



Drumbeat: February 29, 2012

Posted by [Leanan](#) on February 29, 2012 - 9:30am

[Facing the Facts on Fossil Fuel](#) (Part 1)

We are so accustomed to our dependence on petroleum that discussions of alternative energy futures take its convenience and efficiency for granted.

[The End of the Petroleum Era](#) (Part 2)

Those who argue that there will never be a final "oil crisis" fail to recognize resource limits.

[Oil Set for Best Monthly Advance Since October on Recovery Signs, Iran](#)

Oil rose, heading for its best month in New York since October, amid signs of economic recovery and concern that tension with Iran threatens global crude supplies.

West Texas Intermediate futures climbed as much as 0.8 percent after sliding yesterday the most in five weeks. Industrial output in Japan and South Korea beat estimates and U.S. consumer confidence rose to the highest level in a year. Oil has advanced 8.6 percent in February, its first monthly gain in three, as sanctions tighten against Iran, OPEC's second- biggest producer.

[OPEC oil output rises in February-Reuters survey](#)

LONDON (Reuters) - OPEC oil output has risen in February to the highest since October 2008 due to a further recovery in Libya's production, as well as higher supplies from Angola and Saudi Arabia, a Reuters survey found on Wednesday.

[Gas prices spike 8% in February](#)

NEW YORK (CNNMoney) -- February has been one heck of a month for American motorists, who have been hit with an 8% spike in the price of gas. And things are expected to get worse during the summer driving season, when gas prices could break their current record.

On Wednesday, the price of unleaded gasoline rose for the 22nd day in a row to a nationwide average of \$3.73 per gallon, according to the motorist group AAA.

[Why Americans Are Paying More At the Pump](#)

Turmoil abroad and rising costs at home means consumers will have to shell out more for gas this summer

Gas prices--already the highest they've ever been in January and February--shot up nearly 30 cents over the past month to a national average of about \$3.70 per gallon, sparking worries that a steep increase in fuel costs could crimp consumer spending and hobble an economy that is just starting to show signs of life.

[Small firms prep for rise in gas prices](#)

NEW YORK (CNNMoney) -- Businesses that rely on fuel to get their products directly to customers are bracing for a sharp rise in gas prices.

Among those most affected are online grocers, Internet bakers and food trucks.

Some are considering options they took during the last oil price peak in 2008: jack up prices, shrink service areas and cut jobs.

[Surging Global Oil Thirst Inflicts Pump Pain Back Home](#)

There is, of course, a "fear premium" caused by the prospect of a new war, and an "inflation premium" caused by the Federal Reserve's monetary promiscuity, but there are some more onerous factors at work, too. Bureaucracy among them.

A word of warning, if you've got any strains of "free market" blood coursing through your veins, be prepared for those platelets to begin boiling.

[Alaska's oil windfall](#)

NEW YORK (CNNMoney) -- Alaska has a big vested interest in high oil and gas prices.

Oil revenue accounts for 90% of the state's tax haul. So its budget swells and oil royalties gush into a special state investment fund -- the only one of its kind in the United States.

And that can translate into windfalls for residents, who share in the oil bounty through annual dividends paid by the fund and, in boom times, direct payments from the state.

[Gulf airlines see jet fuel price climb 3% in one week](#)

Jet fuel costs being borne by Middle East airlines jumped by almost 3 per cent in just one week, and are up over 11 per cent on last year's prices, according to the aviation industry's fuel watchdog.

[Empower says bigger bills not its fault](#)

Empower, one of the biggest district cooling companies in Dubai, has denied raising charges for its customers after its revenue increased dramatically last year.

The utility instead blamed increased water and electricity costs, which it says it passed on to consumers, resulting in higher bills for a number of Dubai residents.

[As gas prices rise, Republican candidates step up the attacks on Obama's energy policy](#)

ALLEN PARK, Mich -- Newt Gingrich this weekend issued a special thank you shout-out to President Obama for recently making a nationally-televised speech on America's energy policy, which Gingrich believes merely increased Americans' concerns over high gas prices.

"I want to thank the president for the timing," the former House Speaker and presidential candidate said Saturday in a speech to the California Republican Convention in Burlingame, Calif.

[Gingrich kicks off focus on South in Georgia](#)

In Dalton, Gingrich said North Dakota's oil boom proves that the USA can produce enough domestic oil for its needs. "The No. 1 thing North Dakota proves is that the idea of peak oil, that we're about to run out, is simply false," he said. "We will probably, by the end of the decade, be the largest oil-producing country in the world."

[Thanks to Mr. Obama, America is running on empty](#)

As a candidate, Barack Obama declared that now was the time to end our dependence on foreign oil. But as president, he decided that major task could wait.

And today, gas prices are skyrocketing. Americans have seen price spikes before, but this is different. It's February—months from the summer driving season. We've never seen price spikes this early in the year.

[Presidential Oil Lies](#)

Dear reader, in this election year, the lies are already flying fast and hard.

And while the fibs cover many topics, the myths about energy are most material to our goals here...

No matter which side you lean toward personally, distortion of the truth from either side is detrimental to your bottom line.

[Lawmakers eye options for bringing residents relief at the gas pump](#)

Lawmakers representing southern West Virginia and Southwest Virginia said they were seeking ways to reduce gasoline prices.

“Well, of course, I have supported for a long time using our own resources and being aggressive about it,” said U.S. Rep. Morgan Griffith, R-Va., who added that he has supported offshore drilling near Virginia as early as 2005.

“I also think we need to do what I call ‘drill, dig, discover and deregulation,’” Griffith added.

[A model of oil prices](#)

In a decade of studying oil data, I’ve seen these kinds of panics and heard the same misguided interpretations over and over. So I know that if you really want to understand why oil prices are what they are, you need a much more sophisticated model which accounts for supply and demand, along with a great deal of additional complexity. Today I’ll share a conceptual model I created which, while by no means comprehensive, should give you a much better understanding of oil prices both in the past and the future.

But before I do that, I will explain some important concepts for the uninitiated.

[New-look oil rush shifting global markets](#)

Here's another structural transformation to add to all the others that you have to get your head around: it's the transformation of global energy markets as a result of shale oil and gas.

We've already got the digital revolution and the switch from consumption to savings after the GFC, not to mention the rise of China and India. Now we have the death of peak oil.

[Fuelling The Rise Of The Anglosphere](#)

In Britain, North Sea oil and gas is a resource that just refuses to quit.

[UK's energy production falls by 14 per cent](#)

THE UK's energy production fell by 14 per cent last year as a result of decreased gas and oil output from the continental shelf, according to the latest figures.

[Natural gas – a fuel too far?](#)

I once hitched a lift from New York to London in the private jet of an American gas billionaire. Robert Hefner III, who pioneered the drilling of deep wells in the 1960s, was planning to write a book and wanted to discuss it.

The Grand Energy Transition would argue that natural gas will solve “peak oil”, when global oil production starts to decline, and dramatically cut US emissions of greenhouse gases. Abundant and clean, gas offered a perfect bridging fuel to a future of limitless low-carbon energy based on hydrogen.

That was five years ago, with gas prices approaching near-record highs, so I was sceptical to say the least. But these days the US is awash with cheap, newly producible shale gas, and enthusiasts claim this “revolution” can be repeated around the world. So could it be that Mr Hefner, despite his obvious commercial interest, was right all along?

[Trucks Run on Natural Gas in Pickens Clean Energy Drive](#)

A Made-in-America fuel source may soon be moving tractor-trailers across the U.S.

Carriers like Ryder System Inc. (R) are buying long-haul trucks that run on natural gas, around \$1.50 a gallon cheaper than diesel. As adoption grows, Clean Energy Fuels Corp. (CLNE) and Westport Innovations Inc. (WPT) plan to profit from a marriage of technology and domestic energy that has the political blessing of President Barack Obama and the financial backing of T. Boone Pickens.

[North Dakota Oil Output May Top High as Weather Allows Drilling](#)

Oil production in North Dakota may have exceeded an all-time high last month as mild weather and lower-than-normal snowfall allowed drilling to increase. The number of wells started rose to 212 in January from 181 in December and 140 a year earlier, according to a preliminary estimate from Alison Ritter, a spokeswoman for the North Dakota Department of Mineral Resources.

[Putin says intends to free up offshore oil and gas](#)

(Reuters) - Russian Prime Minister Vladimir Putin, all but certain to return to the presidency after the March 4 election, said on Wednesday that the government should free up access to lucrative oil and gas offshore deposits, local newswires reported.

"We have made a decision that state-controlled companies may work offshore in the Northern seas... We have to work out what more should be done in this respect to increase such possibilities," he said according to Interfax.

[Gazprom in Talks to Buy Greek Gas Monopoly](#)

Russian gas giant Gazprom may buy stakes in Greece's DEPA gas monopoly and its transport branch DESFA to provide direct supplies to European consumers, Vedomosti business daily newspaper reported on Wednesday.

[Uganda Central Bank Warns Of Risks On Oil Revenue Use](#)

The governor of Uganda's central bank Monday warned against the swift use of oil money for capital projects, underscoring mounting tensions over oil revenue management in the East African nation.

[Conflict looms in South China Sea oil rush](#)

(Reuters) - When Lieutenant-General Juancho Sabban received an urgent phone call from an oil company saying two Chinese vessels were threatening to ram their survey ship, the Philippine commander's message was clear: don't move, we will come to the rescue.

Within hours, a Philippine surveillance plane, patrol ships and light attack aircraft arrived in the disputed area of Reed Bank in the South China Sea. By then the Chinese boats had left after chasing away the survey ship, Veritas Voyager, hired by U.K.-based Forum Energy Plc.

[Clinton: Japan, EU working to comply with Iran sanctions](#)

WASHINGTON (Reuters) - Secretary of State Hillary Clinton on Tuesday pledged to aggressively implement new U.S. sanctions on Iran but noted that some allies such as Japan face "unique situations" as they seek to reduce Iranian oil imports.

President Barack Obama on December 31 signed into law the harshest in a series of U.S. sanctions on Tehran over its nuclear program, targeting foreign financial institutions that do business with Iran's central bank or other blacklisted Iranian financial entities.

[Japan says likely to avoid U.S. sanctions on Iran](#)

TOKYO (Reuters) - Japan will likely avoid U.S. sanctions against Iran as it is continuing to reduce imports of Iranian oil, Foreign Minister Koichiro Gamba said on Wednesday.

The sanctions, aimed at pressuring Tehran to prevent its nuclear program being used to make weapons, will punish financial institutions that deal with Iran's central bank, the channel for oil transactions.

[India Said to Consider Asking Iran to Deliver Oil, Arrange Cargo Insurance](#)

India may ask Iran to take responsibility for delivering crude to the South Asian nation, allowing domestic refiners to avoid arranging insurance on the shipments, according to two people with knowledge of the matter.

[Iran 'to accept payment in gold for oil'](#)

Iran is to accept gold instead of dollars as payment for its oil, the country's state news agency has said.

The move comes as US and European Union sanctions against Iran have made it difficult for buyers to make dollar payments to Iranian banks.

[Iran seeks to sell crude in Asia as sanctions bite-traders](#)

SINGAPORE (Reuters) - Iran is trying to sell about 200,000 tonnes of crude oil from a supertanker floating off Singapore, traders said on Wednesday, a rare move that highlights how U.S. and European sanctions on Tehran's oil exports are hindering sales.

In another sign of Iran's difficulties, traders say a second supertanker that is heading towards China with about 270,000 tonnes of crude oil is carrying volumes which are above the usual term-contract supplies to the world's second largest oil consumer.

[Iran offers Pakistan 80,000 bpd of oil - official](#)

(Reuters) - Iran has offered 80,000 barrels per day of oil to Pakistan on a three-month deferred payment plan, an official in Islamabad said on Wednesday, in an attempt to soften the impact of Western sanctions and ease some of Pakistan's energy needs.

[Syrian activists appeal to West to be 'adopted'](#)

BERLIN – The website pictures show the selection up for adoption: Kobani, Al Hasaka and Barzeh. What at first glance might appear to be abandoned pets in need of good homes are actually the names of Syrian revolutionary groups asking for help from the West.

[Interview: Russia "could soften" Syria stance after poll](#)

BEIRUT (Reuters) - Moscow may soften its opposition to coordinated international action against Syrian President Bashar al-Assad after Russia holds its presidential election next week, a leading Lebanese politician has said.

International efforts to stop Assad's violent crackdown on protests have been deadlocked after Russia and China vetoed an Arab and Western-backed draft U.N. resolution which would have paved the way for the Syrian ruler to step aside.

[Venezuela to Continue Supplying Oil to Syria as Sanctions Widen](#)

Venezuela said it will continue to ship fuel to Syria as Europe extends sanctions on the nation for using military force to quell civilian dissent against President Bashar al-Assad's government.

"We've sent Syria two cargoes of diesel and shipments will continue as they are needed," Venezuela's Oil Minister Rafael Ramirez told reporters during a signing ceremony with Chinese officials in Caracas yesterday. "We have a high degree of friendship and cooperation with Syria, a country under siege."

[Insiders: U.S. Should Hold Off on Cutting Aid to Egypt, Arming Syrian Rebels](#)

Even though Congress is fuming over Egypt's decision to prosecute American civil-society workers in its courts, two-thirds of *National Journal's* National Security Insiders said the United States should not yet cut off aid to the country.

[Argentina turns away two cruise ships in Falkland Islands dispute](#)

The diplomatic row between Britain and Argentina over the Falkland Islands escalated a notch today when two ships carrying British passengers — P&O Cruises' Adonia and Princess Cruises' Star Princess — were turned away from the Argentine port of Ushuaia.

A spokeswoman for P&O Cruises said the official reason given for Adonia being denied entry to the port was "due to the ship having been in the Falkland Islands on Saturday." Adonia is on an 87-night round South America cruise.

[TransCanada to go ahead with part of controversial pipeline](#)

To capitalize on the boom in U.S. oil production, a Canadian company announced Monday that it will split a controversial pipeline rejected by President Obama and start building the Oklahoma-to-Texas portion.

[Why the Keystone pipeline would boost pump prices](#)

The proposed pipeline would relieve a glut of crude oil backing up in the Midwest and redirect those barrels to Gulf of Mexico ports. From there they could be shipped to world markets and repriced at higher global prices.

But that likely would mean higher prices for drivers in the nation's midsection, who currently are enjoying an unusual discount stemming from a lack of pipeline capacity.

[After Oil Spill, Chevron 'Saved' By Brazilian Court](#)

A federal judge in Brazil denied an injunction to suspend the local operations of U.S. oil major Chevron, and rig operator Transocean, saying that the injunction would have punished the companies before they had a chance to defend themselves in court, The U.S.-Brazil Business Council said on their website Tuesday.

[BP Investors See Spill Deal Narrowing \\$44 Billion Gap: Energy](#)

BP Plc investors said progress toward a settlement with the victims of the Deepwater Horizon disaster signals a share-price rebound, closing the \$44 billion gap with the company's value before the worst U.S. oil spill.

BP rose to a 13-month high above 500 pence in London trading yesterday after the trial to apportion blame for the disaster was delayed by a week to allow time to reach an accord with lawyers representing businesses and residents. The stock may gain a further 15 percent, presuming the company keeps payments for the spill within \$10 billion of the \$37 billion it has already set aside in costs, said broker Brewin Dolphin Ltd.

[The Best Way to Profit From the Monterey Shale](#)

It has been a long time since California has seen a profit opportunity like this.

The state's Monterey Shale formation may hold as much as 500 billion barrels of oil making it more valuable than the gold rush of 1848.

[W. Pa. tests: Chemicals in drilling area water](#)

EVANS CITY, Pa. (AP) — A western Pennsylvania woman says state environmental officials refused to do follow-up tests after their lab reported her drinking water contained chemicals that could be from nearby gas drilling.

At least 10 households in the rural Woodlands community, about 30 miles north of Pittsburgh, have complained that recent drilling impacted their water in different ways.

[Albany gas drill foes see veto-proof vote](#)

ALBANY — Hydrofracking opponents said Friday they now have a veto-proof majority to again pass a citywide ban on gas drilling that Mayor Jerry Jennings struck down in October.

Emboldened by a judge's ruling this week in favor of a Tompkins County town that also used zoning law to bar shale gas exploration within its boundaries, Councilman Dominick Calsolaro said he will reintroduce his ordinance — criticized by some as largely symbolic — to the Common Council in March.

[Ohio Fracking Foes Push Water Safety, Republicans Tout Jobs](#)

House Republicans went to eastern Ohio touting hydraulic fracturing to add U.S. jobs and cut fuel costs. Instead, lawmakers met skeptical residents, highlighting the divide over environmental concerns about fracking.

[Western Pennsylvania wells had casing failures in complaint area](#)

PITTSBURGH -- At least two gas wells near a community that's complained of sudden drinking water pollution developed casing problems during the drilling process, but neither Rex Energy Corp. nor state environmental regulators disclosed those problems during recent discussions about the contamination.

[Study: Japan feared 'devil's chain reaction' at nuke plant](#)

Japan's prime minister ordered workers to remain at the tsunami-crippled Fukushima nuclear plant last March as fears mounted of a "devil's chain reaction" that would force tens of millions of people to flee Tokyo, a new investigative report shows.

[Nuclear-Free Summer Looms Over Japan's West in Risk to Recovery From Quake](#)

Japan's economic rebound from the deepest contraction among advanced nations after Greece and Portugal may be stunted this year as power shortages threaten its western region.

[Why Uranium Miners Will Continue To Outperform Over The Long Term](#)

Understandably, the economic upturn in 2012, and fears of inflation due to skyrocketing oil prices above \$110 a barrel is a factor in this atomic revival. Nevertheless, the world is becoming increasingly aware of the deficiencies of coal, solar and natural gas to offer competitive advantages in the growing quest for inexpensive and safe source of electricity. The uranium miners are outperforming the general equity market so far in 2012.

[Obama's Algae Biofuel Proposal Could Be His 'Lunar Base' Moment](#)

COMMENTARY | President Barack Obama's suggestion that the solution to America's energy woes can be found in algae might well be his "lunar base" moment. Like Newt Gingrich's lunar base, algae derived biofuel is something well founded in science that is a target for ridicule.

[When Oil Rides High The Snakeoil Flows](#)

Showing the Obama administration's close linkage with Silicon Valley's class of high profile geek billionaires, and Obama's eagerness to throw more US public money their way "to reinvent energy and save the planet", ARPA has again marshaled Bill Gates, Vinod Khosla and other administration-friendly billionaires and power brokers, like Bill Clinton. This year, Gates and Clinton will be there in person to advise on how to throw public money at energy vanity tech and keep geeks happy.

[\\$5 Gas Paves The Way For Natural Gas And Electric Vehicles](#)

I believe it is time to seriously consider new means of transportation. And so, the main question: what displaces gasoline?

I believe there are two solutions: natural gas and electric vehicles.

[My Great Hope for the Future](#)

In this post, I offer a rosy vision for what I think we *could* accomplish in the near term to maximize our chances of coming out shiny and happy on the tail end of the fossil fuel saga. I'm no visionary, and this exercise represents a stretch for a physicist. But at least I can sketch a low-risk, physically viable route to the future. I can—in part—vouch for its physical viability based on my own dramatic reductions in energy footprint. I cannot vouch for the realism of the overall scheme. It's a dream and a hope—a fool's hope, really—and very, very far from a prediction or a blueprint. I've closed all the exits to get your attention. Now we'll start looking at ways to nose out of our box in a safe and satisfying way.

[Study: New children's books lack reference to nature, animals](#)

Children have been enjoying stories set in forests and jungles since *Little Red Riding Hood*, but natural environments are disappearing from kids' picture books today as more are set inside homes and other built environments, a study shows.

[Some employers want return of vo-ed training](#)

Republican presidential candidate Rick Santorum hit on a hot-button issue over the weekend when he called President Barack Obama "a snob" for his views on higher education. "He wants everybody in America to go to college," Santorum said.

The Tea Party may have loved the jab, but Santorum's comment touched on a real issue facing businesses that is rarely discussed in education policy debates: a lack of well-trained high-school graduates ready for the workforce.

[Wyoming lawmaker introduces doomsday bill](#)

According to the Star-Tribune, House Bill 85 would create a state-run "government continuity task force," to prepare Wyoming for potential disruptions in food and energy to a complete breakdown of the federal government.

Miller is also asking for the task force to look into creating its own state currency in the event the dollar loses value entirely.

[Gross ads disgust consumers into action](#)

Again and again, the study found, advertisements that try to simply "scare" consumers into actions — such as buying protective sunscreens or avoiding dangerous drugs — are far less effective than ads that also "disgust" consumers into taking the action. The best way to elicit disgust: Display totally gross images.

[Cities cry out for growing-pain relief](#)

MELBOURNE'S growth areas won't be sustainable in the near future unless more government funding is allocated for public transport and roads, a forum was told last week.

[What Happens When The Costs Of A Globalized Economy Grow Out Of Control?](#)

You might be into eating local, but if the costs of oil balloon, you won't have much choice about it. Cheap fuel is what powers global trade, but a future without cheap food might

force a "relocalization" of our economy.

[Beware of Sustainable Development](#)

The reason central planning doesn't work is that we cannot know what the needs of future generations will be. The concept of sustainable development is actually one of arrogance. How is your crystal ball working?

For instance, a sustainable development planner in the 1890s would seek to control whale oil for heating, rock salt for food preservation, and draft horses for transportation and agriculture. Fifty years ago, who would have considered the role rare earth minerals play in our current electronic age? Under the illogic of sustainable development, no generation has the right to use or draw-down the natural resource base given that a future generation has a claim on those resources, and the generation after that has a claim and so on, i.e., no resource rights exist for any generation.

[Sowing the seeds of urban agriculture](#)

EDMONTON - City gardens, so shaggy, green and hopeful in the face of all that asphalt and concrete, are inspiring on all sorts of levels. But until I read Jennifer Cockrall-King's new book, *Food and the City*, I hadn't imagined that urban gardens could change the world.

[Introducing the Zero Mile Diet](#)

You've probably heard about the hundred mile diet, a social movement which advocates eating food grown within 100 miles which minimizes the ecological footprint by reducing reliance on imported food because of the financial and environmental cost of transportation.

But what about The Zero Mile Diet?

The concept is the title of a best-selling book by Carolyn Herriot, an organic gardening guru from Vancouver Island. Her book is a month-by-month guide that steers readers down the garden path to the world of edible plants.

[Reality Check: How much of an environmental bad guy are the Alberta oilsands?](#)

If some of the headlines were to be believed, a recent report from one of Canada's more prominent climate scientists seemed to suggest that maybe the Alberta oilsands won't be such a big environmental bad guy after all.

Coal is really the black devil when it comes to pumping greenhouse gases into the air.

Trouble was, that's not exactly what the research published in the journal *Nature*

Climate Change said.

[Belief in global warming soars as mercury rises](#)

A poll suggests personal observations are the basis for much of the opinion on climate change.

[Arctic sea ice decline may be driving snowy winters seen in recent years](#)

A new study led by the Georgia Institute of Technology provides further evidence of a relationship between melting ice in the Arctic regions and widespread cold outbreaks in the Northern Hemisphere. The study's findings could be used to improve seasonal forecasting of snow and temperature anomalies across northern continents.

Since the level of Arctic sea ice set a new record low in 2007, significantly above-normal winter snow cover has been seen in large parts of the northern United States, northwestern and central Europe, and northern and central China. During the winters of 2009-2010 and 2010-2011, the Northern Hemisphere measured its second and third largest snow cover levels on record.

[Counting the Family Carbon](#)

Several studies have examined urban and rural per-capita carbon emissions, and we are not that unusual. Urbanites tend to have smaller carbon footprints than people in rural areas. The major difference is transportation.

[Canada's carbon lesson: Just put a price on it](#)

Five years ago, the province of British Columbia launched a quest to slash its carbon emissions. Here's what it has learned.



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