



## Drumbeat: March 25, 2013

Posted by [Leanan](#) on March 25, 2013 - 9:09am

### [Life After Oil and Gas](#)

*WE will need fossil fuels like oil and gas for the foreseeable future. So there's really little choice (sigh). We have to press ahead with fracking for natural gas. We must approve the Keystone XL pipeline to get Canadian oil.*

This mantra, repeated on TV ads and in political debates, is punctuated with a tinge of inevitability and regret. But, increasingly, scientific research and the experience of other countries should prompt us to ask: To what extent will we really “need” fossil fuel in the years to come? To what extent is it a choice?

As renewable energy gets cheaper and machines and buildings become more energy efficient, a number of countries that two decades ago ran on a fuel mix much like America's are successfully dialing down their fossil fuel habits. Thirteen countries got more than 30 percent of their electricity from renewable energy in 2011, according to the Paris-based International Energy Agency, and many are aiming still higher.

Could we? Should we?

### [Hydrocarbons Forever?](#)

Every time supplies of oil and gas get tight, the rising price that comes with scarcity creates incentives and the “invisible hand” does the rest. What is certain, however, is that the fossil energy era is far from over. Just as the stone-age did not end when there were no more stones, the oil and gas era will not end when we run out. It will end when technology develops an alternative that is abundant and just as affordable.

### [WTI Crude Rises to One-Month High; Brent Spread Narrows](#)

West Texas Intermediate crude rose to the highest in a month as Cyprus agreed on an international bailout, allaying concern that Europe's debt crisis will worsen. WTI narrowed its discount to Brent to the least since July.

### [U.S. Gasoline Prices Fall to \\$3.7074 in Lundberg Survey](#)

The average price for regular gasoline at U.S. pumps fell 3.2 cents a gallon in the past

two weeks to \$3.7074 cents, according to Lundberg Survey Inc.

### [Around \\$100 a barrel is good oil price - Saudi's Naimi](#)

Oil prices at around \$100 a barrel are reasonable for both consumers and producers, OPEC heavyweight Saudi Arabia's oil minister said on Monday, again highlighting the top crude exporter's preferred oil price.

### [Vehicle Miles Driven: Population-Adjusted Numbers Hit Yet Another Post-Crisis Low](#)

Clearly, when we adjust for population growth, the Miles-Driven metric takes on a much darker look. The nominal 39-month dip that began in May 1979 grows to 61 months, slightly more than five years. The trough was a 6% decline from the previous peak.

The population-adjusted all-time high dates from June 2005. That's 90 months — over seven years ago. The latest data is 8.59% below the 2005 peak, a new post-Financial Crisis low. Our adjusted miles driven based on the 16-and-older age cohort is about where we were as a nation in March of 1995.

### [Better route planning cuts fuel use in freight sector](#)

(Reuters) - U.S. distributors and freight hauliers have held down diesel consumption even as their business recovers from recession by making thousands of small changes to their operations.

Improved driver training, restrictions on idling and careful route planning to reduce deadheads (where vehicles travel empty) are all reducing consumption of expensive diesel while helping companies promote their green credentials.

### [How to drive down the cost of petrol and diesel](#)

How many trips do you make each week in an empty car?

By arranging to travel with three other colleagues who live relatively close (sometimes called a car pool) you could drive just one out of every four days, significantly reducing the wear and tear on your car, as well as fuel and parking costs.

### [Hedge Funds Most Bearish Ever on Copper, Favor Gold: Commodities](#)

Hedge funds are making the biggest bet against copper on record as global inventories expand to a nine-year high, while concern that Europe's debt crisis will spread spurred the biggest gain in gold bets since 2008.

### [Iraq to Fall Short of 2014 Target for Oil Output, Lawmaker Says](#)

Iraq, the second-largest producer in OPEC, won't reach its target of pumping 4.5 million barrels of oil a day by next year and plans to announce revised production goals in April, senior government officials said.

The country will fall short of its target partly as a result of bureaucratic hurdles and the lack of an energy law, Adnan al-Janabi, chairman of the Iraqi parliament's oil and energy committee, said today at a conference in Dubai. A draft energy law is "stuck" because of political disputes and won't be passed soon, al-Janabi said.

### [Russia, China find compromise on gas deal after 15 year standoff](#)

MOSCOW (Reuters) - China has accepted an olive branch from Russia's Gazprom after years of tough talks which had failed to yield a deal on gas supplies, though the main point of conflict - price - remains.

### [Russia Lets China Into Arctic Oil Rush as Energy Giants Embrace](#)

Russia's decision to give China a share of prized Arctic exploration licenses as part of a "breakthrough" deal signals how the world's largest oil and gas producer and the biggest energy consumer are redrawing the global energy map.

### [Nigerian oil auditors welcomes passage of energy bill through Senate](#)

Lagos (Platts) - Nigeria Extractive Industries Transparency Initiative (NEITI) Monday welcomed the passage of the Petroleum Industry Bill to the committee stage of the Senate, reiterating that the bill will boost the agency's efforts to create transparency in oil acreage awards and management of oil revenues.

### [Sinopec Joins China Peers in Posting Lower Full-Year Profits](#)

China Petroleum & Chemical Corp., Asia's biggest refiner, joined PetroChina Co. in posting lower 2012 profits, as the nation's largest energy companies look to overseas growth to counter the impact of price controls at home.

### [Oil industry success due to tax system, says Norway MP](#)

Conservative (H) MP Siri Meling believes current tax scheme legislation has been crucial to oil companies daring to invest in innovation.

### [Sitting on too much money, Norway risks going off course](#)

Middle East-style oil wealth combined with a generous Nordic welfare model is slowly throttling big chunks of Norway's economy, threatening western Europe's biggest success story.

On the surface, Norway is the envy of the world: growth is strong, per capita GDP has exceeded \$100,000 and the nation sits on a \$700 billion rainy day cash reserve, or \$140,000 per man, woman and child.

But it may just be too much money as Norwegians, more keen on leisure and family life are working less and less.

### [Lebanon urged to privatise more](#)

Lebanon risks going the way of Greece and Cyprus because of the lack of privatisation, warns a senior government official.

High public spending, conflict of interests and a constrained economy affected by the Syrian crisis is fuelling problems that could lead to chaos, especially after Najib Miqati's resignation as prime minister on Saturday.

### [Mursi warning stirs fears in Egypt opposition](#)

(Reuters) - Egyptian President Mohamed Mursi threatened on Sunday to take unspecified steps to "protect this nation" after violent demonstrations against his Muslim Brotherhood, using vague but severe language that the opposition said heralded a crackdown.

### [Syrian rebels bombard central Damascus, army artillery hits back](#)

BEIRUT (Reuters) - Syrian rebels fired dozens of mortar bombs into central Damascus on Monday, hitting a high-security area within a kilometer (less than a mile) of President Bashar al-Assad's residence, residents and a security source said.

The military retaliated with artillery fire from Mount Qasioun, overlooking the Syrian capital. "I've heard dozens of regime shells so far, pounding rebels," one resident said.

### [Kerry Visits Iraq in Push to Halt Iran Flights Aiding Syria](#)

John Kerry, the first secretary of state to visit Iraq in four years, urged Prime Minister Nouri al-Maliki to stop Iran from using Iraqi airspace to fly arms and fighters to Syria's military, arguing that if Iraq wants a say in Syria's future, it must help end the bloody

conflict there.

### [Australia PM appoints new resources minister in reshuffle](#)

CANBERRA (Reuters) - Australia's prime minister appointed Gary Gray, a former adviser to the country's largest oil and gas firm Woodside Petroleum, as resources minister on Monday in a cabinet reshuffle forced by a string of ministerial resignations.

### [Centrica buys U.S. LNG in 20-year deal as U.K. output wanes](#)

Centrica Plc, the U.K.'s largest household energy supplier, signed a 20-year deal to import natural gas from the U.S., securing supplies as production from British North Sea fields decline.

### [US shale gas to heat British homes within five years](#)

Nearly 2m homes in the UK will be heated by shale gas from the US within five years, under a deal agreed on Monday that is likely to be the first time major exports of the controversial energy source are used in the UK.

The US government has kept a tight rein on exports since the shale gas boom started more than five years ago. But the deal struck by energy company Centrica marks the start of a new era in gas use in the UK, because it opens up the market to cheap supplies from the US, as North Sea gas fields run out and pipelines to Europe remain expensive.

### [Canada's pipeline preacher will not slow down](#)

OTTAWA—Stephen Harper's pipeline preacher has not lost any of his zeal.

Joe Oliver takes to his pulpit daily, spraying statistics and "fact-based" arguments at his opponents, refusing to be slowed by recent heart surgery, perhaps the loudest and most determined environmental protest ever mounted on both sides of the border or native leaders who promise a long, hot summer followed by potentially years of court challenges.

### [For Obama, Keystone decision is a study in symbolism](#)

The Keystone XL pipeline taking more of Canada's oil sands oil to refineries with the required capacity on the U.S. Gulf Coast seems in serious jeopardy. Oil sands are atop the "kill list" of some prominent climate activists. The New York Times is now urging President Barack Obama to deny Keystone's entry into the United States. And Tom Steyer, a California billionaire, is reportedly willing to use his wealth to punish pro-pipeline politicians. They expect a presidential veto to be an important symbolic victory

in the larger fight against global climate change.

### [In Ohio, the fog begins to lift over the Utica shale](#)

NEW YORK (Reuters) - Shares of Gulfport Energy were in free fall last spring, dropping 55 percent in four months, until the oil and gas producer announced it had drilled its first three wells in the Utica shale formation in Ohio.

The Oklahoma-based company's value has since more than doubled, bolstered by a series of company production updates on those and a handful of other new wells located in what many believe to be the next frontier in America's oil and gas revolution.

### [Asia starts to lead way on clean energy](#)

Australia's neighbours in Asia - especially China - are emerging as the countries best placed to prosper from moves to cut greenhouse gas emissions, an international study has found.

In their second study of the "low carbon competitiveness" of the world's largest economies, multinational GE and the Climate Institute found the momentum for action on climate change had shifted from Europe and the United States towards emerging Asian economies.

### [World landmarks go dark for Earth Hour](#)

Iconic landmarks and skylines were plunged into darkness on Saturday as the "Earth Hour" switch-off of lights around the world got under way to raise awareness of climate change.

Sydney kicked off the event at 8.30 pm (0930 GMT), cutting lights to cheers and applause from a small crowd who had gathered to see the skyline dim and Sydney Opera House turn a deep green to symbolise renewable energy.

Organisers expect hundreds of millions of people across more than 150 countries to turn off their lights for 60 minutes on Saturday night -- at 8:30 pm local time -- in a symbolic show of support for the planet.

### [PROMISES, PROMISES: Hopes on climate change action may fall short again in Obama's new term](#)

The issue:

Slowing the buildup of greenhouse gases responsible for warming the planet is one of the biggest challenges the United States and President Barack Obama face. The effects of

rising global temperatures are widespread and costly: more severe storms, rising seas, species extinctions, and changes in weather patterns that will alter food production and the spread of disease.

Politically, the stakes are huge.

### [What Drought? Just Don't Tread on Our Green Grass](#)

In big Texas cities, the state's water shortage can seem like someone else's problem.

Drought has been in the news a long time, but rates haven't gone up. Water still comes out when you turn on the tap. The golf courses are still green, and so are the lawns.

### [Prof Sir John Beddington warns of floods, droughts and storms](#)

The government's chief scientist has said that there is already enough CO<sub>2</sub> in the atmosphere for there to be more floods and droughts over the next 25 years.

Prof Sir John Beddington said there was a "need for urgency" in tackling climate change.

### [Why Russian doomsday climate predictions may prove prophetic](#)

Climate change was back in the spotlight for the Russian media last week, with doomsday-style predictions of more extreme weather events, rapidly warming Arctic and growing global average temperatures.



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