



## Drumbeat: July 20, 2011

Posted by [Leanan](#) on July 20, 2011 - 10:23am

### [Galactic-scale energy](#)

This series takes an astrophysicist's-eye view of the predicament we face managing resource limitations, energy production, climate change, and economic growth. The approach is often playfully quantitative, with the aim of arriving at a fresh perspective on our world. Weekly articles stress estimation over exactness, because often a reasonably complete picture can be developed without lots of decimal places. Estimations of this type can be used to bring clarity to complex issues, or to evaluate the potential of proposed energy solutions. Hopefully, readers will gain the courage and techniques to start making valuable estimations of their own. The series starts out with a two-part assessment of the implications of continued growth, then settles down to tackle a variety of cute questions relating to energy storage, biofuels, home energy, transport, climate change, etc.

### [US to Regulate Offshore Drilling Contractors in 'Select' Cases](#)

U.S. officials are pursuing a relatively narrow approach to regulating offshore drilling contractors and service providers, such as Transocean and Halliburton, after reviewing their scope of authority over such companies in the wake of the Deepwater Horizon spill.

### [Is an "Oil Shockwave" America's Biggest Energy Threat?](#)

War games have long been used to prepare the military for battle, but what about the national threat of a global energy crisis? According to an advocacy group called Securing America's Future Energy (SAFE), Middle East turmoil, a shaky national economy, and heavy dependence on foreign oil have combined to make America's energy supply "dangerously vulnerable."

### [Argentina: 'There is no fuel shortage, just a longer wait to fill up,' De Vido says](#)

Planning Minister Julio De Vido, denied this morning that the country is suffering from a fuel shortage, assuring that "there is no lack of petrol or diesel, however, just a longer wait to fill up," adding that, "in December it will be exactly the same."

### [Cyprus: No more night or weekend cuts but 'crisis not over'](#)

AS OF yesterday authorities announced that power cuts would be limited to one per day without night or weekend blackouts, Trade and Industry Minister Antonis Paschalides said.

Since the Mari naval base blast took out the island's main power station ten days ago, some areas islandwide have been subjected to two and three power cuts each day, some lasting more than the initially-stated two and a half hours. Other areas have had fewer, or no cuts at all.

### [Fuel shortage hits Uganda airport](#)

Some planes landing at the Entebbe International airport last week were forced to fly to the Jomo Kenyatta International airport or Dar-es-Salaam to refuel.

The shortage of aviation fuel at the Kampala based international airport was blamed on a decision by Kenyan authorities to divert jet fuel destined for Uganda, a landlocked country that heavily relies on Kenya's Mombasa port.

### [Growing Population, Economies Fuel Asian LNG Demand](#)

Southeast Asian demand for liquefied natural gas (LNG) will play a significant role in the global LNG trade as forecasts call for growing populations and economies in the region and demand for cleaner-burning natural gas.

### [Can global energy get any stormier?](#)

Shell is selling its stake in a huge Canadian Arctic gasfield and pipeline. Already-shrinking ConocoPhillips is resigning from the oil majors by splitting itself in two. The clean-energy industry is in crisis because of politics and economics. Germany has quit nuclear energy, and Japan is discussing the same move.

What unifies these disparate events? They are more evidence of an unprecedented shakeup in global energy and the power geopolitics that flow from it.

### [Australia to Dominate Floating LNG Market through 2016](#)

Australia's proximity to growing liquefied natural gas (LNG) demand in Asia, its sizable conventional and unconventional gas resources, stable fiscal regime and accessibility to international oil and gas companies, are driving LNG development in the Land Down Under.

### [Liberia's throw of the resource-curse dice](#)

Deep undersea offshore from west Africa is a 625-mile long geologic formation that is one of the world's least-covered magnets for oil companies from around the world. Already this formation, created in the Cretaceous period as many as 100 million years ago, is producing some 3 million barrels of oil a day, a volume that in three years or so may grow to more than 7 million barrels a day. The current sources for this bonanza are Ghana and Nigeria and further down the coast in Angola, but Liberia and Sierra Leone - better known for their devastating civil wars -- may also become serious petrostates.

### [Oil and gas in the South China Sea](#)

WHY is there so much tension in the Spratly archipelago in the South China Sea? Why are there six claimant countries for small islands and islets which otherwise are useless, except for those who want to go on an honest-to-goodness self-exile after plundering their country?

The answer it seems is oil and gas. The other answer is control of navigational waters through which pass much of the supplies of countries like Japan.

### [German utilities look to Russia for gas and money](#)

The faster-than-planned nuclear phase-out in Germany together with a tax on nuclear power is eating away earnings at the power companies, with RWE forecasting three years of falling profits.

It has also put limits on a source of power that has lower carbon emissions than coal-fired plants. This has hit RWE as Germany's largest emitter of the greenhouse gas and also EnBW as it relies more heavily on nuclear power than competitors.

### [Chevron to pay U.S. \\$1.1 mln penalty over Gulf leases](#)

(Reuters) - Chevron will pay a \$1.1 million civil penalty for illegally claiming transportation deductions for certain oil leases it holds in the Gulf of Mexico, the U.S. Interior Department said on Wednesday.

### [BP seeks White House emails on oil spill response](#)

NEW ORLEANS (AP) -- BP is seeking a court order compelling the White House to turn over emails by a former top adviser to President Barack Obama about the administration's response to last summer's massive Gulf oil spill.

### [A Civic Solution to the Energy Crisis](#)

I explained it this way. The strategy rests on the notion that government is the bane of Nigerian governance. What the country needs are citizens committed to roof solarisation plans in which they construct private homes configured to optimise solar energy. The principle is that if a house can have a roof, then it can produce, use, and conserve its own energy. The current idea of erecting a dejected looking solar panel guarded by an equally solitary iron cage is too tokenistic for the scale of the problem. It consumes space and transforms what should have been mainstreamed in everyday life into the hi-tech equivalent of a village shrine. It looks like an edifice erected to an important deity.

### [The chicken and egg challenge facing electric cars](#)

Does the electric car revolution depend on public charging points? That's the question being asked as a new recharging network is set to open.

### [US Air Force: We want to use biofuels](#)

WASHINGTON — The US Air Force is ready to switch to biofuels to help power its warplanes but the price of alternative fuels remains too high, military officials said Tuesday.

Anxious to reduce its reliance on oil, the Air Force has approved the use of synthetic fuels for nearly all its aircraft and expects to get the green light for biofuels by the end of 2012, Undersecretary Erin Conaton said.

### [Biofuel demand in US driving higher food prices, says report](#)

Demand for biofuels in the US is driving this year's high food prices, a report has said. It predicts that food prices are unlikely to fall back down for another two years.

### [A conversation with Rob Hopkins \(and hosted by Richard Heinberg\)](#)

Richard Heinberg hosts a conversation with Rob Hopkins on New Thinking in Transition. The podcast begins with Rob giving an update on what is going on in the Transition movement and introducing the upcoming Transition handbook, and is followed by a Q&A.

### [Indian Refiners Said to Seek Saudi Oil Next Month as Iran Warns of Cutoff](#)

Indian refiners asked Saudi Arabian Oil Co. for at least one additional shipment in August as a payment dispute jeopardizes Iranian cargoes, four people with knowledge of the matter said.

Iran has told customers in India that they won't receive shipments next month unless outstanding bills are paid, according to the people, who asked not to be identified

because they aren't authorized to speak to the media. Indian refiners have said global sanctions against Iran over its nuclear program have made banks unwilling to transfer oil payments.

### [FACTBOX - Iran's oil trade under sanctions](#)

(Reuters) - Iran, which faces international sanctions over its nuclear programme, has warned India that it could halt crude oil shipments from Aug. 1 if there is no solution to a seven-month payments freeze imposed by India's central bank.

### [Did U.S. firm use bribery to land fuel contract for U.S. forces in Iraq?](#)

A lawsuit in Florida has cracked open a rare window into the cloistered world of high-level war contracting, as a billionaire oilman defends himself against allegations that his company paid off Jordanian government officials to control supply lines of fuel to U.S. forces in Iraq.

### [Gadhafi Could Remain in Libya Under French Plan](#)

France says it is possible that Libya's crisis could be resolved through a plan that would allow embattled leader Moammar Gadhafi to remain in the country if he gives up power.

### [Libya rebels suffer heavy casualties at Brega](#)

(Reuters) - Eighteen rebel fighters were killed and up to 150 wounded in clashes with forces loyal to Muammar Gaddafi for control of the eastern oil hub of Brega Tuesday, a doctor in a rebel-controlled town said.

"Yesterday it was a disaster," Dr Sarahat Atta-Alah told Reuters at Ajdabiya hospital in eastern Libya Wednesday.

### [Venezuela boosts proven natgas reserves by 11.3 tcf](#)

CARACAS (Reuters) - Venezuela boosted its proven reserves of natural gas by 11.3 trillion cubic feet (tcf), taking reserves to 195.1 tcf as of the end of 2010, according to the government's gazette circulating on Wednesday.

The gazette did not specify from where the new reserves came.

### [Energy Department to install fuel cells at 8 military posts](#)

(Reuters) - The Energy Department said on Tuesday it would install 18 fuel cell backup power systems at eight U.S. military posts, as part of a partnership with the Defense Department to bolster energy security.

### [The Groupon of solar power](#)

NEW YORK (CNNMoney) -- In an office building in downtown San Francisco, 42 people are trying to sell solar power using a model previously used mostly for things like restaurant deals or haircuts.

One Block Off the Grid, a start-up company run by a 32-year old former online gaming entrepreneur, is hoping the power of online group deals can do for solar what it's done for the service industry. Call it the Groupon of solar power.

### [Deffeyes: Who pushed the year 2010 into the winner's circle?](#)

If we take the new EIA spreadsheet at face value, the year 2010 outproduces 2005. "The King is dead. Long live the King." It doesn't alter the big picture. Oil production is not growing significantly. With oil prices up, it is going to be very difficult to pull out of the recession.

Of course there is curiosity. Who pushed the year 2010 into the winner's circle?

### [Crude Oil Climbs as U.S. Inventories Decline, European Debt Concerns Ease](#)

Oil advanced for a second day in New York on signs that crude stockpiles are shrinking in the U.S., and on speculation that European leaders may agree on steps to address the region's debt crisis during talks tomorrow.

The industry-funded American Petroleum Institute said crude supplies fell the most in six weeks. An Energy Department report today may show inventories dropped for a seventh week, the longest run of declines in two years. Euro-area government chiefs are meeting tomorrow in Brussels for the second time in a month as they aim to break a deadlock over a new Greek rescue.

### [Analysis: Russia's biggest contingent liability: oil](#)

(Reuters) - With a sovereign debt of just 10 percent of GDP and half a trillion dollars in reserves, Russia has a balance sheet that the United States and Europe can only envy as they battle their debt crises.

But a closer look at Finance Minister Alexei Kudrin's latest fiscal plans reveals two concerns: he is betting that oil prices will stay high for years; and even if he is right, the pace of budget consolidation will slow significantly.

By his own reckoning, the books would only balance with oil at \$125 per barrel next year, reflecting the impact on the public finances of the global slump that put an end to years of surpluses generated at much lower oil prices.

### [Asian ministers discuss South China Sea, security](#)

BALI, Indonesia - Territorial disputes and flare-ups in the South China Sea were expected to take center stage at Asia's largest security forum this week, after Vietnam and the Philippines accused China of interfering in efforts to explore for oil and gas.

### [Solution in sight for India-Iran oil payments issue - U.S. official](#)

(Reuters) - A solution to a seven-month long payments issue between India and Iran over crude supplies is in sight, after six months of work with the United States, a U.S. official said in India where Secretary of State Hillary Clinton is visiting.

### [Malawi Protestors Defy Court to Demonstrate Over Fuel, Government Policies](#)

Tens of thousands of Malawians defied a court order and held protests in the biggest cities against government policies and a fuel shortage, said Rafiq Hajat, director of Malawi's Institute of Policy Interaction.

### [Shell, BP Pay Talks Set to Resume in South Africa Tomorrow to End Walkout](#)

Royal Dutch Shell Plc (RDSA), BP Plc (BP/) and other oil companies operating in South Africa will probably resume pay talks to end a 10-day strike that has caused fuel shortages.

### [Venezuela model for oil change](#)

A new contract model adopted on a Venezuelan heavy oil project should be applied across the board to provide the necessary fiscal incentives for foreign investors to tap the country's reserves, a legal expert has argued.

### [Cnooc to Buy Failed Opti Canada to Increase Oil-Sands Reserves](#)

(Bloomberg) -- Cnooc Ltd., China's biggest offshore oil producer, agreed to acquire bankrupt Opti Canada Inc. for \$2.1 billion in cash and debt to increase its oil-sands reserves, and pledged to buy more energy assets globally.

### [China May Plan Ninefold Coal Gas Output Hike, Bernstein Says](#)

China may increase subsidies for coal-seam gas production amid a plan to increase output ninefold by 2015, Sanford C. Bernstein & Co. said.

The world's biggest energy user may unveil a proposal to extract natural gas from coal areas, possibly with an output target of 9 billion cubic meters by 2015 from about 1 billion cubic meters a year currently, Neil Beveridge, a Hong Kong-based analyst at Bernstein, said in an e-mailed report today. The U.S. currently produces more than 50 billion cubic meters of coal-seam gas, also known as coal-bed methane, he said.

### [Russia approves Total entering Arctic gas project](#)

(Reuters) - Russia approved Total's participation in an Arctic gas project on Wednesday, an antitrust official said, exempting the French oil major from laws limiting foreign investment in strategic sectors.

### [Gazprom signs gas supply deal with IOC](#)

(Reuters) - Gazprom said on Wednesday it signed a memorandum to supply the Indian Oil Corporation Limited with 2.5 million tonnes of liquefied natural gas (LNG) a year for up to 25 years.

This is the fourth gas deal Gazprom, the world's largest gas producer, has signed with Indian companies this year.

### [Oman on brink of mega gas project](#)

Need has compelled the Oman to try to exploit its hard-to-reach tight gas in a project with BP. The task is difficult, but Oman has little choice.

### [ConocoPhillips Spin-Off: Minimized Downside, Volatility but Less Upside Than Expected](#)

Tough question: Does this strategy reflect the company's attitude toward peak oil? In that view of the world, global oil reserves are limited or shrinking and there will be a premium on exploration and development activities as well as reserves ownership. Additionally, the refining segment will be increasingly squeezed by lower demand and higher feedstock costs.

### [Cheniere to spend \\$6 billion on LNG terminal](#)

LAKE CHARLES, La. - Cheniere Energy Partners LP plans to spend at least \$6 billion to modify its liquefied natural gas terminal in southwestern Louisiana to export natural

gas.

### [Russia Aims to Boost Gas Supply to Europe After Nuclear Exit](#)

Russia will consider opportunities for increasing direct natural gas supplies to Europe and potentially build new pipelines as Germany shifts away from nuclear power, Russian Energy Minister Sergei Shmatko said.

The retreat from nuclear may create increased demand that would support pipeline projects such as OAO Gazprom's planned South Stream or the expansion of the Nord Stream pipe to Germany, Shmatko told reporters while accompanying President Dmitry Medvedev at a meeting with German Chancellor Angela Merkel in Hanover.

### [Radiation-Tainted Beef Spreads Through Japan's Markets](#)

MINAMISOMA, Japan — Even after explosions rocked the Fukushima Daiichi nuclear power plant, Kuniaki Sato, who raises cattle here about 20 miles from the crippled complex, said he had received no clear warning from the government about the possible dangers of radiation to his herd.

So six weeks after the accident, on April 23, he shipped 12 of his prized cattle from his farm to market.

### [Staff Tells N.R.C. That U.S. Rules Need Overhaul After Fukushima](#)

The Nuclear Regulatory Commission's rules are a patchwork that needs to be reorganized and integrated into a new structure to improve safety, the agency's staff told the five members of the commission on Tuesday at a meeting.

The session was called to consider reforms after a tsunami caused the triple meltdown at the Fukushima Daiichi nuclear plant in Japan. But how speedily the commission will take up the recommendations is not clear.

### [Uranium find in India could be world's largest - report](#)

(Reuters) - A huge deposit of uranium found in Andhra Pradesh could turn out to be among the biggest reserves of the mineral in the world, reports said on Tuesday citing the head of the country's atomic energy department.

The Tumulappalli mine in the state has confirmed 49,000 tonnes of ore and there are indications that it could hold reserves totalling three times its current size, The Times of India quoted Srikumar Banerjee as saying.

### [Judge stops transport of megaloads through W. Mont](#)

MISSOULA, Mont. (AP) — A judge has upheld a request by Missoula County and three conservation groups to stop Imperial Oil/Exxon Mobil from transporting massive oilfield equipment modules through western Montana.

### [Yellowstone River oil spill takes toll on wildlife](#)

BILLINGS, Mont. (AP) — Wildlife officials captured an oiled hawk Tuesday and were trying to capture more than a dozen other animals that might have been harmed by a broken Exxon Mobil pipeline that spilled an estimated 1000 barrels of oil into the Yellowstone River in Montana

The U.S. Fish and Wildlife Service said that an animal rescue team on Tuesday captured a Cooper's hawk that had been oiled and hoped to rehabilitate it.

### [During Hillary Clinton's India visit, nuclear power is front and center](#)

With Secretary of State Clinton in India this week, the US and India are attempting to make up for decades of estrangement. However, disagreements about a 2005 nuclear deal threaten progress.

### [The only way an SUV \(sort of\) makes sense](#)

Behold the Four Horsemen of the Ecological Apocalypse: The monster house, the private jet, the Dubai indoor ski resort – and the SUV.

Yes, the SUV. The human race has been hard on Mother Nature, and the SUV is one of our egregious blows. Last year, I drove one that sucked down almost 24 litres of premium fuel every 100 kilometres.

### [Our view: 56 mpg could be a bridge too far](#)

Have you ever done the financial calculations on whether to buy the hybrid version of a car or its conventionally powered twin? It's hard to justify the investment. If the gas-sipping hybrid costs about \$4,000 more, which is typical, you'll have to drive about 80,000 miles at current gas prices before the purchase starts saving you money.

### [Opposing view: Raise standard to 60 mpg](#)

America's oil addiction is putting our wallets at the mercy of Big Oil and volatile foreign countries. As high gas prices continue to burn through Americans' paychecks, it is clear

that cutting our country's dangerous addiction to oil will require building better, more fuel-efficient cars and trucks.

### [Futuresense expert predicts major changes ahead](#)

Hybrid cars have been billed as a natural progression, however, he said, price was still a major deterrent for many and city car-pooling would become the solution.

``Inevitably, peak oil, climate change and green cultural sensibilities will make fossil fuel cars more impractical," he said.

``The tipping point will occur when people realise they don't need to own a car and city car-pooling will take on a new meaning as we order personal trips as we need them. Imagine the robotic smart taxi arriving at your door – no need to worry about maintenance, insurance, fuel, rego or roadside assist."

### [A New Study Takes The Wind Out Of Wind Energy](#)

Facts are pesky things. And they're particularly pesky when it comes to the myths about the wind energy business.

For years, it's been an article of faith among advocates of renewables that increased use of wind energy can provide a cost-effective method of reducing carbon dioxide emissions. The reality: wind energy's carbon dioxide-cutting benefits are vastly overstated. Furthermore, if wind energy does help reduce carbon emissions, those reductions are too expensive to be used on any kind of scale.

### [First lady teams up with grocers nationwide](#)

A collection of retail heavyweights will join first lady Michelle Obama's campaign to bring fresh fruits, vegetables and other nutritious foods to the USA's "food deserts" – impoverished areas with little access to healthy foods.

National chains, including Wal-Mart, Walgreens and SuperValu, and some regional retailers have agreed to open or expand more than 1,500 stores to bring more nutritious and fresh food to underserved communities. The companies' executives are joining the first lady at the White House today to make the announcement.

### [U.S. health body recommends free birth control coverage](#)

WASHINGTON (AP) – Millions of women stand to gain free access to a broad menu of birth control methods, thanks to a recommendation issued Tuesday by health experts advising the government.

An Institute of Medicine panel recommended that the government require health insurance companies to cover birth control for women as preventive care, without copayments.

### [Fables for real history](#)

Rising U.S. per capita income directly traces the path of U.S. oil production whereas the bunch in Washington measures everything in dollars, oblivious to the crucial role of energy. However, oil executive M. King Hubbert, the originator of the “peak oil” hypothesis, theorized that a no finite resource could support exponential growth and that production rate plotted verse time would show a bell-shape curve. That is at some time production would have to peak, declining as rapidly as it had risen. Today’s situation proves his thesis, e.g., American incomes have flattened as has its energy production. With a rising population and emerging economies, demand outstrips supply. Coupled with a declining dollar, one BTU of energy today cost thousands of times what it did in 1970. The radical falloff in energy density of BTUs per dollar implies a precipitous drop in American living standards. Billionaire developer Sam Zell recently warned of a potential 25 percent decline in living standards. America’s future may look like its past.

### [Ensuring fair shares in a world of limits](#)

As worldwide demand increases for natural resources that are already in short supply, how should aid donors and campaigners respond?

### [David Suzuki: Natural gas is not a solution for climate change](#)

Can a fossil fuel help us avoid the harmful effects of other fossil fuels? It’s a question that’s come up lately as natural gas is eyed as a cleaner alternative to oil and coal.

### [Africa a frontier carbon market](#)

Africa is seen as the next frontier for investment in carbon offset projects while China and India prepare to roll out their own cap-and-trade schemes.

### [East African drought a sign of things to come](#)

As the debate rages in Australia about the merit of putting a price on carbon, millions of people in East Africa are already suffering the impact of climate change. In the Horn of Africa, the countries of Kenya, Uganda, Somalia, Ethiopia and Djibouti are facing a devastating drought with little but food and water distribution programs standing in the way of starvation. Most people in the region are already poor and living directly off the land. They cannot expect to grow their own food again until, at the earliest, 2012 when the rains may return. Until then, they are completely dependent on aid provisions.

## [Life After Land](#)

RISING sea levels could threaten the existence of small island states such as Tuvalu, Kiribati, the Marshall Islands and the Maldives. If the international community cannot or will not slow global warming, the least it can do is help those states prepare for life after land by recognizing a new category of state — the deterritorialized state.

If we do nothing and these nations become uninhabitable, their citizens will not only become displaced persons seeking refuge in other countries; they will also lose control of their vast maritime zones, including valuable fisheries and mineral deposits, which will likely become the property of neighboring states or the global commons.



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