



Drumbeat: January 13, 2012

Posted by [Leanan](#) on January 13, 2012 - 8:55am

[Error margins: forecasting energy demand](#)

While economic and demographic predictions are challenging to make at best, long-term forecasts on technological development enter the realm of science fiction. Even attempts to predict a single statistical development in the energy sector can prove problematic.

The debates over the timing of peak oil and the emergence of hydrogen as a mainstream, flexible source of energy are cases in point.

As Danish physicist Niels Bohr said: "Prediction is a very difficult art, especially when it involves the future."

[Crude rises near \\$100 on Iran, Nigeria fears](#)

HONG KONG—Oil prices climbed near \$100 a barrel on Friday on revived concerns over a possible embargo on Iranian oil and a strike in major oil producer Nigeria loomed.

Benchmark crude for February delivery rose 77 cents to \$99.85 a barrel in electronic trading on the New York Mercantile Exchange. The contract fell \$2 to settle at \$99.10 on Thursday in New York.

[Petroleum Prices Set Records in 2011](#)

Without much fanfare, the Energy Information Agency of the US Department of Energy released a report on 2011 energy commodity prices yesterday. It confirmed that crude oil and key petroleum products set annually averaged price records last year. This largely snuck up on us, because it occurred without the kind of dramatic price spike we experienced in 2008 or in the oil crises of the 1970s.

[Heating homes with gas gets cheaper](#)

NEW YORK (CNMoney) -- Good news for homeowners: Natural gas prices are the lowest they've been in years. And they're expected to fall even further, thanks to growing production and slack demand.

[North American Oil Production On The Rise](#)

We've been talking a lot recently about North American oil- about new fracking technologies, new formations, foreign countries — namely European powers and China — rushing in to secure a piece of this newfound wealth.

Today, I want to make an important distinction.

Because with all the recent landgrabs and bullish sentiment and headlines about oil boomtowns, I want to make sure you see the forest for the trees.

[Let's 'occupy' America's energy revolution](#)

Energy security in the United States may be an achievable goal for the first time in nearly 40 years. Credit largely goes to the shale boom; its epicenters are in places like Texas, Pennsylvania and North Dakota, not Washington, D.C.

The economic benefits -- jobs, royalty and tax revenues and lower natural gas prices -- reverberate nationwide. Forget Occupy Wall Street: This is a real revolution.

[Petrobras Sees Quickening Growth in Reserves as Platforms Tap Offshore Oil](#)

Petroleo Brasileiro SA (PETR4), the state- controlled oil producer, will accelerate reserve growth over the next four years as it deploys more production equipment in deep waters of the Atlantic Ocean, the chief financial officer said.

Petrobras, as the Rio de Janeiro-based company is known, needs equipment at discovery sites to meet requirements to classify the oil as proven reserves, CFO Almir Barbassa said in an interview. The company expects to receive 19 production platforms by the end of 2015, he said.

[Energy price war breaks out as more companies lower bills](#)

Following an announcement yesterday detailing that EDF Energy will cut its gas bills by 5%, after a decline in wholesale prices; a new energy price war has broken out between some of the major energy suppliers.

[Nigeria megacity shows signs of strain amid strike](#)

LAGOS, Nigeria (AP) — Market stalls and food sellers can only return to the streets at dusk to do business or else risk the wrath of angry demonstrators for breaking the nationwide strike. ATMs are starting to run out of money, and gangs of young men have taken over some highways and overpasses.

As Nigeria's indefinite nationwide strike over spiraling fuel prices enters its fifth day Friday, there are growing signs of strain in Lagos, one of the world's largest cities where most subsist on less than \$2 a day.

[Nigeria fuel subsidy strike: Protests suspended](#)

Nigeria's trade unions say they are suspending protests for two days to allow more talks with the government.

The announcement comes on the fifth day of a general strike over the removal of a fuel subsidy, which has caused fuel prices and transport fares to double.

[Ukraine says won't sell gas pipelines to Russia](#)

(Reuters) - Ukraine will not sell its gas pipeline network to Russia in exchange for supplies of cheaper gas, Ukrainian Energy Minister Yuri Boiko said on Friday, ruling out a solution long suggested by Moscow.

Ukraine, which depends heavily on Russian gas supplies, has sought for over a year to review a 2009 deal with Moscow, which it says sets an exorbitant price for the fuel. But talks have failed to produce any results so far.

[No new 'gas war' between Russia, Ukraine - Ukrainian PM](#)

Ukrainian Prime Minister Mykola Azarov said on Friday he was sure there would be no new "gas war" between Russia and Ukraine.

"Why should we be in a [gas] war with our Russian brothers? It is an absurd question, we will never even talk about it," Azarov told reporters.

[Lukoil lifts gas output, lowers oil production](#)

Lukoil's natural gas output rose 3.2% year-on-year to 22bcm, whereas oil output fell 5.5% to 90.7m tons in 2011, the oil and gas major said in a statement today following a meeting of the board of directors.

[Kuwait activist: Police use tear gas to disperse stateless protesters](#)

KUWAIT CITY — A Kuwaiti human rights activist says riot police used tear gas and water cannons to disperse protesters who claim the Gulf nation is depriving them of citizenship and rights.

[Iran pressing on with nuclear plans despite growing support for oil embargo](#)

TEHRAN — U.S. allies in Asia and Europe voiced support for Washington's drive to cut Iran's oil exports, although fear of self-inflicted pain is curbing enthusiasm for an embargo that Tehran says will not halt its nuclear program.

[Russia warns US over Iran oil sanctions](#)

Russia has warned the US that moves to tighten sanctions on Iran would be perceived as an attempt at "regime change", as Tehran appeared to express readiness to return to negotiations and allow UN monitors to inspect its nuclear facilities.

[U.S. acts against Chinese oil trader](#)

(CNN) -- The US has slapped sanctions on three firms including a major Chinese oil trader for selling refined oil products to Iran, just days after US Treasury secretary Tim Geithner travelled to Beijing to press for Chinese support on Iran sanctions.

The US State Department announced late Thursday night that penalties would be imposed on China's Zhuhai Zhenrong, the Singapore-based oil trader Kuo oil, and the UAE-based independent oil trader FAL.

[China Gets Cheaper Iran Oil as U.S. Picks Up Tab for Hormuz Strait Patrols](#)

China stands to be the biggest beneficiary of U.S. and European plans for sanctions on Iran's oil sales in an effort to pressure the regime to abandon its nuclear program.

As European Union members negotiate an Iranian oil embargo and the U.S. begins work on imposing sanctions to complicate global payments for Iranian oil, Chinese refiners already may be taking advantage of the mounting pressure. China is demanding discounts and better terms on Iranian crude, oil analysts and sanctions advocates said in interviews.

[China's Wen to Juggle Iran Oil Need With Saudi Ties on Persian Gulf Trip](#)

China's Wen Jiabao must balance his country's need for Iranian crude with its budding energy partnership with Saudi Arabia on his first visit to the Gulf kingdom, a U.S.-based specialist in Middle East security said.

[Japan vows "concrete" steps to cut Iran oil reliance](#)

TOKYO (Reuters) - Japan pledged on Thursday to take concrete action to cut Iranian oil imports in response to an appeal for support from visiting Treasury Secretary Timothy Geithner, as Washington steps up efforts to sanction Tehran over its disputed nuclear program.

[Japan yet to decide on Iran oil cuts](#)

TOKYO (AP) – Japan's prime minister said Friday the government has yet to decide on whether it will reduce oil imports from Iran in line with U.S. sanctions, saying businesses implications need to be considered.

[Iran oil ban to put pressure on European supply lines](#)

European embargo on Iranian crude oil will lead to uncertainty over supply to the continent, with Gulf exporters expected to increase production as an alternative source, analysts say.

But higher output from Gulf producers could be limited, and their heavy grade of crude could pose problems for Europe's refineries.

[EU Iran Oil Embargo Over Nuclear Work Said Likely to Be Delayed Six Months](#)

A European Union embargo on imports of Iranian (OPCRIRAN) oil will probably be delayed for six months to let countries such as Greece, Italy and Spain find alternative supplies, an EU official with knowledge of the talks said.

The embargo, which would need to be accepted by the 27- nation bloc's foreign ministers on Jan. 23, also is likely to include an exemption for Italy, so crude can be sold to pay off debts to Rome-based Eni SpA, Italy's largest oil company, according to the official, who declined to be identified because the talks are private.

[Oil minnow Sri Lanka has most reasons to worry about Iran oil](#)

COLOMBO (Reuters) - Sri Lanka may be a minnow in the oil world, but a near total reliance on Iranian crude imports means it has more reason than most to find a way to avoid being caught in the clutches of U.S. sanctions.

The island's only refinery -- the 50,000 barrels-a-day Sapugaskanda refinery -- is almost entirely reliant on imports of Iran's crude. Switching to alternatives is not easy because the refinery has been configured to handle Iran's high-sulphur and high-density crude oil.

[The Expert's Report that Damns the Northern Gateway Pipeline](#)

The Northern Gateway Pipeline will explosively increase the scale of oil sands production at a level not in the national interest, says David Hughes, one of Canada's foremost energy analysts.

By tripling oil sands production rates above 2010 levels, the project will "compromise the long term energy security interests of Canadians, as well as their environmental interests," charges Hughes.

[How Much Would 'Huge Political Consequences' From the Oil & Gas Industry Cost?](#)

Of the 118 House members who have the Oil & Gas Industry amongst their top 10 contributing industry groups, only two representatives (Edward Markey and Charles Bass) voted against the deadline on the Keystone pipeline decision imposed in HR 1938.

[Company cautions against linking well, Ohio quakes](#)

YOUNGSTOWN, Ohio (AP) — Boos, applause and the occasional outburst marked a gathering of about 500 Ohio residents seeking explanations for a series of earthquakes that has hit their area since deep injection drilling came to town.

[Once Again, More Questions than Answers](#)

YOUNGSTOWN, Ohio -- Concerned citizens seeking confirmation that a brine-injection well located in Youngstown, Ohio caused 11 earthquakes to shake the Mahoning Valley in 2011 left the Covelli Centre disappointed last night after officials from the Ohio Department of Natural Resources were unable to provide the answers they sought.

[State Gets 20,000 Comments on Its Gas Drilling Rules by Deadline](#)

After taking over 20,000 public comments, more than on any issue they have ever faced, New York environmental officials are getting ready for the final phase of work on their proposal to allow hydrofracking of natural gas in the state.

[Vision for Affordable Energy Even if Indian Point Nuclear Plant Is Shut Down](#)

Mr. Brennan thinks that New York can get by without the electricity generated by Indian Point and that the city will not be putting itself at a financial disadvantage. Other cities actually make their own electricity, and do so at lower costs than some commercial suppliers, he noted at the hearing. Asked by a city official if he thought that the city should get into that business, Mr. Brennan paused for a minute. "Yes," he said.

Certainly, the cost of making electricity has declined drastically in the last few years, in large part because the price of natural gas has been dropping. The decrease in price has

made electricity from natural gas competitive with nuclear power. In 2008, the price of natural gas was \$12 or \$13 for a quantity known as a decatherm.

“Right now, it is \$3 for a decatherm,” said Joseph P. Oates, a vice president at Con Edison.

[Denmark's Green Europe Meets Chinese Wall as Vestas Cuts Jobs](#)

Denmark's push for a green Europe suffered a reality check as domestic wind turbine producer Vestas Wind Systems A/S cuts back one tenth of its workforce to survive Chinese competition and a slump in demand.

[Vestas Jobs Threat Pressures Obama to Extend Tax Break](#)

Vestas Wind Systems A/S (VWS)'s threat to fire 1,600 workers in the U.S. undermines President Barack Obama's goal of creating green jobs and adds to pressure on Congress to extend a tax credit that the industry relies on.

[Chris Huhne fights solar subsidies ruling](#)

The Government has launched an urgent bid to overturn a High Court ruling that has hit its plans to cut subsidies for solar panels on homes.

[Electronic atlas maps US renewable resources](#)

The US Department of Energy's National Renewable Energy Laboratory (NREL) has developed a new geospatial application to allow for the accurate mapping of potential renewable energy resources in the US.

The interactive tool, RE Atlas, is free to use and available online at http://maps.nrel.gov/re_atlas.

[Richard Heinberg: Geopolitical implications of "Peak Everything"](#)

From competition among hunter-gatherers for wild game to imperialist wars over precious minerals, resource wars have been fought throughout history; today, however, the competition appears set to enter a new—and perhaps unprecedented—phase. As natural resources deplete, and as the Earth's climate becomes less stable, the world's nations will likely compete ever more desperately for access to fossil fuels, minerals, agricultural land, and water.

Nations need increasing amounts of energy and raw materials to produce economic growth, but the costs of supplying new increments of energy and materials are

burgeoning. In many cases, lower-quality resources with high extraction costs are all that remain. Securing access to these resources often requires military expenditures as well. Meanwhile the struggle for the control of resources is re-aligning political power balances throughout the world.

[A Mining Law Whose Time Has Passed](#)

IN 1872, President Ulysses S. Grant signed a mining law to spur the development of the West by giving hard-rock mining precedence over other uses of federal land. But the law has long since outlived its purpose, and its environmental consequences have been severe.

Mining claims for copper, gold, uranium and other minerals cover millions of those acres, and the law, now 140 years old, makes it nearly impossible to block extraction, no matter how serious the potential consequences. Soaring metal prices are now driving new mine proposals across the West.

[Toward a National Coastline Policy](#)

The White House will work with the states and various groups to develop plans for the "sustainable use and long-term protection" of oceans, coasts and the Great Lakes.

[Online Map Shows Biggest Greenhouse Gas Emitters](#)

The agency unveiled [a searchable computerized map](#) on Wednesday that allows users to identify the nation's major stationary sources of carbon dioxide and other climate-changing gases, including power plants, refineries, chemical factories and paper mills. The agency said [the data](#), which was drawn from 6,157 sources and is current through 2010, covered nearly 80 percent of the country's greenhouse gases from large industrial sources.

[How Likely Is a Runaway Greenhouse Effect on Earth?](#)

Goldblatt and Watson have an answer: "The good news is that almost all lines of evidence lead us to believe that it is unlikely to be possible, even in principle, to trigger full a runaway greenhouse by addition of noncondensable greenhouse gases such as carbon dioxide to the atmosphere."

But there is an important caveat. Atmospheric physics is so complex that climate scientists have only a rudimentary understanding of how it works. For example, Goldblatt and Watson admit that the above conclusion takes no account of the role that clouds might play in this process.

[Study: Simple measures could reduce global warming, save lives](#)

Simple, inexpensive measures to cut emissions of two common pollutants will slow global warming, save millions of lives and boost crop production around the world, an international team of scientists reported Thursday.

The climate-change debate has centered on carbon dioxide, a gas that wafts in the atmosphere for decades, trapping heat. But in recent years, scientists have pointed to two other, shorter-term pollutants — methane and soot, also known as black carbon — that drive climate change.



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