



Drumbeat: February 23, 2011

Posted by [Leanan](#) on February 23, 2011 - 9:00am

[Jeff Rubin: Why Saudi Arabia can no longer temper oil prices](#)

What's easy to lose sight of in the chaos sweeping through the Middle East is where oil prices were trading before it began. The Brent futures contract, the world's new benchmark oil price, had already broken \$100 (U.S.) a barrel before protesters in Cairo started sweeping into Tahrir Square and demanding Hosni Mubarak's head. And the price of West Texas Intermediate CL-FT, laden as it is with record inventories of Bakken oil and Canadian oil sands crude piling up in Cushing, Okla., was trading just shy of \$90 per barrel.

These are the kind of prices that one might expect to encounter at the end of an economic cycle, not at the beginning of one. But world oil demand once again grew at lot faster than the oil experts at the International Energy Agency were expecting – almost twice as fast, to be precise.

[David Strahan: Saudi denial not what it seems](#)

Sadad al-Husseini's statement distancing himself from the Wikileaks cable written by US diplomats in Riyadh is most interesting for what it leaves out. While robustly denying claims that were not actually made in the original message – always a good tactic when you're on the back foot – the former VP Exploration & Production for Saudi Aramco pointedly fails to deny the most important passage.

[Steve LeVine: Why Saudi is now in play](#)

We keep hearing that al-Saud rule is safe (and the al-Sabahs of Kuwait, along with the al-Thanis in Qatar). But retaining power is only one metric for oil price stability. The chink in the Saudi armor is its oil-saturated, Shia-dominated Eastern Province. Here is Dharan, the headquarters of Saudi Aramco; the humongous 5-million-barrel-a-day Ghawar oilfield; the 800,000-barrel-a-day Qatif and Abu Safa oilfields; the gigantic Ras Tanura oil port; and the Abqiaq processing center. Because of all this, the king has nailed down every movable part in the province with overlapping protection -- private Aramco security, Interior Ministry forces, the National Guard, and the military, all of them manned largely by Sunni personnel and loyal to the royal family.

Even so, if the Shia population does start protesting, we will see the oil market's version of pandemonium.

[Steve LeVine: If the world calls, will Saudi be there?](#)

So now we come to where the rubber hits the road with the turmoil in the Middle East: Just what is the risk of the entire global economy going south, which is what would happen if the Saudis couldn't compensate for a global oil deficit as they have done in the past?

[The Peak Oil Crisis: Inflection Point](#)

It has taken two months for the contagion that began with the immolation of a fruit seller in Tunisia to reach the first significant oil producing nation.

As oil production in Libya grinds to a halt and Muammar Gadhafi clings to power amidst increasing turmoil, it is beginning to look as if it may be sometime before Tripoli resumes its normal oil exports. While the 1.6 million barrels a day (b/d) that the Libyans pumped in January may not appear significant in a world that produces some 88 million barrels each day, we should remember that those barrels are being consumed somewhere in a world where they are consumed just as fast as they are produced. If there is anything that we have learned in the last 40 years, it is that relatively small disruptions in oil production can lead to relatively large increases in oil prices.

[Revolutions could rob Opec of its ability to manipulate supply](#)

For the moment, the cartel can only wait and watch what happens to production figures. But according to Fateh Al-Khayat, the former director of planning at the Iraqi oil ministry, the outlook is even worse in the long term. He has told an audience at the International Petroleum week in London:

Libya might go out of the market for a while. Algeria is a potential trouble spot. If we add Yemen and Egypt, troubled countries produce about 4m b/d. If that supply is disrupted, the other Opec countries cannot in my opinion compensate for that.

[Agency sees emergency stockpiles as last resort](#)

RIYADH: The International Energy Agency will rely first of all on OPEC to meet any loss of Libyan oil and would save its emergency stockpiles as a last resort, its executive director said. "We can produce 2 million barrels per day (bpd) for two years but these are stocks and once we use them, they will run out, unlike spare capacity," Nobuo Tanaka said. "That's why the stocks are for great emergencies.

[Oil briefly hits \\$100 - highest since 2008](#)

NEW YORK (CNNMoney) -- U.S. oil prices briefly hit the \$100-a-barrel for the first time in over two years Wednesday, as reports of Libyan oil production shutdowns swirled.

[Airlines hike fares - again](#)

NEW YORK (CNNMoney) -- Airlines are hiking their fares at the fastest pace in two years, driven by high fuel prices and enticed by strong consumer appetite.

And travelers should brace themselves for more hikes, because there's no reason for airlines to stop now, according to industry experts.

[Gasoline shortage feared as Lebanese importers halt supplies](#)

BEIRUT: The Energy and Water Ministry failed to release the weekly update of gasoline prices scheduled Wednesday, sparking speculation over fuel availability in the upcoming days.

Oil importing companies announced they would stop the supply of fuel to distributors until the Energy and Water Ministry releases the weekly price updates.

[Libya asked oil firms to fund terror suits](#)

Libya's ruling family tried to coerce billions of dollars from Libyan and foreign oil companies, and its leader Muammar Gaddafi exhorted the United States to sow division in Saudi Arabia, leaked American diplomatic cables reveal.

[Libya oil production grinding to a halt](#)

NEW YORK (CNNMoney) -- Oil production in Libya is shutting down as companies operating there begin to close facilities due to the ongoing violence.

[Aramco to oil products](#)

SINGAPORE: Saudi Aramco's move to set up a trading subsidiary for refined products is aimed at optimising its massive production system, focusing on the fuel oil and gas oil markets, traders said yesterday.

The main objective of Saudi Aramco Product Trading Company, expected to be operational by the end of the year, is to maximise profits by selling surpluses from its plants when prices are high and buying external cargoes for its requirement when they are low, they added. Unlike regular trading houses, it is unlikely to take positions in the market.

[Does Peak Oil Equal Cyclical Recession?](#)

"Peak oil is the point at which you reach your maximum production level, after which you will never produce as much again," said Alan Stagg, an economic geologist based in Charleston. Stagg read Hubbert's writings when they were first published.

We won't know it has happened, Stagg pointed out, except in retrospect.

But the fact that oil's vastly unprecedented high of \$147/barrel in the summer of 2008 didn't draw forth an outpouring of new production, some say, is a strong indication of a peak.

[Middle East uprisings might mean the end of free-flowing oil: U.S. must find new energy sources](#)

So what's the problem? Oil markets don't like unpredictability. So an oil price spike is possible, even if we have oil stocks as protection. In addition, if chaos spreads to Saudi Arabia and Iran, causing more disruptions, prices will go through the roof.

But an even bigger problem looms: We're overusing oil. The International Energy Agency has radically changed its forecast on when that habit will have to end, whether we like it or not. Until recently, it dismissed notions that oil supplies might peak or reach a point where production slows and then decreases.

[Richard Heinberg - How Markets May Respond to Resource Scarcity: The Goldilocks Syndrome](#)

Before examining limits to non-energy resources, it might be helpful to consider how markets respond to resource scarcity, with petroleum as a highly relevant case in point.

[Greg Palast: We're Not Running Out of Oil, Just Cheap Oil](#)

In this eighth video in the series "Peak Oil and a Changing Climate" from *The Nation* and On The Earth Productions, investigative journalist and author Greg Palast says the era of cheap fuel is over. Now energy companies are scouring the globe for oil, often extracting resources in more expensive and more environmentally sensitive conditions.

The problem, according to Palast, isn't really that we're running out of oil entirely. We've become addicted to cheap oil, Palast says, and we now accept the oil companies digging in sensitive areas, even though "there is a safer way to drill for oil."

President Obama and the Democrats should take their cues from world leaders who are taking on Big Oil in their own countries, Palast says. Ecuadorean President Rafael Correa has refused to go along with "the usual methods of oil companies." He kicked Occidental Petroleum out of Ecuador and has agreed to support tens of thousands of Amazonian settlers in Ecuador as they sue Chevron for damages to their lives and their land. Only

with these kind of bold moves can we hope to take back our environment from the major polluters.

[North African Turmoil Could Rocket Crude to \\$220](#)

If the turmoil paralyzing parts of the Middle East and North Africa brings oil production in Libya and Algeria to a standstill, it could cause crude oil to explode to \$220 a barrel, derailing the global economic recovery.

According to a new report from Tokyo-based Nomura, a simultaneous production halt from embattled Libya and neighboring Algeria would reduce OPEC spare capacity to 2.1 million barrels a day and may cause crude to spike from about \$97 a barrel today to \$220 a barrel.

[Nomura's \\$220-a-barrel crisis oil call](#)

Talk about an oil shock.

Nomura's commodity analysts, led by Michael Lo, are calling for oil at \$220 a barrel, if both Libya and Algeria were to stop oil production. Oil's currently around \$108.

[If Libya revolts, Saudi Arabia could be next](#)

It is a very dangerous game to try and predict what will happen next in the Middle East and North Africa at the moment, so I report this with all the usual caveats. But John Roberts, an energy security specialist at Platts, has been watching the region for a long time, and he thinks that the possible removal of Muammar Gaddafi blows apart a lot of long-held assumptions about the region.

[Saudi king back home, orders \\$37-B in handouts](#)

RIYADH, Saudi Arabia - Saudi King Abdullah returned home on Wednesday after a three-month medical absence and unveiled benefits for Saudis worth some \$37 billion in an apparent bid to insulate the world's top oil exporter from an Arab protest wave.

[Muammar's Oil - Libya's Contribution to the World's Oil Picture](#)

Recent unrest in Libya has led to unrest in the world's oil markets. In this posting, I'll take a brief look at Libya's contribution to the world's oil picture.

[UK oil workers 'desperate' for Libya exit](#)

A Scottish oil worker stranded with 300 people in a Libyan desert camp has told how the group has just one day's supply of food and water left.

[Half of Libya's oil production shut down](#)

At least half of Libya's oil production has been shut down in the wake of the violence wracking the country, industry executives estimate.

[Big Oil's \\$50 billion bet on Libya at stake](#)

FORTUNE -- The instability in the Arab world claimed its first oil-rich victim over the weekend with the uprising in Libya. That's bad news for the bevy of international oil firms that have set up shop in the cloistered North African nation over the years, most notably Eni, the Italian oil giant. Libya has become a hot bed of energy investment since the lifting of trade sanctions seven years ago. Major oil companies from BP to ExxonMobil could now stand to lose millions, and in some cases, billions of dollars in investments and expected future revenue if the current regime falls.

[At least 3 oil cargoes sail from Libya - sources](#)

Reuters) - At least three oil cargoes have left Libyan ports in the past 24 hours despite a revolt against Muammar Gaddafi's four-decade rule, trade and shipping sources said on Wednesday.

[Why you really can't swap Libyan oil for Saudi](#)

Much discussion on Wednesday of whether Opec could pump more oil from the Arabian peninsula to make up for Libya going offline — so we thought these pointers from Barclays Capital's Amrita Sen might help:

[A Decisive Moment for the Energy Industry: Political Agendas Roil Murky Waters Four Months after Gulf Drilling Ban Lifted](#)

Last Thursday, February 17th, was a very big day — and perhaps a very good day — for the offshore drilling and energy industries as two separate but related developments could help ensure the near-term viability of deepwater oil drilling in the Gulf of Mexico.

[Rising alarm over global scarcities](#)

While the unrest spreading through the region has developed from unique combinations of political, economic and social factors in each affected country, anger over rising food costs is a unifying force. Rising domestic energy prices caused by shrinking state

subsidies have also stoked popular dissatisfaction, while regional water shortages loom as never before.

Several Arab governments, alerted to the security threats posed by resource scarcity, have recently moved to enhance their buffer of key commodities in a region that imports more than half its food, including staples such as wheat, rice and maize. Last month, Jordan cut taxes on food and fuel. Saudi Arabia announced plans to double the kingdom's wheat reserves to 1.4 million tonnes, or enough to satisfy demand for a year.

This month, the director general of the UAE's National Crisis and Emergency Management Authority said a proposal to build emergency reserves of food, water and medicine would be submitted to the Cabinet in April. Abu Dhabi started building a strategic water reserve last year.

[Oil Rises to 28-Month High on Libya, Middle East Supply Concern](#)

Oil rose to its highest in more than two years as Libya's violent uprising threatened to disrupt exports from Africa's third-biggest supplier and spread to other crude-producing nations in the Middle East.

[Jeff Rubin: Soaring oil prices a double-edged sword in the Middle East](#)

Why is the Arab world convulsing with social and political unrest when triple digit oil prices should be bringing enormous wealth to the region? The answer may be that the link between energy inputs and food prices suddenly makes soaring oil prices a double-edged sword in the world's largest food importing region.

[Oil Soars as Furor Shakes Markets](#)

HOUSTON — The political turmoil sweeping the Arab world drove oil prices sharply higher and stocks much lower on Tuesday despite efforts by Saudi Arabia to calm turbulent markets.

The unrest that has spread from Tunisia to Libya pushed oil prices to a two-year high and has spurred an increase in gasoline prices. The specter of rising energy costs and accelerating inflation in turn unsettled investors.

Oil is now at a price not seen since the recession began, and it is more than \$20 above goals set in recent months by Saudi officials as strong enough to satisfy the top producers but not so strong they might suffocate the global economic recovery.

[Opec holds back extra supplies](#)

RIYADH // Opec held back from releasing extra oil to cover disruptions in Libya as world prices hit their highest level in two years.

Oil producer and consumer nations meeting in Riyadh agreed there was no immediate shortage of oil on world markets, and Saudi Arabia and the UAE said they stood ready to compensate for any future supply gap.

[Saudi minister: OPEC nations has capacity to produce surplus oil](#)

(CNN) -- Seeking to alleviate concern about rising oil prices, Saudi Arabia's oil minister said his country and other OPEC members have the capacity to produce surplus oil, Saudi Press Agency reported.

Saudi Arabia alone has a surplus of about 4 million barrels per day, the agency quoted Minister Ali al-Naimi as saying.

[Gasoline, Heating Oil Surge as Violence Escalates in Libya](#)

Gasoline and heating oil surged to the highest levels in more than 28 months as heightened violence in Libya stirred concern that unrest in North Africa and the Middle East will disrupt fuel production and shipments.

[The Stealth Return of \\$100 Oil](#)

The days of \$100 oil are back—and not just in Europe, where the Brent crude benchmark vaulted past \$108 a barrel on Monday.

[Gasoline Gains on Refinery Shutdowns, Crude Slips: Oil Products](#)

Gasoline extended its 28-month high, breaking with declines in Brent crude and West Texas Intermediate oils as refineries slowed production for maintenance. Crude oil traded on the New York Mercantile Exchange dropped for the first time in three days. Heating oil fell. Ethanol was little changed.

[U.S. Oil Supply Rose a Sixth Week, Bloomberg Survey Shows](#)

U.S. crude stockpiles probably rose for a sixth week, the longest series of gains since May, as a glut forms at Cushing, Oklahoma, the country's biggest oil-trading hub, a Bloomberg News survey showed.

[Gaddafi's Next Move: Sabotage Oil and Sow Chaos?](#)

There's been virtually no reliable information coming out of Tripoli, but a source close to the Gaddafi regime I did manage to get hold of told me the already terrible situation in

Libya will get much worse. Among other things, Gaddafi has ordered security services to start sabotaging oil facilities. They will start by blowing up several oil pipelines, cutting off flow to Mediterranean ports. The sabotage, according to the insider, is meant to serve as a message to Libya's rebellious tribes: It's either me or chaos.

[Gazprom takes a hit from regional unrest](#)

The Russian gas giant Gazprom is emerging as one of the biggest potential losers from the continuing unrest in the Middle East.

The company has interests in Libya, Bahrain and Iran, all of which are experiencing some level of civil disturbance. Gazprom shares, listed in Russia, declined by almost 9 per cent in the past week.

[Italian Energy Company Suspends Gas Pipeline to Libya](#)

ROME — Concerns rose about Italy's natural gas supplies on Tuesday, after the country's main energy company, ENI, said it had suspended supplies through its Greenstream pipeline, which runs from Libya to Sicily and supplies 10 percent of Italy's natural gas.

[Libyan revolt likely to leave deep scars on oil sector](#)

(Reuters) - Regardless of what comes next in Libya's lethal political standoff, the OPEC country's oil sector is nearly certain to suffer, bringing long-lasting supply disruptions or even permanent damage.

None of several potential outcomes is benign for Libya's oil industry -- the lifeblood of its economy -- or for oil prices. The scenarios run the gamut from all-out civil war and attacks on energy infrastructure to low-level neglect and reservoir damage, as foreign expertise flees the country.

[Can the Saudis really ride to the rescue?](#)

The fate of the global economy may hinge on surging oil production from the world's biggest exporter. But it's not clear that the Saudis have the juice.

[Spare Capacity Theory and the Libyan Disruption](#)

In truth, the spare capacity that the world cares about—that the oil futures market cares about—is not the inventory level. But rather, actual production capacity that can be brought on immediately. You can see the problem, from a price standpoint. If the world loses Libya's 1.5 mbpd production for 90-120 days, and starts drawing down

above-ground inventories, this only makes the inventory cushion that much thinner for any new supply disruptions. The question on the mind of the oil market therefore is not Mr. Fyfe's 1.6 billion barrels of crude, but whether countries like Kuwait, the U.A.E. and especially Saudi Arabia or even Russia can lift supply. Immediately.

[Saudi Arabia stands by oil forecasts](#)

RIYADH // Yousef al Furaidan, the production manager for one of Saudi Aramco's biggest oil projects, is unsure what more could be done to convince the world Saudi Arabia has the oil reserves, output capacity and spare capacity it claims.

The issue of Saudi oil data transparency resurfaced this month with the release by WikiLeaks of confidential cables from the US embassy in Riyadh urging Washington to heed a former Aramco executive's warning that the kingdom's reserves may have been overstated. The rekindled controversy has intensified as political tensions have erupted in parts of the Mena region, with anti-government protests now endangering oil exports from some Opec states including Libya.

Saudi Arabia, the biggest Opec oil producer, has felt only minor repercussions from the furore. However, to many New York oil traders, the kingdom's ability to compensate for supply disruptions elsewhere is again an open question.

[Indonesia says may delay limiting fuel subsidies due to high oil prices](#)

(Reuters) - Indonesia's chief economics minister Hatta Rajasa said on Wednesday the government might further delay a plan to limit fuel subsidies for private cars from end-March due to high oil prices and inadequate government preparation.

[Frontline Back in Black on Chinese Oil Demand](#)

Frontline Ltd., the world's biggest supertanker operator, may return to profit this quarter after its biggest loss since 2002 as oil demand from China curbs a glut of vessels that sent freight costs to a 13-month low.

[Mexico oil output seen up in 2011, natgas to plunge](#)

(Reuters) - Mexican oil output will rise 2 percent to 2.627 million barrels per day by December from the rate expected to be produced in January while natural gas output will fall sharply, according to the industry's operational plan that the government released on Tuesday.

[Fog Halts Houston Ship Pilots' Inbound, Outbound Boarding](#)

Houston Ship Channel pilots stopped boarding inbound and outbound vessels today as

fog limited visibility on the approach to the largest U.S. petroleum port, according to the Coast Guard Vessel Traffic Service.

[Chevron Halts Work at Gorgon LNG Site, Apache Shuts Gas Plant on Cyclone](#)

Apache Corp. halted gas production from Varanus Island and Chevron Corp. suspended construction at the A\$43 billion (\$43 billion) Gorgon project in Western Australia because of Tropical Cyclone Carlos.

[BHP to Buy Chesapeake Shale Gas Assets for \\$4.75 Billion](#)

BHP Billiton Ltd., the world's biggest mining company, agreed to buy Chesapeake Energy Corp.'s Arkansas shale gas assets for \$4.75 billion in cash, more than doubling its U.S. oil and gas reserves.

[TNK-BP to sell crude, diesel delivered via Geneva arm](#)

(Reuters) - Russian oil company TNK-BP will start selling crude and distillates on a delivered basis through a new Geneva trading office to open later this year, its head of downstream said on Tuesday.

[Iraq rushes to address food-security problems as price of flour trebles](#)

The price of flour in Baghdad has tripled in the past two months, forcing the new Iraqi government to scramble to address its potential food security problems.

[Pakistan Case Tests Laws on Diplomatic Immunity](#)

For Pakistanis, many of whom are angry at the apparent impunity with which the C.I.A.'s drone missiles regularly kill terrorism suspects — and, at times, innocent bystanders — Mr. Davis's case has proved galvanizing. Protesters have called for Mr. Davis to be hanged.

But for Obama administration officials, the legal case is clear-cut. They insist Mr. Davis has full diplomatic immunity that protects him against prosecution in Pakistan. Pakistan can expel Mr. Davis, the administration says, but it has no right to imprison him and move forward with a murder case.

[Iran says ready to export gasoline](#)

Iranian Deputy Oil Minister Alireza Zeighami said the country had begun marketing plans for the imminent exports of its gasoline, local satellite Press TV reported on

Wednesday.

[Buy Oil Drillers on Weakness as Pan-Arabian Revolution Spreads Across North Africa and the Middle East](#)

The oil services and equipment sector is the best place to invest over the next few years because these guys have order-backlogs all the way to Mars...

The oil services industry is now in a full-blown revenue-based bull market as high oil prices justify expensive exploration by the majors; that's a trend that will be in place for years to come as Peak Oil is perhaps jettisoned by political instability in the Middle East, and possibly, in the Persian Gulf's Strait of Hormuz. If Iran goes, then it's \$150 to \$200/barrel oil fast.

[How to Position Your Portfolio for the Impending Global Energy Crisis](#)

For the past month or two I have been researching and organizing my thoughts on what I believe is an impending global energy crisis. Until recently, I had been unable to fully convince myself that this was likely to happen. However, the recent events in the Middle East and Northern Africa have helped to embolden my concerns. As a disclaimer, I am not an expert and I am limited in my access to information. Having said that, though, I believe this is a very rational concern and is supported by widely available data.

My belief that a global energy crisis is impending centers on the concept of peak oil. This is a topic that has been debated for decades but has recently gained credibility because of the IEA's acknowledgement of peak oil as a reality.

[What 'Peak Oil' Really Means for the Energy Sector](#)

Peak oil is here. Even the International Energy Agency (IEA) has admitted that production of conventional petroleum has peaked, although they forecast continued *conventional* production at 2011's reduced levels (down 2 million barrels per day from 2006) many years into the future.

The attainment of even this plateau, however, depends on rapid increases in Saudi production, for which there are no guarantees and indeed very serious doubts. If Saudi production cannot be raised, global production of conventional crude oil will necessarily begin a precipitous decline.

[For sale: refineries producing millions of barrels](#)

2.5 million

That's how much global oil-refining capacity in barrels per day is up for sale, says IHS Herold's John Parry. It's enough to process the entire crude output of Nigeria or Norway.

[Baby dolphin deaths rise along Gulf Coast](#)

The alarmingly high number of dead young dolphins are being looked at as possible casualties of oil that fouled the Gulf of Mexico after a BP drilling platform exploded in April 2010, killing 11 workers and rupturing a wellhead on the sea floor.

[Robbing California of energy](#)

The House's decision to rescind about \$2 billion in Recovery Act funds and loan authority has jeopardized some \$40 billion of private industry investment in clean energy.

[Green projects run amok with little oversight. What are we getting for our \\$130M?](#)

As much as \$130 million of one-time money has either been dumped down the drain or committed to fund ex-mayor David Miller's Climate Change Agenda in the last four years — money which could have been used to offset Toronto's humongous debt, it was revealed at audit committee Monday.

[Britain sign nuclear, oil deals during Cameron's visit](#)

Oil-rich Kuwait and its close ally Britain on Tuesday signed several deals on nuclear and oil cooperation during British Prime Minister David Cameron's visit to the emirate.

The official KUNA news agency said Kuwait's Prime Minister Sheikh Nasser Al-Mohammad Al-Jaber Al-Sabah and Cameron discussed the latest developments in the region and issues of common concern.

[Nuclear Malaysia: Red flag in a greening global economy](#)

Before the Malaysian government takes the country down the path towards nuclear energy, every citizen must decide if nuclear power is the right choice for the nation.

For some, the threat of climate change and peak oil has produced a false choice between either going nuclear or suffering unabated global warming.

But Malaysia, and indeed, the rest of the world, has an increasing number of truly clean and renewable energy options to choose from, such as solar, wind, tidal and wave.

[Battery-electric cars will struggle after normal buyers replace early adopters](#)

Some say electric cars will save the planet from man-made climate change. Others see a need to clean up the exhausts of an increasing number of cars clogging up city centers across the globe. Most agree that oil will run out one day, and some manufacturers have bet the farm that battery-only electric cars will be able to rise to the occasion and provide us with viable personal mobility.

The evidence is mounting that this won't happen.

[WSJ Bigotry, Lies and Abuse of Power or a “Range Fiasco”?](#)

Mr. Khosla comes out swinging at the Wall Street Journal's take on Range Fuels and biofuels.

[Along the Columbia, Concerns for Salmon and Energy Production](#)

STARBUCK, Wash. — The governor of Montana invited himself to Washington State not long ago to explain to people who live along the Columbia River why they should help Montana export its coal across the Pacific Ocean to China.

Last month, the governor of Idaho turned up near the Columbia's principal tributary, the Snake River, to tell Idahoans that it was good policy to barge enormous oil-production equipment up both rivers and then truck it farther inland in triple-wide loads across a scenic highway.

[AGL Energy Holds Off on \\$2 Billion of Wind Farm Plans on Australian Prices](#)

AGL Energy Ltd., the Australian utility building the southern hemisphere's largest wind farm, said it will likely hold back \$2 billion of additional projects until prices for renewable-energy credits increase.

[Memo To The EPA: Don't Mess With Texas!](#)

The Lone Star State is truly going it alone in refusing to comply with the EPA's latest attempt to apply industry greenhouse gas (GHG) restrictions under the aegis of its Clean Air Act endangerment finding that has declared CO₂ to be a “pollutant.” Although at least a dozen other states have joined along in legal challenges to the ruling, all of them are pursuing compliance accommodations until such time that federal courts or Congress reign in the agency's runaway regulatory rampage.

[Unpredictable Oil Prices are Hurting Everyone](#)

Why is the World on this Terrible Rollercoaster?

Why... because oil is a particularly inelastic kind of commodity. Oil is not like doughnuts or most other things that are quite easily substituted or done without if prices rise too much. People NEED oil and it is very hard to do without or to substitute with something else — you cannot put coal into your tank.

[A Climate Skeptic With a Bully Pulpit in Virginia Finds an Ear in Congress](#)

Yet as the Republican leadership puts the brakes on a climate science confrontation, Mr. Cuccinelli has forged ahead.

In the process, his critics say, he has not only made mistakes, but also twisted facts to bolster his case against the climatologist, Michael E. Mann, now a professor at Pennsylvania State University.

Sherwood L. Boehlert, a retired Republican congressman from New York and a former chairman of the House Science Committee, is among those who have sharply criticized Mr. Cuccinelli's tactics.

"I find no logical explanation for spending taxpayer dollars on this politically designed, headline-grabbing pursuit of his," said Mr. Boehlert, whose panel in 2006 investigated nearly identical charges by climate skeptics that Dr. Mann had falsified results but found no evidence of wrongdoing.

[Arab uprisings foreshadow climate havoc, says British diplomat](#)

LONDON: A string of Arab uprisings are giving a foretaste of the likely havoc that climate change will cause without greater effort to curb greenhouse gas emissions, a British Foreign Ministry official warned.

Soaring food prices, stoked by Russia's drought last year and subsequent ban on wheat exports, were an additional trigger in the popular revolts across North Africa and the Middle East mostly blamed on public frustration with autocratic rule.

"Treat this as a 'prequel,' because if we can't remove some of those upward pressures on resource stresses then crises that are difficult to deal with when they happen will become more likely," said John Ashton, special representative for climate change at Britain's Foreign Ministry.

[50m 'environmental refugees' seen by 2020](#)

WASHINGTON: Fifty million "environmental refugees" will flood into the global north by 2020, fleeing food shortages sparked by climate change, experts warned at a major

science conference that ended here on Monday.

“In 2020, the UN has projected that we will have 50 million environmental refugees,” University of California, Los Angeles professor Cristina Tirado said at the annual meeting of the American Association for the Advancement of Science (AAAS).



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