



## Drumbeat: July 19, 2013

Posted by [Leanan](#) on July 19, 2013 - 11:04am

### [Peak oil, not climate change worries most Britons](#)

(Reuters) - Most people in Britain want to reduce reliance on fossil fuels, but due more to fears of shortages and rising prices than to fears about climate change, according to a poll developed by researchers at Cardiff University and funded by the UK Energy Research Centre.

Nearly 2,500 people were surveyed across England, Scotland and Wales in August 2012. The results, published on Tuesday in a report on "Transforming the UK energy system: public values, attitudes and acceptability," provide a trove of information about public opinion on climate and energy policy.

### [R.I.P. Peak Oil As Oil Drum Closes Down](#)

Print publications go out of business because the well of subscribers willing to pay for paper by snail-mail dries up. But it's rare for an on-line publication to close down because the well of ideas and content dries up.

But this month the iconic blog The Oil Drum, announced it's shutting down because of the "...scarcity of new content caused by a dwindling number of contributors." The Oil Drum was a forum, arguably the best such, dedicated to the "peak oil" theory; the idea that mankind's ability to produce oil had peaked and particularly in the hydrocarbon fields of America. The inevitability and urgency to subsidize alternatives to hydrocarbons was fueled by the peak oil theory.

But what peaked instead was the ability to argue that the era of oil, and hydrocarbons, was over.

### [What North Texas company helped kill the Peak Oil theory?](#)

Instead of predicting a Road Warrior-like apocalypse where people fight over a barrels of oil, nowadays we see wild projections for how much oil reserves the Earth holds and it seems to get bigger all the time.

There will be a time for Peak Oil Theory, but it's not any time soon.

## [Is Peak Oil Dead or Just Postponed?](#)

Still, the peak oil is dead narrative has been reinforced in recent weeks with news that The Oil Drum, a popular intellectual locus for peak oil conversation on the web, is closing down at the end of the month. The official announcement cites “the high expense of running the [web]site” and a “scarcity of new content,” but it’s hard to imagine this coming to pass if the world wasn’t suddenly swimming in newly tapped fossil fuel reserves. Perhaps the cognitive dissonance became too much to bear.

## [No Peak Oil Really Is Dead](#)

This is where the science gets “cluttery.” None of this, so far, says anything about the vast kerogen cycle in general or what one might do to tap into it. It is only about these little pockets. Some Peak Oil enthusiast will acknowledge this by saying “only the tiniest fraction of petroleum can be profitably extracted” Not to be too glib here but one’s response has to be “how do you know, have you tried?” Because the answer is no, they haven’t tried. No one until recently tried. Because, why would you. We had not yet exhausted the over 100 year-old insight that a lot of this stuff gets trapped in little pockets. Not only that, but people were getting absurdly rich just by being the first one to find a new pocket. It was like a 100 year long gold rush.

## [Has Peak Oil Been Vindicated Or Debunked?](#)

Now with some subsequent years of data we can see that despite the slow growth in developed countries prices have very certainly not returned to the halcyon days of the Reagan-Clinton years. We can see that the Iraq/Kuwait price spike actually looks like a bit of a joke. We can see the impact of the unconventional oil, which has created this anomalous gap between the WTI price and the Brent price. It's a big gap. This is nothing to sneer at. Not only is it causing an economic boom in North Dakota and select portions of Texas, but it plausibly explains some of why America's overall economic performance has been so much better than Europe's. But even so, America's oil boom hasn't pushed U.S. oil prices back down to mid-aughts levels and it certainly hasn't pushed U.S. oil prices back down to 1990s levels. The good old days of genuinely abundant liquid fuel really do appear to be behind us.

## [The Last Oil Frontier](#)

WTI Crude is at \$105.77. Brent Crude is at \$108.14.

Despite the rapid gains in U.S. oil production (up 48% since 2008), the price remains high.

On the surface, this doesn't make a lot of sense...

## [Sen Sees Saudi Fuel Oil Use Rise as Gas Cuts Crude Burn](#)

Saudi Arabia is boosting imports of fuel oil to supplement the use of natural gas to generate power and cool homes in the summer months, freeing up more of its crude for export, according to Energy Aspects Ltd.

“Fuel oil is on the rise, especially as prices had fallen quite sharply earlier in the year,” Amrita Sen, chief oil market analyst at the London-based consultant, said by e-mail yesterday. “With new fuel-oil power plants operating, we would continue to see fuel-oil burn rise.”

### [WTI Little Changed After Giving Back Earlier 1.2% Advance](#)

West Texas Intermediate crude was little changed in New York after reversing an earlier advance of 1.2 percent.

WTI for August delivery fell 1 cent to \$108.03 a barrel at 9:58 a.m. on the New York Mercantile Exchange. Earlier it climbed to \$109.32, the highest intraday level since March 1, 2012. The volume of all futures traded was 51 percent above the 100-day average for the time of day. The futures have gained 12 percent in July.

### [Gasoline Slides as Supplies Rise Even as Refiners Shut Units](#)

Gasoline fell as supplies are rising even as refiners have shut units for unplanned work and fuel production is down.

Futures slipped as the Energy Information Administration reported yesterday that gasoline supplies rose 3.06 million barrels last week to 224.1 million. Demand sank 6.1 percent from a week earlier. Gasoline output fell 5.6 percent to 9.05 million barrels a day, the lowest rate in seven weeks, as refiners shut process units.

“The build was quite surprising given the problems we’ve seen and it’s pressuring gasoline prices,” said Andy Lipow, president of Lipow Oil Associates LLC in Houston.

### [Why the spike in gas prices won't hurt spending](#)

Whenever drivers see spikes such as these, it makes headlines. Rising gas prices can drag down the economy because it leaves less money in the pockets of consumers to spend on other things. It was back in December 2007 when the surge in oil prices helped push the U.S. economy into recession. The housing and banking crisis played a major role, but so did oil shocks; they hurt consumer spending and the auto industry, research has shown.

But as a rule of thumb, economists say consumers generally don't really notice they're paying more at the pumps until gas hits the \$4 a gallon mark. Unless you live in California, Hawaii and Alaska, where prices have risen above \$4, most drivers aren't feeling the pinch. States like Connecticut, Illinois, Michigan Washington, Oregon and the

District of Columbia are close, but it's unlikely that consumers across the rest of America will pull back their spending this year because of higher gas prices.

### [Petrol prices could soar by 5p a litre, warns AA](#)

Petrol pump prices could soar 5p a litre, burning a hole in the pockets of holiday motorists, the AA has warned.

A surge in the wholesale cost of petrol across Europe has already led to a rise in UK petrol and diesel prices, with more misery possibly to come, the AA said.

### [Why gas prices are likely to keep climbing](#)

Tom Kloza, chief oil analyst for GasBuddy.com predicts that there's at least a 50% chance gas could top the \$3.79 a gallon high for the year reached in February.

### [Ras Tanura Oil-Tanker Capacity Seen Jumping 29% in Latest Week](#)

The combined carrying capacity of oil tankers calling at Saudi Arabia's Ras Tanura jumped 29 percent in the week ended July 13, vessel-tracking data compiled by Bloomberg show.

The implied capacity of vessels calling at the world's largest crude-export complex expanded to the equivalent of 9.61 million barrels a day from 7.46 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.

### [China Pumps Crude at Fastest Pace Since 2010 as Oil Prices Climb](#)

China is pumping crude at the fastest pace in more than two and a half years as explorers in the world's second-largest oil consumer seek to profit from rising prices.

The country produced 17.44 million metric tons of crude last month, figures from the National Bureau of Statistics in Beijing show. That's equivalent to 4.26 million barrels a day, the highest rate since November 2010 when output reached 4.28 million barrels a day, according to Bloomberg calculations based on the data.

### [OPEC Crude Shipments Near to Seasonal Peak, Oil Movements Says](#)

Crude shipments from the Organization of Petroleum Exporting Countries rose to near

their highest for the year as refiners have purchased most of their requirements for the peak summer season, Oil Movements said.

The group, which supplies about 40 percent of the world's oil, will export 24.16 million barrels a day in the four weeks to Aug. 3, an increase of 40,000 barrels from 24.12 million in the period to July 6, the tanker tracker said today in an e-mailed report. The figures exclude two of OPEC's 12 members, Angola and Ecuador.

### [Canada's inflation rate jumped 1.2% in June on gas and auto price rebound](#)

OTTAWA — Consumer prices picked up speed last month, fueled by higher the cost of gasoline and cars, but that is unlikely to nudge Canada's monetary policymakers any closer to a change in interest rates.

### [U.K. plans big tax breaks for shale gas](#)

ONDON (CNNMoney) The U.K. government is planning to slash taxes for energy companies in a bid to stimulate a U.S.-style shale gas boom.

The Treasury has proposed cutting the tax rate on production income to 30% for the fledgling shale gas sector, compared to the typical 62% rate that most oil and gas companies pay.

"Shale gas is a resource with huge potential to broaden the U.K.'s energy mix," said Chancellor George Osborne. "We want to create the right conditions for industry to explore and unlock that potential."

### [UK happy to hand power to foreigners](#)

The United Kingdom has been relaxed, to say the least, about the fact that most of its energy network is now owned by foreign companies.

### [Temasek Racing Exxon to Build Biggest LNG Terminal Stash](#)

A Temasek Holdings Pte unit is up against Exxon Mobil Corp. and Royal Dutch Shell Plc in a contest to fill storage tanks that will hold three times as much liquefied natural gas as Singapore will consume this year.

### [Israel's Deepest Well Targets 1.5 Billion Barrels of Oil](#)

The deepest oil well drilled in Israel's 65-year history may be the most important.

Houston's Noble Energy Inc. (NBL) will probe 6,500 meters (4 miles) below the

Mediterranean seabed later this year, targeting as much as 1.5 billion barrels of crude, equal to about 15 years of Israeli demand.

### [Schlumberger soars on global drilling boom, Baker hit at home](#)

(Reuters) - A three-decade high for drilling activity outside North America lifted Schlumberger Ltd to its seventh straight estimate-topping quarterly profit, while U.S.-focused Baker Hughes Inc came up short in a tough quarter at home.

Shares of global oil services sector leader Schlumberger rose 4 percent to \$81.69 in trading before the New York Stock Exchange opened on Friday, while Baker Hughes slipped 2 percent to \$48.

### [Egypt's Brotherhood Stirs Protest After Rejecting Cabinet](#)

Supporters of Egypt's deposed Islamist President Mohamed Mursi held demonstrations in Cairo and other cities early today after rejecting the new interim government and its offer of reconciliation talks.

### [TransCanada Says Keystone XL Start in 2015 'Difficult'](#)

TransCanada Corp. Chief Executive Officer Russ Girling said the timeline for U.S. approval of the \$5.3 billion Keystone XL pipeline project will make the start of operations in the second half of 2015 "difficult."

### [TransCanada Rebuffs EPA's Call for Keystone Clean Energy](#)

The U.S. Environmental Protection Agency says TransCanada Corp. (TRP) should be required to buy renewable power to run pumps along the route of its proposed Keystone XL pipeline, a measure the company said is unworkable and unnecessary.

### [DOE study: Fracking chemicals didn't taint water](#)

PITTSBURGH (AP) — A landmark federal study on hydraulic fracturing, or fracking, shows no evidence that chemicals from the natural gas drilling process moved up to contaminate drinking water aquifers at a western Pennsylvania drilling site, the Department of Energy told The Associated Press.

### [Beyond San Onofre's closure](#)

The decision to shut San Onofre was at base economic; its majority owner decided that

the probable costs and regulatory uncertainty were too great to risk going forward with the repair or replacement of the plant's steam generators. Although Southern California Edison claimed that the problem at San Onofre was unique and not a reflection on the viability of the national nuclear industry, nuclear power experts have repeatedly remarked on a trend: Under competition from cheaper energy sources, some utilities are shuttering nuclear plants licensed to run for years hence. Earlier this year, Virginia-based Dominion decided to close the Kewaunee nuclear plant in Wisconsin "based purely on economics." In February, Duke Energy announced it would close its Crystal River nuclear plant in Florida and look to replace its output with other sources.

### [Corrupt CPUC Chair Peevy And Utility Controlled Commission Delays Full Probe Of NUKE Plant](#)

Corrupt California PUC Chair Michael Peevey and the utility controlled commission are refusing to do a full investigation of the San Onofre NUKE plant outage and leak causing the shutdown. Peevey appointed by former governor Gray Davis was an executive of Southern California Edison and is still taking money from them while on the commission that is supposed to regulate these utilities.

### [Native wood to be used for fuel](#)

Thousands of tonnes of wood from native forests will soon be burnt in power stations, after the state government said it intends to change the rules so that timber offcuts and woodchips can be used as fuel.

The NSW Environment Protection Authority said the change would make better use of waste wood from logging, but conservation groups claim it would entrench logging and destroy native habitat.

### [SoftBank Forms a Fuel Cell Venture With a Silicon Valley Start-Up](#)

TOKYO — When Masayoshi Son, SoftBank's chief executive, first visited the Silicon Valley fuel cell start-up Bloom Energy late last year, one word came to his mind: crazy.

But the fuel cell technology — which promised efficient, cleaner and increasingly inexpensive "energy in a box" — intrigued him. After several more visits, Mr. Son was convinced that Bloom's sleek fuel cells were a perfect fit for Japan, energy-poor and made even more so by an almost complete shutdown of its nuclear energy program after the 2011 Fukushima disaster.

### [China's Feud With West on Solar Leads to Tax](#)

Escalating a long-simmering trade dispute with the West over solar panels, China plans to impose tariffs that could exceed 50 percent on a material it imports from the United States and South Korea to make the panels, its Ministry of Commerce announced on Thursday.

The decision, which goes into effect next week, is a blow to the American industry, which analysts say counts China as its largest customer for solar-grade polysilicon, the main ingredient in solar panels.

### [Since All Solar Panels Are Not The Same, It's Important To Test Them](#)

If you look at the issue of solar panels, you quickly discover that there are numerous makes, models, and sources. With hundreds of manufacturers, many of them from China and other overseas markets, it's probably not surprising that there can be a vast difference in panel quality – not only among various brands, but between specific factories and individual panels. This matters a good deal, as investors are counting on panel performance expected to last 25 years or more, and making sizable bets, in the hundreds of millions of dollars. It's going to matter even more in the years to come: Navigant recently issued a report projecting global solar installations of 438,000 MW by 2020, with \$134 billion in annual revenues.

### ['Smart' streetlamps save energy by lighting up only when you're near](#)

(CNN) -- Imagine if a streetlamp knew you were coming. It could announce your arrival from a distance. If you were on a date, it could help set the mood. It could ring in the new year with dazzling effects, change color at will, even announce days in advance when its bulb was set to blow.

In fact, there is nothing future-tense about this fantastical vision; in a handful of municipalities in Europe, streetlights have become downright chatty.

### [Western drought prompts feds to truck water and food to wild horses](#)

Persistent drought in the West has prompted federal agencies to begin hauling water to wild horse herds in Nevada and restricting public lands grazing across the region.

In one part of Lincoln County, Nev., the Bureau of Land Management said it is trucking 25,000 gallons of water per day, five days a week to four locations at a cost of \$5,000 per day.

### [Thirsty clean energy may add to water stressed world](#)

While cutting emissions is necessary to curb global warming, some renewable and clean energy sources use more water than fossil fuel-powered plants, finds a report released this week by the US Department of Energy (DoE) that looked at how resilient the US's power infrastructure is to climate change.

The biggest users of water in the US are power plants, particularly the fossil fuel and



nuclear plants that together generate almost 90 per cent of the nation's energy. Nearly half the water the US consumes is used to cool these plants and drive their turbines.

### [Climate Change Could Deprive Volta Basin of Water Needed to Boost Energy and Food Production](#)

A new study released today finds that so much water may be lost in the Volta River Basin due to climate change that planned hydroelectric projects to boost energy and food production may only tread water in keeping up with actual demand. Some 24 million people in Ghana, Burkina Faso and four other neighboring countries depend on the Volta River and its tributaries as their principal source of water.

### [Carbon programs' backlash in Australia, EU bode ill for U.S. efforts to fight climate change](#)

Recent stumbles in Europe and Australia to implement ambitious climate change programs are providing a "cautionary tale" for the Obama administration and U.S. lawmakers as they consider how to fulfill President Obama's drive to reduce U.S. greenhouse gases.

### [Wildfires may have bigger role in global warming, study says](#)

The Los Alamos team identified tar balls – spherical, carbon-based particles – that are 10 times more prevalent than soot particles, and can boost the heating effect of wildfire emissions, according to the study, published last week in the journal Nature Communications.

"We provided the data that shows that current estimates, which are close to zero or show a very slight warming, are incorrect and the warming will be higher," Dubey said. "We are confident this will change the results and show that fire emissions will have a tendency to warm."



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).