



## DrumBeat: October 26, 2006

Posted by [threadbot](#) on October 26, 2006 - 9:19am

Topic: [Miscellaneous](#)

[Update by [Leanan](#) on 10/26/06 at 9:25 AM EDT]

[Oil shock absorber costing Saudi Arabia \\$1 billion a year](#)

The cost of keeping spare oil output capacity ready to plug any gaps in global supply is costing Saudi Arabia more than \$1bn a year. After reducing output in line with an Opec agreement to trim supplies last week, Saudi Arabia's spare oil capacity will reach around 2.5mn bpd in November.

The world's largest exporter has pledged to bring that supply on line within 90 days if international supplies are threatened by a large unexpected supply outage.

The operating costs of keeping all that oil ready to go at such short notice is around \$1 a barrel a day, analysts said.

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It's not just New Orleans: [Rising Seas and Stronger Storms Threaten New York City](#)

[Indonesian forest fires may fuel global warming: experts](#)

[Environmental opponents begin hunger strike in protest of coal-fired plants](#)

U.K.: [Miliband's power firms reward hint](#)

Power companies could be paid in the future not for producing energy, but for saving it, Environment Secretary David Miliband has said.

In comments certain to be seen as a preview of the Climate Change Bill expected in the Queen's Speech, Mr Miliband said energy production could no longer continue as if it had no environmental cost.

U.K.: [Energy prices will rise, say experts](#)

Problems at Britain's nuclear power stations will put pressure on energy bills and increase the risk of blackouts during any winter cold snap, a leading market analysis group warned yesterday.

### [Iraqis fight over oil spoils](#)

ARBIL, Iraq - Through a steadily worsening security situation and deepening political divisions, a dispute is erupting between Kurdish leaders and the Baghdad regime over access to oil resources.

### The Emerging Russian Giant, Part 2: [Washington's nightmare](#)

Ironically, the aggressive Washington foreign policy of the era of Vice President Dick Cheney and Defense Secretary Donald Rumsfeld since 2001 has done more to nurture the one strategic combination in Eurasia most dreaded by Washington political realists such as Henry Kissinger or Zbigniew Brzezinski..

### [Turkmen leader promises free gas, power](#)

Turkmenistan's eccentric leader announced Wednesday that his energy-rich Central Asian nation would provide citizens with natural gas and power free of charge through 2030.

"This decision would help ensure a carefree life for our people," said President Saparmurat Niyazov. He said parliament had approved the action.

### [Production in Saskatchewan Oil Sands Years](#)

It will likely be a decade before any oil is recovered from a huge oil sands deposit in Northern Saskatchewan. But a Calgary based exploration company says its excited about the potential.

### Canada: [More wind power viable](#)

A study released yesterday by Ontario's electricity authorities says wind power could represent nearly 20 per cent of the province's power-generation capacity with little compromise to system reliability.

### [Professor says days of 'no oil' are nearing](#)

## FALL RIVER - What's worse than \$3-a-gallon gasoline?

No gasoline.

If New College of California Professor Richard Heinberg is right, we'll be dealing with "no gasoline" as early as 2010 and definitely by 2030.

That's it. No gasoline. Out. No more oil.

## [The Path Beyond Petroleum: Twelve Theses](#)

1. Oil production in the year 2025 will be half that of the year 2000. If we combine those figures with those of world population, we find a ratio of 5 barrels of oil per person per year in 2000, but only 2 barrels of oil per person per year in 2025.

2. Alternative sources of energy have been a failure because of an extremely insufficient energy return on energy invested (EROEI).

## [Energy crisis looming for UK data centres](#)

A crisis is looming in the UK's data centres around the most fundamental of requirements: the need for power, according to a study published by BroadGroup consultants.

The average energy bill to run a corporate UK data centre is currently about £5.3m per year, the study said. This figure is set to double to £11m over the next five years.

## [Japan Hits Big Setbacks in Push for Energy](#)

Just five months after it was unveiled, Japan's ambitious 25-year plan to sharply increase oil and gas development is hitting snags, suggesting Tokyo may find it even harder than expected to stabilize the nation's future energy supply.

## [Nigeria veering toward instability](#)

## [BP and Shell are defined by differences](#)

BP and Shell look increasingly defined by their differences, rather than how they could complement each other. Shell, which reports its third-quarter results this morning, is investing ever more in the kind of unconventional energy assets such as oilsands in Canada and elephantine engineering projects such as Sakhalin-2 that BP has been shunning. Lord Browne is making a point of spurning the oilsands opportunity,

demonstrating BP's more cautious view of oil prices. (Independent analysts calculate that extracting crude from oilsands is viable only if the price of oil stays above about \$35 a barrel. By steering clear of the oilsands, BP is styling itself as the prudent major.)

Everything's coming up roses for the oil industry. [Exxon Mobil](#) beat forecasts, and so did [Shell](#).

### [Total Sets Deadlines for Solar, Wind to be Viable](#)

French oil company Total believes wind energy must prove it is competitive by 2020 and solar power must do the same by 2050 if they are to avoid being sidelined, it said on Tuesday.

### [Biofuels could create new kind of corn](#)

Corn raised by future Iowa farmers could look more like the corn produced by their ancestors, with more substantial stalks, biofuels industry experts said Wednesday.

As investment in biomass-based, or cellulosic, ethanol production grows, so will demand for crop residue.



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