



## Drumbeat: January 31, 2011

Posted by [Leanan](#) on January 31, 2011 - 10:01am

### [New Electricity Meters Stir Fears](#)

At first, the backlash against PG&E focused on the notion that the meters were giving artificially high readings, but that died down after studies confirmed their overall accuracy.

The new wave of protests comes from conservatives and individualists who view the monitoring of home appliances as a breach of privacy, as well as from a cadre of environmental health campaigners who see the meters' radio-frequency radiation — like emissions from cellphones and other common devices — as a health threat.

Hypervigilance on health questions has long been typical of Bay Area residents; some local schools ban cupcakes or other sugared treats for classroom birthday celebrations in favor of more nutritious treats like crunchy seaweed snacks, for example.

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### [Stuart Staniford: Oil, Food, and the Wealth of MENA Countries](#)

This morning, I've been catching up on some reading about the protests in Egypt and Algeria, following on the Jasmine Revolution that is in process in Tunisia. Clearly, the reason for interest is wondering to what extent is there any risk of these events spreading into the big oil exporters, which could cause extremely large disruptions in the global economy. This is probably unlikely, but not so inconceivable that serious observers aren't starting to at least think about it.

### [FACTBOX-Potential energy risks of Egypt protests](#)

(Reuters) - Disruptions in Suez Canal oil shipments and Egypt's liquefied natural gas exports would be the biggest risks to energy supplies from escalating government protests in the north African nation.

### [The Suez chokepoint](#)

The US Energy Information Administration recently updated its brief on world oil transit chokepoints—one of which is Egypt's Suez Canal. The EIA defines chokepoints as narrow channels along widely used global sea routes, some so narrow that vessel size is restricted. They are a critical part of global energy security due to the high volume of oil traded through their narrow straits, the agency notes.

### [Egypt unrest causes fuel shortage in Gaza Strip](#)

GAZA (Reuters) - Gaza Strip residents flocked to petrol stations on Saturday after clashes in neighbouring Egypt hampered smugglers ferrying fuel supplies through tunnels that run under the border into the enclave, witnesses said.

Merchants and tunnellers said the pace of smuggling of fuel and other materials had dropped in recent days and reached its lowest level on Saturday as clashes between Egyptian residents of north Sinai and security forces intensified.

### [CNBC anchor implies US must support dictators to keep cheap oil flowing](#)

"One more thing," Burnett remarked. "If this spreads, the United States could take a huge hit because democracy in a place like Saudi Arabia, you've talked about who might come in power, what that means for oil prices. They're going to go stratospheric."

"There's no doubt about it,' MSNBC host Joe Scarborough said. "No doubt about it!"

### [Workers Trickle Out of Egypt](#)

Energy companies LUKoil and Novatek are flying their employees out of strife-torn Egypt, but say the evacuations won't affect operations in the country.

### [Trump: Mideast Explosion Could Destroy OPEC, Lower Oil Prices...](#)

Trump has a surprising response to speculation that the turmoil in Egypt and other countries in the Middle East could push oil prices to as high as \$200 a barrel.

"It also could go the other way. Frankly, the Middle East is a tinderbox. It's going to explode. OPEC will probably be destroyed if it explodes, and oil prices could go the other way.

## [What Egyptian Regime Change May Mean for Regional Energy Cooperation](#)

While the political ramifications of what will happen if Egypt's long time leader Hosni Mubarak is forced to resign his post as Egypt's President is still unknown, the question of continued environmental cooperation between Egypt and other countries is even more uncertain.

## [Peak Oil and Civil Unrest](#)

What few are willing to admit is that the revolutionary demonstrations we are seeing around the world have little to do with politics, oppression or religion. They are instead the result of too many people, too few jobs and lack of affordable food. People who have a job that allows them to supply their families with the minimum required for survival are rarely revolutionary. They won't demonstrate against a tyrant or join al-Qaeda., they may be envious but they won't revolt when a small percentage of the population has most of the wealth.

We will see an increasing number of revolutionary demonstrations throughout the world because we are facing a food shortage crisis that is the result of the end of cheap oil and global climate change. Several billion of the worlds population depend on cheap fossil fuel for their food.

## [This is bigger than global warming': expert](#)

An expert in the growing but still controversial area of peak oil came to Kingston warned Sunday that unless the world cuts back on its oil consumption, the global economy could collapse entirely.

David Hughes, who spent 32 years working for the federal government as a geoscientist, is on a 13-city tour speaking of the dangers of what has come to be known as peak oil -- the time when the supply of fossil fuels begins to run out.

## [Total speeds up African development](#)

Who was talking about peak oil again? Africa is on the cusp of becoming a new El Dorado for oil companies, and Total is first in line. Jacques Marraud des Grottes, the oil major's Africa director, announced this year that the group would be focussing more and more on Africa to boost its production. At the moment Total's African output is 750 000 barrels a day (bpd), a third of its total production, and it expects that figure to rise to a million bpd by 2015. Historically present in West Africa, the group's projects have lately proliferated all over the continent.

### [Brazil Crude Oil, Natural Gas Output Sets Record in Dec - ANP](#)

Brazil set a record for crude oil and natural gas production in December as state-run energy giant Petrobras ramped up output at several fields, the country's oil regulator said Monday.

### [One Commodity to Rule Them All: Oil](#)

On the global stage, morality only stretches as far as not to disturb the operations of oil companies in different regions. A recently-released Wikileaks cable reveals Shell Oil's frustration at sanctions on Iran, and how it feels constrained as a result.

### [Norway plans new power line for installations](#)

Norway today recommended building new power lines to boost electricity supply to oil and gas installations on its west coast as a bitter political row continues to brew over another proposed power line.

### [ConocoPhillips Has Leak, Fire at Rodeo Refinery](#)

ConocoPhillips had a "crude resid" leak and fire at its Rodeo oil refinery in California yesterday, according to a filing to the National Response Center.

### [Iraq imports 550 Megawatts of electricity from neighboring countries](#)

Baghdad - The Iraqi Ministry of Electricity Iraqi Ministry of Electricity Loading... announced on Sunday that the country imports currently 550 Megawatts of electricity from neighboring countries, after it was imported energy was cut from Turkey that was 250 Megawatts due to expiration of the contract, which was one year.

### [Country facing 50% gas shortfall: Qazi](#)

ISLAMABAD, (SANA): Secretary Petroleum Imtiaz Qazi has said that currently the country is facing 50% gas shortfall; meanwhile the gas production is decreasing with the passage of every day.

### [Bangladesh - Energy crisis: People's patience wearing out](#)

Meanwhile, gas crunch has already created situation where government was earlier forced to choose between power generation and fertilizer production. The shortfall in power supply still continues in winter.

### [Avoid mega proj in coal-rich belts to avoid fuel shortage: Govt](#)

NEW DELHI: The Centre today advised states not to build mega projects in coal-bearing areas, afraid that such a move would "sterilise" at least 20 billion tonnes of the dry-fuel reserves and aggravate coal shortage in the country.

### [Analysis: Marcellus Shale Significantly Impacts West Virginia Economy](#)

The development of the Marcellus shale gas play in West Virginia could significantly impact West Virginia's economy, according to a new report by the West Virginia College of Business and Economics (BBER).

### [Medvedev says state corps too slow to modernize](#)

MOSCOW—President Dmitry Medvedev has criticized Russia's biggest oil company and other state corporations for moving too slowly to introduce new technologies.

Medvedev said Monday the state-controlled Rosneft oil company was spending too little on research and development.

### ['Kurdistan export restart unlikely'](#)

Oil exports from Iraq's semi-autonomous Kurdish region are not expected to resume on 1 February as previously agreed with the central government in Baghdad, sources familiar with the matter said today.

### [Kurt Cobb: Razor blades and the limits of complexity](#)

Today, the average citizen in wealthy countries is obliged to own or have access to computers and know how to use them or miss out on much of what constitutes modern life. We have access to machines that can calculate millions of times faster than we can ever hope to, that can connect us literally to a world of information, and that can allow us to communicate in an instant with people on the opposite side of the globe. And, yet how many of us even understand how those machines work, let alone how the Internet to which they are connected functions?

Our inability to understand the systems we create puts a limit on the level of complexity that is beneficial to us. Recently established and poorly understood systems can bring unwelcome surprises. Witness the financial meltdown of 2008. Up to that point many economists (who were supposedly able to understand the complex global economy) believed that the world's economic planners had mastered the business cycle and created a "Great Moderation" in its volatility and therefore consequences.

### [Sustaining our commonwealth of nature and knowledge](#)

Let's start with this phrase: "sustaining our commonwealth." By sustaining, I don't mean preserving inviolate; I mean using, without using up. Using with maintenance and replenishment is an important idea in economics. It's the very basis of the concept of income, because income is the maximum that you can consume today and still be able to produce and consume the same amount tomorrow – that is, maximum consumption without depleting capital in the broad sense of future productive capacity. By commonwealth, I mean the wealth that no one has made, or the wealth that practically everyone has made. So it's either nature – nobody made it, we all inherited it – or knowledge – everybody contributed to making it, but everyone's contribution is small in relation to the total and depends on the contributions of others. In managing the commonwealth of nature, our big problem is that we tend to treat the truly scarce as if it were non-scarce. The opposite problem arises with the commonwealth of knowledge, in which we tend to treat what is truly not scarce as if it were.

### [Israeli firm says has Kenyan nod for seawave energy plant](#)

(Reuters) - Israeli firm SDE Energy said on Monday it had Kenyan government approval to build a 100 megawatt power plant to tap waves at on the coastline.

### ['Barefoot' grandmothers electrify rural communities](#)

"If you ask any solar engineer in the world, 'Can anyone make this in a village?' they say it's technically impossible. And if I say a grandmother is making it who is illiterate, he can't believe it, it's beyond his comprehension," says Roy.

### [Dose of cold reality for a warming planet](#)

The author recommends a "Green Apollo" project on a scale of President Kennedy's Apollo mission to reach the moon. President Obama can become the "Abraham Lincoln of our time," Hertsgaard suggests. Just as we remember Lincoln for abolishing slavery, we would remember Obama "for saving the world from climate catastrophe."

### [BG, Statoil Halt Drilling in Egypt as Unrest Escalates](#)

(Bloomberg) -- BG Group Plc and Statoil ASA halted drilling in Egypt as a sixth day of protests against President Hosni Mubarak's regime began to take a toll on the oil and gas industry, the country's biggest export earner.

Apache Corp., which derived about a third of its production revenue from Egypt in 2009, said its Cairo offices were shut today. BP Plc, the largest foreign investor in Egypt, made plans to evacuate the families of expatriate workers while Royal Dutch Shell Plc also began relocating staff. Italy's Eni SpA is repatriating 250 employees from Cairo, Ansa news agency said.

Brent oil earlier today surged to a 28-month high on concern that anti-government riots could close the Suez Canal and parallel Sumed pipeline, which together can transport more than 4 million barrels a day of oil. Egypt has Africa's third- largest gas and sixth- biggest oil reserves, accounting for about 12 percent of gross domestic product.

"The real concern from an oil and gas perspective is the risk of political unrest extending to other parts of North Africa," Bank of America Merrill Lynch said in a report.

### [OPEC Head Sees Oil Shortage If Egypt Gets Out Of Hand](#)

LONDON -(Dow Jones)- The Organization of Petroleum Exporting Countries said Monday there is a risk of an oil shortage if the Egyptian crisis escalates but added the organization was ready to increase output if that was the case, OPEC secretary general said Monday.

### [Brent Falls, New York Oil Pares Gain as Egypt Protest Fears Ease](#)

Ships are passing normally through the Suez Canal, the head of traffic for the waterway's operator said today. Unrest is unlikely to spread to oil-producing nations of the Gulf Cooperation Council, Goldman Sachs Group Inc. said. The GCC includes Saudi Arabia, the world's biggest crude exporter.

"The more affluent GCC countries are much less likely to have problems than the less affluent North African countries," Goldman analysts led by Jeffrey Currie in London said in a report today. "Even if the problems spread to one of these countries, it is not necessarily the case that energy supplies would be disrupted, as history has shown that energy can still flow even under very adverse political conditions."

### [Hedge Fund Bears Blindsided by Oil Surge on Egypt Protest](#)

Hedge funds cut bullish bets on oil last week by the most in two months before political protests erupted in Egypt, igniting a rally that sent prices up by the most since 2009.

### [Egyptians have reservations about ElBaradei](#)

(Reuters) - Egyptians on the streets of Cairo said on Monday they had reservations about opposition leader Mohamed ElBaradei, who has offered to act as transitional leader to prepare Egypt for democratic elections.

### [Exxon Mobil Profit Rises as Energy Prices Climb With Demand](#)

(Bloomberg) -- Exxon Mobil Corp., the world's largest company, posted its fourth consecutive quarterly profit increase as burgeoning energy demand boosted oil and fuel prices.

### [Chinese increase oil search in US](#)

China's state-owned offshore oil and gas company is intensifying its search for oil in the western United States.

CNOOC announced it will pay 570 million US dollars (£359m) for a one-third stake in Chesapeake Energy's drilling project at an emerging oil field in north-east Colorado and south-east Wyoming.



### [Statoil Seeks Abu Dhabi Oil, Challenging Exxon, Shell](#)

Statoil ASA, Norway's biggest oil producer, plans to challenge Abu Dhabi National Oil Co.'s existing partners such as Exxon Mobil Corp. and Royal Dutch Shell Plc for a role in the United Arab Emirates' resources.

### [India: Rs 8,000-crore subsidy for oil companies okayed](#)

The government on Monday approved Rs 8,000 crore (Rs 80 billion) in cash subsidy to state-owned fuel retailers to make up for half of the revenues they lost on selling diesel, domestic LPG and kerosene below cost in the third quarter.

### [Kazakhstan eyes lower costs for Kashagan expansion](#)

ASTANA (Reuters) - Kazakhstan will not approve an existing proposal to develop the second phase of the Kashagan oilfield due to prohibitive costs, Oil and Gas Minister Sauat Mynbayev said on Monday.

The Kashagan oilfield in the Caspian Sea is the world's biggest oil discovery since Prudhoe Bay in Alaska in the 1960s. An international consortium, including Eni and Royal Dutch Shell, is developing the project.

### [Armenia, Iran agree oil pipeline deal](#)

Iran and Armenia have agreed to build a pipeline to carry Iranian oil derivatives to Armenia.

The agreement was reached between Iranian Oil Minister Massoud Mirkazemi and Armenian Minister of Energy and Natural Resources Armen Movsisyan in Tehran on Saturday.

### [Uganda Plans \\$2 Billion Oil Refinery; Eyes Regional Markets -Government](#)

KAMPALA, Uganda -(Dow Jones)- Uganda is planning to build a \$2 billion oil refinery to supply refined fuel products for local and regional markets, Uganda's permanent secretary at the ministry of energy and minerals development said Monday.

### [Anadarko: Gulf Project Production Delayed By Unfit Equipment](#)

Anadarko Petroleum Corp. (APC) said its Caesar/Tonga deepwater oil development project in the Gulf of Mexico will begin producing later than expected because testing has found equipment unfit for service.

### [BP to cut production amid impact of Deepwater Horizon spill](#)

Bob Dudley, BP's chief executive, will scrap the company's production targets when he lays out his vision this week for a smaller, more exploration-focused company after last April's Gulf of Mexico disaster.

Analysts expect that BP will pump about 3.6m barrels of oil and gas a day this year, a tenth less than in 2009, when it overtook US group Exxon Mobil to produce more than any other non-state-controlled company.

### [Oligarchs vote to block BP deal](#)

BP's Russian partners in its joint venture with TNK today tightened the screws on BP to scrap or modify a rival tie-up with state oil group Rosneft by voting against a \$1.8 billion dividend payout.

### [TNK-BP says Ukraine refinery lossmaking, to shut](#)

(Reuters) - Russian oil company TNK-BP, half owned by British major BP (BP.L), will shut its Ukrainian refinery if Kiev does not take steps to boost margins, it said in a letter obtained by Reuters.

### [Mine Operator Says That Huge Seep Caused Blast](#)

WASHINGTON — The company that operates a West Virginia coal mine on Friday disputed a preliminary federal finding that poor mining practices and improper equipment maintenance led to an explosion that killed 29 miners last year.

### [Alpha Natural reaches \\$7.1B deal for Massey Energy](#)

NEW YORK (AP) — Massey Energy Co., struggling with losses after an explosion that killed 29 workers at a West Virginia coal mine last spring, agreed Saturday to be taken over by Alpha Natural Resources Inc.

### [Japan's TEPCO cuts oil use outlook, lifts profit](#)

TOKYO (Reuters) - Tokyo Electric Power Co, Asia's largest utility, cut its oil consumption outlook for the year to March by 23 percent while lifting its profit forecast due to the restart of another unit at its main nuclear plant.

### [For Pepco, customer wrath extends the storm](#)

Counting spoiled food, restaurant meals and money for amusement, the Hubbermans estimate that the outage cost them \$2,000. He called Pepco's system of estimating repair times "useless" and said the company should reimburse customers who lose power for more than a day. "After 24 hours, you don't have a choice. There are things you must do. Under 24 hours is an inconvenience. After that, you don't have a choice."

After the temperature dropped to 45 degrees in his Bethesda home Saturday, David Hawkes took his family to the Mall to visit museums, eat and stay warm. Hawkes was incensed at the rudeness he said he had encountered on the phone with a Pepco customer service representative.

"She said we should have been better prepared in an emergency," he said. "That was some message coming from a power company that had been so poorly prepared to handle the bad weather."

### [The shocking truth about the electric Volt](#)

What makes the Volt the Darling of Detroit is that it has been reverse-engineered to match the perverse American psyche. Americans hate buying gas but love to drive. We *definitely* want to stick it to the sheikhs, and in the process maybe save the planet, so we want cars that run on sunshine, twigs and happy thoughts. But these cars *also* have to kick some ass. *And* be able to make an impulsive 90-mile run to Philly when we suddenly have a hankering for cheese steak. *And* we don't want to worry about hunting for twig refueling stations along the way.

All of that is what the Volt is theoretically designed to deliver.

### [Some states offer electric car incentives](#)

Nearly half the states are offering or considering incentives to consumers who buy electric cars in a bid to jump-start the fledgling market.

Experts say the sweeteners, including rebates and access to less-congested carpool lanes, are key to making the vehicles more affordable and convenient as automakers roll out the first mainstream electric cars in nearly a century.

### [World examines alternative sources of energy](#)

The age of mixed fuel is, slowly and gradually, dawning upon us. A tectonic shift in the existing global energy order is beginning to materialize — and rather in an unnoticed manner.

### [New Onshore Wind Installations Decline 14% in Europe as Offshore Surges](#)

New onshore wind installations dropped by 14 percent in the European Union in 2010 from a year earlier while windmills at sea surged more than a half, the European Wind Energy Association said today.

### [LED Lights Beat Wind Power in Picks for HSBC, Merrill](#)

Investing in LED lighting and insulation is emerging as a better way to profit from efforts to curb greenhouse gas emissions than wind and solar power.

### [Hope in a time of uncertainty](#)

A glance at the morning's newspaper or television news reveals floods, fires, crimes, corruption, continuous wars, famine, an ominous economy, peak oil and climate change. Things are bad, yes, but haven't they always been? How bad, and relative to when?

### [Helen Browning: A woman who won't be cowed in the war against titan farms](#)

Ms Browning, who runs this 1,300-acre farm outside the Wiltshire village of

Bishopstone, is at the forefront of the furious debate over farming methods that will define British food and agriculture for decades to come. In March she will begin a daily commute to Bristol where she will take up the directorship of the Soil Association.

On one side of the argument are those who see the future in terms of US-style factory farms, enormous mechanised food production centres where tens of thousands of animals live under the same roof. The sales pitch is pretty basic: cheap food. For the organic lobby and farming traditionalists, such plans provoke horror.

### [An atlas of pollution: The world in carbon dioxide emissions](#)

The deepest recession since the 1930s has failed to reverse rising global carbon emissions, as plummeting industrial output in the west was offset by the continuing rapid expansion of China and a handful of other emerging economies, new statistics for 2009 show.

### [Reheating the climate change story](#)

The media have dropped climate change, with its tricky science. But cast in economic terms, it could recapture public interest.

### [Organized Crime May Be Behind Carbon Permit Thefts, EU Says](#)

Organized crime may be responsible for the theft of European Union emission allowances this month, a top EU climate official said, and national authorities working with Europol aim to recover missing permits.

### [Expiration of Kyoto Would Mean Little for CO2 Markets, EU Says](#)

The possible expiration of the Kyoto Protocol in 2012 would mean “very little” for carbon markets because they are driven by national targets, a senior European Union official said.

### [Carbon markets 'need to have central bank'](#)

Carbon markets need tighter regulation to improve their stature among investors,

analysts say.

"The only way really to turn this into a proper market is to have a central bank," said Michael Liebreich, the head of Bloomberg New Energy Finance in London. "They have not realised you are sort of creating a currency. This is no different from the euro."

### [East Africa: Eastern Region Will Become Drier, Warns Report](#)

Nairobi — Kenyans should prepare for low rains between March and May, a new study warns.

The food crisis in the region can only get worse, the report says, putting an estimated 17.5 million people at the risk of hunger in Kenya, Somalia and Ethiopia.

### [Risk management in the era of unpredictability](#)

Urbanisation, climate change and globalisation are leading to more and bigger catastrophes.

### [UK: Changing Climate, Changing Infrastructure](#)

Roads, railways, energy and water supply networks and other infrastructure all need to be able to cope with the effects of a changing climate.



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