



Drumbeat: December 7, 2011

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[Five Truths About Our Energy Future](#)

Here's the thing that forecasts about energy use and production tend to have in common: they're probably wrong. From the predictions in the 1950s that nuclear energy would one day be too cheap to meter, to the belief in the 1970s that the world would run on solar power by the end of the 20th century, would-be energy prophecies have seemed to come from very cloudy crystal balls. Today the biggest trend affecting global energy markets is the explosive growth of shale natural gas — something that virtually no one thought was even viable 20 years ago. Technological advances, new discoveries, unexpected economic crises, environmental concerns — all of these factors can skew our expectations about how we'll be powering our homes, cars and industries tomorrow. So when you listen to the gloomy forecasts from peak-oil theorists or hear the sunnily optimistic scenarios of energy executives, keep this in mind: the future is really, really hard to predict.

[Crude Oil Futures Decline on Concern EU Summit May Not Resolve Debt Crisis](#)

Oil fell, snapping three days of gains on concern that the European Union's debt crisis may not be resolved by the group's summit this week.

Crude retreated as much as 0.4 percent as the dollar gained against the euro after a German government official said Chancellor Angela Merkel's government is more pessimistic of the outcome of an EU leaders' summit in Brussels beginning tomorrow. The dollar rose as much as 0.3 percent against the euro, making it more expensive for holders of the European currency to purchase dollar-commodities such as oil.

[OPEC: Speculators to blame for high oil prices](#)

DOHA, Qatar (CNNMoney) -- The head of OPEC said Wednesday that speculators are at least partly to blame for high oil prices -- not any lack of supply on world markets.

Speaking at a World Petroleum Congress panel, OPEC Secretary General Abdulla Salem El Badri said the world has plenty of crude but that the number of barrels of oil changing hands in the financial markets is 35 times greater than the actual supply.

[BP boss Bob Dudley warns of high oil prices](#)

High oil prices could send the global economy into a fresh recession, the chief executive of oil giant BP has warned, writes Michael Glackin.

Oil prices have remained stubbornly high, driven by a combination of supply fears due to Middle East political unrest, and continuing strong demand from fast-growing economies in Asia.

[OPEC chief hopes EU will not impose embargo on Iran oil](#)

(DOHA) - The head of the Organisation of Petroleum Exporting Countries (OPEC) said on Wednesday he hoped the EU would not press sanctions on Iran's "difficult to replace" oil exports.

"I really hope there will not be an EU embargo on Iranian oil," OPEC Secretary General Abdullah El-Badri said at the World Petroleum Congress in Doha.

"It will be very, very difficult to replace" the exports of this OPEC member, he said.

[Russia to stay 'neutral' on Iran oil embargo](#)

(DOHA) - Russia will remain as "neutral as possible" on a possible European embargo on Iranian oil, the country's energy minister said Wednesday, warning against the "politicisation" of the energy sector.

[Saudi Arabia Crude Production Rises to Highest in Three Decades](#)

Saudi Arabia, the world's biggest crude exporter, boosted output last month to the most in more than three decades to meet customer demand.

"We produced 10 million and 40 barrels in November because that's what the customers wanted," Ali al-Naimi said in an interview in Durban, South Africa, where he is attending a climate conference. That's the highest level since at least 1980, according to data from the U.S. Energy Department. The desert nation pumped 9.4 million barrels a day in October, al- Naimi said on Nov. 20.

[Saudi Arabia – Headed for A Downfall?](#)

The figure shows that Saudi Arabia has not been increasing its production for many years. At the same time, the country's own oil consumption has been rising rapidly. The combination means that oil exports have already started declining.

[Saudi oil boss says fossil comeback gives renewables time](#)

Khalid Al-Falih, Saudi Aramco's chief executive, told the 20th World Petroleum Congress that a confluence of factors will position the oil and gas industry for a new era of success.

He says the global discourse on energy is being changed by deflating "peak oil" concerns, the "faltering pace" of renewables and other alternatives, economic uncertainty and a shift in environmental policy.

"Rather than the supply scarcity which many predicted, we have adequate oil and gas supplies, due in large part to the contributions of unconventional resources," claims Al-Falih.

[Oil majors' skills vital for Gulf](#)

The Middle East is likely to become more reliant on the expertise of international oil companies as the region's oil and gas deposits are increasingly hard to extract, says BP's chief executive.

[Peak oil debate losing relevance due to new upstream technology: Repsol CEO](#)

The debate over whether the world's reserves of hydrocarbons have now peaked and are in decline has lost relevance over recent years as new technology allows oil companies to find and exploit new hydrocarbon sources, the CEO of Repsol Antonio Brufau said Tuesday.

[Shell Says Exports, Truck Fuel Among Options for U.S. Shale Gas](#)

(Bloomberg) -- Royal Dutch Shell Plc, Europe's largest energy producer, is weighing options for rising North American natural-gas output including exports and making liquid fuels, Chief Executive Officer Peter Voser said.

Shell will double North American gas production in the next three years to the equivalent of 400,000 barrels of oil a day as output from shale deposits rises, Voser said in an interview. Shell may channel gas into chemical production, an export project in Canada, and a program to use the fuel to power trucks, he said.

[Is natural gas drilling causing Ohio earthquakes?](#)

New monitoring equipment will help determine whether earthquakes in northeast Ohio are resulting from the disposal of brine used in natural gas drilling.

[The Estonian connection: Or how I started worrying about oil shale](#)

Here's a primer: Underground room and pillar or strip mining is typically used to get the rock, which is then ground up, heated to extremely high temperatures, or retorted, to get the "oil" out of the kerogen, a waxy hydrocarbon. The oil then must be processed and refined in order to make them into a mid-grade fuel. It's a water-intensive process. The leftover shale -- laden with the same sort of nasty heavy metals and other substances as coal combustion waste -- actually expands during the process, making disposal a bit of a challenge.

It sounded as crazy back then as it does now.

And it's that very craziness that has largely kept oil shale off my radar as a journalist covering the big issues in the West. It's simply too costly, too inefficient and too illogical for any profit-minded company to pour billions of dollars into trying to make it work. Why waste time, I thought, worrying about something that was nothing more than some western Colorado energy booster's waxy hydrocarbon dream?

[BP Has Road Map in Citgo Oil-Spill Case for Macondo Fine](#)

A Citgo Petroleum Corp. oil-spill case gives a template for the way BP Plc (BP/)'s liability and penalty will be decided in the government's Clean Water Act lawsuit over the worst U.S. offshore spill.

[Survivor of Oil-Tanker Rout Sees Biggest Returns in Coal Carriers: Freight](#)

Knightsbridge (VLCCF) Tankers Ltd., whose long-term charters mean it is still profitable during the worst shipping-rate slump in more than a decade, says the biggest returns in 2012 will come from hauling coal and iron ore.

[Kazakh dep oil min sees Kashagan Phase 2 by 2019](#)

(Reuters) - Kazakhstan expects the second phase of its giant Kashagan oilfield to be launched by 2018 or 2019, with first oil now expected in June 2013, the vice oil and gas minister said on Wednesday.

The start of the Kashagan project in the Caspian Sea, the biggest oil discovery since the 1960s, has repeatedly been delayed while costs have soared.

[Bulgaria abandons oil pipeline project with Russia, Greece](#)

Sofia - Bulgaria said on Wednesday it would withdraw from a joint pipeline project to carry Russian oil to Greece, citing possible accidents that could have an environmental impact and harm its tourism industry.

[Saving Shambala from a Russia-China pipeline](#)

Pristine wilderness in a remote corner of Siberia and a Stone Age archaeological legacy notwithstanding, Russia and China are working furiously to complete a natural gas pipeline agreement that would see the fragile Ukok Plateau in Russia's Altai Republic forced open to development, driving one more industrial stake into the heart of the earth's dwindling wild places.

The plot is familiar - giant multinational corporations want to develop a controversial gas pipeline - but the setting is anything but familiar. In a little-known border region of Russia's Altai Republic, where southern Siberia's Altai Mountains meet northwest China's Xinjiang Uighur Autonomous Region and the frontiers of eastern Kazakhstan and western Mongolia, national boundaries form an enormous "X".

[BP, Shell Plan to Resume Exploration, Boost Production in Libya](#)

(Bloomberg) -- BP Plc and Royal Dutch Shell Plc, Europe's biggest oil companies, aim to resume exploration in Libya, whose new government seeks to stabilize relations with foreign companies following the ouster of Muammar Qaddafi.

[Saboteurs attack Iraq pylons transporting power from Iran](#)

Baghdad - Saboteurs attacked pylons supporting high-tension cables that bring electricity from Iran to Iraq, killing a policeman and interrupting the power supply, an Iraqi official said on Wednesday.

[Syria's Assad Says He Didn't Order Crackdown](#)

Syrian President Bashar al-Assad denied ordering the military to crack down on civilians and said that most of the people who have been killed in protests and fighting since March were his supporters and troops.

"There was no command to kill or be brutal," al-Assad said in an interview with ABC News. When asked whether his security forces acted too harshly, he said: "They are not my forces. They are military forces that belong to the government."

[China trying to mediate oil impasse between Sudan, South Sudan, stepping up Africa role](#)

JUBA, South Sudan — China is inserting itself into the fight over oil between Sudan and its former territory South Sudan, sending a special envoy to try to break a deadlock between two rivals.

[The End of Growth in the United States](#)

Care to forecast the US will return to economic growth, given energy prices and aggregate levels of debt in the OECD nations? Good luck with that. The US could certainly increase taxes, and reduce government spending. But that won't restore economic growth. How about increasing annual government deficits more rapidly, to double our debt even faster? Good luck with that too. As I have written before, the energy limit and total debt now trump the tiresome argument between Austrians and Keynesians, rendering the conversation moot.

[Trade of the Decade - Cook`s Kitchen](#)

You already know I'm not an economist. You will also not be surprised to learn that I am not a geophysicist either. My expertise is clearly limited in the realm of "peak oil" theories.

But just like I can make broad-stroke conclusions about the European debt crisis that guide my trades (without knowing all the micro-economic details), I can also do some classical inductive reasoning about global oil supplies. Since a new oil field bigger than Saudi Arabia's hasn't been discovered in decades of exploration, it's not a stretch to assume we may be very close to the "peak".

[Is Oil Fueling the Rise in Political Partisanship?](#)

The US is arguably the most fossil fuel-dependent nation on earth. It is also widely acknowledged that the degree of electoral volatility and political partisanship has increased in the United States in recent years. Could discontent sparked by an uptick in volatility in oil prices be one reason behind why American politics of late seems to have gotten so much nastier ?

[FAO Report Warns About Fossil Fuel Dependence in Global Agriculture](#)

The food sector uses around 30 percent of total global primary energy consumption. Petroleum products are used to transport, produce, cook, and store food, and the success of feeding the world's growing populations can largely be attributed to fossil fuel inputs à la Norman Borlaug's green revolution.

[The Lesson That Pearl Harbor Should Teach Us](#)

We face a threat----scarcity----which will breach every wall, border or nuclear umbrella. The virtue of the analyses like those of Jack Alpert and Chris Clugston is that they remind us that we are all tied into a global resource base. The depletion of the minerals and metals and fuels (NNRs) which Chris has inventoried will affect everyone on this planet as surely as the radiation did in Nevil Shute's book (and movie) and in

"Testament". We can hide behind our gated communities, or behind militarized borders, but scarcity will come calling and will not be kept out. Not even a trillion dollar-a-year military budget can save us.

["When The Oil Runs Out" - A Sadly Relevant Punk Rock Classic \(music video\)](#)

From the IEA's dire warnings about peak oil to business leaders claiming that peak oil could dwarf our current financial crisis, the idea that we can't keep relying on cheap fossil fuels to run our already faltering economy has gained considerable traction in recent years.

But much like Matthew's lament on the tragically repetitive groundhog day that is COP17, it's worth remembering that we've known (or at least should have known) for a very, very long time that oil will not last forever and that designing systems that can thrive in a post-oil era is simply a case of common sense.

Lyrics [here](#)

[Artist Chronicles the Petrochemical Age With Crude Oil Paintings](#)

Just like the first gush of black gold that emerged from Saudi Arabia's inaugural oil well in 1937, the idea to chronicle the petrochemical age came quite suddenly to artist Piers Secunda. He was riding on the London tube reading Daniel Yergin's history of oil, *The Prize*, when it occurred to him that he wanted not just to paint oil scenes, but to paint them with crude oil.

[Why the future needs great comedians](#)

Last February I had the dubious pleasure of seeing comedian Rod Quantock's show *Pardon My Carbon* at the Sustainable Living Festival in Melbourne. In this performance his opening remarks moved swiftly into a discussion of those humans he thinks should be eaten first. Out of foreseen necessity, I should add. Quantock outlined a dystopian future he predicted would emerge due to the interconnected problems of climate change, "peak oil", food price increases and associated growing supply requirements, population growth, and water scarcity. Andrew Bolt, along with someone called John who used to live in Canberra, was at the top of his list. An audience member who admitted he wasn't sure if climate change is largely humanly caused was also added to the list.

[Hawaii Should Show Way to Better Energy Future](#)

Over the past decade, world oil prices have advanced from approximately \$25 per barrel to more than \$100 per barrel. Had the price of oil merely kept pace with inflation, the \$25 barrel in 2000 would have been worth just over \$30 in 2010. Thus, there was a fundamental shift in the oil markets.

By 2005, the idea that the price increase was being caused by oil depletion – commonly referred to as “peak oil” – was receiving widespread attention. While some dismissed the idea of peak oil, instead offering up speculation, OPEC, growth in developing countries, or other geopolitical factors as the primary factors behind the advance in prices – oil production remained flat despite record high oil prices.

[Japan Split on Hope for Vast Radiation Cleanup](#)

Even a vocal supporter of repatriation suggests that the government has not yet leveled with its people about the seriousness of their predicament.

“I believe it is possible to save Fukushima,” said the supporter, Tatsuhiko Kodama, director of the Radioisotope Center at the University of Tokyo. “But many evacuated residents must accept that it won’t happen in their lifetimes.”

To judge the huge scale of what Japan is contemplating, consider that experts say residents can return home safely only after thousands of buildings are scrubbed of radioactive particles and much of the topsoil from an area the size of Connecticut is replaced.

[Fukushima’s Ripple Effects Continue](#)

The triple meltdown at the Fukushima Daiichi nuclear plant in March startled many people in the American nuclear industry, the chairman of the Nuclear Regulatory Commission said on Tuesday, although the success in ultimately gaining control of the reactors did not.

“I think there are many people who are associated with this industry who believed we had designed away, or operated in a way, that eliminated the possibility of ever having a significant, really severe accident,” said the chairman, Gregory B. Jaczko, who held a year-end roundtable session with reporters.

[Shuttered Nuclear Reactors Open Energy-Supply Gaps in Daimler’s Hometown](#)

Matthias Schuele’s aluminum foundry stands a 30-minute drive from a nuclear reactor that supplied electricity for more than three decades until German Chancellor Angela Merkel switched it off in March.

His furnaces today are backstopped by power generated in Austria while Merkel’s government spars with utilities including EON AG over how to add 20 gigawatts of fossil-fuel plants and offshore wind farms, and 3,600 kilometers (2,237 miles) of high-tension cables fast enough to keep his lights on.

[U.S. and South Korea Renew Talks on Nuclear Technology](#)

SEOUL, South Korea — United States and South Korean negotiators on Tuesday resumed their low-key but highly sensitive talks on whether South Korea should be allowed to do what Washington has tried to stop North Korea from doing: enrich uranium and reprocess spent nuclear fuel.

[AP Source: Coolant leak likely cause of Chevy Volt fires](#)

The liquid solution that cools the Chevrolet Volt's batteries is the likely cause of fires that broke out inside the electric car after government crash tests, a person briefed on the matter said.

[Shrewsbury weir electricity plans get £15k of funding](#)

A Shropshire group hoping to generate electricity from the River Severn has won £15,000 to move its plans forward.

...Mr Scutt said: "We're looking at things post peak oil and anything not dependent on fossil fuels.

"The plan is to install a hydro electric plant, the turbine would be underground so you wouldn't see anything different."

[Conclave to Open on Mekong's Fate](#)

The Laotians call it Mae Nam Khong, the Mother of Water. The Vietnamese refer to it as Song Cuu Long, or the Nine Dragons River. The Khmer prefer Tonle Thum, or simply Great River. Whatever its name, the Mekong River is a lifeline for millions in the countries touched by its muddy waters, the world's largest inland fishery.

On Wednesday, ministers from Vietnam, Thailand, Cambodia and Laos open a three-day meeting in Siem Reap, Cambodia, to decide whether to approve a controversial dam on the mainstream of the river in Laos. Proponents say the dam would bring much-needed revenue to Laos and the region, but scientists warn that it could prove devastating for the environment and the people who depend on the river's bountiful resources.

[Outrage Grows Over Air Pollution and China's Response](#)

BEIJING — The statement posted online along with a photograph of central Beijing muffled in a miasma of brown haze did not mince words: "The end of the world is imminent."

The ceaseless churning of factories and automobile engines in and around Beijing has led to this: hundreds of flights canceled since Sunday because of smog, stores sold out of face

masks, and many Chinese complaining on the Internet that officials are failing to level with them about air quality or make any improvements to the environment.

[Discovery Channel to air all 7 episodes of 'Frozen Planet' series](#)

Discovery Channel extricated itself from a political ice storm by announcing it would air all seven episodes of "Frozen Planet," a wildlife and natural history series co-produced with the BBC.

...Controversy erupted last month when reports surfaced that Discovery was considering ditching the seventh episode of the series, which delves into the thorny issues of global warming.

[Climategate 2.0: fool me once.....](#)

Apparently in these things there holds the old say, "fool me once...." That is, it is very difficult to fool people twice with the same trick and, indeed, "Climategate 2.0" is turning out to be a big flop.

[Greenpeace Leader Visits Boardroom, Without Forsaking Social Activism](#)

For too long, he contends, the environmental movement has been a project of elites in wealthy countries who care more about saving rare animals than aiding people threatened by poverty and climate change. And he has resolved to change its focus.

"Ever since I came into this job, I've been accused of selling out," Mr. Naidoo said. "But I genuinely, passionately feel that the struggle to end global poverty and the struggle to avoid catastrophic climate change are two sides of the same coin."

[Qatar Urging World's Driest Nations to Join Alliance, Head Says](#)

Qatar, which will host the annual round of United Nations climate talks in 2012, is urging the world's driest nations at this year's talks in South Africa to join its Global Dry Land Alliance, the chairman said.

[Brazil Rewrites Amazon Protections While Seeking to Slash Carbon Emissions](#)

Brazil's Senate approved legislation yesterday that the government says will help the nation reach its carbon emissions target by strengthening protections against deforestation in the Amazon.

Brazil is seeking to cut its net greenhouse gas emissions after loggers and ranchers

cleared since 1990 a Germany-sized tract of the world's biggest rainforest.

[Nunavut Region to Boost Renewable Power to Offset Climate Change](#)

Nunavut, Canada's northernmost territory, is studying ways to boost its use of hydroelectric, wind and solar power to reduce its dependence on fossil fuels and mitigate climate change, Premier Eva Aariak said.

[UN's Maritime Agency to Weigh Setting Price on Ship Emissions](#)

The International Maritime Organization, the United Nations' shipping agency, will next year consider how to set a price on greenhouse-gas emissions from ships that contribute to climate change.

[Carbon Credits Turning 'Junk' as Ban Shuts Door](#)

Investors are rushing to sell emission credits before they become almost worthless in 2013, pushing prices to a record low.

[U.S. Climate Stance Is 'Blowing Negotiations Apart,' Envoy Declares](#)

The U.S. view that no new global climate deal is possible before 2020 is derailing negotiations aimed at slashing the world's oil and coal emissions, according to an envoy at the talks.

"The present U.S. position of no new agreement until post- 2020 is really blowing negotiations apart," Papua New Guinea's chief climate delegate, Kevin Conrad, said in an interview in Durban, South Africa, where United Nations-led climate talks are divided over when to seek a new treaty to curb global warming.

[Chris Huhne: tax on shipping to help poor countries fight climate change](#)

A tax on ocean cargo and cruise ships to help poor countries cope with global warming is one of the most likely outcome of the ongoing climate change talks, Chris Huhne has said.

[Raising \\$100 billion for climate fund in dispute](#)

DURBAN, South Africa – U.N. Secretary-General Ban Ki-moon says raising billions of dollars to fight climate change is a necessity, not a luxury, even in financially hard times.

Mobilizing \$100 billion a year, much of it to be channeled through a new Green Climate Fund, is a central issue at the 194-nation U.N. climate conference being held in South Africa's coastal city of Durban.

[Warming to lead to global sea-level rise](#)

SAN FRANCISCO – Ice-age geologic records suggest Earth's climate will warm faster than expected, pushing the global sea level perhaps more than 3 feet higher within this century, a panel of scientists warned Tuesday.

Speaking at the American Geophysical Union annual meeting here, federal and academic scientists said they reviewed ice core measures spanning more than 500,000 years of Ice Ages and subsequent warming periods to warn that ice sheets in the past had quickly melted once temperatures reached tipping points.



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