



Drumbeat: January 18, 2012

Posted by [Leanan](#) on January 18, 2012 - 9:13am

[Oil demand falling, IEA warns](#)

Oil demand is falling for the first time since the global economic crisis of 2008-2009, the International Energy Agency said.

The IEA warned in its monthly report on Wednesday that mild weather, high oil prices and a rising likelihood of a global recession will depress demand in 2012, Reuters reported.

Although worries about disruptions to Iranian oil exports have supported prices, consumption fell in the last quarter of 2011 year-on-year due to mild winter weather in the northern hemisphere and the overriding fears about an impending recession in the euro zone, the IEA said.

[Oil Rises to Three-Day High in New York as Iran Tension Counters Economy](#)

Oil rose to the highest level in three days in New York as speculation supplies from Iran will be disrupted countered concern that economic growth will slow.

Iran called on Saudi Arabia to be “more wise and responsible” after the kingdom said it could make up for any supply loss resulting from a European ban on imports of Iranian crude. The International Energy Agency reduced its 2012 global oil demand forecast, after consumption fell in the fourth quarter for the first time since 2009, warning it may cut estimates further.

[Gas prices may get close to \\$5 in some spots](#)

NEW YORK (CNNMoney) -- The new year has greeted Americans with the highest January gas prices ever, and some analysts say prices could get close to \$5 a gallon in some areas during the warm-weather driving season.

The average price for a gallon of regular unleaded gasoline in the United States on Monday was \$3.39, according to motorist group AAA. That's nearly 30 cents higher than a year ago.

[Electricity Declines 50% as Shale Spurs Natural Gas Glut](#)

A shale-driven glut of natural gas has cut electricity prices for the U.S. power industry by 50 percent and reduced investment in costlier sources of energy.

With abundant new supplies of gas making it the cheapest option for new power generation, the largest U.S. wind-energy producer, NextEra Energy Inc., has shelved plans for new U.S. wind projects next year and Exelon Corp. called off plans to expand two nuclear plants. Michigan utility CMS Energy Corp. canceled a \$2 billion coal plant after deciding it wasn't financially viable in a time of "low natural-gas prices linked to expanded shale-gas supplies," according to a company statement.

[Natural gas plunges to lowest since 2002](#)

SAN FRANCISCO (MarketWatch) — Natural gas futures plunged to their lowest in nearly a decade on Tuesday, pressured by forecasts of unseasonably warm winter weather in the U.S.

[Gas prices rebound after touching 2012 lows](#)

(Reuters) - British prompt gas prices rebounded slightly on Wednesday due to a relief rally after prices slumped to a three-week low on Tuesday and supply fell short of demand.

[Commodities Rise Most in Two Weeks Amid Speculation China May Ease Policy](#)

Commodities rose the most in two weeks amid speculation that China may ease monetary policy, boosting prospects for raw-material demand, after its economy expanded at the slowest pace in more than two years.

[BP says oil to be slowest-growing fuel to 2030](#)

(Reuters) - World oil demand will rise by 18 percent from 2010 levels to 103 million barrels per day (bpd) by 2030, making it the slowest-growing fuel in the next 20 years, BP Plc said on Wednesday.

[Natural gas to be fastest growing fossil fuel-BP](#)

(Reuters) - Natural gas is projected to be the fastest growing fossil fuel globally to 2030, with production growth in every region in the world except for Europe, BP said on Wednesday.

[Saudi Arabia is not 'targeting' \\$100 oil](#)

Commentators identifying a new Saudi “price target” at \$100 per barrel are wide of the mark.

Saudi Arabia’s views on what constitutes a reasonable price for oil have less influence than analysts would like to believe.

Past experience suggests the kingdom is unwilling or unable to influence prices by adjusting production policy, except in extreme circumstances, and normally allows the market to set the price of crude with little intervention.

[Inflation Strangles Argentine Provincial Finances](#)

Santa Cruz province in southern Argentina has major oil and natural gas reserves, promising deposits of gold and silver and a population of barely one person per kilometer. Yet it lives on the verge of bankruptcy.

Last month, the local legislature tried to pass an austerity plan that included pension cuts and lay-offs among state employees. The initiative failed when hundreds of angry protesters swarmed the building.

[Gazprom Price Retreat Offers EON Hope](#)

OAO Gazprom’s decision to cut prices for five customers signals a weakening position for Russia in Europe’s gas market as the economic crisis erodes energy demand.

Russia’s gas-export monopoly said yesterday it revised the price formula for clients including Germany’s Wingas, GDF Suez (GSZ) SA of France and Sinergie Italiana Srl to reflect “changing gas market conditions.” Germany’s largest utilities EON AG and RWE AG are embroiled in arbitration with Gazprom over prices and volumes after losing billions of euros buying fuel at above- market rates.

[Gazprom, Ukraine have 'constructive' talks](#)

MOSCOW (UPI) -- Russian natural gas company Gazprom said it was ready to resume negotiations with Ukraine following a "constructive" meeting with the country's energy minister.

Gazprom Chairman Alexei Miller met with Ukrainian Energy Minister Yuri Boiko in Moscow to discuss a natural gas deal for Ukraine.

[Kazakh bid to avert strikes costly for oil firms -IEA](#)

(Reuters) - Kazakhstan's efforts to provide employment and avert a repeat of last year's strikes by oil workers are likely to raise costs for the national oil company and foreign firms operating there, the International Energy Agency (IEA) said on Wednesday.

[Uncertainty troubles Nigeria after fuel subsidy strike is halted](#)

Lagos, Nigeria (CNN) -- An uneasy calm returned to Nigeria's cities Tuesday, a day after two Nigerian labor groups suspended their nationwide strike over the elimination of the country's fuel subsidy.

[An embarrassing climbdown](#)

UNIONS in Nigeria have announced that they will suspend the strike over the removal of fuel subsidies that paralysed the country last week and threatened to shut down oil production. The decision came as the president, Goodluck Jonathan, on Monday bowed to pressure and reduced petrol prices which had risen steeply.

[Chevron says Nigeria rig fire still burning](#)

(Reuters) - Chevron Corp reported early indications that equipment failure may be the cause of a fire still burning on a drilling rig off the coast of Nigeria more than a day after it broke out.

Two contractors missing after the fire aboard the K.S. Endeavor, operated by FODE Drilling Nigeria Ltd, had not yet been found, the company said in a statement on Tuesday.

[Saudi Aramco targets China amid \\$200 billion spending spree](#)

DHAHRAN // Saudi Arabian Oil Company plans to build refineries in China and Indonesia as part of a \$200 billion spending programme to double refining capacity and explore for oil and natural gas during the next decade.

[China unlikely to prise open Saudi oil vault](#)

(Reuters) - Saudi Arabia is unlikely to reverse its decades-old policy of prohibiting foreign involvement in oil exploration and production, despite a plea from China for the world's leading crude exporter to open up.

Chinese Premier Wen Jiabao has called on Saudi Arabia to open its huge oil and gas resources to more Chinese companies, including its upstream oil industry, which has remained under sole Saudi control for decades.

[Hovensa oil refinery run by Hess, Venezuela's PDVSA in US Virgin Islands to shut down](#)

ST. CROIX, U.S. Virgin Islands — The president of the giant Hovensa LLC refinery in the U.S. Virgin Islands says the refinery will close and become an oil storage terminal.

Brian Lever says the shutdown on the island of St. Croix will occur by the middle of next month. He said in a statement Wednesday that losses at the refinery have totaled \$1.3 billion over the past three years.

[Oil rights for Abu Dhabi to go to tender](#)

Abu Dhabi will put the rights to some of its biggest oilfields out to tender, shaking a partnership with major oil companies that dates to before the Second World War.

[Iran warns against "adventurism" in global oil market](#)

Tehran - Iran's representative to the Organization of Petroleum Exporting Countries (OPEC) has warned of the economic consequences for the European Union if an oil embargo is imposed on Tehran, the Fars news agency reported Wednesday.

'The US and some European countries should avoid adventurism in the world's oil market as any sanctions against Iran's energy sector will make the EU plunge deeper into recession,' Mohammad Ali Khatibi, Iran's OPEC governor was quoted as saying.

[New Iraqi OPEC president to seek assurances from Iran](#)

(Reuters) - Speaking in his new role as president of OPEC, Iraq's Oil Minister Abdul-Kareem Luaibi said he will visit Iran on Thursday to discuss oil market stability and would ask Tehran for assurances that all countries will work to protect waterways and oil supplies.

His comments on Wednesday were a reference to threats from Tehran that it would stop oil moving through the Strait of Hormuz if sanctions are imposed on Iran's oil exports.

[India says not seeking Iran oil waiver from U.S.](#)

(Reuters) - India is not seeking a waiver from the United States that would protect buyers of Iranian oil from a fresh round of sanctions, and New Delhi continues to import from Tehran, Indian Foreign Secretary Ranjan Mathai said on Tuesday.

[Turkey Said to Tell India Help on Iran Oil Payments May End](#)

(Bloomberg) -- Turkiye Halk Bankasi AS told Indian oil refiners it may no longer be able to be an intermediary for their purchases of Iranian crude, four people with knowledge of the matter said.

[Iran's Salehi visits Turkey for nuclear talks](#)

Iran's Foreign Minister Ali Akbar Salehi arrived in Turkey on Wednesday for talks with Turkish leaders expected to focus on Tehran's controversial nuclear programme, an embassy spokesman said.

[U.S. Envoy Einhorn Says Japan Agrees on Need to Increase Pressure on Iran](#)

A senior U.S. official said Japan agrees on the need to increase pressure on Iran to prevent the Mideast nation from developing nuclear weapons, and sought to ease concerns that doing so will drive up oil prices.

[Will oil and globalisation continue to keep the peace?](#)

With Iran threatening to close the Strait of Homurz – through which 32 per cent of global oil supplies and 28 per cent of the world's liquefied natural gas supplies pass every day - because of tighter European Union sanctions on the country's fossil fuel exports, and fears that any blockade of the vital ocean corridor could trigger both military conflict and global economic stability, the stage is set for 2012 to be just as much of a game-changer as 2011.

[Truth About Middle East is Spreading](#)

Zero Hedge has published an article, "Are The Middle East Wars Really About Forcing the World Into Dollars and Private Central Banking?" that mentions my theory that Muammar Gaddafi was overthrown because he wanted to set up a private gold-currency in Africa.

[Crews Use Hose to Send Fuel to City in Alaska](#)

ANCHORAGE (AP) — Crews on Monday began transferring 1.3 million gallons of fuel from a Russian tanker to the iced-in western Alaska city of Nome.

[Norway says Arctic gas pipeline could open by 2020](#)

OSLO (Reuters) - A pipeline extension of 1,000 kilometres (621 miles) to bring natural

gas to European markets from Norway's Arctic waters could be built in eight years at a cost of more than \$4 billion, pipeline operator Gassco said on Tuesday.

"A potential pipeline from the Barents Sea could be in service in 2020 and should have a relatively large capacity to accommodate potential new volumes and thus lay the foundation for continued growth in the High North as a petroleum province," Gassco said.

[CNOOC says no timetable to resume production at Penglai 19-3](#)

(Reuters) - CNOOC Ltd, China's largest offshore oil and gas producer, said on Wednesday that it has no timetable for resuming production at its Penglai 19-3 oilfield, which was hit by a spill last year.

[Exxon boring holes for Montana pipeline](#)

BILLINGS, Mont. (UPI) -- Exxon Mobil is drilling deep holes under the Yellowstone River in Montana to meet federal requirements for its Silvertip pipeline, the company said.

Exxon spokeswoman Claire Hassett told the Billings (Mont.) Gazette the company was drilling holes for replacement sections of the Silvertip oil pipeline that are, in some parts, 50 feet below the bottom of the river.

[Pipeline tribunal must hear Canadian voices](#)

The Enbridge Northern Gateway pipeline, running from the Alberta tar sands to Kitimat, B.C., is in the first phases of public feedback, and already we have seen a storm of spin doctoring from the Conservative government.

They have called any opponents of the pipeline "radicals" and have claimed that they are "foreign backed." They have chosen to ignore that of the 19 non-Canadians speaking to the tribunal on the pipeline most are representatives of the oil companies, all foreign-backed. Our government seems to think that foreign oil companies have our best interests in mind, while anyone else who doesn't agree is against all things Canadian.

[Oil sands money trail](#)

Last week, on the eve of the environmental review for the \$5.5 billion Northern Gateway pipeline project that would carry Alberta oil to Kitimat for export to Asia, Canada's Minister for Natural Resources, Joe Oliver, expressed concern that foreign-funded environmentalists would jeopardize the review and block the pipeline. Oliver didn't mention my name, but the research that raised concerns about the foreign funding of environmentalism in Canada is apparently mine.

[Gas Fracking Ban Debated in Bulgaria After Chevron Loses Permit](#)

Bulgarian lawmakers started debating a ban on hydraulic fracturing today, threatening Chevron Corp.'s plans to explore shale gas deposits in the Balkan country.

The government withdrew a previously granted exploration license from Chevron yesterday after hundreds of Bulgarians marched in central Sofia last week to protest the drilling technique known as fracking, fearing it will pollute the water and soil in Bulgaria's most fertile farm region of Dobrudja where Chevron was planning to drill.

[32,100 and Counting: New Yorkers Speak Out on Fracking](#)

Officials with the New York State Department of Environmental Conservation say they have counted 32,100 statements so far since the close of a public comment period on Wednesday on their proposal to allow hydrofracking in the state.

[Is drilling causing Ohio earthquakes?](#)

YOUNGSTOWN, Ohio (CNNMoney) -- In what may be the nation's next boomtown, the ground is, literally, booming.

Residents here in northeastern Ohio are receiving up to \$5,000 an acre from energy companies that lease their land -- plus monthly royalties. But they have also experienced at least 11 earthquakes since last March, state officials say.

[Tough economy curbs clean energy investment: experts](#)

A global economic slowdown and the eurozone debt crisis have curbed government investment in renewable energy, experts warned Tuesday.

"There are already some signs that government support may be slowing down in Europe," chief economist at the International Energy Agency, Fatih Birol, warned participants in the World Future Energy Summit in Abu Dhabi.

[Government rejects latest "flawed" report on cost of renewable energy policies](#)

Patience is obviously wearing thin. Following the release today of the third major report in the last two months criticising the cost of the Department of Energy and Climate Change's (DECC) renewable energy policy, officials have hit back branding the latest report from the Policy Exchange thinktank as "flawed" and "not credible".

[New Gas Economy Rules Generate Wide Support](#)

DETROIT — Writing new regulations that will require cars and trucks to have significantly higher fuel economy by 2025 prompted years of fighting among automakers, environmentalists, regulators and consumer groups.

[N.M. Joins Push for Natural Gas Vehicles](#)

DENVER (AP) — Eight states have now signed up in an effort to encourage U.S. automakers to develop affordable vehicles that run on natural gas.

The governors of Colorado and Oklahoma announced in November that their states, along with Pennsylvania and Wyoming, intended to seek proposals to replace vehicles in their state fleets with ones that run on natural gas.

[Trump May Scrap Scottish Hotel, Housing on Wind Farm Ruling](#)

Donald Trump will scrap plans for a hotel and housing at his golf resort in Aberdeenshire, Scotland, if the government approves an offshore wind farm in sight of his championship course due to open in June.

[Wind Turbines and Health Hazards](#)

There is no conclusive evidence so far that wind turbines are responsible for health problems ranging from balance problems to diabetes, an independent panel of health experts reports.

[The \(Solar\) Light at the End of the Tunnel](#)

A consultant for the Defense Department reports that introducing solar installations on nine military bases in the Mojave and Colorado Desert could generate 7,000 megawatts of power.

Depending on which yardstick you prefer, that amounts to the output of seven average nuclear plants or six large coal-fired plants. It would also amount to 25 percent of the renewable energy that California will require its utilities to produce by 2015, according to the 13 authors of the report, prepared by the consultancy ICF International.

[Solar power takes giant strides](#)

No one can accuse the renewables industry of lacking creative impetus. Solar-powered aircraft, cars and boats have featured at this year's World Future Energy Summit

(WFES) in Abu Dhabi, and in the MS Tûranor PlanetSolar, the event hosts the largest solar-powered boat to brave the oceans.

[Energy policy shapes today - and tomorrow](#)

Change, relentless change, sometimes seems to be the modern world's only constant. And yet the changes the world needs most can be agonisingly slow to arrive.

[Pentagon still can't define 'energy security,' much less achieve it](#)

While diesel generators kept critical missions going during Katrina, the storm provided a wakeup call for Pentagon leaders concerned about terror attacks on the electric grid, which provides 99 percent of the energy that bases consume. Could bases withstand a power outage that outlasts their three-to-seven-days' supply of diesel for backup systems? Is it wise for the military to rely on the same power plants and transmission lines that feed homes and businesses?

[Your burning energy questions answered: Part III](#)

How can the world move quickly to a fossil-fuel free economy, and what is the role of businesses in the transition to clean energy?

In this final segment of the Global Energy Prize series, nuclear energy expert Tom Bles from the United States answers these questions from Eco-Business readers with a discussion on whether or not solar and wind energy can support a carbon-free economy on their own. And finally, what lessons are to be learned from islands, whose isolation begs for innovative solutions such as energy production from the surrounding seas?

[Is there a peak of consumption?](#)

If one were to characterize it in mathematical terms, the trajectory of our civilization is an exponential curve. Throughout the twentieth th century, energy and natural resources – and logically emissions of greenhouse gases – has increased with population growth.

But today, would we have reached a plateau? Would we have begun to reduce our consumption, or at least stabilize? Parsimony would it becoming the new luxury? This is what a crowd, who believes that Britain, a country behind the Industrial Revolution and one of the richest nations in the world, have reached a maximum of objects owned by each person before see this much decline. This is the “peak stuff” (“peak of Things”), in the vein of peak oil (peak oil) or gas peak (peak gas).

[The Limits to Growth at forty: Is collapse now inevitable?](#)

A particularly realistic aspect of these models was that it factored in the delayed response of individuals to the signs of imminent limits, as it accounted for the probability that people would continue to consume and pollute past the sustainable limits of the particular model. Of course, in the real world, many people will continue to consume until it is no longer possible. Could the models have predicted the true extent of the inaction that we have witnessed in the face of the grave threats of climate change, peak oil and bio – diversity loss?

[Problems plague cleanup at Hanford nuclear waste site](#)

HANFORD SITE, Wash. – Seven decades after scientists came here during World War II to create plutonium for the first atomic bomb, a new generation is struggling with an even more daunting task: cleaning up the radioactive mess.

[Nearly 7 million bats may have died from white-nose fungus, officials say](#)

“We’re watching a potential extinction event on the order of what we experienced with bison and passenger pigeons for this group of mammals,” said Mylea Bayless, conservation programs manager for Bat Conservation International in Austin, Tex.

“The difference is we may be seeing the regional extinction of multiple species,” Bayless said. “Unlike some of the extinction events or population depletion events we’ve seen in the past, we’re looking at a whole group of animals here, not just one species. We don’t know what that means, but it could be catastrophic.”

[China’s New Strategic Target: Arctic Minerals](#)

As policymakers in Washington focus on China’s expanding presence in Africa and growing assertiveness in the South China Sea and Indian Ocean region, Danish diplomatic assistance is opening the gate for China to establish a strategic foothold in the Arctic.

[Bill McKibben: Burning America's future](#)

An energy policy outlined by the head of the U.S. Chamber of Commerce in which we use all of the nation's coal, gas and oil is beyond dumb.

[Growing Doubts in Europe on Future of Carbon Storage](#)

MADRID — The European Union’s long-term energy plans to abate global warming while still burning fossil fuels hinge on proposals to capture carbon dioxide emissions and store them in deep underground rock formations. Yet weak support for the untested technology is putting Europe in the rear ranks of its development.

[Climate Proposal Puts Practicality Ahead of Sacrifice](#)

The current issue of the journal Science contains a proposal to slow global warming that is extraordinary for a couple of reasons:

1. In theory, it would help people living in poor countries now, instead of mainly benefiting their descendants.
2. In practice, it might actually work.

[Climate and the statistics of extremes](#)

(PhysOrg.com) -- Swiss mathematicians have shown that the risk of extreme climate events is largely underestimated. They are developing a model for better understanding the impact of climate change.

[Sea temperature changes can forecast South American wildfires, study finds](#)

Randerson and Chen proved that tiny temperature changes on the surface of distant oceans can be used to predict the severity of upcoming wildfire seasons in Amazon rainforests. These blazes often generate huge plumes of air pollution that can warm the climate and ocean waters even further, creating a vicious cycle.

“I’ve always viewed the Amazon as a giant pump that affects the global climate,” says Chen, an assistant project scientist and lead author of the paper. “There are so many processes going on that any perturbation in this ‘pump’ is worthwhile to study.”

[Study: global warming related sea level rise poses big threat to Washington, D.C.](#)

Global warming-related sea level rise constitutes a major threat to the nation’s capital, with the potential to inundate national monuments, museums, military bases, and parts of the Metro Rail system during the next several decades and beyond, according to a recent study published in the journal “Risk Analysis.” The study helps localize a problem that is more typically discussed at the global level, and makes clear that public officials must make decisions in the near-term in order to minimize future losses.

[Global warming threatens China's advance](#)

Global warming threatens China's march to prosperity by cutting crops, shrinking rivers and unleashing more droughts and floods, says the government's latest assessment of climate change, projecting big shifts in how the nation feeds itself.

The warnings are carried in the government's "Second National Assessment Report on

Climate Change," which sums up advancing scientific knowledge about the consequences and costs of global warming for China - the world's second biggest economy and the biggest emitter of greenhouse gas pollution.



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