



## Drumbeat: November 16, 2012

Posted by [Leanan](#) on November 16, 2012 - 9:58am

### [The new boom: Shale gas fueling an American industrial revival](#)

For decades, most of the conversation about U.S. oil and natural gas has revolved around the idea of scarcity, declining output and rising prices. The seminal work by M. King Hubbert — the Shell geologist who accurately predicted in the 1950s that U.S. oil production would peak in 1971 — defined this framework.

Natural gas supplies traditionally have been seen as limited and gas prices have been volatile — burning utilities that bet too heavily on gas-fired power plants in the 1990s.

But past assumptions have been challenged by new technologies — and new uses of old technology. Years of pioneering work on drilling techniques by an independent oilman, George Mitchell, paid off. Despite concerns about water pollution risks linked to hydraulic fracturing of shale, drilling and production have soared.

The United States is rife with these shale plays, some rich in natural gas and others rich in oil. The United States is still producing less oil than in 1971, and prices are high. But the country is producing more oil than in any year since 1994, and production is rising.

### [Light crude surplus spins world oil trade compass](#)

LONDON (Reuters) - The world is increasingly saturated with hitherto scarce high-quality light crude with Europe's market to join the United States in a surplus, traders say, predicting a scramble to export to Asia and a global shortage of once abundant heavy oil.

The shale oil boom has pushed U.S. production to the highest in more than 15 years and sharply cut its appetite for oil from Nigeria or Algeria as most of its domestically produced barrels are similarly light and low-sulphur, or sweet.

Now, it is Europe's turn to feel the same impact even without a U.S.-style shale boom.

### [There is some life yet lingering in fossil fuel](#)

WHEN Barack Obama assumed the presidency of the US shortly after the peak of the 2008 global financial crisis, he would have jumped at a result like this.

Could a single silver bullet help cut the US's carbon-dioxide emissions to their lowest level in 20 years, while helping to revive the country's ailing manufacturing sector and create thousands of new jobs during a recession?

### [Oil Heads for Weekly Decline as Economy Counters Mideast Tension](#)

Oil headed for the fourth weekly decline in five in New York as signs of a slowing economy in the U.S., the world's biggest crude user, countered concern that tension in the Middle East will disrupt supplies.

West Texas Intermediate futures were little changed after falling 1 percent yesterday as a report showed U.S. unemployment claims climbed to the highest level since April 2011. Crude stockpiles grew last week to the highest since July as output rose to an 18-year high, according to the Energy Department. Oil pared losses after Israel said it's ready to escalate military operations against Gaza.

### [China Cuts Fuel Prices 1st Time Since July as Crude Drops](#)

China cut gasoline and diesel prices for the first time since July, threatening to reduce processing margins for refiners in the world's second-biggest oil-consuming nation.

### [British Gas energy price rise ushers in tough winter for struggling households](#)

British Gas's 8.5 million customers are now paying an extra £80 a year for their gas and electricity, taking the average annual dual fuel bill to £1,336. The price rise, introduced on Friday 16 November, comes just over a week before 3 million npower customers see their gas and electricity prices increase by 8.8% and 9.1% respectively.

### [The coming 'economic renaissance'](#)

Could an energy boom, a housing recovery and easy money from the Federal Reserve be the perfect mix for an American revival? Consulting firm Oxford Economics certainly thinks so.

### [Tanker Supply at Seven-Month Low Seen Boosting Rates on China](#)

The swarm of oil tankers competing to load in the Persian Gulf dwindled to a seven-month low as China draws shipments, setting the conditions for rates to extend the year's biggest rally.

Fifty-five very large crude carriers are available in the world's biggest exporting region in the next four weeks, the fewest since March 27, according to Marex Spectron Group, which handles freight derivatives. There have been 141 tankers booked to load this

month, the most since December, said Kevin Sy, a broker at Marex Spectron in Singapore.

### [Ukraine Plans to Cut Imports of Russian Gas in 2013 - Interfax](#)

Ukraine plans to reduce its purchases of Russian gas to about 20 billion cubic meters a year and increase supply from Europe next year as it tries to wean itself off Russia for its fuel needs, the Interfax news agency reports a senior executive at Naftogaz, Ukraine's state-owned oil and gas company, as saying.

### [Iraq energy sector to benefit from China](#)

The growth of Iraq's energy sector will largely be fuelled by investment from Asia, according to the head of the International Energy Agency.

Surging demand for energy in China and neighbouring countries will also ensure that Saudi Arabia will reclaim its position as the world's leading oil producer after losing ground to the United States in the interim.

### [Egypt Urges Push for Gaza Peace as Rockets Hit Israel](#)

Air-raid sirens sounded for a second day in Tel Aviv and an explosion was heard in the city as Israel extended its bombing of Gaza and militant groups fired rockets at the Jewish state.

Egypt's prime minister, Hisham Qandil, visited Gaza today and called for an international effort to end the violence there, saying that "the world should take responsibility in stopping this aggression." Israel's army said it has deployed tanks near the Gaza border and called up reservists.

### [Iraq envoy says Arabs should use oil to press Israel over Gaza](#)

CAIRO (Reuters) -- Iraq's representative to the Arab League said on Friday that Arab states should use oil as a weapon to put pressure on the United States and Israel over the attacks on Gaza.

### [Glencore \\$31 Billion Deal for Xstrata Looking Completed](#)

Glencore International Plc's \$31 billion bid for control of Xstrata Plc has never looked so certain after the sovereign wealth fund of Qatar threw its support behind the biggest takeover of the year.

### [Gazprom intensifies bid to break into European market](#)

German chemical group BASF and Russian energy giant Gazprom have agreed to swap assets of equivalent value, giving the latter direct access to European gas storage facilities. Experts speak of a win-win deal.

### [Petrobras Expects Production to Pick up in 2014](#)

Investors in Petroleo Brasileiro SA (PBR, PETR4.BR), the Brazilian oil company, may have to wait until 2014 to see its production pick up pace even as the company works on adding facilities and improving its efficiency.

After its disappointing third-quarter results, Almir Barbassa, the company's chief financial officer, explained various plans to boost output.

### [Petronas Said to Answer Queries on Revised Progress Offer](#)

Petroleum Nasional Bhd. has responded to queries from the Canadian government after submitting a modified bid for Progress Energy Resources Corp. (PRQ), a person with knowledge of the matter said.

Malaysia's state energy company made a revised proposal after the government blocked its C\$5.2 billion (\$5.2 billion) takeover of the Calgary-based natural gas producer last month on grounds that it wasn't a "net benefit" to the country. Canada wanted clarifications on the new offer said the person, who declined to be named as the information is confidential.

### [The Great Oil Rush of 2012](#)

Only months had passed since the collapse of Lehman Brothers before another bogeyman raised its head: Peak Oil. The world was running out of oil, and fast. Any day now we would be thrust into an apocalyptic Mad Max Beyond Thunderdome future where only bullets and beans would be truly reliable investments.

This made-for-Hollywood conclusion was self-evident: There's only so much petroleum in the Earth's crust, and humans consume about 85 million barrels a day. Eventually, there wouldn't be any economically viable oil left to extract. In fact, most people believe that all of the Earth's natural riches are doomed to disappear, picked clean by the industrial revolution and squandered by gas guzzlers made in Motor City.

### [Shell reopens pipeline hit by thieves, flooding; lifts production warning on local gas supply](#)

LAGOS, Nigeria — Royal Dutch Shell PLC says it has reopened a pipeline in the oil-rich

southern delta and has lifted a month-old production warning on its supplies to Nigeria's liquefied natural gas plant.

A Shell spokesman told The Associated Press on Friday that Shell's Nigerian subsidiary had lifted a "force majeure" on supply to the plant on Nov. 8. The term is used when an oil company cannot cover the promised supply from the field.

### [BP steadily moving beyond Gulf spill disaster](#)

BP is not fully past the Deepwater Horizon disaster, the 2010 explosion that killed 11 workers and led to the largest oil spill in U.S. history. The company has so far set aside \$42 billion to pay fines and damages resulting from the spill, and that amount may yet grow.

But the company is steadily resolving the spill's legal issues and has nearly met its target for asset sales to help pay for the spill's costs. In the process, BP PLC has reshaped itself into a somewhat smaller company — but one that's still a large and profitable force in the oil industry.

"The danger is not over," Christine Tiscareno an analyst at S&P Capital IQ in London. "But they are now a step closer" to moving beyond the disaster.

### [BP May Pay Billions More in Oil Spill Claims After Deal](#)

BP Plc, which has now agreed to pay more than \$12 billion in government and private party settlements over the 2010 Gulf of Mexico oil spill, still faces claims seeking billions of dollars more for the catastrophe.

The \$4.5 billion agreement yesterday resolving federal criminal charges and claims by the Securities and Exchange Commission left the company at risk for as much as \$17.6 billion in potential fines from alleged violations of the Clean Water Act and demands by the U.S. and Gulf states for enough money to restore the region's coastline and waters to their condition before the spill.

### [More corrosion found on Troll C](#)

Tests on a Statoil-operated platform on one of Norway's largest-producing gas fields have revealed further gas tank corrosion as production remains shut in.

It will be "a few days" before the Norwegian oil major is even able to give an estimate as to how long production will remain shut in at the Troll C facility following the earlier corrosion discovery.

### [The Do-It-Yourself Approach to Tracking Gas Drilling](#)

Given that government resources for environmental regulation (and just about everything else) will be constrained for a long time to come, I've been enthusiastic about efforts by the public to take a D.I.Y. (do it yourself) role in tracking pollution or resource issues, whether on the ground or online.

That's why I loved learning last year how Jamie Serra, a 26-year-old employee of the state legislature in Pennsylvania, created the useful Web site Fracktrack.org as a way to organize masses of data on drilling permits, violations and other activities related to the natural gas drilling rush in that state.

### [The Challenges in Public Policing of Gas Drilling](#)

Citizen mapping efforts sound good, but they are plagued by serious limitations and spatial errors that advocates gloss over and the public does not know about.

Compiling data and mapping sites accurately are both difficult to do well. That is why Apple's digital maps have such massive and embarrassing problems.

### [Gas Crisis Abates, With Rations, Special Deliveries and Refinery's Return](#)

In addition to 1970s-era rationing, a series of critical developments behind the scenes — like emergency deliveries to gas stations and the impending return of a major refinery — have worked to ease a fuel shortage that had threatened to disrupt travel during Thanksgiving week.

Lines at gas stations have largely disappeared in New York City and on Long Island, where rationing was put in place late last week, and in New Jersey, where it was lifted this week, but the region's tangled supply network of refineries, ports and terminals is still not close to operating normally as the difficult work to recover from Hurricane Sandy continues.

As a result, industry and government officials have resorted to creative means of getting gasoline to stations whose usual supply stream has dried up.

### [Flood Insurance, Already Fragile, Faces New Stress](#)

WASHINGTON — The federal government's flood insurance program, which fell \$18 billion into debt after Hurricane Katrina, is once again at risk of running out of money as the daunting reconstruction from Hurricane Sandy gets under way.

### [Taxpayers at Risk As Storm Bills Come Due](#)

Federal taxpayers are not the only big group sharing the cost of decisions to build or

rebuild in vulnerable coastal areas, where commercial insurers are reluctant to write policies and international reinsurance firms are even more reluctant to get involved.

As a result, for more than two decades state taxpayers and the ratepayers for state insurance plans have been effectively backstopping when it comes time for insurers to pay for wind damage, fire damage and vandalism, none of which are covered by flood insurance.

### [Lessons for U.S. From a Flood-Prone Land](#)

In recent days, the Netherlands' peerless expertise and centuries of experience in battling water have been widely hailed in the United States as offering lessons for how New York and other cities might better protect people and property from flooding. Dutch engineering companies are already pitching projects to fortify Manhattan against storms, stressing that the Netherlands has experience with a coastline and cluster of river estuaries that resemble New York's, and pose similar flooding risks.

But Dutch officials and hydrology experts who have examined the contrasting systems of the two countries say that replicating Dutch successes in the United States would require a radical reshaping of the American approach to vulnerable coastal areas and disaster prevention.

### [Why Cell Phones Went Dead After Hurricane Sandy](#)

After Hurricane Sandy, survivors needed, in addition to safety and power, the ability to communicate. Yet in parts of New York City, mobile communications services were knocked out for days.

The problem? The companies that provide them had successfully resisted Federal Communications Commission calls to make emergency preparations, leaving New Yorkers to rely on the carriers' voluntary efforts.

### [Terrorist Attack on Power Grid Could Cause Broad Hardship, Report Says](#)

WASHINGTON — Terrorists could black out large segments of the United States for weeks or months by attacking the power grid and damaging hard-to-replace components that are crucial to making it work, the National Academy of Sciences said in a report released Wednesday.

By blowing up substations or transmission lines with explosives or by firing projectiles at them from a distance, the report said, terrorists could cause cascading failures and damage parts that would take months to repair or replace. In the meantime, it warned, people could die from the cold or the excessive heat, and the economy could suffer hundreds of billions of dollars in damage.

### [Al Gore: nuclear power will play 'limited role' in future energy mix](#)

Nuclear power will only play a limited role in the world's energy future because of its "absurdly high" cost, Al Gore said on Thursday.

Despite several countries, including the US, UK and China, pushing forward with plans for new nuclear reactors, the former vice-president said the economics of nuclear meant that it was unlikely to play a major role.

### [Australia Phases Out Solar Credits Early to Curb Power Bills](#)

The Australian government said it will phase out a solar incentive program in January, six months earlier than scheduled, to cut electricity bills for homes and businesses next year by as much as A\$100 million (\$103 million).

The decision "will strike the appropriate balance between easing upward pressure on electricity prices and supporting households and suppliers who install solar" systems, Climate Change Minister Greg Combet said today in a statement.

### [Dust Clouds, Delays Thwart Indian \\$1.4 Billion Solar Plan](#)

India, planning \$1.4 billion of solar-thermal power stations, expects half of the projects to be delayed and some to be scrapped as U.S. supplies stall and dust- clouds diffuse the radiation required to drive generation.

### [The race is on in 2nd Atacama solar challenge](#)

ALTO HOSPICIO, Chile — Fifteen solar cars from Chile, Argentina, Venezuela and India set off Thursday on a 1,300-kilometer (800-mile) race through the uber-dry Atacama Desert in the second Atacama Solar Challenge.

The start line for the November 15-19 race, first launched last year to encourage the development of low-cost environmentally-friendly vehicles, was in the Humberstone saltpeter, about 800 kilometers (500 miles) north of Chile's capital, Santiago.

### [An Afterlife for the Electric Car](#)

Advocates of electric cars and renewable energy have talked for years about repackaging the battery packs built for cars as home energy storage devices once they can no longer hold enough charge to run a vehicle. On Wednesday, ABB and General Motors announced that they were trying out just that idea with the battery packs of five Chevy Volts.



## [Philadelphia Lawmakers Set to Overhaul City's Road-Sharing Rules](#)

Alex Doty, head of the Greater Philadelphia Bicycle Coalition, supports the changes.

“We’ve seen in the last five years a doubling of bicyclists, and we had seen a doubling of bicyclists in the five years before that. So, these steady increases mean that we need to find a way for all of us to be able to coexist on our streets.”

The changes include setting the penalty for bicycling on the sidewalk at a hefty \$75. It also clarifies the state penalties for “dooring,” which is when a driver opens his door just as a bicyclist is passing by.

## [Pedal perfect: Bikers shed spandex to inspire new riders](#)

Style-themed bike rides are just one way in which advocacy groups are hoping to shed bicycling of its strict association with competitive racing and make it more appealing to casual riders and potential commuters in the United States, especially in communities such as Decatur making bike-friendly strides.

Bike stores are also showing up within those communities that look more like trendy boutiques than repair shops, with the goal of redefining urban bike culture. The target customers are new and aspiring cyclists, and commuters who might be turned off by the functional atmosphere of traditional bike shops. What they'll find are upright and cruiser bikes in pink and green, helmets like equestrian caps, woven baskets, canvas and leather panniers and, literally, bells and whistles.

## [Coolest commutes on two wheels](#)

Over the last 5 years, commuting by bike has risen 25%, according to the U.S. Census Bureau. Dozens of companies have sprung up to fill the demand.

## [Ray Kurzweil on the future workforce](#)

Kurzweil is the world's most prominent futurist and the author of the recently-released “How to Create A Mind: The Secret of Human Thought Revealed”. With his permission, I am sharing our Oct. 15 e-mail exchange. We discussed where the jobs of the future will be found and whether humanity will evolve fast enough to take advantage of the opportunities and new tools these future jobs will generate. Kurzweil's optimism once again left me speechless.

## [On thin ice in the Arctic](#)

The United States is woefully unprepared to patrol and secure this vital region.

## [New Zealand's Green Tourism Push Clashes With Realities](#)

The clean and green image has long been promoted by the isolated country in its striving to compete in world markets. But an international study in the journal PLoS One measuring countries' loss of native vegetation, native habitat, number of endangered species and water quality showed that per capita, New Zealand was 18th worst out of 189 nations when it came to preserving its natural surroundings.

Dr. Joy said that for a country purporting to be so pure, New Zealand seemed to be failing by many international environmental benchmarks.

## [EU Talks Said to Bring No Breakthrough on CO2 Supply Fix](#)

European Union talks on a carbon market fix failed to bring clarity on whether governments will back a proposal by the bloc's regulator to curb a glut of emission permits, two EU officials said.

Representatives of EU nations in the Climate Change Committee reached no breakthrough at a meeting yesterday on a draft measure to delay auctions of 900 million carbon permits starting in 2013, according to the officials, who declined to be identified citing policy. The gathering in Brussels was the first after the European Commission on Nov. 12 proposed a specific number of allowances to be delayed under the draft measure outlined earlier this year and two days later set out long-term options to improve the market, as requested by governments.

## [EU climate head wants Obama to pull his weight](#)

STOCKHOLM (AP) — The European Union's climate commissioner says she hopes that President Barack Obama's renewed attention to global warming after the election will translate into greater U.S. involvement in U.N. climate talks.

Connie Hedegaard told The Associated Press during a visit to Stockholm on Thursday that many Europeans were disappointed that climate change didn't get more attention during Obama's first term.

## [Obama sees second-term focus on climate change](#)

WASHINGTON (Reuters) - President Barack Obama said he plans to work with Congress in his second term to curb human-aggravated climate change, but not at the expense of the U.S. economy.

"I am a firm believer that climate change is real, that it is impacted by human behavior, and carbon emissions," Obama said at a televised news conference on Wednesday. "And as a consequence, I think we've got an obligation to future generations to do something

about it."

### [Carbon Fee From Obama Seen Viable With Backing From Exxon](#)

Exxon Mobil Corp. is part of a growing coalition backing a carbon tax as an alternative to costly regulation, giving newfound prominence to an idea once anathema in Washington.

### [Climate Change: Lessons From Ronald Reagan](#)

THE re-election of President Obama, preceded by the extraordinary damage done by Hurricane Sandy, raises a critical question: In the coming years, might it be possible for the United States to take significant steps to reduce the risks associated with climate change?

A crucial decision during Ronald Reagan's second term suggests that the answer may well be yes. The Reagan administration was generally skeptical about costly environmental rules, but with respect to protection of the ozone layer, Reagan was an environmentalist hero. Under his leadership, the United States became the prime mover behind the Montreal Protocol, which required the phasing out of ozone-depleting chemicals.

### [Did climate change controversy cause UVA's sacking of Teresa Sullivan?](#)

The University of Virginia board that fired, then reinstated UVA's president earlier this year owes us all a full account of its actions.

### [Food security in the realm of climate change](#)

In this twenty-first century, agriculture is at the nexus of two of the greatest challenges like ensuring food security for this huge population and adapting to climate change while critical resources like water, power and land are becoming increasingly scarce. Agriculture is highly sensitive to climate, both in terms of longer-term trends in the average conditions of rainfall and temperature. And any change in the trend of rainfall and temperature impacts food production directly.

### [Nepal shouldering heavy brunt of climate change despite no wrongdoing: Minister Shakya](#)

Minister for Environment, Science and Technology, Dr. Keshab Man Shakya, has said that Nepal as a least developed country is bearing the heavy brunt of climate change despite its negligible contribution to greenhouse gases as well as low consumption of ODS.

### [Less fortunate in U.S. hit hardest by extreme weather-report](#)

WASHINGTON (Reuters) - U.S. droughts, floods and heat waves likely fueled by climate change in the last two years hit the people who can afford it the least - the poor and middle class, a report published on Friday said.

In affected areas of U.S. states hit by five or more extreme weather events in the last two years, the median annual household income was a bit over \$48,000, or 7 percent below the national median, according to the report by the Center for American Progress, a liberal think tank with close ties to the White House.

### [We Need to Retreat From the Beach](#)

I understand the temptation to rebuild. My parents' retirement home, built at 13 feet above sea level, five blocks from the shoreline in Waveland, Miss., was flooded to the ceiling during Hurricane Camille in 1969. They rebuilt it, but the house was completely destroyed by Hurricane Katrina in 2005. (They had died by then.) Even so, rebuilding continued in Waveland. A year after Katrina, one empty Waveland beachfront lot, on which successive houses had been wiped away by Hurricanes Camille and Katrina, was for sale for \$800,000.

That is madness. We should strongly discourage the reconstruction of destroyed or badly damaged beachfront homes in New Jersey and New York. Some very valuable property will have to be abandoned to make the community less vulnerable to storm surges. This is tough medicine, to be sure, and taxpayers may be forced to compensate homeowners. But it should save taxpayers money in the long run by ending this cycle of repairing or rebuilding properties in the path of future storms.

### [Conference: Rising Hudson River waters a 'new normal'](#)

PEEKSKILL — The new normal, according to Scenic Hudson's Sacha Spector, includes a rising Hudson River that's already a foot higher than it was a century ago and is ready to be whipped to a froth by storms delivering increasingly powerful wallops.

### [Rising Temperatures Could Lead To Sea Levels Rising Three Feet Or More](#)

Rohling and his colleagues compared the ice-volume fluctuations with polar temperature reconstructions from the Greenland and Antarctic ice cores, finding that changes in temperature and ice volume/sea level are closely coupled with a response time lag of only a few centuries. Scientists did not previously know this timing relationship, and it reveals a very fast response between global temperature and ice volume/sea level. The team also found that periods of extensive ice-volume reduction/sea level rise were always characterized by changes. These changes are on the order of 3 to 6 feet per century sea-level rise.

### [Himalayan glaciers will shrink even if temperatures hold steady, study says](#)

(Phys.org)—Come rain or shine, or even snow, some glaciers of the Himalayas will continue shrinking for many years to come.

The forecast by Brigham Young University geology professor Summer Rupper comes after her research on Bhutan, a region in the bull's-eye of the monsoonal Himalayas. Published in *Geophysical Research Letters*, Rupper's most conservative findings indicate that even if climate remained steady, almost 10 percent of Bhutan's glaciers would vanish within the next few decades. What's more, the amount of melt water coming off these glaciers could drop by 30 percent.

### [Ken Burns plunges viewers into 'The Dust Bowl'](#)

In the opening moments of Ken Burns' "The Dust Bowl," several survivors of the "worst man-made ecological disaster in American history" struggle to attach a properly powerful adjective to the whole brutal ordeal.

It was "surreal," says one. "Unbelievable," offers another. Finally, an elderly woman, after giving it some careful thought, describes it as "almost evil."

Considering that similar terms were recently uttered when Superstorm Sandy wreaked horrific havoc all over the northeastern U.S., "The Dust Bowl" packs some added resonance into its two-night run on PBS.

The official page is [here](#)



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