



Drumbeat: February 5, 2011

Posted by [Leanan](#) on February 5, 2011 - 11:11am

[A Future Minus Oil](#): *Anticipating the end of their source of wealth, Persian Gulf universities study alternative energy*

Carbon-based wealth has fueled the enormous growth of Saudi Arabia, the United Arab Emirates, and Qatar, among other countries in the region. But it has also created mounting environmental problems. These rapidly developing desert countries depend on oil-powered desalination plants for most of their water, to such a degree that salinity levels in the Persian Gulf have risen noticeably in the past few decades. Billions of dollars go to subsidize access to water and electricity. Cities have grown so quickly that they are struggling to dispose safely of their garbage and sewage.

But with oil-and-gas reserves expected to run out this century, such largess is becoming untenable.

[BP's Pursuit of Cost-Cutting Led to Rig Explosion, Gulf Spill, Lawyers Say](#)

Officers and directors of BP Plc, pursuing cost-cutting over safety, ignored “red flags” that could have prevented the explosion of the Deepwater Horizon drilling rig in the Gulf of Mexico, lawyers for investors said.

The Louisiana Municipal Police Employees’ Retirement System and other investors claim BP executives and directors breached their fiduciary duties to the company by ignoring safety and maintenance for years before BP’s Macondo well exploded April 20. The investors seek reforms in BP management and damages from the executives and board members to be paid to the company.

[Report: Mubarak resigns from ruling party, still president](#)

CAIRO — The top leadership body of Egypt's ruling party, including President Hosni Mubarak and his son Gamal Mubarak, resigned Saturday in a new gesture apparently aimed at convincing anti-government protesters that the regime is serious about reform, according to state TV.

The 82-year-old Mubarak quitting does not mean he has stepped down as president, but sends a promise of reform, an attempt to stop demonstrations, NBC News reported.

[FACTBOX-OPEC, CEO comment on high oil prices](#)

The following brings together comments from OPEC officials, CEOs and representatives of consumer countries on oil's rise above \$100 a barrel.

[Pemex Reopens Two Gulf of Mexico Oil Export Terminals](#)

Petroleos Mexicanos, the state-owned oil company, reopened two Gulf of Mexico oil export terminals after weather conditions improved.

[Chinese firm to help KESC generate power from coal](#)

KARACHI: The Karachi Electric Supply Company (KESC) signed a memorandum of understanding (MoU) with a Chinese firm, Global Mining Company (GMC) on Friday. According to the agreement, KESC would operate its plants on alternate energy resources such as coal and the Chinese firm would fund the project.

[The Age of Energy](#)

Where will Britain's energy come from in the future? To answer this most urgent of questions, The Telegraph and Shell have enlisted a team of energy experts - from scientists to MPs - to look at how the UK should tackle its energy crisis. We are also calling on you to join us in our Age of Energy Debates, hosted at the Telegraph head office in London.

[PM's border scheme mired in past](#)

Integrated production — indeed, globalization itself — depends on the ability of companies to ship commodities cheaply over long distances.

In the heyday of NAFTA, energy prices were low enough to allow this. As long as oil was relatively cheap, it made economic sense to truck auto parts from all over North America for assembly in Windsor.

But as economist Jeff Rubin and others have pointed out, in a world of permanently high oil prices this logic no longer holds.

[Future city planners told stakes are high](#)

WATERLOO — Squint just a little and imagine Waterloo Region in 50 years: manufacturing is once again growing; our grocery stores stock food produced mostly by local farms; and our bikes trails are torn up and replaced by intercity railways.

That, in a nutshell, is the future predicted by author Thomas Homer-Dixon at a conference organized by the Canadian Association of Planning Students, which drew more than 250 students to the University of Waterloo this week.

[A flow of troubles for Iran-Pakistan pipeline](#)

Pakistan's south-western province of Balochistan, which shares long borders with Iran and Afghanistan, is the key area for strategic gas pipeline projects from energy-rich Iran, the Middle East or Central Asia to energy-hungry south and west Asia.

Conflict in Balochistan, which appears to be the result of Baloch insurgency against federal authorities in Islamabad, is not without its geopolitical implications. Unrest in Balochistan and the anti-Iran activities of Jundallah, a militant group that is believed to be based in Balochistan, make the Iran-Pakistan gas pipeline project a risky venture. Similarly, the proposed Turkmenistan-Afghanistan-Pakistan-India gas pipeline will have to pass through turbulent regions not only in Afghanistan but also in Balochistan.

[Egyptian Gas Exports to Israel, Jordan May Be Halted Two Weeks](#)

Egypt halted natural-gas exports through a pipeline feeding Israel and Jordan today after a fire at the facility, Egypt's Oil Ministry said.

The state-run Middle East News Agency said the stoppage was to limit damage caused by an explosion carried out by "subversive elements," while the Oil Ministry said a gas leak led to a fire. Official Egyptian television reported that the incident in El Arish in the northern Sinai desert was an act of "terror" carried out by "foreign hands."

[Rioting hits oil and gas exploration](#)

Two exploration projects in Egypt have been put on hold as unrest continues in Cairo and unease in global markets briefly pushed the price of oil above US\$103.

Exploration companies and traders are evaluating how to respond to the political unrest in Egypt. About 2.5 per cent of world oil production passes through the Suez Canal, which runs through Egyptian territory.

[Crude Oil Falls as U.S. Adds Fewer Jobs Than Forecast, Fuel Demand Drops](#)

Crude fell after a government report showed that the U.S. added fewer jobs in January than economists forecast, bolstering concern that fuel demand will slip in the world's biggest oil-consuming country.

[Egyptian turmoil helping to lift oil, food prices](#)

WASHINGTON, (AP) - The standoff in Egypt and uncertainty about where it will lead is causing global economic jitters. It's already pushing up the price of oil and food, and there's no telling how long the turmoil will last.

The big worry is that popular uprisings and revolution will spread to Egypt's rich autocratic neighbors who control much of the world's oil supply.

How far will anti-government movements go? Will oil supplies be disrupted? Will the U.S. see its influence in the region decline and that of Iran and other fundamental Islamic regimes surge?

[Cold snap cripples states in northern Mexico](#)

CIUDAD JUAREZ, Mexico (Reuters) - Freezing weather and snow crippled power plants and shut factories and roads in six states in northern Mexico on Friday, forcing hundreds of families without heat to sleep in shelters.

[Cold snap bites natural gas users hardest](#)

Santillanes said the city gets its natural gas by tapping into a line that goes all the way from Texas to California.

"Belen is where we hook up to the El Paso line," he said. "It's a 4-inch line that's 38 miles long."

Santillanes said the El Paso line "went to a critical position" on Wednesday, with not enough gas being put into the system compared to the sudden demand.

"They do have enough gas for us — we're a small community," he said. "The main part of our problem was the demand we had locally. You can only draw so much out of a 4-inch line."

[Official: Venezuela not selling gasoline to Iran](#)

CARACAS, Venezuela - Venezuela's top oil official says the country is not selling gasoline to Iran.

Oil Minister Rafael Ramirez says he understands Iran "has solved its problem" and does not currently need fuel.

[Venezuela: Egypt crisis could push up oil prices](#)

"In the United States, we aren't going to continue expanding," Ramirez said, explaining that investments in the U.S. now are aimed at upkeep of facilities to comply with environmental regulations and other requirements.

Chavez last year called Citgo a "bad business" for Venezuela and ordered Ramirez to look at options for selling off assets in the United States.

[Old partner Japan back as sun rises on new day for oil](#)

Japan is once again in the Gulf signing oil concessions, but the terms will be less favourable than before.

[India, Iran resolve oil payment dispute](#)

NEW DELHI - An official says India and Iran have resolved a dispute over payments for Iranian crude oil with New Delhi agreeing to set up a new mechanism that would allow payments in euros.

The official says Friday that the State Bank of India would route the payments through a German-based bank, ending a nearly six-week long stalemate that had threatened to disrupt Iranian oil supplies to India.

[Tanker trucks line up on North Iraq-Iran border Tanker trucks line up on North Iraq-Iran border](#)

Claims are still being made that oil, amongst other products such as alcohol, are being smuggled from northern Iraq to Iran.

[Oil flow from Iraqi Kurdistan to resume](#)

Iraqi Kurdistan is testing disused infrastructure ahead of restarting oil exports in the next few days.

"Exports from Kurdistan are due to start within a week," Abdul al Hassani, the vice chairman of the Iraqi parliament's oil and gas committee, told Bloomberg. "There is a commitment by both sides to resume oil exports from the province at an initial quantity of 100,000 barrels per day."

[An oil spill off Shetland could 'equal Gulf of Mexico disaster'](#)

AN OIL spill off the coast of Shetland could equal that of the Gulf of Mexico disaster and spread as far as the Norfolk coast, an environmental report has claimed.

An investigation carried out by American oil drilling company Hess, which has lodged an application to drill a deep water well to the west of the island, revealed that a spill could last as long as ten weeks.

[Is BP a pawn in Russia's energy chess game?](#)

For overshadowing the troublesome oil spill that has cost the company \$40bn (£25bn), BP was engulfed in a new public tussle – played out not in Louisiana, but Moscow.

The great chess game of Russian energy politics forced BP into an extraordinary series of moves and counter-moves this week.

[Rosneft's profit zooms](#)

MOSCOW – Rosneft, Russia's largest oil company, said Friday that its profit for 2010 was almost 64 percent higher than the previous year, thanks to higher prices and production levels.

[Pipeline Safety Concerns Threaten Oil Route's Expansion](#)

HOUSTON—A key decision over the expansion of an oil route that brings crude from Canada hangs in the balance, as concerns over pipeline safety threaten to complicate the relationship between the U.S. and its largest petroleum supplier.

[Egypt Authorities, Opposition Start Talks on Sidelining President Mubarak](#)

Egyptian authorities and opposition leaders began talks on ending President Hosni Mubarak's 30 years in power before September elections as unprecedented protests demanding his exit extended into a 12th day.

[A \\$7,500 electric car discount scares dealers](#)

NEW YORK (CNNMoney) -- In an effort to put 1 million electric cars on the road by 2015, the Obama administration has proposed a plan that would put up to \$7,500 directly in the hands of car buyers without having them jump through any tax hoops.

Plug-in car advocates love the idea but dealers aren't so sure about it.

[Electric cars to hit Alberta roads](#)

Electric cars could make driving cheaper and cleaner, say experts, but also could put some Albertans out of work.

A panel of experts will meet Tuesday in Edmonton for a public forum on electrifying transportation. It's part of an ongoing series of talks on emerging technologies organized by the Alberta Council of Technologies.

[Arizona Solar Plant Picks Chinese Supplier](#)

Suntech, the Chinese solar giant, has won a contract to supply photovoltaic panels for a 150-megawatt project in Arizona, marking China's entry into a lucrative United States power-plant market dominated by American companies.

[Good News: The Ice is Melting!](#)

Thank God, the ice is melting. Otherwise, how would we get all that oil that we know lies under the Arctic? It's a bit of a nuisance that the northeastern U.S. has to suffer from such a rotten winter for it, but believe me: an ice-free North Pole will be better for everyone. Of course, we might have to fight the Russians for the mineral rights, but we'll kick some commie butt just like we did the last time.

Our hunger for petrol and dwindling supplies are driving exploration farther afield, and the Arctic is the next on the list for extraction.

[Germany Can't Freeze CO2 Permits as Czechs Warn of Contagion](#)

The German carbon registry said it can't freeze permits despite reports that it received stolen allowances from the Czech Republic.

[California Law to Curb Greenhouse Gases Faces a Legal Hurdle](#)

SAN FRANCISCO — California's landmark law on curbing greenhouse gases, which is well on its way to taking effect, has hit a legal snag in the form of a tentative judicial ruling that state environmental regulators failed to follow legally required procedures.

[Pacific Northwest warned of climate change dangers](#)

(Reuters) - Washington state and the province of British Columbia launched a joint effort on Wednesday to warn residents of North America's Pacific Northwest about the danger that climate change poses to coastal communities.

Officials say they hope that by increasing public awareness about issues such as rising sea levels they can revive flagging support for fighting global warming in the neighboring

U.S. state and Canadian province.

[Hot Zone—A Warming Planet's Rising Tide of Disaster](#)

Dengue in Texas. Malaria in New York. Hypertoxic pollen in Baltimore. Climate change is making disease and other humanitarian threats ever more challenging.

[Still Hope for Arctic Sea Ice](#)

ScienceDaily — The substantial decline of Arctic sea ice in recent years has triggered some fears that the ice cover might be approaching a "tipping point" beyond which the loss of the remaining sea ice would become unstoppable. However, new research carried out at the Max Planck Institute for Meteorology in Hamburg/Germany now indicates that such tipping point is unlikely to exist for the loss of Arctic summer sea ice. The sea-ice cover reacts instead relatively directly to the climatic conditions at any given time. Hence, the ongoing loss of Arctic sea ice could be slowed down and eventually stopped if global warming were to be slowed down and eventually stopped.

[Poisoning the Well](#)

But most important, what Hertsgaard finds is that the ability to adapt to climate change depends as much on "social context" — defined as "the mix of public attitudes, cultural habits, political tendencies, economic interests and civic procedures" — as on wealth and technological sophistication. Wealth and technology clearly matter, but politics and culture may trump them. Take Louisiana: efforts to prepare for future hurricanes, Hertsgaard writes, "have been crippled by the state's history of poor government" along with "its continuing reluctance — even after Katrina — to acknowledge the reality of global warming for fear that might harm oil and gas production, and an abhorrence of taxes and public planning as somehow socialistic."

In fact, Hertsgaard's reporting makes me wonder if there isn't more hope for the Sahel than for the vulnerable South and Southwest of the United States. After all, why prepare for something — much less try to halt it — if you refuse to believe it's happening?



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