



DrumBeat: June 18, 2007

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Topic: [Miscellaneous](#)

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[Oil prices up on Nigerian strike threat](#)

Nigerian oil unions called a general nationwide strike to begin Wednesday in protest of a government price hike on automobile fuel. Also supporting energy prices were attacks on two Nigerian oil facilities by angry villagers and gunmen, which cut oil output.

"You've got kind of a double-whammy out of Nigeria," said Kevin Saville, managing editor for the Americas energy desk at Platts, the energy research arm of the McGraw-Hill Cos.

[Oil Nears \\$70 for First Time in 9 Months on Nigeria Strike Plan](#)

Oil production is likely to be affected during the strike as Nigeria's two main oil unions plan to participate, a labor leader said. Nigeria produces low-sulfur, or sweet, crude oil, prized by U.S. refiners because of the high proportion of gasoline it yields.

[Utilities call on consumers to save energy](#)

With the hot summer approaching and ever more air conditioners and other consumer electronic devices straining the nation's already burdened power system, utilities are scrambling to get customers to use less.

"Eighty one percent of customers think they are in on energy efficiency," Bill Brier, head of policy and public affairs at the industry association Edison Electric Institute, said at a recent press event. "But lighting is only 5 percent of the load."

[Wall Street, Iraq and the Declining Dollar](#)

No matter how the Iraq War ends, it is clear that the United States is incapable of militarily securing territory against the wishes of a hostile population. And the Iraq War is at the heart of two alarming trends that are likely to have a negative impact on America's position in the world: The demand for oil is rising while the supply is declining, and the demand for the US dollar is declining while the supply of dollars is rising.

[Muscovites remain in the dark about energy saving](#) - *Russia's nascent interest in energy efficiency is driven less by a desire to go green than by the realization that energy demand could soon outstrip resources.*

In January 2006, temperatures in Moscow plummeted to a record minus-35 degrees Celsius, prompting millions of Muscovites to plug in their electric heaters.

The surge in electricity demand was such that authorities, fearing a massive blackout, imposed power cutbacks and withheld gas supplies initially destined for Europe.

Moscow's growing energy hunger has been putting the aging electricity grid under pressure for some time. Russia is now the world's fourth-largest consumer of electricity. In the last four years, the country's consumption has risen by almost 22 percent.

[The Limited Appeal of Nuclear Energy](#)

To developing nations, the new arguments for nuclear power are far from compelling.

[OPEC argues world oil stocks "remain at comfortable levels"](#)

According to OPEC the most recent preliminary data for May indicates that total OECD commercial oil stocks are around 34 million barrels higher than the five-year average. Within Europe, total oil inventories have reached an historic high and now stand at 66 million barrels above the five-year average.

[Tullow Oil Shares Jump +10% On Ghana Oil Find](#)

Oil and gas company Tullow Oil PLC's (TQW.DB) shares jumped more than 10% Monday after the company said it discovered oil at the Mahogany field in Ghana, increasing its prospects of finding more oil in the region.

[Producers roll up their sleeves to tackle heavy oil](#)

North Slope producers BP and ConocoPhillips are tackling one of their toughest technological challenges to date.

The companies are working to find the best way to produce the heavy oil from the Ugnu formation, a massive deposit of low-grade oil trapped in sandstone rocks overlying the conventional producing fields of the North Slope. Current estimates put the Ugnu in-place resources in the tens of billions of barrels range.

[Coal-to-Liquid Boondoggle](#)

The most troubling aspect of CTL is that producing it will roughly double climate-changing greenhouse gas emissions.

[Argentina's energy crisis: Chile to the rescue by 2009](#)

Growing natural gas supply cuts to Chile because of the Argentine energy crisis have caused the Chilean economy a half point GDP loss in 2006 and so far this year losses equivalent to 307 million US dollars to the manufacturing industry.

However by 2009 the situation could have reversed to such an extent that the now rachitic flow along the trans-Andes gas pipelines could be fully bloating in opposite direction.

[Nigerians braced for fuel strike](#)

Nigeria's trade unions looks set to call a general strike over recent rises in petrol prices and value-added tax.

Long queues are already being reported at petrol stations across the country after two oil and transport unions began striking on Friday.

[Uganda: Drivers prefer road licence tax to fuel levy](#)

Mzee Muhammed, a driver at the Qualicel Bus Terminal, said: "We have been paying a tax of sh890,000 annually but with the sh80 increase on diesel, it means that a person who drives 500 miles a day and uses 400 litres of diesel, will pay sh32,000 daily as a tax and sh11.5m per year. This is real cheating!"

[Eye on Russia: Russia's resurgence](#)

The country has emerged as the world's biggest energy producer. It supplies Western Europe with more than a third of its natural gas, and pumps more oil than Saudi Arabia. It truly is an energy superpower.

[Venezuela to Build Heavy-Crude Improvement Plant in the southern Orinoco Oil Belt](#)

Venezuela is planning to build a new plant to upgrade heavy crude in southern Orinoco Belt, home to the country's largest crude reserves, official sources from the industry

said.

[Zoellick warns Venezuela is heading for trouble](#)

Robert Zoellick, almost certain to be the next head of the World Bank, on Saturday took aim at Venezuela's leftist president, Hugo Chavez, warning that his oil-fueled socialist revolution was headed for trouble.

[China Coal Capacity Tops Goal; Energy-Saving in Doubt](#)

China's coal production capacity will exceed its output target by at least 16 percent by 2010, a development that would raise doubts about Beijing's energy-efficiency plans, state media reported.

[India: Energy profile](#)

India boasts a growing economy, and is increasingly a significant consumer of oil and natural gas.

[Some facts on refineries and ethanol](#)

Number of U.S. refineries: 149.

U.S. refinery gasoline production: 136 billion gallons a year.

Gasoline demand: 143 billion gallons a year (imports make up the difference).

Annual ethanol production today: 5 billion gallons.

Annual ethanol production requirements being considered by Congress: 15 billion gallons by 2015; 36 billion gallons by 2022.

[Democrats Press Plan to Channel Billions in Oil Subsidies to Renewable Fuels](#)

Senate Democrats are seeking a major reversal of energy tax policies that would take billions of dollars in tax breaks and other benefits from the oil industry to underwrite renewable fuels.

[Air Force Hopes to Cut Oil's Role in Fuel](#)

The United States Air Force has decided to push development of a new type of fuel to

power its bombers and fighters, mixing conventional jet fuel with fuels from nonpetroleum sources that could eventually limit military dependence on imported oil.

['Green' energy boost for UK public sector](#)

The UK public sector will have access to green electricity at no premium, thanks to an innovative new deal signed this week.

The deal, worth around £1 billion over the next four years, guarantees central and local government customers one terrawatt hour of electricity from renewable sources - equivalent to 33% of current volumes - until at least 2011.

[The price of gasoline has Villagers asking how high and what if](#)

In the days after gasoline prices hit historic highs in Florida, Pete and Carol Burak considered two tough questions.

One was: Just how high do gas prices have to go before you alter your lifestyle in The Villages?

The other was: Why did prices peak at a historic average of about \$3.10 a gallon for unleaded gasoline just a few weeks ago in Florida?

[Aramco says new Saudi oil refinery for domestic supply](#)

State oil company Saudi Aramco's new 400,000 barrel per day (bpd) refinery at Ras Tanura will supply the rapidly growing domestic fuel market, an Aramco spokesman said yesterday. "The refinery will provide for domestic fuel consumption, similar to existing in-Kingdom wholly owned Saudi Aramco refineries," the spokesman said.

[Kuwaiti firm issues tender for 615,000 bpd refinery](#)

State-owned refiner Kuwait National Petroleum Company (KNPC) has launched a tender for its new 615,000 barrel-per-day Al Zour oil refinery, the company said on its website.

In May, Kuwait doubled the planned budget to \$12 billion for the plant, which would be one of the largest in the Middle East. Rapidly rising costs in the energy industry have delayed the project and threatened its viability.

Kuwait cancelled a first tender in February after bids came in far above its initial budget. According to local newspaper reports, bids reached as much as \$15 billion.

[South Korea, Japan agree to share oil reserves](#)

The strategic alliance agreement between state-run Korea National Oil Corp. and government-funded Japan Oil, Gas and Metals National Corp. allows the two neighbors to cooperate in tapping into each other's oil reserves in case of a supply shortage, the ministry said.

[Companies help workers save on gas costs](#)

The breathtaking cost of gas has companies adopting programs to curb commuting costs and employees developing more economical alternatives to driving to work.

Employers are taking action as average national gas prices persist above \$3 a gallon. Nearly 90% of employees drive to work, according to the U.S. Census Bureau. Thirteen percent of companies offer transit subsidies, and 7% subsidize carpooling, according to a 2006 survey by the Society for Human Resource Management. Twenty-six percent allow telecommuting on a part-time basis.

[Climate change might be bad for Arctic oil industry](#)

The rapidly melting ice in the Arctic might not facilitate the development of oil and gas fields in the Arctic, a group of researchers from the Econ Institute say. A new study from Econ reads that the dramatic meltdown in the North will trigger a new international climate policy with bigger focus on development of other alternative energy sources.

In addition, the development of the Arctic oil and gas fields are too expensive, the researchers say.

[Food costs take bigger bite of budgets](#)

General Mills later this month is reducing the sizes of boxes of many types of cereal, such as Cheerios, Wheaties and Cocoa Puffs. Although the company will sell the boxes for less than it's been charging for the bigger sizes, the change will increase the price per ounce.

"This will help offset rising input costs," including higher energy and grain prices, General Mills spokesman Tom Forsythe says.

[Both Ways - Kunstler](#)

We're involved in Iraq because we don't want to begin thinking about modifying our behavior at home. We are desperate to preserve our access to Middle East oil because that is the only way we can keep running our society the way we're used to running it. Mostly, we don't want to face the tragic misinvestments we've made in the infrastructure of happy motoring, and we don't want to face the *inconvenient truth* that there really isn't any combination of alt.fuels that will permit us to keep running all the cars the way we like to run them. Either we keep getting the oil or say goodbye to the American Dream Version 2.K

[The Railroad Industry: Buffett's Next Big Bet](#)

With the passing of "Peak Oil" and higher gas prices, railroads will increase in value as they are the most efficient method to move cargo across the country.

[Pakistan: 16-hr blackouts spark more violence](#)

People took to the streets Sunday and held up traffic for a major part of the day as Karachi remained shrouded in darkness due to unannounced load shedding.

...Sources said that after the load shedding and the resultant riots continued unabated for quite some time, the Prime Minister's secretariat directed the federal ministry of water & power to take some immediate measures to solve the issue.

[Pakistan's Protests Won't Hinder Growth, Aziz Says](#)

Pakistan needs overseas funds in power projects because demand is forecast to rise at an annual pace of as much as 12 percent in the next three years, Aziz said. Demand for electricity rose 20 percent in the year ending June 30, more than twice the pace projected, he said.

[Israeli company resumes fuel shipments to Gaza](#)

The cutoff sparked widespread panic in Gaza. The area's only fuel storage facility ran out of reserves on Sunday, gas stations rationed supplies to drivers and residents warned that ambulance services, food deliveries and other key services would be halted.

But on Monday, Dor Alon said it had resumed fuel shipments to Gaza. "All shipments were made in coordination with the relevant authorities," it said in a statement.

[Older cars' emissions go unchecked](#)

Seven of the 32 states that test car emissions do not check vehicles built before 1996 models, allowing the oldest cars that spew the most pollution to stay on the road without requiring repairs. More states are considering adopting similar plans.



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