



Drumbeat: February 16, 2013

Posted by [Leanan](#) on February 16, 2013 - 10:46am

[Direct threat to Canadian economy posed by U.S. shale oil production](#)

EDMONTON - Remember Peak Oil, the theory that global crude oil supplies have peaked and are in irreversible, long-term decline?

The concept got a lot of media play but never really passed the smell test, since it didn't account for the impact of technological change or rising oil prices.

In any case, the notion of Peak Oil seems amusingly quaint now that it's been relegated to the same ideological trash bin as Y2K.

Thanks to such innovations as horizontal drilling and fracking (hydraulic fracturing), the U.S. is currently producing more oil than it has in 20 years. U.S. output now exceeds seven million barrels a day, and that has enabled the world's biggest oil consuming nation to cut its imports to the lowest level in 16 years.

Since Canada's crude oil exports are a critical driver of well-paid jobs, royalties, taxes — and ultimately, federal equalization transfers — that's something that should alarm all Canadians.

[Oil Drops on U.S. Industrial Output, Euro-Area Exports](#)

West Texas Intermediate oil fell after U.S. industrial production unexpectedly shrank and euro-area exports declined the most in five months, raising concern that fuel demand may weaken.

Futures pared the week's gain as January factory output slipped while euro-area exports dropped in December. Oil extended the intraday low in late afternoon as equities fell on news that Wal-Mart Stores Inc. had the worst sales start to a month in seven years. The shares reached a four-month high of \$98.24 on Jan. 30. The year-to-date low is \$91.52.

[Fuel poverty protest to take place in London](#)

Campaigners will stage a demonstration in central London this afternoon to urge the government to help those struggling to pay their energy bills.

[Gasoline Futures Climb to Four-Month High as Contango Narrows](#)

Gasoline reached the highest level in more than four months, rising a fifth consecutive week, and the March contract's discount to April futures narrowed for a second day.

Futures for March delivery climbed 0.6 percent to the highest settlement since Sept. 28. The spread to April shrank 2.05 cents to 17.93 cents, the smallest in eight days, indicating traders consider March winter-grade fuel undervalued. April represents summer-grade fuel, more costly to refine and blend.

[Ethanol's Discount to Gasoline Narrows on Signs of Lower Imports](#)

Ethanol's discount to gasoline narrowed on speculation that a second weekly decline in the biofuel will make it more competitive with Brazilian products and reduce imports.

[Russia March Oil Export Tax May Hit 10-Month High on Urals Rise](#)

Russia, the world's biggest energy exporter, will probably increase duties on most oil shipments abroad by 4.3 percent on March 1 to the highest level since May after Urals crude prices rose.

[Putin Turns Black Gold to Bullion as Russia Outbuys World](#)

When Vladimir Putin says the U.S. is endangering the global economy by abusing its dollar monopoly, he's not just talking. He's betting on it.

Not only has Putin made Russia the world's largest oil producer, he's also made it the biggest gold buyer. His central bank has added 570 metric tons of the metal in the past decade, a quarter more than runner-up China, according to IMF data compiled by Bloomberg. The added gold is also almost triple the weight of the Statue of Liberty.

[Government backs North Sea oil boost](#)

THE Government gave the green light to one of the biggest-ever North Sea oil projects yesterday creating hundreds of new jobs and boosting UK energy supplies.

[Iranian private sector exports two million barrels of crude oil in fiscal year](#)

The Iranian private sector has exported two one-million-barrel consignments of crude oil in the current Iranian calendar year, which began on March 20, 2012, IRNA quoted National Iranian Oil Company Managing Director Ahmad Qalebani as saying.

The NIOC received 320 requests from the domestic and foreign private companies for buying Iranian crude oil, he said. The private sector is facing problems, such as providing tankers, insuring shipments, and securing financial transactions, he added.

[Brazil workers call off Petrobras strike](#)

Brazil's main oilworkers' confederation called off a five-day strike against state-led oil company Petrobras, but it rejected the company's latest profit sharing offer in hopes of getting a better deal, a union spokeswoman said on Friday.

[Colombia's Oil Company Ecopetrol Profits Fell 4.4% in 2012](#)

BOGOTA--Colombia national oil company Ecopetrol SA's net income fell 4.4% last year compared with 2011 due to slightly lower oil prices and higher operational costs.

The company, one of Latin America's largest publicly traded companies and the largest company in Colombia, also missed its 2012 oil production target of 780,000 barrels a day. It said output last year was 754,000 barrels a day of oil equivalent, 4% higher from 2011.

[Mexico orders Pemex to explain questioned loan to union-paper](#)

(Reuters) - Mexico has ordered state oil monopoly Pemex to provide details about a controversial multimillion dollar loan it made to its trade union, Interior Minister Miguel Angel Osorio Chong told a Mexican newspaper.

[Shell seeks Cameron help over tax payment row](#)

LONDON: Oil company Royal Dutch Shell has asked the British government to raise the subject of a tax dispute with India during Prime Minister David Cameron's visit there next week, according to a source familiar with the request.

The dispute blew up earlier this month when tax authorities revalued by \$2.7 billion a 2009 transaction by Shell with a wholly-owned subsidiary, and claimed a tax payment was due.

[Rem I. Vyakhirev, Former Chief of Gazprom, Dies at 78](#)

MOSCOW — Rem I. Vyakhirev, who as chief executive of the huge Russian energy company Gazprom during the 1990s resisted efforts by reformers to break up and privatize it, only to end his tenure a billionaire owning valuable pieces of the company himself, died on Monday. He was 78.

[China plays by its own rules while going global](#)

MEXICO CITY (AP) -- When Venezuela seized billions of dollars in assets from Exxon Mobil and other foreign companies, Chinese state banks and investors didn't blink. Over the past five years they have loaned Venezuela more than \$35 billion.

[ConocoPhillips Given Approval to Resume Production at Penglai](#)

ConocoPhillips received approval to resume production at the Penglai 19-3 oilfield off the northeast coast of China, which was closed in 2011 after an oil leak.

[Indorama plans Africa's largest fertiliser plant in Nigeria](#)

Abuja: The Indian firm, Indorama Eleme Petrochemicals Limited has said it has firmed up plans to construct Africa's largest fertiliser plant in Nigeria's oil rich region.

[Pipeline protesters are headed to D.C.](#)

Dozens of Delaware County residents and students will be boarding buses and vans bound for Washington, D.C., on Sunday morning to rally against the multi-billion dollar expansion of the Keystone XL oil pipeline.

[Four States Introduce Keystone XL Resolutions, Lifting Language From ALEC and TransCanada](#)

Legislators in four states have introduced bills in recent weeks supporting the controversial TransCanada Keystone XL pipeline, with language that appears to have been lifted directly from a "model" American Legislative Exchange Council (ALEC) bill and from TransCanada's own public relations talking points.

[Elegaic Images From North Dakota's Boom](#)

For Elizabeth Farnsworth, the story began when she was walking her dog at a highway rest stop off Interstate 94 in North Dakota.

"My husband and I met a trucker who was making \$100,000 per year," said Ms. Farnsworth, a freelance filmmaker and special correspondent on PBS NewsHour. "That's when I got interested in the oil boom."

[Why Japan Can't Quit Nuclear Power](#)

TOKYO—Hiroko Sata, an 87-year-old nurse, walked out into the Tokyo street on Nov. 11 to see about the commotion. To her left, more than 1,000 people were banging drums and shouting slogans. “What in the world is going on there?” she asked me and my translator, grimacing at the disturbance. The protesters, we told her, had gathered in front of the headquarters of Tokyo Electric Power Co. to commemorate the 20-month anniversary of the disastrous triple-meltdown at the Fukushima Daiichi nuclear plant in March 2011.

Sata, who is older than Japan’s nearly 60-year-old civilian nuclear industry, remembers a time without nuclear power. Families were allowed just a few lightbulbs in the 1940s, because the electrical system was still in its infancy. “There was a TEPCO office in the neighborhood,” she recalls, and when a bulb burned out, “we had to bring it there” to trade it for a new one. The advent of nuclear power meant that the Japanese could consume as much electricity as they wanted.

[Clean Energy Faces Hurdles in Legislature](#)

As the session progresses, renewable energy advocates are bracing to defend critical policies that have helped Texas become the leading wind-power state. The ascendancy of the Tea Party, an abundance of cheap natural gas and tighter budgets have reduced the sway of the wind industry. Solar power advocates anticipate limited gains at best.

[PA State Rep. Greg Vitali wants law to hike renewable energy production](#)

Counting on shifting sentiments about climate change, a Democratic state legislator on Friday introduced legislation to force Pennsylvania utilities to generate more power from renewable sources such as wind and solar.

[Foreign investors set to sue Spain over energy reform](#)

(Reuters) - Foreign investors in renewable energy projects in Spain have hired lawyers to prepare potential international legal action against the Spanish government over new rules they say break their contracts.

It is unclear how much claims might be worth, but international funds have more than 13 billion euros (\$17 billion) of renewable energy assets in Spain and say that the government has reneged on the terms of their investment.

[To Help Light Up Africa, Many Drops in the Bucket](#)

A San Francisco start-up, SunFunder, is hoping that the collective power of the crowd can help bring a bit of clean, renewable energy to people living off the electric grid in rural areas of Africa and Asia. Since its crowdfunding site made its debut last July, the company has raised \$50,000 from about 300 investors to finance four business ventures that sell solar-powered products in these areas, according to SunFunder’s

founder, Ryan Levinson. Anyone is eligible to join the site — so far investors have come from 18 different countries — and the minimum investment is \$10.

[The Air That Kills in India](#)

The thick haze of outdoor air pollution common in India today is the nation's fifth-largest killer, after high blood pressure, indoor air pollution (mainly from cooking fires), smoking and poor nutrition, according to a new analysis presented in New Delhi by the Boston-based Health Effects Institute. In 2010, outdoor air pollution contributed to over 620,000 premature deaths in India, up from 100,000 in 2000.

[How China's lonely bachelors are helping its economy grow](#)

FORTUNE -- They say a good man is hard to find, but that's not the case in China, where men overwhelmingly outnumber women. The ratio of men of marriageable/dating age (15-30 years old) to every woman is 1.15 -- an unusual imbalance that's created a rat race of bachelors vying for the affections of a limited pool of young women. Many may want to marry, but never will.

Oddly enough, China's lonely bachelors have actually helped the country experience extraordinary growth. And in the coming years, the trend will likely continue as the ratio gets progressively out of balance, said Columbia University professor Shang-Jin Wei recently at a symposium.

[Farmer's Supreme Court Challenge Puts Monsanto Patents at Risk](#)

With his mere 300 acres of soybeans, corn and wheat, Vernon Hugh Bowman said, "I'm not even big enough to be called a farmer."

Yet the 75-year-old farmer from southwestern Indiana will face off Tuesday against the world's largest seed company, Monsanto, in a Supreme Court case that could have a huge impact on the future of genetically modified crops, and also affect other fields from medical research to software.

At stake in Mr. Bowman's case is whether patents on seeds — or other things that can self-replicate — extend beyond the first generation of the products.

[Bracing for a New England Trawling Decision](#)

In late December, the New England Fisheries Management Council, a body made up largely of commercial fishermen, voted to recommend that bottom trawling and dredging be allowed to resume in more than half of the protected waters that currently shelter New England's recovering groundfish stocks. The issue now goes up to the National Oceanic and Atmospheric Administration.

[As Fisheries Struggle, Debate Heats Up Over How to Help](#)

Ms. Kirk is the first to admit that suggesting using any of the money for anything other than direct aid is controversial. “I made my vision and perspective known, and I had a line out the door of fishermen banging on my door, wanting to see me right away,” she said.

One of those fishermen was Paul Vitale. “She’s trying to get money to fix the city — that shouldn’t come out of my pocket,” Mr. Vitale said. “It shouldn’t go to anyone but the fishermen.”

[Obama's Sphinx-like energy policy](#)

LONDON (Reuters) - President Barack Obama's policy on energy and climate change remains inscrutable, full of strategic ambiguity, which probably suits him just fine. The soaring rhetoric in his State of the Union address - "for the sake of children and our future we must do more to combat climate change" - masks a more complicated, some would say pragmatic, approach to the role of clean technology and fossil fuels in meeting future energy demands while curbing greenhouse gases.

[Great News: Obama Recommits to Clean Energy; Terrible News: Obama Recommits to Dirty Energy](#)

Let’s get serious here: Natural gas is not a clean fuel. Yes, emissions are only half as bad as with coal, and it is also modestly cleaner than oil. But that isn’t good enough. If we allow our natural gas production to expand significantly—or even to stay where it is today—there is no way we can reduce greenhouse gas emissions by anything close by the 40 percent that is necessary by 2030, and by 80 percent as of 2050. Obama did mention accelerating investments in technologies to burn natural gas with a lot fewer emissions. But these technologies are not close to being workable, and they would require hundreds of billions of dollars to get there, maybe.

[Basic countries oppose EU's carbon tax model](#)

Chennai -- The Basic (India, China, Brazil and South Africa) would oppose European Union's bid to internationalise its emission regulations for civil aviation sector and is set to seek additional emission reductions by rich countries for short-lived climate change causing gases.

[The best solution on climate change requires Congress to act](#)

Unless we take bold action to reverse climate change, our children, grandchildren and great-grandchildren are going to look back on this period in history and ask a very simple question: Where were they? Why didn't the United States of America, the most

powerful nation on earth, lead the international community in cutting greenhouse gas emissions and preventing the devastating damage that the scientific community was sure would come?

[Why Is Gaia Angry With Me?](#)

You may not carry a laptop case made out of recycled fixed-gear bicycle tires. And it has probably been a while since you used yak dung to heat your home. But, hey, you're an environmentalist. At least, that's what you and your fellow boomers tell those pollsters whenever they ask.

So why is your carbon footprint bigger than the footprint of the T. rex that turned into the oil you're using in your Prius?

When researchers tried to calculate carbon dioxide emissions by age group in the United States, guess who scored worst? You in the old Grateful Dead shirt — we're talking to you.

[Fracking is the only way to achieve Obama climate change goals, says senior scientist](#)

America will only achieve the ambitious climate change goals outlined by President Barack Obama last week by encouraging wide-scale fracking for natural gas over the next few years. That is the advice of one of the nation's senior scientists, Professor William Press, a member of the president's Council of Advisors on Science and Technology.

[Ice-free Arctic Ocean in 2030?](#)

(Reuters) - Vast uncertainty remains over the causes of melting Arctic sea ice and when it may disappear altogether during the summer, which would have consequences for oil explorers, shipping firms and the fight against climate change.



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