



Drumbeat: September 16, 2011

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[The power of infinity](#): *How will mankind keep the lights on and the temperature down?*

AS THE American presidential election approaches, expect to hear plenty of talk in the months ahead about “energy independence”. Some candidates may also express fears over “peak oil”. The merits and terrors of nuclear power will be discussed. Anthropogenic climate change, or Republican denials of it, already has been. Energy is a critical issue in today’s political debate—as is only appropriate. Providing sufficient energy to seven billion increasingly affluent humans without burning up the planet may be humanity’s greatest challenge. “What is at stake”, writes Daniel Yergin, “is the future itself.”

Mr Yergin’s previous book, “The Prize”, a history of the global oil industry, had the advantage of an epic tale and wondrous timing. Years in the making, it was published, to critical and popular acclaim in 1990, two months after Saddam Hussein invaded Kuwait, thereby putting Saudi Arabia’s oilfields in peril. “The Quest”, as its more open-ended title suggests, is a broader and more ambitious endeavour. It is, first, an account of the many ways in which people have sought to produce energy—by burning fossil fuels, harvesting the wind, brewing biodiesel and trapping the sun’s heat. It is also an analysis of the increasingly fraught political context in which this business is conducted, especially with regard to three big and longstanding fears: energy scarcity, energy security and, more and more, the environmental ruin that energy can cause.

[The Peak Oil Crisis: A September Recap](#)

The release of the International Energy Agency's Oil Market Report for September is a good time to review the status of our ongoing crisis for the report updates the IEA's latest thinking on the prospects for global oil. The IEA reports that its preliminary estimate for world oil production in August was 89.1 million b/d despite the loss of 1.6 million b/d of Libyan production. The Agency, however, maintains that the demand for oil has been running ahead of global production since the second half 2010 when the demand for oil surged.

The difference between supply and demand, which for a while amounted to 1.4 million b/d, has been coming out of global stocks which have been slowly falling in recent months. It is this imbalance between supply and demand that is likely the root of our high oil and gas prices. World benchmark Brent crude has been over \$100 a barrel since last spring and showing little sign of falling.

[Michael Klare - America and Oil: Declining Together?](#)

America and Oil. It's like bacon and eggs, Batman and Robin. As the old song lyric went, you can't have one without the other. Once upon a time, it was also a surefire formula for national greatness and global preeminence. Now, it's a guarantee of a trip to hell in a hand basket. The Chinese know it. Does Washington?

America's rise to economic and military supremacy was fueled in no small measure by its control over the world's supply of oil. Oil powered the country's first giant corporations, ensured success in World War II, and underlay the great economic boom of the postwar period. Even in an era of nuclear weapons, it was the global deployment of oil-powered ships, helicopters, planes, tanks, and missiles that sustained America's superpower status during and after the Cold War. It should come as no surprise, then, that the country's current economic and military decline coincides with the relative decline of oil as a major source of energy.

[Crude hovers above \\$89 on optimism over Europe](#)

HONG KONG – Oil hovered above \$89 a barrel on Friday on continued optimism that European leaders would be able to get the continent's sovereign debt crisis under control.

Five central banks on Thursday gave their banks far greater access to U.S. dollars in a move aimed at shoring up confidence in Europe's financial system.

The move will buy some time for banks holding large amounts of debt issued by Greece and other financially troubled European countries. Some of these banks have had trouble paying for daily operations because other banks have refused to lend to them any more.

[Deja vu as fear factor infects China growth](#)

While oil prices have recently been stable, global economic indicators elsewhere are worryingly reminiscent of 2008, when the slump really started to set in.

[Fuel price hike good news: Montek](#)

Planning Commission today said the decision of oil marketing companies to raise petrol price by Rs 3.14 per litre was a good news and would provide credibility to the economic reforms process.

[Goldman Sachs Maintains Crude Oil, Copper Forecasts Even as Risks Increase](#)

Brent crude and copper may rally as global economic growth led by emerging markets

remains adequate to drive an expansion in raw-materials demand, Goldman Sachs Group Inc. (GS) said, sticking with forecasts for price gains.

[Chart Presentation: The Details](#)

Our view is that the strong energy trend that has dominated the markets for more than a decade is coming to an end. Our view is that energy prices will return to a flat trend below 2008's peak for at least the next few years and that 'peak oil' has more to do with demand than supply. Our view is that it is time for the trend to shift from energy producers to energy users.

[Netherlands Gas Trade Beats Peers as LNG Arrives: Energy Markets](#)

The Netherlands' natural-gas market is growing faster than its peers, fending off competition from Germany to be mainland Europe's largest as the country starts importing liquefied fuel for the first time.

[Indonesia gas output exceeds 2011 government target](#)

JAKARTA (Reuters) - Indonesia has already exceeded its natural gas production target for the whole of 2011 by almost 9 percent, boosted by higher output by energy majors, Indonesian oil and gas watchdog BPMigas said.

[Libyan oil refinery attack "isolated incident": NOC](#)

BENGHAZI, Libya (Reuters) - An attack on a Libyan oil refinery this week by militia loyal to former leader Muammar Gaddafi was an isolated incident and steps are being taken to protect oil infrastructure, the head of the National Oil Corp. (NOC) has said.

[Libya Plans to Resume Partial Oil Exports Within Four Days, Official Says](#)

Libya, holder of Africa's largest oil reserves, will resume partial crude exports within three or four days, the nation's representative to a meeting of Arab central bank governors in Doha said.

The North African nation will produce about 700,000 barrels a day by the end of this year and an estimated 1.6 million barrels a day by the end of 2012, Abdulla Saudi told reporters today in the Qatari capital.

[Russia to trim Q4 oil exports by 0.2 pct](#)

(Reuters) - Russian oil exports via Transneft pipelines will edge down 0.2 percent in the

final quarter of 2011 to 53.77 million tonnes from the previous three months, the final export schedule showed on Friday.

[Russia oil duty cut delayed by Energy Min-Sechin](#)

(Reuters) - The Russian government is waiting on documents from the Energy Ministry needed to formalise a long-awaited cut in crude oil export duty intended to encourage more oil output, Deputy Prime Minister Igor Sechin, Russia's top oil official, said on Friday.

[Iran 'opposes' EU plans to support Caspian pipeline](#)

Iran has said it shares Moscow's concern over an offer by the European Union to broker talks on a proposed pipeline to carry natural gas to the West.

The 27-nation bloc agreed on Monday to negotiate a deal between energy-rich former Soviet nations Azerbaijan and Turkmenistan aimed at building a Caspian Sea pipeline that would carry Turkmen gas directly to Europe.

[South Stream to present investment plan to banks next year](#)

(RIA Novosti) Participants of the South Stream pipeline project, intended to carry Russian gas along the bed of the Black Sea to Europe, will present its investment plan to banks in the second quarter of 2012, Paolo Scaroni, chief executive officer of Eni, one of South Stream shareholders, said on Friday.

[Ukraine leader to visit Moscow amid gas row](#)

YALTA, Ukraine (Reuters) - Ukrainian President Viktor Yanukovich will visit Moscow later this month for talks with Russia's Dmitry Medvedev on their gas dispute which has sparked sharp recriminations and driven ties between the former Soviet allies to a new low.

The one-day visit, set for Sept. 24, will be the first meeting between Yanukovich and the Kremlin leader since the two fell out over Ukraine's calls for a better deal on the price of its huge Russian gas imports.

[Russia's Gazprom signs on to Libyan oil project with Italy](#)

Sochi/Moscow - Russia's Gazprom on Friday signed on as a partner in a Libyan oil development project alongside the Italian corporation Eni, company officials said.

The Russian energy giant will pay 163 million dollars to take over a 33-per-cent stake in

Libya's Elephant oil field, purchasing half of the shares in the venture owned by Eni.

[Russia, China can agree on oil price out of court-Sechin](#)

Russia's Deputy Prime Minister Igor Sechin said on Friday that an oil supply dispute between Moscow and Beijing could be solved out of court.

A source close to the situation has said China's CNPC had underpaid \$40.5 billion to Russia's Transneft oil pipeline monopoly. Russia's top crude producer Rosneft has also complained it had not received enough money from China because of differences over tariffs. The companies said they were ready to go to court.

[Baker Hughes More Than Doubles Revolving Line of Credit to \\$2.5 Billion](#)

Baker Hughes Inc. (BHI), the world's third-largest oilfield services provider, said it obtained a \$2.5 billion revolving line of credit that more than doubles its borrowing capacity.

[ANALYSIS - BP oil spill report may prompt over \\$30 bln pay-out](#)

(Reuters) - Findings of the second major investigation by the U.S. government into the 2010 Gulf of Mexico oil spill, may press BP into putting over \$30 billion on the table to quickly settle its outstanding legal headaches.

[China warns US oil firm after spill: report](#)

China has told US oil giant ConocoPhillips to step up its efforts to seal leaks and clean up a spill off its north coast after finding oil was still leaking into the sea, state media reported Friday.

[EPA hearing on gas drilling pollution in Pa.](#)

PITTSBURGH (AP) — The U.S. Environmental Protection Agency will hold three public hearings in September on the agency's proposed standards to reduce air pollution from oil and gas drilling operations.

[China leading nuclear energy growth](#)

The world's nuclear energy capacity is set to double by 2030, reports an industry association, dispelling fears that the Fukushima disaster would put a cap on growth.

[Most Core Detectors Found Damaged At Fukushima No. 1 Reactor - Kyodo](#)

TOKYO -(Dow Jones)- Tokyo Electric Power Co. said Friday most of the detectors lying below the pressure vessel at the No. 1 reactor of the crippled Fukushima Daiichi nuclear power plant that check the condition of the control rods have been found damaged, Kyodo News reported Friday.

The damage - mostly burnt wiring or electrical shortages - is believed to have been caused by the intense heat in the wake of a core meltdown.

[Chugoku Electric says can meet peak winter demand](#)

(Reuters) - Chugoku Electric Power Co expects to be able to supply 8 percent or more above peak demand this winter by increasing fossil-fuel power generation, the president of the western Japanese utility said on Friday.

[Japan Evacuees Angered by Tepco Red Tape](#)

Evacuees from around Tokyo Electric Power Co.'s wrecked Fukushima nuclear plant said the company's 200-page package for compensation claims is "outrageous" and needs to be simplified.

[U.S. Oil and Gas Renaissance](#)

My next oil and gas trade could be my biggest gainer to date.

In fact Reuters says it could be "the next oil surprise in the U.S.," that it's a "huge formation... that could be worth up to \$20 billion to shareholders."

The formation is known as the Utica Shale, the majority of which resides in Ohio.

[Fuel crisis clear, present danger](#)

FARMERS have been warned: petrol prices will spike and agricultural production is at risk of becoming very expensive.

According to journalist, author and Fellow of the Australian Academy of Technological Science and Engineering Julian Cribb, the world passed its peak oil reserves in 2006 and if swift action is not taken, the industry will be in for a rude shock.

[Abiotic Oil a Theory Worth Exploring](#)

It's our nature to sort, divide, and classify. We label ourselves to identify political leanings, religious beliefs, the food we enjoy, and the sports teams we cheer. The oil industry too has its own distinct labels which include the "Peak Oil" theorists, those who believe the world is fast depleting the finite supply of fossil fuel; and the pragmatists, those who recognize that engineering and technological advances in oil drilling and extraction continuously identify new reserves that make oil plentiful.

And there's a third group you may not know. These people are deeply interested in oil and its origins, but their advocacy of "abiotic theory" has many dismissing them as heretics, frauds, or idealists.

[Green building to ride energy revolution](#)

The building sector is about to ride the new energy revolution currently spreading across the world, said the head of the World Green Building Council (WGBC) to participants at a green building conference in Singapore on Thursday.

[It's Time to Kill the Car Culture, Drive a Stake Through Its Heart, and Electrify Mobility](#)

Stop debating the viability of electric cars, and work on fixing our broken transportation paradigm.

[New subsidy policy for energy-saving vehicles](#)

BEIJING - China will launch a new subsidy policy for energy-saving vehicles next month in a bid to encourage automakers to increase green-technology investment and reduce oil consumption.

[Future of biofuels seen as hinging on long-term strategy](#)

James D. Newman calls it the "green-versus-green debate" in biofuels.

People want to be environmentally conscious, but they hesitate to part with more green — as in money — to pay for alternative-fuel products, the president and CEO of Noco Energy Corp. says.

[Market Risks Are Seen in Energy Innovations](#)

WASHINGTON — The same market forces that doomed Solyndra, the solar cell manufacturer that received \$528 million in government loans and then went bankrupt, could imperil other manufacturing ventures that have received loan guarantees from the Energy Department, energy experts warned this week.

The problem is that even if a company with a cutting-edge technology manages to build a factory on time and at the anticipated cost, the market price of its product can collapse before its rollout, they said. That is what happened to Solyndra and its solar power arrays, experts say, as the supply of solar panels from other factories increased and demand lagged.

[White House wary of Solyndra re-election effects](#)

WASHINGTON (AP) — The Obama administration was worried about the financial health of a troubled solar energy company even as officials publicly declared the company in good shape, newly released emails show.

[U.S. clean energy loan program could double](#)

NEW YORK (CNNMoney) -- The controversial Energy Department loan program that backed a now-bankrupt solar panel maker could nearly double in size by the month's end.

The Department of Energy has until Sept. 30 to give 14 companies final approval for loan guarantees totaling over \$9 billion.

[Drop in 2010 solar costs may accelerate: study](#)

(Reuters) - The cost to install solar power in the United States fell by 17 percent in 2010 and is on pace to drop even faster this year, according to a new report issued by the Lawrence Berkeley National Laboratory.

The total cost to place solar systems on homes and businesses in 2010 excluding government incentives dropped to \$6.20 per watt from \$7.50 in 2009, according to the study, the fastest drop in the 13 years of data included in the study by the Berkeley Lab, which is managed by the University of California and partly funded by the U.S. Energy Department.

[World's First Solar Building Exporting Power Shelved by Abu Dhabi's Masdar](#)

Masdar shelved plans for the world's first building that makes more energy than it consumes, a year after the financial crisis forced the Abu Dhabi company to step back from setting up the first carbon-neutral city.

[China Consolidates Grip on Rare Earths](#)

BEIJING — In the name of fighting pollution, China has sent the price of compact

fluorescent light bulbs soaring in the United States.

By closing or nationalizing dozens of the producers of rare earth metals — which are used in energy-efficient bulbs and many other green-energy products — China is temporarily shutting down most of the industry and crimping the global supply of the vital resources.

[Who Says Food Is a Human Right?](#)

In 1981, Nobel Prize-winning economist Amartya Sen published *Poverty and Famines*, challenging the common perception about the root causes of hunger. Through careful analysis of hunger in India, Bangladesh and Saharan countries from the 1940s onward, Sen documented that famines had occurred amid ample food supply, even in some countries exporting food. His conclusion—radical at the time—was that famine is not a crisis of productivity but a crisis of power. Ten years earlier, in her 1971 book, *Diet for a Small Planet*, my mother, Frances Moore Lappé, put forward a similarly heretical notion: on a planet that produces more than enough calories to make us all chubby, hunger's root cause is clearly not a scarcity of food but a scarcity of democracy.

[A War Against Food Waste](#)

A food industry alliance is planning a three-year initiative to reduce the tremendous amount of food that Americans still throw in the garbage even as they grow somewhat more conscientious about recycling paper and yard trimmings.

The effort, announced by the Grocery Manufacturers Association, an alliance of food, beverage and packaging makers, aims both to reduce the amount of food sent to landfills and to increase donations to food banks for the poor. The effort is being carried out and financed in concert with the Food Marketing Institute.

[East Vancouver tenants challenge explicit orders to remove their garden](#)

At issue is Peters's claim that she and her boyfriend, Jeffery Radke, agreed to rent because they were explicitly told they would be allowed to garden to feed themselves year-round. The couple did not formalize this in written form, only verbally, but have gardened since moving into the large, 102-year-old house in November 2009.

The couple are refusing to take out the garden. Management for Taryn Court Apartments, owners of the building, told them they will tear up the garden if it is still there on September 18 and replace it with lawn.

[Greenhouse Gas Rule Delayed](#)

To the surprise of almost no one, the Environmental Protection Agency confirmed on

Thursday that it would not meet a Sept. 30 deadline for issuing rules governing greenhouse gas emissions from power plants and other major sources.

[People forced to move as world's lowest country sinks under rising seas](#)

MANILA, PHILIPPINES—Entire communities on some islands in the Maldives have been forced to relocate because of rising sea levels, a Maldivian minister said Thursday in a reminder that global warming is taking a heavy toll on low-lying island nations.

[Climate change to leave Pacific hungry](#)

Pacific people will grow increasingly hungry and malnourished if the threat of climate change is not swiftly dealt with, a report warns.

The Asian Development Bank has issued an urgent call to rethink strategies dealing with rising temperatures, droughts, floods, higher tides and soil erosion linked to global warming.

[Record Arctic Ice Melt Threatens Global Security](#)

UXBRIDGE, Canada (IPS) - All the analysis and commentary about safety and security on the tenth anniversary of 9/11 ignored by far the biggest ongoing threat to global security: climate change. Just days before Sunday's commemoration of the attacks, German scientists pointed to yet another smoking gun of climate change: the Arctic sea ice reached a new historic minimum ice extent.

The rapidity with which the planet is losing its northern ice cap continues to astonish experts. The defrosting northern pole is one of the prime drivers of Earth's climate system and is changing global weather patterns in unpredictable ways.



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