



Drumbeat: February 23, 2013

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[U.S. Oil Demand Fell to 18-Year Low for January, API Says](#)

U.S. January oil demand fell to the lowest level for the month in 18 years as a weak economy reduced consumption, the American Petroleum Institute reported.

Total petroleum deliveries, a measure of demand, dropped 1.7 percent from a year earlier to 18 million barrels a day, the industry-funded group said in a monthly report today. Total consumption fell 2 percent in 2012, the API said last month. The U.S. jobless rate increased to 7.9 percent from 7.8 percent in January.

[Stuart Staniford: OECD Oil Consumption](#)

Global peak oil is probably not here, though I think it likely we are on the bumpy plateau. However, for the US and Europe, peak oil consumption has probably been and gone. We survived.

[Peak oil down to war, depression and geopolitical shifts](#)

Given the increase in the amount of oil that China and India are importing, it looks as if there will be no oil available for other countries to import in another decade.

[Oil Prices Will Not Moderate for Long Periods of Time](#)

Recent releases from the International Energy Agency tell of moderating growth rate of the global demand for oil – which was based on lower economic growth projections. And promises of “fracking” to boost oil supply are bouncing around cyberspace. Images of supply and demand curves flash in ones mind.

Yet, the cost of oil today has little to do with supply versus demand – but is more about marginal cost of supply and producers ability to manipulate supply. Peak oil and anti-Obama rhetoric notwithstanding, oil production in the USA has been growing (see graph below).

All too often, people oversimplify things.

Whether it's comparing our federal budget to a single household budget, or absolutely refusing to take a closer look at the various political one-liners we see every day in news cycles, we're constantly exposed to the facts being boiled down to a simple, black-and-white concept that can easily be forced down a feeding tube.

We see a perfect example of this in the energy arena, and nothing will be more destructive than oversimplifying (and, as a result, *misconstruing*) the concept of Peak Oil.

[A Proposal for a Propane Tank Looms Large Over a Maine Coastal Town](#)

SEARSPORT, Me. — In the winter of 2007, thousands of homes and businesses in rural Maine almost lost their heat because of a severe propane shortage.

The shortage led to rationing and prompted Gov. John Baldacci to scramble for a solution, including asking DCP Midstream, a Denver company that already supplied propane to New England, to help increase imports to guard against future disruptions, company officials said.

...But a funny thing happened during the lengthy governmental approval process — the energy industry, flush with gas from hydraulic fracturing in the nation's shale fields, did a U-turn and has cut back on imports in favor of exports.

“There has not been a ship that has brought propane into New England in almost a year,” said Joe Rose, the president and chief executive of the Propane Gas Association of New England. “At this point, the facilities in New England are in a state of being semi-mothballed.”

[US shale may force more European refinery closures](#)

LONDON: Europe's hard-pressed refining industry faces more closures as its competition in the United States enjoys the double bonus of growing domestic shale oil supply and cheaper electricity bills from shale gas.

Traditionally, Europe's refiners have exported surplus gasoline to the United States and emerging markets and served their home markets with as much diesel as they can produce. But the US shale boom is changing the dynamic, with American refiners now enjoying profitable advantages.

[Oil Rises on German Business Confidence](#)

West Texas Intermediate oil rose, paring the biggest weekly decline since December, after German business confidence climbed to a 10-month high and the Standard &

Poor's 500 Index advanced.

Futures gained 0.3 percent as the Munich-based Ifo institute's business climate index increased, signaling that Europe's largest economy is gathering strength. Equities also rallied on the report. Oil tumbled \$4.26 a barrel in the previous two days. The drop accelerated yesterday after the Energy Information Administration said U.S. crude supplies rose 4.14 million barrels last week to 376.4 million.

[India: Supreme Court may hear plea on pricing of natural gas](#)

New Delhi (IANS) The Supreme Court is likely to hear Monday a petition seeking the quashing of a government pricing policy which allegedly gives cheaper natural gas to industry as compared to domestic consumers who use it for cooking.

[Sri Lanka raises fuel prices to record to cut losses](#)

(Reuters) - Sri Lanka raised the price of fuels to record levels on Saturday to prevent the state-owned oil firm suffering further losses due to increased global oil prices and a reduction in Iran crude imports, an official said.

[China's energy consumption rises](#)

Beijing (IANS) China's energy consumption has gone up, show statistics.

China's energy consumption totaled 3.62 billion tonnes of standard coal equivalent in 2012, up 3.9 percent year on year, the National Bureau of Statistics (NBS) said.

[PBF Sees Crude Oil Trains Boosting East Coast Refinery Profits](#)

PBF Energy Inc. is betting that shipping discounted crude by rail from Canada and North Dakota can make its East Coast refineries profitable on the heels of several shut-downs in the region.

[Barnett Shale rigs slip to 10-year low](#)

Rigs working in the Barnett Shale kept declining this week, dropping by two to 27, the lowest in at least 10 years as producers continue to migrate toward fields with more profitable crude oil.

[Gasoline Gains for First Time in Four Days, Pump Prices Rise](#)

Gasoline rose for the first time in four days and pump prices edged closer to last year's highs. Crack spreads and the April contract's premium to later months increased.

[Ethanol Snaps Streak of Gains Against Gasoline on Higher Output](#)

Ethanol snapped the longest streak of gains against gasoline in five weeks as prices for the motor fuel rose for the first time in four days and production of the biofuel increased.

The spread widened 3.01 cents to 71.66 cents a gallon, based on futures settlement prices, the first expansion since Feb. 14. Gasoline prices recovered a day after the Energy Information Administration said supplies sank 2.88 million barrels and ethanol production grew for a third week.

[Forties Crude Loadings Rise in March Amid Swathe of Minor Delays](#)

Seven cargoes of North Sea Forties crude were shunted further into the future by a few days each, reducing the number of February shipments by one, and increasing March's tally by one, according to two people with direct knowledge of the schedule.

[North Africa's Prospects as Energy Goliath Are Fading](#)

LONDON — A deadly attack by militants on an Algerian natural gas plant last month has dealt a major setback to a group of North African countries whose prospects as oil and gas producers were already cloudy.

A few years ago, Algeria, Libya and Egypt looked like they would provide much of the solution to Europe's declining natural gas production and its uneasy reliance on Russia for supplies of a fuel widely used in industry, power generation and home heating.

But well before the early morning assault by dozens of raiders on the In Amenas gas facility, deep in the Sahara, the difficult political realities of the region were creating doubts about how big a role North Africa could play in the world energy equation.

[Iran says 16 locations selected as suitable for construction of new nuclear power plants](#)

TEHRAN, Iran — Iran has selected 16 locations as suitable for new nuclear power plants it intends to build to boost its energy production over the next 15 years, authorities said on Saturday.

The Islamic republic says it needs 20 large-scale plants to meet its growing electricity needs over the next one-and-a-half decades. It currently operates a 1,000-megawatt nuclear power plant at Bushehr, a coastal town on the Persian Gulf, and is planning to build a 360-megawatt nuclear power plant in the southwestern town of Darkhovin.

[Ghana advised to manage oil find transparently](#)

Dr Ngozi Okonjo-Iweala has cautioned Ghana to illustrate greater transparency and accountability in managing the fledgling oil industry to avoid the challenges associated with the harnessing of the natural resource.

[Enbridge Pipeline meeting scheduled for Feb. 28](#)

BLOOMINGTON — Enbridge Pipelines will host an informational meeting Feb. 28 on plans to extend its pipeline system through Illinois.

The 165-mile proposed Southern Access Extension Pipeline Project includes an extension of existing pipeline from Enbridge's Flanagan Terminal near Pontiac and ending in Patoka in southern Illinois.

[Exxon lifts force majeure on Nigerian Qua Iboe crude](#)

NEW YORK (Reuters) - Exxon Mobil Corp has lifted a force majeure on the Nigerian Qua Iboe crude stream put in place on February 7, the company said in a statement on Friday.

The company said that pipeline work had prompted the declaration.

[Weak economy pinches Red Lobster](#)

Darden's CEO specifically cited the payroll tax hike and higher gas prices as a problem. There are concerns that low-income and middle-class consumers will be squeezed by higher taxes and rising energy costs. Wal-Mart (WMT) warned Thursday of soft February sales too.

[BP Heads Into Spill Trial With Initial Court Victory](#)

BP Plc heads into a sprawling trial Monday over who is liable for the biggest offshore oil spill in U.S. history with an early victory, after a judge ruled some documents related to its criminal conviction can't be used.

[BP Spill Pact Excluded Billions in Possible Loss Claims](#)

Bill Floyd, owner of an upscale seafood restaurant near downtown Houston, is a poster-child for the type of damage claim BP Plc left out of its \$8.5 billion settlement for the biggest offshore oil spill in U.S. history.

When the energy company's blown-out Macondo well dumped more than 4 million barrels of crude oil into the Gulf of Mexico in 2010, Floyd saw his costs for fresh shrimp, crab and oysters almost double overnight while his sales flat-lined.

[Underground Nuclear Tanks Leaking in Washington State](#)

SEATTLE — Six underground tanks holding radioactive waste are leaking at the Hanford Nuclear Reservation in eastern Washington, Gov. Jay Inslee said on Friday after a meeting with federal officials overseeing the cleanup of the nation's most polluted nuclear site.

[Md., D.C. utilities pay paper mills burning 'black liquor' for alternative fuel credits](#)

Thanks to a wrinkle in the definition of renewable, the lion's share of the money used to meet those standards is flowing to paper companies that burn "black liquor," a byproduct of the wood-pulping process. Paper mills have been using black liquor to generate most of their power needs since the 1930s.

Environmentalists are up in arms over what they see as a perversion of the intent of the law. Instead of encouraging new clean technology, they say, it is rewarding an old practice that emits as much carbon dioxide as burning coal.

[Saudi sets out roadmap for major renewable energy programme](#)

(Reuters) - Saudi Arabia has published a roadmap for its renewable energy programme, aimed at reducing the amount of oil it burns in power stations, and targets issuing final bids for the first plants within three months.

The world's top oil exporter aims to install 23.9 gigawatts (GW) of renewable power capacity by 2020 and 54.1 GW by 2032, it said in the roadmap, which would make Saudi Arabia one of the world's main producers of renewable electricity.

[Indonesia's Palm Oil Blues Spreading to Africa: Report](#)

Major palm oil producers accused of destroying Indonesia's forests and driving its iconic wildlife to the verge of extinction are now taking their practices to the relatively pristine forests of the Congo Basin, an environmental group has warned.

[Biofuels Converting U.S. Prairielands at Dust Bowl Rates](#)

WASHINGTON (IPS) - The rush for biofuels in the United States has seen farmers converting the United States' prairie lands to farms at rates comparable with

deforestation levels in Brazil, Malaysia and Indonesia – rates not seen here since the Dust Bowl of the 1930s.

[6 in 10 people worldwide lack access to flush toilets or other adequate sanitation](#)

It may be the 21st century, with all its technological marvels, but 6 out of every 10 people on Earth still do not have access to flush toilets or other adequate sanitation that protects the user and the surrounding community from harmful health effects, a new study has found. The research, published in ACS' journal *Environmental Science & Technology*, says the number of people without access to improved sanitation is almost double the previous estimate.

[India and Nepal face struggle over water resources](#)

In the west of the region, arguments between Pakistan and India over vital water resources in areas bordering the two countries continue.

In the east tensions are rising as India expresses concerns about a spate of planned dam-building projects by China on rivers flowing into Indian territory, particularly on the mighty Brahmaputra.

[Could Humans Go Extinct?](#)

There's a chance we're living in end times.

[Canada has acted on climate as Keystone waits: envoy](#)

WASHINGTON (Reuters) - Canada has taken action to protect the climate during the more than four years it has waited for U.S. approval of the Keystone XL pipeline, and there's little more it can do in the short term, the country's ambassador to the United States said.

[The Case for Fossil-Fuel Divestment](#)

It's obvious how this should end. You've got the richest industry on earth, fossil fuel, up against some college kids, some professors, a few environmentalists, a few brave scientists.

And it's worse than that. The college students want their universities to divest from fossil fuel – to sell off their stock in Exxon and Shell and the rest in an effort to combat global warming. But those universities, and their boards, have deep ties to the one percent: combined, their endowments are worth \$400 billion, and at Harvard, say, the five folks who run the portfolio make as much money as the entire faculty combined.

[Rethinking Our Response to Climate Change: Carbon Wedges 2.0](#)

By framing decisions and objectives narrowly, the wedges paradigm (at least as applied in scores of analyses like the 90×50 report) prevents robust consideration of the complexity and uncertainty inherent in responding to climate change.

[Lifting a Town to Escape the Next Storm](#)

HIGHLANDS, N.J. — If not for the most deadly natural disaster in American history, in Texas, and an innovative response to it, more than a century ago, one might briskly consign the proposal to save this oft-flooded borough at the northern end of the Jersey Shore to the realm of pigs with wings.

But four months after Hurricane Sandy almost obliterated downtown Highlands, an unlikely idea with one enormous historical antecedent seems to be taking hold here: Don't just raise the buildings. Raise the town.

['Canary in the coal mine': Living beyond the levees in Louisiana](#)

"Leeville is washing away," Bryan said. "We're losing our marsh."

Leeville's plight underscores a national debate over how much to build near water and what to save once the land begins to disappear, said Robert Lempert, a senior scientist at Rand Corp. who studies how coastal communities respond to sea level rise.

[Boston Grapples With The Threat Of Storms And Rising Water](#)

Since the drubbing that Superstorm Sandy gave the Northeast in November, there's a new sense of urgency in U.S. coastal cities. Even though scientists can't predict the next big hurricane, they're confident that a warmer climate is likely to make Atlantic storms bigger and cause more flooding.

Cities like Boston are in the bull's-eye.



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