



Drumbeat: March 25, 2011

Posted by [Leanan](#) on March 25, 2011 - 10:47am

[International Crises Boost Russia's Energy Posture](#)

With U.S.-led fighter jets pounding military assets in oil-rich Libya, and Japan still struggling to contain radiation at its stricken Fukushima nuclear plant, concerns are rising around the world about the future of energy supplies. But not in Russia.

As the unrest in the Middle East bites into supplies, prices for crude approached \$105 a barrel this week. That's helping drive windfall profits that are enabling the world's biggest energy exporter to finally emerge from recession triggered by the global financial crisis in 2008.

But while that's good news for Russia's economy, Kremlin critics say rising energy prices are again shoring up the country's authoritarian government -- and that's bad for politics.

[Exclusive: U.S. submarines show force amid race for Arctic riches](#)

(Reuters) - The United States is staging high-profile submarine exercises in the Arctic Ocean this month as evidence mounts that global warming will lead to more mining, oil production, shipping and fishing in the world's last frontier.

[Forecast of \\$185 oil that carries some weight](#)

Oil prices in 2020? The futures market is pricing the cost of a barrel of West Texas Intermediate for delivery in December 2019 – the farthest forward futures on the Nymex exchange in New York – at \$104 a barrel. But Paul Horsnell, the veteran oil watcher at Barclays Capital, believes it will hit an astonishingly high \$185.

Mr Horsnell published his latest long-term crude oil forecast late on Thursday, triggering a mini-stir on the market. He says that West Texas Intermediate will hit \$185 and Brent \$184 by 2020, much higher than any forecast seen so far.

[In Syrian flashpoint town, more deaths reported](#)

(CNN) -- At least 15 people were killed as thousands took to the streets in or made their

way to the restive Syrian city of Daraa, where deadly clashes erupted over the last week between protesters and security forces.

Sources told CNN the slain people were trying to march to Daraa, where an eyewitness, Abdullah, also reported many casualties in the city.

[Turkey and France clash over Libya air campaign](#)

Turkey has launched a bitter attack on French president Nicolas Sarkozy's and France's leadership of the military campaign against Libyan leader Muammar Gaddafi, accusing the French of lacking a conscience in their conduct in the Libyan operations.

The vitriolic criticism, from both the prime minister, Recep Tayyip Erdogan, and the president, Abdullah Gül followed attacks from the Turkish government earlier this week and signalled an orchestrated attempt by Ankara to wreck Sarkozy's plans to lead the air campaign against Gaddafi.

[BP halts business with Tamoil after sanctions](#)

(Reuters) - BP is halting all business with Libyan oil company Tamoil and declaring force majeure on all oil and product deliveries, a company spokesman told Reuters on Friday.

[Russia new oil tax regime to take effect by July](#)

(Reuters) - Russia's new oil and oil products tax regime will take effect no later than July, deputy Finance Minister Sergei Shatalov told reporters on Friday.

[Tokyo Electric likely liable for nuclear accident-Japan gov't](#)

(Reuters) - Tokyo Electric Power will be likely be held responsible for damages stemming from a nuclear plant that was crippled by this month's massive earthquake and tsunami and has been leaking radiation, Japan's top government spokesman said.

[EPA pursues Michigan's largest coal-fired plant](#)

A Michigan utility spent \$65 million last year replacing key parts at the state's largest coal-fired power plant in Monroe. Now DTE Energy is in court with federal regulators who say millions more should have been spent to reduce air pollution.

[Osborne's North Sea Oil Tax Risks Stalling \\$3 Billion of U.K. Field Sales](#)

George Osborne's increased tax on U.K. oil production risks holding back investment in the North Sea and stalling BP Plc and ConocoPhillips's plans to sell off mature assets.

[BP, Rosneft Share-Swap Deal Blocked in Dispute With Russian Billionaires](#)

BP Plc's proposed \$7.8 billion share swap and Arctic exploration deal with OAO Rosneft was thrown out by an arbitration tribunal after a legal challenge by its Russian billionaire partners.

[Nigeria sets sites on natural gas](#)

ABUJA, Nigeria (UPI) -- Foreign investments of around \$25 billion in Nigeria will boost the country's natural gas sector under plans outlined by the country's president.

A cornerstone of the investment plans is a \$3 billion deal between Italian energy company Eni and Nigeria's Oando to process gas from the Niger Delta, said Nigerian President Goodluck Jonathan.

[Israel, the oil producer, is about to have the last laugh](#)

The joke has been told by generations of Jews, most famously Golda Meir, the former Prime Minister of Israel. Why did Moses lead us to the one place in the Middle East without oil?

But an updated version may be required if Harold Vinegar and his colleagues get their way. Dr Vinegar, the former chief scientist of Royal Dutch Shell, is at the centre of an ambitious project to turn Israel into one of the world's leading oil producers.

[What Exxon Valdez spill can still teach us](#)

(CNN) -- The Exxon Valdez catastrophe on March 24, 1989, no longer holds the distinction of being the largest oil spill ever in U.S. waters. In sheer size, it was eclipsed last April by the disastrous well blowout in the Gulf of Mexico. But as the Pew Environment Group's video, "Lingering Oil," shows, the lessons of the Exxon Valdez spill are more vital than ever as we approach the first anniversary of the Deepwater Horizon explosion and contemplate drilling in the even more challenging Arctic Ocean.

[4 Benefits Of Rising Oil Prices](#)

No, that title is not a misprint. While everybody likes cheap energy and most economists believe that economic growth is predicated at least in part on cheap access to energy, it does not automatically follow that there is no good that can come from higher energy prices. Markets are made up of multiple independent agents and what constitutes a

challenge for one can be an opportunity for others.

[Monbiot - Budget 2011: George Osborne's plans are a disaster for the environment](#)

An incentive to consume more petrol, relaxed planning rules and a weak green bank add up to a black budget for the environment

[An interview with Naomi Klein. Part One: "...that world view is killing us and needs to be replaced with another world view..."](#)

I'm worried that we need a strategy of change that doesn't rely on the coming of an oil shock, a price shock – we need to change without the market forcing us to change. That may well be different here, because I think you are in a more precarious energy situation than we are in North America. In some ways I think it would be a blessing if we were in a more precarious energy situation, because it would force that change, but everything I'm seeing right now, what really terrifies me is that if these stories that we tell ourselves about how there will always be more, and another frontier, are manifesting themselves in this Jared Diamond-esque hell, a suicidal collapse. I don't feel that we have the luxury to wait for change to be imposed from the outside and just have to decide whether we're going to manage it or not.

[Three strikes - we're out.](#)

Most people devote themselves to one cause or another, as I tend to do so myself. Yet, looking at all the events that tie into that one cause, whether it is the one I devote myself to or any other one that I look into because it pertains to the core of my investigations, all these individual causes are really bush fires, flare-ups in the general slow inexorable flow towards a large change in our global society.

[Richard Heinberg: Won't Innovation, Substitution, and Efficiency Keep Us Growing?](#)

I want to believe in innovation and its possibilities, but I am more thoroughly convinced of entropy. Most of what we do merely creates local upticks in organization in an overall downward sloping curve. In that regard, technology is a bag of tricks that allows us to slow and even reverse the trend, sometimes globally, sometimes only locally, but always only temporarily and at increasing aggregate energy cost.

[Earth Hour aims for hope in darkened world](#)

SYDNEY (AFP) – Lights will go out around the world Saturday with hundreds of millions of people set to take part in the Earth Hour climate change campaign, which this year will also mark Japan's earthquake and tsunami.

[Report: Decade of low carbon transition not moving fast enough](#)

The transition towards low carbon technologies will continue over the next decade, but will not accelerate quickly enough to deliver the deep cuts in greenhouse gas emissions scientists believe are necessary.

That is the conclusion of a major new report released yesterday by global risk management firm DNV, which attempts to predict the main technology trends that will occur over the next 10 years.

[JP Morgan raises oil price forecast to \\$118](#)

"There is a real risk that oil producers respond to, rather than pre-empt, price signals, or perhaps wait until OPEC's meeting in mid-June before raising output," JP Morgan analysts headed by Lawrence Eagles said.

"By then, it will be too late to prevent higher prices and could extend what we see as a mid-quarter blip to a much more serious and destabilizing price surge that could distort stock-holding behavior and economic growth, leading to more significant problems in stabilizing the oil market," the bank said in the report dated March 24.

[Oil Trades Near Two-Week High on Libya Conflict; JPMorgan Raises Forecast](#)

Oil traded near a two-week high in New York as continued fighting in Libya fanned concern that unrest in the Middle East will further disrupt supply.

[Libyan airspace 'under control,' with new strikes](#)

BENGHAZI, Libya – France declared Libya's airspace "under control" on Friday, after NATO agreed to take command of the no-fly zone in a compromise that appeared to set up dual command centers. Moammar Gadhafi drew a rare rebuke from the African Union, which called for a transitional government and elections.

[Syrians hold demos as media banned from key city](#)

DARAA, Syria – Thousands of Syrians took to the streets Friday demanding reforms and mourning dozens of protesters who were killed during a violent, weeklong crackdown that has brought extraordinary pressure on the country's autocratic regime.

[Ivory Coast Braces for Civil War as Violence Escalates](#)

At least 52 civilians have been killed in the past week amid escalating violence instigated by an authoritarian President who refuses to heed the will of his people. No, not in

Libya, or Yemen, or Bahrain, but in the West African nation of Ivory Coast, which is struggling for media attention amid crises elsewhere.

[Firms pull staff out of Yemen](#)

Foreign oil and gas producers are pulling staff out of Yemen while the French energy group Total, the country's biggest energy investor, has warned of possible force majeure affecting exports of liquefied natural gas (LNG).

Unrest in the country could lead to supply disruptions, a Total spokeswoman told customers of Yemen LNG, a group the company leads.

"This is a notification of a possible force majeure event, because for now production is still ongoing," she told Reuters.

[Report on Oil Spill Pinpoints Failure of Blowout Preventer](#)

HOUSTON — A buckled section of drill pipe caused the malfunction of supposedly fail-safe equipment when a BP well in the Gulf of Mexico blew out last April, killing 11 workers and spewing millions of barrels of oil into the Gulf of Mexico, according to a report released by the Interior Department on Wednesday.

The report, a detailed analysis by a Norwegian company that was hired as part of the federal investigation into the spill, could lead to design changes in blowout preventers, the industry-standard devices that are the last line of protection to prevent drilling disasters. It might also prompt changes in the procedures that rig workers use to control subsea wells.

[The lessons of the blowout preventer's failure at the Deepwater Horizon: An editorial](#)

The report does not exonerate or place blame for the BOP's failure. Civil and criminal investigations of the incident are likely to do that. But regulators clearly must ensure that all blowout preventers are maintained and operated to current standards. They also need to revisit those standards in light of the new findings.

Even current standards, however, had not always been enforced before the BP spill. BOPs are required to be pulled up, docked, inspected and certified every three to five years, but a Transocean official last year testified that the Deepwater Horizon's BOP was probably not in compliance. The BOP had not gone through a certification since it was first delivered to the rig in 2001.

[Revisiting the Deepwater Horizon Oil Spill](#)

Until a year ago, the marine scientist Samantha Joye studied a fairly obscure natural

phenomenon: the seepage of oil from undersea deposits into deepwater environments. Then, in the wake of the BP Deepwater Horizon accident, she felt compelled to turn her attention to an unnatural phenomenon: oil spills.

[Breach in reactor suspected at Japanese nuke plant](#)

TOKYO – A suspected breach in the core of a reactor at the stricken Fukushima nuclear plant could mean more serious radioactive contamination, Japanese officials revealed Friday, as the prime minister called the country's ongoing fight to stabilize the plant "very grave and serious."

A somber Prime Minister Naoto Kan sounded a pessimistic note at a briefing hours after nuclear safety officials announced what could be a major setback in the urgent mission to stop the plant from leaking radiation, two weeks after a devastating earthquake and tsunami disabled it.

[Asahi: Fukushima Accident Classified as Level 6 Case](#)

A leading Japanese daily says the level of radiation from the crippled Fukushima Number One nuclear power plant in Japan is classified as a level 6 incident.

[Rules Faulted For Poor Data On Failures At Reactors](#)

Nuclear power plants in the United States are not reporting some equipment failures to the government because of badly written rules, the inspector general of the Nuclear Regulatory Commission has warned.

[Nuclear Safety Lessons Start With Manholes, Axes](#)

The next generation of plants must be built to work with nature, and human nature, rather than against them, Bloomberg Businessweek reports in its March 28 edition. They must be safe by design, so that even if everything goes wrong, the outcome won't be disaster.

In the language of the nuclear industry, they must be "walkaway safe," meaning that even if all power is lost and the coolant leaks and the operators flee the scene, there will be no meltdown of the core, no fire in the spent fuel rods, and no bursts of radioactive steam into the atmosphere.

[What's next for nuclear power?](#)

The disaster at Fukushima is raising antinuclear sentiment around the world. But can society afford to live without this carbon-free energy source? Six experts weigh in.

[The meltdown in Japan and our energy future](#)

Wherever you stand on controversial energy issues of the day, I think you would have to admit we are in a pickle. If you don't believe in peak oil, do you believe that fossil fuel consumption can increase indefinitely, which is what we currently require of it? Can it do so without causing disastrous global climate change and more mistakes like Deepwater Horizon?

Wherever you stand on nuclear power, do you see us adding hundreds of plants over the next couple decades to meet worldwide demand?

[Why Buffett Says High Oil Prices Are Not a Signal to Buy Oil Stocks](#)

For the past few years I have been reading everything I can about world oil demand and supply and also been analyzing publicly-traded oil companies on a pretty steady basis. My basic thinking has evolved into a belief that the world is heading for a real oil crunch as demand for oil increases in emerging economies, while our maximum daily production rates are pretty close to having peaked already. As a result, I've loaded my portfolio with companies that own undervalued oil reserves.

[Oil: Where is the spare capacity?](#)

Call it peak resources, peak oil, the end of cheap oil, whatever – the fact is there is a finite amount of natural resources on the planet and we are consuming an inordinate amount of it. At some point, the demand for these resources will outstrip the affordable supply. This naturally induces a parabolic move in price due to inelastic demand – and that's when the Easter island question presents itself...

[The World Beyond 'Peak Oil'](#)

Most of the increase in production that has come in total oil produced worldwide in the past ten years or more have come from three sources: previously underdeveloped or neglected regions such as Russia, Central Asia, and Africa; deepwaters in the Gulf of Mexico, offshore Brazil and a few other places; and really unconventional places, like the oil sands of Canada, Venezuela's heavy oil deposits, and, most dramatically, the shale gas formations in North America, which also contain liquids.

Some of the exciting new discoveries offshore and in frontier areas like tropical Africa are large but expensive, are taking a long time to ramp up to full production – such as the deep salt sites offshore Brazil – and will only replace the declining production elsewhere, while demand in China, India, and Africa relentlessly increases. In the sense that the only net increase in production has come from heavy oil, oil sands or EOR, then indeed Peak Oil has really come to pass.

[PG&E Offers Critics Option to Turn Off Smart Meters](#)

SAN FRANCISCO — Pacific Gas and Electric proposed a solution on Thursday for Northern Californians who do not want so-called smart electricity meters installed in their homes: they must accept them but may have their wireless radio signals turned off, the company said.

[First Wind Starts Up Oahu Wind Farm With Largest Battery Storage System](#)

First Wind Holdings Inc., a closely held developer, said a 30-megawatt wind farm in Hawaii has gone into commercial service, the first renewable energy project to be completed with backing from the U.S. Energy Department's loan guarantee program.

The Kahuku Wind project on Oahu has the largest installed battery storage system connected to a U.S. wind farm, the Boston-based company said in a statement today.

[Now, Starter Homes Boast Solar Arrays](#)

Among the standard features offered for new homes at Manzanita at Paseo del Sol, a KB Home development in a desert suburb southeast of Los Angeles, are nine-foot ceilings, six-panel doors and a 1.4-kilowatt solar array.

While KB Home has offered rooftop photovoltaic panels as an option for some time, the home builder now will make solar arrays from SunPower standard equipment on more than 800 homes in 10 communities being built in Southern California.

[Cooling Delhi Hospital Using Heat to Cut Power Sees India Partner Germany](#)

India and Germany are using a New Delhi hospital to demonstrate how heat harnessed for cooling can help contain surging electricity demand in the world's second- fastest growing major economy.

[German Energy Company Hits Headwinds in India](#)

FRANKFURT — With Japan's crisis raising new questions about nuclear power, this might seem an ideal time for a company that is a global leader in alternative energy and has a big presence in an energy-starved country, India.

But for Enercon of Germany, one of the world's biggest makers of wind turbines, India is shaping up as a disaster.

The company says it has just lost its entire Indian subsidiary, a major operation with annual sales of more than \$566 million, after a dispute with a local partner and a run-in with Mumbai law enforcement authorities.

Enercon also says it has lost control of its patents in India and fears its technology could be appropriated by competitors in a country where wind energy is a big and growing market.

[Throwing Together a Meal, One Swap at a Time](#)

Ms. Solomon's event, which is now more than a year old, is one of a number of food swaps popping up around the Bay Area. Taking cues from the food co-operatives of the 1970s, these urban dwellers are restructuring their food economies around face-to-face relationships.

[The Local Food Revolution](#)

A local food revolution is quietly unfolding in our midst right here in Boulder County. It's a revolution aimed at rebuilding this region's capacity to feed its own people, to ensure food security and food sovereignty for all.

[Traffic Pollution Doubles Lung Transplant Death Rate, Study Finds](#)

Air pollution from car traffic may double the risk of organ rejection and death in lung transplant patients, Belgian researchers report in a new study.

The study, which tracked nearly 300 lung transplant recipients over more than a decade, found that patients living less than 600 feet from a main road were twice as likely to develop a severe lung inflammation associated with organ rejection within several years of surgery.

[Europe Prepares to Impose Carbon-Reduction Measures on Maritime Transport](#)

The European Union is preparing to include maritime transport in its emissions-trading system or impose charges on carbon discharges from ships should international talks fail to cut pollution from the industry.



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