



## Drumbeat: May 6, 2013

Posted by [Leanan](#) on May 6, 2013 - 7:31am

### [The Oil and Gold Booms Are Over](#)

The Malthusian specter of rising demand and shrinking supply has been replaced by a new realization that, for most commodities, demand is flat and supply is rising fast. Oil demand in developed nations has been stable since 1995, because high oil prices have inspired conservation efforts in countries such as Japan and the U.S.

Now, as emerging nations begin to embrace energy efficiency as well -- China is working hard on electric cars, for instance, despite continuing to build dozens of coal plants -- global demand might flatten out this decade. The debate over “peak oil” scenarios may shift from the threat of dwindling supply to the threat of peaking demand.

### [The fallacy of ‘Peak Oil’ theory](#)

There are plenty of reasons to fret about our nation’s future.

Government debt is growing at an unsustainable rate. Increased taxation and regulations calcify the sinews of the economy and monetary distortions threaten to sow the seeds of a future economic calamity. However, many people fear a world bereft of energy resources.

Politicians and scaremongers stoke these fears through fallacious theories like Peak Oil, which foretell an imminent world shortage of oil, and warn that we must follow a centrally-planned energy policy that conveniently steers millions of dollars to well-connected donors and lobbyists of so-called green energy firms.

### [Energy Independence and Other Myths: A Q&A with Michael Levi, Author of \*The Power Surge\*](#)

Levi has a new book out on the energy debate called *The Power Surge: Energy, Opportunity and the Battle for America’s Future*. It’s one of the best analyses of the amazing changes taking place in the energy sphere today, touching on everything from fracking to climate change to the Keystone XL pipeline debate. I had a chance to talk with him about Canadian oil sands, the myth of energy independence and why we need a negotiated peace settlement to end the energy wars.

## [WTI Crude Advances After Syria Blames Israel for Attacks](#)

West Texas Intermediate crude headed for the biggest three-day gain in nine months as air strikes in Syria renewed concern that unrest will spread in the Middle East and disrupt supply. London's Brent oil rose.

WTI futures climbed as much as 1.6 percent in New York after Syria's state news agency said Israeli aircraft attacked a military research center on the outskirts of Damascus yesterday. The offensive was a "declaration of war," Syria's deputy foreign minister told CNN. Israel didn't confirm involvement. The Middle East accounted for 33 percent of global crude output in 2011, according to BP Plc (BP)'s Statistical Review of World Energy. WTI capped a second weekly gain May 3 after U.S. employment rose more than forecast.

## [Surging US Oil Production Strains Distribution System](#)

NEW YORK - Surging oil production has put the United States on track toward greater energy independence, pushing U.S. reserves to their highest levels in 30 years.

But analysts say bottlenecks in the distribution system are keeping oil from reaching markets.

## [U.S. Gasoline Prices Rise to \\$3.545 a Gallon in Lundberg Survey](#)

The average price for regular gasoline at U.S. pumps rose 0.84 cent a gallon in the past two weeks to \$3.5447 a gallon, according to Lundberg Survey Inc. It's the first price increase in eight weeks.

The survey covers the period ended May 3 and is based on information obtained at about 2,500 filling stations by the Camarillo, California-based company. The average price has fallen 25.03 cents from the peak on Feb. 22, and 30.05 cents from this time last year, the survey showed.

## [Saudi oil output rises in April](#)

Saudi Arabia produced 9.3 million barrels per day (bpd) of oil in April, up from 9.14 million bpd in March, an industry source said on Monday.

Supply to the domestic and export markets was around 9.2 million bpd, up slightly from the 9.15 million bpd supplied in March, the source said. The other 100,000 bpd of oil produced is likely to have been put into storage.

## [Saudi Aramco Raises June Premium for Arab Light Crude to Asia](#)

Saudi Arabian Oil Co., the largest crude exporter, raised the premium used to determine June official selling prices for its Arab Light blend for customers in Asia and cut premiums for other light grades to the Far East.

### [Norway's Statoil warns proposed tax change could harm future oil, gas projects](#)

London (Platts) - Norway's Statoil warned Monday that a proposed change by the government in the tax regime could have a damaging effect on the development of future new oil and gas projects offshore Norway.

Statoil, 67% owned by the Norwegian state, said a proposed reduction in a tax break on new energy projects from 7.5% to 5% could slow the impetus for development which is gearing up after years of production declines.

### [U.N. official: There are strong suspicions Syrian rebels used sarin gas](#)

Damascus, Syria (CNN) -- A U.N. official says there are strong suspicions that Syrian rebel forces have used the deadly nerve agent sarin gas in the country's civil war.

### [Israeli Jet Strike Near Damascus Sends Fireball Over City](#)

Syria threatened retaliation against Israel after an aerial strike on the outskirts of Damascus caused explosions that rocked the capital, increasing the risk of a wider regional conflict.

Israel didn't confirm involvement in the assault yesterday. Its military also carried out an airstrike in Syria on May 3, The Associated Press reported, citing unidentified Israeli officials who said the attack targeted a shipment of missiles thought to be bound for Hezbollah militants in Lebanon.

### [Eight killed in Nigeria's Delta oil region gunfight](#)

Gunmen opened fire on a group of former militants in the oil producing Niger Delta late on Saturday, leading to a shootout that left eight people dead, a security official said.

### [Plans to Harness Chinese River's Power Threaten a Region](#)

BINGZHONGLUO, China — From its crystalline beginnings as a rivulet seeping from a glacier on the Tibetan Himalayas to its broad, muddy amble through the jungles of Myanmar, the Nu River is one of Asia's wildest waterways, its 1,700-mile course unimpeded as it rolls toward the Andaman Sea.

But the Nu's days as one of the region's last free-flowing rivers are dwindling. The

Chinese government stunned environmentalists this year by reviving plans to build a series of hydropower dams on the upper reaches of the Nu, the heart of a Unesco World Heritage site in China's southwest Yunnan Province that ranks among the world's most ecologically diverse and fragile places.

### [Squeezing More From Ethanol](#)

WASHINGTON — Faced with a crop of lemons — too much ethanol, a population of cars not tuned to burn it effectively and a driving public leery of the fuel's properties — the Environmental Protection Agency is proposing to make lemonade.

The effort to untangle itself from this sticky situation is part of a larger proposal by the federal government to make the most sweeping changes in gasoline since lead additives were banned.

### [State Sale of 100 Longhorns Stirs Debate, and Proposed Law, on the Breed's Future](#)

Supporters say that maintaining the herd is vital to preserving Texas' ranching heritage. But opponents say longhorns strain natural resources and are difficult and costly to maintain.

### [Neighbors Resist a Plan to Clean a Toxic Canal](#)

Almost everybody wants the Gowanus Canal cleansed of its toxic gunk.

But a \$500 million plan by the Environmental Protection Agency to do just that has run into protests from otherwise environmentally conscious residents in several Brooklyn neighborhoods. They want the canal purged of pollutants like PCBs, lead, mercury and raw sewage, but are fighting the methods the agency has chosen.

### [Canadian minister takes fight for oil sands crude to Europe](#)

OTTAWA (Reuters) - A European Union plan to label crude from the Alberta oil sands as dirty is unfair and could damage Canada's bid to find new export markets, the Canadian resources minister said at the start of a mission to lobby against the idea.

As part of a plan to cut greenhouse gases from transport fuel, the EU's executive commission has developed a Fuel Quality Directive that would single out oil from Alberta's tar sands as more polluting than conventional crude.

### [Getting rich off global warming](#)

A decade ago, the word adaptation was dirtier than coal. Among professional greens and activists focused on mitigation, even discussing it meant surrender. Only the long stall of international climate negotiations and stark signs of irrevocable climate change put an end to their distaste. If we have already caused warming, possibly setting unstoppable feedback loops into motion, then opposing adaptation was the intellectual and political equivalent of carbon sequestration, of burying our brains in the ground. During the aughts, the major green groups began to build adaptation divisions, one by one.

### [The Third Option](#)

This time the problem is a “carbon bubble”. The market valuation of the world’s 200 biggest oil, gas and coal companies is about \$4 trillion, a figure based on the assumed value of their confirmed reserves that are still in the ground. Or, more precisely, a figure based on the assumption that they will eventually be able to sell all of those reserves to customers who want to burn them.

On the strength of that assumption, the fossil fuel companies have been able to take on \$1.5 trillion of debt, and last year alone they spent \$647 billion in the search for even more oil, gas and coal reserves. But what if they will never be able to sell all of their reserves? What if the need to avoid runaway warming forces governments to curb the burning of fossil fuels, so that much of those reserves has to stay underground forever?

### [Hawaii in Climate Change Bullseye](#)

Tropical cyclones of the future may have the Hawaiian islands in their cross hairs, according to a new study of how climate change will alter eastern Pacific Ocean storms near the end of the 21st century.

### [Va. scientist finds rising East Coast sea levels](#)

In a 2010 study, Virginia Institute of Marine Science oceanographer John Boon looked at decades of tide-gauge readings for evidence of this ever-faster-rising water.

Boon didn’t find the accelerating sea levels, and he was skeptical that they existed.

But using a more sophisticated statistical method, Boon looked at the tide-gauge readings again in a 2012 study. This time, he found that sea levels are indeed rising at an increasing rate from Norfolk to Nova Scotia.

To a layman, this might look like a flip-flop. But to scientists, this is how the job is done.

### [Rising sea levels threaten migratory birds](#)

Sydney: Millions of birds that stop at coastal wetlands during annual migrations could die as rising sea levels and land reclamation wipe out their feeding grounds, researchers

warned Monday.

The study into the migratory habits of shorebirds predicted that a loss of 23 to 40 per cent of their main feeding areas could lead to a 70 per cent decline in their population.

### [Arctic Ocean 'acidifying rapidly'](#)

The Arctic seas are being made rapidly more acidic by carbon-dioxide emissions, according to a new report.

Scientists from Norway's Center for International Climate and Environmental Research monitored widespread changes in ocean chemistry in the region.

They say even if CO<sub>2</sub> emissions stopped now, it would take tens of thousands of years for Arctic Ocean chemistry to revert to pre-industrial levels.

### [Greenhouse Gas to Reach 3-Million-Year High](#)

The proportion of carbon dioxide in the atmosphere is set to break 400 parts per million this month, levels not seen in 3 million years, according to one of the best climate records available.



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