



## Drumbeat: September 14, 2011

Posted by [Leanan](#) on September 14, 2011 - 7:08am

### [Five myths about the Solyndra collapse](#)

There are still plenty of nagging questions about the collapse of Solyndra, the California-based solar-panel maker that went bankrupt last month after getting \$535 million worth of loan guarantees from the Obama administration. Such as: Did the Energy Department fail to do due diligence? And did the White House intervene inappropriately in pressing for approval of the loan guarantees?

But as Solyndra becomes the newest political chew toy, there's been no shortage of hyperbole about the affair — especially over what it means for energy policy more broadly. On Tuesday, for example, Rep. Cliff Stearns (R-FL), who chairs the oversight subcommittee of the House Energy and Commerce Committee, said that Solyndra's downfall proves "that green energy isn't going to be the solution." That's quite a leap. So here's a look at five overheated arguments about Solyndra's bust:

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### [White House ignored red flags in loan to failed solar company](#)

The Obama administration committed more than \$500 million in taxpayer money to a maker of solar power panels despite repeated red flags about the company's viability, NBC News' Lisa Myers reported Wednesday.

The FBI raided the Silicon Valley headquarters of the company, Solyndra, last week, investigating whether the government was misled when it loaned the company \$535 million in taxpayer funds. Solyndra officials say they are cooperating with the investigation.

### [Musings: Trying To Solve Mystery Of Missing Marcellus Resource](#)

A tenant of America's gas shale revolution is that shale is ubiquitous and uniformly spread under our oil and gas producing basins. That belief has translated into growing estimates of the resource's potential and how it has radically changed the long-term outlook for America's, and potentially the world's energy future. Is it possible this tenant has been knocked into a cocked hat by the latest estimate of the resource potential of one of our largest gas shale basins — the Marcellus Shale?

[Have frackers pushed their luck too far?](#)

Over the past week, I've heard from serious observers of the U.S. shale gas industry -- from investment analysts, think-tank scholars and others -- that we seem near a tipping point in the heated debate over the companies' drilling methods: If there is another serious accident or two in which shale gas drillers appear to have polluted a water aquifer, look for significant regulatory curtailment of the industry, as one investment analyst put it.

If such a backlash occurs, it would be a significant turnaround for an industry that has been widely embraced as a savior, particularly for the possible role it could play in curtailing the emission of heat-trapping gases by allowing for a reduction of coal consumption.

[Conoco CEO says gas drilling is U.S. job creator](#)

(Reuters) - Expanded drilling for natural gas in massive shale formations across the United States is one way to create sorely needed jobs in this country, the chief executive of ConocoPhillips said on Wednesday.

"We have a powerful job creation machine available, if we put it to work," Conoco CEO Jim Mulva said in remarks to the Detroit Economic club.

[BOEMRE: BP, Transocean, Halliburton at Fault in Macondo Oil Spill](#)

The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) and U.S. Coast Guard concluded that BP, Transocean and Halliburton all share blame in the April 20, 2010 Macondo oil spill in the U.S. Gulf of Mexico through a combination of well design, approach to well control and missed steps.

[Armed pirates kidnap 23 sailors off West Africa, maritime officials say](#)

LAGOS, Nigeria — Armed pirates raided a tanker off the West African coast and kidnapped 23 sailors Wednesday, sailing off with the vessel in waters increasingly at risk of piracy, an international monitoring group said.

[Libya's Sirte Oil Restarted Natural Gas Fields -Oil Official](#)

BENGHAZI -(Dow Jones)- Libya's Sirte Oil Co. has restarted natural gas production at several fields among the largest in the country, a Libyan official at Benghazi said Wednesday, adding to faster-than-expected resumption in oil production following the fall of Moammar Gadhafi last month.

## [Porter Stansberry: U.S. Shifts to Gas Export Role](#)

I feel the same way about peak oil as I do about deflation. It shows massive ignorance of economics and human nature. In regard to oil prices, you have to separate the price from the currency, because in Swiss francs and gold, oil prices haven't changed much in 50 years. Yes, the price of crude oil is volatile; it goes up and down. But in 1950, it took 2.5 grams of gold to buy a barrel of oil. Today, 2 grams of gold will buy you a barrel of oil. Thus, if you take the loss of the dollar's purchasing power out of the equation, you'll find that the price of oil has remained very flat.

So I would argue that despite massive increases in consumption, the real price of oil has remained unchanged. Going forward, that will almost certainly remain the case. Why? Because geology doesn't create oil; capital creates oil. The more capital you put toward oil, the more of it there will be.

## [Crude Oil Drops From Six-Week High on Concern Economic Recovery to Falter](#)

Oil declined from a six-week high on concern that Europe's debt crisis and the faltering U.S. economic recovery will temper fuel demand.

Futures fell as much as 1.9 percent after technical indicators signaled gains of more than 3 percent in the past two days may have been excessive. The European Central Bank said it will lend two euro-area banks dollars tomorrow, a sign they are having difficulties with borrowing. The International Energy Agency yesterday cut global oil-consumption forecasts for this year and 2012. The Energy Department may say U.S. crude stockpiles fell last week, according to a Bloomberg survey.

## [Oil defies forecasts of declining demand](#)

A paradox has emerged as oil prices remain high amid declining demand forecasts.

Opec and the International Energy Agency cut their forecasts for crude demand again this week, erasing as much as 400,000 barrels per day (bpd) from previous estimates.

Yet Brent crude, the European benchmark, seems immune to the predictions, trading comfortably above US\$112 yesterday.

## [Some win, some lose when oil prices rise](#)

The oil price is the double-edged sword of the global economy.

What western countries view as an "oil shock", the Gulf regards as a budget stimulus; similarly, falling energy prices are seen as a spur to economic growth in Asia, but are a threat to fiscal stability in the Middle East oil exporters.

### [Import Prices Fall for Second Time in 3 Months](#)

Prices of goods imported into the United States fell in August for the second time in three months as the cost of oil and food dropped, while autos stabilized, the Labor Department said Tuesday.

### [Credit tightening hits Sinopec debt](#)

BEIJING / HONG KONG - China Petroleum & Chemical Corp (Sinopec), the non-financial Chinese company with the most bonds maturing next year, may have to pay twice as much to refinance debt because of China's fight against inflation.

### [Chevron confirms Gulf of Mexico oil leak](#)

(Reuters) - A leak from a shallow water crude oil pipeline in the Main Pass Area of the Gulf of Mexico has led Chevron to shut down its offshore Louisiana Main Pass pipeline network, the company said on Tuesday.

Chevron has also shut its Cypress line, the company said.

### [New evidence cites more BP oil spill mistakes as panel prepares to release its report](#)

A key federal report into what caused the worst offshore oil spill in U.S. history was being readied for release as early as Wednesday amid revelations that BP made critical mistakes on the well and failed to tell its partners and the U.S. government when it realized it.

### [Alabama Mayor Says Tar Balls Washed Ashore From BP Spill](#)

ORANGE BEACH, Ala. – A coastal mayor says tests show tar balls washed onto Alabama's beaches by a recent tropical storm are from last year's BP oil spill in the Gulf of Mexico.

### [Shell Served With Two Warnings From UK Oil Safety Regulator](#)

LONDON -(Dow Jones)- The U.K. offshore regulator issued Royal Dutch Shell PLC (RDSA.LN) with two warnings in July for safety incidents at its Brent Charlie platform in the North Sea, the Health and Safety Executive website showed Wednesday.

### [Bolivia agrees to supply more natgas to Brazil](#)

(Reuters) - Bolivia's state-run energy company YPFB signed a contract with Brazil's Petrobras on Tuesday to supply 2.2 million cubic meters of natural gas per day to the Cuiaba thermoelectric plant in Brazil's Mato Grosso state.

### [Mexico contracts ready by October](#)

Tenders for Mexico's second round of private oilfield operating contracts will be ready by October as the country advances in its efforts to boost foreign investment in the lagging energy sector, a board member at the state oil company Pemex said on Tuesday.

### [Kuwait exceeds US in power consumption per capita](#)

"Because it's free" was the answer the majority of renters in Kuwait gave for why electricity consumption was on the rise. Electricity is usually included in rent prices, which some renters have been abusing and, inevitably, been contributing to the ever-increasing rate of energy consumption per capita in Kuwait.

### [China's Sichuan may face worst power woes in 10 years](#)

(Reuters) - Southwest China's Sichuan province is likely to face the worst power shortage in 10 years in the coming winter-spring season due to rising demand, weak hydropower generation and insufficient coal stockpiles, the local grid operator said.

### [Libyan oil production expected to ramp up faster](#)

PARIS (AP) -- Oil production in Libya should ramp up faster than previously forecast, the International Energy Agency said Tuesday, but the North African country still won't be at full capacity at the end of next year.

### [Freed of Gadhafi, Libyans expect post-war boom](#)

TRIPOLI, Libya (AP) -- Airlines are readying their return to Libya, ports largely shuttered during the fighting are receiving cargos and foreign oil companies that had fled the country's civil war are making tentative steps back.

And waiting eagerly on the doorstep are businessmen looking to get in on what they believe could be a bonanza for investment - an oil-rich nation with large tourism and construction potential that went largely untapped under an eccentric and often closed 42-year-long regime. Slowly, Libya is reopening its doors after seven months of fighting, even as former rebels still hunt for ousted dictator Moammar Gadhafi.

### [Bickering in Iraq over oil revenue hurts country](#)

A long-running oil dispute between two centres of power in Iraq has reignited.

### [Russia frets over EU plans to link up Caspian gas fields](#)

Moscow expressed its "disappointment" on Tuesday (13 September) over EU plans to build a Trans-Caspian pipeline connecting large Turkmen gas reserves to Azerbaijan, offering an alternative to the Russian monopoly on gas transports from that region.

### [Government figures 'wanted to buy BP oil fields'](#)

Leading government figures wanted to buy the North Sea's major fields from BP when significant discoveries were made in the 1970s, it has been claimed.

Leading oil economist Prof Alex Kemp takes a look back in the newly-published 'Official History of North Sea Oil and Gas'.

### [Japan to start buying LNG from U.S. by 2015 -Nikkei](#)

TOKYO (Reuters) - Japan plans to start importing liquefied natural gas (LNG) from the United States as early as 2015 to secure a steady supply amid growing demand for the fuel, the Nikkei business daily reported on Wednesday.

Japan is currently unable to import U.S. LNG without approval from U.S. authorities, although a Japanese trade ministry official said on Wednesday that it was seeking approval for imports by Japanese firms.

### [Tepco eyes 15 pct fee hike for 3 years-Asahi](#)

(Reuters) - Tokyo Electric Power Co , the operator of the wrecked Fukushima Daiichi nuclear power plant, is considering raising electricity charges by 15 percent for three years from next April, the Asahi newspaper reported on Wednesday.

### [Peak oil and collapse scenarios. Part 3](#)

In this final part of my blog series I take a quick look at how the Peak Oilers' view that all the big oil finds are already banked and only the tiddlers remain, stacks up against the view of the oil optimists that there is still plenty to be found, particularly under the deep oceans. Great, the environmental lobby will say, just what we need, more Deepwater Horizons polluting areas that are hugely difficult to fix, or with fantastically vulnerable ecosystems.



## [Infographic on Peak Oil - Who Uses How Much, and Where We Go From Here](#)

We've all heard of peak oil. At the rate we're consuming oil, we will either begin tapping into pristine wilderness (i.e., Alaska), drilling in areas that are entirely unsafe for drilling (i.e., even farther off-shore in even deeper waters), or we will be forced to make changes in our oil consumption patterns. Carsort, a newly launched website that helps people find "the perfect car" has put together an infographic on Peak Oil. Yes, it's entirely odd for a peak oil infographic to come from a car search website. The infographic looks at where oil resources are, the downsides of going after them, and finally the benefits of moving past peak oil to more sustainable energy sources.

## [SNP warned of 'white elephant' power plan](#)

Dr Euan Mearns, an energy expert at Aberdeen University's school of geosciences, said: "On the one hand we've got to say that we're in favour renewable energy and it would be wonderful if Scotland was a leader in it – but we may end up a world leader in a white elephant.

"The full cost of large reliance on renewable energy needs to be taken fully into account.

"That includes the cost of maintaining back-up power supplies, building new storage and new inter-connectivity, in addition to the building and maintenance of a vast new renewable energy infrastructure.

## [Hearing on Solyndra Won't Include Executives](#)

Two weeks after the bankruptcy of a solar company that got \$527 million in government loans, the House Energy and Commerce Committee will hold a hearing on Wednesday to explore what went wrong.

The tone is not expected to be friendly; the Republican leaders of the committee say that the Energy Department may have directed the money to a company with investors who were also donors to the Obama election campaign, and that the department may be preparing to give aid to other companies with iffy commercial prospects.

## [The power struggle for Wyoming's wind](#)

Wyoming is an ideal place to generate electricity from wind. But getting current from turbines to customers is a political and economic puzzle. How it plays out will have lessons for renewable-energy projects nationwide.

## [Analysis: Polish EU lead could yet set green energy example](#)

(Reuters) - Half way into its EU presidency, Poland still has the opportunity to lead eastern Europe in bringing on efficient energy technology and to prove wrong those who

see it only as an obstacle to a greener agenda.

### [‘Serious’ Error Found in Carbon Savings for Biofuels](#)

The European Union is overestimating the reductions in greenhouse gas emissions achieved through reliance on biofuels as a result of a “serious accounting error,” according to a draft opinion by an influential committee of 19 scientists and academics.

### [Energy Crops: Achieving a Balance](#)

ScienceDaily — There has been much debate about the net benefit of growing energy crops to reduce greenhouse gas emissions. While it is accepted that energy crops can displace fossil fuel imports, the emissions from the cultivation of energy crops were until now uncertain.

### [Gentlemen, Start Conserving](#)

Is green Nascar an oxymoron? After all, the sport is all about watching gas guzzlers drive at high speeds in circles for hours. Until 2007, race cars used leaded fuel. Tens of thousands of fans still drive to races in recreational vehicles and other gas hogs.

But more than any other American sport, Nascar is also a for-profit business, and like many companies these days, it is focused on cutting costs by recycling, conserving and generating its own energy. While the core of the sport remains unchanged, Nascar, its teams, track operators and sponsors are employing an ambitious set of green initiatives that includes collecting used fuel, planting trees to offset carbon emissions, and deploying sheep to keep the infield grass short.

### [Food and faith: possibilities for parishes \(Part 1\)](#)

The average American salad travels 1,500 miles to make its way to my table. In order for me to enjoy blueberries in January my blueberries are grown in Chile. The American food system, buttressed by an extensive transportation system and by agri-business' intense dependence on petroleum based fertilizers, contributes to stressors on climate and addiction to foreign oil as we enter a period of peak oil.

### [Rare earths and other critical metals - Lara Smith](#)

The reason for these commodities suddenly becoming critical is because where we are in the stage - we've got a number of macro issues that have changed over the last year. One obviously is the rise of China and the developing world as a whole. The other critical issue is with respect to green minerals and environmental concerns and looking for alternatives. The other critical issue is oil - we've simply reached peak oil and that is now where production begins to increase at a slower rate. So all those factors have come



to the fore and we need to focus our attention on getting alternative minerals to replace the coal base.

### [Drought threatens way of life for Texas ranchers](#)

"Everything about this is historic and comparable to the Dust Bowl years," says Robert Dull, an assistant professor of geography and the environment at the University of Texas-Austin, referring to the severe drought and dust storms of the 1930s that forced mass migrations from Oklahoma and other states. "People made major life-changing decisions based on that event, just as they will with this."

### [Energy bills: Taxpayers' Alliance on Daily Politics Soapbox](#)

When you open your gas or electricity bill, are you aware how much you are paying for failing attempts to cut greenhouse gas emissions?

The bad news is there is worse to come. In the coming decade, we can expect drastic hikes in prices to pay for draconian climate change regulations.

### [Why low carbon means high profit - eventually](#)

The global companies with the sharpest focus on climate change have rewarded their investors with double the average return of the world's corporate titans. That's the startling message from the Carbon Disclosure Project, which released its annual Global 500 report on Wednesday.

### [Rising sea levels could take economic toll on California beaches](#)

As rising sea levels eat away at the California coastline over the next century, the advancing ocean could cause hundreds of millions of dollars in damage to beach communities as tourism and tax revenue is swept away, according to a state-commissioned study released Tuesday.



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