



## Drumbeat: October 26, 2012

Posted by [Leanan](#) on October 26, 2012 - 9:45am

### [Windmills Overload East Europe's Grid Risking Blackout](#)

Germany is dumping electricity on its unwilling neighbors and by wintertime the feud should come to a head.

Central and Eastern European countries are moving to disconnect their power lines from Germany's during the windiest days. That's when they get flooded with energy, echoing struggles seen from China to Texas over accommodating the world's 200,000 windmills.

Renewable energy around the world is causing problems because unlike oil it can't be stored, so when generated it must be consumed or risk causing a grid collapse. At times, the glut can be so great that utilities pay consumers to take the power and get rid of it.

### [Asking Richard Heinberg: Is the world running out of oil?](#)

FLORIDA — When it comes to generating electricity, nuclear energy is often mentioned as a preferable alternative to fossil fuels. While it seems great on paper, how does it stand up in practice? Or do fossil fuels retain the edge in cost and efficiency?

The "Peak Oil" theory is a controversial element of our nation's discussion over energy policy, and a widely misunderstood one. How might "peak oil" be explained? Are useful oil reserves being depleted, and if so, when should we expect production to decline?

In this second part of our discussion, Richard Heinberg, one of today's foremost advocates for energy sustainability, shares his views regarding these subjects. He also describes his life and career.

Part 1 is [here](#)

### [Richard Heinberg: President Declares 'War on Entropy'](#)

(Washington, DC) At a hastily organized news conference, president Obama this morning called for a new national effort to restore America's greatness by combating "entropy." Mr. Obama described entropy as "a self-defeating ideology of failure" and called on Congress to replace the Law of Diminishing Returns with a new legislative agenda geared to reversing a range of trends in resource depletion and economic stagnation. "I have directed the Attorney General to identify loopholes in the Second

Law of Thermodynamics," the president said, "that would allow our nation's prosperity to advance indefinitely."

### [Peak Price Not 'Peak Oil', Free 26 Page Report](#)

In July 2008, when crude oil prices were at \$148 a barrel and "peak oil" bulls were forecasting a rise to \$200, even \$300 a barrel, contrarian technical analyst Robert Prechter took the opposite stance:

"One of the greatest commodity tops of all time is due very soon," he wrote in his June 2008 Elliott Wave Theorist.

By December 2008, a barrel of oil cost just \$32.

### [Oil Set for Second Weekly Drop on Demand Outlook, Supply](#)

Oil in New York rebounded after better-than-forecast U.S. economic figures fueled speculation that energy demand in the world's largest crude user will increase.

Futures rose as much as 0.3 percent after earlier dropping as much as 1.2 percent. The U.S. economy expanded by 2 percent in the third quarter, 0.2 percent more than forecast, paced by a pickup in consumer spending, a rebound in government outlays and gains in residential construction, a government report today showed. Crude is still set for its largest weekly drop in a month amid increasing stockpiles.

### [Heating oil inventories low for Northeast. Price spike ahead?](#)

Distillate inventories in the Northeast part of the United States are far below normal levels. As a result, the Energy Information Administration (EIA) is warning that "low distillate inventories could contribute to heating oil price volatility this winter." They forecast that retail heating oil prices in the area will average \$0.07 per gallon higher than last year's record average of \$3.73 per gallon.

The culprits behind the low inventories are a series of refinery outages, closure of refineries in that area, and to a lesser extent consumers switching from heating oil to natural gas.

### [Worst Storm in 100 Years Seen for Northeast U.S.](#)

Utilities along the East Coast were monitoring the storm. Nine mid-Atlantic power companies held their first conference call Oct. 24 to discuss how crews will be dispatched to the hardest-hit areas, Myra Oppel, a spokeswoman for Pepco, Washington's electric utility, said yesterday in an interview.

### [Insider trading rules should apply to oil outages](#)

(Reuters) - Severe maintenance overruns at Nexen's Buzzard oilfield have highlighted the need for a better regime for disclosing price sensitive information about oil output and problems in the North Sea.

### [Cnooc and CPC plan joint deepwater exploration pact](#)

TAIPEI -- State controlled energy firms in China and Taiwan are preparing to jointly explore for natural gas in deepwater in the Taiwan Strait, having failed to make significant shallow-water finds despite nearly a decade of prospecting together.

### [Rosneft Narrowing Gap to Exxon on Buyout Deal](#)

OAO Rosneft is trading at the smallest discount in four months to the world's most valuable energy stocks as the Russian company's planned takeover puts it in line to become the biggest global crude producer.

### [Czech oil crunch a warning to inland Europe refiners](#)

(Reuters) - Russia's decade of investment in new oil export capacity is turning the table on inland European refineries. Where once they were privileged customers at the end of a dedicated export pipeline they are now fighting at a disadvantage for crude.

The situation in the Czech Republic is an excellent example. Local oil refiner Ceska Rafinerska has been forced to shut down its Kralupy plant due to a lack of crude oil.

### [Bloody battles put Syrian truce to test](#)

(CNN) -- Snipers in Damascus. Soldiers shooting protesters. Clashes outside a military camp.

The allegations of violence by the Syrian opposition came just hours after a temporary cease-fire was to have taken hold on Friday, dimming hopes that the killings that have wracked Syria would stop.

### [Logistics hub for Iraqi oil](#)

The chronic bottlenecks plaguing Iraq's oil and gas sector could soon be eased by a dedicated industry logistics hub near Basra, the country's maritime gateway.

## [Shale oil and gas boom puts global warming issue on the back burner](#)

A technological revolution is transforming the world's energy landscape as we move from an expectation of shortages of oil and gas to a new era of abundance. The development of natural gas from shale, that has already taken off in the US, and a variety of technologies are creating new options for oil development, so much so that the notion of peak oil has vanished from the conversation.

We can expect some consequences. Chief among them is the fact that, as energy gets more abundant, the incentives to develop clean, renewable energy drop dramatically. As a result, we are no longer looking at an age of increasing solar, wind and nuclear power. We are moving into a renewed hydrocarbon era of oil and gas. That's very bad news for climate change.

## [Railroads and the Unavoidable Coal Fiasco](#)

The process of hydraulic fracturing, or "fracking," has led to a natural gas boom, resulting in a severe decline in demand for coal. In fact, for the first time in history, electricity generated by natural gas has surpassed electricity generated by coal. This poses a problem for railroads, who generate high-margin business from coal shipments. A closer look will help us see how the coal decline will affect railroads and how individual railroad companies are positioned to face these challenges.

## [China's Second Shale Gas Block Auction Garners 152 Bids](#)

China's Ministry of Land and Resources (MLR) said Thursday in a published statement that it received 152 bids for 19 of 20 shale gas blocks offered through a tender process which opened last month.

## [Chesapeake Is Planning To Frack Within A Mile Of A Nuclear Plant](#)

Natural gas giant Chesapeake Energy has been given permission to drill for natural gas via hydraulic fracturing, or "fracking," one mile away from the Beaver Valley Nuclear Power Station in Shippingport, Pennsylvania, according to multiple reports.

## [Experts cautious as oil giant BP cracks the Arctic](#)

Arctic experts are calling for more research as British energy giant BP and Russian oil company Rosneft eye new offshore drilling opportunities in the fragile north.

Drilling for oil offshore is risky anywhere, but conditions in the Arctic make this kind of work particularly complicated. John Farrell is a marine geologist and the director of the US Arctic Research Commission. In an interview with DW, he explained that drilling or spill cleanup in the Arctic is complicated by extreme cold, strong winds, breakaway ice

blocks and, in the winter, limited daylight.

### [Capacity Fees May Be Disguised Utility Subsidies, Poyry Says](#)

Energy policy in Europe has lost faith in markets to deliver sustainable, secure and affordable power and may be sending the industry “spiralling” into subsidy dependence, according to Poyry Oyj.

### [Nuclear is 'shovel-ready' but government and industry still need to work together](#)

But the reality is that North Sea gas is depleting and the UK is now increasingly dependent on imports from Norway and Russia. While shale gas should be investigated it will not be a cheap and easy ride. Even BP has said that usable shale gas resources in Europe are limited.

So our challenge remains the same: we need a balanced energy mix, which delivers security of supply, affordability and decarbonisation.

New nuclear has a vital role to play as part of the mix, alongside renewables, and gas and coal fitted with carbon capture and storage.

### [California Probes Shutdown of Edison Nuclear Plant](#)

The California Public Utilities Commission voted to open an investigation into the causes and costs of the shutdown of Edison International (EIX)'s San Onofre nuclear power plant in Southern California.

The commission voted 5-0 today to determine if customers should be charged for repairs and other expenses related to San Onofre, which has been shut since January after investigators found unusual wear on steam generator tubes. The commission will also determine the cost-effectiveness of repairing or replacing the generators.

### [EON, RWE Said to Sell Nuclear JV for About \\$967 Million](#)

EON AG and RWE AG, Germany's two largest utilities, are set to sell their U.K. venture Horizon Nuclear Power to Japan's Hitachi Ltd. (6501) for about 600 million pounds (\$967 million), people familiar with the matter said.

### [World's Most Powerful Laser Beams to Zap Nuclear Waste](#)

The European Union will spend about 700 million euros (\$900 million) to build the world's most powerful lasers, technology that could destroy nuclear waste and provide

new cancer treatments.

### [High-speed rail efforts gain momentum across the country](#)

The fields of north-central Illinois may seem like an unlikely backdrop to showcase the future of the nation's transportation system, but for fans of high-speed rail, they may have done just that.

On Friday, a train on Amtrak's Chicago-St. Louis corridor traversed those fields at a speed of 111 mph., 40 percent faster than the line's normal top speed of 79 mph and faster than any U.S. train outside Amtrak's Northeast Corridor.

### [An Airline Fleet Fueled by Natural Gas](#)

At the end of next year, Qatar Airways is scheduled to open a new airport that will include a 25-meter swimming pool and squash courts, among other amenities. But it will also be extraordinary from an energy standpoint because it will pump airline fuel made from natural gas.

Qatar has relatively little oil and vast supplies of natural gas. Oil goes on tankers to distant destinations, but moving natural gas is much harder for the Persian Gulf emirate. So Royal Dutch/Shell built a gas-to-liquids plant called Pearl that makes a variety of liquid fuels.

### [Industry study backs green natural gas](#)

WASHINGTON (UPI) -- A survey prepared for two U.S. natural gas trade groups claims greenhouse gas emissions from gas production are lower than expected.

### [Ford closing two more European plants](#)

Ford and rival General Motors have been reporting strong profits in the United States, but European losses have been mounting. Sales there are at a 20-year low due to high unemployment and recession conditions in many countries, brought about by the European sovereign debt crisis.

Europe also has labor laws that make it expensive and time-consuming to close plants, which has led to significant overcapacity in the auto industry there.

### [Toyota Targets 20% October U.S. Gain on Camry, Prius](#)

Toyota Motor Corp., rebounding in the U.S. after four years of falling sales, may report a

20 percent rise in October deliveries on demand for Camry sedans and Prius hybrids, U.S. Group Vice President Bill Fay said.

### [Questions Linger on Battery Prices in Electric Cars](#)

More critical in the long term is the question of whether the crucial lithium ion cells will become cheap enough, at a fast enough pace, to make pure electric and plug-in hybrid cars economically practical. After a rapid rate of price declines in the 1990s, the rate has slowed.

“Our view is that battery costs are coming down,” Mr. Sankaran said, adding that there is consensus that by 2020 battery prices will have reached an economically practical level — in the range of \$200 to \$250 a kilowatt-hour. That is a significant decline from the \$1,000-a-kilowatt-hour cost that was the auto industry’s rule of thumb until recently.

### [Public charging stations fuel desire for electric cars](#)

Public charging stations are sprouting up across the country, often backed by public-private partnerships or businesses trying to lure customers who are waiting for their cars to charge.

They're also a lifeline for apartment and condo residents who want an electric car but have no way of charging them at home.

### [Masdar plans energetic push in region](#)

Masdar, Abu Dhabi’s renewable energy company, is in talks to broaden its footprint across the region.

"There are projects under discussion in Morocco, in Jordan, the Sultanate of Oman and also the Kingdom of Saudi Arabia," said Sultan Al Jaber, the chief executive.

### ['Green' growth fuels an entire industry](#)

When Rob Watson was writing the nation's first private standard for environmentally friendly construction in the 1990s, he wanted to require "green" buildings to get recertified after five years to prove they were actually conserving energy and water.

But Watson, an environmentalist and early U.S. Green Building Council member, was rebuffed by council marketers who feared that developers would shun a green standard if they knew they could lose certification down the road.

### [After Federal Jolt, Clean Energy Seeks New Spark](#)

The spending package provided billions for high-speed rail and mass transit, for job training and for carbon capture demonstration projects.

But the stimulus money is almost all gone, leaving many of these projects without a government benefactor and making them orphans in a competitive marketplace dominated by the deep-pocketed fossil fuel industries.

What happens now?

### [BP Changes Ethanol Plans in Florida](#)

TALLAHASSEE - Plans for a 36-million gallon per year ethanol plant in Highlands County are being scrapped by BP Oil, which announced Thursday it will seek investment opportunities elsewhere.

Backing off plans announced in 2008 to build the cellulose-based ethanol plant in south-central Florida, BP said it is ending its pursuit of commercial ethanol production in the United States entirely and will instead focus on developing the next generation of bio-fuel technology.

### [A Multitude of Oysters? Looks Can Be Deceiving](#)

Sal Sunseri, sales manager at the P&J Oyster Company in New Orleans, the oldest shucking operation in the United States, said that while business has gradually been improving since the 2010 spill, the company is still at only 35 percent of its normal production – and the company has yet to resume shucking its own oysters.

### [Cities Enticed by Pay-if-You-Save Energy Deals](#)

WHEN the city of Brea, Calif., about 25 miles southeast of Los Angeles, set out to reduce its carbon emissions and save money on energy costs, the challenge was the same faced by many other cities nationwide: allocating the funds to pay for the program.

Finding projects to make city buildings more energy efficient was far easier. So the city turned to a form of financing that has become common among government agencies at all levels: an energy-savings performance contract that requires no upfront costs and allows the city to pay for the project over time using the savings on utility bills.

### [EU environment ministers in disarray over 'hot air'](#)

LUXEMBOURG (Reuters) - EU talks to agree tactics ahead of an international climate

summit in Doha next month ended in disarray on Thursday, after coal-dependent Poland led opposition to more ambitious attempts to curb atmospheric pollution.

### [Both Romney and Obama Avoid Talk of Climate Change](#)

WASHINGTON — For all their disputes, President Obama and Mitt Romney agree that the world is warming and that humans are at least partly to blame. It remains wholly unclear what either of them plans to do about it.

Even after a year of record-smashing temperatures, drought and Arctic ice melt, none of the moderators of the four general-election debates asked about climate change, nor did either of the candidates broach the topic.

### [Terzic: Energy's True Cost Increasingly Reflects CO2 Management](#)

In an article published yesterday, Deloitte Center for Energy Solutions Executive Director Branko Terzic challenged American voters to educate themselves about the "true cost of energy" in order to enrich the energy policy debate. The former member of the Federal Energy Regulatory Commission explained that one of the two components of this true cost is time-of-use pricing, which would give utility customers richer information about the supply of and demand for electricity and natural gas.

Terzic also sees the true cost of energy increasingly reflecting the costs that power plants, refineries and other industrial facilities bear to manage their emissions of carbon dioxide into the atmosphere. Such costs may be in the form of deploying emission control technologies at plants, paying carbon taxes or buying carbon credits under an emissions trading scheme. Terzic groups these costs into three tiers, ranging from short-to long-term and transitioning from adaptation to mitigation.

### [The Peak Oil Crisis: The End Game](#)

It is becoming clearer all the time that mankind is approaching a major turning point in its tenure on this planet. Recent reports on the speed with which our climate is deteriorating suggest that much of our earth will become uninhabitable sometime within the next 100 to 200 years. Small pockets of humanoid DNA may make it through the climatic catastrophe ahead to establish new civilizations in coming millennia; however, very few of the some 7 billion of us running around on earth today are going to have living descendants a few hundred years from now.

Without going into the myriad of details, the new reports forecast that the temperatures will get very high; the oceans will flood the coasts and no longer contain much fish; pandemics will be prevalent; and the storms will be so fierce that there simply will not be enough food or habitable areas to keep us all going.



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