



Drumbeat: August 24, 2012

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[IEA may release oil reserves as soon as Sept - report](#)

NEW YORK (Reuters) - World oil consumers are likely to tap into emergency oil inventories as soon as early September after the International Energy Agency (IEA) dropped its resistance to a U.S.-led plan, the industry journal Petroleum Economist reported on Friday, citing unnamed sources.

The IEA, whose chief dismissed the need for emergency action as recently as a week ago, is now thought to have agreed to the idea, asking Washington not to pursue a unilateral release, the monthly journal reported in an article by editor Derek Brower, who also writes for the Economist magazine.

A release of as much or more than last year's 60 million barrel injection could occur as early as September, it said, citing market insiders. It said that the sharp decline in Iran's oil exports this year would be used as a justification.

[World oil supply tightens in last 2 months: EIA](#)

WASHINGTON (Reuters) - Global spare oil inventories tightened over the last two months, a U.S. government report said on Friday, which could lend the Obama administration some support if it decides to tap emergency oil reserves as the West applies sanctions on Iran.

World crude inventories in countries other than Iran fell about 1.2 million barrels per day in July and August, due mostly to a seasonal peak in demand, said the report by the Energy Information Administration.

[Tropical Storm Isaac Picks up Strength on Path to Haiti](#)

Tropical Storm Isaac gained strength in the Caribbean Sea on a path toward Haiti and Cuba, a course that has forced shut-ins of some energy production in the Gulf of Mexico and may threaten the Republican National Convention.

The ninth named storm of the Atlantic hurricane season will probably cross Haiti late today and move over eastern Cuba during the weekend, the National Hurricane Center said. It may reach the southwest coast of Florida on Aug. 27, the opening day of the Tampa gathering at which Republicans are expected to nominate Mitt Romney as their

presidential candidate.

[US shed 16 rigs](#)

The number of rigs drilling in the US fell by 16 this week for a total of 1898, according to data from Houston-based services giant Baker Hughes.

In a reverse of recent trends, it was oil rigs that suffered the biggest loss this week, while gas rigs gained for the first time since the first week of July.

[Misconceptions Surrounding Peak Oil](#)

So, Peak Oil is a myth...

Really?!!

Earlier this week, one my colleagues talked about how most people are uninformed and misled when it comes to total global oil production. They're unaware that it isn't really crude oil – that the 90 million barrels being produced daily is a combination of total liquids.

[Canadian oil: a good choice for roller coaster fans](#)

It has been among the most important uncertainties facing Canada's energy industry, which has faced dramatically different views on whether Canadian oil is set for a big comeback, or mired in years of dismal pricing.

How about both? And how about both in just a week's time?

[Pipe Dreams](#)

Why Mitt Romney can't free America from Middle East oil.

[Americans toss out as much as 40% of their food, study says](#)

Americans are throwing out nearly every other bite of food, wasting up to 40% of the country's supply each year – a mass of uneaten provisions worth \$165 billion, according to a new report from the Natural Resources Defense Council.

An average family of four squanders \$2,275 in food each year, or 20 pounds per person per month, according to the nonprofit and nonpartisan environmental advocacy group.

Food waste is the largest single portion of solid waste cramming American landfills. Since the 1970s, the amount of uneaten fare that is dumped has jumped 50%. The average American trashes 10 times as much food as a consumer in Southeast Asia, according to the Natural Resources Defense Council.

Such profligacy is especially unwarranted in a time of record drought, high food prices expected to get higher and families unable to afford food, according to the council. Efforts are already in place in Europe to cut back on food waste.

[Fuel Costs Plus U.S. Drought Equals Higher Food Prices](#)

U.S. consumers, already paying more for food due to the worst drought in five decades, may soon see prices at the supermarket rise further because of fuel costs.

“Gasoline is the wild card” of food inflation, said Chad Hart, an economist at Iowa State University. “Anytime you have oil and gas prices moving up, that will hit us on the food dollar.”

[Oil Declines for Second Day as Storm Approaches Gulf](#)

Oil fell for a second day amid concern of slowing economic growth in the U.S. and speculation that European leaders aren't making progress on resolving the region's debt crisis.

Futures slid as much as 0.9 percent earlier today. German Chancellor Angela Merkel said she and French President Francois Hollande will maintain the pressure on Greece to overhaul its economy at meetings with Prime Minister Antonis Samaras in Berlin today and tomorrow. Demand for U.S. capital goods such as machinery and communications gear dropped in July by the most in eight months, indicating companies are pulling back on investment.

[There is little method in madness over oil](#)

Oil futures dipped yesterday as tea-leaf readers struggled to make sense of conflicting signals.

Tightening supplies, including in the United States, have helped propel a run-up in crude prices in recent days. But a worse than expected trade deficit reported by Japan yesterday has revived fears that the economic crisis may eat into global energy demand.

[Why oil bulls may get burned](#)

Bullish fund managers are outnumbering bearish ones by five to one, but it's not clear

why -- there are more signs that oil prices will retreat than continue to advance.

[The Most Important Economic Event of Your Lifetime Is Now Underway](#)

Porter Stansberry writes: You're not hearing about it in the mainstream press, but I believe the most important economic event of our lifetimes is now underway...

This event has been spurred on by a widespread belief that oil and natural-gas resources were in a permanent decline (the concept known as "Peak Oil").

Because of this belief, investors and corporations spent an unprecedented amount of capital seeking out and producing new hydrocarbons. Today, those investments are bearing out to a degree almost no one could have imagined...

[Fitch: summer heat offers U.S. utilities chance to recover losses](#)

Above-average summer temperatures are helping U.S. utilities partially recover revenues lost during the mild winter, although less so for natural gas utilities, according to Fitch Ratings.

When revenues are depressed due to mild weather, utilities seek to minimize the costs that management can control. These operating and maintenance savings are typically found through the delay of maintenance work or reductions to the temporary work force, among other cost savings.

[Charges in Kurdistan cause DNO to slide into the red](#)

DNO, a Norwegian oil and gas company with a focus on the Iraqi autonomous region of Kurdistan, does not expect to be paid for its exports out of Iraq this year, adding further pressure to its already strained finances.

[Among Digital Crumbs from Saudi Aramco Cyberattack, Image of Burning U.S. Flag](#)

The computer virus that may be responsible for a cyberattack on Saudi Aramco was intended to overwrite computers with an image of a burning American flag.

...The hackers, who called themselves Cutting Sword of Justice, said they attacked Saudi Aramco to avenge what they said was the Saudi government's support for "oppressive measures" in the Middle East.

['Havoc' on Baltic power markets shows flaws in dependence on Russia](#)

Riga (Platts) - The surprise shutdown of a power line from Russia, which sent prices in the Baltic region surging, highlighted the problems of those countries' dependence on their eastern neighbor for so much of their electricity supplies, industry figures said this week.

"The shutdown of a 330 kv power line in the St Petersburg area this week came without warning from the Russian grid operator, and had a major negative effect on the Baltic power network," Taavi Veskimägi, chairman of Estonia's grid company Elering, said Friday.

[Pirates release tanker hijacked off Togo: IMB](#)

KUALA LUMPUR (AFP) – Pirates have released a British-managed oil tanker, five days after hijacking it off Togo in the Gulf of Guinea, the International Maritime Bureau said Friday.

[Nigeria fuel union calls off strike over subsidy](#)

ABUJA (Reuters) - A Nigerian fuel union called off Friday's planned nationwide strike over the government's non-payment of fuel subsidies after fraud investigations into the country's gasoline subsidy scheme.

[Nigeria tightens rules for oil product importers](#)

ABUJA (Reuters) - Nigeria's fuel regulator said on Friday oil traders must pre-qualify before they can import oil products, in an effort to combat subsidy fraud, a problem that nearly led to a strike by a major union this week.

[BP To Start Libya Oil Exploration Drilling 2013](#)

BP PLC expects to start next year deep-sea drilling work off the coast of Libya, as the U.K. oil giant resumes its \$2 billion exploration program halted by the rebel overthrow of Col. Moammar Gadhafi's regime last year.

The major oil company, which in May lifted a freeze on its activities in the North African country, will shortly begin the preliminary work needed before it can start drilling exploration wells, a BP spokesman said. Drilling itself will likely start some time before the end of 2013, he said.

[Atomic Investigators Meet With Iran Over Access to Sites](#)

United Nations atomic investigators are meeting with Iranian officials to try to gain access to disputed documents, people and sites allegedly linked to the Persian Gulf

nation's nuclear work.

Today's meeting in Iran's embassy in Vienna is the first face-to-face discussion since talks over a so-called structured approach to the atomic investigation broke down in June.

[Oil Donors Fete Romney Days Before Unveiling Energy Plan](#)

While the presidential election isn't until November, it's already clear that Mitt Romney has won over America's oil and gas industry.

Days removed from fundraisers attended by Exxon Mobil Corp.'s Chief Executive Officer Rex Tillerson and Continental Resources Inc. Chairman Harold Hamm, Romney called for the aggressive development of fossil fuels to make the U.S. an "energy superpower" in a 21-page plan released yesterday.

[Romney taps the fundraising well in Texas oil country](#)

ODESSA, TX – Mitt Romney returned to Texas oil country Tuesday to fuel his campaign coffers with nearly \$7 million raised in just one day, largely with money from top energy industry executives.

So far this presidential campaign, Romney has extracted \$13.9 million dollars in contributions from Texas, making it the second best fundraising state for the GOP nominee after cash-cow California. New York, with its massive financial sector, comes in a close third.

[Romney debuts energy plan in oil-rich New Mexico](#)

HOBBS, NM -- Mitt Romney returned to oil country this morning to sell his new energy plan, setting a goal of reaching North American energy independence by 2020 in large part by removing regulatory barriers to fossil fuel development in the United States, and increasing cooperation with fellow energy-producers Canada and Mexico.

[Giving Reins to the States Over Drilling](#)

By proposing to end a century of federal control over oil and gas drilling and coal mining on government lands, Mitt Romney is making a bid for anti-Washington voters in key Western states while dangling the promise of a big reward to major campaign supporters from the energy industry.

[Romney Energy Plan Would Expand States' Say in Production](#)

Mitt Romney would seek to give states control over energy production on federal lands within their borders and allow drilling off the East Coast as part of his plan to reduce crude oil imports.

With rising gasoline prices again drawing voter attention to U.S. energy policy, the presumptive Republican presidential nominee highlighted his energy proposals today in Hobbs, New Mexico, including his strategy for obtaining North American energy independence by 2020, in which the U.S., Canada and Mexico would produce all their own oil.

[Romney's Energy Plan Ignores the Success of Solar and Wind](#)

Mitt Romney sets an ambitious goal with his pledge to achieve U.S. energy independence by 2020. It's just too bad his plan relies almost entirely on fossil fuels and largely ignores the solid promise of clean energy.

Romney's plan, rolled out Thursday in solar-friendly New Mexico, focuses heavily on oil, gas and, most unnecessarily, coal. The presumptive Republican presidential nominee promises to expand drilling on federal lands and to roll back environmental rules his campaign adviser Ed Gillespie says are "destroying the coal industry."

[TVA a model of failed progressivism](#)

The Tennessee Valley Authority will have a new leader. President and CEO Tom Kilgore announced his retirement last week, giving hope for change at the New Deal relic. In our dreams.

Kilgore likely just missed an ignominious end. In April, Kilgore admitted TVA's "leadership forum" failed when announcing a second nuclear reactor at Watts Bar would cost twice original projections and take 60 percent longer to build, an egregious offense worthy of termination. That is, if TVA's board had the stuff to make the hard call.

[BP stops sales of upper gas grades in Chicago area](#)

WHITING, Ind. (AP) — BP said Thursday that it fixed a problem at its Whiting, Ind. refinery that led to a three-state fuel recall but has temporarily halted selling premium and midgrade gasoline in the Chicago area.

[No US-style shale gas boom for Europe, says energy investor](#)

Europe is unlikely to experience a shale gas boom similar to that witnessed in the US, according to a UK-based energy investor.

[Europe's resistance to shale gas could boost renewables](#)

Europe has been unable to repeat the shale gas revolution that has swept the United States, and that could prove to be the unlikely saviour of long-term EU efforts to spur renewables and curb greenhouse gases.

[Greenpeace activists climb Russian Arctic oil platform](#)

MOSCOW (Reuters) - Six activists from Greenpeace scaled Gazprom's oil platform in the Arctic early on Friday and aimed to stay there to protest against the Russian energy giant's plans to drill in a fragile area, the environmental group said.

[Saving the Arctic is environmentalism's biggest challenge yet](#)

The oil that flows from beneath the Arctic Ocean is destined to run out. It only holds three years' worth of global supply. If there was an oil spill, similar to the Exxon Valdez or Deepwater Horizon, it could be catastrophic for Arctic marine life.

We should now declare the destruction of such a unique place as an act of vandalism on an unprecedented scale and take action to stop it. And we must also invest in new, greener sources of energy and energy efficiency.

[Japanese Leader Meets With Antinuclear Protesters](#)

TOKYO — For the first time since antinuclear rallies began months ago outside Prime Minister Yoshihiko Noda's office, a dozen protesters were allowed inside on Wednesday for a half-hour meeting that the fledgling movement hailed as a victory. The meeting comes at a time of growing antinuclear sentiment in Japan, and with elections expected this year.

[Catalytic converters turned into cash by brazen thieves in Chicago suburb](#)

(CBS) PALATINE, Ill. - Someone in Palatine, Ill. is sawing the catalytic converters off the bottom of trucks and SUV's, and converting them into cash, CBS Chicago reports.

"High-profile vehicles" that thieves can slide underneath are being targeted in a parking garage near the commuter railroad station, for precious metals such as plutonium and rhodium that are used in the pollution control devices.

[Tiny Hawaiian Island Will See if New Owner Tilts at Windmills](#)

Since James Drummond Dole bought Lanai from a rancher 90 years ago, the island has

undergone a series of wrenching economic transformations. Under Dole, it became the world's largest pineapple plantation, known as Pineapple Island, with bristling fields and a colony of workers. When Dole moved its operations overseas in the late 1980s, Lanai turned to tourism, opening two high-end resorts where rooms go for as much as \$1,100 a night, providing a new source of employment for this community.

But when those resorts struggled with the recent economic downturn and the challenge of bringing tourists to a remote island with single-propeller air service, the island's owner proposed building a field of 45-story turbine windmills, across bluffs and beaches covering over a quarter of the island, to produce energy to sell to Oahu. The plan polarized residents, dividing those who saw the turbines as the economic salvation of their struggling island from those who treasured its wild and undeveloped isolation.

[Turkish solar regulations to cost industry 50 million euros](#)

Turkey's solar power industry has been rocked this week by news from the Ministry of Energy and Natural Resources that a "solar intensity" measurement must be submitted by each investor applying for a license to implement a solar power system.

The measure has drawn ire from investors. It is estimated that the move will cost the fledgling industry more than 50 million euros in total to have the solar intensity of subject areas measured for the government. Adding to the headache is the fact that only foreign firms have the know-how to perform measurements on solar intensity, and that each measurement costs around 10,000 euros.

[ANALYSIS - US govt mandate or no, fuel ethanol is here to stay](#)

NEW YORK (Reuters) - For the past five years, the U.S. government has paid fuel companies billions of dollars in subsidies to buy home-grown, corn-based ethanol, making it a viable part of the nation's gasoline supply.

Now you'd have to pay them not to buy it.

[High price of corn forcing farmers to feed candy to livestock](#)

MAYFIELD, Ky. - At Mayfield's United Livestock Commodities, owner Joseph Watson is tweaking the recipe for success.

"Just to be able to survive, we have to look at other sources for nutrition," he said.

His 1,400 cattle are no longer feeding off corn. The prices, Watson said, are too high to keep in stock. So earlier this year, he began to buy second hand candy.

[Drought worsens in Plains, despite cooler temps](#)

The U.S. Drought Monitor's weekly map showed that, as of Tuesday, just over two-thirds of Iowa, the nation's biggest corn producer, was in extreme or exceptional drought — the worst two classifications. That's up more than 5 percentage points, to 67.5 percent, from the previous week.

Nearly all of Nebraska, Kansas, Missouri and Illinois are in extreme or exceptional drought, with Illinois showing the most dramatic climb, spiking 17 percentage points in one week to 96.72 percent, according to the map.

[Drought Disrupts Everyday Tasks In Rural Midwest](#)

WILDWOOD, Mo. — The wells supplying people's homes are running dry here at the heart of the nation's drought, which the government announced on Thursday has spread to 63.2 percent of the country, centered in the parched earth of the southern Midwest.

For some residents outside municipal water districts, it has become a struggle to wash dishes, or fill a coffee urn, even to flush the toilet. Mike Kraus, a cattle farmer in Garden City, Kan., twisted the tap on the shower the other day after work and heard nothing but hissing.

“And that was it,” he said.

[Lund twangs out country classics](#)

It's not an accident that storyteller Corb Lund opens his new album with a post-peak-oil apocalyptic scenario where “when the oil stops, everything stops,” with talk of “a rip in the social fabric” and rural retreat as the only salvation from a world about to go to hell.

On the surface, the rest of *Cabin Fever* is a collection of largely lighthearted songs about how “everything is much better with cows around,” and how “you ain't a cowboy if you ain't been bucked off.” But the characters here are all dealing, in their own way, with societal collapse, with escape and resilience, with history catching up with them. Even *Bible on the Dash*, a duet with Hayes Carll — about travelling musicians deceiving border patrols by claiming to “play Christian music, sir!” — is set in a theocratic country where religious allegiance erases any suspicion.

[New York's City Council Adds Climate Change Panels](#)

The exodus of City Hall aides has already begun as Mayor Michael R. Bloomberg's term approaches its end next year, but climate change isn't going anywhere. So in an attempt to continue Mr. Bloomberg's environmental focus long after he's gone, the City Council passed legislation on Wednesday that would make two panels advising the city on the threats of global warming a permanent fixture of government.

[UN green climate fund, meant to aid poor, holds first talks](#)

GENEVA (Reuters) - Leaders of a U.N. green fund meant to channel billions of dollars to help developing economies cope with climate change met for the first time on Thursday after months of delays.

[Retaliation on Airline Carbon May Breach Law: Researcher](#)

Nations that retaliate against the European Union's decision to include airlines in its carbon market from this year may fall foul of international trade rules, according to a University of Cambridge researcher.

"If a World Trade Organization member restricts EU flights over its territory, or landing slots for EU flights in its territory, it is likely to violate WTO obligations ensuring non-discriminatory treatment of trade in goods, as well as freedom of transit," Lorand Bartels, a lecturer in WTO and international law at the U.K. university's Trinity Hall, said Aug. 21 in a phone interview from Buenos Aires.

[Nationalize the Fossil Fuel Industry](#)

Global heating is a process that is already in motion and can no longer be completely reversed. All we can do is to prevent it from getting much, much worse.

To gain control over this rapid feedback loop, we need to *nationalize the fossil fuel industry* and bring its assets, and its resources, under social control.

[Migration in the Americas: On the run from water in Panama](#)

In August, the first round of evacuations will force some Kuna to the mainland because of dangerous living conditions, affecting 65 families. Ultimately, all of the islands will be evacuated — affecting 36,000 people — and new dwellings are being built and funded on the mainland by the Panamanian government.

The inhabited islands are chock full of houses built of reeds and palm leaves and no match for storms and rising water. Historically, flooding was comparatively rare, but residents now regularly contend with surging water.

Experts say sea levels rose nearly seven inches over the past century, and levels could rise another two feet by the end of this century.

[Climate vs. weather: Extreme events narrow doubts](#)

Heatwaves, drought and floods that have struck the northern hemisphere for the third

summer running are narrowing doubts that man-made warming is disrupting Earth's climate system, say some scientists.



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