



## Drumbeat: March 14, 2012

Posted by [Leanan](#) on March 14, 2012 - 8:39am

### [IEA Predicts Bumpy Ride for Oil Amid Non-OPEC Supply Cuts](#)

The International Energy Agency cut forecasts for oil supplies from outside OPEC this year because of lower exports from Sudan and Syria, cautioning that reduced spare output capacity raises the risk of a price surge.

Producers not in the Organization of Petroleum Exporting Countries will provide 53.5 million barrels a day this year, or 200,000 a day less than the IEA forecast last month. The agency kept estimates for global oil demand in 2012 unchanged, predicting fuel use will remain “stunted” by the economic slowdown and higher prices. Disappointing non-OPEC output will make the market more reliant on a “slim buffer” of spare production capacity from a few OPEC nations, the IEA said.

### [Oil Declines on Forecast U.S. Supply Rose to 6-Month High](#)

Oil fell in New York on forecasts that stockpiles rose to the highest level in six months in the U.S., the world’s largest crude consumer.

Futures declined as much as 0.4 percent before an Energy Department report today that will show crude supplies climbed last week, according to a Bloomberg News survey. Stockpiles increased by 2.8 million barrels to 349.3 million, according a report yesterday from the American Petroleum Institute.

### [Poll Shows Public Supports Obama on Gas Prices](#)

More Americans trust President Obama than congressional Republicans to make the right decisions to bring down the price of gasoline, according to a new poll, although neither side commands a majority.

What’s more, as prices continue to rise and the specter of \$5-per-gallon gas for the summer driving season looms over the political landscape, the latest United Technologies/*National Journal* Congressional Connection Poll shows the public slightly more supportive of the energy priorities of the Democrats and the president than those of the GOP.

## [Big Brother and the Oil Company](#)

In the midst of an election year, tied to a flurry of headlines about high prices for gasoline, there have been a lot of questions about the value and significance of government subsidies for the oil and gas industry. On a global scale, a closer look at the role of government subsidies reveals that they can be very much to blame for high oil prices.

## [An Inconvenient Statement, Retracted](#)

Energy Secretary Steven Chu on Tuesday walked away from his oft-quoted pre-Cabinet statement that the United States should deliberately raise gasoline prices to discourage consumption.

## [Delta Joins Southwest in Forecasting Cuts as Fuel Surges](#)

Delta Air Lines Inc. and Southwest Airlines Co. curbed their first-quarter forecasts today as surging fuel costs erode profit at U.S. carriers.

The discount carrier now projects a loss in the three months through March, compared with earnings of 3.5 cents a share that analysts estimated previously, while Atlanta-based Delta predicted lower profitability

## [Natural Gas at 10-year lows as diesel hits retail records in Europe](#)

Whatever happened to fuel switching between natural gas and diesel? The switch from diesel to natural gas is one of the biggest types of fuel switching in transport. You see this with all the buses now running natural gas instead of diesel. Other companies with fleets of cars and trucks are making the switch too. So, peak oil or not, you know something is not right when diesel fuel is hitting record highs across Europe and Gasoline is edging toward \$4.00 a gallon in the US while natural gas prices are at 10-year lows.

## [Opec worries over high prices](#)

KUWAIT CITY // Fears are growing among Opec nations that they might not be able to keep oil prices under control as concerns mount over a stand-off between Iran and the West.

## [Saudi Assurances on Ample Oil Supply](#)

The U.S. has received assurances from Saudi Arabia, the United Arab Emirates and Kuwait that they would raise oil production to help offset the effect of economic

sanctions on Iranian exports, according to participants in discussions between the U.S. and oil-producing countries.

### [Saudi oil minister vows to cover future shortfall](#)

"Ultimately, volatility is caused by speculation in the marketplace, based on a conjecture over tighter supply-demand balances in the future, and increased interest in energy commodities as an asset class for financial investors," he said.

"It is this emphasis on 'paper barrels', rather than actual cargos, which creates problems," he added.

Naimi acknowledged that other factors have an impact on prices, namely "misinformation about peak oil, unsubstantiated concerns about production capacity," as well as "global events" and the "often sensational reporting of such events."

### [Petrobras faces growing fuel deficits - report](#)

SAO PAULO (Reuters) - Brazil's state-run oil company Petrobras will have to make up for a shortfall in local refining capacity by importing ever larger amounts of diesel and gasoline, while new refining capacity suffers delays, a local paper reported Wednesday.

Paulo Roberto Costa, Petrobras' supply director, told the Valor Economico newspaper that the company expects to import 80,000 barrels of gasoline and 160,000 barrels of diesel a day in 2012.

### [Anadarko Spending](#)

Anadarko Petroleum Corp., the largest U.S. independent oil and natural-gas producer by market value, plans to boost spending as much as 13 percent as it taps onshore crude reservoirs and pushes ahead on African projects.

### [Most Americans Would Back US Strike Over Iran: Poll](#)

A majority of Americans would support U.S. military action against Iran if there were evidence that Tehran is building nuclear weapons, even if such action led to higher gasoline prices, a Reuters/Ipsos poll showed on Tuesday.

### [Sanctions begin to hit Iran oil shipments](#)

Iran is feeling the squeeze on its oil exports ahead of the full implementation of EU sanctions as shipping companies are unable to insure tankers lifting crude out of the Islamic republic.

Exports to the EU have already been reduced to a trickle and overall exports have fallen as the state-owned Iranian shipping company struggles to replace the foreign tanker fleet.

### [Iran's Crude Oil Exports to Fall 50% on Embargo, IEA Says](#)

Iran's oil exports will probably decline by 50 percent when European sanctions take full effect in July, the International Energy Agency said.

### [Iran Oil Power Declining as Explorers Increase Spending](#)

The Iran-driven run in oil prices to the highest since 2008 masks the Middle East producer's diminishing importance to global oil supplies as record spending on drilling unearths reserves from Argentina to Angola.

### [Gazprom Trips in India as Shale Upends Asia Gas Markets](#)

GAO Gazprom, the world's largest natural-gas exporter, is struggling to get a foothold in the Asian markets leading global economic growth.

The Russian company's plan to supply liquefied natural gas to India from 2016, the year the U.S. is set to start gas exports, is faltering after buyers said they're looking for cheaper fuel from North America. Last year, decade-long talks to supply pipeline gas to China foundered over price disagreements.

### [Why the Great Shale Rush in the Eagle Ford may be over sooner than you think](#)

But while it borders on the heretical to say it aloud, judging from very recent shale plays elsewhere in the country — like the Marcellus, the Barnett, the Fayetteville — ours may not go down as the century of natural gas, after all. Critics contend the promise of decades-long growth doesn't match what's been seen elsewhere, that the eventual Eagle Ford bust could come sooner than industry promises suggest — though some lucky landowners, local governments, and oil and gas companies flipping mineral leases will still be all the richer for it.

### [High oil prices: Fortunately and unfortunately](#)

High oil prices are changing our world in many ways; some for the good, and some for the worse.

### [George W. Bush Says Keystone XL Pipeline a 'No-Brainer'](#)

TransCanada Corp.'s Keystone XL pipeline, which would carry oil from landlocked Alberta to the U.S. Gulf Coast, is a "no-brainer" that would create jobs and bolster the economy, former President George W. Bush said.

### [Study Warns of Economic Damage in a Keystone Spill](#)

A report released on Tuesday by Cornell University's Global Labor Institute concludes that the economic damage caused by potential spills from the Keystone XL pipeline could far outweigh the benefits of jobs created by the project.

### [Sabine Pass natural gas plant, the next 'Keystone'](#)

NEW YORK (CNMoney) -- At the mouth of the Gulf of Mexico along the Texas-Louisiana border, Cheniere Energy could be just weeks away from breaking ground on the first natural gas exporting facility ever built in the lower 48 states.

It's also where a new fight with echoes of the Keystone pipeline is building, pitting economic development against environmental protection.

### [Kunstler Brings Energy Message To UVM](#)

Let's talk about our energy future. We've already reached the age of peak oil and fossil fuels are too dangerous for the environment anyway. Gas from shale oil in Canada? Far more pricey to extract than the industry would have you believe. OK, renewable energies-wind and solar-that's the wave of the energy future. Not a chance. Those technologies can't possibly power a country that hungers for consumption the way America does.

That's what James Howard Kunstler believes, and he really doesn't care if you disagree.

### [Toward Energy Literacy: Our "Peak Oil" Reality](#)

"Energy literacy" and "peak oil literacy" should be requirements for pundits – and for citizens more generally. I've followed these issues for many years now, and the poor energy knowledge among even the chattering classes and punditry still amazes me.

A recent MSNBC show allowed a guest to state, without challenge, that U.S. oil production is now at an all-time high. No one, including the host and three other guests, objected to this statement. Many articles in various media outlets are now trumpeting the new "oil boom" in the U.S.

### [The E-Cat Horror](#)

Some of the cheap effects of the movie were easy for everybody to detect. Just think of the gas heater used to warm the factory when the nuclear reactor was supposed to do the job alone. Nevertheless, the interest in the movie never waned: with plenty of twists in the plot, evil characters, monsters, conspiracies, mysteries, the military, secret services, and more.

Still, even a good horror movie must end at some moment: after a couple of hours, you go home and you forget about zombies and vampires. So, the E-Cat movie arrived to a close, with recent events leading to the final showdown. The villain [has confessed](#) his crime, the secret has been [revealed](#). Is it the end of the E-Cat horror?

### [EON Profit Declines on Nuclear Plant Closures, Weak Demand](#)

EON AG, Germany's largest utility, said 2011 profit slumped 50 percent because of nuclear reactor closures and lower earnings from its power generation and wholesale gas business.

### [Nuclear Agency Head Calls for New Standards](#)

The Nuclear Regulatory Commission needs to rewrite its standards to address what it considers "high consequence" events in view of last year's nuclear accident at the Fukushima Daiichi plant in Japan, the commission's director said Tuesday.

### [Japan Seeks Restart of Fukui Prefecture Reactors, Yomiuri Says](#)

The Japanese government will ask officials of Fukui prefecture, western Japan, to allow Kansai Electric Power Co. to restart the No. 3 and 4 reactors at its Oi nuclear plant, the Yomiuri newspaper said.

### [Detroit ready for a fuel efficient future](#)

With a bevy of new vehicles packed with fuel efficient technology in the pipeline, American automakers are more poised than ever to meet growing demand for better gas mileage.

### [U.S. solar and wind industries expand](#)

Despite last year's bankruptcies of several solar manufacturers, including government-backed Solyndra, the U.S. solar and wind industries continue to expand in the face of obstacles this year.

### [New Solar Panels Blossomed Despite a Tough Year for the Industry](#)



Last year seemed like a dark one for the solar industry: stiff competition from China drove American manufacturers to layoffs and even bankruptcy, while the low price of natural gas and the loss of a critical government subsidy weakened incentives for new solar developments. And then there was the long shadow of Solyndra, whose bankruptcy after receiving federal loans cast a pall over other green-energy endeavors.

And yet, by the numbers, 2011 was a banner year for all those sparkling blue modules, according to a report published on Wednesday by the Solar Energy Industries Association and GTM Research. About 1,855 megawatts of new photovoltaic capacity was installed, more than double the 887 megawatts of the year before. The number of large-scale installations grew as well, to 28 from just 2 in 2009.

### [Solar Silicon Price Drop Brings Renewable Power Closer](#)

As nations install more solar-generated electricity, it becomes less expensive to produce. In several countries, the learning curve has already led to prices competitive with conventional power.

### [Enel Targets Renewables, Latin America to Counter Italian Slump](#)

Enel SpA, Italy's largest utility, will steer investments into Latin America and renewable energy as recession damps electricity demand in its biggest market.

"Growth has to come from renewables and from Latin America, as well as Eastern Europe and Russia," Luigi Ferraris, chief financial Officer, said in an interview in London. Enel, based in Rome, is planning to add about 4.5 gigawatts of renewable capacity to 2016 through its Enel Green Power unit, he said.

### [Eon to Cut Costs of Building Offshore Wind Farms 40% by 2015](#)

EON AG, Germany's biggest utility, expects to cut costs for building offshore wind farms 40 percent by 2015, Chief Executive Officer Johannes Teysen said.

### [Doomsday Has Its Day in the Sun](#)

Last month the National Geographic Channel introduced "Doomsday Preppers," a Tuesday-night reality series about people who are stockpiling, arming and otherwise preparing for some kind of apocalypse. Last week it was the Discovery Channel's turn. Its new "Doomsday Bunkers," on Wednesday nights, is about Deep Earth Bunker, a company that builds underground getaways for the types of people seen in "Doomsday Preppers."

[My doomsday tab: \\$130K on bunkers, guns and more](#)

NEW YORK (CNNMoney) -- The cost of preparing for doomsday isn't cheap.

First you have to stock up on the appropriate gear, ammunition, food and shelter to survive a nuclear meltdown, asteroid, earthquake, solar flare or some other catastrophe. Then there's acquiring the materials you'll need to rebuild a community after the dust settles.

The bottom line: Some self-described "preppers" are plunking down hundreds of thousands of dollars.

[The Fertility Implosion](#)

When you look at pictures from the Arab spring, you see these gigantic crowds of young men, and it confirms the impression that the Muslim Middle East has a gigantic youth bulge — hundreds of millions of young people with little to do. But that view is becoming obsolete. As Nicholas Eberstadt and Apoorva Shah of the American Enterprise Institute point out, over the past three decades, the Arab world has undergone a little noticed demographic implosion. Arab adults are having many fewer kids.

Usually, high religious observance and low income go along with high birthrates. But, according to the United States Census Bureau, Iran now has a similar birth rate to New England — which is the least fertile region in the U.S.

[Sierra Club Spurns \\$30 Million Gift After Fracking Turns Toxic](#)

Environmental and health groups are calling for tougher U.S. regulation of hydraulic fracturing for natural gas, turning on a one-time donor to their causes: Chesapeake Energy Corp.

[Vietnam May Give Tax Preference to Businesses Conserving Energy](#)

Vietnam's finance ministry will ask Prime Minister Nguyen Tan Dung to give "some tax preference" to businesses that have energy conservation plans or use so-called green energy.

[Seattle Gets the Street View on the Quality of Its Lights](#)

SEATTLE — This city has a noble notion of itself at the leading edge. Its jets, coffee, computers, environmental activism and philanthropy have all been celebrated for remaking the globe.

Now Seattle wants to change not just the world but its light bulbs, too.



### [Water Pollution Rises From Farms, Costing Billions](#)

Water pollution from agriculture is costing billions of dollars a year in developed countries and is expected to increase in China and India as farmers race to increase food production, the Organization for Economic Cooperation and Development said.

### [Team Tracks a Food Supply at the End of the World](#)

Dr. Bernard and her team, known at Palmer as “The Psycho Krillers,” are studying the feeding patterns of Antarctic krill, the small, bug-eyed shrimplike crustaceans that are the central diet for whales, penguins, seals and seabirds. She is one of a growing number of scientists concerned about the effects of a kind of gold rush, as fishing companies race to the Southern Ocean to catch krill and turn it into animal feed and lucrative omega-3 dietary supplements.

### [Global warming skepticism climbs during tough economic times](#)

STORRS, Conn. – The American public's growing skepticism in recent years about the existence of man-made global warming is rooted in apprehension about the troubled economy, a University of Connecticut study suggests.

### [A Reminder That Science Can Override Pressure](#)

The recent death of F. Sherwood Rowland, who, working in 1974 with Mario Molina, discovered that the ozone layer was endangered by a lucrative class of chemicals, is a reminder of the perennial determination of industries to undermine scientific findings that could cost them money or markets.

### [Australia to become hotter, drier](#)

SYDNEY: Australia's climate is warming at an alarming rate and is set to become drier despite recent record floods, scientists said Wednesday in a report that warns of increased drought and fiercer storms.

### [Neighbours vital to carbon efforts](#)

AUSTRALIA could get more out of its carbon pricing scheme by focusing its emissions trading efforts on neighbours such as Indonesia rather than Europe, according to a leading climate think tank.

### [World entering a 'third era' in efforts to deal with climate change - expert](#)

After 20 years dominated by inaction on climate change, the world is entering a “third era” when the impacts of climate change are unavoidable, says a London climate expert.

### [Rising Sea Levels Seen as Threat to Coastal U.S.](#)

About 3.7 million Americans live within a few feet of high tide and risk being hit by more frequent coastal flooding in coming decades because of the sea level rise caused by global warming, according to new research.

If the pace of the rise accelerates as much as expected, researchers found, coastal flooding at levels that were once exceedingly rare could become an every-few-years occurrence by the middle of this century.

By far the most vulnerable state is Florida, the new analysis found, with roughly half of the nation’s at-risk population living near the coast on the porous, low-lying limestone shelf that constitutes much of that state. But Louisiana, California, New York and New Jersey are also particularly vulnerable, researchers found, and virtually the entire American coastline is at some degree of risk.



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