



## Drumbeat: March 18, 2011

Posted by [Leanan](#) on March 18, 2011 - 9:35am

### [Crude's watchdog ready to bark](#)

Fatih Birol, his glasses twitching below bushy eyebrows, is standing at a podium in Abu Dhabi. He is the "Cassandra of crude".

His mission: to warn of the dangers of using too much energy. It is a position he takes around the world, speaking to whoever will listen. His mantra: "One day, we will run out of oil."

### [Oil Surges as UN Approves Libya No-Fly Zone; Credit Suisse Raises Forecast](#)

Oil surged to its highest price in a week in New York after the United Nations Security Council approved military intervention to protect civilians in Libya, holder of Africa's largest crude reserves.

Futures jumped as much as 2.2 percent after the UN voted to establish a no-fly zone over Libya and demanded a cease-fire with rebels. Oil pared gains after China took steps to cool growth, raising banks' reserve rate requirement a third time this year. Credit Suisse Group AG raised its forecast for Brent crude traded in London, citing Middle East unrest.

### [Japan's Idemitsu plans full output amid fuel shortage](#)

(Reuters) - Japan's Idemitsu Kosan Co said it will raise the run rate at its four refineries across Japan to full production this week to help ease a severe oil shortage in eastern Japan after a powerful quake last Friday.

### [Indonesia may export surplus Bontang LNG to quake-hit Japan](#)

(Reuters) - Indonesia may export surplus liquefied natural gas (LNG) from its Bontang plant to quake-stricken Japan, Evita Legowo, director general for oil and gas at the energy ministry said on Friday.

### [As Japan's nuclear crisis follows Gulf oil spill, Obama struggles for accord on energy](#)

WASHINGTON — On the road to a national energy policy, President Barack Obama is hitting pothole after pothole.

### [PetroChina Plans to Add Oil, Gas Assets as Japan Earthquake Boosts Demand](#)

PetroChina Co. pledged to accelerate acquisitions of energy assets and develop the country's domestic natural gas resources as demand for the fuel rises following Japan's nuclear reactor crisis.

### [Oil Industry to Form Safety Group](#)

American companies involved in offshore oil drilling are moving to set up a safety institute modeled on those established by foreign oil companies and the nuclear power and chemical industries, the American Petroleum Institute said on Thursday.

### [Petrobras told it can use deep-water vessel in Gulf](#)

Petrobras has received final approval to operate the Gulf of Mexico's first floating production, storage and offloading vessel, clearing the way for the Brazilian oil giant to start pumping oil from two deep-water fields, federal regulators said Thursday.

### [Prompt military moves afoot over Libya](#)

(CNN) -- Military action against the Moammar Gadhafi regime could begin in the coming hours, a French government spokesman said on Friday, hours after the U.N. Security Council authorized the use of force to protect besieged civilians in Libya.

### [The days of \\$100 oil may be here to stay](#)

Libya may soon cease to be a player in the oil markets, and that's bad news for anyone who fears that rising oil prices will stall the global oil markets.

### [Not just a no-fly zone](#)

We thought we'd point out ahead of time that there are several provisions in Security Council resolution 1973 that allow for this escalation, with broad implications for infrastructure and rebels' chances of quickly supplanting Gaddafi.

### [The fatally flawed logic of a no-fly zone](#)

Much to his detriment, President Obama has been sitting on the fence regarding the Libyan civil war. The president should have had the courage of his convictions to say that although his sympathies and the sympathies of the American people are with those Libyans who desire freedom, human rights and democracy, this is a fight that only Libyans can win. Unfortunately, if Thursday's statement from US Ambassador to the UN Susan Rice is any indication, Obama has caved to misguided and poorly thought-out arguments for direct intervention.

### [US and its allies are too late to help Libya](#)

The belated US decision to support Anglo-French proposals for a Libyan no-fly zone seems no more than a cynical gesture.

Washington concedes that merely grounding the Tripoli regime's aircraft and helicopters may not change outcomes.

But the situation today is where it always was: once Muammar Gaddafi showed himself determined to fight, only direct ground intervention by the US and its allies would have enabled the ill-armed rebels to prevail.

### [Libya's once-promising economy quickly turns bleak](#)

Libya's currency is down 30 percent in just two weeks, its oil has slowed to a trickle, its bazaar is eerily empty, and the shops are increasingly bare.

In the span of less than a month since the rebellion started, a once-promising economy has turned around. Before, cranes dotted Tripoli's skyline and luxury housing projects were on offer, loans backed by foreign bank branches in the city; now bread lines run long and the bakers have fled across the borders.

### [Middle East crisis could delay Naimi's retirement](#)

As oil traders brace for fresh geopolitical turmoil, Ali Naimi, the veteran oil minister of Saudi Arabia, will be once again on the spotlight to reassure the market.

### [GM to shut plant amid shortage of Japanese parts](#)

NEW YORK (CNMoney) -- General Motors has suspended production at a facility in Louisiana due to a shortage of parts stemming from the natural disaster in Japan, the automaker said Thursday.

### [Japan Earthquake May Cause Prius Shortage](#)

It may soon become much harder to get your hands on the wheel of a Prius. The earthquake and tsunami that have caused over 10,000 deaths, swept away whole towns and plunged Japan into a nuclear crisis will have an impact, albeit a much less dire one, on U.S. car buyers as well: the best-selling hybrid car in America could soon be out of stock.

### [Smaller engines account for 46 percent of Chevrolet retail sales](#)

It's official. Chevrolet sales stats prove consumers are indeed moving toward fuel-efficient 4-cylinder engines to save on their transportation budgets. Question is, what's next?

### [Oil is up. Where's the demand for electric cars?](#)

Of course, we've seen this story before. Every time gas prices fluctuate this wildly, there's the inevitable chatter about a fundamental change taking hold in the U.S. auto industry -- about a turn to alternative and low-emission cars and a consumer base that has finally and forever turned its back on the gas guzzlers of yore. Except things never quite work out that way.

### [Rising oil prices threaten economic crash](#)

A sustained oil price of \$100 per barrel will add \$520 billion to the U.S. balance-of-trade deficit. Furthermore, there is a direct and well-established relationship between unemployment rates and the rates of mortgage defaults. Thus, the \$130-per-barrel oil shock of 2008 didn't just throw 5 million Americans out of work, it made many of them default on their home payments and thus destroyed the value of the mortgage-backed securities held by America's banks. This, in turn, threatened a general collapse of the financial system, with a bailout bill for \$800 billion sent to the taxpayers as a result. But that is not all. The destruction of spending power of the unemployed and the draining of funds from everyone else to meet the direct and indirect costs of high oil prices reduce consumer demand for products of every type, thereby wrecking retail sales and the industries that depend upon them.

### [UK regulator eyes energy networks price controls](#)

LONDON (Reuters) - Britain set out plans on Friday to control prices on the country's sustainable energy networks, in a move aimed at saving consumers some 1 billion pounds (\$1.61 billion) over the next eight years.

### [Fuel poverty and social inequality should be the focus – not fuel cost](#)

Fuel duty and VAT increases always make for great political bun fighting in the week before a budget, but yesterday's opposition day debate failed to excite. The focus continues, understandably, to fall on the short-term issues around the cost of fuel but

fails to take a bigger picture perspective and look long-term at oil dependency, fuel poverty and the evident lack of choice available to the British public.

### [Peak Oil = Persistent, Unsolvability, Wrenching Stagflation](#)

America is addicted to oil. We deem it a constitutional right to drive Hummers and have \$4 a gallon gasoline. But there is an Achilles' heel to our lifestyle—oil is a finite resource, and one day we will run out of cheap oil.

### [Make Money as the World Goes Mad](#)

Mike had already set his plan into motion, having bought an "escape house" in Whitefish, explaining, "You need to be near a rail-line, so they can ship in supplies. There's a rail-line 1 mile from here. You also need a fresh water source. Whitefish Lake provides all the water I need."

### [Analysis: Our economy needs more than an oil change to adapt to the future](#)

Oil has become the bedrock of South Africa's economy. Our economy is highly dependent on foreign oil imports. About 60% of our transport fuel comes from overseas imports of crude, most of it from the volatile Middle East.

Recent and ongoing upheavals in North Africa have had a marked effect on oil prices. Oil is now trading at just above \$120 (R848) a barrel. This is of concern because a 10% increase in the oil price can lead to a drop in GDP of as much as 0.5%.

### [Tom Simmons takes Aspen Laff Fest stage](#)

Simmons suggests that telling sex and booze jokes is probably an easier way of doing stand-up. Turning peak oil and federal reserve policies into a comedy routine requires more thought and nuance than simply uttering words that are sure to get an audience's attention.

"These kinds of subjects are hard to do," he said. "It takes me months of annoying people, asking questions, to find the lines I want to say, and a way to condense the facts so I can get my side of the argument out."

### [Ray Kurzweil: Solar Will Power the World in 16 Years](#)

So how far away is solar from meeting 100% of the world's energy needs? Eight doublings, says Kurzweil, which will take just 16 years. And supply is not an issue either, he adds: "After we double eight more times and we're meeting all of the world's energy needs through solar, we'll be using 1 part in 10,000 of the sunlight that falls on the

earth. And we could put efficient solar farms on a few percent of the unused deserts of the world and meet all of our energy needs."

### [Wind power cheaper than nuclear, says EU climate chief](#)

Generating energy from wind turbines at sea would be cheaper than building new atomic power plants, Europe's climate chief has said, in the latest challenge to the crisis-stricken nuclear industry.

Connie Hedegaard, the EU climate change commissioner, said: "Some people tend to believe that nuclear is very, very cheap, but offshore wind is cheaper than nuclear. People should believe that this is very, very cheap."

### [Solar Rally Might Fizzle After Nuclear Accident 'Hysteria,' Investors Say](#)

The rally in solar shares after Japan's atomic accident may fizzle because the crisis won't quickly boost demand for renewable power, investors including First Empire Asset Management's Michael Obuchowski said.

"The hysteria that helped run up solar stocks was not warranted by the damage in Japan," Obuchowski, chief investment officer of the Hauppauge, New York-based firm that owns shares in First Solar Inc. (FSLR), said in an interview. "Down the road it may lead to policy changes and the restoration of incentives, but I don't see that happening yet."

### [UK reduces subsidies for large-scale solar](#)

Greg Barker, the UK energy minister, has completed his review of subsidies for solar power under the feed-in-tariff scheme, and, as expected, he has reduced the amount of money available for installations that provide over 50kW.

Ministers say the idea behind this review is to make sure that large-scale wind farms don't Hoover up money that was meant for households and small businesses to install a small amount of solar power (usually with solar panels on roofs).

### [Scotland Government Approves World's Largest Tidal Park at Sound of Islay](#)

ScottishPower Renewables, a unit of Iberdrola Renovables SA (IBR), says it will build the world's largest tidal energy plant off Scotland's west coast.

### [Fight Waged With Forks Is Rejoined in Congress](#)

“If you look at the best companies to work for, nobody is questioning things like composting and recycling,” said Representative Earl Blumenauer, Democrat of Oregon, who wrote a letter this week to Speaker John A. Boehner to complain about the cut. Mr. Blumenauer’s letter — signed by some Democratic colleagues as well — also cited health concerns associated with plastic foam.

Republicans counter that the composting program cost too much and had limited environmental benefits, and that the compostable utensils were a bad deal for diners anyway because they could not stand up to hot soup and the heartier salad fixings.

### [E.P.A. Proposes New Emission Standards for Power Plants](#)

WASHINGTON — The Environmental Protection Agency on Wednesday proposed the first national standard for emissions of mercury and other pollutants from coal-burning power plants, a rule that could lead to the early closing of a number of older plants and one that is certain to be challenged by the some utilities and Republicans in Congress.

### [And So US Castles Made of Sand Fall in the Sea, Eventually](#)

In a study recently published in *Climatic Change*, we delineated low-lying coastal areas of the conterminous USA that may confront impacts from rising sea levels. We found that an average of 9% of the land area in coastal cities and towns lies at or below 1 meter of elevation and is connected to the sea. For highly populated municipalities - those with more than 300,000 people - land area percentages at or below 1 meter are greater than the national average in New Orleans, Virginia Beach, VA, Miami, and Tampa, FL.



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