



## Drumbeat: June 8, 2012

Posted by [Leanan](#) on June 8, 2012 - 9:26am

### [We worry about energy, but feel powerless to act](#)

Americans are worried about the nation's energy problems and take some personal responsibility for them, but they don't necessarily feel like they have the ability to make major changes soon to address them.

That's according to a new survey from the Associated Press-NORC Center for Public Affairs Research, which was conducted earlier this year and released Thursday.

The survey found that 78 percent of Americans say energy issues are extremely or very important and 72 percent feel that way about gas prices.

Still, they place even more importance the economy, education and health care. And when it comes to finding solutions, they are looking to the energy industry and the government.

### [Oil Heads for Longest Run of Weekly Losses in More Than 13 Years](#)

Oil fell a second day in New York, heading for the longest run of weekly losses in more than 13 years, on speculation the economies of the U.S. and China, the world's biggest crude consumers, will slow and curb fuel demand.

Futures dropped as much as 3.3 percent. Federal Reserve officials need to assess the risk from Europe's debt crisis and U.S. budget cuts before deciding on stimulus measures, Fed Chairman Ben S. Bernanke said to the Joint Economic Committee yesterday.

### [China cuts rates, fuel price in new stimulus moves](#)

BEIJING (AP) - China cut state-set gasoline and diesel prices for the second time in a month on Friday amid mounting government efforts to reverse a sharp slowdown in the world's second-largest economy.

### [No date fixed for diesel price review: oil minister](#)

NEW DELHI (Reuters) - The government has not yet fixed a date for ministers to review diesel pricing, Oil Minister S. Jaipal Reddy said on Friday, suggesting no immediate increase is on the cards.

### [Airlines face sting in the tail from cheaper oil](#)

Fresh fears over the global economy could unravel the benefit of cheaper oil prices and keep a lid on financial forecasts for the airline industry when its chiefs gather in China this weekend for their annual summit.

An eight per cent drop in oil prices this year has delivered a quick fix to an industry severely damaged by record fuel costs – but the main reasons for the drop, Europe’s debt crisis and a slowdown in China’s economy, cast a shadow over its recovery.

### [Saudi Arabia Achieving \\$100 Oil Signals Output Reversal](#)

Saudi Arabia is poised to rein in oil sales after it achieved a \$100-a-barrel target by cutting the price of its crude and pumping at the highest rate in at least three decades.

### [Clive Capital Hedge Fund Rebounds on Energy Price Bet](#)

Chris Levett’s Clive Capital LLP gained as much as \$230 million in May after betting oil, power and coal prices would fall as oil tumbled as much as 12 percent, two people with knowledge of the fund said.

### [Russia Seeks to Halt Saudi, Qatari Help for Syrian Rebels](#)

Russia is looking to a proposed international conference on Syria to pressure Saudi Arabia and Qatar to halt help for rebels against President Bashar al-Assad, a senior lawmaker in the Russian ruling party said.

### [As Iran tensions fester, United Arab Emirates nears start of oil pipeline to dodge key strait](#)

The United Arab Emirates is nearing completion of a pipeline through the mountainous sheikdom that will allow it to reroute the bulk of its oil exports around the Strait of Hormuz at the mouth of the Gulf, the path for a fifth of the world’s oil supply.

### [Japan Cabinet Said to Approve Insuring Iran Tanker Calls](#)

Japan’s Cabinet is poised to approve a bill giving sovereign guarantees for the nation’s oil tankers loading Iranian crude, potentially undermining Western sanctions targeting the Persian Gulf nation’s nuclear program.

### [India Oil Minister: Has Taken Precaution to Ensure Smooth Supply of Crude](#)

"Whatever be the international development, it shall be our responsibility to ensure uninterrupted supply [of crude oil] in our country," Mr. Reddy told reporters when asked about the impact of the U.S. sanctions on Iran.

He didn't specify what precautions New Delhi has taken to ensure uninterrupted supplies. However, oil refiners recently said they are looking to diversify their sources of crude in the wake of sanctions on Iran.

### [Enbridge Faces Complaints from Bakken Producers](#)

OTTAWA – Enbridge Inc. is battling industry complaints in the United States that it is favouring oil sands companies over producers from North Dakota's prolific Bakken field, as the shortage of capacity costs companies billions in revenues.

In a filing with the U.S. Federal Energy Regulatory Commission, High Prairie Pipelines LLC charges that Enbridge is refusing to connect a High Prairie pipeline from the Bakken to its system to preserve space for future oil sands exports.

### [Gazprom unit looking to take over foreign refineries](#)

Gazprom Neft, the oil arm of Russian natural gas giant Gazprom, is looking to purchase oil refineries in Europe and Asia, the company's CEO Alexander Dyukov said at a news conference today.

Gazprom Neft is considering ways and means of acquiring shares in 10 refineries with high refining margins or obtaining access to their facilities, he said.

### [Chesapeake Energy to Sell Pipelines for \\$4.08B](#)

Chesapeake Energy Corp., the U.S. energy explorer facing a \$22 billion cash shortfall because of falling natural-gas prices, agreed to sell its pipeline interests to Global Infrastructure Partners for \$4.08 billion.

### [Chesapeake Developed Shopping Centers as Gas Prices Fell](#)

Chesapeake Energy Corp., under fire from investor Carl Icahn for focusing on "non-core assets," has amassed more than \$300 million of real estate in its home- town Oklahoma City area, including shopping centers.

## [U.S. Issues El Nino Watch That May Affect Atlantic Storms](#)

An El Nino may form in the Pacific Ocean within six months, potentially crimping the number of Atlantic hurricanes while bringing rain to the drought-stricken U.S. South and drier weather in Asia.

## [The Saudi Oil Problem](#)

We're worried about economic growth, or the lack thereof, presidential elections, and why Europe can't get its act together. But the big daddy of issues is global net oil exports.

## [Supply/demand fundamentals favour gold, silver, oil, uranium and pgms](#)

The demand for oil is rising. Year over year, fuel oil consumption in the United States is down, so it certainly isn't U.S. demand that can account for higher oil prices. It's demand from developing countries, namely China. That's why I don't think that oil prices will stay down. Also, the vast majority of the sweet, light, easy-to-access oil has been discovered and consumed, so we're looking at more expensive oil. I don't believe that the world is running out of oil. I just believe that the world is running out of cheap, easy oil. I call it the cheap oil theory, not the peak oil theory. At \$200/bbl, we have lots of oil.

This impacts the junior oil companies in very interesting ways. It also means that rising production costs for mining companies are here to stay.

## [Global Energy Transition Is Moving Fast](#)

Oil analysts already integrate "disruptive technology" in the shape of hybrid and all-electric cars in their forecasts of probable decline in the total oil demand of the world's two-largest car fleets - in the EU27 and USA - and lower demand growth going forward for the world's fastest-growing fleets of China, India and smaller emerging economies.

Disruptive energy economics is also at work changing the energy piechart, especially the future role of oil, gas and the renewables. Under increasingly rational outlooks, oil's share in global energy can fall from its present 36% - 37%, to well below 33% by 2020, this forecast decline being set by the IEA and similar energy agencies as only possible by about 2030 or later.

## [From Peak Oil to An Excess of Energy: The State of Global Energy](#)

Everyone knows that oil production is declining. That it's only a matter of time before Peak Oil forces us to find new forms of energy or battle over soil like Kevin Costner in "Waterworld."

As usual, everyone is wrong.

### [Citi's Ed Morse Has A Huge Note Blasting Everyone Who Believes In Peak Oil](#)

In eight years, oil may be trading more or less right around where it is right now.

That's the call energy economist Ed Morse made in a recent note to clients. The commodities research chief at Citi says **he expects crude prices to stabilize around \$80-90 per barrel by 2020.**

**Morse writes that "peak oil biases continue to blind analysts to an emerging oil cycle turning point" and that "unless the end of history has arrived, the long period of price increases that started in the last decade appears to be coming to an end."**

### [Bill Reinert Describes What the Future of Energy Looks Like to his University of Colorado Audience](#)

The talk began by explaining that we are into the second age of oil extraction, the economically and otherwise difficult to extract age. Although oil extraction remains easy in the Middle East, the geopolitical tensions prevent Middle Eastern oil from being an easy source. This also means that other liquid fuel types are beginning to compete with oil.

We were challenged by Reinert's question asking us which nation is the biggest threat to the status quo for the global oil supply at present. He explained to us that it is Japan, because they will end nuclear electricity production this summer resulting in 350,000-500,000 barrels of new global oil demand per day.

### [Forget peak oil, the global water crisis will shake humanity to its core](#)

You don't hear much about the water crisis in the United States. Water is still cheap here and our borders contain a relatively large freshwater supply.

But in some places the crisis is in flames.

### [World food prices fall in May - UN's FAO](#)

(Reuters) - World food prices dropped in May for a second month in a row, hit by steep falls in dairy products, sugar and other commodities, and are likely to fall further in the coming months, the United Nations' Food and Agriculture Organisation (FAO) said on Thursday.

Food prices grabbed attention of the world leaders after their spike to record highs in February 2011 helped fuel the protests known as the Arab Spring in the Middle East and North Africa. Food prices have fallen since.

### [Japan PM says 2 nuke reactors must be restarted](#)

TOKYO (AP) — Japan's leader appealed to the nation Friday to accept that two nuclear reactors that remained shuttered after the Fukushima disaster must be restarted to protect the economy and people's livelihoods.

### [San Onofre nuclear units in Calif to be shut through August](#)

HOUSTON (Reuters) - The two-unit San Onofre nuclear plant in California will be shut through the end of August, straining electric supply during the state's high-demand summer period, Edison International's Southern California Edison utility said on Thursday.

...The five-month outage began following the discovery of premature tube wear in steam generators made by Mitsubishi Heavy Industries and installed within the past two years.

### [Moving From Square One on Nuclear Waste](#)

The idea that the proposed Yucca Mountain nuclear waste repository in Nevada is dead has not gone down well in Congress, where some Republicans are trying to allocate new money to the Nuclear Regulatory Commission so it can revive its evaluation of the site's suitability. But at a Senate subcommittee hearing on Thursday, some supporters of the civilian power industry said it was time to move on.

### [Louisiana: Two Scientists Surrender E-Mail to BP](#)

Two prominent scientists involved in estimating the flow rate from a ruptured oil well during BP's 2010 oil spill in the Gulf of Mexico have surrendered more than 3,000 of their private e-mails to the company in response to a subpoena by the United States District Court in New Orleans.

### [Texas officials and House GOP members blast EPA](#)

WASHINGTON - Al Armendariz, the ex-chief of the EPA region that covers Texas, failed to appear at a congressional hearing Wednesday about energy disputes in the state.

Armendariz canceled Tuesday evening after having previously agreed to testify before

the House subcommittee on energy and power, according to Rep. Fred Upton, R-Mich., chairman of the House Energy and Commerce Committee.

### [What's energy efficiency and how much can it help cut emissions?](#)

The phrase 'energy efficiency' is often used as a shorthand to describe any kind of energy-saving measure, though technically it should be distinguished from energy conservation – a broader term which can also include forgoing a service rather than changing the efficiency with which it is provided. Examples of energy conservation include turning down a thermostat in the winter or walking to the shops rather than driving there.

### [Norway: New cross-Party climate compromise agreed](#)

Opposition Parties the Conservatives (H), Liberals (V), and Christian Democrats (KrF) and the tri-Partite coalition settled their climate differences reaching a new climate compromise, Thursday.

Amongst measures agreed are continued electric car benefits until 2017, increased climate technology fund financing, more investment in public transport, and tougher measures in the construction sector.

### [MEXICO: Farmers Use Traditional Knowledge to Deal with Climate Change](#)

MEXICO CITY (IPS) - Small farmers in Mexico, who receive little institutional support, are drawing on their traditional knowledge to deal with and adapt to climate change, experts say. "Campesinos (peasants) have a strong tradition of expanding their territory, which makes them quite flexible" in dealing with new conditions, Fernando Briones, a researcher at the public Centre for Research and Higher Studies in Social Anthropology (CIESAS), told IPS.

### [U.S. Experienced Second Warmest May, Warmest Spring On Record, NOAA Reports](#)

ScienceDaily — According to NOAA scientists, the average temperature for the contiguous U.S. during May was 64.3°F, 3.3°F above the long-term average, making it the second warmest May on record. The month's high temperatures also contributed to the warmest spring, warmest year-to-date, and warmest 12-month period the nation has experienced since recordkeeping began in 1895.



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