

# **Drumbeat: December 2, 2011**

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#### Anthracite shortage as fuel goes overseas

Brown said a variety of factors - not the least of which is that China, India and other Asian countries are buying up more than half the 6 billion tons of coal burned each year - have led to an anthracite coal shortage in Berks.

...The dearest commodity is rice coal, a finer, gravel-like anthracite coal product used in the newer, more-efficient home stoves and furnaces that are used as supplemental heat sources in many homes. The shortage has been harder on the Amish because many use coal as their main source of heat and energy, Brown said.

"We're experiencing a big-time shortage," she said. "And it's probably going to continue for five to eight years, based on what we're hearing."

## John Michael Greer: Pepperspraying the future

What all these three news stories have in common is that they display an attitude—it could as well be described as a belief, or even a religion—that treats the satisfaction of short term cravings for material goods as the only thing that really matters. The shopper with her pepper spray, the politician with his absurd claim, and the government with its blind disregard for national survival, each acted as though *getting the stuff* is all that matters, and any obstacle in the way—whether the obstacle was other shoppers, the laws of physics and geology, or the fate of Canada's future generations—was an irrelevance to be brushed aside by any available means.

In recent years, there's been a fair amount of intellectual effort devoted to the attempt to prove that this is inevitably how human beings will act, and this effort has had an influence well beyond the borders of, say, cognitive neuroscience. Glance over anything the peak oil blogosphere has to say about the absurdity of today's public policies on energy, the environment, or the economy, for example, and it's a safe bet that somebody will post a comment insisting that this is how human beings always behave. In point of historical fact, though, this is far from true. The popularity of the monastic life across so many cultures and centuries is hard to square with such claims; it has not been uncommon for anything up to ten per cent of the population of some countries and times to embrace lives of poverty, celibacy and discipline in a monastic setting. Clearly, whatever drives push our species in the direction of the satisfaction of short term cravings are not quite as omnipotent as they've been made out to be.

## Fuel experts say gasoline consumers had it easy during recent storms

There was plenty of inconvenience, but no real threat of a fuel shortage in the days following both last October's nor'easter and Tropical Storm Irene, industry experts told a state panel Wednesday.

But if Connecticut were to face a major hurricane similar to the one that struck in 1938, emergency fuel supplies could be exhausted within a week or two.

### North America: US has its eye on oil independence

For decades, America has worried about Saudi Arabia's plans for oil production; now Saudi Arabia is starting to worry about the US.

In a reversal of roles, US oil production has begun to rise, and expectations are growing that North America (including Canada, where production is growing even faster) will become an increasingly potent force in world oil markets. Even the Saudis, holders of the world's largest reserves of crude, are having to pay attention.

#### U.S. energy independence draws near

Innovations for reaching oil, gas in North America could end the era of Saudi influence.

#### GOM Escapes Another Hurricane Season

The 2011 hurricane season seamed quiet with only one major hurricane making landfall, but it actually tied with 1887, 1995 and 2010 as the third busiest year for tropical storms. Only 1933 and 2005 had more named storms since record keeping began in 1851. The Atlantic produced 19 named storms and seven hurricanes, three of which reached Category 3 or higher, compared to the average 10 named storms and six hurricanes.

#### Cyber Security Poses Threat to O&G Bottom Line

Financial loss and intellectual property theft are two of the impacts businesses are feeling from breaches in cyber security, a threat that the U.S. government and industries are beginning to address.

A number of industries, including the military and health care, have been targeted through cyberattacks, and the Stuxnet virus, which was used to take control of nuclear power plants in Iran, highlights the potential threat to energy assets.

## Rosneft 'seeks Norway suitor' in Arctic

Russian state oil company Rosneft has hinted that it may be looking for a Norwegian partner for exploration in a formerly disputed area of the Barents Sea, according to a report.

### South Sudan Warns Oil Cos Against Working with Sudan

The government of newly independent South Sudan warned foreign oil companies against working with the government in Sudan, the latest sign of heightening tensions over oil between the two neighboring countries.

In response to an announcement by Sudan that it would take 23% of oil revenues from South Sudan for pipeline and transit fees, South Sudan said in a statement Thursday that any foreign oil companies operating in South Sudan shouldn't cooperate with the Sudanese government.

### Pemex makes Gulf gas hit

Pemex has pointed to "great potential" at an exploration well in the Gulf of Mexico after coming up trumps with a natural gas find.

## Will Coast Guard icebreaker solve Nome's winter fuel shortage?

About the time U.S. Sen. Mark Begich was writing a letter to the Coast Guard pleading for ice-breaking help to get 1.6 million gallons of fuel to Nome, residents in that Northwest Alaska community of 3,600 were looking out the window at, lo and behold, the Coast Guard's only functioning icebreaker.

# Saudi Arabia Poised for Record Heavy-Crude Premiums on Fuel Oil

Rising demand for fuel oil is allowing Saudi Arabia, the world's biggest exporter, to sell its lowest-grade crude at record premiums to buyers in Asia.

## Will EPA Shut Down Shale?

The latest salvo in the administration's war on energy may be new rules and permits to regulate a process to get oil and gas from porous rock, sacrificing jobs and economic growth while under review.

### Europe set to lead 'next frontier' in renewables: analyst Yergin

London (Platts) - Countries in the European Union will spearhead the drive for the next generation of renewable energy technology, Pulitzer Prize-winning energy analyst Daniel Yergin told Platts late Thursday.

"Europe, particularly Germany, will be a laboratory for offshore wind. It's the next frontier for renewable power," he said.

### The Energy Audit: A Sacred Cow of Energy Management

It didn't take long before I stopped doing any type of audit, survey or study to see if I could determine if a facility had potential opportunities to save energy. I realized that every single one had potential. I decided that there were only two criteria for determining whether a facility would be a good candidate for my services. Number one was, did top management strongly support the efforts to save energy? Number two was, did the facility spend enough on utilities to justify my efforts?

## Car buyers not only buying, but they're paying more

In the best showing in months, sales of new cars, trucks and crossovers climbed to an annualized rate of 13.5 million during November as virtually all the domestic, Asian and European brands posted double-digit sales increases.

In fact, several makers — including both Audi and Hyundai—announced all-time records for November.

## Chevy Volt misses 2011 sales goal

NEW YORK (CNNMoney) -- General Motors admitted Thursday that it won't sell the 10,000 Chevrolet Volts that it had hoped to sell in 2011, and said that it would buy the plug-in electric car back from any customer fearful about its safety.

#### MPG of a human

Our walking or biking economies look pretty decent stacked up against cars—especially if we considered consuming foodstuff as potent as gasoline. This is all well and good until one appreciates that because of the way Americans grow, harvest, distribute, and prepare their food, every one kilocalorie of food eaten has consumed about 10 kcal of fossil fuel energy (dominated by oil). Our 7000 kcal gallon of food therefore took 70,000 kcal of fossil-fuel energy to produce, or a little over two gallons of gasoline. So you would divide the "food economy" values we calculated by 2.2 to get the fuel economy that supported your bike trip or hike. Now walking consumes 18–34 MPG of oil equivalent, and biking comes in at 70–130 MPG.

Monsanto Co. (MON) corn that's genetically engineered to kill insects may be losing its effectiveness against rootworms in four states, the U.S. Environmental Protection Agency said.

Rootworms in Iowa, Illinois, Minnesota and Nebraska are suspected of developing tolerance to the plants' insecticide, based on documented cases of severe crop damage and reports from entomologists, the EPA said in a memo dated Nov. 22 and posted Nov. 30 on a government website. Monsanto's program for monitoring suspected cases of resistance is "inadequate," the EPA said.

## Savoring Bogs and Moose, Fearing They'll Vanish as the Adirondacks Warm

Nothing we see here is found at temperatures 10 degrees warmer, and very little makes it to five degrees warmer," Mr. Jenkins said matter-of-factly on a mild fall day. "We will be in a climate that this community has never known in its history. One has to go back to world climate levels we haven't seen in 15 million years."

### How Peak Oil Pricked the Housing Bubble

The insider accounts offer a perverse tale of how the "false economy" – the Wall Street whirlwind of credit default swaps and mortgage derivatives and wanton speculation – kneecapped the real economy – the place where people make goods and services that have actual uses. The investigative exposés are essential reading for anyone who wants to understand how late-stage capitalism works.

And yet they fail to tell the whole story. I have read a number of those books, and I looked in vain through their pages for a phrase that I suspected would be there: "rising gas prices." This seems to me a stunning oversight. The mainstream narratives of the real estate collapse neglect a crucial fact. They don't note that everyone involved – from the Goldman Sachs vampires, to the boiler room loan sharks, to local homebuilders and federal officials – shared the assumption that gasoline would stay cheap enough to subsidize houses in the middle of nowhere.

## Crude Oil Heads for Weekly Gain as Iran Tension Stokes Supply Concern

Oil rose, heading for its first weekly gain in three, as concern deepened that tension between Iran and the west will disrupt Middle East exports.

Futures jumped as much as 1.4 percent after the Labor Department said U.S. unemployment rate unexpectedly declined to 8.6 percent from 9 percent, before paring their advance. European governments tightened sanctions on Iran, the second- biggest crude producer in the Organization of Petroleum Exporting Countries, in a clampdown over the Persian Gulf nation's nuclear program. Bank of America Corp. today cut its 2012 Brent forecast.

## EU, U.S. Toughen Sanctions Against Syria

The European Union and the U.S. toughened sanctions against Syrian President Bashar al-Assad's government, while the United Nations said the estimated death toll from his crackdown on dissenters this year exceeds 4,000.

#### Syria Risks 'Full-Fledged Civil War' Unless Assad Ends Crackdown, UN Says

Syria risks being engulfed in a civil war unless President Bashar al-Assad's government ends its crackdown on opposition protesters, said the top human-rights official of the United Nations.

"The Syrian authorities' continual ruthless oppression, if not stopped now, can drive the country into a full-fledged civil war," UN High Commissioner for Human Rights Navi Pillay said at a special session of the UN Human Rights Council in Geneva.

## Shell to cease activities in Syria

(Reuters) - Royal Dutch Shell said on Friday it will cease activities in Syria to comply with a new round of sanctions.

#### <u>Factbox - Sanctions imposed on Syria</u>

(Reuters) - The European Union imposed sanctions on Friday on three Syrian oil firms - state-owned Syria Trading Oil (Sytrol), General Petroleum Corporation (GPC), and Al Furat Petroleum Company -- stepping up pressure on Damascus over a crackdown on protests.

Here are some details of sanctions imposed so far:

## Sudan says to take quarter of south's oil, as talks fail

Sudan will take 23 percent of the south's vital oil exports as payment in kind, after talks in Addis Ababa failed, but will not block Juba's exports, Sudanese officials said on Wednesday.

"In the interim period, we are not going to charge the full fee. We will deduct about 23 percent as payment in kind," a senior oil ministry official told AFP, speaking on condition of anonymity.

LAGOS, NIGERIA — Authorities say gunmen have released at least two workers who were kidnapped two weeks ago from a ship supplying a Chevron Corp. offshore oil field in waters off Nigeria.

#### Why energy journalism is so bad

One of the questions that plagues me constantly is, "Why is energy journalism so bad?" Most mainstream articles about energy will leave you horribly confused at best, or horribly misled at worst. Today I will try to teach you how to read reports on energy without getting lost.

## New York Fracking Rules Won't Protect City Water, Foes Say

The drinking-water supply for 9 million people in New York City won't be protected by New York state's proposed rules on hydraulic fracturing for natural gas, residents and politicians said.

## State Fracking Hearings Drew 6,000, N.Y. Says

Proposed regulations governing the natural gas drilling process known as horizontal hydraulic fracturing drew 6,000 people to four public hearings in New York State and have so far elicited more than 10,600 written public comments, the state Department of Environmental Conservation said on Thursday.

"The turnout of 6,000 people at the hearings demonstrates how strongly New Yorkers feel about this important issue," the department's commissioner, Joe Martens, said in a statement. "Nearly 600 individuals took the time to voice their opinions, which ranged from urging an outright ban to urging drilling to occur now."

## Shale Pioneers Plan Next English Wells After Fracking Causes Earthquake

The sound that woke Caroline Murphy after midnight on April 1 was so loud she thought a car had crashed into her house. She doesn't feel any better knowing it was the U.K.'s first recorded earthquake caused by natural-gas exploration.

"It sounded like something had hit the house and literally jolted us out of bed," Murphy, said at her home in Singleton, a village of about 900 in Lancashire, northwest England. "It was like a car or crashing metal. It was such a loud sound."

### Chevron's South American Headaches Continue; Brazil Shuts Down Oil Well

Chevron's (CVX) Brazilian subsidiary was forced to shut in one of its 11 productive oil wells in its Frade field development far off the coast of Rio de Janeiro following a drilling accident there on Nov. 9. The decision by the National Petroleum Agency in Brazil just adds to the U.S. multinational energy company's image problems in South America.

#### Canada natives sue Shell over oil sands funding

TORONTO (Reuters) - A Canadian native group is suing Royal Dutch Shell Plc for what it said was a failure by the oil major to live up to environmental funding agreements tied to Shell's massive northern Alberta oil sands developments.

## Atomic Spat Rocks French Election as Sarkozy Rival Backs Halts

For decades the French political elite agreed that nuclear energy was the best way to power the nation, and today France gets about three-quarters of its electricity from its 58 reactors.

In the wake of the Fukushima disaster in Japan last March, though, unified support for nuclear power is crumbling.

### A Big Uranium Deposit, and a Big Debate on Mining It

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m CHATHAM}$ ,  ${
m Va.}$  — Atop Coles Hill, a crown of oak trees encircle an old plantation house from which generations of Coles have looked down gently sloping lawns to fields that once grew tobacco.

Today, enormous uranium deposits below the estate's rolling hills and pastures have set off a bitter fight over mining in this community 30 miles north of the North Carolina border.

#### GM offers to buy back Chevrolet Volts from fearful owners

General Motors will buy a Chevrolet Volt back from any owner who is afraid the plug-in extended-range electric car will catch fire, the company's CEO told the Associated Press today.

## Pull plug on electric vehicle subsidies

Like many green initiatives promoted by this administration and bankrolled by the American taxpayer, the electric car is better in theory than in practice; has limited consumer demand; is heavily subsidized; and has fallen short of reaching its targeted goals.

All the while, the American people are getting a lousy return on their investment.

## Volt is drivers' favorite, topping even Porsche

The Chevrolet Volt extended-range electric car is the most popular among owners, topping a perennial favorite that costs twice as much, the Porsche 911, and a recent addition, the Dodge Challenger, according to an annual survey published Thursday by Consumer Reports.

#### China to double surcharge to subsidize renewable power

(Reuters) - China will double a surcharge on power sales to 0.008 yuan per kilowatt hour to subsidize renewable power generation from Thursday, the National Development and Reform Commission said.

## <u>Lingering joblessness taxes nation's food banks</u>

The face of hunger in America is changing. It's a little more ex-middle class, a little more desperate and there are a lot more mouths to feed, people who run the nation's food banks say.

"We're seeing a lot more families, many who are running out of money and benefits because of long-term unemployment," said Bill Clark, executive director of food bank Philabundance. "Since 2007, the changing face of hunger has been influenced a lot by unemployment."

#### Hard to swallow but food security threat is very real

It's intrinsically scary: 7 billion people, growing to 9 billion. Can we feed them all? Already, obviously, we don't. But climate change could make global food insecurity much, much worse.

### JPMorgan Follows UBS Cutting Carbon Jobs

Investment banks are cutting traders and analysts in climate-related businesses as a slump in shares and carbon emission permits coincides with a deadlock in international climate talks.

#### Canada Quitting Kyoto Could Mean Escaping \$6.7 Billion Carbon Offset Bill

Canada, the country furthest from meeting its commitment to cut carbon emissions

under the Kyoto Protocol, may save as much as \$6.7 billion by exiting the global climate change agreement and not paying for offset credits.

## Developing nations cry foul over alleged bribery at climate talks

A new report by the World Development Movement (WDM), makes serious allegations relating to the climate talks in Copenhagen and Cancun. Developing countries have described pressure tactics used on the sidelines as 'deceitful' and 'unfair'.

Representatives from many of the world's poorest nations claim that they were harassed by officials from Britain and the United States, and pressured to sign agreements that were against their interests. Many of the negotiators who gave information to the report's authors have done so anonymously.

## U.S. Sees 'Strong Resistance' for Binding Goal on Emissions

The U.S. said there's "strong resistance" from some developing nations for measures at UN climate talks that would require them to sign up to mandatory targets on reducing greenhouse gas emissions.

## Geoengineering could save Earth -- or destroy it

(AP) -- Brighten clouds with sea water? Spray aerosols high in the stratosphere? Paint roofs white and plant light-colored crops? How about positioning "sun shades" over the Earth?

At a time of deep concern over global warming, a group of scientists, philosophers and legal scholars examined whether human intervention could artificially cool the Earth - and what would happen if it did.

## **How to Police Geoengineering?**

When people consider using engineering techniques to counter the effects of climate change, they usually think first about the technical difficulties involved. But a new report points out challenges that may be even more important: regulating the research on such technologies, and their potential deployment.

The report is the result of a collaboration organized by the Royal Society, Britain's premier scientific organization, and a variety of other nongovernmental organizations.

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