



Drumbeat: May 9, 2011

Posted by [Leanan](#) on May 9, 2011 - 10:47am

[Americans blame oil companies, speculators for prices](#)

NEW YORK (CNMoney) -- The high price of gasoline is changing the driving and spending habits of Americans, and the public blames speculators and oil companies for the price spike, according to a new CNN/Opinion Research Corporation survey.

Sixty-three percent of Americans say they have cut back on driving due to the high price of gas. And almost six in ten report spending less on other items due to the rise in prices at the pump, a sign of a spillover effect into the broader economy.

Meanwhile, almost four in ten Americans say they have changed their vacation plans due to higher prices.

[Our view: When gas hits \\$4 a gallon, phony fixes are sure to follow](#)

There's nothing like \$4-a-gallon gasoline to provoke political finger-pointing, mostly in the wrong direction.

[Opposing view: Crack down on speculators](#)

Americans are shackled to an uncompetitive and corrupt global oil market — one that is draining wealth from the U.S. economy at a rate of \$1 billion a day.

Not everyone is unhappy about this. Big oil companies are posting record profits, while their partners in the Organization of Petroleum Exporting Countries (OPEC) enjoy the benefits of keeping prices high.

[Saudi keeps oil supply steady ahead of OPEC meeting](#)

(Reuters) - Saudi Arabia will keep crude oil supplies in June unchanged from May, trade sources said on Monday, amid volatile prices and ahead of an OPEC meeting in June to review the producer group's supply policy.

[TransCanada Keystone pipeline shut after spill](#)

CALGARY, Alberta (Reuters) - TransCanada Corp said on Monday its 591,000-barrel-a-day Keystone oil pipeline will remain closed for a few days after a fitting at a North Dakota pumping station failed and spilled about 500 barrels of oil.

The line was shut early on Saturday after the spill within the Ludden pump station, about 65 km (40 miles) southwest of Milnor, North Dakota.

[Iran's parliament signs off on \\$508 billion budget based on oil price at \\$81.5 a barrel](#)

TEHRAN, Iran — Iran's parliament has signed off on a \$508 billion budget bill that is about 40 percent bigger than that approved the previous calendar year, state media reported on Monday.

The increase in the new budget, which runs through March 2012, is a result of a sharp reduction in energy and food subsidies and an increase in the global price of oil, the official IRNA news agency said, adding that the budget was based on an oil price of \$81.5 per barrel. Oil prices have spiked well above \$100 per barrel on the back of the unrest ravaging the Arab world.

[How shale gas will transform the markets](#)

The past 100 days have been a dramatic time for energy markets, as a nuclear accident in Japan followed revolt across the Middle East, with oil prices fluctuating sharply in the aftermath. Despite the sense of crisis, however, neither Fukushima nor conflict in Libya is likely to disrupt long-term patterns in global energy supplies. But there is one new development – the rising importance of shale gas – that just might.

[Shale gas could solve the world's energy problems](#)

It's anathema to environmentalists, but shale gas is a new fossil-fuel source that could power the world for centuries.

[Study More Than Doubles B.C. Gas Resources Estimate](#)

A new joint report on the shale-gas potential of Northeastern B.C.'s Horn River Basin more than doubles a previous assessment of gas resources within the province.

The report released by the National Energy Board (NEB) and British Columbia Ministry of Energy and Mines (BC MEM) titled "Ultimate Potential for Unconventional Natural Gas in Northeastern British Columbia's Horn River Basin" is the first publicly released probability-based resource assessment of a Canadian shale basin.

[Analysis: Japan LNG reliance grows with latest nuclear setback](#)

(Reuters) - Japan's move to shut another nuclear power plant will boost imports of LNG from Qatar and Australia to fire gas-based plants to make up for the loss, exacerbating rising dependence on imported gas in the wake of the massive earthquake in March.

[Glencore Says Supplies 3% Of World's Oil Consumption](#)

LONDON -(Dow Jones)- Glencore supplies around 3% of the world's oil consumption, with its biggest customers the oil majors as well as national oil firms in India, Nigeria and Mexico, the company said in the prospectus for its initial public offering.

The company, which estimates it is among the world's largest non-integrated physical suppliers of crude oil and oil products, supplied a physical volume of around 2.5 million barrels of oil a day in 2010.

[At Glencore's pinnacle of capitalism, even hunger is a commodity](#)

What does it take to make the food speculators at Goldman Sachs look like they're playing for lunch money? A secretive Swiss-based company, and one of the world's largest commodity trading firms, knows. With its initial public offering announced on Thursday, Glencore – a multibillion-dollar mining, energy and food trader that will soon list in London and Hong Kong – is the envy of Wall Street. When Goldman Sachs was floated, the then CEO Hank Paulson made off with \$219m. Glencore's chief executive, Ivan Glasenberg, has already earned the moniker "The Ten Billion Dollar Man" for his share of the bonanza.

[Fuel Shortage-Kenya: The Untold Story of Fuel Shortage](#)

Fear of reduced profitability by oil marketing companies and the government's rush to announce tax cuts on fuel without proper implementation plans are the main causes of the biting fuel shortage that hit Nairobi and other major towns last week. Investigations by the Sunday Nation found that oil companies deliberately delayed to evacuate diesel and kerosene from the supply chain to take advantage of recent reductions of duties and taxes on the two commodities. That time lag between the time the duty waivers were announced and the time the decisions were gazetted was one of the most important causes of the shortages. As a result of the oil marketers' action, the Kenya Pipeline Company's storage tanks were literally clogged with diesel, leaving little space for petrol.

[Russia Running on Empty](#)

While gasoline prices in Europe and the United States have surged, Russians think that because Russia is a world oil-producing country, gasoline must be very cheap on the domestic market. But they cannot understand that oil producing companies are business

units so they must increase their profit, Simonov said, adding that due to upcoming elections, "Putin must be a populist" and so has begun to blame oil companies. Putin accused the oil groups of agreeing among themselves to put just a small quantity on the market.

[Police bikes, cars hobbled by fuel shortage](#)

LAHORE: The police will run out of money for petrol within two days unless it receives a revised budgetary allocation, *The Express Tribune* has learnt. The supply of fuel to police bikes had already been suspended for two days and the allowance to cars reduced.

[One killed during fuel shortage protest in Yemen](#)

Sanaa (IANS) At least one person was killed and three were wounded when police opened fire to break up a demonstration protesting fuel shortage in western Yemen, Xinhua reported.

Hundreds of residents took to the streets of Al-Zaidya district in Al-Hodayda province demanding that the authorities provide cooking gas and car fuel after three weeks of acute gas and petrol shortage.

[Nexen halts Yemen output](#)

Canadian independent Nexen said production has been temporarily shut and operations suspended in Yemen as a result of a strike by a labour union.

[Syria detains hundreds in fresh raids](#)

BEIRUT (AP) — Syrian security forces arrested hundreds of activists and anti-government protesters in house-to-house raids across the country Monday, part of an escalating government crackdown aimed at stamping out the nationwide revolt engulfing the country.

[UK oil to 'feel force' of bribery law](#)

The UK's Bribery Act, potentially the world's most draconian such law when it comes into force, will hit British-listed oil and gas companies the hardest, research by accountants Ernst & Young showed on Monday.

[BP Russian truce only lull in hostilities](#)

LONDON (Reuters) - Last week's truce between BP and its oligarch partners in Russia

has not settled the row for good, and the British oil company could yet have to pay more for its new Russian tie-up with Kremlin-backed Rosneft.

[American cars that don't suck... gas](#)

The last time there was a big run-up in gas prices it helped push U.S. automakers to the brink of ruin. This time, things are different.

Now, the U.S. auto industry is much more competitive than it has been in a long time, offering a lineup of fuel efficient cars that people actually want to buy.

['Clean stoves' would save lives, cut pollution](#)

On average, women and girls in developing countries spend up to 20 hours a week searching for fuel — time they could spend going to school, running a business, or raising their families. And if they live in areas of conflict, leaving home to search for fuel puts them at great risk of assault or rape.

All of this presents a major challenge — but it can be solved. If we can get cleaner, more efficient cookstoves in wider use throughout the developing world, we can save lives, cut back on carbon emissions, and create new economic opportunities for millions of women.

[A case study of cellulosic ethanol](#)

Based upon information provided by the corporation proposing the biorefinery, Frontier Renewable Resources LLC, owned by Mascoma Corporation and J.M. Longyear, I would not consider cellulosic ethanol to be efficient from an energy perspective.

[Amtrak, 15 states get Florida's \\$2Bin high-speed rail money](#)

WASHINGTON — Amtrak and rail projects in 15 states will get the \$2 billion that Florida spurned when its governor canceled plans for high-speed train service, the Department of Transportation said Monday.

The largest share of the money — nearly \$800 million — will be used to upgrade train speeds from 135 mph to 160 mph on segments of the heavily traveled Northeast corridor, the department said.

[Power Ahead: Oil](#)

Day two of Midday's special series Power Ahead focuses on fossil fuels. During the first hour we look at coal with Robert Bryce, author of Power Hungry: The Myths of Green

Energy and The Real Fuels of the Future, Bill McKibben, leading environmentalist and award-winning author of The End of Nature and Richard Heinberg, peak-oil expert, author and senior fellow, Post Carbon Institute.

[Noam Chomsky: Human intelligence and the environment](#)

We are kind of misled now because there are a lot of humans around, but that's a matter of a few thousand years, which is meaningless from an evolutionary point of view. His argument was, you're just not going to find intelligent life elsewhere, and you probably won't find it here for very long either because it's just a lethal mutation. He also added, a little bit ominously, that the average life span of a species, of the billions that have existed, is about 100,000 years, which is roughly the length of time that modern humans have existed.

With the environmental crisis, we're now in a situation where we can decide whether Mayr was right or not. If nothing significant is done about it, and pretty quickly, then he will have been correct: human intelligence is indeed a lethal mutation. Maybe some humans will survive, but it will be scattered and nothing like a decent existence, and we'll take a lot of the rest of the living world along with us.

[We must electrify the transport sector](#)

Our mobile economy remains defenceless against oil-price shocks and supply interruptions. In the US, transport accounts for 70 per cent of petroleum consumed. 97 per cent of transport fuel in the US is derived from oil, and there are no plausible substitutes. When prices go up, there are only two choices: drive less or pay more. If supplies are disrupted for any reason, the choices are even worse. This must change.

[Analysis: Rise of electric car to challenge Europe utilities](#)

(Reuters) - A large-scale introduction of electric cars in Europe will force utilities and grid companies to make enormous investments in smart distribution systems in the next decade to prevent blackouts.

In Britain, electric vehicle penetration is expected to reach around 60 percent of new cars and vans by 2030, said the UK's Committee on Climate change in its Renewable Energy Review published on Monday.

At the same time, power distributors will also have to overhaul and expand grids to prepare for an increasing share of volatile renewable power in the generation mix.

Both changes together will require such profound adaptations that they amount to a once-a-generation event, said Marc De Witte, vice president for research and innovation for French energy company GDF Suez.

[Germany Electric-Car Plans to Cost 4 Billion Euros, FAZ Reports](#)

Germany's efforts to promote electric cars may cost about 4 billion euros (\$5.8 billion) in the next three years, Frankfurter Allgemeine Zeitung reported, citing a government advisory panel.

[Melting ice, energy development to make Arctic busy](#)

PETERSON AIR FORCE BASE, Colo. — U.S. and Canadian military commanders say they are examining their rescue capabilities in the Arctic as a shrinking ice cap brought about by climate change opens up rich oil and gas reserves and draws more commercial traffic to the top of the globe.

"There are a host of issues that face us as this beautiful part of the world opens up more and more," said U.S. Adm. James Winnefeld, commander of the U.S. Northern Command and the North American Aerospace Defence Command, or NORAD.

[Nuclear Agency Is Criticized as Too Close to Its Industry](#)

In the fall of 2007, workers at the Byron nuclear power plant in Illinois were using a wire brush to clean a badly corroded steel pipe — one in a series that circulate cooling water to essential emergency equipment — when something unexpected happened: the brush poked through.

The resulting leak caused a 12-day shutdown of the two reactors for repairs.

The plant's owner, the Exelon Corporation, had long known that corrosion was thinning most of these pipes. But rather than fix them, it repeatedly lowered the minimum thickness it deemed safe. By the time the pipe broke, Exelon had declared that pipe walls just three-hundredths of an inch thick — less than one-tenth the original minimum thickness — would be good enough.

[Britain Should Rely on More Nuclear Power, Less Offshore Wind, Panel Says](#)

The U.K. should build more nuclear reactors than planned and slow down investment in offshore wind power to meet targets for carbon emissions and renewable power, the government's climate advisory panel said.

[France to Test 58 Reactors for Surviving Earthquakes, Not Terrorist Attack](#)

Safety reviews at Electricite de France SA's 58 atomic reactors in France will cover their vulnerability to earthquakes and floods and exclude terrorist attacks, the nation's atomic regulator said.

"We don't think there could be a serious study," of risks caused by terrorism nor could it

be done transparently, the head of the Autorite de Surete Nucleaire, Andre-Claude Lacoste, said at a briefing in Paris today. "This will be discussed at the end of the week in Brussels. It's not a dogmatic position."

[ANALYSIS - West turns blind eye to Bahrain crackdown](#)

(Reuters) - The fate of Bahrain's protest movement is a stark reminder of how Western and regional power politics can trump reformist yearnings, even in an Arab world convulsed by popular uprisings against entrenched autocrats.

Bahrain is not Libya or Syria, but Western tolerance of the Sunni monarchy's crackdown suggests that interests such as the U.S. naval base in Manama, ties to oil giant Saudi Arabia and the need to contain neighbouring Iran outweigh any sympathy with pro-democracy demonstrators mostly from the Shi'ite majority.

[Peak Oil And The WikiLeaks Story That Got Away](#)

On Thursday Ursula put up a short sharp post with a graphic that said it all. The petroleum party we have been enjoying for the last century has to end. And end it will, most likely sooner rather than later.

To further the discussion along I want to raise the specter of a WikiLeaks story that came and went and did not get nearly the discussion I thought it was worth.

[Crude Oil Rebounds to \\$100 After Biggest Weekly Loss Since 2008](#)

Oil rose in New York, rebounding from the biggest weekly decline since 2008, as signs that the global economic recovery remained intact stoked speculation the slump was exaggerated.

Futures climbed as much as 3.6 percent, snapping a five-day losing streak, after a report today showed German exports surged in March to the highest monthly value ever recorded and the U.S. Labor Department said May 6 that payrolls expanded more than forecast. The world economy isn't weak enough to justify a freefall in prices, Qatar Oil Minister Mohammed bin Saleh al- Sada said yesterday.

[Gas price to drop as oil joins commodities fall](#)

NEW YORK — Investors finally hit the brakes on oil, gold, silver and food prices. This week's sharp sell-off doesn't mean commodity prices' stunning rise over the last several months is over, but it is good news for anyone planning a road trip this summer.

Oil prices fell 15 percent this week, the steepest decline in two and a half years, just as

average U.S. pump prices were approaching \$4 a gallon. Gasoline prices fell imperceptibly to consumers' eyes Friday — one-tenth of a penny to just over \$3.98 per gallon — but that ended a 44-day streak of rising prices. Prices will soon drop noticeably and some analysts said they could hit \$3.50 by summer.

[Experts: Gas prices to drop 50 cents by summer](#)

Analysts say things are looking up for the consumer; many predict we'll be paying 50 cents less for a gallon of gas this summer. "There's a saying in the trading community. High prices fix high prices so that process is underway now," Kevin Ferry with Cronus Futures Management said.

[Goldman Sees Commodity Recovery as Slump Erases \\$99 Billion](#)

The commodities rout that knocked off \$99 billion of market value last week is driving out speculators and leading Goldman Sachs Group Inc., which forecast the plunge, to predict a possible recovery.

[What really triggered oil's greatest rout](#)

NEW YORK — When oil prices fell below US\$120 a barrel in early New York trade last Thursday, a few big companies that are major oil consumers started buying around US\$117.

It looked like a bargain. Brent crude had been trading above US\$120 for a month. But the buying proved ill-timed. Crude kept on falling.

"They were down millions by the end of the day, trying to catch a falling piano," an executive at a major New York investment bank said.

[The rise of 'real assets'](#)

Aquila's CEO Roman Rosslenbroich argues that in a changing world, investors should dispense with conventional strategies that have relied on a '25 year bond and equity boom', and instead look to 'real assets' for future returns.

'The real asset side of the business is driven by a belief that we are experiencing exponential growth with limited resources. People have underestimated what the exponential would look like and it is now getting extreme,' said Rosslenbroich.

[Qatar's Al-Sada Says Too Early to Know if OPEC Will Decide for More Crude](#)

Qatar's Oil Minister Mohammed bin Saleh al-Sada said it is too early to say whether OPEC will decide to pump additional crude at its next meeting in June.

[British Gas warns of higher energy prices this winter](#)

Centrica, owner of British Gas, is warning customers to expect higher energy bills this winter.

The company claims that the prices customers pay don't reflect the cost of gas on the wholesale market.

Centrica has also announced that it will reduce investment in the UK because of the extra taxes the government has imposed on North Sea oil and gas production.

[Syrian tanks storm key northern protest town of Baniyas](#)

BEIRUT — Syrian troops and tanks swept into the northern coastal town of Baniyas on Saturday to suppress anti-government demonstrations, tightening the squeeze on a persistent yet largely leaderless opposition movement that has refused to stop staging protests despite a deadly military crackdown.

Human rights groups said three women were shot dead in a village outside Baniyas when they joined a demonstration to protest the army's actions, but that otherwise land lines and cellphone services to the town were cut off and no information was emerging about what was happening there.

[Sanctions choke off supplies in Tripoli: Some blame NATO, others Gadhafi for growing desperation](#)

Tripoli, Libya— Cars sat abandoned in miles-long fuel lines, motorists traded angry screams with soldiers guarding gas stations, and many shops were closed Sunday on what should have been a workday.

In ever-multiplying ways, residents in the Libyan capital are feeling the sting of shortages from uprising-related disruptions of supplies.

[Libya rebels score breakthrough \\$100 mln oil deal](#)

(Reuters) - Libyan rebels have found a way to access badly needed cash, selling oil worth \$100 million paid for through a Qatari bank in U.S. dollars, a member of the rebels' oil and gas support group for Libya said on Monday.

[Bushehr plant set to join national grid](#)

Iranian and Russian experts have completed loading fuel into the reactor at Bushehr nuclear power plant in southern Iran, officially putting it into service.

After undergoing numerous tests, the nuclear power station has become operational, but will start generating electricity in two months' time, reported Fars News Agency.

[TEPCO detects dangerous radiation level at Fukushima No. 1 reactor](#)

Tokyo Electric Power Co. (TEPCO), detected a potentially dangerous radiation level at the damaged No. 1 reactor of the crippled Fukushima Daiichi nuclear power plant, Kyodo news agency said Monday.

[Chubu Electric to Shut Nuclear Plant; Boost Tsunami Defenses](#)

(Bloomberg) -- Chubu Electric Power Co. agreed to the government's call to close down its Hamaoka nuclear plant until it can be fortified to withstand a tsunami like the one two months ago that crippled another Japanese atomic station.

[Japan nuclear plant shutdown adds new risk to economy, auto industry](#)

(Reuters) - The surprise closure of another Japanese nuclear plant, this time at the power supplier to the heart of the auto industry, threatens to dampen consumer sentiment and will provide car makers with yet another reason to produce fewer cars in Japan.

[Hail shale for future fuel](#)

CRITICAL to the argument for a massive, urgent and sustained shift to renewable energy have been three intertwined claims.

One is that renewables provide an economic alternative to fossil fuels. The second is that renewables provide the only environmentally friendly and "clean" alternative, which help reduce greenhouse gas emissions. And the third is that reliance on fossil fuels is unsustainable as their supply is finite. Hence the concerns over "peak oil", "peak gas" and energy depletion, shortage and crisis.

[Of Subsidies and Sound Policies](#)

MANILA, Philippines -- As of this writing, the government has started distributing the Pantawid Pasada smart cards to some 3,000 jeepney drivers nationwide. This is in line with the Public Transportation Assistance Program-Pantawid Pasada (PTAP) created through Executive Order No. 32.

The Pantawid Pasada Program aims to “provide targeted relief to the public transport sector to cushion the impact of high fuel prices on the riding and consuming public.” A load of P1,050 is allotted per card that the owner (jeepney/tricycle driver) can use to cope with high fuel prices.

[Is The Commodities Boom Over?](#)

I suspect this year's unrest in North Africa and the Middle East is not unrelated to recent food price spikes. You could argue that this is the harbinger of much worse to come. Perhaps Malthus was right after all.

However, I am an optimist. I think humans will use their incredible ingenuity to find alternatives to oil. They will develop substitute technologies that will minimise the use of minerals, or else recycle them. And they will use bioscience to find ways to produce greater quantities of food cheaply. And for that reason, for the very long term, I might just be a commodities bear.

[How Saudi Arabia Plans To Win The Food War](#)

Without its oil wealth, Saudi Arabia's 27 million inhabitants would eventually starve. At a recent social event, the country's Minister of Agriculture Fahd Balghunaim warned that the ratio of food and water in the kingdom is perilously out of balance.

But oil wealth currently ensures that its own population will be fed in the decades to come, as it enables the kingdom to invest huge sums to develop agriculture projects in Africa, Turkey, and elsewhere. By 2100, at least 10,000,000,000 people will be jostling for food and other natural resources. As long as it continues to earn money from oil exports, Saudi will not get left behind.

[High end homes and backyard chickens clash in Clyde Hill](#)

Boyd says last year, city officials called, saying her animals were illegal. But she saw egg all over their faces.

"Since it's inception, Clyde Hill has always complied with the county code, which explicitly allows chickens," she says.

So Clyde Hill decided to amend its municipal code. The city now bans the birds.

"It began to feel a little vindictive. We got notices that they were going to charge us \$250 a day," in violations.

[Three Gorges Dam to unleash water, ease drought](#)

YICHANG - The Three Gorges Dam, the world's largest hydropower project, is expected to increase its water discharges over three days in a bid to fight the severe drought that has ravaged Central China's Hubei province and some southern provinces since February.

The discharge speed of the dam will accelerate to 7,000 cubic meters per second during the next three days, 1,500 cubic meters faster than the inflow speed, said Wang Hai of the dam's construction and operation management bureau.

[Meat consumption gets ecological grilling](#)

A Swiss non-governmental organisation is trying to encourage citizens to halve their meat consumption – an initiative the industry is finding hard to swallow.

In the past, health risks, ethical issues and the development of disease have been the primary arguments put forward against eating meat. More recently, opponents of eating meat have adopted saving the planet from global warming as their new mantra.

[Shipston "tower" to highlight climate change message](#)

ENVIRONMENTAL group Transition Shipston has won a £2,000 grant to build a "transition tower" to highlight its message.

The grant from the environmental charity Artists Planet Earth will be used to make a tower that will display everyday items made entirely or partly from oil-based materials to highlight their impact on climate change.

[UN climate change panel says 80 percent of energy needs could be met by renewables by 2050](#)

ABU DHABI, United Arab Emirates – The top climate panel has concluded that renewable sources like solar and wind could represent up to 80 percent of the world's energy needs by 2050 and play a significant role in combating climate change.

But the U.N. Intergovernmental Panel on Climate Change warned that governments will have to do more to introduce policies that integrate renewables into existing power grids and promote their benefits in terms of helping reduce air pollution and improving public health.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).