

Drumbeat: March 30, 2012

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There Will Be Oil—and That's the Problem



I have the cover story this week in the dead-tree/living table TIME, on the future of oil. Gas prices have dominated the political conversation for weeks—at least until the Supreme Court started its health care hearings—and with the summer driving season just around the corner, the national obsession won't be lift any time soon. Republicans and Democrats, oil executives and environmentalists have seized the opportunity to take potshots at each other, with one side claiming that more drilling will greatly ease the pain at the pump, and the other side arguing that energy efficiency and alternative energy are the only solutions. (I lean toward the latter.) The reason gas prices are so high, of course, is because oil itself is expensive, with Brent crude over \$125 barrel. And that's largely because oil markets are spooked over possible conflict with Iran, which could take one of the world's major crude suppliers offline—and potentially block the Strait of Hormuz, through which 20% of the world's oil flows.

Still, even fear of war in the Middle East doesn't really explain why oil has remained so expensive as demand from the world's biggest consumer—the U.S.—has been falling and the global economy remains sluggish. That fact—along with evidence that production of

conventional oil seems to have plateaued a few years ago—has renewed fears that the world is approaching something like peak oil. The worry is that these high prices could just be the beginning, a signal that our thirst for oil is finally exceeding our supply. "The fact is that most of the world's oil wells are in decline," says David King, the former chief scientific adviser for the British government and the co-author of a recent *Nature* paper on oil supplies. "The only way to keep supply up is through the heroic discovery of new oil reserves."

Oil Rises From Year's Biggest Decline as Finance Ministers Meet

Oil advanced in New York, heading for a second quarterly gain, as Europe's finance ministers met in Copenhagen to increase rescue funds to temper the region's debt crisis.

Crude rose as much as 0.9 percent, the first gain in three days, as consumer spending in the U.S. jumped in February by the most in seven months, showing the biggest part of the economy is strengthening. Prices fell 2.5 percent yesterday, the biggest drop since December. European equities extended the biggest first-quarter advance since 2006 and the euro gained while default risk fell. For the week, prices are lower after U.S. stockpiles climbed to the highest level since August and Western countries discussed tapping emergency reserves.

OPEC oil output rises in March, despite Iran drop

LONDON (Reuters) - OPEC oil output has risen in March to its highest level since October 2008 as higher supply from Iraq and further recovery in Libya's production offset a drop in shipments from Iran, a Reuters survey found on Friday.

Supply from all 12 members of the Organization of the Petroleum Exporting Countries has averaged 31.26 million barrels per day (bpd), up from 31.16 million bpd in February, the survey of sources at oil companies, OPEC officials and analysts found.

High gas prices? Some consumers just say no

Most motorists are simply bearing up against soaring gasoline prices. They may swear. They may complain. But they end up filling up as always.

Others, however, are fighting back as the nation heads into the spring driving season. Some are riding the bus or train or are carpooling. Some are giving up four wheels for two — a scooter or bicycle. Some are simply planning their trips more efficiently.

U.S. travelers say fuel prices will keep them closer to home this summer

Whether traveling for business or pleasure this summer, rapidly escalating fuel costs —

gas is now above \$4 a gallon at many West Coast locations — will cause travelers around the nation to cut back on trips, according to a new survey by the nonprofit U.S. Travel Association.

The survey found that of vacationers who plan to travel by car this summer, 54 percent said an increase in gas prices would affect their summer leisure travel plans, while more than 25 percent of business travelers said higher gas prices would affect their summer business travel plans.

Consumer spending jump highest since July

NEW YORK (CNNMoney) -- Consumer spending jumped in February due to higher prices, far outpacing more modest gains in income.

The government reported that spending jumped 0.8% compared to January, the biggest one-month jump since July of last year. But when adjusted for inflation, spending increased only 0.5%, a sign that higher prices for staples such as gasoline were driving much of the increase.

Oil release now more likely

(Reuters) - Unless oil prices drop for other reasons, the United States and other governments appear set to release crude and product stocks from their strategic reserves before or during the summer in a bid to slow the rise in prices, avert an economic slowdown and sustain support for their strategy of sanctions on Iran.

The probability of a release is now more than 50 percent. The only remaining questions concern the timing and scale of releases; how many countries take part; whether they will receive support from other reserve holders such as China; and whether swing-producer Saudi Arabia will help the effort by maintaining higher than normal exports even as commercial inventories rise.

<u>Indonesia Protests Roil as Yudhoyono Seeks Fuel-Price Boost</u>

Indonesian President Susilo Bambang Yudhoyono faces one of the biggest public protests of his seven- year leadership as a government plan to raise fuel prices stirs public anger, threatening efforts to contain the budget gap and strengthen Southeast Asia's largest economy.

About 1,000 people had gathered in front of the parliament house at about 10:30 a.m. in Jakarta, and police estimate more than 81,000 will protest across the nation today as the legislative body debates a proposal to increase the price of subsidized gasoline by 33 percent to 6,000 rupiah (65 U.S. cents) per liter. Demonstrations started earlier this week.

'Oil prices at US\$100/barrel not sustainable'

"I don't think the current high oil price is sustainable for the world economy," he said in an interview in Kuala Lumpur today. "It has all been hiked by the security instabilities in Iran and so forth. It's amazing. I don't think it can last long."

Spain increases electricity bills to trim deficit

MADRID (Reuters) - Spain said power prices would rise by 7 percent to help contain an accumulated 24 billion euro (\$32 billion) deficit due to utilities selling electricity below nominal costs.

Industry Minister Jose Manuel Soria said on Friday the increase would have been 30 percent if consumers alone had been required to pay to keep the "tariff deficit" within legal limits for this year, and to eliminate it next year.

But utilities would also contribute by cutting costs and some extra contribution would come from the government, he said.

Japan, not Iran, may be oil market's focus in April-Campbell

NEW YORK (Reuters) - The showdown between Iran and the West over Tehran's nuclear program remains the overarching risk facing oil markets but in the near term, nuclear power in Japan may well become the short term focus for traders.

The near total shutdown of Japan's nuclear power industry since last year's devastating earthquake and tsunami turned the Japanese electricity sector into a surprise source of oil demand growth in Asia last year.

Analysis: Saudi summer oil burn should decline this year

DUBAI/KHOBAR (Reuters) - Saudi Arabia is likely to burn less crude in its power plants this summer thanks to rising output from dedicated gas fields and gas that would be associated with any increase in oil output to make up for lower Iranian production.

Last summer the world's leading oil exporter burned an average of 730,000 barrels a day (bpd) of crude for electricity to keep the population cool in the hottest months from July to the end of September, official figures indicate.

Hundreds of thousands of barrels of the kingdom's biggest export will again go up in smoke at power plants each day this summer, but the volume of oil used for power is likely to fall.

The shale gas revolution

No one could have predicted that oil prices would rise to today's levels. Saudi Arabia's oil minister, Ali al-Naimi, says they are irrationally high, pointing out that world demand is lower than the available supply and that Saudi oil inventories around the world are largely untapped. The "irrational" cause, of course, is fear of a war with Iran. But it would also have been unpredictable that a 47 per cent hike in oil prices since November 2010 would not cause a major slowdown in the U.S. economy. One reason it hasn't might well be the rise of shale gas.

The Peak Oil Crisis: Our Natural Gas Glut

With global warming driving down the demand for natural gas as a home heating fuel and natural gas drillers producing record amounts, an oversupply situation has developed quickly. Stocks of natural gas are rising. As a result natural gas prices have fallen way below profitability and drillers are scrambling to cut back production.

The natural gas surplus that is in our underground storage facilities may be full before fall, forcing producers to slow production until a market for the gas can be found. There are only so many things we can do with an excess of natural gas: you can export it; burn it in power plants; turn it into other products in petrochemical plants; increase its use in vehicles; and burn it to heat buildings.

Solving The Global Energy Equation: Demand-Supply-Infrastructure

Today we know what would happen to oil prices if there was another 3.1% increase in world demand: we would attain naked, open and declared Peak Oil. Today also, China and India know what will probably happen to world coal prices if, as forecast, China's coal imports increase 8-fold by 2015, from 25 million tons in 2011 to as much as 200 million tons, while India's coal import merely doubles by 2015, to also attain 200 million tons a year. The theoretical limit-price for coal could be as high as oil parity on a \$100-barrel basis, making coal cost as much as \$500 per ton. The likelihood of this is however low, for reasons including rising availability of LNG, in major part due to the price of LNG, for Japan shipments averaging about \$16.75 per million BTU in February 2012, compared with US pipeline gas at around \$2.50 per million BTU. Another reason is that hopes for a fall in global gas prices are high, when or if the US shale gas boom can be transplanted outside the US and large global stranded gas finds can be processed and shipped as LNG.

Recession beckons in Britain, claims OECD

Oil prices barely budge despite reserve-release talk. For those who subscribe to the theory of 'Peak Oil', the recent price action ought to have triggered some cheer. Despite increased talk that America and Europe might reach an accord on releasing oil from their strategic reserves, and despite Saudi Arabia's promise that it is doing as much as it can to return the oil price to a more normal level, the price of Brent crude remains around USD 125 a barrel. Quite apart from the political risk premium which oil is

attracting because of geopolitical tensions, the issue bedevilling oil prices is essentially one of supply disruption and general tightness, notwithstanding the claim made by Saudi Oil Minister Naimi in yesterday's FT that the market is well-balanced. Iranian oil exports are subject to heavy sanctions and Russian supply has also been restricted. That said, at these elevated prices, there is plenty of incentive for the major oil producers to ramp up production. With some real concerns amongst international policy-makers regarding the potentially adverse effect on growth of oil prices at these elevated levels, we can expect some further steps to alleviate the pressure in the market in coming weeks. How successful they will be is a completely separate matter.

Crude Oil Prices: Now for Something Really Scary

If oil prices don't crash down to \$67 within the next two months, that means for sure the evil one-eyed-drooling-spirit of Peak Oil, which everyone has been studiously trying to ignore for so long, has finally arrived.

Torque

HAVE we reached the peak of the Oil Age? The debate around this issue is exercising many scientific minds and, as you'd expect when scientists choose to argue, they can get pretty vociferous about it.

According to researchers at Newcastle University, New South Wales, "There is increasing certainty that conventional oil production has peaked/will peak before 2025." A separate study by six European scientists takes issue with the International Energy Agency's 2008 World Energy Outlook. They reckon it has seriously overstated crude oil production forecasts for 2030.

Not to be outdone, a group of analysts at Citigroup say resurging oil production in North America spells the death of the Peak Oil hypothesis. Their optimism is hinged on the Bakken, a series of shale oilfields located in the US's Williston Basin in Montana and North Dakota, but which also extend into Manitoba and Saskatchewan in Canada.

Getting a peek at the effects of Peak Oil

ALBANY — The last time Richard Heinberg visited the Capital Region in the summer of 2006, oil cost about \$70 a barrel and gasoline was \$3 a gallon.

When he returned Tuesday to again talk about the gradual end of the golden age of cheap fossil fuel on which modern society floats, that barrel cost \$105 and gas was tickling \$4. Some experts are predicting prices could hit \$5 by the summer.

Senate Republicans reject Obama call to end 'big oil' tax breaks

Washington (CNN) -- Senate Republicans on Thursday blocked a Democratic measure

championed by President Barack Obama to end tax breaks for the major oil companies.

The procedural vote of 51-47, which failed to reach the needed threshold of 60 in favor, killed the measure, which was given little chance of eventually winning approval in the Republican-controlled House. Four Democrats opposed the bill while one Republican supported it.

Russia halves Ukraine gas shipments

(MOSCOW) - Gazprom said on Friday it had recently halved Russia's natural gas shipments to Europe through Ukraine as part of efforts to reduce deliveries through the troublesome transit nation.

The Russian monopoly said it had reduced its deliveries across the former Soviet republic by 47 percent in recent days and denied Ukrainian claims that the drop was dictated by falling demand in Europe.

Cameron Licks Self-Inflicted Fuel-Strike, Pastygate Wounds

"Total Panic," ran the front-page headline on The Sun, Britain's best-selling newspaper, this morning. The Times headline told of a "A fuel crisis made in Downing Street," Cameron's official London residence.

PetroChina Plans 'Large Scale' Acquisitions to Expand Output

PetroChina Co., surpassing Exxon Mobil Corp. and OAO Rosneft as the world's biggest publicly traded crude producer last year, plans to buy additional assets to ramp up output and expand into overseas markets.

"We will buy assets on a large scale," Chairman Jiang Jiemin told reporters in Hong Kong yesterday. "Our focus is on the Chinese market, but in the long term, we will expand outside China," he said, after the Beijing-based company posted fourth- quarter profit that missed estimates because of losses from selling fuels at prices controlled by the government.

Statoil May Join Russian Arctic Shelf Projects - Putin

Norwegian energy firm Statoil may participate in new hydrocarbon development projects in Russian Arctic shelf, President-elect Vladimir Putin said on Friday.

"I think we can come to agreement about joint work in [the country's] north ... I hope projects and decisions that will allow us to move forward will be found at corporate and state levels," Putin told Statoil President & CEO Helge Lund during a meeting.

Bharat Petroleum To Invest \$2.8 Billion On Kochi Refinery Expansion

NEW DELHI – Bharat Petroleum Corp. said Friday it will spend INR142.25 billion (\$2.8 billion) by December 2015 to expand its Kochi refinery in southern India by 63%, as it seeks to keep its capacity in line with its refined fuel products sales volume.

India's second-largest state-run refiner and fuel retailer by capacity will increase the Kochi refinery's capacity by 120,000 barrels a day to 310,000 barrels a day, it said in a statement to the Bombay Stock Exchange.

Canadian Oil Boom Reverberates in Offices as Returns Rise

Office vacancies are falling in Toronto and the rest of Canada amid economic growth led by the oil and natural-gas industries. Investor interest in commercial property is rising after the total return on real estate climbed almost 16 percent last year, the most since 2006 and outpacing gains in the U.S., according to the REALpac/IPD Canada Annual Property Index.

Kenya: What Is At Stake With the Turkana Oil Discovery?

The membership of the club of oil producing countries in Sub-Saharan Africa is growing.

Nigeria, Angola, Cameroon, Guinea, Sao Tome and Principe, Gabon, Sudan, South Sudan, Uganda, and now, the new kid on the oil platform, Kenya!

Sub-Saharan Africa oil revenues have crept up to a staggering \$30 billion per year. The US, the world's largest market seeks to double its imports from the region by 2015. Why then are some of these countries trapped in a problem of persistent poverty, desperation and civil war?

YPF Surges on Argentine Shale Oil Discovery

YPF SA, Argentina's largest crude company, led gains by major Latin American stocks after saying that it discovered as much as a 1 billion barrels of shale oil resources in the western province of Mendoza.

India's ONGC to sign gas exploration pact with ConocoPhillips

(Reuters) - India's Oil and Natural Gas Corp and U.S. oil company ConocoPhillips will sign a pact on Friday to explore and develop shale gas and look for opportunities in deepwater exploration, the Indian state-run explorer said in a statement.

"There is no rational reason whet oil prices are continuing to remain at these high levels" wrote Saudi Arabia's oil minister Ali Naimi in an op-ed the other day. With markets tight but balanced, oil is trading with a substantial risk-premium tied to the possibility of military conflict between Israel and Iran. With the U.S. moving three aircraft carriers into the Arabian Sea to secure the Strait of Hormuz, and Azerbaijan reportedly granting Israel airfield access along Iran's northern border, the stakes are higher than ever.

U.S. Lawmakers Target Iran Energy Sector for Expanded Sanctions

U.S. lawmakers are seeking to expand sanctions on Iran's energy sector by banning the purchase of its natural gas and prohibiting investment in oil and gas services, exploration and new pipelines.

Obama likely to find oil market can handle Iran sanctions

WASHINGTON (Reuters) - U.S. President Barack Obama is likely to determine by Friday that there will be enough oil in the world market to allow countries to cut imports from Iran, taking another step toward sanctioning those nations that do not, analysts and a congressional aide said.

Iran sanctions spark brisk Saudi trading

Oilfield service providers are recording a brisk trade in Saudi Arabia as Opec's largest producer invests to keep its facilities in shape to meet any added demand arising from sanctions on Iran.

"When I go to Saudi Arabia, the message is very clear," said Nabil Alalawi, the chief executive of Al Mansoori, an energy services company based in Abu Dhabi. "Bring as much equipment and people as you can and we will give you work."

Why India is trying to expand trade with Iran

The creation of Pakistan cut India off from longstanding trade routes to Central Asia and beyond. India sees Iran as a way to reconnect, despite US sanctions.

Turkey voices support for Iran nuclear programme

Turkish Prime Minister Recep Tayyip Erdogan on Thursday voiced his country's unwavering support for Tehran's nuclear ambitions in a meeting with Iran's President Mahmoud Ahmadinejad, according to an official statement.

"The government and nation of Turkey has always clearly supported the nuclear

positions of the Islamic republic of Iran, and will continue to firmly follow the same policy in the future," Erdogan was quoted as saying in the statement issued by Ahmadinejad's office.

Turkey to reduce Iranian oil imports

ANKARA: Turkey says it is reducing oil imports from neighboring Iran by 20 percent and will make up for it with purchases from Libya.

Energy Minister Taner Yildiz says Turkey plans to purchase one million tons of oil from Libya this year, and also engage in spot oil purchases from Saudi Arabia. Turkey's oil refinery, Tupras, said purchases from Iran were being reduced by 20 percent.

India and China Skirt Iran Sanctions With 'Junk for Oil'

Iran and its leading oil buyers, China and India, are finding ways to skirt U.S. and European Union financial sanctions on the Islamic republic by agreeing to trade oil for local currencies and goods including wheat, soybean meal and consumer products.

Iran helping Syria defy sanctions, aiding shipment of \$80-million worth of oil to China

LONDON — Iran is helping its ally Syria defy Western sanctions by providing a vessel to ship Syrian oil to a state-run company in China, potentially giving the government of President Bashar al-Assad a financial boost worth an estimated \$80-million.

Three Percent of UK North Sea Output Lost Due to Elgin

Around three percent of the UK North Sea's gas output is being lost as a result of the continued shut-in of the Elgin field, UK Energy Minister Charles Hendry said Friday.

North Sea Elgin platform gas leak: 'No evidence of human error'

Human error does not appear to be the cause of the North Sea gas leak, according to oil company Total.

The leak at the Elgin platform, 150 miles off Aberdeen, has been ongoing since Sunday, when workers were evacuated.

Shell Arctic Spill Response Plan Gets Approval

ANCHORAGE, Alaska (AP) — Federal offshore drilling regulators on Wednesday approved Shell Oil's spill response plan for exploratory drilling in the Beaufort Sea, drawing strong criticism from environmental groups that claim oil companies cannot clean up oil in ice-choked waters.

BP Says U.S. Withholding Evidence of Extent of Oil Spill

BP Plc said the U.S. government is withholding evidence that would show the oil spill from the Macondo well in the Gulf of Mexico was smaller than claimed.

A New Weapon in the Fracking Wars

In recent months, efforts to restrict future natural gas drilling in New York State have ranged from proposed buffer zones around gas wells for the protection of watersheds and aqueducts to outright drilling bans enacted by towns and villages.

Enter the historic preservationists.

A Very Long Road for Military Nuclear Waste

Slowly, slowly, the Energy Department is moving forward with solidifying the liquid nuclear wastes left over from cold-war weapons production. On Thursday, the department said it had closed two more of the 51 underground tanks at the Savannah River Site in western South Carolina. The high-level waste was mixed with molten glass to keep it chemically locked up for millennia, and the lower-level material was mixed with a kind of cement that is supposed to keep it in place until the radioactivity dies down.

Japan's Tepco scraps plans for new reactors at stricken plant

(Reuters) - Tokyo Electric Power Co, or Tepco, said on Friday it had notified Japan's trade ministry it was dropping plans for two more nuclear reactors at its Fukushima Daiichi plant, paralyzed last year by a devastating earthquake.

The Myth of Peak Oil: The Real Problem is Not Too Little Oil, But Too Much

Few that credit Hubbert with a successful prediction have apparently actually read his paper. A reading of his presentation demonstrates that Hubbert grossly underestimated total oil supplies, and thus his predicted high point of the bell curve deviates significantly from reality. Indeed, there is good evidence we haven't even reached the top of the bell curve, much less past it in 1970. He did not anticipate things like the discovery of oil in Alaska's Prudhoe Bay or shale oil like the North Dakota Bakken Formation, among many other oil discovery that have significantly changed total oil supplies.

And because US oil production did peak in 1970, the same time period which Hubbert suggested oil reserves would reach their half-way point and start an inevitable decline, few bothered to ask whether the observed decline in US production might have any other explanation other than declining geological petroleum stocks as Peak Oil advocates suggest.

Truth About \$6 Gas, \$200 Oil & The Quest For Energy Independence

Do you believe in Peak Oil? If so, how much time do we have before the "cheap oil" economy blows up?

No, not as originally formulated. With the rise of unconventional oil (shale, tight, heavy oil; bitumen, oil sands), we do not have a lack of reserves into the foreseeable future. However, we have lost light sweet crude – i.e. cheaper oil.

The "cheap oil" economy was over by 2008. The only reason we had a decline in prices between August 2008 and September 2009 was because of the subprime mortgage blowup, credit crunch and recession.

In other words, without exogenous factors depressing demand, "cheap" becomes a very relative term.

Natural-Gas Vehicles Will Run Best Without Subsidies

Almost miraculously, the U.S. is both reducing its greenhouse-gas emissions and becoming increasingly energy independent. As Bloomberg News recently reported, the share of U.S. energy demand met by domestic sources increased to 81 percent through the first 10 months of 2011 -- the highest level in 20 years -- and emissions are expected to decline 12 percent by 2020.

A major factor in both trends is increased use of natural gas, a cleaner-burning fossil fuel now being extracted in abundance across the country. Hydraulic fracturing, a new production technology also known as fracking, has helped push prices for the fuel to a decade low, and has created plenty of jobs in the process.

<u>Infiniti finally gets serious about hybrid cars</u>

Infiniti plans to lift the covers off Japan's first battery-electric luxury car during the upcoming New York Auto Show.

Company executives suggest they expect some serious sales numbers from the new model. But the real benefit is likely to come from credibility. Like its parent, Nissan Motor Co., Infiniti has been slow to embrace more conventional hybrid technology. Japanese rival Lexus already offers gas-electric options on most of its line-up. European automakers, such as BMW and Mercedes-Benz, are rushing to market with their own hybrid offerings.

Japan, US, EU discuss rare earth supply security

TOKYO (AP) — Officials from the United States, the European Union and Japan are pledging to work closer together on ways to ensure secure supplies of strategically vital rare earths and other critical materials.

U.S. Energy Secretary Steven Chu told a conference Wednesday in Tokyo that improving processing and recycling of the materials, used in many high-tech products, is vital in the medium term. He said that in the near term, they must be "used as sparingly you can."

Floating Windmills in Japan Help Wind Down Nuclear Power

Japan is preparing to bolt turbines onto barges and build the world's largest commercial power plant using floating windmills, tackling the engineering challenges of an unproven technology to cut its reliance on atomic energy.

New solar energy plant rising from the desert

ABU DHABI // Turning high, rolling sand dunes into a site for the world's largest concentrated solar-power plant meant digging and redistributing some 5 million cubic metres of sand.

That is about twice the volume of the Pyramid of Cheops in Egypt.

How can a smart grid help with peak oil?

Smart-grid people aren't always peak-oil people, or vice versa. But both have good reasons to back the other, considering how the two issues could increasingly be going hand-in-hand.

Anti-government 'sovereign movement' on the rise in U.S.

In the past three years, there has been growing concern over activities of so-called "sovereign citizens," who like the Grays and many of their anti-government predecessors "claim to exist beyond the realm of government authority," according to a January FBI bulletin to state and local law enforcement officials warning of the potential for violence.

Can Bioengineers Make Human Beings More Sustainable?

Nature already tried that, and look how it turned out.

Whole Foods to stop sale of unsustainable seafood

ALBANY, N.Y. (AP) – Whole Foods Market said Friday that it will stop selling fish caught from depleted waters or through ecologically damaging methods, a move that comes as supermarkets nationwide try to make their seafood selections more sustainable.

Neonicotinoid pesticides tied to crashing bee populations, 2 studies find

A widely used farm pesticide first introduced in the 1990s has caused significant changes to bee colonies and removing it could be the key factor in restoring nature's army of pollinators, according to two studies released Thursday.

Increasing water scarcity in California's Bay-Delta will necessitate trade-offs; 'hard decisions' needed

Simultaneously attaining a reliable water supply for California and protecting and rehabilitating its Bay-Delta ecosystem cannot be realized until better planning can identify how trade-offs between these two goals will be managed when water is limited, says a new report from the National Research Council. Recent efforts have been ineffective in meeting these goals because management is distributed among many agencies and organizations, which hinders development and implementation of an integrated, comprehensive plan. Additionally, it is impossible to restore the delta habitat to its pre-disturbance state because of the extensive physical and ecological changes that have already taken place and are still occurring, including those due to multiple environmental stressors.

<u>Muddying of Beloved Creek Is Last Straw for Neighbors of a City Reservoir</u>

Then there is the long-held perception that the city will prevail in any dispute decided in Albany — and, worse, that people downstate belittle rural dwellers. People here still recall a 1984 Playboy magazine interview in which Edward I. Koch, then New York's mayor, scoffed at country people in "gingham" dresses and "Sears Roebuck" suits.

Yet the tensions over water and land go back more than a century, to when the city, after impounding water from the Croton River in Westchester County, looked farther north and tapped the Old Esopus Creek and, later, the headwaters of the Delaware River for additional sources.

"They made a very conscious decision to go for the highest-quality water and protect it, and it's paid off," said Steve Via, who handles government regulation and policy affairs for the American Water Works Association, a group of water professionals. "They could have just as easily decided to pull water off the Hudson."

Carbon 'Like Titanic' Sinking on EU Permit Glut

The plunge in European Union carbon permits is putting prices on course for their longest-ever decline and shows no sign of ending as member states wrangle over curbing a glut in the market.

Making Sense of the Wacky Weather

Like many people, I've been struggling to understand what is going on with the weather. As I flipped on my air conditioner one day in the middle of March to cool down an unbearably hot apartment, I thought, this is just *weird*. In recent years, we have lived through one weather extreme after another, sometimes whipsawing between them rather quickly.

So, for my recent <u>article</u> on this topic, reported with Joanna Foster, I tried an interesting little exercise.

Will the Human Body Be Able to Adapt to Rising Temperatures?

Using a measurement called "wet-bulb temperature," which Huber explains below, they modeled what might happen in several warming scenarios. At the point where the average global temperature rise hits 10°C, "even Siberia reaches values exceeding anything in the present-day tropics" and many populated parts of the globe might become, if habitable at all, places where the relatively affluent would likely find themselves "imprisoned" in air-conditioned spaces and where "power failures would become life-threatening." Lacking access to AC, the world's poor would have little choice but to flee. Even "modest" global warming, Huber and Sherwood conclude, could "expose large fractions of the population to unprecedented heat stress."

Flooding Risk Rises Statewide

A new study measuring the threat that rising seas pose to coastal communities found that among states with municipalities at elevated risk of severe flooding, New Jersey was tied for third place (with North Carolina). And inland, towns along the Raritan, Passaic and Delaware Rivers have recently been walloped by a series of intense storms that left thousands of home and business owners reeling. The increased frequency of these flood-causing events has scientists wondering if this is the "new normal" for New Jersey, while public officials, engineers and insurance companies grapple with how to respond.

"We don't know what normal is anymore," said David A. Robinson, the state climatologist, noting that 2011 was the wettest year on record in New Jersey. "We don't know if it's a trend, or just an episode. We know humans are having an impact on global temperatures, and there's some suggestion that that's triggering more rainfall."

Scientists pin down historic sea level rise

LONDON (Reuters) - The collapse of an ice sheet in Antarctica up to 14,650 years ago might have caused sea levels to rise between 14 and 18 metres (46-60 feet), a study showed on Wednesday, data which could help make more accurate climate change predictions.

The melting of polar ice could contribute to long-term sea level rise, threatening the lives of millions, scientists say.

Scientists warn of 'emergency on global scale'

Leading scientists on Thursday called on the upcoming Rio Summit to grapple with environmental ills that they said pointed to "a humanitarian emergency on a global scale."

In a "State of the Planet" declaration issued after a four-day conference, the scientists said Earth was now facing unprecedented challenges, from water stress, pollution and species loss to spiralling demands for food.

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