



Drumbeat: July 25, 2012

Posted by [Leanan](#) on July 25, 2012 - 9:42am

[The Dawn of the Great California Energy Crash](#)

California, which imports over 25% of its electricity from out of state, is in no position to lose half (!) of its entire nuclear power capacity. But that's exactly what happened earlier this year, when the San Onofre plant in north San Diego County unexpectedly went offline. The loss only worsens the broad energy deficit that has made California the most dependent state in the country on expensive, out-of-state power.

Its two nuclear plants -- San Onofre in the south and Diablo Canyon on the central coast -- together have provided more than 15% of the electricity supply that California generates for itself, before imports. But now there is the prospect that San Onofre will never reopen.

Will California now find that it must import as much as 30% of its power?

[Oil Trades Below \\$90 a Barrel a Third Day on Supply Gain](#)

Oil fell for the third time in four days in New York on speculation an increase in U.S. crude stockpiles signaled slowing demand in the world's biggest consumer of the commodity.

Futures slid as much as 0.8 percent after the industry- funded American Petroleum Institute said inventories rose 1.35 million barrels last week. An Energy Department report today may show supplies dropped 1 million barrels, according to a Bloomberg News survey. The International Monetary Fund said China's slowing economy faces significant downside risks and relies too much on investment.

[Natural gas prices surge 70%](#)

NEW YORK (CNNMoney) -- Natural gas prices have surged over 70% during the past three months, fueled by increased air conditioning use, a switch from coal in power plants, and declining production rates.

The price for natural gas at Henry Hub, a junction of pipelines and storage facilities in Louisiana, has gone from \$1.85 per million British thermal units in April to \$3.14 Tuesday -- a seven-month high.

[New talk of power link for Egypt and Saudi Arabia](#)

Egypt and Saudi Arabia took another step towards their plan to swap electricity in an effort to avoid shortages, according to Egypt's energy minister.

[Spanish utilities step up tax fight, fear losses](#)

(Reuters) - Top Spanish energy groups Iberdrola, Endesa and Gas Natural have stepped up a last-ditch campaign against new taxes looming for the sector, warning the government that the reforms could wipe out their profits in the country.

[Is peak oil dead?](#)

One might think so, judging by a slew of optimistic new forecasts for oil production. Even George Monbiot, notable for his thoughtful previous coverage of peak oil in *The Guardian*, threw in the towel with his July 2 *mea culpa*, "We were wrong about peak oil. There's enough to fry us all."

Monbiot reversed his position after reading a new report by Leonardo Maugeri, an executive with the Italian oil company ENI and a senior fellow at a BP-funded center at Harvard University.

[Fool me twice, shame on me: The oil industry repackages the fake abundance story \(from the late 1990s\)](#)

The industry's purpose is transparent: To ensure that the world remains addicted to fossil fuels by convincing all of us that our energy sources--more than 80 percent of which are fossil fuels--don't need to change. It's a winning strategy even if the industry's premise is wrong since the oil companies still have huge inventories of fossil fuels underground that they want to sell at top prices. And, they are only going to get those top prices if government, businesses and households fail to convert to alternatives and thus remain hostage to fossil fuels.

[Is peak oil a non-event?](#)

The idea the peak oil might recede shouldn't be a surprise. Higher prices encourage consumers to reduce demand and switch to substitutes like renewables and shale oil. They also encourage further exploration and make previously marginal reserves viable.

The era of really "cheap oil" that prevailed in the post-war period up to around 2000 is probably behind us, according to the report. But "it is still uncertain what the future level of oil prices might be. Technology may turn today's expensive oil into tomorrow's cheap oil."

[Peabody Forecast Misses Estimates After Coal Price Drop](#)

Peabody Energy Corp., the largest U.S. coal producer, fell the most in more than three years after its third-quarter forecast missed analysts' estimates on falling coal prices and rising costs in Australia.

[Exxon May Lead Drop in Global Oil Profits on Lower Prices](#)

The world's largest oil companies are poised to report a drop in second-quarter earnings after crude prices declined for the first time in three years.

Exxon Mobil Corp., the world's biggest oil company by market value, will probably say tomorrow net income dropped 13 percent from a year earlier to \$9.3 billion dollars, based on the average of five analysts' estimates compiled by Bloomberg. Royal Dutch Shell Plc, Europe's top oil producer, is expected to see profit decline 4 percent after adjusting for certain gains and losses.

[ConocoPhillips 2Q profit falls 33 pct](#)

NEW YORK (AP) — ConocoPhillips says net income fell 33 percent in the second quarter as oil prices fell and it shed its refining and pipelines business.

Its results still beat Wall Street estimates, and the company's stock price rose slightly in premarket trading.

[Suncor keeps a lid on oil sands costs](#)

Let's get the obvious out of the way: Suncor Energy Inc.s' earnings slumped this quarter, plummeting to \$333-million, versus \$1.457-billion last quarter and \$562-million during the same period in 2011.

But strip out the serious problems in Syria, which led to after-tax impairment charges and write-offs of \$694-million because the company hasn't produced anything in the war-torn country this year, and Suncor suddenly looks much better.

[Transneft Shares Buoyed as Cash Rises as Spending Slows](#)

OAO Transneft probably will produce what investor Ivan Mazalov calls "massive" cash this year as the pipeline operator delivers Kremlin-backed projects supplying oil to Asia and the Baltic Sea. That may return investors to one of Russia's cheapest energy stocks.

[Rosneft Starts Talk BP to Buy Stake in Russian Venture](#)

OAO Rosneft, Russia's state-owned oil producer, began talks to buy BP Plc (BP/)'s stake in TNK-BP as the U.K. oil company seeks to exit the venture jointly owned with a group of billionaires.

[Li Ka-shing Doubles U.K. Gas Networks With \\$1 Billion Deal](#)

Hong Kong's richest man Li Ka-shing agreed to pay 645 million pounds (\$1 billion) cash for Wales & West Utilities Ltd. to almost double the size of the gas transmission businesses his companies control in the U.K.

[Shell Revises Agreement With CNPC To Boost Tight Gas Output](#)

Tight gas is an unconventional natural gas that is harder to extract because the deposit is surrounded by rock and sand.

Under an amended production-sharing contract, Shell and CNPC will develop tight-gas sands in addition to its already producing main reservoir and boost output beyond a current peak of 320 million cubic feet per day, it said in a statement.

[CNOOC's Nexen Bid Shows How Far Goal Posts Have Moved](#)

CNOOC's blockbuster deal for Nexen, if nothing else, is a stark indication of how far the goal posts have moved not only for Canada's oil patch, but also for world oil demand. Only four or five years ago, the notion that a state-owned Chinese company could buy—lock, stock and barrel of bitumen—one of Canada's premier oil names was politically unthinkable. Any such deal was sure to be turned down by Ottawa under its Foreign Investment Review Act (not to mention the hue and cry that would come from Alberta's provincial government).

Today, that's all changed. CNOOC's \$15-billion offer for Nexen follows a number of major foreign transactions in Canada's energy sector. Among others, Malaysian energy giant Petronas is paying \$5.5-billion to get at Progress Energy's natural gas reserves in British Columbia. Earlier this year, PetroChina completed a two-pronged deal for Athabasca Oil Sands Corp. that tallied \$2.5-billion. In 2010, Sinopec paid \$4.65-billion for a 9 percent stake in Syncrude, which runs Alberta's largest oilsands mine.

[Iran builds first oil tanker for Venezuela](#)

Iran has completed construction of the first of four oil tankers to be sold to Venezuela for a total 230 million euros, the official news agency IRNA reported on Tuesday.

The Aframax-category tanker -- capable of carrying 113,000 tonnes of oil, the

equivalent of 750,000 barrels -- was built over the past two years by the Iranian shipbuilding company SADRA, which was put under US sanctions in March because it is owned by Iran's powerful Revolutionary Guards.

[Iran's supreme leader says Western-led sanctions, pressure, won't force policy shift](#)

TEHRAN, Iran - Iran's Supreme Leader says Western-led sanctions and pressure will not force Iran to change its policies, voicing confidence that the country can beat the latest moves to block its vital oil and banking industries.

In remarks broadcast on state TV Wednesday, Ayatollah Ali Khamenei says some countries partaking in the U.S.-led sanctions will not continue them over the long term because of economic drawbacks.

[Official: Syrian rebels brace for showdown in Aleppo](#)

(CNN) -- Leaders of Syrian rebel forces ordered their fighters to attack hundreds of government troops heading toward Aleppo, the country's largest city, a Free Syrian Army official told CNN on Wednesday.

The Syrian regime withdrew about 2,000 fully equipped troops, along with their tanks and artillery, from Idlib and sent them to Aleppo, the official said.

[Syria violence forces thousands from country](#)

BEIRUT – Om Jamal crossed into Lebanon from her home in the Syrian village of Ain Al-Tennour, where forces loyal to dictator Bashar Assad ransacked homes and terrorized residents.

Her village is part of the region of Reef Qusayr, where people of different faiths have lived together since antiquity until Assad's campaign to crush an uprising turned the region into a bloody battleground. Villagers refuse to surrender, fathers bury sons hurriedly every day and doctors struggle to save children sliced by shrapnel.

[Five Syria Nightmares: The Middle East Can't Live with Assad, but Living Without Him Won't Be Easy](#)

Nobody's expecting a happy ending any time soon to Syria's civil war. Here are just five things that could go badly wrong when the Assad regime falls.

[As Syria Teeters, So Do Decades-Old Assumptions About the Middle East](#)

The conflict is testing the brittle bonds of a national identity in states carved out of old Ottoman provinces at the end of World War I.

[A Syrian Stalemate?](#)

What would Syria look like if the Assad regime retreated to its ancestral homeland?

[Baghdad flexes muscles to bar Chevron over Kurdish oil deal](#)

Baghdad has barred the US oil company Chevron from bidding for Iraq government contracts after the super-major bought into the Kurdish autonomous region's oil sector.

Chevron last week acquired an 80 per cent stake in two Kurdish oil fields from India's Reliance Industries. It followed a similar move by ExxonMobil - the world's biggest oil company by market capitalisation - which bought the rights to six fields in November.

[US, China threaten Southeast Asian peace](#)

The Chinese government is taking a dual approach to consolidating its territorial claims in the South China Sea. A recent softening of the country's diplomatic line amid a simultaneous deployment of military assets reveals a nuanced carrot-and-stick approach.

[Was the Shell oil hoax ethical?](#)

Many sympathize with the intent of the Greenpeace-Yes Men protest. Yet, as much as one might disagree with a particular corporate action, the honest choice demands either engaging in civil protest and accepting the consequences, or staging a symbolic protest (such as culture jamming, parody, or satire) that is clearly identifiable as an act of protest.

The Shell Oil hoax did not announce itself as a parody (though a discerning viewer could detect it), and so neglects the second standard. Satire or parody should be obvious -- maybe not immediately, but soon -- or it is in danger of becoming little more than misrepresentation.

[University of Texas Will Review Gas Study After Conflict Questions Raised](#)

In a statement distributed to journalists tonight, Steven Leslie, provost and executive vice president of the University of Texas at Austin, said the study of gas drilling impacts would be reviewed by independent experts in the next few weeks and criticized Groat's failure to report income from his relationship with a drilling company.

[Experts: Some fracking critics use bad science](#)

PITTSBURGH (AP) — In the debate over natural gas drilling, the companies are often the ones accused of twisting the facts. But scientists say opponents sometimes mislead the public, too.

Critics of fracking often raise alarms about groundwater pollution, air pollution, and cancer risks, and there are still many uncertainties. But some of the claims have little — or nothing— to back them.

[Rules intended to limit pollution from ships raises concerns in Alaska](#)

JUNEAU, Alaska — Alaska has sued to block enforcement of rules intended to limit pollution from large ships, saying the rules will result in higher freight rates and pricier cruises that will hurt the state's economy.

[A Low-Key Debut for a New N.R.C. Leader](#)

Dr. Macfarlane, a geologist with extensive experience in nuclear waste questions but not reactor operations, seemed to strive for a collaborative and inclusive tone on Tuesday. Appearing with three of her fellow commissioners before two House Energy and Commerce subcommittees, she said her colleagues were “all talented professionals.”

[Nuclear vision for UAE and Korea](#)

A group of South Korean and Emirati officials poured the first concrete for the UAE's nuclear plant last week. Now Seoul already hopes to broaden that partnership.

Once the UAE's four planned reactors are completed by 2020, the two countries will have built up a nuclear expertise that they can bring to other nations by co-bidding to build plants, said Kwak Seung-jun, the chairman of the South Korean Presidential Council for Future and Vision, an advisory group to the president.

[North Korea Wants to Open Rare Earth Treasure Trove](#)

North Korea may not have many smartphones, laptops or electric cars, but the "hermit kingdom" does have huge deposits of the rare earth minerals necessary for making such high-tech gadgets. Such minerals could end up supplying South Korea's high-tech industries — but only if the Koreas can overcome decades of wartime footing.

[Most people waiting up to 10 years to buy a new car](#)

"What is most compelling is that longer ownership has become an embedded habit for car owners, regardless of what the economy does," said Brian Hafer, a vice president at AutoMD.com. "This significant lengthening of the ownership cycle looks like it is here to stay."

[Tesla Model S review: A good first impression](#)

I have driven the \$100,000 version of the car, albeit it briefly, and I'm amazed. The car would seem worth the price, or maybe more, if it were powered by a gasoline engine. (Cheaper versions will be largely the same but with shorter driving ranges.) If there's sleight of hand here, I haven't been able to find it yet.

[Baby You Can Drive My Car](#)

RelayRides has integrated its service into General Motors' OnStar roadside assistance service. This means that any of the 6 million OnStar subscribers across the country can now make their vehicles sharable on RelayRides. The new feature also makes it easy for people to rent a car. In the past, you'd often have to get the keys from the owner, but with OnStar—which connects the car to a central dispatch service by satellite—you can unlock the car with your phone.

[U.K. Boosts Gas While Cutting Support for Wind, Biomass](#)

The U.K. government granted tax relief for natural gas drilling and cut subsidies for renewable energy, signaling more reductions in the months ahead as it balances demands for cheaper electricity against a goal to lower pollution from fossil fuels.

[Interior Names Solar 'Hot Spots' Out West](#)

After more than two years of study and public comment, the Department of Interior on Tuesday identified 17 sites on 285,000 acres of public lands across six Southwestern states as prime spots for development of solar energy. Agency officials said the government would fast-track applications for large-scale solar energy installations at those sites in the hope of speeding construction of thousands of megawatts of renewable, non-polluting electricity generation.

[Microhydro Drives Change in Rural Nepal](#)

BAGLUNG, NEPAL — In Rangkhani, a remote mountain village in western Nepal, a 12-hour walk on steep dirt roads from Baglung, the district's chief town, families until a decade ago used kerosene and butter lamps to banish the darkness when dusk fell.

Communication and health care were poor. Work, apart from traditional farming and small trade, was scarce.

But since 2001, a microhydro project has harnessed the tumbling waters of the nearby Kalung Khola river to provide electricity for Rhangkhani and neighboring villages.

[Win-Win: How Farmers Benefit from the Drought](#)

But while everyone from restaurateurs struggling with higher prices to the global poor paying more for their daily bread will absorb a hit from the drought, the Midwestern farmers whose crops are wilting in the fields will likely weather the weather far better than you might expect. That's because price increases from dwindling yields boost farmers' per-bushel income, perhaps significantly. The price of corn in the spring — when farmers would have begun planting — was close to \$5 a bushel, so there's plenty of room for profit if prices remain above \$8.

Of course, high prices at the market will help farmers only if they have any crop to harvest — and plenty of farmers in the hardest-hit states, like Indiana and Illinois, have been all but wiped out. But that's where crop insurance comes in. This year, 85% of all planted acres in the U.S. — up from 75% a decade ago — are covered by some form of insurance policies that pay farmers in the event that a portion of their crops can't be harvested because of bad weather or if prices for cash crops fall precipitously between the spring and the fall.

[Clean eating meets food where it grows](#)

The term generally refers to the eating of food as close to its natural state and point of origin as possible, and the movement is a reaction against the health problems caused by our growing fast food-oriented diet.

It's also a rebellion against some of Big Agriculture's controversial practices regarding beef, poultry and genetically modified crops. While eating fresh is preferred, canning and home-preserving are generally welcomed, too.

[Robert Ehrler revives door-to-door delivery of high-quality dairy products](#)

At 5:40 a.m. on a recent Saturday morning, Robert Ehrler double-checked 20 plastic coolers loaded with eggs, bagels, cheese, yogurt, cream and milk in glass bottles. Outside in the pre-dawn darkness, the temperature was already over 80, but inside Ehrler's walk-in refrigerator it was a chilly 40 degrees.

After adding ice to the coolers, Ehrler loaded them onto his cow-spotted milk delivery truck. By 6 a.m., he rolled out of the parking lot, embarking on a delivery route that winds through the Highlands, hauling the full coolers up to customers' doors and carrying back the previous week's empty coolers and glass bottles.

[Farming Without Machines: A Revolutionary Agricultural Technology](#)

Originally published in 1974, *How to Grow More Vegetables, Eighth Edition: (And Fruits, Nuts, Berries, Grains, and Other Crops) than You Ever Thought Possible on Less Land than You Can Imagine* remains a vital resource for farmers, agricultural researchers and planners, sustainability activists and home gardeners, as the world confronts the challenge of feeding a global population of 7-9 billion without access to the cheap fossil fuels that have run “industrial” agriculture for the last century.

[Why Gun Control Is So Contentious in the US](#)

Regularly interacting with people whose views oppose one's own has a moderating effect, Markman explained. "When you have a conversation with someone who disagrees with you, your opinions become more similar, just because you have to take their perspective for a moment in order to understand what they're saying."

Today, thanks to cable TV and the Internet, one can easily avoid the unpleasant but valuable experience of disagreeing with people. "I can choose my TV news network on the basis of my beliefs. I can subscribe to email lists, websites, chat groups full of people whose opinions are quite similar to my own," he said.

Yelling into echo chambers about issues such as gun control, instead of engaging in conversations with those who disagree, has led each of us to spin toward extreme views, Markman said.

[Travel companies save energy through sunshine, ocean breezes](#)

Perhaps Bob Dylan was right: maybe the answer really is blowing in the wind.

At least that's the hope at the Hilton Fort Lauderdale Beach Resort, which is tackling the issue of high-energy costs by installing 40-foot wind turbines on its high-rise roof. Hoping to generate 5 to 10 percent of its energy needs, the Florida resort is part of a trend that's seeing travel companies turning to wind and solar power to cut costs and appeal to environmentally-conscious travelers.

[Maps spark concern over corporate water grab](#)

As competition for clean water grows, some of the world's biggest companies have joined forces to create unprecedented maps of the precious resource that flows beneath our feet.

The Aqueduct Alliance, which allows users to create maps by combining hydrological data with geographically specific details, gives companies and investors unprecedented detail of water availability in some of the world's largest river basins.

The promoters say the data should help companies use water more responsibly while helping them to manage their exposure to risk.

But critics fear the data could be used to cash in on an increasingly scarce natural resource - two thirds of people are expected to face water shortages by 2025.

[Thirsty South Asia's river rifts threaten "water wars"](#)

KANZALWAN, India-Pakistan Line of Control (AlertNet) - As the silver waters of the Kishanganga rush through this north Kashmir valley, Indian labourers are hard at work on a hydropower project that will dam the river just before it flows across one of the world's most heavily militarised borders into Pakistan.

The hum of excavators echoes through the pine-covered valley, clearing masses of soil and boulders, while army trucks crawl through the steep Himalayan mountain passes. The 330-MW dam is a symbol of India's growing focus on hydropower but also highlights how water is a growing source of tension with downstream Pakistan, which depends on the snow-fed Himalayan rivers for everything from drinking water to agriculture.

[FACTBOX-Regions where water disputes are fuelling tensions](#)

(AlertNet) - Disputes over water are common around the world, exacerbated by climate change, growing populations, rapid urbanisation, increased irrigation and a rising demand for alternative energy sources such as hydroelectricity. Following are a few of the regions where competition for water from major rivers systems is fuelling tension.

[The Recycling Reflex](#)

A drive to make the act of recycling as automatic as stopping at a red light.

[Wet Climate May Have Fueled Mongol Invasion](#)

To put it in perspective, each Mongol warrior had 10 horses at his disposal. Just right there, that's a huge amount of biomass that is required. In addition to that, when the Mongols expanded their range in their traveling and marauding, they brought with them large numbers of livestock that they used to feed themselves. Their whole military operation was basically predicated on the fact that they had large numbers of grazing animals. These climate conditions would have given them more energy to fuel their empires.

[Dazzling Map Reveals Rising Menace of US Fires](#)

A new map, done up in blazing color, plots more than a decade's worth of the massive fires that have hit the United States, offering a revealing portrait of an increasingly common menace.

On a stark black background, complete with topographic features, the map shows not only where fires have burned between 2001 and July 2012, but also shows their intensity, veering from a wash of purplish dots for the smallest fires, up through stipples of red and smears of searing yellow for the mightiest blazes.

[EU CO2 Plunge Reignites Criticism About Market Disclosure](#)

The biggest two-day decline this year for European carbon permits has reignited criticism that the Brussels regulator needs to improve how it releases key information to the market.

[Stripping air of CO2 may become unavoidable](#)

Emerging techniques to strip the atmosphere of carbon dioxide (CO₂) and store it away to stabilise climate may become unavoidable, as our planet tips into a state of potentially dangerous warming.

Researchers from Columbia University's Earth Institute argue that upfront costs of directly taking carbon out of the air will be expensive, but such technology may become more affordable as it develops and is more widely used.

[Real emission cuts tough until technology catches up, says report](#)

"Nothing short of a technological revolution will be required to sufficiently cut emissions," the report says.

[Midwest cities see increase in dangerously hot weather: report](#)

(Reuters) - Dangerously hot summer days have become more common across the U.S. Midwest in the last 60 years, and the region will face more potentially deadly weather as the climate warms, according to a report issued by the Union of Concerned Scientists on Wednesday.

[Shade trees under assault in St. Louis County](#)

The iconic 145-foot Sugarberry Tree in Kirkwood Park has weathered a lightning strike, rotor wash from a Marine helicopter and more than 150 years of unpredictable St. Louis weather, but the recent heat wave was the last straw in its battle to survive.

Just as the sun was rising above the Missouri State Champion tree on July 6, a large portion of the tree gave way.

"It broke around 6:20 in the morning with no wind," said Curt Carron, Kirkwood Parks

superintendent. "It was paper dry to the core."

[Having Defied the Nazis, Islanders Take On the Sea](#)

With increasingly rough storms and a global rise in sea levels of 0.14 inches per year since the early 1990s, the existence of the island — just five feet above sea level, on average — seems increasingly at risk.

"There is a growing probability that the island may be hit by a bigger than usual storm," said Denis Bredin, who is part of the government office that is charged with protecting seacoasts in Brittany and based in the nearby port city of Brest. "We know that it will happen, but we can't say when."

[Rare Burst of Melting Seen in Greenland's Ice Sheet](#)

While scientists described it as an "extreme event" not previously recorded from space, they hastened to add that it was normal in a broader historical context.

Ice core samples taken from the summit of Greenland's ice sheet that shed light on 10,000 years of its history show that a similar large-scale melting event has happened roughly every 150 years, said Lora Koenig, a glaciologist with NASA's Goddard Space Flight Center who has also studied the satellite imagery. Because the previous vast melt occurred in 1889, this year's is more or less on schedule, she said.

During the event, the surface ice on the sheet's summit was always within a degree Celsius (1.8 degrees Fahrenheit) or so of refreezing, Dr. Koenig added. Around July 14, the ice loss began to reverse, she said.

[With Warming, Peril Underlies Road to Alaska](#)

The Alaska Highway, built in haste during World War II, is facing big challenges, including the effects of climate change on the underlying permafrost.



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