



Drumbeat: May 14, 2011

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[Obama to open Alaska petroleum reserve to new drilling](#)

Reporting from Washington — President Obama will open Alaska's national petroleum reserve to new drilling, as part of a broad plan aimed at blunting criticism that he is not doing enough to address rising energy prices.

The plan, unveiled in Obama's weekly radio address Saturday, also would fast-track environmental assessment of petroleum exploration in some portions of the Atlantic and extend the leases of oil companies whose work in the Gulf of Mexico and the Arctic Ocean was interrupted by the drilling moratorium after last year's BP oil spill.

[Morganza Spillway Expected to Open Today, Flooding Louisiana Cajun Country](#)

When the Morganza Spillway is opened, an estimated 15,000 acres of farmland will be initially underwater in the south- central part of Louisiana along the Mississippi River, Kyle McCann, a spokesman at Louisiana Farm Bureau Federation.

Opening the spillway will also affect Louisiana's energy production. Inside the threatened area are 2,264 wells that produce 19,278 barrels of crude oil a day, about 10 percent of Louisiana's onshore total.

[Exxon Mobil shuts oil pipelines due to flood threat](#)

(Reuters) - Exxon Mobil Pipeline Co has shut three crude oil pipeline segments near Baton Rouge, Louisiana, out of concern about Mississippi River flooding, a spokeswoman said Friday.

[Kentucky sues Marathon for price gouging during flood](#)

(Reuters) - Kentucky has sued Marathon Oil Corp (MRO.N) for price gouging on gasoline and other motor fuels across the state during the recent flooding along the Mississippi River.

"Gas prices jumped 30 cents overnight," said state Attorney General Jack Conway.

[Oil rises on lingering refinery concerns](#)

Oil rallied in the last hour of trading on Friday to settle higher, finishing the week up more than 2 percent after plunging the week before.

Last-minute buyers may be guarding against the chance that refineries in the Southeast will be affected by Mississippi River flooding over the weekend.

[Oil Market Is 'Structurally Bullish,' Goldman's Currie Says](#)

The oil market is "structurally bullish" and prices are likely to be higher in 12 months, according to a senior analyst at Goldman Sachs Group Inc.

The market will get into "critical shortages" in 2012, Jeffrey Currie, head of commodity research at the bank, said today in an interview in London. "Long-term and medium-term we're still structurally bullish."

[Oil Price Outlook: Correction or Crash?](#)

In the face of a harsh sell-off after a run-up to \$115 per barrel — a 22% gain since we rang in the New Year — crude continues its struggle to stay north of \$100 per barrel today.

But we're not backing down from our bullish stance...

[5 Reasons Oil Prices Will Likely Stay High](#)

The Saudis are always up to something. Recently, Saudi Arabia announced it was going to spend \$100 billion on solar, nuclear and other renewable energy sources. That is a lot of money for a country that is supposedly floating on all the oil and natural gas it should ever need.

The Saudis say they are doing this to boost the amount of spare oil they have for export. And to be sure, the Saudis currently consume 2.7 million bpd (27% of total production) and that is expected to grow to 8 million bpd by 2025. In case you're wondering, us fuelhog Americans consume 19.5 million bpd.

Still, if the Saudis have all that spare oil, why don't they just sink a few more wells? Unless, maybe, they don't have that spare capacity. Hmm...

[How to invest for long-term inflation](#)

It's no secret that food and energy prices are volatile and rising of late. Yet what's missing from the latest inflation hand-wringing is what's down the road. Some commodities are becoming scarcer and that will drive long-term inflation.

While few invest based on scarcity, it's a prudent long-term strategy. This is not something that will turn up in the latest inflation numbers. In the most recent Consumer Price Index report, core inflation climbed at a 1.3-percent annual rate in April. Gasoline prices accounted for half the increase.

[Blaming gas prices on the oil companies won't solve problem](#)

Our government must stop condemning Big Oil for high gas prices. This attack on free enterprise is untrue and un-American. If this is our government's only response to rising oil prices, we'll soon see gas prices at \$5 per gallon and beyond.

[How the oil industry saves \\$4.4 billion a year on taxes](#)

NEW YORK — Motorists are paying nearly \$4 for a gallon of gasoline as the oil industry reaps pre-tax profits that could hit \$200 billion this year.

This makes another big number hard to take: \$4.4 billion. That's how much the industry saves every year through special tax breaks intended to promote domestic drilling.

[Even Oil Companies Know That Oil Prices Are Rigged](#)

In a surprise statement, Exxon Mobil CEO Rex Tillerson told the Senate Finance Committee that oil prices did not currently reflect supply and demand. "When we look at it, it's going to be somewhere in the \$60 to \$70 range if you said: 'If I had access to the next marketable barrel, what would it cost?'"

Since the price of oil barrels is currently over \$100, it is clear that something beyond the laws of supply and demand is driving the high price of oil, and with it, the high price of gasoline. Well, if it isn't supply or demand that is driving the price of oil up so high, there's really only one other culprit: oil speculators.

[Indian state firms raise petrol price from Sunday](#)

(Reuters) - State-run Indian Oil Corp, Bharat Petroleum Corp and Hindustan Petroleum Corp will raise petrol prices by 5 rupees a litre.

[Gas may pose problem for oil](#)

Many LNG marketeers are still in denial about the long-term capacity of U.S. shale. In this, they echo the disparate groups who depend on a view of insecure or expensive gas to make the economics work. Groups such as nuclear, coal CCS, renewables and Russia normally have nothing nice to say about one another, now find themselves united in the face of the sudden emergence and looming permanence of shale. One commonly shared objection is that by 2014, U.S. gas will prove environmentally unacceptable or start depleting instead of growing, thus leading to U.S. gas becoming too expensive to compete in world markets.

[3 Disappointing Conclusions About The Shale Gas Revolution](#)

The discovery of tremendous shale gas resources around the world has led many to proclaim the end of the world's energy problems. But there has been one big problem: price.

[Poland fears European-wide ban](#)

French deputies' Wednesday decision to ban hydraulic fracturing, a key method used in shale gas extraction, has raised fears that the European Union may create regulations that will put an end on Poland's shale gas dreams.

[The Natural Gas-Renewable Energy Industrial Complex](#)

For a fossil fuel guy, David Crane doesn't have much nice to say about natural gas, the "it" fuel of the moment.

"The market left to its own devices will only build natural gas plants and that's an enormously bad outcome," declares Crane, whose company derives a big chunk of its \$9 billion in revenues from natural gas, which accounts for nearly 40 percent of its electricity production.

[Iraq's oil deals going faster than planned - Shahrستاني](#)

(Reuters) - Work in Iraqi oilfields being developed by foreign oil companies is going ahead "normally" and faster than contracted, the country's deputy prime minister for energy Hussain al-Shahrستاني said on Saturday.

[Oil employs the arts of Silicon Valley to turn water into gold](#)

AMSTERDAM // Veronique Hervouet was searching for the next big thing in water.

The senior vice president, investments, for Total Energy Ventures, a unit of the French oil giant, had been dispatched to Amsterdam for a meeting of start-ups and venture capitalists. Her goal was to find - and eventually fund - a business offering technology

that could help Total clean water brought up with oil from fields.

[No more pipeline bombings, Nigeria militants say](#)

Militants in Nigeria's oil-rich delta say they will not bomb pipelines, despite a military crackdown on militant camps.

A Niger Delta Liberation Force spokesman said in a Friday statement that they would "not let President Goodluck down by engaging in pipeline bombing" after an April 16 vote made Goodluck Jonathan the first elected president from the oil-producing region.

[Ahmadinejad Fires Iran Oil, Industry Ministers Amid Feud With Parliament](#)

Iranian President Mahmoud Ahmadinejad asked three government ministers, including Oil Minister Masoud Mir-Kazemi, to step down as part of plans to combine some ministries.

[Mass sackings in Bahrain crackdown](#)

More than 2,000 private sector employees, most of them Shia, have either been sacked or suspended in an expanding Bahraini crackdown on anti-government protests, an Al Jazeera investigation has found.

The General Federation of Bahrain's Trade Unions puts the figure of those who have been fired at 1,300, with Bahraini rights groups reporting that hundreds more have been suspended from their government jobs.

[New violence rocks Yemen: Gunmen kill 6 soldiers, police injure 15 protesters in southern city](#)

SANAA, Yemen - A Yemeni security official says gunmen killed six soldiers and wounded a seventh in a central province. Activists say police clashed with protesters in the southern city of Taiz, injuring 15 during a rally calling for President Ali Abdullah Saleh's ouster.

[Qaddafi: "I live in the hearts of millions"](#)

(CBS/AP) Taunting NATO, Libyan leader Muammar Qaddafi said Friday he had survived recent airstrikes and is "in a place where you can't get me." His government accused NATO of killing 11 Muslim clerics with a strike on a disputed eastern oil town.

[US stops short of recognising Libya rebels](#)

The United States has stopped short of granting full diplomatic recognition to Libya's rebel council, but the White House has said the council is a "legitimate and credible interlocutor of the Libyan people".

[EU,IMF pushing Greece to fully privatise utilities - reports](#)

(Reuters) - EU and IMF inspectors are pushing Greece to fully privatise public utilities in exchange for the release of its next tranche of aid and a possible extra loan, Greek newspapers wrote on Saturday without naming sources.

[Radiation 'Bias' Threatens Fukushima Manufacturers Recovery](#)

More than two months after Tokyo Electric Power Co.'s Fukushima nuclear plant started leaking radiation, manufacturers in northern Japan are still trying to dispel rumors their industrial products are tainted.

"We lost a deal worth several hundred million yen" because a customer was concerned about radiation, Yoshimasa Sekiguchi, an executive at Tohoku Bolt Manufacturing Co., a parts maker based in Iwaki about 50 kilometers (31 miles) from the crippled power plant, said in an interview. "For us, it's a significant amount of money."

[Nuclear Waste Needs Permanent Disposal, U.S. Panel Says](#)

The U.S. should set up one or more sites to store radioactive nuclear waste for millenia, members of an Obama administration panel said.

"Permanent disposal is needed under all reasonably foreseeable scenarios," according to a subcommittee's report to the Energy Department's Blue Ribbon Commission on America's Nuclear Future. The commission, which includes former elected officials, industry executives and environmental advocates, met in Washington today to prepare for its draft report due July 29.

[Green Technology Race Booming, but Not Yet in United States](#)

It seems counterintuitive to think that China would be leading the green technology race. After all, the world watched as the country struggled with air pollution in the capital city during the Beijing Olympics. China has been notorious for its environmental disregard in many ways, but it appears that a turnaround is taking place, at least in its contribution to green technology.

China's growth in this sector of the economy has been remarkable, nearly 77 percent per year (compared with the United States' 28 percent).

[Spain Finds One in Four Solar Power Operators May Earn Excessive Subsidies](#)

The National Energy Commission, in its latest wave of investigations, suspended subsidy payments to 157 photovoltaic power installations for not meeting regulatory requirements, the regulator said late yesterday in statement. That brought to 808 the number of operators penalized this way out of 3,042 investigated so far this year.

[BPA may limit wind power during snowmelt](#)

PORTLAND — The Bonneville Power Administration (BPA) released a plan Friday under which it can limit wind-power production to prevent overloading the grid during the melt-off of a huge mountain snowpack.

[Cape Wind loses out on US loan guarantee](#)

Cape Wind's attempt to win a US Department of Energy loan guarantee has been placed on hold, in a setback to efforts by the nation's first offshore wind farm to secure financing.

[Petrobras Cuts to Ethanol Prices May Deter Plant Investments, Analyst Says](#)

Petroleo Brasileiro SA (PETR4)'s "unprecedented" move to control ethanol pricing in Brazil may reduce investments in the industry's production capacity, an analyst said.

The state-controlled oil company's BR Distribuidora distribution unit will cut the price of ethanol at the pump by 13 percent and gas by 6 percent, to slow inflation.

[Out of Gas: The End of the Age of Oil](#)

Goodstein wrote this back in 2004, when Americans were paying \$2 per gallon at the pump and screaming to high heaven. Prices went down and we went back to SUVs. It's time to pick the book up again.

[Your cell phone may be killing the honeybees](#)

The world's population of honeybees is dwindling, and for years scientists have been trying to discover the cause. Bee researcher Dr. Daniel Favre thinks he may have found the problem, and you, dear reader, might be part of it. The doctor believes that mobile phones may be a major factor in bee colony decline, leading to massive population issues within the species.

[Can we weather the energy descent?](#)

Genesis – the name says it all. This is a place for beginnings, an organic farm that’s run on solar power and located 10 miles from the Delaware Water Gap in New Jersey.

It is also a center for ecological learning or “earth literacy,” led by Sister Miriam MacGillis, a member of the Dominican Sisters of Caldwell, N.J. With an international reputation, she has been named as one of the planet’s top 15 “green religious leaders” by Grist magazine. Sister MacGillis’ insight has made Genesis Farm the focal point of “deep transition.”

[Can low carbon growth save us from catastrophic climate change?](#)

Most people know by now that cutting emissions of greenhouse gases, especially carbon, is the only way to back off from a global warming “tipping point”– maybe around 2 degrees Celsius (4 degrees Fahrenheit)—that could trigger chaotic climate change. We are already nearly halfway there—the earth has already warmed by 0.75 degrees Celsius– and going strong. Under a “business as usual scenario (BAU),” carbon emissions will double by 2050 over current levels. Given the inertia in the climate system—carbon is very long-lived in the atmosphere—and the momentum of the fossil-fuel-based global economy, is it possible to reduce emissions enough and in time?



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