



## DrumBeat: June 11, 2007

Posted by [Leanan](#) on June 11, 2007 - 8:42am

Topic: [Miscellaneous](#)

### [Surprise: less oxygen could be just the trick](#)

It was used by the people of the Amazon for thousands of years. Now Australian researchers say biochar could reduce atmospheric carbon dioxide - while providing a new source of energy, and boosting farm productivity.

...At Somersby, on the Central Coast, BEST Energies Australia, a company researching clean energy technology, has built a demonstration pyrolysis plant with the capacity to process 300 kilograms of dry green waste, wood waste, rice hulls, cow and poultry manure or paper mill waste every hour.

The material, says Adriana Downie, the company's technical manager, is heated at up to 550 degrees for 40 minutes.

During processing gases are released from the material which are cleaned and burned to produce energy. This gaseous biofuel is called syngas. "Syngas can be used as a replacement for natural gas or LPG in gas-fired boilers or dryers, or to produce electricity," says Downie.

The remaining black carbon-rich biochar can be used on farms.

### [The wrath of 2007: America's great drought](#)

America is facing its worst summer drought since the Dust Bowl years of the Great Depression. Or perhaps worse still.

From the mountains and desert of the West, now into an eighth consecutive dry year, to the wheat farms of Alabama, where crops are failing because of rainfall levels 12 inches lower than usual, to the vast soupy expanse of Lake Okeechobee in southern Florida, which has become so dry it actually caught fire a couple of weeks ago, a continent is crying out for water.

### [The revolution will not be blogged, either](#)

*In Collapse: How Societies Choose to Fail or Succeed*, Jared Diamond observes that

the vast majority of technologies create more problems than they solve, and in the aggregate, technology virtually always fails to keep up with the unintended consequences it generates. The more we're able to do, the more net damage we do. He observes about people who advocate one or many technical solutions to our environmental problems all seem to be making the same basic error in reasoning.

*All of our current problems are unintended negative consequences of our existing technology. The rapid advances in technology during the 20th century have been creating difficult new problems faster than they have been solving old problems: that's why we're in the situation in which we now find ourselves. What makes you think that, as of January 1 2006, for the first time in human history, technology will miraculously stop causing new unanticipated problems while it just solves the problems it previously produced? (Diamond, 505)*

### [Battle Over Bush Oil Law Proposal](#)

The threat of violence is of course a major concern for Iraqis, but so too is how to handle the country's oil resources. The Bush administration claims its plan to privatize production is the best way to rebuild Iraq's infrastructure. But representatives from Iraq's oil industry say the plan gives too much control to foreign interests. They're touring California right now to convey that message.

Most of the Iraqi oil wells which were destroyed during the first Gulf War and in the past four years may soon be under foreign control. A law backed by the Bush administration and now in Iraq's parliament would give control of the majority of these fields to foreign oil companies for about 30 years.

### [Bodman: U.S. energy's future presents a powerful challenge](#)

President Bush's 2005 Energy Act authorized the U.S. Department of Energy to designate special corridors where there was energy congestion, where the federal government's siting laws for transmission lines could supersede those of states.

### [Putin: Russia favors strategic dialogue between energy suppliers, consumers](#)

Russian President Vladimir Putin said on Sunday that Russia, as a guarantor of energy supply to the world market, favors strategic dialogue between energy suppliers and consumers.

"Presently, we can see the emergence of not only new major consumers such as China and India, but also new producers on the Eurasian landmass," Putin told a plenary session of the 11th St. Petersburg International Economic Forum with the theme of "A competitive Eurasia - Expanse for trust."

### [Oil slip: India on slippery track?](#)

India, which imports two-thirds of its crude oil requirements to meet domestic demand, faces a big challenge in coping with oil shocks and supply disruptions. Crude oil is already heading north and trading above \$71 per barrel. Fears of an attack on Iran by the US or Israel and reports of Turkish troops entering Iraq are keeping prices volatile.

### [Korea grows more dependent on Gulf oil](#)

South Korea has grown more dependent on the Gulf states for oil imports over the last decade despite its bid to diversify, according to a US Department of Energy report.

Seventy-five percent of the country's imports last year came from the Gulf region, with Saudi Arabia the single-largest source by supplying 29% of South Korea's oil purchases, according to analysis for June.

### [Gazprom close to signing deal that will increase its UK customer base](#)

Alexander Medvedev told reporters at an economic forum in St Petersburg: "In the near future there will a deal to further increase the customer base on the British market. Anyone who will be in London for the Wimbledon tennis tournament will know about it." Wimbledon fortnight starts on June 25.

### [Ikea shines low-energy light on environmental concerns](#)

As part of its strategy to improve its environmental credentials, the Swedish furnishing group plans to give each of its 9,600 British employees six low-energy light bulbs, which it will replace for nothing once they stop working after about five years.

### [Sizzling weather challenges Beijing's energy-saving goals](#)

Beijing's power supply network is groaning under the strain this week as more families and businesses are forced to switch on the air conditioners in the early summer heat.

The city's peak electricity demand hit 10.51 million kilowatts at 3:50 p.m. on Friday, the highest so far this year, said sources with the Beijing Electric Power Corporation.

### [Malaysia defends palm oil production](#)

Malaysia, one of the world's leading growers of palm oil, has hit back at allegations that Europe's growing use of "green" fuels will increase the destruction of rainforests and great apes, such as the orang utan.

### [A really big oil proposal](#)

For years, when there was a spike in energy prices, industry spokesmen were trotted out to claim that, after adjusting for inflation, it wasn't really all that bad.

Well, you can toss that talking point into the circular file. Inflation-adjusted gasoline prices are blowing past the 1981 record.

Allow me to suggest that we dispense with the usual Kabuki theater, with news interviews of angry drivers at the pump, members of Congress vowing to outlaw price gouging and the White House asking the Federal Trade Commission to do yet another study.

Instead, I lay on the table a modest proposal: Put the government into the oil business.

### [Why is peak oil politically incorrect?](#)

Don't you feel at times that peak oil is not only ignored by the media but that it is, actually, politically incorrect? I got this distinct feeling after that, at a recent conference, a member of the Italian parliament spoke after me and said he didn't believe a word of what I had said because "oil prices have gone down." It is difficult to quantify political incorrectness, but the graph [below] does tell us that, of the two major issues that we are facing nowadays, global warming beats peak oil hands down.

### [On the road with Hugo Chavez](#)

Government statistics show poverty has declined during Chavez's eight years in office, and he rattled off lists of other improvements, from hospitals to new roads.

But his opponents charge he has accomplished little considering the billions of dollars in oil proceeds flowing into the country.

### [Turkey not done with the Kurds](#)

There is indeed a new ground situation. A Kurdish terrorist wave is once again sweeping across Turkey, reminiscent of the scale of violence 10 years ago. The Turkish military is taking heavy casualties. Popular feelings are running high all over Anatolia and tremendous anger is building up within the Turkish military.

## [Biofuels or Bio-fools?](#)

Vinod Khosla, a Silicon Valley legend, is leading the venture capital rush into replacements for gasoline: biofuels made from corn and rougher stuff like switchgrass. But if prices fall and political subsidies vanish, the bubble may burst.

## [CNBC's Yergin: Russia Attracting More Western Companies](#)

The Putin Administration continues to be intent on revising to one degree or another the oil and gas deals that were done in the middle 1990s. The actual rewriting varies from one deal to the next. So you don't see the same kind of enthusiasm in energy that is evident in other sectors. There's a lot of uncertainty, frustration, and pessimism about policy, decision-making and about the role of foreign capital in the energy sector. Also, exploration and development costs have been rising substantially in Russia, as elsewhere, but, at least in the mature region of West Siberia, this goes unrecognized by the very high tax rate.. Yet the resource potential is so great that the major companies can't easily stand aside. There are two critical things that they are waiting for, both of which are promised by the end of the year. One is the definition of "strategic sectors" and how those sectors will be managed -- in which oil and gas are at the top of the list. The other are the "rules of the road" for exploration and development in the off-shore and Arctic, which will be high cost, challenging technically, but are very high potential.

## [Kurt Cobb - The official story: A lesson in how to undermine it](#)

The peak oil movement has been focused mainly on selling a new narrative to the public *without first dislodging the existing one*. As long as people have faith in the existing official story about achieving American "energy independence" within the framework of a cornucopian future, it will be almost impossible to sell them on another story no matter how carefully constructed and supported.

## [Towards a true price for energy](#)

The answer lies in that overworked word, "externalities". If widget manufacturers underestimate the demand for widgets there will be a temporary "widget problem", but the economy will carry on.

A miscalculation on the energy front will, however, have a pervasive effect, irrespective of whether it comes through as sky-high prices or physical shortages. If a global slump is induced, the main harm will be felt far outside the energy industries.

## [‘Turkey must act before energy crisis strikes’](#)

Turkish Union of Engineers and Architects' Chambers (TMMOB) Chairman Emin Koramaz has said Turkey will face an energy shortage in the near future unless the necessary measures are rapidly taken into consideration.

### [Bush immigration failure hurts Mexico's Calderon](#)

Apart from the drug war, Calderon's other main push is for economic reforms. A former energy minister, he wants to allow more private companies into Mexico's closed oil sector and U.S. firms would benefit.

But any hint of foreigners taking control of Mexico's oil raises nationalist hackles, even though the government has no plans to privatize state energy monopoly Pemex.

Looser immigration laws in the United States might help Calderon gain an energy reform sought by Washington.

### [Mexico taking a lead role in global warming fight](#)

Mexican leaders are starting to concede that they can no longer overlook that their nation contributes to the causes and suffers the pain of climate change.

### [Job #1 for Indiana Checkoff: Ethanol Education](#)

While there are many areas in which the Hoosier corn industry needs to catch up, none is more glaring than consumer education. I am referring specifically to education about ethanol. The new law mandates that a portion of the checkoff dollars be used to increase the number of E85 pumps in the state. While this is certainly needed, it is only half the battle. Compared to other states, Indiana consumers are woefully ignorant about ethanol - how to buy it, where to buy it, and why to buy it.

### [Peak oil means inevitably higher prices](#)

There are several reasons why gasoline prices are rising. The underlying reason is that world oil extraction is peaking. The oil companies know this. That is why they have not been building more refineries; they know that there will be less oil to refine in the years ahead.

### [Top scientist says biofuels are scam](#)

THE government's policy of promoting biofuels for transport will come under harsh attack this week from one of its senior science advisers.



Roland Clift will tell a seminar of the Royal Academy of Engineering that the plan to promote bioethanol and biodiesel produced from plants is a “scam”.

#### Kuwait: [Oil sector essential to avert power cuts](#)

Kuwait's Ministry of Oil stressed on Sunday the significant role by the oil sector for apportioning electricity consumption in the country so as to avert power cuts during the summer.

#### [Oil prices rise after Iranian oil minister says OPEC has no immediate plan to release more oil](#)

Oil prices rose Monday after Iran's oil minister said OPEC has no plans to release more oil into the market ahead of its next policy meeting in September.

#### [Saudi maintains Asia oil supply curbs for July](#)

Top oil exporter Saudi Arabia told Asian lifters to expect the same crude volume for July as they have been getting since April, showing no signs of boosting production to soften prices near \$70 a barrel.

Saudi Arabia will supply crude oil to Japan and South Korea at about 9,5-10,0% below contracted volumes in July, the same as June, two Japanese industry sources and one South Korean source said today.

#### [Why is Oil Refinery Utilization Down?](#)

On Wednesday, the market seemed to be keying on the 3.5 million barrel increase in gasoline stocks -- more than double what analysts expected. July gasoline prices responded by falling around 1%, but the more interesting stat was the one concerning gasoline refining. Refinery utilization, which normally hovers in the 95% range this time of year, is currently just under 90%. In fact, it's at the lowest level for early summer in 15 years. Lower even than 2006, when the refiners were still trying to recover from Hurricane Katrina.

What the heck?

#### [Gas prices post first decline since January](#)

The national average price for gasoline dropped 7 cents in the last three weeks, according to a nationwide survey released Sunday that marked the first decline since

January.

### [Iran to build five new refineries across Asia](#)

Oil-rich Iran Monday announced it will help build five new refineries across Asia with a total capacity of 1.1 million barrels per day in a bid to strengthen ties in the region.

### [Lawmakers want Capitol to go green](#)

Congress says it is going to join the war against global warming by cleaning up its own backyard, now cluttered with a coal-burning power plant, a fleet of fuel-inefficient vehicles and old-fashioned lights.

### [The Democrats Lag on Warming](#)

When Americans elected a Democratic Congress last November, they were voting to end politics as usual and special interest legislation. On the vital issues of energy independence and global warming they are not only in danger of getting more of the same but also, unless Nancy Pelosi and other Democratic leaders step forward, winding up in worse shape than they were under the Republicans.

### [Britons Urged to Leave Niger Delta Amid Kidnap Fears](#)

Britain has advised its nationals in the Niger Delta area of Nigeria to get out due to the worsening security situation and repeated kidnappings.

"We advise that the security situation in Bayelsa, Delta and Rivers states makes them unsafe for British nationals. We therefore advise British nationals to leave," the Foreign Office said.

"If you stay, you do so at your own risk and should take professional security advice," Britons were warned.

### [Could Vermont feed itself?](#)

The mainstream food economy is heavily dependent on petroleum -- used in conventional fertilizer and pesticides as well as for cultivation and transportation -- which the world has in limited supply. It stands to reason that sooner or later, the world will run out of major new oil reserves to exploit; oil production will "peak" and start dropping. People in Vermont and across the country who subscribe to the "peak oil" notion are betting on "sooner," and they've started giving serious thought to reorganizing their lives in the face of a huge, impending spike in the price of gasoline and



fuel oil.

### [We still haven't found what we're looking for](#)

What will the G8 do if the believers in peak oil are right and shortages of easily obtainable crude lead to oil prices going up to \$100 a barrel? What will happen if the decision by central banks to raise interest rates leads to a credit crunch and sends financial markets into a tailspin? Is the global economy vulnerable to the activities of hedge funds, with speculation being all that really makes the world go round? And is there really no contradiction between growth and the future of the planet?



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