



Drumbeat: January 23, 2012

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[Obama to tout natural gas benefits in State of Union](#)

(Reuters) - President Barack Obama will encourage the country's booming natural gas output in his State of the Union address on Tuesday, while defending his administration's energy record, according to sources familiar with the matter.

Obama was expected to devote a significant portion of his speech slated for 9 p.m. EST Tuesday calling for a "new era for American energy," which will include promoting domestic natural gas production, according to documents provided to Democratic party sources.

U.S. natural gas output has grown sharply in recent years thanks to advances in drilling techniques that have unlocked massive shale reserves.

[Scotland's Independence Bill May Exceed Oil Money Claimed by Nationalists](#)

Ever since oil was discovered in the North Sea off the British coast in December 1969, the Scottish National Party claimed it for Scotland.

Now in power and closer than ever to a referendum on whether to break from the U.K. after more than 300 years, the SNP government in Edinburgh led by Scottish First Minister Alex Salmond is counting on tax revenue from the oil industry as a key pillar of the economy along with financial services.

[Spain banks on Saudi promise](#)

Saudi Arabia has promised Spain that it will make up for supplies of oil its loses as a result of EU sanctions on Iran and at the same price, Spain's foreign minister said on Monday.

[Crude Trades Below \\$100 as U.S. Inventory Outlook Counters Iran Embargo](#)

Oil fluctuated below \$100 a barrel in New York as speculation U.S. stockpiles gained last week countered concern Iran will respond to an European embargo on its crude exports by shutting the Strait of Hormuz.

[Tony Hayward accused of 'lying' over Gulf spill](#)

Tony Hayward, the former chief executive of BP, has been accused of giving untruthful evidence to US Congress, by plaintiffs suing for damages over the Gulf of Mexico oil spill.

[Top Woman in Oil to Head \\$225 Billion Plan as Petrobras Chief Executive](#)

Maria das Gracas Foster, the first woman named to run one of the world's top five oil companies, will take over the industry's largest investment plan with Petroleo Brasileiro SA (PETR4)'s \$225 billion proposal to more than double its output by the end of the decade.

[Analysis: No-one should be fooled into thinking that Tehran will simply take this lying down](#)

HOW might Iran react to an EU embargo on oil? So far, it has been assumed Iran simply accepts this without retaliation.

This is extremely unlikely and it is necessary to consider what options Iran might have. Recently, there has been much speculation, encouraged by some, but not all, elements in the Iranian power structure, that its response would be to inhibit the flow of oil through the Strait of Hormuz.

[A winning Strategy For Iran, and for the World](#)

But first, since everyone has talked only about the reasons why Iran should *not* pursue nuclear power, let me briefly state why it is in our interest that Iran *does* pursue nuclear power.

[The Long Climb Up Hubbert's Peak](#)

What most annoys me about dialogue on the Internet these days is that it's so utterly lacking in a sense of direction. It's as if it's dominated by some sort of new generation that considers itself the inventors of the term "peak oil." But no matter how hard I bash my head against the wall, trying to get people to move beyond that basic concept, I rarely have much success. In particular, I've tried a thousand times to get readers to grasp the two simple facts that (1) there is no way of changing the fact that industrial society is approaching a massive imbalance between energy supply and population and (2) it's time to start seriously thinking about Emergency Planning.

How much planning has been done, for example, to deal with the massive global famine that is approaching? None.

[The blue-state trap](#)

Writing in this week's New Yorker on why President Obama has been unable to bridge the partisan divide in Washington, Ryan Lizza points to a simple yet important factor: our tendency to live near people who always agree with us, creating a Congress without a true center. Is it possible that in building vibrant cities where we want to live, we've also created a frozen, extreme politics many of us abhor?

"It would be hard for any president to reverse this decades-long political trend," writes Lizza, "which began when segregationist Democrats in the South — Dixiecrats like Strom Thurmond — left the Party and became Republicans. Congress is polarized largely because Americans live in communities of like-minded people who elect more ideological representatives."

[Mercury's Harmful Reach Has Grown, Study Suggests](#)

The strict new federal standards limiting pollution from power plants are meant to safeguard human health. But they should have an important side benefit, according to a study being released on Tuesday: protecting a broad array of wildlife that has been harmed by mercury emissions.

[How to Get Help Paying for Heating Oil](#)

As the threat of an actual winter intensifies, advocates for the poor have been worrying about how low-income households will cope with the high cost of heating oil.

[Complications of Hacking the Planet](#)

As scientists, with some reluctance, begin to study the idea of "geoengineering" the planet to slow or halt global warming, they are finding that any such program would quite likely have a complex array of effects, not all of them to humanity's benefit.

[Japanese Struggle to Protect Their Food Supply](#)

ONAMI, Japan — In the fall, as this valley's rice paddies ripened into a carpet of gold, inspectors came to check for radioactive contamination.

Onami sits just 35 miles northwest of the wrecked Fukushima Daiichi nuclear plant, which spewed radioactive cesium over much of this rural region last March. However, the government inspectors declared Onami's rice safe for consumption after testing just two of its 154 rice farms.

Then, a few days later, a skeptical farmer in Onami, who wanted to be sure his rice was safe for a visiting grandson, had his crop tested, only to find it contained levels of cesium

that exceeded the government's safety limit. In the weeks that followed, more than a dozen other farmers also found unsafe levels of cesium. An ensuing panic forced the Japanese government to intervene, with promises to test more than 25,000 rice farms in eastern Fukushima Prefecture, where the plant is located.

[Crude Oil Advances After European Union Agrees on Sanctions Against Iran](#)

Oil rose as the European Union announced a phased-in embargo of Iranian (OPCRIRAN) crude in an effort to contain the Islamic Republic's nuclear program.

The ban will be implemented in stages by July 1, Dutch Foreign Minister Uri Rosenthal told reporters today in Brussels. The region bought 450,000 barrels a day of Iran's oil in the first half of 2011, U.S. Energy Department data show. EU finance heads are meeting to craft a long-term plan to tackle the area's debt crisis.

[Price of gas up 3.5 cents in the past two weeks](#)

The average price of gasoline in the United States rose again in the past two weeks, gaining nearly 3.5 cents to about \$3.39 a gallon, due in part to higher crude oil prices, according to the nationwide Lundberg Survey.

[Natural Gas Picture Still Bleak](#)

The U.S. Energy Department's weekly inventory release showed a slightly lower-than-expected drop in natural gas supplies, as warmer-than-normal temperatures across the country have restricted the commodity's requirement for power burn. In fact, gas stocks – currently 20.8% above the 5-year average and 19.6% higher than the same period last year – are at their highest level for this time of the year, reflecting low demand amid robust onshore output.

[Suspected U.S. missile kills 4](#)

DERA ISMAIL KHAN, Pakistan (AP) – A suspected U.S. drone fired missiles at a house and a vehicle in northwestern Pakistan on Monday, Pakistani intelligence officials said, killing four alleged militants in an attack that could signal the program is picking up steam after strained relations halted strikes late last year.

[Nigerian Islamist Group Kills 165 in Bombings](#)

At least 165 people were killed in the northern Nigerian city of Kano in bomb attacks on government buildings, the biggest by the Islamist militant group Boko Haram.

[Cedi blues: Central banks' nightmare](#)

It observed that while oil production and exports may be positive for Ghana's trade account, it implies an increase in payments to foreign service-providers, and in repatriated income -- both of which put pressure on reserves.

[Iran Says Negotiations Can Resolve Standoff](#)

Iran's Foreign Ministry spokesman said only negotiations and not sanctions can resolve the standoff over the Islamic Republic's nuclear program.

[Europe Will Ban Iran Oil Imports from July](#)

European Union foreign ministers agreed to ban oil imports from Iran starting July 1 as part of measures to ratchet up the pressure on the Persian Gulf nation's nuclear program, Dutch Foreign Minister Uri Rosenthal said.

[Iran renews Strait of Hormuz shutdown threats after EU joins U.S. in banning oil imports](#)

In Iran, one politician responded by renewing a threat to blockade the Strait of Hormuz, an oil exporting route vital to the global economy, and another said Tehran should cut off oil to the EU immediately.

That might hurt Greece, Italy and other ailing economies which depend heavily on Iranian crude and, as a result, won as part of the EU agreement a grace period until July 1 before the embargo takes full effect.

[Unilateral sanctions on Iran 'do not help': Russia](#)

(MOSCOW) - Russia said Monday it viewed the European Union's oil embargo on Iran as counterproductive and would continue to defend Tehran against further sanctions over its nuclear programme.

"Unilateral sanctions do not help matters," Russian news agencies quoted Foreign Minister Sergei Lavrov as saying in response to the EU decision.

[Iran's rial drops 10 pct as EU bans oil imports](#)

TEHRAN: Iran's rial currency plunged 10 percent to a new record low on Monday as the EU imposed a ban on Iranian oil imports, posing a major headache for President Mahmoud Ahmadinejad who has said sanctions will not hurt the economy.

[BACKGROUND: EU trade with Iran](#)

Brussels - Iran provides a notable, but not decisive, quantity of oil to the European Union. Of the 896 million barrels of crude imported to the 27 EU member states in the first quarter of 2011, just 4.4 per cent came from Iran.

Over the whole of 2010, Iran supplied 5.7 per cent of the around 3.8 billion barrels (1 barrel = 159 litres) imported by the EU.

[Iran Said to Seek Yen Oil Payments From India Amid Sanctions](#)

Iran has asked India to pay for oil partly in yen as the two nations seek an agreement on how to maintain trade amid tightening global sanctions, according to three people with knowledge of the matter.

At talks in Tehran last week, India proposed to pay its second-biggest oil supplier in rupees through a bank account in the South Asian nation, said the people, declining to be identified because the information is confidential. Iranian officials sought partial payment in yen because they're concerned that they may not get sufficient value from the rupee, which isn't fully convertible, according to the people.

[Natural gas glut, low prices, prompt Chesapeake to cut exploration and production](#)

NEW YORK — Faced with decade-low natural gas prices that have made some drilling operations unprofitable, Chesapeake Energy Corp. says it will drastically cut drilling and production of the fuel in the U.S.

Chesapeake, the nation's second largest natural gas producer, said Monday that its planned 8 percent production cut means the U.S. as a whole would produce the same or slightly less natural gas in 2012 than it did in 2011.

[Halliburton Profit Grows as U.S. Fracking Surges](#)

Halliburton Co., the world's largest provider of hydraulic fracturing services, said fourth-quarter profit rose as customers boosted spending on the technique for capturing oil in the U.S.

[The Keystone - China connection is overblown](#)

In an effort to diversify its export base and sell to growing markets, Canada has been looking to build a pipeline to its West Coast long before the Keystone controversy even began.

And actually laying a pipeline to the West Coast will be just as hard as building one through the United States.

[GM Faces Task of Rebuilding Volt Model's Image After NHTSA Fire Probe Ends](#)

General Motors Co. begins the task this week of repairing the image of its Chevrolet Volt plug-in vehicle after federal regulators closed their investigation into a battery fire.

[First series of Better Place cars hit roads](#)

A four-year venture in the making, the first fleet of several dozen Better Place Renault Fluence ZE electric cars drove in a procession down Tel Aviv's Ayalon on Sunday afternoon. About 100 Better Place employees were the beneficiaries of today's inaugural car shipments, and members of the general public will begin receiving their vehicles during the second quarter of 2012, the company said. Throughout the year, thousands of electric cars will be reaching the country's roads, according to Better Place Israel CEO Moshe Kaplinsky.

[A Smart Power Grid Begins With a Promise for the Future](#)

Substation No. 505 in Oak Park, with its nondescript cluster of bulky transformers and web of power lines, seems an unlikely place for Commonwealth Edison to start the \$2.6 billion smart grid it says will prepare the region's antiquated power system for the digital age.

[Egyptian commitment starts to gather force](#)

Egypt, which has been touted as the region's front-runner in the adoption of wind power in the Middle East and North Africa, has contracted the turbine manufacturer Gamesa to equip a 200-megawatt wind farm.

[GE Courts Turbine Customers for Solar Panels Before Wind 'Crash'](#)

General Electric Co. (GE) is trying to convince developers that have bought its wind turbines to double down on clean energy by purchasing its solar panels as well, said Vic Abate, who runs the company's renewables unit.

[Swiss-German partnership plans \\$2bn solar investment in Oman](#)

A partnership between Terra Nex and Middle East Best Select is poised to invest US\$2 billion in solar plants and panel manufacturing in Oman.

[Geothermal test will pour water into volcano to make power](#)

Geothermal energy developers plan to pump 24 million gallons of water into the side of a dormant volcano in central Oregon this summer to demonstrate technology they hope will give a boost to a green energy sector that has yet to live up to its promise.

[Coalition to sue EPA over ash pond rules delay](#)

ASHEVILLE, N.C. – A coalition of 11 environmental and public health groups from seven states has announced plans to sue the government over the delay in finalizing rules to make coal ash ponds safer.

[The numbers are grim: China's property bubble is heading for a spectacular burst, and its effect on the country's economy will be widespread.](#)

FORTUNE -- The Chinese government's announcement last week that growth for 2011 slowed only slightly to a still impressive 9.2% was greeted enthusiastically by the world's stock markets. Investors also remain buoyant on China's future. They appear to be buying the official line that the gigantic property price bubble is gradually and smoothly deflating, posing little risk to an engine that's so crucial to the future of global trade.

But the math tells a different story. The housing frenzy has driven prices so high, so fast, that a crash on the scale of the real estate collapse in Japan in the 1990s is a virtual certainty. And China's already exaggerated official growth rate could take a pounding, all the way to the zone of the unthinkable, into the low single-digits.

[A world in chaos? That may be a good thing.](#)

FORTUNE -- Too much is happening in the world. Politically, economically, and culturally momentous news is occurring on every continent seemingly every day, and it's overwhelming for the hapless citizen striving to stay on top of it all. If you want to impose order on the chaos, at least in your own mind, here's a suggestion: Just remember *a, b, c, d*. Four large, interrelated forces are driving the action globally, and they conveniently begin with those letters.

[Joe Oliver's Desperate Hour](#)

Oliver would no doubt like to suppress the fact the tar sands are our last major oil reserve; that the easily extracted tar sands oil has been cherry-picked and the remaining reserves are subterranean and will be even more expensive to extract.

Eastern Canada is already heavily dependent on foreign oil imports.

Canada has exhausted most of our conventional oil reserves.

[Why do we still ignore threats to our survival?](#)

Resource depletion is the other side of the global warming coin; raw materials and energy sources are being over-exploited. Has the "peak oil" point been reached? Will "peak water" be the next focus? Giddens gives a concise history of energy use. Up to the 17th Century, wood was the source of fuel in Britain. Declining stocks forced the change to coal, a move which spawned the Industrial Revolution. Now, each of us in the West employs the equivalent of 150 energy slaves working full time. In recent decades the focus has shifted to oil. The history of its exploitation is the modern history of imperialism; oil and authoritarianism are bedfellows. Nor is the current supply situation clear. Saudi Arabia, for example, may be exaggerating the extent of its reserves, while the strategic hold of the United States on the Middle East is breaking down.

[Apple shows us why manufacturing will never return from China](#)

Reports such as SACOM's from May of 2011 have shown us of the stresses, low wages, and unsafe conditions of plants such as those used for manufacturing iDevices and other electronics. Yet, on the surface, a New York Times reports seems to point to more than just cheap labor as being the reason just about everything is manufactured overseas. They're right too; it's not just cheap labor; it's virtual slave labor.

[Urban gardens: The future of food?](#)

It's easy to make fun of, but as more and more farming moves downtown, eating local is taking on a new flavor.

[Getting food on the table - the plea for a greener revolution](#)

The converging threats of population growth, climate change, volatile markets and unsustainable use of resources are now being shouted loud by leading scientists urging governments to work together to transform the way food is produced, distributed and consumed.

They want food on the table at international forums - on the agenda, not the buffet. There is, they insist, little time to waste in ushering in a new agricultural revolution, one which echoes the bumper yields of 1960-90, but without the associated environmental costs.

[Geoengineering may improve rather than threaten global food security](#)

London: Reflecting sunlight away from the Earth to combat global warming will more likely have a positive impact on global food production rather than negative, a new study has revealed.

[Food Waste Denounced by Ministers as Almost 1 Billion People Go Hungry](#)

Food waste was denounced by farm ministers and policy makers gathered in Berlin as almost 1 billion people in developing countries go hungry.

Consumers in rich countries dispose of 220 million metric tons of food waste every year, equal to the entire food output of sub-Saharan Africa, Jose Graziano da Silva, the director general of the United Nations' Food and Agriculture Organization, told 64 agriculture ministers meeting in Berlin over the weekend.

[City Grazing](#)

The 60 goats living in the rail yard near Pier 96 at the Port of San Francisco contribute to the city of San Francisco in their own way, clearing brush as fire prevention and offering a green alternative to toxic herbicides. Perched on the edge of Bayview-Hunters Point, an industrial area, these hard workers avoid the busy roads and — incredibly — return home when called.

[Putting plankton before people](#)

In fact, debates around big dams expose greens for the self-contradictory people they are: they tend to oppose dams on the basis of their damage to biodiversity, but advocate dams when asked for examples of renewable energy sources that actually work. Big dams appear on the list of both the good and the bad.

[Climate skeptics gathering influence in Tory Senate seats](#)

OTTAWA — Some of Prime Minister Stephen Harper's newly-appointed senators are emerging as global-warming skeptics in the wake of aggressive government positions to abandon the Kyoto Protocol, slam environmentalists and downplay potential damage caused by Canadian oil and gas exploration.

"I felt like it is kind of an insult to be a denier for a long time," said Sen. Bert Brown, last month at a parliamentary committee studying energy policies. "It feels pretty good this morning."

[Climate scientists back call for sceptic thinktank to reveal backers](#)

Leading climate scientists have given their support to a Freedom of Information request seeking to disclose who is funding the Global Warming Policy Foundation, a London-based climate sceptic thinktank chaired by the former Conservative chancellor Lord Lawson.

[Home, Home ... on Less Range](#)

Significant amounts of forage — nature’s free “service” to the cattlemen — will either be desiccated (under the warmer and drier projection) as the arid conditions in southeastern California inch northward or will be replaced by less-digestible scrub and brush (under the warmer and wetter projection), the study projects.

The loss will cost California ranchers tens of millions of dollars annually if it is warmer and wetter over the next 60 years or so, and \$123 million to \$209 million a year if it is warmer and drier, the article suggests.



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