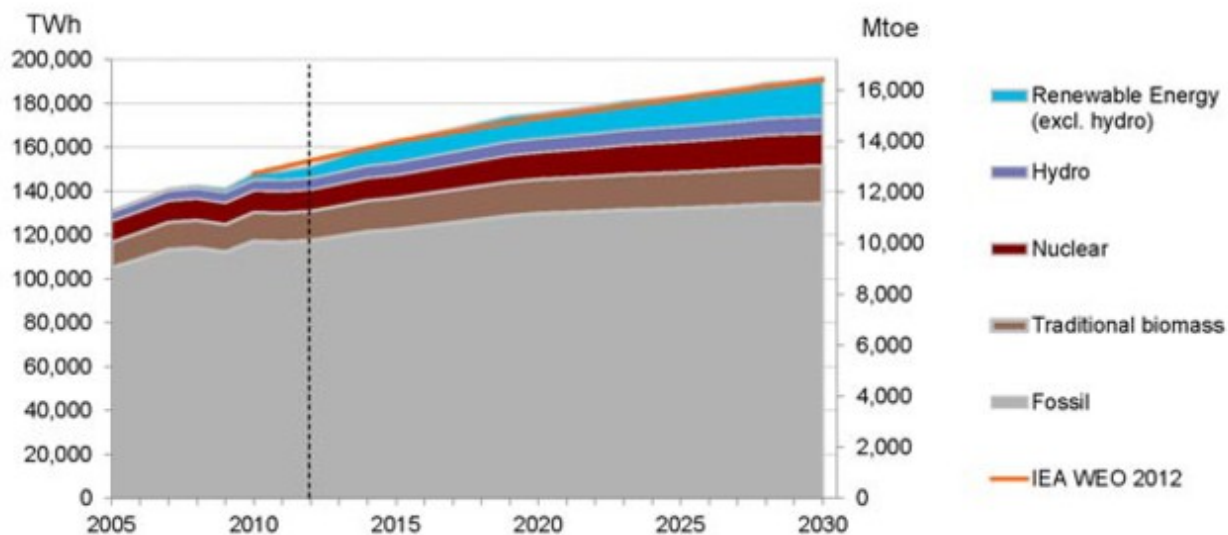




Drumbeat: April 26, 2013

Posted by [Leanan](#) on April 26, 2013 - 9:26am

[‘Peak Fossil Fuels’ Is Closer Than You Think: BNEF](#)



Every time an iPhone is charged or an episode of "Mad Men" plays on a television, puffs of vaporized carbon join the atmosphere, products of power-plant combustion. And every year the world demands more. That era may be nearing an end, as the world approaches "peak fossil fuels," a phrase used by Bloomberg New Energy Finance founder Michael Liebreich at the group's annual conference.

The concept of "peak oil" -- that world oil production will plateau and decline -- was popularized by a Shell Oil geologist named M. King Hubbert, who predicted in 1956 that U.S. oil production would max out in the early 1970s and gradually decline. Globally, the peak oil hypothesis has been consistently undermined by new extraction techniques: deep-water drilling, tar-sands extraction and most recently the fracking boom. The world now has enough of these fuels to last hundreds of years.

[When will people start to understand peak oil?](#)

Peak Oil will always be a controversial theory... always.

But it's a reality.

What's maddening is explaining it over and over again to people that don't get it.

[Unconventional: Jim Letourneau's Investment Taste](#)

The Energy Report: How was your presentation, "Is Peak Oil Dead?" received at the Calgary Energy and Resource Investment Conference on April 5?

Jim Letourneau: It went really well. There are a lot of professional engineers and geologists there who work in the oil business, and most of them were agreeing that technology is a big factor that pushes out when peak oil is going to occur. For each pool or technology, there is going to be a peak, so peak oil is really the average of hundreds of different peaks, but I think my big-picture point was well received.

[WTI Crude Retreats to Pare Biggest Weekly Gain Since June](#)

West Texas Intermediate fell for the first time in seven days amid speculation the biggest weekly advance since June was excessive.

Futures slid as much as 0.9 percent after failing to settle above a technical-resistance level, paring this week's advance to 5.9 percent. Prices may rise next week on speculation that the European Central Bank will cut its key interest rate to a record low, a Bloomberg News survey showed. Brent crude's premium to WTI shrank to its narrowest since January.

[Ras Tanura Oil-Tanker Capacity Seen Falling 13% in Latest Week](#)

The combined carrying capacity of oil tankers calling at Saudi Arabia's Ras Tanura fell 13 percent in the week ended April 20, vessel-tracking data compiled by Bloomberg show.

The implied capacity of vessels calling at the world's largest crude-export complex slid to the equivalent of 7.66 million barrels a day from 8.80 million barrels for the prior week, according to signals gathered by IHS Fairplay, a Redhill, England-based maritime research company. The data may be incomplete because not all transmissions are captured.

[Coal Slump Seen Ending on Deal at Four-Year Low](#)

A deal to sell Australian thermal coal at the cheapest level since 2009 is raising the prospect of production cuts in the world's second-biggest exporter and an end to a slide in prices.

[Argentina to Get Belgium LNG Spot Cargo at Bahia Blanca April 28](#)

Argentina is scheduled to receive a spot cargo of liquefied natural gas from Belgium over the weekend, according to ship-tracking data.

The Galicia Spirit, with a capacity of 137,814 cubic meters, will arrive April 28 at the port of Bahia Blanca southwest of Buenos Aires, according to ship transmissions captured by IHS Fairplay on Bloomberg. The tanker sailed from Zeebrugge, Belgium's LNG receiving terminal, where it loaded the supercooled natural gas and departed April 10.

[Global slowdown pulling prices lower for consumers, businesses](#)

Bad economic news from China and Europe may be good news for U.S. companies and shoppers.

Fresh data from the world's second and third largest economies this week showed they continue to face big headwinds, raising fears that the U.S. may be headed for another "spring slump."

But with global demand weakening for raw materials and other commodities, prices are falling. That discount amounts to billions of dollars in savings for American companies and households.

[Involuntary Unemployment Is Real](#)

What's going to happen when all these people get their new widget-related jobs? There's going to be inflation. There's going to be a lot more cars on the road. There's going to be a lot of newly employed kids moving out of mom's basement and driving up rents. As people start occupying more dwelling space per person, there's more demand for winter heating fuel. And the jobs boom doesn't narrowly target the unemployed. Some fraction of the currently employed population will take advantage of the boom to quit their current job, so currently profitable firms are going to need to start raising wages to avoid losing staff. Then of course you have your various firms in monopolistic industries—your Comcasts and your Verizons—who'll take advantage of higher incomes to raise prices. And the increased commodity prices will cycle through into non-energy factors. Gasoline is a production input for airlines and delivery services. Electricity is a production input for everyone.

[Norwegian Oil Fund Gains \\$37 Billion as Stock Markets Rally](#)

Norway's sovereign wealth fund, the world's largest, gained 219 billion kroner (\$37 billion) in the first quarter as stocks surged amid unprecedented stimulus from central banks to boost economic growth.

The \$728 billion Government Pension Fund Global returned 5.4 percent in the first three months of the year, the Oslo-based investor said today. Stocks returned 8.3 percent, while bond investments climbed 1.1 percent. Real estate investments lost 0.3 percent.

[Sinopec Profit Gains as Refining Losses End, Output Increases](#)

China Petroleum & Chemical Corp., Asia's biggest refiner, reported a 25 percent gain in first-quarter profit after ending refining losses and increasing oil and natural gas output.

[Mexico's Pemex posts first-quarter loss of 4.39 bln pesos](#)

(Reuters) - Mexico's state oil monopoly Pemex posted a loss in the first quarter, compared to a profit during the same period a year ago, hurt by weaker exports, lower oil and derivative prices and a stronger peso, the company said on Friday.

[Total Profit Drops 7% on Lower Oil Price as Production Falls](#)

Total SA, Europe's third-largest oil producer, reported a 7 percent decline in earnings as output fell and weakening fuel demand pushed down the price of crude.

[Exxon Profit Rises as Chemical Earnings Offset Crude Price Drop](#)

Exxon Mobil Corp., the world's largest company by market value, said net income rose as widening chemical margins made up for lower crude production and prices.

[Chevron Net Income Falls as Prices Decline on Weakening Demand](#)

Chevron Corp., the world's third-biggest energy company by market value, said profit declined as weakening demand lowered oil prices.

[UPM to Cut Power Use by 3.5% After Shutting Two Paper Machines](#)

Finland's biggest electricity user is closing newsprint machine number 3 in Rauma, and magazine paper machine number 4 in Ettringen, Germany to cut costs amid falling demand, UPM said today in its first-quarter earnings statement. Power use in Finland's forestry sector slumped 28 percent to 20,100 gigawatt-hours last year after producers including UPM and Stora Enso Oyj shut unprofitable plants.

[China slams Philippine bid to "legalise" occupation of islands](#)

(Reuters) - China accused the Philippines on Friday of trying to legalise its occupation of islands in the disputed South China Sea, repeating that Beijing would never agree to international arbitration.

Frustrated with the slow pace of regional diplomacy, the Philippines in January angered China by asking a U.N. tribunal to order a halt to Beijing's activities that it said violated Philippine sovereignty over the islands, surrounded by potentially energy-rich waters.

[Syrians Turn to Backyard Refining as War Reaches Oil](#)

In an open field northeast of the Syrian city of Aleppo, teenagers set fires under large vats of crude oil and siphon the byproducts into jerry cans.

The scene, captured on footage and uploaded onto YouTube, shows a young man walking around fires and through smoke near the town of Al Bab, explaining the production of mazut, used for home heating, and diesel at his homemade refinery.

[Obama's Syria Red Line Tested by Chemical Weapons Report](#)

President Barack Obama is under renewed pressure from lawmakers to increase U.S. efforts to oust Syrian President Bashar al-Assad after U.S. intelligence agencies reported "with varying degrees of confidence" that the regime may have used small amounts of sarin nerve gas.

That's a shift from the administration's previous responses to chemical-weapons allegations by Syrian opposition groups. Although the U.S. intelligence community has differing levels of confidence that Assad's regime has used poison gas, the new assessment draws Obama closer to his previously declared "red line" over such use and has fueled calls for action by lawmakers already advocating deeper involvement.

[E.ON says reaches deal to keep Irsching plant open](#)

IRSCHING, Germany (Reuters) - Germany's top utility E.ON said it reached a deal with regulators and grid operators to keep open its modern but unprofitable Irsching gas-fired power station in Bavaria, providing reserve power to stabilise the grid.

The agreement with the German network regulator Bundesnetzagentur and power grid TenneT ensures the Irsching blocks 4 and 5 will remain operational over the next three years, E.ON said, adding it would be paid based on Irsching's contributions to the grid.

[The United States Can't Be the World's Courthouse](#)

Two things America is known for—its love of lawsuits and its delight in meddling in the

affairs of other countries—led to a strange form of litigation in which foreigners bring suits in U.S. courts against other foreigners, for human rights violations in foreign countries. Last week's 9-0 Supreme Court ruling in *Kiobel v. Royal Dutch Petroleum* has finally put an end to this litigation. Human rights groups complain that the decision means that foreign governments and corporations will be able to violate human rights with impunity. But cases like *Kiobel*, in which a group of Nigerians sued a Nigerian corporation and its Dutch and British corporate parents over their role in human rights abuses in Nigeria, never led to real human rights enforcement. In more than 30 years of litigation involving hundreds of cases, hardly any money went to victims. The Supreme Court got rid of a popular but unworkable idea that U.S. courts can be used to police behavior around the world.

[With security eyes focused on airlines, terrorists look to rail, experts say](#)

WASHINGTON - An alleged al Qaeda-backed plot to derail a U.S. passenger train in Canada sought to exploit the vulnerabilities of railroads that have not gotten much attention from the American public.

While the United States has sharply tightened security around airlines since the September 11, 2001, attacks, trains are far harder to police, with masses of passengers getting on and off and stops at many stations on a single line. Thousands of miles of track, bridges and tunnels present a major challenge to monitor.

[Elon Musk hates 405 Freeway traffic, offers money to speed widening](#)

Entrepreneur Elon Musk has already spent \$50,000 trying to make the 405 Freeway better – and he's willing to pay even more.

Musk said he is open to pay the cost of adding workers to the widening project "as a contribution to the city and my own happiness. If it can actually make a difference, I would gladly contribute funds and ideas. I've super had it."

[Top 10 fuel-efficient cars for 2013](#)

With gas prices in a constant state of flux, and the federal government offering as much as \$7,500 in incentives to buy "green" cars, it would seem the only question for someone buying a new vehicle should be, "Which one do I pick?"

Kelly Blue Book attempts to answer that question with its list of Top 10 Green Cars for 2013. The car in the top spot shouldn't be a big surprise: the 2013 Nissan Leaf.

[Drive On: Clean diesels finally catching on](#)

Every time we've driven a new diesel car lately, we've been amazed at how

indistinguishable they have become from conventional gas cars. No clatter. No smoke. No rattling engine noise. Now it appears consumers are catching on: Registrations of diesel-powered passenger vehicles increased by 24.3% in the U.S. from 2010 through 2012, says an advocacy group, the Diesel Technology Forum.

The increase is not as much as for hybrids, at 33%, but far more than overall registrations of all vehicles at 2.7%, the group says, basing its information on data from compilers R.L. Polk and Company.

[S.Africa police investigate PetroSA over alleged graft](#)

JOHANNESBURG (Reuters) - South Africa's police anti-corruption unit said on Friday it had opened an investigation at state oil company PetroSA, which reported "deviations" in financial procedures that a newspaper said involved millions of dollars of irregular payments.

In an investigative report published on Friday, the weekly Mail & Guardian questioned payments made when PetroSA last year secured crude oil acreage in Ghana through the acquisition of Sabre Oil and Gas Holding Ltd.

[Shell Canada reports hazardous materials leak in Corunna](#)

(Reuters) - Shell Canada issued an alert for a hazardous materials leak at its Corunna facility in Ontario, according to a notice on Sarnia-Lambton Network Alert System on Friday morning.

[Consultants' role in NY drilling study questioned](#)

ALBANY, N.Y. — Government watchdog Common Cause and 11 environmental groups raised more questions about the role of gas industry-associated consultants in the state's environmental impact study of shale gas drilling and fracking.

A review of Department of Environmental Conservation documents obtained by Common Cause through Freedom of Information Law requests shows two more firms with memberships in the Independent Oil and Gas Association of New York were contracted for the state's review.

[Don't let America get 'fracked'](#)

(CNN) -- Even the heads of fossil fuel companies read the polls. They know the majority of Americans see global warming as an imminent threat and a clear sign that the way we use energy must change. But instead of offering the solar and wind choices America wants, fossil fuel companies like Shell, Exxon and Duke are offering what might be their most disastrous bait and switch yet: natural gas.

The bait? Burning natural gas is "clean" because it produces less carbon pollution than burning oil and coal. The switch? The catastrophic pollution caused when companies like Exxon fracture the earth -- commonly called fracking -- to get natural gas out of the ground.

[U.K. Fracking May Fail to Cut Local Gas Prices, Report Shows](#)

Developing U.K. shale gas may fail to follow U.S. precedent and cut local prices due to differences in geography, population density and environmental controls and as world fuel demand grows, according to a parliamentary report.

On the flipside, shale would benefit the U.K. by reducing reliance on gas imports and adding to tax revenue, the House of Commons Energy and Climate Change Committee said in the report.

[Frac Daddy to represent oil field workers in Kentucky Derby run](#)

This year's May 4 Kentucky Derby field includes a horse oil and gas workers can get behind -- though his odds of winning aren't very good.

Horse owners Carter Stewart and Ken Schlenker both work in the energy industry, according to interviews they gave to the Billings Gazette of Montana. Stewart is a petroleum geologist and Schlenker is a land man. The horse's name is a nod to hydraulic fracturing.

[Keystone pipeline start date to be pushed back, costs expected to rise: TransCanada](#)

TransCanada Corp. expects further delays and higher costs on its flagship Keystone XL project, citing delays in receiving a U.S. presidential permit.

The company now expects the proposed project to start in the second half of 2015 and cost more than the US\$5.3-billion it had estimated earlier, according to a statement released Friday.

[Study: Buyers of energy-efficient homes less likely to default](#)

Eileen Ryan and Matt Cooper wanted their new house to be good for the environment and they were willing to pay a premium for it. They spent \$350,000 to build their two-story, 2,000-square-foot energy-efficient house in Olympia, Wash., and they are happy they did.

"It costs more to build an energy-efficient house, but it costs significantly less to live in one," Eileen explained.

Their energy bills tell the story. They pay a measly \$70 a year to heat and cool the place.

[Is wind energy's future bladeless?](#)

A Tunisian wind energy startup says it is in talks with a number of major industrial players as it looks to move its bladeless wind towers to a commercial scale.

Saphon Energy's sail inspired towers wobble in the wind, with pistons converting kinetic energy to electricity. It says that by removing blades and gearboxes it can "comfortably" reduce the cost of wind energy by 25%.

Empirical tests it has conducted suggest bladeless wind devices could be 2.3 to 2.5 times more efficient than three-blade turbines, capturing about 60-70% of the wind's kinetic energy.

[Sudan's biggest sugar firm plans biofuel expansion, Joburg IPO](#)

KHARTOUM (Reuters) - Kenana, Sudan's biggest sugar producer, plans to more than triple its ethanol output within two years to become a major biofuel exporter and intends to make a stock market offering in South Africa, its managing director said.

Kenana, which is mainly owned by the governments of Kuwait, Saudi Arabia and Sudan, is aiming to more than double its annual sugar output to 1 million tonnes by 2015 as the firm seeks new export markets such as South Sudan, Mohamed El Mardi El Tegani told Reuters.

[West, Texas, explosion demands action](#)

Over a half-century, the town of West crept up around the fertilizer facility until the plant sat near a middle school, a nursing home, an apartment complex and numerous houses that were destroyed or damaged by the explosion, which dug a crater 90 feet wide and killed 14 people.

To the extent regulators paid attention to the plant, they seemed to have worried about lesser dangers. Texas regulators monitored air quality and truth-in-labeling. On the federal side, the Occupational Safety and Health Administration hadn't inspected the business for worker safety problems since 1985, and the Department of Homeland Security didn't know it housed the fertilizer that apparently triggered the explosion.

[Scientist Says Pollution From China Is Killing a Japanese Island's Trees](#)

YAKUSHIMA, Japan — A mysterious pestilence has befallen this island's primeval

forests, leaving behind the bleached, skeletal remains of dead trees that now dot the dark green mountainsides. Osamu Nagafuchi, an environmental engineer with a passion for the island and its rugged terrain, believes he knows the culprit: airborne pollutants from smog-belching China, hundreds of miles upwind.

For years, Mr. Nagafuchi's theory was ignored by fellow scientists and even mocked by bureaucrats in the national government who administer the forests on this southwestern island. But Japan has begun taking his warnings more seriously, as the nation has been gripped by a national health scare over rising levels of potentially dangerous airborne particles that have swept into other parts of Japan and that many now believe were produced by China, its huge and rapidly industrializing neighbor.

[Elephant poaching on rise in chaos-hit Central African Republic](#)

DAKAR (Reuters) - Elephant poachers are taking advantage of the chaos in Central African Republic to hunt down the animals in protected wildlife areas and openly sell their meat in village markets, campaigners said on Friday.

The killings were part of a wider surge in poaching, fuelled by growing Asian demand for ivory, that threatened the region's entire elephant population, eight organizations said.

Impoverished but mineral-rich Central African Republic was plunged into turmoil in March when rebels charged into the capital and ousted President Francois Bozize.

[In Midwest, Drought Gives Way to Flood](#)

CHICAGO — The nation's midsection, which was for months parched by severe drought, suddenly finds itself contending with the opposite: severe flooding that has forced evacuations, slowed commercial barge traffic down the Mississippi River and left farmers with submerged fields during a crucial planting time.

The flooding, driven in part by rainfall of as much as eight inches in some places last week, has affected a remarkably wide stretch in states along swollen rivers in the Midwest.

[NM grapples with tough choices as drought persists](#)

HATCH, N.M. (AP) -- In southern New Mexico, the mighty Rio Grande has gone dry — reduced to a sandy wash winding from this chile farming community to the nation's leading pecan-producing county. Only puddles remain, leaving gangs of carp to huddle together in a desperate effort to avoid the fate of thousands of freshwater clams, their shells empty and broken on the river bottom.

Across the state's eastern plains, wells stand empty and ranchers are selling their cattle. In the north, urbanites face watering restrictions while rural residents see the levels of their springs dropping more every day.

Going on three years, drought has had a hold on nearly every square mile of New Mexico. Now, with forecasts predicting hotter, drier weather ahead, farmers and small and large communities alike are questioning whether dwindling supplies can be stretched enough to avoid costly fights over water.

[Land O' Lakes: Melting Glaciers Transform Alpine Landscape](#)

Climate change is dramatically altering the Swiss Alps, where hundreds of bodies of water are being created by melting glaciers. Though the lakes can attract tourists and even generate electricity, local residents also fear catastrophic tidal waves.

[Ireland: EU consensus exists for setting 2030 greenhouse gas targets](#)

DUBLIN, Ireland (UPI) -- There is a consensus among European energy and environment chiefs backing new 2030 greenhouse gas reduction targets, Irish Energy Minister Pat Rabbitte says.

Rabbitte issued a statement after this week's informal meeting of EU energy and environmental ministers in Dublin indicating that while significant national differences remain on what form they should take, a broad consensus exists on the need for a new set of climate change targets after the current binding framework expires in 2020.

[No End to Power Rout as Carbon Market Vote Fails](#)

Europe's failure to rescue the region's carbon market is likely to encourage utilities to burn record amounts of coal, putting power prices in Germany on course for the worst-ever sequence of quarterly declines.

Electricity for next year, the benchmark contract already trading near an almost eight-year low, may drop a further 4.8 percent through June, according to a Bloomberg News survey, extending an unprecedented eight quarters of losses. Coal-fed power generation in Germany rose 16 percent last quarter, Federal Statistical Office data show.

[State College mayor urges fossil fuel divestment](#)

PITTSBURGH — The mayor of the central Pennsylvania borough of State College has endorsed a campaign that urges municipalities to divest from fossil fuel companies, the environmental group 350.org said in a release Thursday.

Borough Mayor Elizabeth Goreham joined nine other mayors in urging municipalities to divest from the top 200 fossil fuel companies because of climate change, but other officials said the issue hasn't been voted on.

[Scientists Advocate a Simple, Affordable and Accurate Technology to Identify Threats from Sea-Level Rise](#)

A team of researchers led by Associate Professor Edward L. Webb of the National University of Singapore (NUS) is calling for the global adoption of a method to identify areas that are vulnerable to sea-level rise. The method, which utilises a simple, low-cost tool, is financially and technically accessible to every country with coastal wetlands. The team seeks to establish a network to coordinate the standardisation and management of the data, as well as to provide a platform for collaboration.



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