



Drumbeat: December 28, 2012

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[Peak oil group presses EIA to temper optimistic crude outlook](#)

Washington (Platts) - In a first-ever meeting, peak oil proponents met with the US Energy Information Administration earlier this month to urge the nation's top statistical agency to temper its rosy outlook on future US energy production.

Representatives from The Association for the Study of Peak Oil & Gas USA (ASPO) met for two hours on December 17 with EIA Administrator Adam Sieminski and EIA staff to discuss concerns laid out in an October letter. Specifically, the group wanted to learn more about how EIA compiles the data that leads to its projections of US and international crude output and to offer alternative sources of data and expertise to aid in that effort.

[Oil Poised for Biggest Weekly Gain Since August](#)

Oil headed for the biggest weekly gain since September in New York as U.S. lawmakers scheduled talks aimed at averting automatic tax increases and spending cuts that threaten the economy of the world's largest consumer.

West Texas Intermediate climbed as much as 0.7 percent, extending this week's advance to 2.7 percent. Congressional leaders plan to meet with President Barack Obama today, seeking to resolve a budget impasse before at least \$600 billion in fiscal measures take effect on Jan. 1. House Majority Leader Eric Cantor announced the chamber will meet Dec. 30 for its first Sunday session in more than two years. U.S. stockpiles shrank last week, an industry report showed yesterday.

[Brent Oil's Third Year Over \\$100 Looms on Supply Risk](#)

Brent crude is poised to trade above \$100 a barrel for a third consecutive year in 2013 as tension in the Middle East threatens to disrupt supply and global demand is buoyed by Chinese imports.

Oil will average \$110 next year, according to the median of 30 forecasts compiled by Bloomberg, compared with about \$111.68 a barrel so far in 2012. Brent is more likely to overshoot the 2013 median than miss it as Iran spars with the west over its nuclear program and the conflict in Syria deepens, Morgan Stanley and UBS AG said.

[UK gas edges lower as terminal comes back online](#)

LONDON (Reuters) - British spot gas prices were slightly lower on Friday morning as supplies increased because of a resumption of a terminal at Theddlethorpe after a shutdown, while demand is expected to fall amid mild weather.

[LNG exports still iffy, even if they win approval](#)

Once everything in Washington settles down in the new year, the Department of Energy is likely to move fairly quickly to approve export terminals for liquefied natural gas.

However, just because the DOE approves LNG terminals does not mean that a boom in LNG exports will necessarily follow. A recent report commissioned by the DOE actually predicts that there will be very few exports, unless there is a major increase in demand from Asia and no new production in Europe. This scenario would cause prices to increase by \$1.09 per thousand cubic feet and the United States would export about 8.4 trillion cubic feet of gas.

[Refiners Beating Exxon Join Pipeline Boom for Lost Margin](#)

Refiners from Tesoro Corp. to Phillips 66 that gained as much as 86 percent this year are investing in pipelines for new revenue as margins for turning oil into gasoline narrow from record levels.

Refiners are set to beat all except three of 154 industry groups on the Standard & Poor's index for 2012, as a U.S. production glut let them buy oil at a record average of \$17.46 a barrel below the global benchmark. That spread will diminish in 2013 as more than 20 new pipelines enter service and route oil to new buyers along the Gulf Coast, Deutsche Bank AG forecast.

[Iran to relocate airport after discovering oil under the tarmac](#)

Iranian authorities plan to relocate the city of Ahvaz airport after discovering an oil field under the runway.

"The Iranian Oil Ministry will acquire Ahvaz airport and a new airport will be built 15 kilometres from the city," the Director of the Iranian Airports Company Mohammed Rasulnihad told Iranian television Iribnews on Friday.

[Iran Starts 6-Day Hormuz Strait Drill to Show 'Readiness'](#)

Iran's naval forces started a six- day military exercise around the Strait of Hormuz, a

chokepoint for 20 percent of the world's traded oil, the official Islamic Republic News Agency reported.

The drill, which covers a large area extending to the Sea of Oman and the north of the Indian Ocean, is aimed at "displaying the readiness of armed and naval forces to defend Iran's waterway and national interests," Iranian Navy Commander Habibollah Sayari said today according to IRNA. The exercise will involve testing defensive and missile systems, combat vessels and submarines, Sayari said on Dec. 25.

[Re-exports to Iran from UAE drop](#)

Dubai: Re-exports to Iran from the UAE dropped by nearly a third in the first half of 2012, as tighter international sanctions curbed one of the Islamic republic's key trading relationships, according to UAE officials. The contraction of the re-export trade from Dubai and other emirates in the UAE is a dramatic illustration of how Iran has cut back on consumer goods imports in the face of ever-tighter sanctions, which have led to a sharp drop in oil exports and a collapse in the Iranian currency.

[S.Africa suspends Iran imports again in November](#)

JOHANNESBURG (Reuters) - South Africa suspended all imports of crude oil from Iran for a sixth consecutive month in November, data showed on Friday, as Pretoria continued to steer clear of the shipments because of sanctions.

South Africa used to import a quarter of its crude from Iran but has come under Western pressure to cut the shipments as part of sanctions designed to halt Tehran's suspected pursuit of nuclear weapons.

[Turkey to be the least affected country in case of a natural gas shortage](#)

Turkey would be one of the least affected countries as Turkey had its private transfer line, the officials told AA on Friday.

They said that Turkey was still self-sufficient in natural gas within the scope of the existing contracts.

[CNOOC : Two new oil fields in South China sea start production](#)

HONG KONG -- CNOOC said that two of its oil field projects in the South China sea have commenced production.

[Taiwan to explore oil, gas in South China Sea](#)

The government of Taiwan will be dispatching vessels to explore oil and natural gas resources in the waters around Taiping Island in the South China Sea next year, economic officials said Thursday.

[China backs Cambodia's first oil refinery](#)

PHNOM PENH: Cambodia on Friday gave the green light to construction of its first oil refinery, a multi-billion-dollar Chinese-backed project, as the kingdom looks to tap its untouched offshore reserves.

[U.S. to Become World's Top Oil and Gas Producer by 2017](#)

At one point not long ago, the three issues of climate change, energy independence, and peak oil were being effectively used in conjunction to motivate discussion of the need for a domestic green energy industry. And for a while, that is exactly what happened. We have, after all, seen dramatic growth in wind, solar and geothermal energy sources.

But something else happened at the same time, quietly, in the background, when nobody was looking.

America's fossil fuel industry, particularly oil and gas, compelled by two of these three imperatives, has exploded. We are experiencing an American oil and gas renaissance.

[There's no such thing as energy independence in our globalized, fossil-fueled world](#)

Anyone who tells you that energy independence can be achieved based on globally traded commodities such as oil, coal and natural gas is either trying to mislead you or doesn't understand the structure of energy markets. As of 2011 fossil fuels produced 83 percent of the world's energy according to the U.S. Energy Information Administration (EIA). Because fossil fuels can be transported anywhere in the world, producers seek out the highest price unless they are constrained by law or infrastructure from doing so. This means that energy independence for a country is something of an optical illusion when it is based merely on the domestic production of fossil fuels. Here's why:

[Journey through the sands of time](#)

The former chairman of the energy and mining giants Royal Dutch Shell and Anglo-American, and a current board member of Saudi Aramco, Sir Mark had flown into town to stoke the embers of Emirati-British business ties with a speech, which he would deliver in another five-star hotel in Abu Dhabi.

Both he and the emirate had changed much since he first set foot on this strip of sand in the 1960s.

[E.P.A. Chief Set to Leave; Term Fell Shy of Early Hope](#)

Lisa P. Jackson is stepping down as administrator of the Environmental Protection Agency after a four-year tenure that began with high hopes of sweeping action to address climate change and other environmental ills but ended with a series of rear-guard actions to defend the agency against challenges from industry, Republicans in Congress and, at times, the Obama White House.

[Factbox: EPA chief Lisa Jackson sought to tighten pollution rules](#)

One industry lobbyist labeled her efforts "the most expensive and controversial rules in the agency's history," while many environmental groups complained the measures were not strong enough.

The following is a record of successes and setbacks in Jackson's efforts to regulate carbon dioxide emissions and hazardous air pollutants from large stationary sources and cars.

[Jackson Quitting EPA Hands Successor Fracking Fight](#)

Lisa Jackson's exit as head of the U.S. Environmental Protection Agency leaves her successor to combat global warming and set rules for hydraulic fracturing over the objections of businesses and Republican lawmakers.

Jackson yesterday said she will step down as EPA chief as soon as President Barack Obama begins his second term. During her four years, the 50-year-old chemical engineer issued multibillion dollar rules to cut emissions of mercury, sulfur dioxide and other pollutants from power plants, industrial boilers and cement factories. The rules earned praise from health groups, which said Jackson moved to tackle pollution left unaddressed for too long, and criticism from manufacturers and Republicans that they endangered the economic recovery.

[The Unfulfilled Promise of 'Promised Land'](#)

I recently attended a Manhattan screening of "Promised Land," a new feature film written by and starring Matt Damon and John Krasinski that aims to examine America's natural gas drilling boom as a case study in "what happens when real people and real money collide," as Krasinski explained in publicity materials.

The film opens Friday in New York City and Los Angeles and then expands to more theaters in early January. My sense is that it will not satisfy many people — either as a drama or a potential weapon (for either side) in the fight over hydraulic fracturing, or fracking, the drilling method that has opened vast regions of the country underlain with gas-rich shale to exploitation.

[Warm glow of Berlin's 'beautiful' gas streetlights set to fade](#)

Think Beacon Hill in Boston or San Diego's Gaslamp Quarter — but on a much larger scale — and cue the outrage.

But with annual running costs for fuel and maintenance as much as \$700 for some lamp models, and carbon dioxide emissions almost ten times that of an equivalent electric light, there are now strong financial and environmental incentives to replace gas with electric alternatives.

[After spending \\$1.88 billion, Southern Co. still faces risks on plant in Kemper County, Miss.](#)

DEKALB, Miss. - In the woods of east Mississippi, a subsidiary of Atlanta-based Southern Co. is pouring billions of dollars into construction of a power plant that burns coal but would emit less carbon dioxide. It's a response to looming federal limits on carbon emissions as regulators try to curtail global warming.

Each day, as 2,600 construction workers toil away at Plant Ratcliffe in Kemper County, the big bet becomes more expensive. The projected cost is at least \$2.8 billion, almost half a billion dollars above original expectations, and some estimates say it will go higher.

[Toshiba in Talks to Sell Up to 36% Stake in Westinghouse](#)

Toshiba Corp., the Japanese builder of nuclear reactors, is in talks to sell as much as 36 percent of its Westinghouse Electric atomic-power unit as industry growth slows after last year's meltdowns in Fukushima.

[Mounting Economic Pressure Weighs Heavily on Solar Companies](#)

Solar companies are on sale for a reason. Yes, they are trading at cheap valuations. However, they are really risky companies. Their dependence on government funding, either through large government projects or through government-subsidized private investment, is very dangerous in an era of austerity. Regardless of good intentions, spending on renewable energy gets cut when the going gets tough.

[Developers of Wind Farms Run a Race Against the Calendar](#)

All over the country, developers are in a sprint to get new wind farms up and running before Tuesday, when the federal wind production tax credit will disappear like Cinderella's ball gown. After that, the nation's wind-farm building will be at a virtual standstill.

The stakes of meeting the deadline are enormous. Wind turbines that are connected to the grid and in commercial service before midnight on New Year's Eve are entitled to a

2.2 cent tax credit for each kilowatt-hour they generate in their first 10 years, which comes out to about \$1 million for a big turbine. As it stands now, those that enter service on Jan. 1 or later are out of luck.

[UK close to green energy targets](#)

BRITAIN is on track to hit “ambitious” European targets to source 15 per cent of all energy from renewable sources by 2020, according to a “renewable energy roadmap” published today by Energy Secretary Ed Davey.

The amount of electricity generated from renewable sources increased by 27 per cent in the year to 31 July, the figures from the Department of Energy & Climate Change (DECC) revealed.

[Workers Willing to Make Less to Work for Sustainable Companies](#)

A company's sustainability efforts are becoming so desirable for employees that some are now willing to give up part of their salary to work for one, new research shows.

More than 15 percent of employees in the U.S., U.K. and Germany have taken a pay cut to work for a sustainable company, a study by consulting firm Bain & Co. found. In addition, more than 30 percent of employees said they were willing to accept a pay cut of at least 5 percent to join a company that's considered a global sustainability leader.

[Pig to Table Project: ‘I wanted nothing . . . to go wrong’](#)

The death we want for our animals is the one we want for ourselves: painless, instant, on a day like any other. Our three pigs took seven months to reach slaughter weight, and my husband, Kevin, and I had been thinking about that slaughter for the duration. Painless. Instant. On a day like any other.

We had two choices. We could bring the killing to the pigs or bring the pigs to the killing. Neither choice was ideal.

[The one issue food activists should focus on](#)

Ask a dozen food activists what political change they want to see in 2013 and you'll get a dozen different answers, maybe two dozen: Restrict sodium in packaged foods. Label genetically modified ingredients. End subsidies to big farms.

The variety of responses reflects just how much work still needs to be done as well as the diversity within the ranks of reformers. But it reveals a lack of focus — or, you might say, political maturity — that is likely to doom even the worthiest items on their wish lists.

[Depressing, 'manipulative' portrayals damage hunger work in Africa, Oxfam complains](#)

"In order for people to understand what's happening in Africa, we've also got to tell the good stories, and there has been good news in Africa," said Stocking, who is retiring in the new year after serving with the charity since 2001.

"Otherwise, people just feel put off and (believe) there's nothing that can be done about Africa," she said. "And that's the big worry for us — that people feel it's all hopeless, when it clearly isn't."

[The Beginning of the World](#)

I commented in a post at the start of this year that the then-current round of fast-collapse predictions—the same predictions, mind you, that had been retailed at the start of the year before, the year before that, and so on—were not only wrong, as of course they turned out to be, but missed the collapse that was already under way. The same point holds good for the identical predictions that will no doubt be retailed over the next few weeks, insisting that this is the year when the stock market will plunge to zero, the dollar and/or the Euro will lose all their value, the economy will seize up completely and leave the grocery shelves bare, and so on endlessly; or, for that matter, that this is the year when cold fusion or algal biodiesel or some other vaporware technology will save us, or the climate change Kum Ba Ya moment I mentioned earlier will get around to happening, or what have you.

It's as safe as a bet can be that none of these things will happen in 2013, either. Here again, though, the prophecies in question are not so much wrong as irrelevant. If you're on a sinking ocean liner and the water's rising fast belowdecks, it's not exactly useful to get into heated debates with your fellow passengers about whether the ship is most likely to be vaporized by aliens or eaten by Godzilla. In the same way, it's a bit late to speculate about how industrial civilization will collapse, or how to prevent it from collapsing, when the collapse is already well under way. What matters at that stage in the game is getting some sense of how the process will unfold, not in some abstract sense but in the uncomfortably specific sense of where you are, with what you have, in the days and weeks and months and years immediately ahead of you; that, and then deciding what you are going to do about it.

[A Price Tag for the Gowanus Cleanup](#)

The agency, releasing an updated plan for public comment, is also proposing controls to prevent raw sewage discharges by the city, which have been an ongoing source of contamination.

The worst contamination of the Gowanus however, comes from its past as a major industrial transportation route for paper mills, tanneries, chemical plants and other businesses that operated alongside it. The waterway is polluted with more than a dozen contaminants, including PCBs and heavy metals like mercury, lead and copper.

Despite the heavy contamination and government advisories against fishing, officials say that some residents continue to eat fish from the canal.

[‘Untamed Motorization’ Wraps an Indian City in Smog](#)

New Delhi has introduced policies aimed at improving air quality, but the efforts have not been able to keep up with population growth.

[Barge companies fear Mississippi River shutdown because of water levels](#)

(CNN) -- As politicians and barge companies express fear of a shutdown or significant disruption, the U.S. Army Corps of Engineers is tackling one of two significant problems presented in the drought-stricken Mississippi River.

The Corps, aware that barge traffic could be disrupted as early as next week because of sharply lower water levels, can't do anything about ice forming in northern portions of the river, impeding adequate water flow.

But it is using contractors to remove rock formations in the river near Thebes, Illinois, to help maintain a 9-foot-deep channel for navigation, said St. Louis District spokesman Mike Petersen. Blasting, one of the removal measures, began December 21.

[Time to Confront Climate Change](#)

Enlisting market forces in the fight against global warming by putting a price on carbon — through cap-and-trade or a direct tax — seems out of the question for this Congress. But there are weapons at Mr. Obama's disposal that do not require Congressional approval and could go a long way to reducing emissions and reasserting America's global leadership.

[Canadians lack trust in some scientists, poll suggests](#)

An online survey of 1,000 people conducted by Nanos Research and released to CBC News, asked respondents how much they trusted scientists quoted in the news on four scientific topics.

When it came to new energy technologies and medicines a sizeable majority of those surveyed said they trusted or somewhat trusted scientists. But respondents were less certain when it came to climate change and genetically modified crops.

[Implications of climate change on Indian agriculture: Is it a food or famine situation?](#)

Interactions with the Indian farming community at the grassroots show how agriculture has become increasingly prone to risks, with the weather patterns being highly unpredictable and huge losses incurred at the household level. Slow onset of a drought basically allows for little planning that the farmers can engage in by the time they realise that it may lead to crop failure. The impact on incomes is obvious and the coping measures resorted to are in no way substitutes for provision of a good quality life. In case of floods and heavy intensity rainfall, the losses are immediate with the effects of it continuing over longer time periods. The affect is fall in acreage, productivities in many areas and overall production levels.

[Carbon Taxes Make Ireland Even Greener](#)

When the Irish were faced with new environmental taxes, they quickly shifted to greener fuels and cars and began recycling with fervor. Automakers like Mercedes found ways to make powerful cars with an emissions rating as low as tinier Nissans. With less trash, landfills closed. And as fossil fuels became more costly, renewable energy sources became more competitive, allowing Ireland's wind power industry to thrive.

Even more significantly, revenue from environmental taxes has played a crucial role in helping Ireland reduce a daunting deficit by several billion euros each year.

The three-year-old carbon tax has raised nearly one billion euros (\$1.3 billion) over all, including 400 million euros in 2012. That provided the Irish government with 25 percent of the 1.6 billion euros in new tax revenue it needed to narrow its budget gap this year and avert a rise in income tax rates.



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