

Drumbeat: January 26, 2011

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James Howard Kunstler: Peak Oil and Our Financial Decline

In this fifth video in the series "Peak Oil and a Changing Climate" from *The Nation* and On The Earth Productions, author, blogger and social critic James Howard Kunstler opens up on two circumstances he sees running neck and neck "that are going to put us out of business as an advanced industrial civilization"—the "fiasco" in banking, money and finance and the unfolding "energy predicament." He explains that the crises are really all about "capital" and that we need to look at how wealth has been accumulated and deployed for productive purposes.

Kunstler suggests that "cheap abundant energy" has facilitated ever-increasing industrialization for centuries. But now that society is in a period of self-destructive capital accumulation, he expects debt to increase as abundance in energy drops. The tremendous amount of accumulated debt, "a by-product of cheap abundant energy," will mean that in the future governments will be less able to make investments in socially-beneficial programs.

He also criticizes the US environmental movement for shying away the problem of energy. The movement is unable to talk about walkable neighborhoods, smaller cities, or investing in rail or water transit, an "intellectual failure of the culture to have a coherent conversation from people who ought to be leading" such a conversation.

The Exorbitant Dream of Arctic Oil

International oil companies are racing to develop new oilfields in the Arctic. But developing the vast reserves could be far more expensive than first thought, according to new calculations by US geologists obtained by SPIEGEL ONLINE.

U.S. already halfway to Obama's clean energy goal

(Reuters) - The United States is already halfway to meeting President Barack Obama's goal of generating 80 percent of the nation's electricity from clean energy sources by 2035, Energy Secretary Steven Chu said Wednesday.

Rosneft, BP sign agreement on strategic partnership

DAVOS (Itar-Tass) -- Russia's state-owned oil major Rosneft and British Petroleum (BP) signed an agreement on strategic partnership on Wednesday, January 26.

The agreement was signed at the World Economic Forum n Davos by Rosneft CEO Eduard Khudainatov and BP Chief Executive Officer Robert Dudley.

BP chief defends new exploration deal

The head of British oil giant BP said Wednesday the Gulf of Mexico disaster had "shaken us to the core," but defended oil exploration, including a new mega-deal with Russia's Rosneft.

"What happened in the Gulf of Mexico has shaken us to the core," Robert Dudley, BP chief executive told AFP, on the sidelines of the World Economic Forum in Davos.

Mixed results shown from dispersants in BP spill

The most extensive scientific study yet of dispersants injected deep in the Gulf of Mexico to counter an oil gusher last spring found a mixed bag of results.

Researchers at Woods Hole Oceanographic Institution found signs that the chemicals helped keep some oil from the busted BP well from bubbling to the surface, where it could do more damage. However, the chemicals didn't appear to break the oil apart as fast as promised.

Saudi Arabia's Oil Production May Rise 3.4% This Year, BSF Says

Saudi Arabia, the world's largest oil exporter, will increase production by 3.4 percent in 2011, according to Banque Saudi Fransi.

Saudi Arabia will pump 8.48 million barrels a day, from 8.2 million in 2010, the Riyadh-based bank known as BSF said in an e-mailed report dated yesterday. That compares with an average of 9.1 million produced from 2004 to 2008, the bank said.

Global Concern over Security of World's Energy Infrastructure

As oil prices continue to rise, striking a two-year peak above 98 dollars per barrel only last Wednesday (12/01/11), fears over disruptions in energy supplies are acute as governments acknowledge the crippling effect security breaches could have on their national economies.

Forecast to spend \$14 billion on security systems and services over the next 6 years, Saudi Arabia is among those already taking precautions, opening up what is set to be the

largest national energy security market worldwide.

Continued Drilling Delays to Negatively Impact Deepwater GOM

Policy advisers for the American Petroleum Institute (API) warned that continued delays for deepwater drilling permits in the Gulf of Mexico would negatively impact deepwater Gulf development as well as Gulf region jobs and the nation's energy security.

On the event of the President's State of the Union address, API policy advisors cited a Wood Mackenzie study released in December that found long-term Gulf of Mexico deepwater development could be seriously jeopardized if permitting timelines are extended. The study projects nearly one-third of U.S. deepwater production could be rendered uneconomic, which could significantly impact deepwater production, resulting in less energy production, less investment and less revenue to government.

Oil-Rig Contractors' Liability Takes Focus at Hearing

WASHINGTON—A proposal to extend liability for an oil spill to contractors such as Halliburton Co. and Transocean Ltd. was among the ideas floated Wednesday morning at a U.S. Senate hearing on the Deepwater Horizon incident.

Eni to operate Angola pre-salt block

Italy's oil and gas major Eni has won an international tender to operate Block 35 in deep-water offshore Angola as it pushes to expand on its core African market and boost deep-water development.

Valero named in case

Tim Brink, the CEO of a now-defunct company who has been convicted of selling stolen petroleum condensate to U.S. energy companies, said he sold some of the pilfered fossil fuel to Valero Energy Corp.

San Antonio-based Valero strongly denied his assertion, which came to light in recently released court documents.

TransCanada says shippers back Cushing project

(Reuters) - TransCanada Corp, said on Wednesday it has received shipper support for its Cushing Marketlink project, which will take 150,000 barrels of oil per day from the Oklahoma storage hub to refineries on the Gulf Coast.

TransCanada, the country's biggest pipeline company, said enough oil shippers have contracted space on the proposed line for the company to proceed with it.

Conoco, Occidental profits rise with oil

HOUSTON (Reuters) - U.S. oil companies ConocoPhillips and Occidental Petroleum reported higher fourth-quarter profits on Wednesday as higher crude oil prices and an improving global economy lifted demand for fuel.

Fourth-quarter earnings reflect the sharp rise in oil prices over the past year, with benchmark U.S. crude averaging about \$85 per barrel in the fourth quarter, up 12 percent from a year ago.

As the world economy recovers, demand for crude is also on the rise.

Iraq's biggest oil and gas fields

Production in Iraq dipped dramatically during Saddam Hussein's rule, especially throughout the Gulf Wars. However, it currently estimates that 143bn barrels of oil and 112 trillion cubic feet of gas are lying beneath its soil, meaning the country is likely to become an increasingly dominant producer. So which are the companies best set to develop these riches?

Valero expects refineries running over 2 million bpd

Valero Chief Executive Bill Klesse said Valero will not increase the ethanol content of gasoline it sells to 15 percent until refiners have regulatory protection from vehicle owners who might claim damage to older cars and trucks not designed for ethanol content beyond 10 percent.

HBSC cuts Petrobras target, sees buy opportunity

(Reuters) - HSBC Holdings, Europe's largest bank, on Wednesday cut its price target for Brazilian state-run oil company Petrobras but recommended investors buy the stock after a prolonged slump.

Eight bids qualify for UK offshore wind links - Ofgem

(Reuters) - Eight companies have qualified to bid for the construction of three more high-voltage transmission links to connect offshore wind farms to the British power grid, energy regulator Ofgem said on Wednesday.

Miss. still seeing tar balls from Gulf oil spill

JACKSON, Miss. - Mississippi is still seeing some lingering, visible effects from the 2010 BP oil spill in the Gulf of Mexico, the director of the state Department of Environmental Quality told lawmakers Monday.

Africa Oil closes farmout deal on E.Africa blocks

NAIROBI (Reuters) - Canada's Africa Oil Corp said on Wednesday it had completed a farmout agreement for three east African exploration blocks to London-listed Tullow Oil Plc, which now holds a 50 percent stake in each of them.

Kenya has yet to discover any commercial oil deposits but interest in its exploration blocks has grown since neighbouring Uganda discovered billions of barrels in its Lake Albert rift, where Tullow is expected to start oil production next year.

Dutch lawmakers grill Shell on Nigerian operations

AMSTERDAM—Royal Dutch Shell executives defended their much-criticized operation in the Niger Delta before Dutch lawmakers on Wednesday but said the company will not pay compensation for pollution caused by sabotage and vowed to fight a \$100 million fine imposed by a Nigerian court for a 40-year-old oil spill.

In a parliamentary hearing in The Hague, Amnesty International and environmental groups accused Shell of abusing human rights, failing to clean up disastrous environmental damage and continuing the hazardous practice of flaring gas from about 100 wells.

Chevron strikes oil in wells off Congo coast

Chevron Corp. said Tuesday that it has hit oil in two wells in the Atlantic Ocean about 40 miles off the coast of the Republic of Congo.

Looking Beyond BRIC - Saudi Arabia, UAE, Oman Forge Ahead

Qatar (19) fell three places as a result of a decline in its growth prospects. Although the country has enjoyed rapid economic growth on the back of the energy sector, it is expected to have reached peak oil and gas in 2011. As a result, investments in its energy sector are expected to come to a halt - and Qatar's GDP growth forecast for 2015 has fallen. Qatar is currently undergoing major infrastructure and tourism developments in an attempt to replace energy revenues in coming years and is, therefore, likely to improve its position in the future.

Davos, Dakar and a ton of BRICS

And even with multipolarity, the outlook ahead is bleak: peak oil; energy wars (first Iraq, next Iran?); the ramp-up of greenhouse gas emissions; climate change; water wars; and rampant poverty while the richest 1% of the population controls 43% of the world's assets.

Bottles of Moet can be bet that the global elites at Davos won't be giving much thought to what the world really needs - a new political culture, horizontal and diverse, promoting the convergence between citizen networks and social movements.

Record cold has South Korea telling citizens: wear long johns

Freezing temperatures in South Korea are pushing energy use to record highs and threatening blackouts. The crisis may prompt Koreans to rethink how to stay warm.

Ofgem could demand uniform tariff

The energy regulator Ofgem could force energy suppliers to offer a new uniform basic tariff to protect customers against rocketing bills.

The move is one of the options being considered as part of the regulator's investigation of the energy market, which reports in March and could recommend that the industry be referred to the Competition Commission.

Grid-isolated electric coops seek solution to NPC's fuel shortage

MANILA, Philippines – With state-run National Power Corporation (NPC) literally stripped of cash, the grid-isolated electric cooperatives were prompted to bring to the attention of President Noynoy Aquino the dilemma on diesel shortages that practically cripple them from continually serving their customers.

Thousands defy Egypt's leader in fresh protests

An economist warned that nervous investors could begin liquidating investments in Egyptian equities and securities if the protests gained momentum.

"People are talking about liquidating positions," said Raza Agha, an economist with the Royal Bank of Scotland. "They're getting unnerved. I think the crucial test is today and tomorrow if these things persist, and obviously how the government responds."

The explosive combination of mass unemployment and rising food prices threatens social explosion in other parts of the Arab world. Jordan too witnessed violence on 3 January in a jobs-related dispute between two rival tribes in the southern city of Maan, which led to three deaths, dozens of wounded, and over ninety arrests. A few days later, an inter-tribe clash took place in Karak. The government took urgent measures (such as cancelling taxes) in order to reduce market prices, while the United States government sent an emergency grant of \$100 million to help the Jordanian authorities stabilise the markets and ease social tensions.

Egypt, where the government heavily subsidises imported food products and spends some 7% of gross domestic product on food and energy subsidies, is also at risk. Even Saudi Arabia is taking precautions; the kingdom aims to double its wheat reserves to 1.4 million tons, enough to satisfy demand for a year.

Saudi has no plans to give up right to enrich uranium

DAVOS, Switzerland (Reuters) - Top oil exporter Saudi Arabia has no plans to forfeit its right to enrich uranium domestically, but is willing to consider alternatives in an effort to better relations with Iran, a key royal said on Wednesday.

Energy: Hydrocarbons in North America

North America is at the top of the food chain when it comes to consuming energy: Its inhabitants have nearly four times the average global per capita energy consumption.

Although Mexicans consume less than the global average, Americans consume 4.5 times and Canadians nearly 6 times as much. In absolute numbers, we in North America consume one-quarter of the world's primary energy production, even though we make up less than 7 percent of the world's population.

<u>Dallas highway interchanges a waste of valuable space</u>

Below is the High-Five at 75 and 635. How many hundreds of millions did this cost? Also costly, the land it takes up...

At the same scale, you can nearly fit the entirety of the independent nation-state of Vatican City.

Why fuel tokens will not work!

I already have fuel tokens. They reside in my wallet and bank account and are called money.

Sign Of The Times: Lights Going Dark On Major Area Highways

NEW YORK (CBS 2) – A sign of the times is turning into a potentially deadly danger for commuters.

In a dark manifestation of the new normal, lights on major highways are blinking out – and staying that way – and the American Automobile Association says New Yorkers may have to get used to it, reports CBS 2's Lou Young.

Urbanism in the Age of Climate Change

Many deny either the timing or the reality of these challenges. They argue that global demand for oil will not outstrip production and that climate change is overstated, nonexistent, or somehow not related to our actions. Setting aside such debates, my book, "Urbanism in the Age of Climate Change," accepts the premise that both climate change and peak oil are pressing realities that need aggressive solutions.

Civilisation Has a Future Beyond Oil

HAMBURG (IDN) - Each generation takes care of its descendants: This basic tenet is ignored when it comes to the energy systems deployed by most of the industrialised nations. The 'western' lifestyle today is based almost exclusively on fossil fuels. This will have to change if we want to pass on a more-or-less intact world to the generations to come. Not sometime in the distant future but now!

Stuart Staniford: Obama on Energy and Climate

I find it sad that there was no explicit discussion of the incontrovertible scientific fact that we are destabilizing our climate with our energy system. Elsewhere in the world, this can be discussed frankly, but in the US, out of deference to half the political spectrum being in total denial, the elephant in the room cannot be named. There are aggressive goals for converting the energy system to "clean energy" with no discussion at all as to why that might be necessary. I understand why the President did this: he needs Republican votes to pass anything and there's no point in antagonizing them.

Oil giant Saudi Arabia looks to alternative energy

RIYADH (AFP) — With vast oil reserves that are far from exhausted, Saudi Arabia, facing rising domestic energy demand that could cut into its oil exports, has decided to explore nuclear and renewable energy, Oil Minister Ali al-Naimi has said.

"We have started to take the required steps to utilise several energy sources locally, in particular solar and nuclear energy," he told a conference in Riyadh.

The kingdom has massive proven reserves. In November, Naimi put the figure at 264 billion barrels, and said Saudi Arabia was capable of supplying crude for the next 80 years at current production levels "even if we never found another barrel."

However, Saudi Arabia anticipates a rise in domestic energy demand, which within 20 years could see an increase in domestic oil consumption to around eight million barrels per day, approaching its current output, a former commerce minister and head of a Saudi energy research centre said.

Crude Oil Rises From Eight-Week Low as Chinese Demand Signs Prompt Buying

Oil rebounded from an eight-week low in New York as forecasts of rising Chinese demand this year spurred bets that crude's slump was exaggerated.

Futures climbed as much as 0.5 percent after the relative strength index, a technical measure used by traders, slipped to the weakest in five months, signaling prices may rally. The March contract dropped 7 percent in the six days leading to yesterday's settlement of \$86.19 a barrel, the lowest since Nov. 30. China's crude processing volume may rise 7.5 percent this year, the China Petroleum and Chemical Industry Association said in a report today.

Saudis boost term crude sales to China as oil use jumps

BEIJING/SINGAPORE Jan 26 (Reuters) - Saudi Arabia will boost contract crude sales by 10 percent to Asia's biggest refiner Sinopec this year as the world's top oil exporter cements its share of the world's fastest growing fuel market.

Riyadh is boosting exports to China for a third consecutive year, ensuring needs from the world's second-largest oil consumer are met, even as the kingdom stuck more closely to the late-2008 OPEC production targets than many of the group's other members.

Jeff Rubin: How do oil shocks cause recessions?

There are many ways that oil shocks affect the economy, and none of them is good. As the prices of gasoline, diesel and home heating fuel rise, consumers' energy bills eat up a growing share of their after-tax income, forcing cutbacks in more discretionary areas of spending. The next thing you know, people are going out to restaurants a lot less, taking fewer vacations and buying fewer clothes.

Slower oil price rises are in Saudi interests

When it comes to international oil markets, Saudi Arabia, the biggest OPEC exporter, has unparalleled power to move prices.

Knowing this full well, neither King Abdullah nor his oil minister Ali al Naimiare prone to making off-the-cuff remarks. So when one of them does make a statement on oil, traders from New York to Singapore sit up and listen.

Brent Oil's Record Open Interest Threatens WTI

Rising purchases of Brent crude contracts have driven holdings of the European benchmark oil grade to the highest level in five months relative to New York futures as investors bet it's a better gauge of global demand.

BlackRock Prefers Oil Explorers Over Exxon, Shell as Crude Prices Rebound

BlackRock Inc., the world's biggest money manager, said independent explorers and oil services providers are a better investment than the largest energy companies as crude prices rise.

Heritage Oil investors shun its giant Iraqi gas find

Shares in Heritage Oil unexpectedly plunged by 16pc on the news that it has made Iraq's biggest gas discovery for 30 years.

The frontier explorer, run by former mercenary provider Tony Buckingham, had been hoping to strike oil in Iraq's semi-autonomous northern region, Kurdistan.

'UK energy policy too gas focused'

The UK's new energy policy may cause overreliance on natural gas, hinder investment in low carbon technology and make climate change targets impossible to reach, according to a new parliamentary report.

Deep-Water Oil Drilling Stalemate Pits Explorers Against U.S. Regulators

Eight months after BP Plc tried using a device the size of a motor home to snuff out the biggest offshore oil spill in U.S. history, top oil companies haven't convinced regulators they can prevent another disaster.

The U.S. Interior Department is refusing to issue deep- water exploration permits because energy companies haven't shown they have "access to and can deploy containment resources" to deal with out-of-control wells on the sea floor, Melissa Schwartz, an agency spokeswoman, said yesterday.

China plans to expand energy tax nationwide

China's finance minister says Beijing plans to impose a nationwide tax on production of oil, coal and water to raise money for poor areas.

Mexico raises view of peak oil from Ku Maloob Zaap

MEXICO CITY (Reuters) - Mexico expects output from its Ku Maloob Zaap offshore heavy oil complex to continue to rise over the next three years as satellite deposits of crude are developed, according to a government report released on Monday.

Output from Ku Maloob Zaap (KMZ) should peak at 927,000 barrels per day in 2013, up from approximately 850,000 bpd at present, with the start-up of the Ayatsil and Pit satellite fields, Mexico's energy ministry said in its annual forecast of crude oil production.

Gazprom may use Belgian underground gas storage

Russia's gas giant Gazprom may use underground gas storage in Loenhout in Belgium, Gazprom said on Wednesday following a meeting between its CEO Alexei Miller and Belgian Prime Minister Yves Leterme.

Russian oil firms fined 15 bln rbls for price fixing

Large Russian oil majors LUKoil, Gazprom Neft, TNK-BP and Rosneft will have to pay a total of 15 billion rubles (\$500 million) in fines for inflating petrol prices in 2008-2009, Federal Antimonopoly Service (FAS) head Igor Artemyev said on Wednesday.

"The total volume of penalties will amount to 15 billion rubles," Artemyev told the State Duma, Russia's lower house of parliament.

EU 'to clear French takeover of British energy giant'

BRUSSELS (AFP) – The European Commission will clear the takeover of Britain's International Power by French energy giant GDF Suez on Wednesday, creating the world's second largest electricity producer, a source close to the matter told AFP.

Pirate Attacks Spur 36-Fold Increase in Ransoms

Somali pirate attacks are increasing, spurred by a 36-fold jump in ransoms in five years, raising costs for shippers and the threat to vessels carrying 20 percent of world trade.

Iraq and Kuwait seek to improve relations

BAGHDAD -- Iraq and Kuwait pledged Wednesday to work toward resolving border disputes and debt issues as the two former enemies seek to repair relations damaged by Saddam Hussein's 1990 invasion of the oil-rich emirate.

Clinton: Hezbollah govt in Lebanon bad for US ties

WASHINGTON (AP) — Secretary of State Hillary Rodham Clinton warned Tuesday that formation of a Hezbollah-dominated government in Lebanon will mean changes in the U.S. relations with the country.

The Obama administration is considering exactly how to respond to the new government forming this week in Beirut and has opened a review into its assistance programs to the country. Cuts or realignment to political, economic and military aid to Lebanon are likely if Hezbollah takes a major governmental role, officials said.

Organizers call for 2nd day of protests in Egypt

CAIRO – Egyptian activists on Wednesday used social networking sites to call for a fresh wave of demonstrations, a day after they staged the biggest protests in years in Egypt to demand the end of President Hosni Mubarak's nearly 30-year rule.

However, the Interior Ministry warned that police would not tolerate any gatherings, marches or protests, suggesting that security forces would immediately crackdown at the first sign of protesters gathering.

Regulators: Ice triggered gas fires in Ohio town

FAIRPORT HARBOR, Ohio – Ohio regulators say ice caused the buildup in natural gas pressure that triggered a house explosion, fires and an evacuation in one village.

Florida lawmaker seeks to block Cuba oil drilling

MIAMI (Reuters) – A Florida Republican congressman has sent a proposed bill to Congress seeking to block Cuba's plans to start its first full-scale offshore oil exploration with a deepwater rig located off the Florida Keys.

If approved, the draft bill by Congressman Vern Buchanan could deal a blow to Spanish oil giant Repsol YPF, which leads a consortium of international oil companies looking to drill for oil beneath the Caribbean island's part of the Gulf of Mexico.

<u>Iran offers energy projects to Turkey</u>

ANKARA (AFP) – Iran has offered Turkey several small oil and gas fields to develop, Turkish Energy Minister Taner Yildiz said on Monday.

Ankara plans to pass the proposal on to private companies, Yildiz told reporters, adding the offer would require an investment of \$100-200 million. He did not give other details.

The Peak Oil Catastrophe-in-waiting

The United States continues to slumber while a catastrophe lies in wait. Increasing numbers of analysts and policymakers are warning of another super price spike for oil and the likelihood of "peak oil" more generally.

Peak oil is the point at which global oil production reaches a maximum and then declines. The speed of the decline is a key unknown and if it is relatively fast, the results could be truly dire for economies around the world.

Obama sets 2035 clean electricity target

(Reuters) - U.S. President Barack Obama set a target for power plants to produce mostly clean electricity by 2035 -- including power from sources like clean coal and natural gas -- in his State of the Union address on Tuesday.

Obama also called for investment in clean technologies and urged Congress to eliminate billions of dollars in subsidies for oil companies.

Obama targets oil firms in State of the Union speech

Barack Obama rounded on oil companies calling for an end to tax breaks for energy giants in a highly charged State of the Union address which will be keenly read by major crude exporters such as Saudi Arabia and the UAE.

The US president also urged Americans to boost their clean energy consumption to 80 per cent in the next 25 years, a change he wants Congress to support.

Mr Obama's speech comes less than a year after a disastrous oil rig spill in the Gulf of Mexico that left many Americans resentful of energy companies that have benefited from generous tax breaks.

Roads, Bridges, High-Speed Rail Are at Top Obama's Transportation Agenda

Barack Obama said he will intensify efforts to repair the nation's roads, bridges and mass transit systems, calling the work necessary to create jobs and compete with nations that have made those investments.

In his State of the Union address yesterday, Obama said he will look to attract more private capital for big projects. Details on the spending and programs won't be provided until the budget is released next month, White House press secretary Robert Gibbs said before the speech.

Fuel standards may boost auto sales

Because the higher standards will cause makers to give consumers more technologies from which to choose, McManus forecasts Americans will buy 1 million, or 6%, more vehicles than they would without the higher mileage mandate.

McManus predicts the Detroit Three will sell 60% of that increase, which is significantly more than their combined U.S. market share of 45% in 2010.

Study: Roads are safer in urban areas

Your odds of dying in a motor vehicle crash vary dramatically because of one simple thing: where you live.

The safest places to drive in the USA are Washington, D.C., and Massachusetts. Among the most dangerous: Montana, Wyoming, Louisiana and Mississippi. Those conclusions are based on federal data of traffic fatalities per 100,000 population and per 100 million miles driven.

Consumers not yet warming to new light bulbs

Under federal law, incandescent bulbs are being phased out beginning next year when American manufacturers no longer will be allowed to make 100-watt bulbs. By Jan. 1, 2014, the only incandescents left on the market will be three-way bulbs, plant lights and appliance lamps — plus the final, old-school stragglers from 2013 assembly lines which could become pricey novelty items.

But while Thomas Edison's invention is slowly being dimmed into retail oblivion, consumers have been slow to accept the two emerging alternative technologies, known as CFLs and LEDs. The main complaints: CFLs, or compact fluorescent lights, cast a harsh, greenish beam, unlike the warm, amber glow of incandescents. LEDs are expensive and relatively unknown among American shoppers. Neither variety is universally available in dimmer form and, therefore, not always ideal for people partial to mood lighting.

Alternative Fuels Don't Benefit the Military, a RAND Report Says

The United States would derive no meaningful military benefit from increased use of alternative fuels to power its jets, ships and other weapons systems, according to a government-commissioned study by the RAND Corporation scheduled for release Tuesday.

The report also argued that most alternative-fuel technologies were unproven, too expensive or too far from commercial scale to meet the military's needs over the next decade.

In particular, the report argued that the Defense Department was spending too much time and money exploring experimental biofuels derived from sources like algae or the flowering plant camelina, and that more focus should be placed on energy efficiency as a way of combating greenhouse gas emissions.

The Future of Algae Fuels Is ... When?

Certainly a number of investors continue to bet on the promise of squeezing oil from algae in amounts substantial enough to put a dent in the use of petroleum-based fuels. And dozens of companies and academic labs are busy chasing that dream.

Despite all this, the Rand study's lead author, Jim Bartis, remained steadfastly skeptical that the technology would be ready for prime time within the next decade — and certainly not ready for widespread military use.

Pa. nuclear reactor shuts down after steam leak

BERWICK, Pa. - A steam leak has shut down one of the reactors at PPL Corp.'s Susquehanna nuclear plant in northeastern Pennsylvania.

France launches 10-billion euro tender for wind turbines

SAINT-NAZAIRE, France (AFP) – President Nicolas Sarkozy said Tuesday France was seeking bidders for a 10-billion euro (13.6 billion dollar) contract to build the country's first offshore wind-power facilities.

"Our aim is to have an outstanding national sector emerge to build the means to produce these off-shore wind turbines and to look towards exporting them," he said in a speech in the western port of Saint-Nazaire.

AP Interview: Gingrich calls for replacing EPA

DES MOINES, Iowa – Former House Speaker Newt Gingrich called Tuesday for the elimination of the Environmental Protection Agency, which he wants to replace with a new organization that would work more closely with businesses and be more aggressive in using science and technology.

In an interview with The Associated Press, Gingrich said the EPA was rarely innovative and focused only on issuing regulations and litigation.

Industry Boos Oscar Nod for 'Gasland'

"Gasland," a film that turns a harshly critical eye on the perils of natural gas drilling, has earned an Academy Award nomination for best documentary.

The Oscar nod guarantees even wider exposure for the controversial film, which uses images of flames leaping from kitchen faucets and polluted streams to make an argument for the dangers of hydraulic fracturing, or fracking, a drilling technique where water and chemicals are injected at high pressure deep underground to free up previously inaccessible natural gas deposits.

Author Jane McGonigal explains why 'reality is broken' (Q&A)

I investigated the reasons why games seem to have an increasing pull on us. We're up to 3 billion hours playing online games a week. I realized that compared to games, reality feels broken: it doesn't engage us or motivate us or inspire us or connect us as effectively and reliably as our best games do. This isn't necessarily a problem. Many people are effectively using games as a way to recharge from reality. But I think it clearly points to a problem with reality itself. Why should virtual worlds make us happier than the real world? Why shouldn't we feel as motivated, optimistic, ambitious, determined, resilient, and collaborative in our real lives?

Careful urban planning can help hold line on emissions - study

LONDON (AlertNet) – Cities are often blamed as the biggest producers of greenhouse gases, a concern for efforts to curb climate change as the world becomes increasingly urbanized.

But a new study shows wide differences in carbon emissions from cities and neighborhoods around the world, and suggests that thoughtful urban planning as cities expand could play a big role in limiting carbon emissions.

Why Seattle Will Stay Dry When Your City Floods

What's the best way to adapt to our rapidly warming world? That's the question journalist Mark Hertsgaard asks in his new book, *Hot: Living Through the Next Fifty*

Years on Earth. The following article is the first of a two-part adaptation about how American cities are preparing for global warming.

California, U.S. Agree on Emissions-Standards Announcement Date

The Environmental Protection Agency, the National Highway Traffic Safety Administration and the California Air Resources Board — the three agencies with primary responsibility for setting the next round of standards on fuel economy and greenhouse gas emissions for cars and light-duty trucks — have agreed to announce their proposals for 2017-25 model-year vehicles by Sept. 1, 2011, according to an E.P.A. press release issued on Monday.

CO2 Trading Halt Entering Second Week; EU Registers Still Closed

The European Union has yet to give notice that any of the bloc's 30 national offices for tracking emission allowances are ready to reopen, indicating a halt on spot trading will extend to a second week.

Waxman Presses Climate Skeptic on Industry Funds

In February 2009, Patrick Michaels, a former climatologist at the University of Virginia who is now a senior fellow at the Cato Institute, a conservative think tank, appeared before a House subcommittee to testify on the issue of climate change.

He stated that current climate models "can no longer be relied upon" in predicting future warming and that drastic action to curb emissions was unwarranted — conclusions welcomed by Republicans already disinclined to support the Democrats' cap-and-trade bill, which was approved by the House that June.

Now Representative Henry Waxman, a Democrat who served as chairman of the powerful House Committee on Energy and Commerce and co-sponsored the bill, is demanding answers on whether the scientist misled the committee on the sources of his financing.

Canada urged not to wait for U.S. on climate plan

VANCOUVER (Reuters) – Canada should push ahead on its own with climate-change policies that would a price on carbon emissions, and not wait for the United States to act, a federal panel urged the government on Tuesday.

Harmonizing the two closely tied countries' rules for cutting greenhouse gas emissions is a reasonable idea, but Ottawa should develop its own rules first because U.S. climate-change policies are currently caught up in political uncertainty, the panel said.

TROMSO, Norway (UPI) -- It's unlikely that the five littoral nations of the Arctic Ocean will go to war over undiscovered oil and gas reserves, an assessment by the U.S. Navy says.

Melting sea ice is exposing untapped reserves of oil and natural gas in the polar regions of the Northern Hemisphere. U.S. Navy Rear Adm. Dave Titley said at an arctic conference in Norway that commercial shipping lanes could open through the arctic as early as 2035.

In the Arctic, Canada willing to fight to keep the true north free

Despite Ottawa's conciliatory approach toward the mineral and fuel-rich Arctic region, however, Canadians have adopted a confrontational stance.

A new opinion poll finds that Canadians are generally far less receptive to negotiation and compromises on disputes than their American neighbours. More than 40 per cent of Canadians said the country should pursue a firm line in defending its sections of the North, compared to just 10 per cent of Americans.

New shipping rules urged to avert "Arctic Titanic"

(Reuters) - The Arctic Ocean needs tough new shipping rules as a rapid thaw opens the remote, icy region and brings risks of disasters on the scale of the Titanic, politicians and experts said on Monday.

Cold Jumps Arctic 'Fence,' Stoking Winter's Fury

Europe and the United States have had two consecutive severe winters, but it is freakishly warm 2,000 miles to the north.

Survey to probe Arctic ice melt

This year's Catlin Arctic Survey will focus on the thin layer of water immediately under the floating ice.

Arctic ice is melting faster in summer than many computer models predict.

Survey data could improve forecasts of the region's future, and also show how likely it is that the flow of warm water in the North Atlantic, known as the Gulf Stream, will switch off.

This would bring colder weather to the UK and other parts of western Europe.

Ancient mass extinction tied to torched coal

A massive toxic coal ash burn 250 million years ago may have helped lead to the biggest episode of mass extinction in Earth's history, geologists said.

Known as the "Permian" extinction, the event led to more than 90% of marine species recorded in the fossil record disappearing, and 70% of land animals, largely amphibians. The event has been tied to massive eruption of Siberian volcanic fields, at a time when the world's continents were melded into one super-continent, Pangaea.

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