



Drumbeat: June 13, 2012

Posted by [Leanan](#) on June 13, 2012 - 9:50am

[IEA calls for \\$36 trillion more in clean energy investments](#)

NEW YORK (CNNMoney) -- The International Energy Agency said the world's clean energy investments are sorely lacking and this week called for an additional \$36 trillion of funding by 2050.

In a sharply-worded introduction to a 700-page report, IEA Executive Director Maria van der Hoeven said governments and private industry need to do far more if the world is to hold global warming to what most scientists say is an acceptable level.

"Our ongoing failure to realize the full potential of clean energy technology is alarming," said van der Hoeven. "Under current policies, both energy demand and emissions are likely to double by 2050."

[Conoco CEO Sees North America Energy Self-Reliant In 2025](#)

North America is expected to become self-sufficient in energy by 2025 ConocoPhillips (COP) Chief Executive Ryan Lance said Wednesday.

[Oil Falls in New York as IEA Says Global Supplies Have Improved](#)

Crude oil declined in New York as the International Energy Agency said global markets are better supplied than earlier this year.

Futures slid as much as 0.8 percent. The Paris-based IEA said in a monthly report today that global supplies increased by 200,000 barrels to 91.1 million barrels a day in May. U.S. crude inventories, which rose to the highest since 1990 at the end of May, may drop this week, according to a Bloomberg News survey before a government report today.

[IEA says oil prices firm despite "accelerated slump" in markets](#)

PARIS (KUNA) -- The International Energy Agency (IEA) said Wednesday that the slump in oil markets accentuated in May, but that prices remain firm due to economic concerns and prospects of diminishing demand.

The Agency forecast that demand growth for crude oil in 2012 would rise by about 820,000 barrels to reach 89.9 million barrels per day (mb/d), slightly lower than forecasts of 90 mb/d a month ago in the previous IEA report.

The lower projections take into account "mounting concern over a slowdown in Chinese growth and rising oil supplies." The ongoing Euro crises and fears of negative consequences on growth also weighed on the market and calculations for future trends.

[Oil, gasoline prices to fall more than forecast](#)

The average price of domestic oil and gasoline will be less than previously forecast through the remainder of 2012 because of weak demand and increased world supplies, the U.S. Energy Information Administration said today.

[Weak oil, food prices dampen U.S. imported inflation](#)

WASHINGTON (Reuters) - U.S. import prices recorded their largest decline in nearly two years in May as energy and food costs fell, pointing to muted inflation pressures amid slowing global demand.

The Labor Department said on Tuesday import prices fell 1.0 percent, the biggest drop since June 2010, after being flat in April. In the 12 months to May, import prices fell 0.3 percent, posting their first year-on-year decline since October 2009, also reflecting a stronger dollar.

The data was the latest sign that falling energy prices were keeping inflation pressures well contained and offered evidence of weakening global demand as the debt crisis in Europe worsens.

[May producer prices fall sharply, energy plunges](#)

WASHINGTON (Reuters) - Producer prices fell sharply in May as energy costs dropped the most in over three years, a sign of easing inflation pressures that could give the Federal Reserve more room to help the economy should growth weaken.

The Labor Department said on Wednesday its seasonally adjusted producer price index dropped 1.0 percent last month.

The drop was mostly due to a 4.3 percent decline in energy prices, the biggest drop since March 2009. Europe's debt crisis is threatening global economic growth, pushing oil prices lower.

[US retail sales dropped 0.2 percent in May](#)

WASHINGTON (AP) -- U.S. retail sales declined in April and May, pulled down by a sharp drop in gas prices. But even after excluding volatile gas sales, consumers increased their spending only modestly.

[The Tricky Calculus of Oil Price Differentials](#)

One of oil's most important characteristics is its fungibility, which means that a barrel of refined oil from Texas is equivalent to one from Saudi Arabia or Nigeria or anywhere else in the world. The global oil machine is built upon this premise – tankers take oil wherever it is needed, and one country pays almost the same as the next for this valuable commodity.

[U.S. Energy Output Jumps as China Spurs Global Demand, BP Says](#)

The world's two largest economies followed opposite paths on energy last year as the U.S. boosted oil and gas production while Chinese consumption jumped, according to BP's Statistical Review of World Energy.

Shale production made the U.S. the world's largest gas producer and the country's oil output climbed more than any nation outside the Organization of the Petroleum Exporting Countries in 2011, BP said today in its annual survey. China accounted for 71 percent of global demand growth.

The U.S. experience “shows how an open and competitive environment drives technological innovation and unlocks resources,” BP Chief Executive Officer Bob Dudley said in a statement. “The message for policy makers is to follow this model and to encourage competition wherever possible.”

[Opec sees calm in the oil markets](#)

Opec predicts an improving supply and demand picture for the rest of the year in a report released one day after its most prominent member suggested further raising the organisations voluntary production ceiling.

[Saudi under OPEC pressure to prevent oil price collapse](#)

VIENNA (Reuters) - Saudi Arabia came under pressure on Wednesday from fellow OPEC producers to cut oil output to prevent a further slide in crude prices.

Price hawks in the Organization of the Petroleum Exporting Countries are fretting that slowing economic growth will send crude, already off \$30 since March, plummeting further.

[Nigeria sees too much oil in the market](#)

VIENNA (Reuters) - Nigeria Oil Minister Diezani Alison-Madueke said on Tuesday that she thought there was too much oil supply on the market.

[Algeria says OPEC faces risk from oil price slide](#)

ALGIERS (Reuters) - The Organization of the Petroleum Exporting Countries (OPEC) will face a real risk because of a slide in crude oil prices caused by the group exceeding its production ceiling, Algerian Energy and Mines Minister Youcef Yousfi was quoted as saying on Wednesday.

[‘Oil below \\$100 very painful for Libya’](#)

“I am afraid of this fall, anything below \$100 is very painful for Libya,” he told Reuters at an OPEC-organised oil industry conference ahead of the cartel's Thursday meeting.

[Why Saudi Arabia wants to bathe the world in affordable oil](#)

Thursday's Opec meeting is expected to be a cracker. Supply is relatively abundant right now, but Saudi Arabia wants the quota raised. Iran, Venezuela, and a bunch of other Opec members fearful for their export receipts definitely do *not* want that.

[No Rally For Natural Gas - Come Back Next Winter](#)

Even if there will be another rally in natural gas prices in the weeks to follow, assuming the warmer than normal weather will continue and will also induce an increase in consumption of natural gas, I still think the natural gas market will remain loose and an increase in demand could be sustained with the high productions and imports. As long as the storage levels will remain much higher than in recent years, natural gas prices are likely to remain low.

[Iran's oil exports plummet as sanctions bite, agency says](#)

LONDON (Reuters) - Iran's oil exports have fallen by an estimated 40 percent since the start of the year as Western sanctions tear into the country's vital oil industry, the International Energy Agency said on Wednesday.

The agency, which represents the interests of major consuming nations, said preliminary indications suggested exports - the lifeblood of Iran's economy - fell to 1.5 million barrels per day in April-May from 2.5 million at end 2011.

[Oil embargo to cause 'unstable' market: Iranian minister](#)

VIENNA: A looming oil embargo on Iran, related to its controversial nuclear programme, will destabilise the global oil market and spark higher prices, Iranian Oil Minister Rostam Qasemi warned Wednesday in Vienna.

"Unfortunately the issue of imposing sanctions... is being considered by Europe," Qasemi said on the eve of a meeting of the OPEC cartel to discuss oil output levels.

"This politically-motivated approach will damage the stability of both the oil market and the world economy," he added.

[China Trying To Cut Iranian Oil Imports -CNPC Executive](#)

Speaking to reporters on the side of a seminar of the Organization of Petroleum Exporting Countries, Wang Dongjin, a CNPC vice president, said it remained unclear, however, how China could reduce its imports from the Islamic Republic.

"We will see at a later date state," he said, what do with "some contracts signed before sanctions on Iran."

[‘Sinopec turns down cut-price Iran crude’](#)

Chinese refiner Sinopec has turned down offers of bargain Iranian crude and will cut imports by up to a fifth this year, a senior Chinese oil executive said, insisting ties with the United States were more important than cut-price oil as the West squeezes Tehran over its nuclear programme.

[Insurance to stop India shippers handling Iran oil in July](#)

Indian state-owned refiners will halt planned oil imports of 173,000 barrels per day from Iran when European sanctions take effect in July, unless the government permits them to use insurance and freight arranged by Tehran, industry sources said, Reuters reported.

India is the world's fourth-largest oil importer and second biggest customer of the OPEC member nation, but domestic shippers have refused to transport the oil because of a lack of cover, the sources said.

[India's crude oil import bill jumps 40% to \\$140 bn in FY12](#)

New Delhi: India's oil import bill leaped 40 per cent to a record \$140 billion in 2011-12 as high oil prices shaved off much of the nation's GDP growth rate, Oil Minister Mr S Jaipal Reddy said today.

Speaking at the 5th OPEC International Seminar in Vienna, Mr Reddy said it was “estimated that a sustained \$10 increase in oil prices lead to a 1.5 per cent reduction in the GDP of developing countries“.

[Venezuela's Chavez Plans to Double Oil-Output Capacity by 2019](#)

Venezuelan President Hugo Chavez will more than double the country's oil-production capacity to 6 million barrels a day by 2019 if re-elected on Oct. 7, according to a government plan released today on his website.

Chavez wants to increase domestic refining capacity to 1.8 million barrels a day from 1.3 million barrels a day in 2013, according to the plan. No details on funding were given in the plan, which stated that the nation would “intensify efforts to obtain the financing needed.”

[Bad Policy And Planning Is Keeping Brazil From Becoming A Oil Superpower](#)

These factors are driving up Brazil's regional operating costs for oil producers and service companies alike. As a result, some service companies are exiting Brazil seeking greener pastures elsewhere, and Petrobras performance has been negatively impacted as well.

The issues discussed herein are long-term in nature and unlikely to be resolved any time soon even with some fast and furious government actions.

[Shell oil exploration off Guiana stalled -Le Monde](#)

PARIS (Reuters) - The French government has put on hold plans by Royal Dutch Shell to drill for oil in four exploratory sites off the coast of French Guiana while it carries out a review of how permits are awarded, Le Monde newspaper said on Wednesday.

[Russia gas tax to rise less than thought-Deputy PM](#)

GAZOPROVOD, Russia - Russia's government, in the process of revising planned tax rises for the gas industry, may reduce the planned rate increase on independent producers such as Novatek , Deputy Prime Minister Arkady Dvorkovich told reporters on Wednesday.

[Turkey, Saudi discuss long-term oil purchase](#)

ISTANBUL--Turkey has started talks with Saudi Arabia about long-term oil purchases, Turkey's Energy Minister Taner Yildiz said Tuesday, appearing to mark Ankara's latest

move to reduce its reliance on Iranian oil as regional tensions have seen the neighbors' policies diverge.

"We have started spot purchases from Saudi Arabia, and also started negotiations on long-term agreements (for oil purchases)," Yildiz told reporters in Ankara, while analysts commented that Turkey was taking steps to reduce oil purchases from Iran specifically, in line with the U.S. sanctions on Iran.

[Why We Need Expensive Oil](#)

To some it can seem a joke, but the new definition of "expensive oil" is about \$75 a barrel. Even worse for oil producers, \$75 a barrel is rapidly becoming the base price for financially feasible oil production development strategies. Above all, the old paradigm of extreme high oil prices is long dead.

[Sad news for peak oil disciples](#)

Whenever oil prices surpass US\$100 per barrel, a certain group of well-known economists and investment banks re-emerge to tout their dire warnings that oil will soon top US\$200 or more because of peaking oil supplies. Several bestselling books have been written warning that the world's supply of oil has peaked and we had better prepare for the day of reckoning when there will be global shortfall of crude.

I must admit the data, especially given the rapid growth in demand from emerging countries, seemed very compelling five or six years ago. So much so that even the contrarian in me capitulated and I was an active participant among those predicting a global shortage of energy.

Times certainly have changed and so have I. Very few observers, if any, were able to predict the enormous impact new technologies such as horizontal multi-stage fracking would have on unlocking supplies of oil and gas once thought unrecoverable. There seems to be no shortage of news these days about the vast amounts of unconventional oil and gas being discovered in North America, Russia, China and several other countries.

[A peak oil follower despairs of his movement's future](#)

When OPEC officials meeting in Vienna are talking about "tremendous" surpluses of oil in the world, and US crude production has risen above 6 million b/d, it's tough to be a disciple to the peak oil school of the future.

Ask Luis de Sousa. This Portuguese member of the the Association for the Study of Peak Oil has just returned from the recent ASPO meeting in Vienna, and he is not optimistic that the movement has a great deal of energy left in it.

[North Dakota Landowners Fight State Over Oil Rights](#)

North Dakota Landowners Fight State Over Oil Rights North Dakota landowners claiming the state is usurping their subterranean oil and mineral rights and costing them millions of dollars are asking a state court judge to let them proceed with a lawsuit.

[Institute's Gas Drilling Report Leads to Claims of Bias and Concern for a University's Image](#)

A report from a new institute at the State University at Buffalo asserting that state oversight has made natural gas drilling safer is causing tumult on campus and beyond, with critics arguing that the institute is biased toward industry and could undercut the university's reputation.

The study, issued on May 15, said that state regulation in Pennsylvania had made drilling there far safer and that New York rules were even more likely to ensure safety once drilling gets under way in the state.

But a government watchdog group quickly raised questions about the study's data and the authors' ties to the oil and gas industry. And a newly formed group of professors and students is calling for a broader inquiry into the genesis of the institute, which issued the report only weeks after its creation was announced in April.

[Coal producers find themselves in a hard place](#)

NEW YORK — America is shoveling coal to the sidelines.

The fuel that powered the U.S. from the industrial revolution into the iPhone era is being pushed aside as utilities switch to cleaner and cheaper alternatives.

The share of U.S. electricity that comes from coal is forecast to fall below 40 percent for the year — the lowest level since the government began collecting this data in 1949. Four years ago, it was 50 percent. By the end of this decade, it is likely to be near 30 percent.

"The peak has passed," says Jone-Lin Wang, head of Global Power for the energy research firm IHS CERA.

[California to stop buying electricity from Nevada coal-burning power plant](#)

The state Department of Water Resources will stop buying electricity from a coal-burning power plant in Nevada next year as part of a plan to reduce its greenhouse gas emissions.

[Falling Coal Use in U.S. Fails to Stem Global Growth: BP](#)

Falling coal consumption in the U.S. last year failed to stem the pace of growth in the fuel's use globally, which was driven by China, Australia, Ukraine and South Korea, according to BP Plc.

Coal represented 30 percent of global energy consumption, the highest since 1969, the oil producer said today in its annual Statistical Review of World Energy.

[Incentives for Drivers Who Avoid Traffic Jams](#)

PALO ALTO, Calif. — London, Singapore, Stockholm and a few other cities around the world battle heavy traffic with a “congestion charge,” a stiff fee for driving in crowded areas at peak hours. But drivers generally hate the idea, and efforts to impose it in this country have failed.

Balaji Prabhakar, a professor of computer science at Stanford University, thinks he has a better way.

A few years ago, trapped in an unending traffic jam in Bangalore, India, he reflected that there was more than one way to get drivers to change their behavior. Congestion charges are sticks; why not try a carrot?

[Bike commuting in D.C.: From the suburbs, it's not so easy](#)

It is Friday evening and the city is nearly empty. So too is the Farragut North Metro station, where I have mistakenly entered on L Street. It's about 6:15 and I know I can't put my bike on the train until 7 p.m. But I'm trying to catch a 7:15 bus at Friendship Heights. Surely the station attendant will show me some mercy.

Not a chance. Faster than you can say “single-tracking,” she is out of her booth to make sure I don't enter, hand me a pamphlet that contains the rules and send me to the K Street side. About 6:50 I approach the attendant there and ask for a little leeway to catch a 6:55 train, so I can make my bus. I point out that the purpose of the rule is to keep bikes off crowded trains. Tonight, clearly, most cars are nearly empty.

No way. “The policy is the policy,” she says.

[Ethanol's Long Joyride Runs Out of Gas](#)

(Newser) — After 15 years of growth, ethanol production will fall this year and be flat next year, shocking an industry that has only known boom times for many years, reports the *Wall Street Journal*. Driven by government mandates, production of the corn-based fuel additive tripled from 2005 to 2011, reaching nearly 14 million gallons last year (about 40% of US corn production) and pushing up corn prices in the process. But with gas demand 6.7% below its 2007 peak and ethanol use at its government-required limits, US capacity is outstripping demand.

[U.S. Renewables Use Rose Faster Than China in 2011: BP](#)

The U.S. increased its use of renewable energy other than nuclear and hydroelectric by more than China last year, BP Plc said.

U.S. consumption rose by 6.4 million tons of oil equivalent while use in China jumped by 5.8 million tons, according to the BP Statistical Review of World Energy 2012 report.

[U.S. Solar Grew 85 Percent in First Quarter, SEIA Says](#)

Developers installed 85 percent more solar panels in the U.S. in the first quarter than a year earlier, led by strong growth in commercial projects and demand in New Jersey, according to the Solar Energy Industries Association.

Total U.S. installations were 506 megawatts in the quarter and may reach 3,300 megawatts this year, about 11 percent of the 2012 global market, the Washington-based trade group said today in its quarterly market report.

[Fukushima Watch: Applying the Lessons of Fukushima By the Numbers](#)

In Kansai Electric Power Co.'s final report on two soon-to-be-restarted reactors at its Oi nuclear plant in western Japan, the utility assured the government and the public that the pair could withstand a disaster like the one that crippled Fukushima Daiichi last year. Specifically, Oi's No. 3 and 4 reactors could survive a tsunami of up to 11.4 meters, Kansai Electric said.

That figure gave JRT pause. After all, the waves that swamped the Fukushima Daiichi plant measured 15 meters. JRT investigated, and found that Japan's regulators applied the lessons of Fukushima — very literally. Here's what we found:

[Tepco's Loan Said to Have 'Strict' Profit and Assets Covenants](#)

Tokyo Electric Power Co. (9501)'s new loan that is part of the nation's largest bailout in more than a decade will come with "strict" covenants triggering repayment, according to three people familiar with the matter.

Banks offering the loan to Tepco, as the utility is known, can ask for repayment in full if its profit or net assets fall 25 percent below targets stipulated in the company's business plan for two consecutive quarters, the people said. The conditions will apply to a 370 billion yen (\$4.6 billion) portion of Tepco's 1 trillion yen loan, they said.

[20,000 tonnes of uranium found in Jordan](#)

A joint venture between Jordan Energy Resources Incorporated and French nuclear giant Areva said on Tuesday it has discovered more than 20,000 tonnes of uranium in the Middle East kingdom.

The Jordanian French Uranium Mining Company said 12,300 tonnes of uranium had been found in central Jordan last year, and now "the overall uranium potential on the licensed 70 square-kilometre (27 square miles) area exceeds 20,000."

"These potential resources are considered strategic for Jordan since they should enh

[Water grab in Kansas oil boom](#)

HARPER COUNTY, Kan. (CNNMoney) -- In the farm country of southern Kansas, water is a precious commodity. And not just for farming -- for fracking.

In hydraulic fracturing, water is injected into the ground at a high pressure to help crack shale rock and bring oil to the surface. The industry says it takes as much as 2 million gallons of water to drill a single horizontal well in Kansas.

Most drillers use groundwater or surface water from ponds and rivers. But first they must receive permission from whoever has rights to it and get a permit. Water permits have soared to the highest level in 30 years.

At the same time, many of the Kansas oil boomtown counties are already under "drought watch," and last month was the second driest May on record.

[How To Make U.S. Agriculture Even Stronger](#)

The lion's share of our exports—about \$50 billion worth last year—were basic staples: soybeans, corn, wheat, and cotton. The big destinations for American farm goods are our neighbors in Canada and Mexico, plus the hungry mouths of land-scarce Asia—China, Japan, South Korea, and Taiwan. And rising living standards in the Pacific Rim promise even more agricultural bounty ahead. As people get richer, they start to want to eat more meat. America exports meat (\$12.5 million worth of pork, beef, and chicken in 2011), but, more to the point, our staple grains feed animals. A cow is essentially a low-efficiency, high-status method of transforming grain into food for humans, so steady growth in world demand for meat implies enormous growth in demand for feed crops.

But to fully take advantage of these trends, America needs to increase its overall agricultural output, not just our total factor productivity. That means getting more inputs.

[Fight over genetically engineered crops on Calif. ballot](#)

A high-stakes food fight in California is getting more heated. A proposal to require labeling of foods with genetically engineered ingredients has qualified to appear on the

state ballot Nov. 6.

[I Think, Therefore I Yam](#)

When farmland is scarce, will we all eat roots and tubers?

[The future of 'famine foods,' unconventional edibles in the garden](#)

They're called poor people's foods. Plants foraged by starving folk and scavenged when crops succumb to drought: They're what you eat just to get by. Many are unusually rich in nutrients, have medicinal value and may even taste good. But because they're free for the taking they get little respect.

[The Butcher Next Door](#)

Why the rise of DIY urban animal slaughter is bad for people and animals.

[N. Koreans suffer chronic food shortages: UN](#)

"All it takes is a winter that's been slightly too long, not quite enough rain at critical moments, or a flood later on during the rainy season for the agriculture to really be severely affected."

Reclusive North Korea suffers chronic food shortages, but the situation is frequently exacerbated by floods, droughts and mismanagement.

[Beware the D.C. garden thief, still at large](#)

The garden thief has been hitting Glover Park for about four years and may be the same miscreant who has plundered community gardens, private gardens and even commercial plantings for the past 10 years. So far two police departments have been unable to stop him, though they are trying.

[W.H.O. Declares Diesel Fumes Cause Lung Cancer](#)

A study showed that nonsmoking miners who were heavily exposed to diesel fumes had seven times the normal lung cancer risk of nonsmokers.

[Dam Removal to Help Restore Spawning Grounds](#)

The long-delayed start of the dam-removal project is expected to end years of rancor and uncertainty. Plans to dismantle the dams began in 1999, when PPL Corporation, a power company, bought a series of Penobscot River dams from Bangor Hydro Electric Company. Wanting to avoid the conflicts that had accompanied dam-licensing efforts on the river, PPL began negotiating with the Penobscot Indian Nation and several conservation groups. They agreed on a deal that allowed PPL to sell several dams for removal or decommissioning, while increasing power generation at six other dams to offset the power losses.

[Evangelicals and Climate Change: What Does the Future Hold? \(Pt. 1\)](#)

When it comes to the issue of global warming, the label conservative and liberal won't necessarily help you determine if an evangelical Christian is a proponent or skeptic. Why? Because even within the inner core of conservative evangelical circles people are divided over the issue, with both sides asserting that science is clearly on their side. Take The Christian Post, for example: Dr. Richard Land, CP's executive editor, is among those who are skeptical that humans tip the scales toward global warming, while Dr. Joel C. Hunter, CP's senior editorial adviser, believes controlling human behavior may be in order.

[Mitt Romney worked to combat climate change as governor](#)

WASHINGTON — During his first 18 months as governor of Massachusetts, Mitt Romney spent considerable time hammering out a sweeping climate change plan to reduce the state's greenhouse gas emissions.

As staff briefed him on possible measures and environmentalists pressed him to act, Romney frequently repeated a central thought, people at those meetings said: That climate change is occurring, that the United States has the resources to handle its vast impact but that low-lying poor countries like Bangladesh would suffer greatly.

[Hotel industry unites on carbon footprint measure](#)

As more companies pay attention to the carbon footprint their employees' travel leaves behind, a diverse group of hotel operators has announced a timely collaboration.

Hilton, Marriott and MGM Resorts and 20 other companies have agreed to adopt a uniform way to calculate their hotels' carbon footprint, the World Travel & Tourism Council announced today.

[Oil sands must do 'heavy lifting' to meet climate goals, Ottawa told](#)

Canada is facing a yawning shortfall in its commitment to reduce greenhouse-gas emissions, and both Ottawa and the provinces will have to embrace far more aggressive measures to meet their targets, the federally-appointed National Roundtable on the

Economy and Environment says in a new report.

[N.C. Senate approves law that challenges sea-level science](#)

RALEIGH - With hardly any debate, the state Senate on Tuesday nixed global warming restrictions on the state's coast.

Lawmakers passed a bill that restricts local planning agencies' abilities to use climate change science to predict sea-level rise in 20 coastal counties. The bill's supporters said that relying on climate change forecasts would stifle economic development and depress property values in eastern North Carolina.

[The Fastest-Warming US State Is](#)

Some U.S. states are feeling the heat of climate change more than others, finds a new analysis of temperature increases over the past 100 years.

The state that saw the highest temperature increase was Rhode Island, followed by Massachusetts, New Jersey, Arizona and Maine.



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