cnooc Profit Jumps 90 Percent as Oil Producers Increases Output, Prices](#)

Cnooc Ltd., China's biggest offshore oil producer, said profit rose 90 percent in the first nine months of last year as it ramped up production to meet demand in the world's fastest-growing major economy.

### [Marathon Oil to spin off its refining business](#)

Marathon Oil said Thursday it will split into two companies, separating its business of exploring for and producing oil from its lower-margin refining operation.

### [Russia may hike oil product tax, cut crude duty-FinMin](#)

(Reuters) - The Russian government may consider increasing the oil product export duty, while crude oil export tariffs could be lowered, Interfax news agency quoted deputy finance minister Sergei Shatalov as saying on Friday.

### [No end to Belarus oil row](#)

Russia has so far failed to clinch an oil price agreement with Belarus with talks set to continue next week.

### [Trans Alaska Crude Oil Pipeline Will Shut Tonight for Bypass Installation](#)

Alyeska Pipeline Service Co. plans to shut the Trans Alaska system today to install a bypass following a leak on the line that carries 15 percent of U.S. crude oil production.

The pipe will close at 6 p.m. local time so Alyeska can put in a section to carry crude around a breach at Pump Station 1, Matt Carle, a company spokesman, said by telephone from Fairbanks, Alaska. The system may be shut for as long as 48 hours, according to a statement from the operator, state and federal regulators, dated yesterday.

### [Nebraska bill would shackle oil pipeline](#)

A measure introduced Wednesday in the Legislature would require oil companies to go through an extensive application process before running pipe through Nebraska -- a

move that attempts to slow TransCanada Corp.'s plan to construct a pipeline near the Ogallala aquifer.

### [Nazarbayev May Rule Oil-Rich Kazakhstan Until 2020](#)

(Bloomberg) -- President Nursultan Nazarbayev, who has ruled Kazakhstan since 1989, may remain in office until 2020 if voters back the move in a referendum, putting a potential succession battle on hold.

### [Nigeria's Jonathan Wins Party Backing for Presidency](#)

(Bloomberg) -- Nigerian President Goodluck Jonathan won the nomination of the ruling People's Democratic Party to compete in a presidential election on April 9, easing concern that infighting in the party would destabilize the country.

### [Nigeria: Anti-graft body questions 12 oil execs](#)

A spokesman for Nigeria's anti-graft body says they are interrogating 12 oil firm executives over bribes worth more than \$100 million in the oil-rich West African nation.

### [Krugman: Can Europe Be Saved?](#)

It all began with coal and steel. On May 9, 1950 — a date whose anniversary is now celebrated as Europe Day — Robert Schuman, the French foreign minister, proposed that his nation and West Germany pool their coal and steel production. That may sound prosaic, but Schuman declared that it was much more than just a business deal.

For one thing, the new Coal and Steel Community would make any future war between Germany and France “not merely unthinkable, but materially impossible.” And it would be a first step on the road to a “federation of Europe,” to be achieved step by step via “concrete achievements which first create a de facto solidarity.” That is, economic measures would both serve mundane ends and promote political unity.

### [China, Russia reject Iran's invitation to tour nuclear sites](#)

Iran's proposal for a tour of its nuclear sites floundered Thursday after China effectively rejected the invitation and Russia said such a trip could never replace UN inspections or talks between Tehran and world powers.

### [China Failing to Enforce Nuclear Sanctions Against Iran, Expert Says](#)

China remains “a major gap” in enforcing global sanctions on Iran, with lax oversight

enabling front companies to purchase sensitive materials that can advance Iran's pursuit of a nuclear weapons capability, a leading expert on Iran's nuclear program said.

"China does not implement and enforce its trade controls or its sanctions laws adequately," David Albright, a nuclear physicist who inspected Iran's nuclear facilities for the United Nations' atomic energy agency in the 1990s, said yesterday at the Woodrow Wilson International Center for Scholars, a Washington research institute.

### [Upstream expert: Fed Deepwater report 'balanced'](#)

With the release of the president-appointed Oil Spill Commission's final report Jan. 11, energy-industry observers and insiders alike have weighed in on the merits of the panel's recommendations.

Well-known energy expert Dr. Nansen Saleri thinks that, while specific problems led to the blowout and sinking of the Deepwater Horizon in April, the disaster is indicative of broader problems that energy executives will have to fix.

### [Drilling chief wants higher fines for offenses](#)

WASHINGTON – The Obama administration is considering ways to increase civil penalties for companies that violate rules for offshore drilling, a senior regulator said Thursday.

Michael Bromwich, director of the Interior Department's Bureau of Ocean Energy Management, said current fines of up to \$35,000 per incident per day are "patently inadequate to deter violations."

### [Spill report rekindles Democratic push for reform](#)

WASHINGTON – Democrats in Congress pledged Tuesday to push for tougher regulation of offshore drilling and to make oil companies more financially responsible for spills — steps a presidential panel says are necessary to prevent another catastrophic blowout.

### [On Gulf Coast, nail-biting over future of domestic oil drilling](#)

Amelia, La. - Three months have come and gone since the Obama administration lifted the moratorium on deep-water drilling for oil and gas, but there hasn't exactly been a stampede back to the Gulf of Mexico to sink wells into the ocean depths.

### [Estimating spill may be more law than science](#)

WASHINGTON – The amount of oil spilled into the Gulf of Mexico from the Deepwater Horizon rig blowout will be determined by protracted court proceedings rather than purely scientific calculations, the nation's top environmental enforcement officer said Thursday.

### [Speakers look into the crystal ball of investment future](#)

Mr. Narusis touched on what he viewed as three dominant trends that pushed up the price of gold in 2009 and 2010 and will likely continue to in 2011. The medium-term trends (which mean lasting a few years) are central banking buying, movement away from the U.S. dollar and China.

He discussed the three irreversible trends -- an aging population, outsourcing and peak oil -- to make a point that these inclinations will affect the price of gold for decades to come.

### [Jack Gerard answers your questions – Part Two](#)

In this week's readers' Q&A session, Jack Gerard, head of the API, the voice of the US oil industry, answers your questions.

In this second of two posts, he discusses peak oil, the potential of natural gas, and what the API's lobbying achieves.

### [Why coal is the fuel of the future](#)

But if the problem is that coal is dirty, why can't we just stop using it? Because, as Fallows points out, it's impossible to picture an energy future that doesn't involve coal.

Why not? Because for one thing, it's a lot more geopolitically convenient than oil. The US has the most coal reserves in the world. Russia, China and India are next. Each of those nations is a leading economic and political power. Each has every reason to favour a secure, indigenous energy source over any other.

We're also much further away from 'peak' coal than we are from 'peak' oil. And for another, coal simply provides far more energy than most other sources. Coal-burning plants provide almost half of the electricity consumed in the US. Natural gas is a distant second at around 23%, nuclear is on 20%, and renewables (including hydroelectric power) form the rest. As for China, coal supplies a massive 70% of overall electricity demand.

### [7 years to ensure safety?](#)

The frenzied coverage of last year's Gulf of Mexico oil spill might have led you to reach

two conclusions: The whole thing was BP's fault. And the Gulf waters would be befouled for years, if not decades.

Neither turns out to be true, which has important consequences for drilling policy going forward.

### [Ken Salazar: Proceed with caution](#)

This week, the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling released its final report on the tragedy that killed 11 men and spilled more than 4 million barrels of oil into the Gulf of Mexico over the summer.

The commission's report delivers a strong message: Unless we continue our reforms to offshore drilling rules, standards and oversight, the United States remains at risk of another spill on the scale of the Deepwater Horizon.

### [Goldman Sachs cautious on utilities in 2011](#)

(Reuters) - Goldman Sachs cut its rating on regulated utilities to "cautious," and remained bearish on diversified utilities, saying that given a significant surplus of generating capacity, supply demand fundamentals should not dramatically improve until coal plant retirements increase post 2014.

### [Norway's Statoil has panoramic view of a clean future](#)

The ammonia process is a new one for carbon capture, developed in the hope of avoiding certain potential problems with the more standard amine-based technology. Those include the possible release of trace amounts of amine into the atmosphere, where the nitrogenous compounds may react with atmospheric gases to form nitrous oxides that have been linked to cancer. Whether the chilled-ammonia process can be sufficiently cost-effective, however, remains to be seen.

### [Roaring fossil fuels outpace green energy](#)

Fossil fuel investments will continue to outstrip low-carbon alternatives this year, darkening a sector struggling to shake off the financial crisis and sagging political momentum on climate change. Soaring fossil fuel prices, where the European oil benchmark is pushing \$100 a barrel, favour oil and coal producers, while falling gas prices have undermined wind power generation especially in the United States.

### [Abu Dhabi's renewable energy target can be reached](#)

ABU DHABI // The emirate can reach its ambitious target of generating seven per cent

of electricity from renewable sources by 2020, experts said yesterday.

The target was announced two years ago before the World Future Energy Summit, a global conference held in the capital that gathers some of the world's most influential renewable industry players.

### [Cruise watcher: 'Perfect storm' of woes has ships fleeing Calif.](#)

Another element of the perfect storm, says Jainchill, is the sharp rise in fuel prices in recent years, which has had a particular impact on cruise ships sailing West Coast itineraries, where ships must travel long distances. And to make matters worse, vacationers increasingly are having second thoughts about travel to Mexico (the destination for most cruises out of California) as a result of the growing drug cartel-related violence in the country.

### [Indonesia Says Targets Geothermal Capacity of 3,772MW by 2016](#)

Indonesia aims to create 3,772 megawatts of geothermal capacity by 2016 to help reduce the nation's dependence on fossil fuels, Sugiharto Harsoprayitno, director of geothermal development at the Energy Ministry, told reporters today in Jakarta.

### [Detroit auto show proves how important small cars will be](#)

DETROIT — The business case against small cars is strong. Simplified, it goes like this: Americans don't want them, won't pay the dramatically higher prices required for them to be profitable — and don't need them because gas still is cheap.

And, all else equal, the laws of physics still mean small cars are less safe than big cars in crashes.

None of that matters for carmakers now, though. Federal rules say that the industry's products must average 35.5 miles per gallon in 2016, and proposed regs could boost that to 62 mpg by 2025. That all but mandates shrinking cars.

### [A Step Toward Car Fuel From Wood Waste](#)

A federal law requires companies that produce gasoline to blend in 250 million gallons of cellulosic ethanol this year, but the Environmental Protection Agency reduced that quota to a more realistic six million gallons.

On Thursday, however, one of the many companies working toward commercial production, the Mascoma Corporation of Lebanon, N.H., said it had reached an agreement with Valero, the nation's largest independent oil refiner, under which Valero would take the entire output of a commercial plant that Mascoma is to break ground on this year in Kinross, Mich. It is the first such "offtake" agreement in the industry,

Mascoma said. The plant is supposed to be running by 2013.

### [Japanese carmakers in push for hydrogen vehicles](#)

TOKYO (AFP) – Japan's top three automakers Toyota, Honda and Nissan have united with Japanese energy firms in a push to commercialise greener hydrogen fuel cell cars and build a network of fuelling stations.

### [Widening of I-5 an ill-conceived way forward](#)

First, America is now a second-tier economy, because the love of personal mobility has shut out societal advances in shared transportation. While Europe expands its high-speed rail in all countries, including Croatia, Poland and Western Europe, and while China completes 9,900 miles of 200-plus-mph rail, San Diego will still be constructing a completely useless 23-mile widening of an already massive freeway. Is widening an already wide freeway transportation innovation and progress? Where are the voices in San Diego planning who speak for transportation innovation?

Second, our domestic security depends on weaning ourselves from fossil fuels lest we continue to be held in the grip of those societies who will export every last drop of their oil to dominate one of the great democracies in history. With peak oil comes the realization that the price and supply of oil is a risk too high for domestic security. The widening of I-5, like a co-dependent or alcoholic enabler, says: "I like my citizens dependent on fossil fuels." Wrong now ---- and future generations will scorn the expansion as criminally wasteful.

### [The most powerful states for solar](#)

FORTUNE -- It turns out that subsidies -- not the sun -- are what really drive solar projects. Photovoltaic plants simply aren't cost-efficient without tax breaks and other government carrots. California leads the country in photovoltaic projects, thanks to a 2006 act that offers rebates to homeowners and businesses that go green. But the Northeast is also, somewhat counterintuitively, a big solar player.

### [Corporate tax reform: Talk grows louder](#)

CNNMoney asked six tax policy experts which breaks they think should get the ax. Of their top picks, some are poorly targeted. Others are simply lobbyist-engineered loopholes with minimum value to the economy.

**Boosting corn as high as an elephant's eye:** Oil refineries can take a 45-cents-a-gallon tax credit for ethanol blended with gasoline.

"It predominantly benefits corn-based ethanol, driving up corn prices, distorting agricultural decisions, and having little if any benefit in terms of greenhouse gas

emission reductions or fuel savings," said Gilbert Metcalf, an economics professor at Tufts University.

Eliminating the break could save \$32 billion over five years, he noted.

### [Food prices may rise as corn, soybean output drops](#)

DES MOINES — A surprising drop in the U.S. corn and soybean crop sent grain prices surging to their highest levels in 2 years Wednesday. The price increases stoked concerns about higher food prices and tighter supplies of feedstock for food and biofuels.

Wet weather and abnormally high temperatures contributed to lower U.S. corn production in 2010, according to a report from the U.S. Agriculture Department. The report also showed declines in soybean, wheat and grain sorghum production.

### [INTERVIEW - No cause for alarm now over global food - FAO](#)

TOKYO (Reuters) - A senior official of the UN's food agency played down concerns that tighter supplies of food could lead to a repeat of the 2008 food crisis because stocks were ample.

### [Lester Brown - The Great Food Crisis of 2011: It's real, and it's not going away anytime soon](#)

As the new year begins, the price of wheat is setting an all-time high in the United Kingdom. Food riots are spreading across Algeria. Russia is importing grain to sustain its cattle herds until spring grazing begins. India is wrestling with an 18-percent annual food inflation rate, sparking protests. China is looking abroad for potentially massive quantities of wheat and corn. The Mexican government is buying corn futures to avoid unmanageable tortilla price rises. And on January 5, the U.N. Food and Agricultural organization announced that its food price index for December hit an all-time high.

### [Organic and Beyond](#)

Those of us who advocate a new, environmentally sound agricultural model know full well that organic farming out-competes industrial conventional farming in all indicators, including yields, consumer benefits, rural economic development, environmental protection and hunger eradication. We know full well that the methodologies of organic agriculture have as much or more scientific validation than conventional agriculture and that these represent the vanguard of the agriculture of the future. By whatever name it goes- agroecology, permaculture, ecological farming, biodynamics- this modality of agricultural production, which combines the best of ancient traditions with modern science, is our best bet in facing pressing global challenges like climate change, peak oil, the food crisis and the worldwide economic debacle.

### [In winter, farmers markets turn into value \(added\) villages](#)

She admits that today is the first day she realized how few *farmers* are at the market: The kitchen dwellers - the barbecue man, the corn poppers and salsa pusher among them - have the land dwellers outnumbered by more than 2 to 1. She finds it appalling that a farmers market such as this can have so few of them. "You're looking at a food court here," says the vendor, a farmer, who requests anonymity lest she lose her spot at the market.

### [How to Deal with our Economic & Environmental Challenges Together](#)

Perhaps the most foolish and dangerous misconception of our time is that we must somehow choose between the economy and the environment. We hear it all the time. "We can't establish green house gas emissions caps until we get our economy out of recession."..."The environment's important, but so are jobs."..."We need to *balance* the economy with the environment."

### [SLOLA: Saving Seeds For The Future](#)

Over the last two decades, large, multinational companies like Monsanto have taken over family-owned seed companies and focused on producing their own hybrid and patented varieties.

Why is this an issue? These hybrids don't produce viable seeds and cannot be collected legally and used by farmers or home gardeners.

### [USDA calls for dramatic change in school lunches](#)

The government is calling for dramatic changes in school meals, including limiting french fries, sodium and calories and offering students more fruits and vegetables.

The proposed rule, being released Thursday by the U.S. Department of Agriculture, will raise the nutrition standards for meals for the first time in 15 years.

### [Tense time for workers, as career paths fade away](#)

Alexei Bayer, a financial analyst, even questions the very notion of growth, arguing that the past 2,000 years — including the Dark Ages — suggest prosperity is more aberration than given. "At least for now," he writes, "the U.S. may have run out of sources of growth."

### [DVD: Collapse](#)

Chris Smith's film "Collapse" is not so much a documentary about ex-cop and peak oil activist Michael Ruppert as it is an engrossing platform for his message, which is simple: There's a finite amount of oil on the planet, we've used more than half of it, and the consequence will be nothing less than the collapse of industrial civilization.

### [Petroleum-based products are part of life](#)

As the news begins its quarterly coverage of increasing gas prices, the argument often arises whether the United States and the industrialized world is addicted to oil. News stories often focus on the cost of gasoline at the gas station.

However, they rarely are able to grasp the scope of how deeply integrated petroleum-based products are in our everyday lives.

The moral of the story is this: Gas prices aren't a sign to panic and tighten budgets. They are simply an indicator to one fraction or facet of life, and we must realize that oil has crept into nearly everything we touch.

### [Preparing for the move to self-reliance](#)

Peak oil is an idea that has been drifting around on the edge of the mainstream media for a while, but landed with a thud this summer when the International Energy Agency (IEA) announced that, indeed, the world had definitively reached what they designated as 'peak oil' in 2006.

Conventional oil supplies are now officially in decline. This may take a while to sink in due to the background noise of our hectic lives, but is shaping up to be a real game-changer.

### [END:CIV at Castle Theatre on Saturday](#)

The idea for director Franklin López's film, END:CIV, started nearly five years ago when he was at a conference on the peak oil movement in New York City.

"At this conference, most people are talking about gardening, food security, alternative energy ... and here comes Derrick Jensen, who I've never heard of before," López said, explaining that Jensen "blew my mind and the minds of everyone sitting there."

### [The Chinese Eco-Disaster](#)

When Jonathan Watts was a child, he was warned: "If everyone in China jumps at exactly the same time, it will shake the earth off its axis and kill us all." Three decades later, he stood in the gray sickly smog of Beijing, wheezing and hacking uncontrollably

after a short run, and thought: The Chinese jump has begun. He had traveled 100,000 miles crisscrossing China, from Tibet to the deserts of Inner Mongolia, and everywhere he went, he discovered that the Chinese state had embarked on a massive program of ecological destruction. It has turned whole rivers poisonous to the touch, rendered entire areas cancer-ridden, transformed a fertile area almost twice the size of Britain into desert—and perhaps even triggered the worst earthquake in living memory.

### [China sets goals to reduce emissions of pollutants](#)

BEIJING – China said Friday it would cut emissions this year by rejecting construction projects that pollute too much and developing new technologies that curb greenhouse gases.

### [EPA vetoes water permit for W.Va. mountaintop mine](#)

MORGANTOWN, W.Va. — The Environmental Protection Agency said Thursday that it's revoking a crucial water permit for West Virginia's largest mountaintop removal mine because it would irreparably damage the environment and threaten the health of nearby communities.

### [Texas: Court Allows E.P.A. to Issue Greenhouse Permits](#)

A federal appeals court on Wednesday lifted a stay granted to Texas last month to keep the Environmental Protection Agency from taking over greenhouse gas permitting in the state.

### [EPA files lawsuit over eastern Mo. power plant](#)

The U.S. Environmental Protection Agency is accusing Ameren Missouri in a lawsuit of violating the Clean Air Act at an eastern Missouri power plant.

### [Ukraine 'scammed emission rights aid'](#)

KIEV (Kyodo) Money Japan paid Ukraine in 2009 to purchase greenhouse gas emission rights from Kiev was diverted away from environmental investments, Ukrainian President Viktor Yanukovich said Wednesday.

### [Sunrise arrives two days early in Greenland](#)

Scientists claim to have discovered more evidence of global warming after the sun rose two days early in Greenland, apparently because melting glaciers have lowered the horizon.

## [Earth's Hot Past: Prologue to Future Climate?](#)

The magnitude of climate change during Earth's deep past suggests that future temperatures may eventually rise far more than projected if society continues its pace of emitting greenhouse gases, a new analysis concludes.

## [Did climate change cause rise and fall of Rome?](#)

Climate change seems a factor in the rise and fall of the Roman empire, according to a study of ancient tree growth that urges greater awareness of the risks of global warming in the 21st century.



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