



## Drumbeat: June 18, 2011

Posted by [Leanan](#) on June 18, 2011 - 10:22am

### [Head of IEA pleads with Russia: join us to help solve energy price crisis](#)

Energy consumer organisation the International Energy Agency (IEA) has invited Russia and the Opec oil producers to join it, in a desperate bid to broker a peace between buyers and sellers over soaring crude prices.

The olive branch was extended today by the IEA's executive director, Nobuo Tanaka, to Russia's deputy prime minister, Igor Sechin, but has already run into powerful opposition from the country's state-owned gas group, Gazprom.

In an exclusive interview with the *Observer*, Tanaka said it was time that producers and consumers realised they were on the same side. "We all really have a common interest. You cannot take oil in isolation from gas security, energy efficiency and electricity from renewables.

### [Libya rebel oil chief says West failing insurgents](#)

(Reuters) - Libya's rebel oil chief accused the West on Saturday of failing to keep up its promises to deliver urgent financial aid, saying his authority had now run out of cash completely after months of fighting.

Speaking to Reuters in a rare interview in the eastern rebel stronghold of Benghazi, oil and finance minister Ali Tarhouni said all crude oil production had now come to a standstill due to damage caused by the fighting.

### [Syrian forces enter village near Turkish border, sources say](#)

(CNN) -- Syrian security forces determined to quell a three-month uprising stormed the northern village of Badama, near the Turkish border, a witness and an activist said Saturday.

Units entered the village equipped with at least six tanks, 21 armed personnel carriers, 10 security buses and randomly fired at houses, the Syrian activist said, adding that security forces also closed the road to the village of Khirbet Aljooz.

### [Bangladesh: Muhith rubbishes talk of gas export](#)

The government has no plan to export gas as the reserves of the natural resource are not adequate, said the finance minister yesterday.

The government has signed deals with foreign companies to explore untapped areas in an effort to fix the energy crisis, AMA Muhith said.

### [Raise Gas Tax To Prepare For 'Peak Oil'](#)

At the same time that transit agencies around the country are cutting services due to lack of funding, gas prices are hitting record highs and people are clamoring for alternatives. We have reached the pinnacle of the "peak oil" conundrum: It's too expensive to drive, yet most Americans have no choice. And it's just going to get worse.

The solution may be counterintuitive: an increase in national and state gas taxes. A larger tax on gasoline would raise the much-needed revenue to maintain and upgrade our nation's transportation infrastructure, wean the population off our addiction to sending money for oil to dictators overseas, and create jobs on U.S. soil building and operating a lower-carbon mobility system that will enable our country to prosper in the 21st century.

### [Simulation models offer clarity with regard to energy transition decisions](#)

As a way of eliminating energy-guzzling incandescent light bulbs from our supermarket shelves, a tax on incandescent light bulbs would be just as effective as an outright ban. Subsidising new technology, such as Led lighting, could actually reduce its sales, as this can lead to a relatively large number of people buying a light with teething problems, giving the new technology a bad name. These results emerged from the simulation models which PhD student Emile Chappin of Delft University of Technology (the Netherlands) developed in relation to energy transition.

### [Crude Oil Falls to Near a Four-Month Low on European Debt Crisis, Economy](#)

Crude oil dropped to the lowest price in four months in New York on doubts European efforts to resolve the Greek debt crisis will succeed, and on concern of reduced economic growth and fuel demand.

Futures fell 2 percent as Greek Prime Minister George Papandreou attempted to get the country's parliament to pass austerity measures needed for a bailout. The International Monetary Fund cut its forecast for U.S. growth in 2011. Oil tumbled 6.3 percent this week as U.S. manufacturers turned pessimistic and fuel consumption dropped.

### [Reliable oil benchmark proves elusive](#)

(Reuters) - Investors analyzing the oil market rely on two benchmarks that many see as flawed, but would-be replacements show no sign of displacing them soon.

### [Accelerating Inflation Spurs Consumer 'Trade Down' to McDonald's, Wal-Mart](#)

Energy and food costs have risen 19 percent and 4 percent since December, according to the Labor Department. That caused real disposable income, or the money left over after taxes and adjusted for inflation, to remain unchanged. The confluence of higher prices and unemployment at 9.1 percent has become especially acute for households making less than \$75,000 a year, according to David Schick, an analyst at Stifel Nicolaus & Co. in Baltimore.

### [Supply worries to keep oil above \\$100](#)

(Reuters) - Oil prices will stay above \$100 a barrel in the next year as supply worries outweigh concerns about flagging global economic growth, a Reuters survey of oil industry officials, executives and traders showed.

### [Russia courts oil investors with warning on OPEC](#)

ST PETERSBURG - Russia, keen to parlay credentials as the world's top oil producer into new investment in its offshore oil riches, told investors on Friday the best guarantee of supply was cooperation on new fields.

Following the collapse of OPEC talks on a potential supply increase to help struggling consumer economies, Russia's powerful oil tsar Igor Sechin warned against reliance on the the oil club's capacity to ramp up production in times of need.

### [Salazar announces Alaska oil lease sale](#)

ANCHORAGE, Alaska - The federal government is planning to hold annual lease sales in the National Petroleum Reserve-Alaska starting this year, according to Interior Secretary Ken Salazar.

The accelerated plan announced Thursday drew criticism from environmentalists.

The U.S. Geological Survey estimates that the reserve west of Prudhoe Bay on Alaska's North Slope contains almost 900 million barrels of undiscovered oil and 53 trillion cubic feet of undiscovered natural gas.

### [Iraq army defuse bombs at key oil refinery](#)

BAGHDAD - Iraqi troops have defused make-shift bombs placed inside one of the country's key oil refineries in the latest threat to its expanding petroleum industry, security and oil sector sources said on Friday.

OPEC producer Iraq is rebuilding its oil industry after years of war and sanctions and energy installations are still targeted by insurgents more than eight years after the 2003 U.S.-led invasion that ousted Saddam Hussein.

### [Scottish Power chairman has pay package doubled](#)

The Spanish chairman of Scottish Power had his pay package doubled to £10.5 million just months before the company raised gas bills to record levels for 2.4 million British households.

### [Sinopec to invest 100 bln yuan in new refinery in east China](#)

China Petroleum and Chemical Corp., Asia's largest oil refiner, also known as Sinopec, is planning to invest more than 100 billion yuan (15.43 billion U.S.dollars) for a new refining complex in China's east Jiangsu Province, reported Saturday's China Daily.

### [China sets down rules on oil spill compensation](#)

BEIJING -- China's Supreme People's Court (SPP) has issued a set of judicial explanations specifying compensation responsibilities in cases of vessels' oil spill.

In a case where two or more vessels spill oil, both the amount and the types of leaking oil should be taken into consideration when determining the ensuing environmental damage and the amount of compensation fund that should be paid by the owner of each ship, said the document.

### [Spain's Repsol forms joint venture with Russia's Alliance Oil to up oil, gas production](#)

MADRID — Spain's Repsol YPF is forming a joint venture with the Moscow-based Alliance Oil Company Ltd. to seek growth opportunities in Russia, the Spanish energy company said Saturday.

Repsol said in a statement that Alliance Oil will hold 51 percent in the joint venture and contribute production assets in the Volga-Urals region, while Repsol will own the remaining stake by making a cash investment.

### [U.S. gas glut fuels chemical plant building boom](#)

(Reuters) - Not too long ago chemical industry insiders would joke about when the next U.S. chemical plant would be built. The answer, the punch line always went, was never.

That has radically changed in the past year as cheap U.S. natural gas prices have given America's chemical industry a large cost advantage over European rivals, many of whom make chemicals from crude oil.

### [Duke sees danger if U.S. hooked on natgas](#)

(Reuters) - The rush to natural gas in the United States could lead the country to become too dependent on a single fuel source for its power and risk making it dependent on foreign suppliers in the coming decades, Duke Energy chief Jim Rogers warned on Wednesday.

That shift to natural gas threatens to undermine the diversity in the electricity industry's fuel supplies that has been developed over the past 40 years, Rogers, Duke's chief executive and chairman, told the Reuters Global Energy and Climate Summit in Washington.

### [Analysis: Gas is killing green energy in price war](#)

(Reuters) - A widening shale gas revolution is killing the economics of renewable energy, even as falling costs allow wind and solar to overtake fossil fuels in niche areas, say energy executives and analysts.

Solar panel prices are down about 10 percent this year, but chasing a moving target as discovery of cheap shale gas spreads beyond the United States, experts told Reuters energy and climate summit.

### [Japan Strains to Fix a Reactor Damaged Before Quake](#)

TSURUGA, Japan — Three hundred miles southwest of Fukushima, at a nuclear reactor perched on the slopes of this rustic peninsula, engineers are engaged in another precarious struggle.

The Monju prototype fast-breeder reactor — a long-troubled national project — has been in a precarious state of shutdown since a 3.3-ton device crashed into the reactor's inner vessel, cutting off access to the plutonium and uranium fuel rods at its core.

### [Tepco Halts Filtering of Tainted Water at Japanese Plant](#)

TOKYO — The Tokyo Electric Power Company said Saturday that the filtration system it had struggled to put into operation had broken down after just five hours, a

disappointing setback in its efforts to cool the damaged reactors at the Fukushima Daiichi nuclear power plant.

The company said that the sprawling system, which is designed to siphon oil, radioactive materials and salt from the water used to cool the reactors, had been shut down because the levels of Cesium recorded were similar to those requiring the changing of filters.

### [U.N. nuclear report shows Japan safety shortcomings](#)

(Reuters) - Japanese nuclear regulators failed to review and approve steps taken after 2002 to protect against tsunamis at the Fukushima plant and these proved insufficient to prevent the tidal wave disaster three months ago, a U.N. report showed.

### [Tepco to request loans from Japanese life insurers - paper](#)

(Reuters) - Tokyo Electric Power Co will ask major life insurers, including Nippon Life and Dai-ichi Life, for hundreds of billions of yen in additional loans as it faces big bills in restoring control over a crippled nuclear plant and paying for fuel costs for thermal plants, Japan's Asahi newspaper reported on Saturday.

### [Mopeds gain favor in Michigan as the ultimate gas savers](#)

Mopeds: They zip, they sip and now they're hip.

With gasoline swinging back and forth around the \$4-per-gallon line, more Michigan motorists are straddling mopeds — low-horsepower, high-mileage mini motorcycle-ish machines that can easily cruise 100 miles on a gallon of gas.

### [ACA to Build Ethanol Mill to Meet Argentina 5% Blend Requirement](#)

Asociacion de Cooperativas Argentinas, an Argentine farmers' association, will build an \$80 million corn-ethanol plant as distributors struggle to comply with a law that they blend standard gasoline with 5 percent of the renewable fuel.

### [Ethanol Industry Is Unruffled by Senate Vote Against Tax Breaks](#)

The Senate's vote Thursday to repeal tax breaks on ethanol will have little practical impact on the industry, at least in the short term.

### [Senate Ethanol Vote Signals Ill Wind for Other Energy Subsidies](#)

The U.S. Senate's vote to eliminate a tax credit and a tariff that subsidize ethanol production has lawmakers wondering which subsidies may be the next ones targeted.

### [Chinese Banks Back \\$10 Billion Bid to Build Solar in Europe](#)

Two Chinese banks are providing as much as \$10 billion in funding to a group of three Chinese makers of solar equipment to build sun-powered energy projects in Europe.

### [China's Wind Power Woes](#)

Many of China's wind turbines can't connect to the country's larger electric grid. There aren't enough cables, wires, and related technology to bring wind-generated electricity from rural Mongolia. That's where most of China's wind turbines are located--far from the densely populated hubs of China's northeast and south, where electricity is most needed.

### [Partners in Wind Power Bridge a Mideast Divide](#)

Muhammad, a Palestinian engineer who designs and installs small wind turbines for homes in the territories, had recently forged an unusual alliance: he partnered with an Israeli engineer, Yanir Avital, with the goal of manufacturing and selling wind turbines together in both Israel and the Palestinian territories. They do not share a common cultural background, but they share a deep interest in wind energy as something that can benefit their peoples economically and environmentally.

### [Doom, Doom and More Doom](#)

New Society has published three new books telling us that we're doomed. Or are they? When you see that humanity is running up against a problem, and you write a book about it, are you actually a doomer?

### [Africa: Climate Change - African Agriculture And Food Supply At Risk](#)

Bonn — Climate change and global warming are likely to have dramatically negative effects on African agriculture and food supply by reducing river runoffs and water recharge, especially in semi-arid zones such as Southern Africa, two new reports say.

### [Cuba: Seas to rise more than 30 inches by 2100](#)

Cuban scientists calculate that median sea levels around the Caribbean nation will rise more than 30 inches by the end of the century due to global climate change, official media said Friday.

Models predict the sea will rise 10.6 inches (27 centimeters) by 2050, and 33.5 inches (85 centimeters) by 2100, Abel Centella, scientific director of the country's Meteorological Institute, was quoted by Communist Party daily Granma as saying.



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