



Drumbeat: September 7, 2011

Posted by [Leanan](#) on September 7, 2011 - 9:35am

[Saudi Arabia's water needs eating into oil wealth](#)

(Reuters) - Long before it understood the value of oil, the desert kingdom of Saudi Arabia knew the worth of water.

But the leading oil exporter's water challenges are growing as energy-intensive desalination erodes oil revenues while peak water looms more ominously than peak oil - the theory that supplies are at or near their limit, with nowhere to go but down.

[Two reasons why Asia's still thirsty for crude oil](#)

SINGAPORE: Two seemingly unrelated bits of news on Monday show why there is hope that Asia's oil demand remains robust even as the global economic outlook darkens.

Firstly, Saudi Aramco saw fit to raise the premiums it will charge refiners in Asia for crude supplies for October, a sign the world's biggest oil exporter isn't too worried about slowing demand.

And secondly, China made a major revision to its July crude import figures, saying it actually imported 6.3 percent more than earlier reported, as some Russian pipeline imports weren't counted.

[Authorities scramble to prevent aviation fuel shortages](#)

Deputy Prime Minister Igor Sechin gathered government officials to formulate a response to looming fuel shortages at the nation's airports on Tuesday. Media reports had earlier speculated that Moscow airports' fuel reserves had dropped to critical levels over recent days. Sechin announced at the meeting that a 10-day fuel reserve was to be created for the capital's airports.

[Is Ukraine alone against Russia in the renewed pipeline wars?](#)

Most places ignore the inauguration of new energy pipelines, but most places are not Russia, where the control of the flow of hydrocarbons means raw power. Yesterday, Russian Prime Minister Vladimir Putin inaugurated Nord Stream, a huge gas pipeline

linking his country to Germany. It ought to have been an ordinary event, but this 760-mile, \$12.5 billion line is steeped in politics -- from Putin's explicitly stated perspective, Nord Stream at last allows Russia to bypass pesky former Soviet Bloc countries such as Poland, Lithuania and Ukraine that resist Moscow's will.

We thus enter an elevated stage in the pipeline wars, a long-running and turbulent tournament of shadows under way on European soil. But there are signs that time has passed by this strategy for fortifying Russia's place in Europe.

[Ridge: Shale drilling worries 'phony hysteria'](#)

PHILADELPHIA (AP) -- Energy executives opened a major conference on shale gas Wednesday by advocating a national energy policy in which natural gas plays a leading role, citing its domestic abundance and cleaner-burning characteristics.

Former Pennsylvania Gov. Tom Ridge, now an industry consultant, said that gas extracted from the nation's vast shale deposits can help reduce U.S. reliance on foreign sources of oil.

[Industry Hears Details of New FERC Energy Strategy](#)

The Obama administration is briefing industry on a new energy strategy that could create a fast-track approval process for major transmission lines serving renewable energy projects, according to Federal Energy Regulatory Commission staff comments on the plan.

[Popping the hype balloon on electric cars](#)

We continue to see new critical rankings of the top electric and plug-in hybrid vehicles, but the truth is that these models so far are selling at best in the low thousands and more often in the hundreds (the new French-German Mia pictured above). So neither the U.S. nor Chinese are likely to achieve their competing goals of 1 million such cars on their respective roads in the next few years.

This is not surprising -- it is simply the air starting to go out of the hype. So what truly does seem likely in the coming years? Read on to the jump.

[Cassandra and the limits to growth](#)

No matter how well the model was explained, understanding LTG required an effort that most people were not willing to expend. It is difficult to fight against the human tendency of disbelieving bad news - the Cassandra effect, in short.

But we can learn something from the LTG experience. A fundamental point is related to

the public perception of models. For a scientist, the need for models is obvious; but it is not so for a politician or for the public. In this sense, world modelling and modern Climate Science have the same problem. Both fields are seen as based on complex models that are beyond the capability of understanding of the non-specialist. So, what is exactly the role of models in the public debate on the issues of climate change and resource depletion?

[Are jobs obsolete?](#)

We're living in an economy where productivity is no longer the goal, employment is. That's because, on a very fundamental level, we have pretty much everything we need. America is productive enough that it could probably shelter, feed, educate, and even provide health care for its entire population with just a fraction of us actually working.

According to the U.N. Food and Agriculture Organization, there is enough food produced to provide everyone in the world with 2,720 kilocalories per person per day. And that's even after America disposes of thousands of tons of crop and dairy just to keep market prices high. Meanwhile, American banks overloaded with foreclosed properties are demolishing vacant dwellings Video to get the empty houses off their books.

Our problem is not that we don't have enough stuff -- it's that we don't have enough ways for people to work and prove that they deserve this stuff.

[Visualizing a plentitude economy](#)

This beautifully drawn 5-minute video provides a vision of what a post-consumer society could look like, with people working fewer hours and pursuing re-skilling, homesteading, and small-scale enterprises that can help reduce the overall size and impact of the consumer economy.

[Big Oil: To create jobs, let us drill more](#)

NEW YORK (CNNMoney) -- With job creation taking center stage in American politics, the oil industry Wednesday made a pitch for drilling more widely. With looser restrictions, the industry says it could deliver 1.4 million new jobs, boost tax rolls by \$800 billion, and increase domestic energy production almost 50%.

To hit those numbers, the industry would need to drill off the East and West Coasts, in waters off Florida's Gulf Coast, in Alaska's Arctic National Wildlife Refuge, and on most federal public land that's not a national park. These areas are currently off limits to drilling, except for some public land in these regions.

[Crude Gains on Forecast Stockpile Drop as Cyclone Builds in Gulf of Mexico](#)

Oil advanced from the lowest in more than a week in New York as a weather system in the Gulf of Mexico threatened supplies in the U.S., where production halts because of storms have already reduced crude stockpiles.

West Texas Intermediate climbed as much as 1.6 percent after the National Hurricane Center said a weather system over southwestern Gulf of Mexico may become a tropical cyclone. An Energy Department report tomorrow may show inventories declined 2.25 million barrels last week as Tropical Storm Lee shut production in the gulf, a Bloomberg News survey of analysts showed. Brent's premium to U.S. prices narrowed from a record.

[EU Energy Chief: Russia Committed To Respect EU Gas Deliveries](#)

BRUSSELS -(Dow Jones)- The latest spat between Russia and Ukraine doesn't seem to pose any threat to Europe's natural gas supply at the moment, the European Commission's energy chief said Wednesday.

[Don't talk oil with Cuba, lawmaker warns](#)

WASHINGTON (UPI) -- Washington is sending the wrong message by having a delegation in Cuba review the country's plans to drill offshore for oil and natural gas, a lawmaker said.

A delegation led by William Reilly, a top official at the National Oil Spill Commission, left Monday for Cuba to examine Havana's oil plans.

Cuba is looking into cutting the amount of oil it imports from Venezuela through development of offshore reserves.

[Russia Can Double Oil Reserves By Tapping Arctic Potential -Lukoil Executive](#)

SINGAPORE -(Dow Jones)- Russia can double its oil reserves if the government is determined to exploit the potential in the Arctic, a senior OAO Lukoil Holdings (LKOH.RS) executive said Wednesday.

"The development of Arctic fields needs political will and support from the government," Sergey Chaplygin, chief executive of Lukoil International Trading and Supply Co. said, but didn't elaborate. Lukoil is the country's biggest private oil producer.

[BP: Significant Resource Extension Of Mad Dog Field In Gulf Of Mexico](#)

LONDON -(Dow Jones)- BP PLC, an producers of oil and gas, Wednesday announced the drilling of a successful appraisal well in a previously untested northern segment of the Mad Dog field in the U.S Gulf of Mexico, adding that pending confirmation through

future appraisal drilling, the total hydrocarbons initially in place in the complex are now estimated to be up to four billion barrels of oil equivalent.

[Chevron finds new oil site in Gulf of Mexico](#)

SAN RAMON, Calif. (AP) — Chevron Corp. said Tuesday that it has found a new oil source at the Moccasin prospect in the Gulf of Mexico.

The oil company said it is evaluating the results of the find, adding that more work will be needed to determine the extent of the discovery.

[Suncor Energy Chief Sees Record Year for Cash Flow on Oil Price, Cost Cuts](#)

Suncor Energy Inc. (SU), Canada's largest oil-sands producer, will report record cash flow this year because of higher oil prices and lower costs, Chief Executive Officer Rick George said.

[Where is global growth without U.S., Europe, Japan?](#)

It is getting harder and harder to see where tomorrow's global growth will be coming from. Job creation in the U.S. has come to a screeching halt. Growth in the euro zone has done the same. And a still irradiating Japanese economy continues to stagnate, while an emerging energy crisis has suddenly sparked plans to start off-shoring manufacturing.

[One of the top questions for our time: how will Peak Oil affect the economy?](#)

Peak oil might hit sometime during the next five years. How might this affect the world economy. We we examine important dynamics about oil prices, some misunderstood by many writing about Peak Oil — from doomsters to cornucopians. The bottom line: we cannot reliably forecast what will happen. Peak oil might have little effect — or crush the economy.

[Many Libyans miss trappings of security under Gadhafi](#)

Away from the celebrations, there are some in the city who fear for the future and say they miss the stability and security of life during Moammar Gadhafi's 42 years in power.

"We lived in peace before. We had money. We had everything," Akram Mohammed Al Garbarji, 30, said as he waited to withdraw money from a bank in downtown Tripoli. "I love Gadhafi; I will die for Gadhafi."

[Heavy gunfire in central Syria; several killed](#)

BEIRUT (AP) – Security forces intensified their crackdown in the flashpoint city of Homs on Wednesday, killing and wounding several people in fresh attacks amid heavy gunfire, activists and residents said.

[Syria shrugs off sanctions, eyes China oil sales](#)

ABU DHABI - Syria plans to sell the oil European customers cannot take under a new EU import ban to Russia or China and will be unharmed by western sanctions as long as its own energy needs are met, Syria's finance minister said on Wednesday.

[Marcellus Shale conference to open in Philly](#)

PHILADELPHIA (AP) — Energy executives and elected officials are gathering in Philadelphia this week for a major conference on natural gas drilling.

The Marcellus Shale Coalition expects 1,600 attendees at its inaugural "Shale Gas Insight" conference at the Pennsylvania Convention Center on Wednesday and Thursday.

[China's Cabinet orders ConocoPhillips spill probe](#)

SHANGHAI (AP) — China's top leaders have ordered an investigation into oil spills in China's Bohai Bay that have drawn intense criticism from marine authorities and environmentalists, adding to pressures on oil field operator ConocoPhillips.

[Chevron to pay \\$4.5 million for Utah oil spills](#)

SALT LAKE CITY (AP) — Chevron Corp. has agreed to a \$4.5 million settlement with Salt Lake City and state environmental officials for two oil spills that polluted a creek and city pond.

Through the agreement, announced Tuesday by city officials, Chevron will pay \$3 million for mitigation projects, \$1 million to help impacted residents and businesses and a \$500,000 civil penalty to the state.

[Gulf Coast beaches rebound 1 year after oil spill](#)

PENSACOLA, Fla. — Last summer John Ehrenreich wondered whether his Pensacola Beach go-cart track and parasailing business would make it through the BP Deepwater Horizon oil spill.

But this summer, business has boomed at Bonifay Water Sports, Ehrenreich said as he

waited for a parasailing group to return. And he's not the only local businessman with good news. Beach towns from Alabama through the Florida Panhandle have had a strong summer 2011 rebound after a 2010 marred by tar balls, crude oil sheen, and cleanup crews and equipment ruining the views for any would-be sunbathers.

[Nobel winner urges Japan to abandon nuclear power](#)

TOKYO (AP) — Nobel laureate Kenzaburo Oe urged Japan's new prime minister on Tuesday to halt plans to restart nuclear power plants and instead abandon nuclear energy.

Oe cautioned Prime Minister Yoshihiko Noda against prioritizing the economy over safety. Noda has said he will allow idled nuclear plants to resume operation when their safety is confirmed.

[Easing Stance, Iran Offers Inspectors 'Supervision' of Nuclear Program](#)

WASHINGTON — Iran on Monday made its first counterproposal in two years to ease the confrontation with the West over its nuclear program, offering to allow international inspectors “full supervision” of the country’s nuclear activities for the next five years, but on the condition that the mounting sanctions against Iran are lifted.

[Russia Says No Plans to Build Nuclear Power Stations in Iran After Bushehr](#)

Russia isn't currently planning to build any new nuclear stations in Iran after operations start at the Persian Gulf state's first atomic plant in Bushehr, Deputy Foreign Minister Mikhail Bogdanov said.

The Bushehr power plant is due to be fully operational soon, Bogdanov said yesterday in a written reply to e-mailed questions from Bloomberg. It's “premature” to speak about further plans for Russian-built atomic facilities in Iran.

[Wind Industry Lobbies for Tax-Credit Extension](#)

So far 2011 has been a good year for wind energy projects. Installations in the first six months of 2011 were almost double what they were in the comparable period in 2010 in terms of total megawatts (2,151 versus 1,250), according to the American Wind Energy Association. But a bipartisan coalition of 24 state governors, fretting that the industry could lose momentum, has already begun lobbying the Obama administration to improve business conditions for wind energy developers.

[Energy innovation: From a garage to the Pentagon](#)

TWENTYNINE PALMS, Calif. (CNNMoney) -- Spurred by a desire to save money and lives by reducing the number of vulnerable fuel convoys they depend on, the Marines last month invited 13 companies to their desert base to pitch them the latest in battlefield solar and fuel efficiency technology.

[When it comes to energy waste, tech is hero and villain](#)

(CNN) -- Let's take a little quiz. Which piece of home technology do you think uses the most electricity?

- A. Refrigerator
- B. Laptop
- C. DVR/set-top box
- D. HD television

If you answered set-top box (C), you're right. That little box near your TV -- the one that plays and records cable television -- uses more electricity than a modern refrigerator, and it probably sucks down more power than the TV it's attached to, according to a recent report from the Natural Resources Defense Council.

[Policing Your Power-Hungry Appliances](#)

Belkin has a new line of products that measure the electricity consumption of specific bulbs or appliances, calculate the costs and find ways to achieve savings.

[Utah ends 4-day workweek experiment](#)

Former Utah Gov. Jon Huntsman launched the "4/10" workweek -- 10 hours a day, Monday-Thursday -- for thousands of employees in 2008 to improve efficiency, reduce overhead costs and conserve energy at a time when budgets are tight and resources are dwindling.

A 2010 legislative audit showed the savings never materialized, in part due to a drop in energy prices.

[Ambitions for carbon capture on standby](#)

The UAE is among the most vocal advocates of the practice of burying greenhouse gas emissions underground, hosting UN talks today in the capital. But it has trouble selling the idea within its borders.

[Kiribati considers oil rigs as answer to climate change](#)

Rising sea levels could force Kiribati authorities to move the country's entire population onto artificial islands.

Some villages in the country have already been forced to relocate due to rising sea levels.

[Total Arctic sea ice at record low in 2010 - study](#)

(Reuters) - The minimum summertime volume of Arctic sea ice fell to a record low last year, researchers said in a study to be published shortly, suggesting that thinning of the ice had outweighed a recovery in area.

The study estimated that last year broke the previous, 2007 record for the minimum volume of ice, which is calculated from a combination of sea ice area and thickness.

[Unlocked by melting ice-caps, the great polar oil rush has begun](#)

It's the melting of the Arctic ice, as the climate warms, that makes it possible — and you can understand why they're all piling in. In July 2008, the US Geological Survey released the first ever publicly available estimate of the oil locked in the earth north of the Arctic Circle.

[Seoul, Moscow to hold talks on new arctic route](#)

Korea and Russia will hold maritime talks this week to discuss Seoul's development and use of new Arctic Ocean shipping routes that encompass Russia, officials here said Tuesday.

[In the world's breadbasket, climate change feeds some worry](#)

Some scientists and agronomists are becoming increasingly concerned about the real effects they see now on growing conditions in the Midwest, the vast black-soiled region long the core region of the U.S. agricultural miracle.

They also say that not only skeptical farmers but also government authorities are trying to quietly adapt, from equipment to planting to research.

"We don't have a long-term reserve. We have a global food supply of about 2 or 3 weeks," said Eugene Takle, Professor of Agricultural Meteorology and Director of the Climate Science Program at Iowa State University.



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