



DrumBeat: March 19, 2007

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Ethanol's Growing List of Enemies

The ethanol movement is sprouting a vocal crop of critics. While politicians including President George W. Bush and farmers across the Midwest hope that the U.S. can win its energy independence by turning corn into fuel, Hitch and an unlikely assortment of allies are raising their voices in opposition. The effort is uniting ranchers and environmentalists, hog farmers and hippies, solar-power idealists and free-market pragmatists.

They have different reasons for opposing ethanol. But their common contentions are that the focus on corn-based ethanol has been too hasty, and the government's active involvement—through subsidies for ethanol refiners and high tariffs to keep out alternatives like ethanol made from sugar—is likely to lead to chaos in other sectors of the economy.

Energy Interdependence

A frightening number was released by the labor department on March 15. February prices for "crude foodstuffs and feedstuffs" were 22.73% higher than a year ago. Wholesale consumer food prices were 6.8% above last year, too. Even more frightening, the February number was 29.25% higher than it was in May, its lowest point of 2006. It has all the potential of being worse and longer lasting than the consistent double digit increases we saw from mid-2003 to mid-2004.

Most of the increase we saw in February is the price we're paying for trying to buy energy independence with our corn crop. It's a double whammy, a perfect storm of a too-quick demand on American agricultural resources to pay for decades of unbridled energy consumption and a need by elected officials to prove they're doing something to end our dependence on tenuous Middle Eastern sources of oil.

Science shows ethanol good for America

Vinod Khosla, an Internet pioneer and the founder of Sun Microsytems, has finally gathered some honest rebuttals to the naysayers of ethanol.

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Here is a short commentary of what he has found: Scientists are rapidly forming factual information relative to the value of ethanol against gasoline. They have come up with an energy balance equation on how ethanol can be an advantage over gasoline.

Russians plan more nuclear power reactors

Government officials said Friday that Russia will build two nuclear reactors annually through 2015, and increase to four a year by 2020 in an effort to sharply increase atomic power generation, according to Russian news agencies.

Anti-nuclear rallies fill French cities

Tens of thousands of people filled the streets of five French cities Saturday to protest plans to build the next generation of nuclear reactors.

Iceberg Dead Ahead Captain

"Iceburg Dead Ahead, Captain!" — Saudi's 8% Oil Decline is the Iceberg in the Titanic Disaster

U.S. decries key points at climate talks

...the U.S. spoke out against a global carbon emissions trading plan and recognizing reforestation programs in developing nations as part of the fight against global warming, he said.

A Blue-Chip Alternative Energy Portfolio

...Growing awareness of Global Warming, Peak Oil, Gas, and Uranium, and energy security worries are leading to broad interest in alternative energy among people who do not fit the typical aggressive speculator profile of people who can shrug off a 50% loss in a single holding over a short period of time.

Taking Stock of Green Energy Options

Pure-play alternative-energy stocks can be dicey. A smarter bet: The companies that will supply the infrastructure for the sector's growth.

Some of the lessons are obvious.

"Those suppliers who are 100 percent rail will probably diversify their supply," said Jamie Py of the Maine Oil Dealers Association. "Smaller- and medium-sized dealers are looking to put in storage to prevent these situations."

Uganda: Diesel Shortage Hits City

Most of the city's Caltex fuel stations had ran out of diesel by Friday. Luzira, Bweyogerere, Ntinda, Kampala Road and Wampewo Avenue fuel stations had no diesel by yesterday.

Total gas station in Kireka ran out of diesel mid-morning yesterday, while Kobil Bugolobi had neither petrol nor diesel.

Kampala to close diesel plant and switch to cheaper heavy fuel

In a bid to curb escalating power tariffs, the Uganda government is expected to close down one of its automotive diesel oil plants in nine months and replace it with a 50 Megawatt heavy fuel oil plant, to be built at Namanve, outside Kampala, The EastAfrican has learnt.

Saudi Aramco awards contract to NPCC

According to Aramco officials, the contract includes the fabrication, transportation and offshore installation of two tie-in platforms, including two bridges, pipe spools and other associated work, and three scraper decks, all in the Zuluf and Marjan fields, offshore Saudi Arabia.

Armenia-Iran gas pipeline to open

Iranian President Mahmoud Ahmadinejad and his Armenian counterpart will formally open the first stretch of a natural gas pipeline Monday in Armenia, a landlocked country that relies on Russia for most of its gas.

Useless Eaters, Now and When

The industrial revolution has created a wasteful, resource-hungry society that needs to be rectified without killing off half of the world's population.

China's Energy Governance: Perception and Reality

As China's economic growth begins to transform the global energy industry, getting U.S. policy toward China "right" has never been more important.

Russia: Troubleshooting Starts As Energy Loses Steam

Oil and gas exports, the bread and butter of the national economy, look to have gone a bit stale.

The reasons are threefold: a strong ruble, a suffocating tax regime, and an oil price driven down by plenty of global supplies, analysts said.

Pemex CEO: Company is in critical condition

Mexico's state oil monopoly is in "critical condition" and needs to boost exploration and seek outside expertise to replenish oil reserves that are currently set to last less than a decade, energy officials said Sunday.

Cartel in the Cards

Kommersant has learned that last week some of the world's leading natural gas exporters reached a final agreement on the creation of a so-called "gas OPEC." The consortium of gas-rich countries, which at the moment includes Russia, Iran, Qatar, Venezuela, and Algeria, is due to be formally organized in the Qatari capital of Doha on April 9. The appearance of such a powerful player in the energy arena will undoubtedly meet with an extremely negative reaction from the United States and the European Union.

Shale gas plays beginning to develop as new ones crop up

The shale gas plays that have fueled natural gas exploration in the last several years show little sign of abating.

Paying the Price for Biofuels

Biofuels may still prove advantageous in some local applications, such as farmers using crop wastes to fuel their farms, and running cars on waste oil that is otherwise thrown away by restaurants, but as a solution to long-term energy needs on a national or international scale, the costs appear to far outweigh the benefits.

Peak Oil? Turkish Diesel is close to \$300 a barrel

In Turkey, there is a popular protest against high oil prices. Some drivers stick print outs like: "Warning! This car uses the most expensive gasoline on earth". It is not a fantasy or exaggerated protest. Turkish unleaded gasoline is around 328 USD per barrel.

Gazprom Needs \$13 Bln for Power Energy Assets

Gazprom's board of directors is going to consider the company's new power energy strategy this week. The Russian gas monopolist plans to buy controlling stakes in two wholesale power generation companies as well as smaller stakes in three territorial power firms. Gazprom will need \$13.3 billion for these purchases, according to analysts.

Can dirty old king coal manage to clean up its act?

Global warming has fuelled changes, but the industry remains Public Enemy No. 1.

The five-way contest for oil sources in Asia and Africa

The quest for energy security has become the primary and most immediate strategic concern of Asia's two rising giants, India and China. The Middle East will soon feel the full force of this growing competition.

China to move away from energy-intensive growth

With China using 15 percent of the energy consumed in the world to produce 5.5 percent of the global GDP, it's imperative the country move from a high energy-consuming economy to one that provides for more sustainable development, said Ma Kai, head of the National Development and Reform Commission on Sunday.

Sustainable Living: Scientists have plan to fight warming

What if I told you that we already have everything we need to resolve the crisis of global warming, except action? Would you believe me? How about believing two Princeton University economists?

Climate-change cures may be worse than the disease

Kevin Trenberth, climate analysis chief at the National Center for Atmospheric Research, said mankind already has harmed Earth's climate inadvertently, so it's foolish to think that people can now fix it with a few drastic measures.

The April issue of *Discover* has an interesting article about terra preta: <u>Black Gold of the Amazon</u>

Fertile, charred soil created by pre-Columbian peoples sustained surprisingly large settlements in the rain forest. Secrets of that ancient "dark earth" could help solve the Amazon's ecological problems today.

And speaking of **Discover**, they have opened up their entire archives to the public. You no longer need to be a subscriber. Anyone can read articles like this one, from 1999: <u>Why We'll Never Run</u> <u>Out of Oil</u>.

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