



Drumbeat: January 22, 2011

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[OPEC poised to dominate global energy markets](#)

The OPEC domination of the global energy markets is set to grow, says BP in its just released BP Energy Outlook, and it made headlines all over the globe, sending shivers through some spines. The outlook underlined that world is entering an era of OPEC dominance over the markets.

BP's forecast shows that over the next 20 years OPEC will become as powerful as it was in its golden years in the 70's — in the immediate aftermath of the 1973 Arab oil embargo. BP Energy Outlook 2030 predicts that the OPEC would see its market share rise to 46 per cent from the current 40 percent, over the coming two decades — “a position not seen since 1977.”

With 75 percent of growth in global oil reserves over the next two decades, to come from OPEC nations, Kuwait, Iran, Angola, Libya, Saudi Arabia, Iraq and Nigeria, its market share is bound to go up.

[How will Canada play the oil card in U.S.-China economic world?](#)

“Canada's petro-wealth will be the envy of the world,” said one panelist, economist and author Jeff Rubin. “Triple-digit oil prices will take the Canadian dollar to record levels.”

“We'll see Middle East-type wealth flow to the area,” he also predicted to the audience of bankers and commodities traders.

[US Envoy: Pipeline May Help Build Peace between India, Pakistan](#)

The US has backed the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project, highlighting its potential as a critical employment and revenue spinner in war-ravaged Afghanistan, a source of clean energy for India's fast-growing economy and a possible catalyst for peace between India and Pakistan.

Speaking at Rice University in Houston, Texas, US assistant secretary of state for south and central Asia Robert Blake said the pipeline would also boost connectivity between oil and gas-rich Central Asia and energy-deficient South Asia.

[Mexico Shuts Two Oil Export Terminals in the Gulf](#)

Petroleos Mexicanos, Latin America's largest crude producer, closed two oil export terminals in the Gulf of Mexico because of inclement weather.

The company's terminals at the port of Cayo Arcas and Dos Bocas were closed today, according to a weather bulletin posted on the website of Mexico's Merchant Marine. The port of Coatzacoalcos remained opened, the agency said.

[Diesel shortage hits Harare](#)

LONG queues have resurfaced in Harare as a shortage of diesel threatens to cripple business operations in the country.

Motorists waited patiently in meandering queues stretching two kilometres in places for a chance to be served at the few filling stations that still had diesel in Harare on Saturday.

[Penn State Prof Previews Marcellus Legislative Initiatives](#)

Development of natural gas from the Marcellus Shale was a hot topic in the last legislative session, but the General Assembly produced few new or amended laws to show for their attention to the growing industry, a Penn State law professor said during an online educational seminar on Thursday.

[Lawmakers Express Frustration over AGIA](#)

Top legislators are expressing frustration with continuing to give multi-million-dollar state subsidies to a natural gas pipeline project to the Lower 48 that they don't believe is going to work.

[W.Va. Gas Production May Set Record This Year - Execs](#)

Natural gas production in West Virginia is expected to set a record in West Virginia next year -- mostly because of expanded drilling in the Marcellus shale formation, gas company executives said Thursday.

West Virginia's natural gas production peaked in the 1970s, then declined or leveled off over the next 35 years. However, production has increased 25 percent during the past five years, said John Mork, president and CEO of Energy Corporation of America, which has a regional office in Charleston.

[Range Appeals EPA Order on Gas Wells](#)

Range Resources is appealing an order issued by the U.S. Environmental Protection Agency that says the Fort Worth-based natural gas producer "caused or contributed to" methane contamination of two residential water wells in the Silverado subdivision in far south Parker County, Texas.

[Flashback: As EPA Approves E15, Remember the Media's Infatuation with Ethanol](#)

Consumers beware, the Environmental Protection Agency is "poised to approve higher levels of corn-based ethanol in gasoline." Since drivers have already experienced the pain of higher gas prices as well as witnessed global food riots because of ethanol, there is reason for concern about the EPA's latest move.

[If Britain Starts Fuel Rationing, Could US Be Next?](#)

Gas rationing almost came to the US during the 1973 Arab Oil Embargo. Could we see it in the future? And would that be so bad?

[Technical gains opening paths to locked-away gas](#)

Multinational oil companies are now offering technology aimed at helping their international partners achieve energy security objectives, even in Gulf states blessed with huge oil reserves. In one of the region's greatest ironies, every Arab Gulf oil exporter except Qatar is experiencing difficulty providing sufficient domestic power supplies, largely because of insufficient gas production. ExxonMobil, for one, is ready to help with a suite of advanced technologies for finding and exploiting challenging gas deposits.

[Crude Fluctuates Amid Gain in European Confidence, Chinese Rate Concern](#)

Crude oil fell in New York for a fourth day, the longest negative stretch in nine weeks, on rising U.S. stockpiles and speculation China will increase interest rates to curb inflation.

Oil dropped 0.5 percent after the Energy Department said that U.S. crude and fuel supplies rose last week. Prices climbed earlier as German business confidence unexpectedly climbed to a record in January amid booming exports to Asia and French business confidence surged.

"There were a lot of people betting on \$100 oil, but it looks like they were a little optimistic," said Kyle Cooper, director of research for IAF Advisors in Houston. "Oil at \$90 is actually looking a little high, given that inventories are in pretty good shape and demand isn't that great."

[Fuel 'could rise' to £8 a gallon](#)

Increased taxes and rising crude oil prices could soon push the price of fuel to as much as £8 a gallon, a motoring group has warned.

[Energy minister Charles Hendry demands OFT inquiry into heating oil market](#)

Rising prices and delivery problems with domestic heating oil and gas have led Charles Hendry, the energy minister, to call for an immediate Office of Fair Trading (OFT) inquiry into the fuels' market.

[Sinopec refines 13% more crude oil in 2010](#)

BEIJING - China Petroleum and Chemical Corp (Sinopec), the nation's largest oil refiner, said on Friday that it processed 211 million tons of crude oil in 2010, up 13.2 percent year-on-year.

The company produced 10.5 percent more diesel and 19.54 percent more kerosene to cope with the surging demand.

[Rates, Demographics & Commodities](#)

HAI: You put agriculture as your first choice, but many people would have said oil, energy, because of the Peak Oil idea.

Scotty George: Broaden the category to basic materials. I think if you look at the market in the 11 traditional S&P sectors, or the eight which we measure, you're going to call them basic materials, tangible assets, depleting natural resources. There's no question that we have exposure, currently, to energy in both coal and traditional fossil fuels. But how long can those trends run, in the short run, before money, even within the sector, begins to look at other ideas?

[Quebec government reverses stand on shale gas](#)

LAC BEAUPORT — After months of assurances that shale gas development is safe — including a suggestion that cows give off more greenhouse gas than shale gas wells — the Charest government reversed its position on Friday.

"The industry is not in control of the situation," Environment Minister Pierre Arcand told reporters Friday, adding he is "extremely concerned."

[Train shipments of crude oil in U.S. surge thanks to shale oil output](#)

Train shipments of crude oil have surged to the highest level in more than three years as output from shale oil deposits in North Dakota and Texas rises faster than pipelines can be built.

[Reliance Industries Profit Misses Analyst Estimates After Lower Gas Output](#)

Reliance Industries Ltd., India's biggest company by market value, posted an increase in third- quarter profit that missed analysts' estimates after natural gas production fell.

[Aramco to shut Yanbu refinery in Feb for maintenance](#)

(Reuters) - State oil giant Saudi Aramco plans to shut its 235,000 barrel-per-day Yanbu refinery in February and early May for scheduled maintenance, the firm said in a statement on Saturday.

The crude refinery, on the Red Sea coast of the world's top oil exporter, would be offline for 39 days from Feb. 1 to March 11, Aramco said in the statement carried by the state news agency SPA.

[Oil traders indicted in alleged kickback scheme](#)

HOUSTON, (Reuters) - A former employee at LyondellBasell Industries and two international oil traders have been indicted in an alleged multimillion-dollar kickback scheme, the U.S. Attorney's Office announced in a news release Friday.

[Size Matters for Gulf of Mexico Drillers in Post-Macondo World of Mergers](#)

Two years ago, Seahawk Drilling Inc. was plotting to expand its fleet of rigs worldwide. Now the Houston-based company may sell itself after BP Plc's well explosion in the Gulf of Mexico thrust the industry into regulatory limbo.

[No Sign They Get It](#)

The final report from the presidential commission investigating the gulf oil spill rightly warns that government regulation alone can't prevent another such disaster. The blowout reflected industrywide weaknesses, not just BP's, it said. And what is needed is a "fundamental transformation" of industry practices putting a far higher premium on safety.

[Saudi king arrives in Morocco after surgery in US](#)

RIYADH (Reuters) - Saudi Arabia's elderly King Abdullah arrived in Morocco on Saturday to convalesce after spending almost two months in New York for medical treatment, Saudi state media said.

The official Saudi Press Agency (SPA) said Abdullah, aged about 87, arrived in Casablanca where he often spends holidays, but gave no date for when he would return to the kingdom.

[Malaysian navy foils hijack attempt off Oman](#)

(Reuters) - Malaysian navy commandos foiled an attempted hijacking of a Malaysian-owned ship by Somali pirates in the Gulf of Aden, rescuing 23 crew members and detaining seven pirates, military officials said.

[Chesapeake Energy: What's Up With These Lawsuits?](#)

Most of the plaintiffs are landowners in Texas and Michigan who agreed to lease their land to Chesapeake (often at prices more than \$5,000 an acre) for oil and gas exploration. They signed contracts with Chesapeake, or one of its agents and received orders for payment in amounts totaling millions of dollars. So imagine their surprise when a few weeks later instead of getting cash the landowners instead got letters from Chesapeake claiming to void the leases and stating "we will not be funding the order of payment." Try doing that with your landlord sometime and see what happens.

[Russia ready to invest \\$500 million in Central Asian electricity project](#)

Russian state-controlled power trader Inter RAO is ready to invest \$500 million in a project to supply electricity to Afghanistan, Prime Minister Vladimir Putin said on Friday during a meeting with Afghan leader Hamid Karzai.

[Kirkuk reconnects to Iraq power grid after row](#)

KIRKUK, Iraq: Iraq's Kirkuk Province resumed power supplies to the national grid Friday, after a deal that ended a dispute this week over electricity provision.

The oil-rich northern province that produces more electricity than it is allocated, announced Monday it would stop supplying power to the national network, a decision it implemented a day later.

['China renews Iran oil deal with steady volume'](#)

BEIJING: China, the world's largest buyer of Iranian crude oil, has renewed its annual

import pacts for 2011, keeping volumes steady at some 460,000 barrels per day (bpd), two sources told Reuters.

China's commitment to keep volumes firm comes as six world powers prepare to persuade Iran to rein in its nuclear programme at talks on Friday, although there is little expectation of a major breakthrough.

[Clean energy needs cash to grow](#)

Heads of state and corporate chiefs who converged in Abu Dhabi last week for the World Future Energy Summit repeated one question: where's the money?

The renewable energy and power efficiency initiatives many agree can help the world avoid the worst effects of climate change require funding - but money invested in fossil fuels continues to outstrip that spent on low-carbon alternatives.

[Clean Energy Deals May Come From Strategic Backers, Bankers Say](#)

Large companies that have already made small, strategic investments in renewable energy startups may soon start buying them outright, according to investment bankers.

[The promise of solar power, made a century ago](#)

Try this at home. Take a shallow tin pan, paint it matte black on the inside, insulate the bottom and sides as best you can - try cotton wool - and pour in a small amount of water. Cover it with a pane of glass, put it outside in direct sunlight and, presto, the water will boil and give off steam.

Congratulations. You have just saved the planet - and, perhaps, solved the UAE's power problems.

[Greece's PPC Seeks Strategic Partner for Solar-Energy, \\$810 Million Plant](#)

Public Power Corp SA, Greece's biggest electricity producer, plans an international tender for a strategic partner for renewable energy investments, starting with the world's biggest solar project.

[U.S. Geothermal and Enbridge may partner again](#)

(Reuters) - U.S. Geothermal Inc is in talks with Canada's Enbridge Inc about a second equity investment in one of the company's geothermal power plants, Chief Executive Dan Kunz said in an interview.

[Entergy again finds tritium at Vermont Yankee](#)

NEW YORK (Reuters) - Radioactive tritium has been found in a water sample from a monitoring well at Entergy Corp's Vermont Yankee nuclear power plant, the company said on Friday, a year after the isotope was identified in a leak at the facility.

"This week Vermont Yankee received positive indications for tritium in a previously unaffected monitoring well located about 150 feet to the north of the area affected by the leak that was identified in January 2010," plant spokesman Larry Smith said in an email.

[The Conversation We Should Be Having](#)

But however skeptical I may be about Hofmeister's political pathway, he does offer a very different explanation for why the current political dynamic in Washington will be turned on its head and a technocratic, centralized-planning approach to energy will be adopted. He concedes that previous short-term fuel shortages and price-spikes have not changed business as usual -- the system has bounced back into its usual pattern. His argument for why the next decade will be different is *not* founded on peak oil, limited global fuel supplies, or simple spikes in prices -- although he is very worried about energy affordability. Hofmeister argues that four decades of massive under-investment in the entire infrastructure of the energy system -- power plants, coal, gas and oil fields, transmission, pipelines, mass transit, highways, railroads -- will produce a crisis not of fuel prices, but of absolute supply shortages. All aspects of the energy system will simply break down, forcing the government to adopt rationing to keep the lights on and the wheels rolling. It is the presence of systemic, long-term, and difficult to resolve energy-access shortages that he is counting on to convert the politics of energy from a market-based, decentralized, unplanned set of fiefdoms into a centrally planned, long-range government-driven sector.

[The Future Is Becoming More Clear -- Abandon Sprawl, Intensify Use of High Speed Rail and Return to Urban Life, Like the US Was in the '20s](#)

Crippled by economic depression and environmental catastrophe, the American dream is dead in the water. And with peak oil hot on its hyperconsuming heels, America is looking for solutions, and it may have found a good one in the form of an ambitious national high-speed rail network that would connect its metropolises and mid-size cities together in green solidarity. Better late than never.

[The Wigg Party: Building Community to Create a Sustainable Wiggle](#)

One link in the global movement for localization and environmental sustainability is taking shape in the form of a growing community in one of San Francisco's increasingly treasured natural valleys: The Wiggle. Morgan Fitzgibbons and Clint Womack co-founded The Wigg Party in early 2010 to address on a local level planetary crises such

as peak oil and climate change.

[Women and the Arts Will Mostly Likely Change the World](#)

Kurt Cobb wrote his new suspense novel about peak oil, *Prelude*, for women readers because they are the ones who generally make decisions about the household.

"If the women of the world think an issue is important, most of the people will follow," said Cobb.

[A Stubborn Link Between Jobs and Traffic Jams](#)

A new report shows that traffic congestion and resulting fuel waste declined when unemployment rose to 9.3 percent in 2009.

[In New N.Y.U. Plant, a Collateral Carbon Benefit](#)

People concerned about global warming talk about how to force generators of heat-trapping gases to shoulder the expense of cutting their emissions. But some cuts come easy, at no cost beyond spending that was planned anyway for other purposes.

New York University, for example, is in the final phases of opening a power plant that provides electricity for its lights, elevators and computers and steam for heating and cooling water. The new plant is nearly 90 percent efficient, meaning it gets almost three times as much useful energy out of a unit of fuel as a typical utility power plant does. And its carbon dioxide output is 23 percent smaller than that of N.Y.U.'s old system.

[A Carbon Storage Leak? Not So Fast, Experts Caution](#)

Scientists also questioned the conclusion that the type of leakage allegedly occurring on the Kerrs' property — even if it were confirmed — undermined the case for carbon capture and storage as a climate-change solution.

"That's ridiculous — people have been saying from the beginning that there are things that could go wrong of this nature," Dr. Benson said. "This is nothing radically out of the range of expectations."

[Tropical storms hit production of rice in Philippines](#)

Manila: Climate change which has shortened the distance between the occurrence of El Nino (drought) and La Nina (continuous rains) have imperilled already scant Philippine rice production in 2010, a trend which is expected to continue in 2011, the department

of agriculture said in a statement.

This could be remedied only by higher rice importation to avoid a shortage.

[For Many Species, No Escape as Temperature Rises](#)

In response to warming, animals classically move to cooler ground, relocating either higher up in altitude or farther toward the poles. But in the tropics, animals have to move hundreds of miles north or south to find a different niche. Mountain species face even starker limitations: As they climb upward they find themselves competing for less and less space on the conical peaks, where they run into uninhabitable rocks or a lack of their usual foods — or have nowhere farther to go.

[Plants' global warming dilemma: climb to escape heat or stoop for water?](#)

For years researchers have watched plants and animals migrate to cooler quarters in response to global warming. But a new study suggests some plants are moving downhill, drawn by increased precipitation.

[New Melt Record for Greenland Ice Sheet; 'Exceptional' Season Stretched Up to 50 Days Longer Than Average](#)

"This past melt season was exceptional, with melting in some areas stretching up to 50 days longer than average," said Dr. Marco Tedesco, director of the Cryospheric Processes Laboratory at The City College of New York (CCNY -- CUNY), who is leading a project studying variables that affect ice sheet melting.

"Melting in 2010 started exceptionally early at the end of April and ended quite late in mid- September."



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