



Drumbeat: May 30, 2011

Posted by [Leanan](#) on May 30, 2011 - 9:15am

[Phantom Efficiencies: US Economy Still Running Very Slow](#)

The US economy is consuming 2.00% less energy than its five year average seen prior to the 2008 financial crisis. Some will be cheered by this data, and indeed there are small nuggets of good news here. First, US consumption of oil—which turned flattish after the 2004 repricing—is down significantly, by over 10% since 2007. Also, as America turns increasingly to the power grid, consuming more natural gas and coal, the addition of renewable power from solar and wind is growing strongly. Eventually, these nascent trends will convert to larger structural changes. So let there be no doubt that energy transition is underway in the United States.

The problem remains, however, that in order to carry debt loads both public and private the US is still very dependent on strong industrial growth to generate revenues, and support wages. Accordingly, in the near term less energy inputs into the US economy more immediately aligns with less output. In other words, a more efficient economy is slowly being born. But until then, we will struggle with the transition.

[Consumer Corner: What's the real answer to replacing oil?](#)

The darlings of the alternative energy debate long have been wind, solar and biofuels. But how practical is it to replace oil consumption?

Scientist/futurist Chris Martenson says it's not. In "The Crash Course: The Unsustainable Future of Our Economy, Energy, and Environment," alternative fuels -- even some combination of all forms -- cannot replace world oil consumption -- 30.8 billion barrels in 2009.

[The Great Energy Challenge](#)

Like food, air, and water, energy is essential to human existence. The hopes of billions for a better life depend on plentiful and accessible sources of energy. But with the world's population fast approaching seven billion, how do we meet the growing demand for energy in a responsible, equitable, and sustainable way? It's a question we must ask ourselves as a society and as individuals. That's why *National Geographic*, in partnership with Shell, is launching The Great Energy Challenge.

The Great Energy Challenge is an important three-year *National Geographic* initiative

designed to help all of us better understand the breadth and depth of our current energy situation.

[Energy crisis slows down industrial progress](#)

ISLAMABAD: The framework of economic growth approved by the National Economic Council (NEC) of Pakistan has identified corruption in public sector enterprises and the non-availability of electricity as the main factors for lack of industrial development in the country.

The paper titled 'Grow Pakistan' prepared by the Planning Commission suggested that the government should reduce subsidies enjoyed by various sectors.

[Petrol shortage woes continue in Sharjah](#)

Sharjah faced petrol shortage for the fourth consecutive day as most Enoc and Eppco fuel stations remained closed.

The closure of many stations have led to snaking queues at other stations which are too few and far between, causing chaos on the streets and panic among motorists, Khaleej Times reported.

[The hot, sticky summer of our discontent](#)

Last summer went on record as Japan's hottest ever, as the daytime mercury seemed stubbornly stuck in the 33 to 36 degrees Celsius range while at nighttime it usually refused to budge to below the 25 C mark.

Now we have summer 2011 to look forward to. The temperatures will probably not be as extreme, but even so for residents of Kanto and other areas affected by the March 11 disaster, it could well go down as the most brutally uncomfortable summer on record.

[Post-disaster energy lines](#)

The nuclear disaster at Japan's earthquake and tsunami-stricken Fukushima Daiichi nuclear power plant has again underscored both the need for the International Atomic Energy Agency (IAEA) and its limited authority and resources.

It will cost billions of dollars to stabilise the plants, close them down, decommission their reactors and mitigate the radioactive contamination. Equally important, the Japanese crisis has exposed flaws in global safety and emergency response networks, underscoring the need for urgent remedial effort.

[Africa must supply its own nuclear fuel - Peters](#)

Security of supply of nuclear fuel is important for Africa as the continent slowly becomes nuclear energised, South African energy minister Dipuo Peters says.

African countries such as South Africa, Namibia, Niger and Gabon are rich in uranium and this should give all African states the confidence that they can rely on the continent for their uranium supplies, said Peters, adding that the mineral must also benefit Africans through job creation.

[Aramco discussing globalization strategy](#)

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.

[Empty Quarter drilling on cards](#)

Two Saudi-based gas joint ventures are planning to resume drilling in Saudi Arabia's Empty Quarter by the end of this year or early next year.

Saudi Arabia, which has kept its vast oil reserves off-limits to foreigners, invited investors to find and produce gas in the desert in Saudi Arabia's southeast.

[Libya rebels running out of crude stocks](#)

Libya's western-backed rebels have used up their stock of crude oil, with no certainty about when production can resume from vulnerable south-eastern oil fields, the main exporting company under opposition control has said.

The small refinery at Tobruk, the maritime export terminal near the Egyptian border, shut down late last week after using up the last oil in storage, according to Abdel Jalil Mayouf, spokesman for Arabian Gulf Oil Co (Agoco).

[Fortis to buy Vermont power company for \\$470M](#)

The Canadian utility Fortis Inc. says it will purchase smaller electricity distributor Central Vermont Public Service Corp. for about \$470 million.

[Companies look for power way, way up in the sky](#)

The world's strongest winds race high in the sky, but that doesn't mean they're out of reach as a potentially potent energy source.

Flying, swooping and floating turbines are being developed to turn high-altitude winds into electricity.

[E. coli infections kill 6, sicken hundreds in Germany, officials say](#)

The European Food Safety Alert Network said EHEC, or enterohemorrhagic Escherichia coli, a strain of E. coli that causes hemorrhage in the intestines, was found in organic cucumbers originating from Spain, packaged in Germany, and distributed to countries including Austria, the Czech Republic, Denmark, Germany, Hungary, Luxembourg and Spain.

[China Raises Industrial Power Prices in 15 Provinces to Help Ease Shortage](#)

China will raise electricity prices for industrial users in 15 provinces starting June 1, the first increase in more than a year, an official at the National Development and Reform Commission said.

Prices paid by residential users will remain unchanged, the official said by telephone from Beijing today, declining to be identified because the economic planning agency hasn't released a statement on the decision yet. Li Puming, a spokesman at the NDRC, declined to comment when contacted by Bloomberg News.

[Indian Oil Corp may borrow up to \\$1.3 billion a month](#)

NEW DELHI: State-run Indian Oil Corp . , the country's top refiner and oil marketing firm, plans to borrow between 50 billion to 60 billion rupees(\$1.3 billion) every month if there is no compensation from the government on subsidised fuel sales.

[Malaysia's energy ministry to hold briefing today; power hike eyed](#)

The government is expected to increase power tariffs in a bid to rein in its subsidy bill, which is expected to double to almost \$6.9 billion this year from last year.

However, Prime Minister Najib Razak is treading carefully as a rise in fuel or electricity tariffs could trigger widespread price increases, angering voters.

[Oil Drops on Speculation Fuel Demand May Falter as U.S. Economy Weakens](#)

Oil dropped in New York, headed for its first monthly decline since August, on speculation fuel demand may falter amid a slowdown in the U.S. economic recovery and Europe's continuing debt crisis.

Futures slipped as much as 1 percent before reports this week that may show U.S. employers hired fewer workers in May and manufacturing cooled. Oil also dropped as concern that European governments will struggle to resolve the region's debt crises weakened the euro against the dollar, reducing the appeal of commodities priced in the U.S. currency. Trading volumes were lower than average, with public holidays in the U.S. and U.K.

[Motoring groups demand petrol price investigation](#)

An alliance of European motoring organisations has written to the European Union calling for an investigation into the price of fuel.

[Who's to blame when gas costs \\$1 more than last year?](#)

DES MOINES, Iowa — Gasoline costs \$1 per gallon more than it did last Memorial Day, and the the Wall Street speculator, more than Texas oilmen and OPEC ministers, is often seen as the bad guy at the gas pump.

"There won't be another drop in the price of gasoline this weekend, and it's due to Goldman Sachs and Morgan Stanley," said Mark Meyer, president of Keck Energy. On Tuesday, Goldman Sachs and Morgan Stanley, both major investors in crude oil markets, issued forecasts of higher crude oil prices this summer -- even as prices at the pump in some areas began to descend.

[Higher break-even price for Saudi oil sets new normal for auto fuel](#)

Considering that Peak Oil has already been reached in the world, or at least cheap Peak Oil, that also means you will never see \$30 oil ever again in your lifetime; likewise, \$85 and lower is probably a long shot, too, unless America wakes up and goes like a steam engine with balls-out on its use of natural gas, thus upsetting the supply-demand scenario.

For the record, there are indeed alternatives to oil like coal and natural gas. America has lots of coal. Coal, unfortunately, is not clean despite the "clean-coal" ads on television; and it cannot be burned directly in automobiles.

[Venezuelans protest US sanctions against oil co.](#)

CARACAS, Venezuela - Thousands of government supporters are taking to the streets of Venezuela's capital to protest U.S. sanctions against the state oil company for doing business with Iran.

President Barack Obama's administration has slapped sanctions on PDVSA and six other companies from other foreign countries.

[Iran to invest \\$150bn in oil, gas](#)

A top Iranian Oil Ministry official says some USD 150 billion will be funneled into the country's upstream oil and gas sector during the Fifth National Development Plan.

The investment will bring in USD 179 billion in five years' time, IRNA quoted Mohsen Khojasteh-Mehr as saying on Monday.

[Alwaleed Says Saudi Arabia Seeks \\$70 to \\$80 Oil to Preserve Sales to West](#)

Prince Alwaleed bin Talal said an oil price of \$70 to \$80 a barrel is in the best interests of Saudi Arabia because it diminishes the urgency in the U.S. and Europe to develop alternative energy sources.

"We don't want the West to go and find alternatives," Alwaleed, a nephew of Saudi King Abdullah, said in an interview on CNN's "Fareed Zakaria GPS," scheduled for broadcast today. "The higher the price of oil goes, the more they have incentives to go and find alternatives."

[Medvedev insists Ukraine pay price agreed for Russian natural gas](#)

Moscow - President Dmitry Medvedev on Monday rejected calls from Ukraine for a cut in the price of natural gas imported from Russia, insisting that 'signed agreements need to be respected.'

[Vietnam accuses China after fracas](#)

Vietnam has accused China of increasing regional tensions and said its navy would do everything necessary to protect its territorial integrity after Chinese patrol boats interfered with a Vietnamese oil and gas survey ship in the South China Sea.

[Iraqi tribal disputes pose challenges](#)

Sitting in his reed meeting house in what was once Iraq's marshes, sheikh Rashash Imara warns of potential trouble if his poor tribesmen are driven off their land by foreign companies digging for oil.

[CNPC Ships Back First Crude Cargo From Iraq's Rumaila Oil Field](#)

SHANGHAI -(Dow Jones)- China National Petroleum Corp. said Monday it has shipped the first crude oil cargo produced by its joint-venture oil field in Iraq back to China.

[Iraq warns last chance for Shell deal](#)

Iraq has warned supermajor Shell it needs to finalise a \$12 billion gas deal by next week or negotiations over the agreement would be cancelled, the country's Deputy Oil Minister said today.

[Iran hopes to agree oil payments with India by Tuesday](#)

(Reuters) - Iran hopes to resolve a payments issue with India over oil shipments by tomorrow, the country's envoy to India, Seyed Mahdi Nabizadeh, said on Monday.

[Israel orders Leviathan halt](#)

Israel's Infrastructure Ministry has instructed US-based Noble Energy not to resume drilling at the Leviathan natural gas field until it provides details about an earlier mishap, sending energy shares sharply lower.

[Total Acquires 25 Percent of Qatari Exploration License From China's Cnooc](#)

Cnooc Ltd. (883), China's biggest offshore oil producer, sold a 25 percent stake in a license to explore for hydrocarbons in Qatar to France's Total SA (FP) as the Chinese company seeks to reduce risk.

The Beijing-based producer, which secured rights to the offshore concession two years ago, will retain a 75 percent stake and operate the area called Block BC, according to an e- mailed statement yesterday.

[Agencies' Lack of Coordination Hindered Supply of Crucial Gas, Report Says](#)

WASHINGTON — The United States is running out of a rare gas that is crucial for detecting smuggled nuclear weapons materials because one arm of the Energy Department was selling the gas six times as fast as another arm could accumulate it, and

the two sides failed to communicate for years, according to a new Congressional audit.

The gas, helium-3, is a byproduct of the nuclear weapons program, but as the number of nuclear weapons has declined, so has the supply of the gas. Yet, as the supply was shrinking, the government was investing more than \$200 million to develop detection technology that required helium-3.

[Japan nuke plant workers likely exposed to radiation far beyond legal limit](#)

Tokyo Electric Power Co. (TEPCO) and the Japanese government officials said Monday that two of the utility firm's employees who have been working at the crippled Fukushima No.1 nuclear power plant in northeast Japan may have been exposed to radiation exceeding the legal limit of 250 millisieverts.

[Fukushima Risks Chernobyl 'Dead Zone'](#)

Radioactive soil in pockets of areas near Japan's crippled nuclear plant have reached the same level as Chernobyl, where a "dead zone" remains 25 years after the reactor in the former Soviet Union exploded.

[S&P cuts Tepco rating to junk](#)

TOKYO (Reuters) - Ratings agency Standard and Poor's cut its credit rating on Tokyo Electric Power to junk status on Monday, saying the utility's bank lenders were more likely to be forced to write off debt as part of a restructuring scheme to compensate victims of an ongoing nuclear crisis.

[Saudi nuclear capacity to more than double in 20 yrs](#)

DUBAI: Top oil exporter Saudi Arabia, which is eyeing nuclear options for power generation and desalination, expects its nuclear capacity to more than double in 20 years, a senior official said on Monday.

"Saudi nuclear power capacity is currently at 52 gigawatts, that is expected to rise to 120 gigawatts in almost 20 years," Abdullah al Shehri, governor of Saudi's Electricity and Co-generation Regulatory Authority, said at an industry conference.

[Germany to abandon nuclear power by 2022](#)

BERLIN (AP) — Germany's coalition government agreed early Monday to shut down all the country's nuclear power plants by 2022, the environment minister said, making it the first major industrialized power to go nuclear-free since the Japanese disaster.

[Plug-in, two-mode hybrid Ram pickups hit road in testing](#)

Chrysler's two-mode hybrid Hemi is back -- and in plug-in form to boot.

Chrysler Group this week delivered 10 plug-in hybrid (PHEV) Ram 1500 pickups to Yuma, Ariz. -- the first of 140 to go to state and city governments in a 3-year test with the Department of Energy (using \$100 million from the 2009 recession stimulus bill). Other cities also will get 25 PHEV Chrysler minivans later this year.

[The House Wants to Slow the Military's Clean Energy March](#)

The Department of Defense is the largest energy consumer in the nation. It's made significant efforts to wean the military services from their sole dependence on fossil fuels -- particularly jet and diesel fuel made from oil -- to power their planes, ships, and vehicles. Pollution from burning these fuels contributes to global warming, which, according to military leaders, is a "threat multiplier" for national security. Instead, the services are developing more efficient aviation, naval, and terrestrial heavy equipment, and various cleaner domestic advanced biofuels.*

Unfortunately the House Armed Service Committee's National Defense Authorization Act, H.R. 1540, would reverse this progress. Section 844 of the bill would actually allow the military to use alternative fossil fuels that produce *more* pollution than conventional fuels. The additional pollution would exacerbate global warming, which in turn would make our nation less secure. The House plans to debate H.R. 1540 over the next several days. Congress must remove this provision to enhance national security.

[Russia Lifting Grain-Export Ban May Fail to Alleviate Global Crop Shortage](#)

Russia, once the second-biggest wheat exporter, will let a grain-shipment ban expire on July 1, a move that may fail to ease a global shortage caused by drought and flood damage to European and the U.S. crops.

Futures climbed 79 percent in the past year in Chicago, the global benchmark, helped by Russia's export ban in August after the worst drought in at least 50 years. Poor weather from Canada to Europe destroyed harvests and Ukraine imposed shipment quotas. Rising prices drove global food costs tracked by the United Nations to a record in February.

[Murder of Activists Raises Questions of Justice in Amazon](#)

Whether an investigation will result in punishment for the killers -- or those who hired them -- is uncertain. More than 1,000 rural activists, small farmers, religious workers and others fighting deforestation have been slain in the past 20 years, but only a handful of killers have been successfully prosecuted.

[Canada leaves out rise in oilsands pollution from UN climate report](#)

OTTAWA — The federal government has acknowledged that it deliberately excluded data indicating a 20 per cent increase in annual pollution from Canada's oilsands industry in 2009 from a recent 567-page report on climate change that it was required to submit to the United Nations.

[An Unclear Course on Emissions Policy](#)

SAN FRANCISCO — Opposition to cap and trade, a regulatory tool for curbing greenhouse gas emissions, normally comes from the right end of the political spectrum, where it is derided as "cap and tax."

But in California it is the political left that has been most successful in challenging the effort, creating a legal speed bump of sorts that might even delay the nation's first statewide cap-and-trade system, set to start on Jan. 1.

[An Unlikely Power Duo Emerges in the Global Fight Against Climate Change](#)

WASHINGTON — Bill Clinton and Michael R. Bloomberg have circled each other warily for a decade, ever since Mr. Clinton landed in Harlem after leaving the White House and Mr. Bloomberg ascended from a hugely successful business career to become the mayor of New York City. They have appeared together at a few civic functions, dined out a couple of times a year and hacked at golf balls on the same course.

But until now they have never joined forces on a project with global reach that could advance both of their legacies. They are taking on an issue — climate change — that may well shape the world's economic and social future for decades to come.

[Global carbon at record high: IEA](#)

PARIS (AFP) — Carbon-dioxide emissions hit a record high last year, the International Energy Agency said on Monday, dimming the prospects of limiting the global temperature increase to two degrees Celsius.

"Energy-related carbon-dioxide (CO₂) emissions in 2010 were the highest in history, according to the latest estimates," the International Energy Agency (IEA) said in a statement.

[Trucks lose, ships win in warmer Arctic](#)

Global warming will have a devastating effect on roads in the Arctic but open up

tantalising routes for shipping, according to a study published on Sunday in the specialist journal *Nature Climate Change*.

"As sea ice continues to melt, accessibility by sea will increase, but the viability of an important network of roads that depend on freezing temperatures is threatened by a warming climate," said Scott Stephenson of the University of California, Los Angeles (UCLA).



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