



Drumbeat: May 18, 2012

Posted by [Leanan](#) on May 18, 2012 - 9:33am

[David Strahan - Dump the pump: could peak oil be voluntary?](#)

People have fretted about when the world's oil will start to run out ever since M. King Hubbert came up with the idea of "peak oil" back in the 1950s. The American geologist, who worked for Shell, pointed out that we are destined to reach a moment when oil production stops rising and goes into terminal decline. With it, the era of cheap oil that fuelled the post-war economic boom would end. The idea still provokes great debate, and many forecasters are predicting that global production will peak by the end of this decade as supplies dwindle.

Now there is a different view. A small number of analysts forecast that oil production will start to fall by 2020 – not because we are running out, but because we just won't need it. They argue that the world will wean itself off oil voluntarily, through major advances in vehicle technology. Peak oil will not be a supply-side phenomenon brought about by shrinking reserves, but by motorists buying electric cars and conventional cars with highly efficient engines. If they are right, this shift will start the long-term transition from oil to electricity as the main transport fuel, reduce economies' vulnerability to spikes in the oil price, and cap greenhouse emissions from crude oil.

[Oil hits 2012 low under \\$107 on euro zone turmoil](#)

LONDON (Reuters) - Oil prices slipped below \$107 a barrel on Friday and hit a 2012 low as investors fought shy of riskier, growth-oriented assets on fears that Greece would leave the euro, and after a downgrade of 16 Spanish banks by Moody's added to the contagion gloom.

..."The driving factor is still what is going on in Europe with the downgrades of the Spanish banks and very negative sentiment towards risk investments," said Eugen Weinberg, an analyst at Commerzbank in Frankfurt. "It's not surprising to see further falls in Brent today."

[Oil May Fall as Seaway Insufficient to Ease Glut, Survey Shows](#)

Oil may decline next week on concern that the reversal of the Seaway Pipeline will not be enough to alleviate a record supply glut in the central U.S., a Bloomberg survey showed.

Nineteen of 34 analysts, or 56 percent, forecast oil will drop through May 25. Nine respondents, or 26 percent, predicted prices will rise and six estimated they will be little changed. Last week, 48 percent of surveyed analysts expected a decrease.

[Unlike the East, gas prices stay stubbornly high out West](#)

LOS ANGELES – Declining prices for crude oil have brought relief at the gas pump for much of the nation, but not for drivers on the West Coast, where retail gasoline prices have been rising this month.

"We are seeing a tale of two coasts," says Michael Green, spokesman for AAA, which monitors pump prices. "On the West Coast, gas prices are rising steadily, while on the East Coast they are steadily decreasing."

[Oil markets vulnerable to more than 1 mil b/d loss of Iran's oil: IEA](#)

Oil market fundamentals could become much tighter in the second half of 2012 if EU and US sanctions keep more than 1 million b/d of Iranian oil exports off the market and non-OPEC output disruptions take a turn for the worse, the head of the International Energy Agency's Oil Industry and Markets Division said Friday.

[Obama may tap Strategic Petroleum Reserve](#)

NEW YORK (CNNMoney) -- Despite the recent fall in oil prices, analysts say President Obama may tap the Strategic Petroleum Reserve as sanctions on Iran take hold.

While oil prices have fallen from over \$110 a barrel to near \$90 in recent weeks, tougher sanctions on Iran begin to take effect at the end of June.

That could mean up to 1 million barrels a day could soon be taken off the table, resulting in a possible spike in oil prices.

[IMF tells Kuwait to cut spending or risk running out of oil money](#)

Kuwait faces the risk of running out of oil revenues by 2017 if it continues its spending policy, the IMF has warned.

The wake-up call from the fund comes as public finances deteriorate from rising public sector wages, pension costs and rapid population growth.

[The Biggest Threat to High Oil Prices](#)

The biggest threat to oil prices isn't excess supply, uneven demand or slowing global growth.

It's the rise of the U.S. dollar – or more precisely, the fall of the euro.

[UK gas at two-month low as Norway imports treble](#)

LONDON (Reuters) - British short-term gas prices fell to a two-month low on Friday after a high increase in imports via Norway's Langeled pipeline flooded the market with gas and balanced out supply losses resulting from maintenance work elsewhere.

Gas for within-day delivery fell nearly 3 pence, around five percent day on day, to 55.50 pence per therm as the market was oversupplied by more than 20 million cubic metres per day (mcm/d).

[Excelerate Energy plans natural gas export vessel for Gulf Coast](#)

Excelerate Energy announced Tuesday that it will develop the nation's first floating liquefaction facility at Port Lavaca on the Texas Gulf Coast, to export U.S. natural gas.

[Enterprise And Enbridge Announce Completion Of Seaway Pipeline Reversal](#)

Houston, TX and Calgary, AB (Marketwire) - Enterprise Products Partners L.P. and Enbridge Inc. today announced that modifications to the Seaway crude oil pipeline allowing it to transport crude oil from Cushing, Oklahoma to the U.S. Gulf Coast have been completed. The pipeline is in the process of being commissioned, and the first flows of crude oil into the line are expected to begin this weekend. The reversal of the 500-mile, 30-inch diameter pipeline, which had been in northbound service since 1995, provides North American producers with the infrastructure needed to access more than 4 million barrels per day ("BPD") of Gulf Coast refinery demand.

[Gazprom Is Still Calculating Discount for Bulgaria - Russian Media](#)

Bulgaria managed to negotiate special terms for the supply of Russian gas regardless of its abrupt withdrawal from the Burgas-Alexandroupolis oil pipeline and the Belene NPP energy projects, Russian media outlets note.

[Gazprom Hopes to Build Second Baltic Sea Pipeline](#)

With the planned Nabucco natural gas pipeline in southern Europe hitting snag after snag, Russian natural gas giant Gazprom is considering the construction of a second Baltic Sea pipeline to go with the just-finished Nord Stream. With unconventional natural gas from the US flooding the market, however, the strategy is not without risk.

[ANALYSIS: Russia sets European oil export, benchmark grand plan](#)

Paris (Platts)- Russia's investment in new oil transportation infrastructure is part of a grand plan that owes much more to long-term profit maximization than it does to short-term economics.

This is evident from state oil pipeline company Transneft investing billions of dollars in significantly more oil export capacity than it expects to see growth in crude oil output.

[Bulgaria, Gazprom hope to ink deal to cut price of Russian gas](#)

Bulgaria and Russian gas giant Gazprom are preparing to sign an agreement to cut the price of Russian gas, with Sofia seeking a 11.1% discount, according to market sources Friday.

[China's Ningbo Shuhua opens largest crude oil terminal in Asia: Sinopec](#)

Ningbo Shihua Crude Oil Terminal Co Ltd has opened a crude oil shipping terminal on Daxie Island in east China's Zhejiang province -- Asia's largest -- joint venture partner Sinopec said in a statement on its website Thursday.

[China to exclude foreign firms in shale gas tender](#)

(Reuters) - China will exclude foreign firms from bidding in its second tender for shale gas blocks, despite a need for overseas technology to help exploit massive reserves of gas trapped within shale rock formations in the world's top energy user.

[Mitt Romney vows immediate approval of Keystone XL on first day in White House](#)

WASHINGTON - Mitt Romney is vowing to approve TransCanada's Keystone XL pipeline on his first day on the job if elected U.S. president in November.

[Enbridge Pipeline That Ruptured Will Be Enlarged To Carry More Oil, Company Says](#)

TRAVERSE CITY, Mich. (AP) — Enbridge Inc. will enlarge a pipeline that ruptured nearly two years ago in southwestern Michigan so it can carry more oil from deposits in western Canada and North Dakota, a company official said Thursday.

[Shell's Majnoon deal highlights Iraq oil target verdict](#)

(Reuters) - Shell is pressing ahead with talks over final development of Iraq's Majnoon oilfield, a senior executive told Reuters, and a lower, more realistic oil production target is a core part of discussions.

Majnoon is one of four southern super giant fields that are vital to Iraq's ambition to at least double its oil output and put it firmly back among the world's top producers.

But crunch time is approaching.

[Iranian protesters denounce Saudi-Bahrain union plan](#)

(Reuters) - Thousands of Iranians rallied on Friday against plans for union between Saudi Arabia and Bahrain, state television showed, and an influential cleric denounced the idea as an "ill-fated plot" that will never be tolerated by Muslims.

Tension between Iran and U.S.-allied Gulf Arab states has run high in recent months with Arab leaders accusing Tehran of fomenting Shi'ite Muslim unrest in Bahrain - a charge that Shi'ite Iran and the protesters deny.

[Japan trade minister: considering options on Iran oil payments](#)

(Reuters) - Japan's Trade Minister Yukio Edano said on Friday the government is examining options for paying for oil imports from Iran after a U.S. court ordered a freezing of Iranian assets held by Japanese banks.

[Energy-deficient India turns to UAE for oil supply](#)

Under pressure from the US to cut its oil imports from Iran, India has decided to set up a high-level joint task force on investment which will also look into securing more oil supplies from UAE that has assured it of "increased" energy exports.

[India looking at Saudi, Iraq to diversify its oil sourcing](#)

WASHINGTON: India is looking at Saudi Arabia and Iraq to diversify its global oil purchase while making efforts to reduce its dependence on Iranian oil, a top Obama Administration official has told US lawmakers.

Assistant Secretary of State for South and Central Asia Robert Blake told lawmakers at a Congressional hearing on South Asia that India is working to cut down the import from Iran not because of the American influence but because of commercial considerations as well.

[East Timor Ends First Decade Fighting Oil Curse](#)

The Southeast Asian nation of East Timor celebrates 10 years of independence tomorrow night facing a challenge that has eluded emerging economies across the world: How to stop oil wealth wrecking your economy.

After a decade of contract delays, deadlocked oilfield negotiations with Woodside Petroleum Ltd. and a political crisis that almost precipitated civil war, East Timor has moved from the poorest country in Asia, dependent entirely on international aid, to one with a \$10 billion resources fund and almost entirely dependent on oil.

[The U.S. Has A Lot Of Shale Oil, So What?](#)

Quite a few conservative commentators are making waves about a Government Accountability Office statement (PDF) which says that 1.5 trillion barrels of shale oil in Colorado, Utah, and Wyoming may be recoverable.

Their reactions are all along the same lines: this shale-oil reserve could “by itself supply domestic oil consumption for more than 200 years”, and “will Obama, in a possible second term, block the development of the resources that can assure America’s economic supremacy for generations?”

Typically simplistic. If only it were that easy.

[Technology can unlock new fields, curb fears of peak oil](#)

Technology advancements in the energy sector can boost oil and gas production, improve safety and curb fears that fossil fuels are rapidly running out, a Chevron official said today.

During the opening session of a Houston energy conference this morning, Jay Pryor, Chevron’s vice president for business development, touted a number of technology advancements that have improved the efficiency and safety of fossil fuel production, including enhanced oil recovery, 3D seismic imaging, horizontal wells, and hydraulic fracturing.

“Because of technology, we are producing in places once just dreamed of,” Pryor said, at the 10th annual KPMG Global Energy Conference. “In lifting those reserves, we’ve raised doubts about the eminence of peak oil.”

[Scraping the bottom of the barrel](#)

Several articles in the international media in recent months have claimed that worries about peak oil – the peak and decline in yearly world oil production – are unfounded because vast new reserves of unconventional oil are coming on stream. But a closer look at these new sources of oil casts doubt on this assertion.

Data from the US Energy Information Administration show that conventional crude oil production – oil from wells accessed using typical drilling techniques – has been essentially flat at around 74-million barrels per day (mbpd) since 2005. Looking at the history of conventional crude oil discoveries, this is not surprising – they peaked in the mid-1960s and have been on a declining trend ever since.

[The Energy Revolution on Our Doorstep](#)

A major plank in my golden age scenario for the 2020's is the collapse of the cost of energy. This won't occur because of a single big discovery, but from a 1,000 small ones that aggregate together to create a leveraged effect. The upshot is that we may be free of OPEC in 3-5 years, and completely energy independent not long after that. The impact on financial markets and global standards of living will be huge.

[Author's no-growth prediction runs out of gas](#)

EDMONTON - Jeff Rubin says we've entered a new era. The world just doesn't know it yet.

In his new book, *The End of Growth*, the former chief economist at CIBC World Markets says high energy prices are here to stay.

Not for a month, a quarter or a year, but forever. The result? Economic growth has hit a brick wall, and the good ol' days will never return, he warns.

[Legislation Is Proposed to Extend Helium Sales Deadline](#)

In 1996, Congress passed a law to privatize the Amarillo helium by requiring the federal government to sell nearly all of its reserves. But the law expires at the end of 2014, years before the sell-off will be complete. Last week a Senate committee heard testimony about the bipartisan Helium Stewardship Act, which would extend the time period for the sales. Walter Nelson, an official with Air Products and Chemicals, a Pennsylvania-based helium refiner, warned that without such a move, chaos would ensue, with significant disruptions to industries like semiconductors and fiber optics.

"Imagine the impact on global markets if 30 percent of the world's oil reserves were off limits," he testified.

[Shell Kulluk Air Permit Contested By Environmental Groups](#)

ANCHORAGE, Alaska (AP) — Environmental and Alaska Native groups on Wednesday appealed an air permit granted by the Environmental Protection Agency to a Shell Oil drilling ship that could be used this summer in the Arctic Ocean off Alaska's northern shore.

The groups claim the Kulluk and support vessels will put harmful pollutants into the skies, adding problems to a region already beset by climate warming, and that the EPA granted the permit without consideration of all national environmental laws and regulations.

[How much impact did the North Sea gas leak have on the environment?](#)

While the Elgin North Sea natural gas leak that was plugged on Wednesday was a massive financial blow for its operator Total, it appears the incident had little impact on the environment in terms of global warming and local marine life.

[Vt. becomes 1st state to ban hydraulic fracturing](#)

MONTPELIER, Vt. — Vermont Gov. Peter Shumlin on Wednesday signed into law the nation's first ban on a hotly debated natural gas drilling technique that involves blasting chemical-laced water deep into the ground.

The Democrat, surrounded at a Statehouse ceremony by environmentalists and Twinfield Union School students who pushed for the ban, said the law may help Vermont set an example for other states. The ban may be largely symbolic, though, because there is believed to be little to no natural gas or oil beneath the surface in Vermont.

[Siena Poll: New Yorkers are evenly split on fracking issue](#)

LOUDONVILLE - A new poll shows that New Yorkers are evenly split on the fracking issue. That's according to the latest Siena Poll.

[North Korea Seen Restarting Work on Nuclear Reactor](#)

The reactor, for possible completion by 2014-2015, would be able to supply needed electricity as well as fissile material for a nuclear weapon, the report says. It quoted a former deputy director general of the International Atomic Energy Agency, Olli Heinonen, as saying that once the reactor is operational, it would be capable of producing enough plutonium to add "a little more than one bomb per year" to North Korea's nuclear weapons stockpile.

[Global generation capacity for nuclear power has grown to over 346 gigawatts since 1955](#)

Nuclear generating capacity additions began in the 1950s and now top 346 gigawatts worldwide (click on animation above to assess trends). The first nuclear reactor to produce electricity was a very small experimental reactor in the United States in 1951. Currently, 30 countries have nuclear power programs.

From the early 1970s to the early 1990s, nuclear power steadily grew around the world with brief periods of relatively slow growth following the accidents at Three Mile Island (North America, 1979) and Chernobyl (Former Soviet Union, 1986), as the nuclear industry absorbed the lessons learned from both accidents. Since then, nuclear power capacity has remained relatively stable throughout most of the world, with the exception of rapidly developing countries in Asia. An upcoming Today in Energy article will address post-Fukushima impacts on Japan's nuclear capacity.

[Denmark aims low with green energy policy](#)

SAMSO, Denmark (Reuters) - Over a beer or two, Danes like to tell a story that goes like this: One night the energy ministers of the countries around the North Sea got together to divide up its oil and gas wealth. The Danish minister got very drunk, but the Norwegian managed to stay sober. As a result, Norway carved out a jagged shape that included Ekofisk, which has proved to be a major field, and Denmark was left with the dregs.

Regarded as a model of how to spend oil and gas wealth wisely, Norway has stashed away surplus revenues from exports while hydropower caters for the bulk of its domestic electricity needs.

But Denmark has also found its own path to energy pragmatism, supplementing its relatively few oil rigs with wind turbines and a deep commitment to energy saving.

[Is There a Clean Energy Standard in Our Future?](#)

Americans want it, but how much will it cost?

Just because Congress is unlikely to pass a carbon tax or a cap-and-trade bill anytime soon does not mean the United States can't work on lowering its greenhouse gas emissions. It turns out there's more than one way for America to skin that carbon cat.

[Ford C-Max hybrid to start at \\$25,995](#)

The C-Max is a five-passenger crossover that looks like a small minivan but with conventional doors.

[Here are the top 10 'bikeable' cities. Did yours make the list?](#)

A score of 90 to 100 means the city is a "Biker's Paradise"; scoring 70 to 89 means the area is "Very Bikeable," while 50 to 69 means the city is merely "Bikeable." Any lower than that, and the city is deemed only "Somewhat Bikeable." A trio of public health professors at the University of British Columbia helped develop Bike Score.

[Healthy food no more costly than junk food, government finds](#)

Contrary to popular belief, many healthy foods are no more expensive than junk food, according to a large new government analysis.

In fact, carrots, onions, pinto beans, lettuce, mashed potatoes, bananas and orange juice are all less expensive per portion than soft drinks, ice cream, chocolate candy, French fries, sweet rolls and deep-fat fried chicken patties, the report says.

[Will 3D printers make food sustainable?](#)

Before the end of the year, if Professor Mark Post of Maastricht University gets his way, the world's first test-tube burger will be flame-grilled by Heston Blumenthal at The Fat Duck in Bray and served to a celebrity guest. Meals at this restaurant don't come cheap, but this one will be the climax of a €250,000 research project – and a milestone in Post's quest to find new ways of feeding the world, without destroying the planet.

His petri-dish patty will be made from a mixture of fat and cow muscle grown from stem cells in a culture of foetal calf serum (that's blood plasma without the clotting agents) – a technology trialled in February. It may sound less appetising than a Big Mac – but it could bring huge environmental benefits. Producing beef this way results in a 96% reduction in greenhouse gas emissions compared to rearing animals, and uses 45% of the energy, 1% of the land and 4% of the water associated with conventional beef production.

[U.S. Solar Tariffs on Chinese Cells May Boost Prices](#)

The U.S. yesterday imposed tariffs of as much as 250 percent on Chinese-made solar cells to aid domestic manufacturers beset by foreign competition, though critics said the decision may end up raising prices and hurting the U.S. renewable energy industry.

The U.S. Commerce Department ruled that Chinese manufacturers sold cells in the U.S. at prices below the cost of production and announced preliminary antidumping duties ranging from 31 percent to 250 percent, depending on the manufacturer. China criticized the action, saying the U.S. is hurting itself and cooperation between the world's two largest economies.

[Solar sector looks to Saudi plan](#)

Huge investments in solar energy by emerging nations such as Saudi Arabia could spell the end of a crisis of overcapacity in the panel-making industry, according to one of the biggest producers of solar panels.

[Hawaii first state to ban plastic bags at checkout](#)

By now, it's hardly news when a city bans plastic bags at checkout counters -- but an entire state? That's happened in Hawaii, where Honolulu County has joined the state's three other counties to give Hawaii a first-in-the-nation title.

"Passing the bans did take an effort -- change always does -- but people seemed to understand the need for such an effort," Robert Harris, director of the Sierra Club's Hawaii chapter, told msnbc.com of the two-year campaign across the islands.

[Brazil's Leader Faces Defining Decision on Bill Relaxing Protection of Forests](#)

RIO DE JANEIRO — President Dilma Rousseff is facing one of the defining moments of her presidency as pressure builds on her to veto a bill that would open vast protected areas of forests to ranching and farming, potentially reversing Brazil's major gains in slowing Amazon deforestation.

[District Energy Systems can reduce carbon, save money - but only if well-regulated](#)

Centralized heating systems known as District Energy (DE) Systems generate heat at a central plant and then pipe it underground, providing heat and hot water for a cluster of buildings or even an entire community. DE has exceptional potential to reduce greenhouse gas emissions and contribute to a lower carbon economy.

But unless they're properly designed and regulated, DE systems risk high costs and overestimated greenhouse gas reductions.

[Billboard Wars, Chapter 2 \(or Is It 3?\)](#)

Pfizer is not the only corporation Forecast the Facts had hoped to plaster across the freeway. It also planned to call out Microsoft and Comcast for donations to Heartland.

"Our goal was to highlight Pfizer and other corporations' support of the Heartland Institute," Mr. Johnson said. "The question to ask is whether these corporations are based on a foundation of science or on a foundation of profit."

[Canada pledges oil and gas pollution rules by 2013 at climate conference](#)

Facing questions about its upcoming withdrawal from the Kyoto Protocol and "gaps" in its existing policies, Canada told international climate change talks in Germany Thursday that it planned to crack down on oil and gas pollution through draft regulations by next year.

[Critical time as Qatar hosts talks](#)

The naming of Qatar's former oil minister to the presidency of this year's climate change talks reflects the conflicting priorities of Gulf states.

[Parts of Japan see record-high CO2 levels](#)

The average monthly concentration of carbon dioxide has topped 400 parts per million in Ofunato, Iwate Prefecture, the first time this level has been reached in Japan, raising alarm about greenhouse gases that can cause global warming.

[Temperatures rise across the ditch](#)

The last 60 years have been the hottest in Australasia for a millennium, most likely thanks to human-caused climate change, a new report says.

Scientists from the University of Melbourne used 27 natural climate records, including tree rings, corals and ice cores to create the first large-scale temperature reconstruction for the region over the past 1000 years.

[Summer forecast sparks concern over fires, water shortages](#)

As the nation swelters through its warmest year on record, a new forecast for a broiling summer is raising concern about wildfires and water shortages, especially across parts of the western and southern USA.

[UK climate policy can curb energy price shocks-report](#)

LONDON (Reuters) - Britain's climate policies can help shield the economy from oil and gas price shocks triggered by external factors such as the Arab Spring, an analysis commissioned by the government showed on Friday.

[Q. and A.: How to Save Bangladesh?](#)

Bangladesh is a prime example of a vulnerable developing nation that faces formidable challenges in all these areas, and it will be directly affected by the decisions that are made — or not made — at the conference. Firm commitments have often been elusive on the international level.

We asked Thomas Rath, the country program manager for the United Nations International Fund for Agricultural Development project in Bangladesh, about the development obstacles the country faces, some of which are linked to climate change

and environmental degradation.



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