



## Drumbeat: May 27, 2011

Posted by [Leanan](#) on May 27, 2011 - 10:10am

### [OPEC oil output rises in May - survey](#)

(Reuters) - OPEC crude oil output is expected to rise in May as extra oil from Saudi Arabia, Nigeria and Iraq counters a further decline in Libyan supply, a Reuters survey found on Friday.

Any extra supply from the Organisation of the Petroleum Exporting Countries is likely to be welcomed by consumer nations concerned about the impact of oil prices well above \$100 a barrel on economic growth and inflation.

### [High gas prices change holiday travel plans](#)

NEW YORK (CNNMoney) -- The high price of gas is forcing many Americans to change their travel plans for the Memorial Day weekend, according to a survey released Friday.

A CNN/Opinion Research poll showed that one in four adult Americans have altered their plans for this weekend because of high gas prices, and more than half say they have changed their overall vacation plans.

### [U.S. natgas rig count climbs 15 to 881-Baker Hughes](#)

NEW YORK (Reuters) - The number of rigs drilling for natural gas in the United States climbed 15 this week to 881, its first gain in three weeks, data from oil services firm Baker Hughes showed on Friday.

### [Ukraine faces huge gas transit losses by 2015](#)

MOSCOW/BRUSSELS (Reuters) - Russia's Nord Stream and South Stream pipelines could deprive Ukraine of the equivalent of two-thirds its gas transit volumes when they start up, threatening the country with significant losses in revenues.

Russia supplies Europe with one quarter of its gas needs and 80 percent of that gas is delivered via Ukraine. The remaining volumes travel through another western neighbour, Belarus.

## [Weathering The Storm: Above-Normal Hurricane Season Predicted](#)

Though hurricane predictions vary depending on the source, four forecasts for the 2011 hurricane season, which runs from June 1 through November 30, agree that there will be an above normal number of hurricanes in the Atlantic this year.

## [Aramco discussing globalization strategy](#)

HOUSTON - Saudi Aramco, the world's biggest oil company in terms of oil reserves and production, is discussing a strategy to extend its operations into more than 50 countries in the next 10-20 years.

"We want to transform Saudi Aramco from a leading oil and gas company into a fully integrated, truly global energy and chemicals enterprise with extensive operations in the kingdom and around the globe," said Aramco President and Chief Executive Officer Khalid A. Al-Falih in an interview posted on the company's web site.

## [Why Keystone Pipeline Will Weaken the US](#)

Big, long pipelines don't create resilient communities let alone healthy energy appetites for that matter. And in the case of Keystone XL the pipeline will actually raise, not depress prices at the pump. Nor will it improve energy security by one gallon. In the end the pipeline will simply become a Tar Sands Road to China. That's right, China.

That blunt analysis comes from the internationally celebrated oil and gas consultant Philip Verleger. The U.S. economist has studied the behaviour of oil markets for decades, recognizes hubris when he sees it, and has written 100 articles and books on the weird world of energy economics.

## [Floodwaters Shut Down 30 Oil Wells in Williston Area](#)

About 30 oil wells were shut off ahead of the rising water on the Missouri River west of Williston and a few of those wells are now under water.

## [The prudence of a Chinese-funded security strategy for Af-Pak](#)

Already China has saved the day in Central Asia, building large pipelines that have helped to snap a Russian monopoly on oil and natural gas shipments from the self-hobbling Turkmen and Kazakhs, an aim of western strategists since the mid-1990s. Now Pakistan has asked China to build it an Arabian Sea naval base. Should the world be alarmed? No it shouldn't -- we ought to appreciate more Chinese-funded execution of western-backed strategic aims both there and in neighboring Afghanistan.

## [Tom Whipple - ENERGY: Peak Oil and the Great Recession](#)

When in the late 1990s it was recognized that world oil production was likely to start declining early in the twenty-first century, petroleum geologists and other industry observers started talking and writing about the economic damage this event would cause. Serious economic consequences were a virtual certainty because, since the beginning of the industrial age, economic growth had required increasing quantities of fossil fuels.

During most of the twentieth century economic growth increased the demand for oil, which had come to serve as our primary transportation fuel, the source of energy for many production processes, and the raw material for an ever-increasing range of industrial products. Unless satisfactory substitutes could be found quickly, economic growth was likely to stop. And without alternatives, economic decline—if not a collapse—was likely.

## [In diplomatic shift, Russia calls for Gadhafi to step down](#)

Tripoli, Libya (CNN) -- Russian President Dmitry Medvedev has joined American and other European leaders in calling for Moammar Gadhafi to step down from power -- a shift that appears to indicate a closing diplomatic window for the longtime Libyan strongman.

## [Britain says Libya war entering new phase](#)

(Reuters) - Prime Minister David Cameron said on Friday that NATO's war to oust Libyan leader Muammar Gaddafi was entering a new phase and that the deployment of British helicopters would turn up the pressure.

## [Yemeni jets bomb opposition tribal forces](#)

(CNN) -- In an escalation of Yemen's crisis, air force combat jets bombed tribal forces opposed to embattled President Ali Abdullah Saleh, a senior defense official said.

## [Yemen Shortages Worsen as Street Violence Leaves Locals Searching for Food](#)

Safiah Hussein al-Raimi stood for hours outside a store in Yemen's capital, Sana'a, for five straight days to buy a tank of cooking gas to prepare food for her husband and four children. She left empty handed each time.

"Life is becoming hell here and we can't afford it," al- Raimi, 43, said as she lined up during her fifth attempt. "We have no gas, no power, not enough food."

### [Syrian forces fire on protesters; 8 killed](#)

(CNN) -- Syrian security forces fired on anti-government protesters in several southern towns Friday, killing at least eight people, organizers said.

Bullets flew in the early morning hours as hundreds took to the streets in Dael to chant for support of the military, separate from the security forces, said the witness, who refused to be named for fear of his safety.

### [Fuel shortage in Egypt adds to the poor's woes](#)

CAIRO - How could a widow live on a monthly pension of LE240 (\$40) and afford a butane gas cylinder for LE17? The answer to this question shows why consumers have to queue up for hours outside main outlets to buy a cylinder for the official price of LE4, particularly in times of shortage, when the price shoots up five times or even more.

These queues usually lack the least degree of order. Skirmishes and fights erupt easily, either because of little respect for the queue or because of short supply.

### [Pakistan's energy dilemma](#)

Currently, the proportion of energy from coal in Pakistan is negligible — only 0.10 percent of our total energy generation. The development of Thar coal can be a major catalyst for the nation to unite and work towards common objectives.

### [NEPRA raises power tariff as people demand electricity](#)

ISLAMABAD: The average Pakistani is being handed a double deuce by the electricity generation companies. While the load shedding hours increase steadily, the National Electric Power Regulatory Authority has authorised a power tariff hike.

### [Power cuts darken mood in Pakistan](#)

As Pakistan's leaders continue to agonise over the US's breach of their country's sovereignty following the killing of Osama bin Laden its people are more concerned with something closer to home: power cuts.

Nationwide power shortages have brought protesters on to the streets of Pakistan in recent days with many parts of the country suffering "load-shedding" when power utilities, long starved of investment, cut back supply. The result is that as the stifling summer heat rises many households are lucky to receive eight hours of electricity a day.

The air conditioners and fans cut out in near 50C summer heat and violence soon follows.

### [Motorists run dry as Sharjah follows Dubai with petrol shortage](#)

SHARJAH // For the second time in just a few weeks some motorists found themselves unable to refuel their vehicles because of a petrol shortage .

Last month, petrol stations in Dubai ran short of fuel because of a "hold-up in logistics operations after tanker lorries failed to arrive to the loading decks on schedule".

### [Vietnam: Illegal petrol speculation leads to shortage](#)

HCM CITY — Stiffer penalties should be imposed on filling stations to prevent speculation at petrol retailers around the country, according to industry experts.

Vuong Thai Dung, deputy general director of the Viet Nam National Petroleum Corporation (Petrolimex), said Government regulations required that petrol retailers be supervised by their wholesalers to create a more transparent petrol manufacturing chain.

### [Fuel shortage: Nine days dry](#)

SKARDU: The damage to Alam Bridge, Baltistan's only connection with the rest of the world, has not been repaired despite the passage of nine days, leading to scarcity of petrol and diesel severely hitting the two districts of Baltistan.

### [Fracking may change South Africa's energy future](#)

The discovery of natural gas through hydraulic fracturing, or fracking, could be a game changer for the South African economy, believes Philip Lloyd, a professor at the Cape Peninsula University of Technology.

### [Nigeria signs gas supply deals with energy firms](#)

(Reuters) - Nigeria signed domestic gas supply agreements with some of its biggest foreign energy partners on Friday, deals which Oil Minister Deziani Allison-Madueke said would help meet the needs of its expanding power sector.

### [Nigerian youth employed to guard oil pipelines](#)

Nigeria's government has employed 12,000 young people to protect oil and gas pipelines in the Niger Delta.

## [Greenpeace and watchdog attack 'scaremongering' energy firms](#)

A fresh row has erupted over the chancellor's £2bn energy windfall tax after green campaigners accused oil and gas companies of "scaremongering" and making "bogus" claims in their bid to reverse the controversial increase.

Greenpeace and Platform, the oil and gas watchdog, said: "Threatening the loss of jobs and investment is the oldest trick in the political lobby book. Given that the UK tax regime is acknowledged as being one of the most favourable in the world for energy companies, claims by this vocal and influential lobby need to be rigorously examined by independent bodies, rather than be taken at face value."

## [The True Cost of Gasoline: Three questions with Andy Chu of A123 Systems](#)

In September, A123 Systems Inc. opened the largest lithium-ion-battery factory in North America, thanks in part to a \$249 million grant from the U.S. Department of Energy. A123 also plans to open a coating plant in Romulus, Mich., with the help of \$125 million in state incentives.

## [Shell may partner with Rosneft in Arctic offshore oil venture](#)

Royal Dutch Shell RDS.B-N could become a partner in Arctic oil exploration of Russia's biggest producer Rosneft, Prime Minister Vladimir Putin said on Friday.

BP is not out of the picture, he added, speaking to journalists at his residence outside of Moscow.

## [Indonesia Energy Profile: Leading Exporter Of Coal And Natural Gas – Analysis](#)

Indonesia has the largest population in Southeast Asia and the fourth largest population in the world (behind China, India, and the United States). It is also the world's third-fastest growing economy.

Although Indonesia has been a net importer of oil since 2004, it is the sixth largest net exporter of natural gas, and the second largest net exporter of coal. However, as a result of inadequate infrastructure and Indonesia's complex business environment, Indonesia has struggled to attract investment sufficient to meet its energy development goals.

## [Asia's shaky water and energy balancing act](#)

SINGAPORE — Much of central China along the Yangtze River is in the grip of its worst

energy crisis in years. The electricity cuts for industry and households have been exacerbated by a five-month drought that has dried up rivers, reducing hydroelectric generating capacity and leaving many people and large swaths of farmland short of water.

It is a symptom of a key challenge for China in the 21st century. The world's most populous nation and second-biggest economy must make difficult choices between two vital resources, energy and fresh water. Both help drive economic expansion, grow food and raise living standards.

### [Data Centers: The Energy Problem](#)

Data center energy use is rising at such a high rate that the trend could spur consumer surcharges for data use. Imagine getting hit with a fee for posting on Twitter or Facebook, buying gifts online, or paying bills on the Web.

Think about it: We pay package delivery companies a surcharge for the fuel used to transport our packages. Might we one day pay an online retailer a “data center energy surcharge” for the electricity used to power the data center that processes our purchase?

### ["Perfect storm" creating another Sudan crisis](#)

(AP) TURALEI, Sudan - A top U.S. official warned of a humanitarian crisis Friday over the north's invasion of a disputed territory as southern towns taking in tens of thousands of fleeing villagers were running short of food, fuel and shelter.

### [A turning-point we miss at our peril](#)

We have the choice of burning all the oil left and hacking down all the remaining rainforests - or saving humanity.

### [Intl. Energy Agency: Transforming Electrical Generation is Key to Fighting Climate Change](#)

In a book released today, the 28-member country International Energy Agency, states that the threat of climate change demands an “unprecedented transformation” in how electric power is produced.

### [A different kind of carbon trading tax](#)

Let's look at the bigger picture. Spare capacity is an indisputable fundamental factor in oil prices, but it is only what gets the whooping-and-cheering Goldman Sachs, Morgan Stanley and their clients to the casino table. Once they are there, they are standing



alongside traditional traders, and pouring their extremely high net worth into the same pot. It's that piling up of the cash on the table that pumps air into the oil price. Should we ignore that pile while the investment banks divert our attention to the nice flowers and pretty birds? No, we shouldn't.

### [Green light ahead](#)

The number of alternative-fuel vehicles in the state has exploded since 2007, from 14,000 to more than 70,000. However, they still represent a fraction of the vehicles on the road: 1.7 percent. Of the state's 4.2 million vehicles, including cars, trucks, and buses, 4.1 million are powered by gas.

The energy-efficient vehicles cover a wide variety of systems, ranging from hybrids that use electric and gas, compressed natural gas, electric, flexible fuel, and propane. By far the most common are the hybrids, such as the Toyota Prius, with more than 40,000 on the road in the state.

### [Off-grid city of the future being built near Tokyo](#)

Residents of Kanagawa, one Tokyo's adjoining prefectures, will doubtless be pleased to hear today that they're to get a shiny new high-tech neighbor in the form of a futuristic smart town being built in Fujisawa City, 50 kilometers west of the capital.

The project, led by Panasonic and including eight other firms, will see Fujisawa Sustainable Smart Town spring up on 19 hectares of land that will become home to some 3,000 people by March 2014.

### [Why ComEd's Smart Grid and Rate Hike Might Not Be a Bad Thing](#)

The Illinois Commerce Commission approved ComEd's request for a rate hike that will cost consumers a little over three dollars a month, it's estimated. Lisa Madigan has been pounding the utility over the rate hike, leading to concessions from ComEd. But the end game, the implementation of a "smart grid" that would put the onus on consumers to get the three bucks back through decreased usage, might actually be good—for the public generally, if not all consumers individually—in the long run.

### [Iran says nuclear bomb would be "strategic mistake"](#)

VIENNA (Reuters) - Iran's nuclear envoy said on Friday it would be a "strategic mistake" to build atom bombs, dismissing what a leading Western expert cited as evidence suggesting Tehran was seeking the means to do just that.

Ali Asghar Soltanieh, Iran's ambassador to the International Atomic Energy Agency (IAEA), also insisted during a public debate that sanctions and the Stuxnet computer virus had failed to slow the Islamic Republic's disputed nuclear program.



### [Japan wants Tepco to pay small biz for nuke crisis - Nikkei](#)

(Nikkei) - The Japanese government wants Tokyo Electric Power Co (Tepco) to pay small and midsize businesses half their earnings lost till May as provisional compensation for the Fukushima Daiichi nuclear disaster, the Nikkei business daily reported.

### [John Michael Greer: A fashion for austerity](#)

The tempest in a media teapot over the apocalyptic predictions of California radio evangelist Harold Camping, it seems to me, provides a useful glimpse into the state of the collective imagination here in America. Camping, for those of my readers who somehow managed to miss the flurry of news stories, announced some months ago that the Rapture – the sudden miraculous teleportation of every devout Christian from earth to Heaven, which plays a central role in one account of the end times that’s popular just now in American Protestant circles – was going to happen at 6 pm last Saturday.

### [How defining planetary boundaries can transform our approach to growth](#)

Our planet’s ability to provide an accommodating environment for humanity is being challenged by our own activities. The environment—our life-support system—is changing rapidly from the stable Holocene state of the last 12,000 years, during which we developed agriculture, villages, cities, and contemporary civilizations, to an unknown future state of significantly different conditions. One way to address this challenge is to determine “safe boundaries” based on fundamental characteristics of our planet and to operate within them. By “boundary,” we mean a specific point related to a global-scale environmental process beyond which humanity should not go. Identifying our planet’s intrinsic, nonnegotiable limits is not easy, but here we specify nine areas that are most in need of well-defined planetary boundaries, and we explain the steps needed to begin defining and living within them.

### [Why Time Is Short Now That We're Past Peak Oil](#)

The only thing that could prevent another oil shock from happening before the end of 2012 would be another major economic contraction. The emerging oil data continues to tell a tale of ever-tightening supplies that will soon be exceeded by rising global demand. This time, we will not be able to blame speculators for the steep prices we experience; instead, we will have nothing to blame but geology.

### [The case for a disorderly energy descent](#)

The energy descent from peak oil production imposes decades of contraction in the global economy. An orderly contraction, particularly in the US, is not likely for a number

of reasons. This is a summary of the case for a disorderly descent, garnered from many sources, a couple of which are listed at the end of the essay.

One reason has to do with the nature of the oil extraction and processing industry. According to industry experts, once existing oil wells are shut down, the costs of restarting production are high. The same is true for refinery shut-downs. Also, refineries cannot be economically run at less than capacity. Finally, oil exploration is an increasingly costly and lengthy process. These supply chain problems magnify oil price volatility as it interacts with global economic contraction, thereby punctuating economic behavior with ever deeper stall-outs.

### [The China bubble: An export-led development model](#)

Throughout the 1970s and early 1980s, Japan gradually strengthened the yen so as to support the development of a consumer culture, and consumption rose to more than half of GDP. In 1985, Tokyo let its currency appreciate more rapidly. But the result was simply a spectacular inflation of real estate and stock prices. The bubble's collapse lasted more than a decade, with stock prices scraping bottom in 2003 (before plummeting even further after the commencement of the current global crisis in 2008). Export-oriented industries could not adapt to a domestically led economy because there was insufficient consumer demand. And so rapid growth turned to stagnation, which has persisted up to the present.

Japan still runs on exports, but now government spending is an essential prop for the economy. Twenty years of fiscal stimulus have done little more than stave off even more serious economic contraction, while government debt has grown to nearly 200 percent of GDP.

### [Big pain at the gas pumps](#)

Consumers are no doubt happy that oil prices are heading south for the time being. And while there's understandable anger that gasoline prices haven't come down as quickly, there's typically a lag effect, so analysts expect pump prices to drop further. But here's the thing. High oil and fuel prices aren't necessarily what we should be most worried about. The real threat to the economy—to households and businesses alike—is the sheer unpredictability of energy costs. Over the past five years the price of west Texas crude, the primary American benchmark for oil, has yo-yoed from US\$60 a barrel to US\$145 in 2008, all the way back down to US\$30 during the recession, then up again to US\$114, before settling this year around US\$100. That last drop, of nearly 13 per cent, occurred over four days, a shift that a decade ago might have occurred over the span of months.

Such extreme swings in energy prices are leaving companies and consumers paralyzed. If you're a business manager, how do you decide whether to invest or hire when you have no idea how much one of your largest expenses will cost even a month from now? For prospective home or car buyers, it's a similar story. Do you buy a big home in the suburbs and risk high gas prices for your daily commute, or pay more to live in the city and skip the car altogether? "The volatility can actually slow investment behaviour, and when you do that, you begin to slow the pace at which the economy can potentially grow," says Kenneth Medlock, a fellow in energy studies at the James A. Baker III

Institute for Public Policy at Rice University. "It's putting a chokehold on investment."

In other words, wild swings in oil prices threaten to cripple the economy. And experts say it could get much worse.

### [Oil rises to near \\$101 on weaker US dollar](#)

SINGAPORE – Oil prices crept higher to near \$101 a barrel Friday in Asia as a weaker dollar overrode signs of tepid U.S. economic growth.

### [Japan prices rise for first time in over 2 years](#)

TOKYO — Japan's consumer prices in April rose for the first time in more than two years on a spike in energy and tobacco prices, the government said Friday.

Japan's core consumer price index, which excludes fresh food, climbed 0.6 percent last month from a year earlier, marking the first year-on-year increase since December 2008, the Ministry of Internal Affairs and Communications said.

### [Now, Air India flies into jet fuel crisis](#)

With Air India defaulting on payment of jet fuel bills, state-run oil firms have restricted supplies of fuel to the extent of the national air carrier's ability to make payment in cash, but supplies have not been stopped.

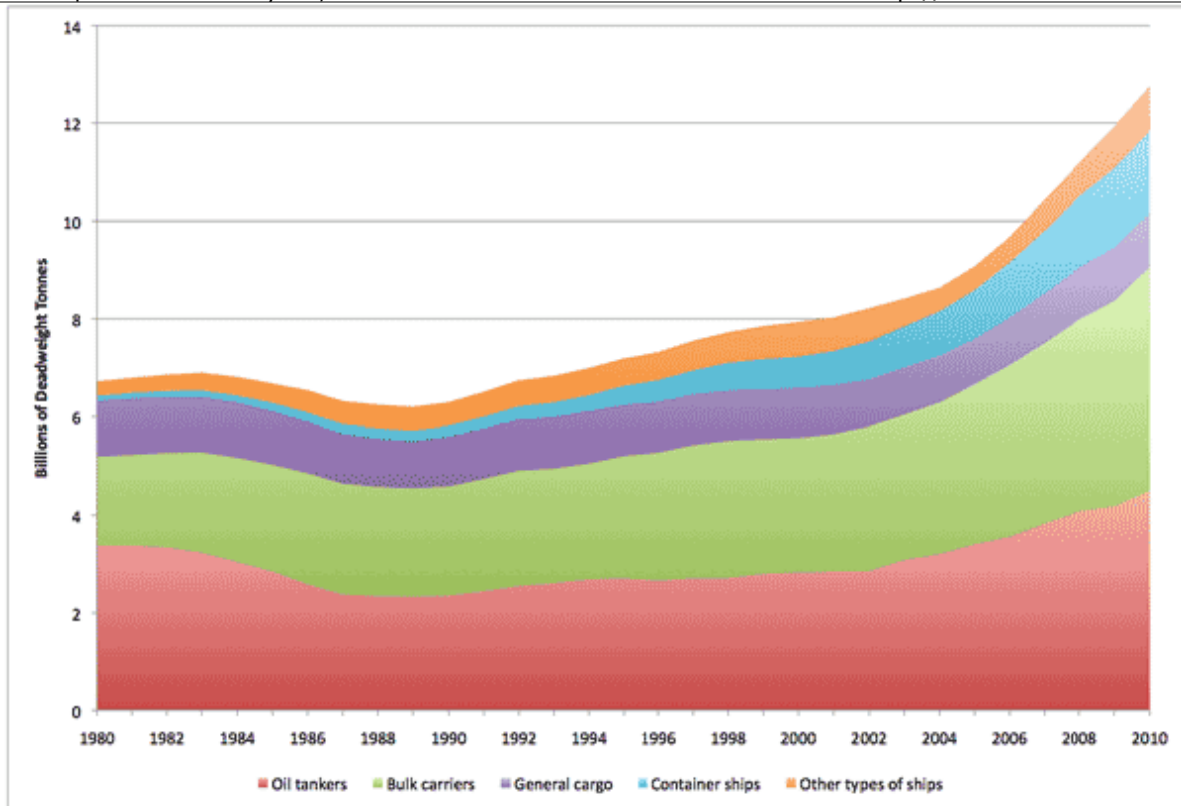
At no airport have supplies to Air India been stopped, officials at the three oil marketing companies said.

### [India May Raise Diesel Rates to Cut \\$44 Billion Loss](#)

India may increase diesel, kerosene and cooking gas prices to support state-run refiners facing revenue losses of 2 trillion rupees (\$44 billion) this fiscal year, an oil ministry official said today. Energy shares surged.

### [Stuart Staniford: Global Shipping Capacity](#)

Obviously, oil is being conserved somewhere, since production growth has slowed down. However, it's not being conserved by shipping less. Instead, the rapid growth of China and other developing markets is driving a pronounced expansion in shipping capacity, even in the face of the 2005-2008 oil shock and the great recession.



There has also been a strain of thought in the peak oil community that oil trade would decline much more rapidly than global oil production post peak (exemplified in extreme form by Jeff Brown's export land model). Note the red band in the first graph above, which represents the capacity of oil tankers. If this is any guide, the onset of a plateau in oil production has been associated with increases in oil trade, not decreases.

### [In Memorial Day Forays, an Economic Snapshot](#)

Are you going away this Memorial Day weekend, and how far are you going to drive?

A lot of economists would like to know. The answers, when gathered for the entire population, will tell them a lot about where the nation's economy is going.

### [Global LNG-Summer demand continues to push Asian LNG prices higher](#)

PERTH/NEW YORK (Reuters) - Asian spot prices for liquefied natural gas (LNG) rose to around \$13.50 per million British thermal units (mmBtu) as demand picks up ahead of summer, but trade was limited by a lack of ships to transport the fuel.

"Asia is still seeing demand for cargoes although prices are holding more steady," ICAP analysts said in a note.

## [China Lures Crude From U.S. as Colombia's Ecopetrol Targets Asia Oil Sales](#)

Ecopetrol SA, the Colombian oil producer which expects to more than double output this decade, said it plans to ship a greater share of its crude to Asia as growing demand in China competes for supplies with the U.S.

The company may no longer ship the majority of its crude to the U.S. in 10 years because Asia sales will be more profitable, Chief Executive Officer Javier Gutierrez said yesterday in an interview in Bogota. A pipeline the company is weighing that would carry oil to a new port on the Pacific coast to supply Asian refineries may also attract Chinese investment, he said.

## [Norway shipping magnate refutes oil price charges](#)

A Norwegian shipping magnate on Thursday refuted claims by U.S. commodity regulators that companies he owns manipulated crude oil futures prices on the New York Mercantile Exchange in 2008.

## [Royal Oyster Group says US sanctions unfair](#)

Royal Oyster Group, one of two Dubai companies facing US sanctions over trade with Iran, says it has been unfairly targeted.

The company denied supplying oil products to Iran, saying it had merely shipped "base oils" from Iranian refineries to buyers in Oman, India and the UAE.

## [Iranian envoy says sanctions have not affected country's disputed nuclear program](#)

VIENNA - Iran's envoy to the International Atomic Energy Agency says sanctions against his country have not had any impact on its disputed nuclear activities.

Ali Asghar Soltanieh says the same applies to the effect of the Stuxnet computer worm late last year and that "no matter what, the Iranian people are more determined to continue."

## [Cnooc: Confident Will Achieve Full Year Output Target This Year](#)

HONG KONG -(Dow Jones)- Cnooc Ltd., China's largest offshore oil and gas producer by capacity, expects to meet its full-year output target despite the shutdown of four oil fields in the Bohai Bay last month due to a malfunction, Chief Executive Yang Hua said Friday.

Cnooc said in March it planned to raise crude-oil and natural gas output in 2011, targeting production of 355 million-365 million barrels of oil equivalent, up 8%-11%

from 328.8 million barrels in 2010.

### [Dewa seeks \\$1.5 billion abroad for private power plant](#)

Dubai's state utility has begun an international campaign to finance its first private power and water plant.

Officials from the Dubai Electricity and Water Authority (Dewa) plan to visit Japan and Europe next month to pitch a US\$1.5 billion (Dh5.5bn) power and water desalination project to banks, said Waleed Salman, Dewa's vice president of strategy and business development.

### [Vietnam says Chinese boats harassed oil exploration ship](#)

(Reuters) - Chinese patrol boats challenged a Vietnamese ship exploring for oil in the South China Sea, damaging equipment and warning the ship that it was violating Chinese territory, a Vietnamese official said on Friday.

Do Van Hau, deputy chief executive of state oil and gas group Petrovietnam, said he had asked the government to make "the strongest possible" protest to China over the incident, which took place early on Thursday about 120 km (80 miles) off the south-central coast of Vietnam, state media reported.

### [S. China Sea Oil Rush Risks Clashes as U.S. Bolsters Vietnam](#)

(Bloomberg) -- Vietnam and the Philippines are pushing forward oil and gas exploration projects in areas of the South China Sea claimed by China, sparking a fresh clash in one of the world's busiest shipping corridors.

### [BP asks judge to dismiss many spill claims](#)

BP PLC is asking a federal judge to dismiss most of the court claims filed against the oil giant by businesses and individuals who say they suffered economic damage from last year's massive Gulf oil spill.

### [Big US oil companies face growing concern on fracking](#)

DALLAS/SAN RAMON, Calif. (Reuters) - Large blocks of investors in the two biggest U.S. oil companies on Wednesday demanded more disclosure about the environmental risks of extracting oil and gas through hydraulic fracturing.



### [Venezuela: US sanctions to hurt US businesses most](#)

Venezuela's foreign minister says U.S. sanctions against the country's state oil company will primarily affect American businesses.

Foreign Minister Nicolas Maduro says the U.S. sanctions "affect businesspeople of the United States, not us."

### [Chavez's new message for opponents: 'Let me work!'](#)

CARACAS, Venezuela (AP) — Hugo Chavez seems to have everything a president could want: power to legislate by executive decree, a bonanza of oil earnings and political allies who dominate nearly all major public institutions.

So Venezuela's opposition is vexed by a government campaign accusing opponents of blocking his programs as the country heads toward presidential elections in 2012.

### [Japan moves to protect children as new nuclear leak revealed](#)

(Reuters) - Japan will pay schools near the quake-ravaged Fukushima nuclear power plant to remove radioactive top soil and set a lower radiation exposure limit for schoolchildren after a growing outcry over health risks.

The Education Ministry triggered protests in April when it set a radiation exposure limit for children of 20 millisieverts per year, the same dosage the International Commission on Radiation Protection recommends for nuclear plant workers.

### ['Tornado Alley' nuclear reactor, 150 miles outside Joplin, Mo., not fully twister-proof](#)

The closest nuclear power plant to tornado-ravaged Joplin, Mo., was singled out weeks before the storm for being vulnerable to twisters.

Inspections triggered by Japan's nuclear crisis found that some emergency equipment and storage sites at the Wolf Creek nuclear plant in southeastern Kansas might not survive a tornado.

### [Hamilton: Higher oil prices fuelling dirtier, not cleaner projects](#)

Has supply peaked? It depends. If you're talking conventional oil production, some energy economists and analysts have said it happened between 2006 and 2008. Others say 2012 will be the year, and many more say it will be before 2020.

It's safe to say, then, we're in the "peak oil" zone, conventionally speaking. The evidence

of this is that oil prices have found a near-permanent home in triple-digit territory.

So, has there been a mad rush to invest in cleaner, relatively more affordable alternatives to oil? Not really — it's been more like a casual stroll, even though such alternatives are highly competitive with oil above \$100 (U.S.) a barrel.

### [Critical Metals: Investing at a Crossroad](#)

Byron Capital Markets believes in a long-term secular shift toward energy efficiency, both through new technologies and weight saving. This shift will be driven because of increasing prices for fossil fuels. While I, personally, am not a peak oil theorist, I am also realistic enough to understand that feeding the Brazil, Russia, India and China beast with cheap oil will demand a neglect of the environment that not many oil-producing regions will sustain. We believe that electrification of transport fleets and maximization of our electrical grids are important future areas of development. Electrifying cars will pull on materials such as rare earths (for their weight-saving and efficiency gains), lithium (for batteries), vanadium (for use in better and stronger metal alloys, as well as in next-generation batteries), graphite (lithium battery anodes), scandium (advanced aluminum alloys), and barium (for ultracapacitors). Maximizing the existing electrical grid demands storage and more generating capacity, so critical materials include uranium (in reactors), lithium and vanadium (for storage). Copper is also an increasingly critical commodity.

### [Making Money On Triple-Digit Oil](#)

Speaking of competing forecasts on oil, we were given a big reason to doubt whether it should cost over \$100 per barrel recently when the CEO of Exxon Mobil, Rex Tillerson, made comments earlier this month at a Senate hearing about \$60-70 being fair value, if based purely on supply and demand. His explanation for the current excess value was that price was being driven by the speculation of big oil companies and the high-frequency trading firms we just talked about. I wonder if any of the Senators thought to ask, "Is Exxon involved in this speculation?"

The more important question is whether or not Tillerson is correct. The market seems to be giving a much different answer than this expert. And most of that answer revolves around two synergistic themes. First is the idea of scarcity for a non-renewable resource. This idea often comes by the moniker "peak oil," symbolizing that we may have seen, or are about to see in the next few years, the maximum levels of reserves globally.

### [Energy Myths of the Left](#)

From confused "peak oil" theorists to confused Congressmen, it's all but impossible to hear a discussion of US energy policy without hearing the left's tired refrain: "The United States currently uses 25% of the world oil production but has only 2% of world reserves." The left uses this misinformation to argue against domestic oil drilling, claiming that with only two percent of the world's reserves, we can't possibly have

enough oil in the ground to matter.

It's a line which reminds me of Mark Twain's wisdom (which he attributed to Benjamin Disraeli) that "There are three kinds of lies: lies, damned lies and statistics." Twain would be proud of these haters of fossil fuels whose "statistics" fall apart upon examination of a couple of definitions and a few pieces of data.

### [Garden Tour of Edible Delights](#)

Where once water-hungry lawns grew, 11 families within a six-block radius of Laguna Beach's Oak Street tilled and turned the earth into a cornucopia of homegrown produce and an edible garden village.

From patchwork quilts to elegant designs of wild fennel, trellised beans, trailing blackberries and potted potatoes, the public is invited to take a bicycle or walking tour of Oak Village's vegetable and fruit gardens between 9 a.m. and noon Saturday, May 28. A \$10 donation is requested.

### [2012 Chevy Cruze Eco: Mileage gain, no pain](#)

The Eco version of the Chevrolet Cruze compact sedan is the fuel-mileage special. It currently holds the highest highway rating (42 mpg) for any gasoline-power car sold in the U.S.

### [German Steel Industry Warns Of Rising Costs In Move to Renewable Energy](#)

Germany's steel industry said it fears costs for electricity could at least double to 400 million euros annually as the country seeks to move toward renewable sources of energy.

Hans Juergen Kerkhoff, president of the German steel association, said in an e-mailed statement that the country's renewable energy bill would "deal a new blow to the steel industry."

### [Starfish Prefers Energy Efficiency Technologies Over Solar, Wave Power](#)

Starfish Ventures, Australia's biggest venture capital fund, plans to invest in businesses focused on energy efficiency and avoid solar and wave power until a carbon price makes the technologies more attractive.

### [Light Bulb Saving Time](#)

BUNNY WILLIAMS, the no-nonsense decorator known for her lush English-style rooms, is laying in light bulbs like canned goods. Incandescent bulbs, that is — 60 and 75 watters — because she likes a double-cluster lamp with a high- and a low-watt bulb, one for reading, one for mood.

“Every time I go to Costco, I buy more wattage,” Ms. Williams said the other day. She is as green as anybody, she added, but she can’t abide the sickly hue of a twisty compact fluorescent bulb, though she’s tried warming it up with shade liners in creams and pinks. Nor does she care for the cool blue of an LED.

### [A Bright Side to the Bulb Changeover](#)

Interior designers who use LED lighting don't have to worry about returning regularly to replace incandescent bulbs that have burned out.

### [New Mileage Stickers Include Greenhouse Gas Data](#)

WASHINGTON — The federal government unveiled new fuel economy window stickers on Wednesday, for vehicles starting with the 2013 model year, that for the first time include estimated annual fuel costs and the vehicle’s overall environmental impact.

The new labels, which replace a five-year-old design that provided only basic information about estimated fuel economy, represent the broadest overhaul in the sticker program’s 35-year history. There will be different labels for conventional vehicles, plug-in hybrids and all-electric vehicles, with cars running solely on battery power estimated to get 99 miles per gallon.

### [Post Primer: Who’s calling dibs on the North Pole?](#)

Denmark has leaked information about planting the Danish flag in the North Pole ahead of a meeting with the UN Commission on the Limits of the Continental Shelf. (In case you’re not up on your UN commissions, that’s the one that decides which country should have sovereignty over the far north.) So, what’s the rush? The North Pole’s seabed is extremely useful to each country that wishes to claim it, and Russia, Canada, Norway, the United States and Denmark are all eligible to launch programs showing that the much-coveted Arctic sector should belong to their country. Below, what you need to know about who’s calling dibs on the North Pole.

### [GOP presidential hopefuls shift on global warming](#)

WASHINGTON—For Republican presidential contenders who once supported combatting global warming, the race is heating up.

Faced with an activist right wing that questions the science linking pollution to changes in the Earth's climate and also disdains big government, most of the GOP contenders

have stepped back from their previous positions on global warming. Some have apologized outright for past support of proposals to reduce heat-trapping pollution. And those who haven't fully recanted are under pressure to do so.

### [Christie Pulls New Jersey From 10-State Climate Initiative](#)

Gov. Chris Christie said Thursday that New Jersey would become the first state to withdraw from a 10-state trading system, the Regional Greenhouse Gas Initiative, declaring it an ineffective way to reduce carbon dioxide emissions.

The decision delighted Republicans who have introduced bills in the New Jersey Legislature to repeal a law authorizing the state's participation in the program. But it dismayed environmental advocates, who called it a serious blow to the state's efforts to reduce emissions from power plants and foster a shift from fossil fuels to renewable energy.

### [EPA asks NJ to reconsider leaving emissions pact](#)

Federal environmental regulators are urging Gov. Chris Christie to reconsider a decision to pull New Jersey from a 10-state greenhouse gas reduction program.

### [Sea Level at the Jersey Shore Will Rise One Foot by 2050](#)

Jersey beaches bring in big tourism revenue for the state and are a popular summer destination for local residents, but the rapidly changing environment may cause a shift along the sandy shores.

Sea level along the Jersey Shore is expected to rise by one foot by 2050, according to Ken Miller, a geology professor at Rutgers University.

### [Island Nations May Keep Some Sovereignty if Rising Seas Make Them Uninhabitable](#)

NEW YORK -- Global sea level rise has put a handful of nations at risk of extinction -- small island states in the Pacific and Indian oceans. But this week, a collection of international lawyers and politicians have begun work to ensure that doesn't happen.

### [Challenge for our generation](#)

Many native-born Australians, and those born overseas who migrated to Australia in search of a better life, did not anticipate that our expectations might be prematurely curtailed by population growth, peak oil or climate change. A decade ago, when we celebrated the new millennium, such ideas were hardly on the radar.

Not on our radar, perhaps, but not entirely unexpected. A little thought would have told us that exponential growth in our use of natural resources is bound to end when those resources run out, or if damaging by-products compromise our environment.



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