



DrumBeat: July 2, 2007

Posted by [Leanan](#) on July 2, 2007 - 9:05am

Topic: [Miscellaneous](#)

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[US consumers pay highest energy bills in decades](#)

The summer heat is sweltering, so you turn up the air conditioning. The kids need a trip to the beach, but first you need to fill up the family car. And your freelance business requires that you spend a few hours on the computer tonight.

Kilowatts, gallons — they all add up. Energy is now sucking money out of Americans' bank accounts at a record level — hitting \$612 billion at an annual rate in the month of April, the last month of data. Over the past two years, energy bills as a share of income have risen and are now at their highest point since 1987, but still below the levels of the 1970s and early 1980s. For low-income households, some economists estimate energy consumption as a percentage of income is closing in on 10 percent.

[Japan: Oil imports decline for 13th month](#)

Crude oil imports fell 11 percent in May from a year earlier, declining for a 13th month.

Crude oil imports fell to 17.5 million kiloliters last month, the Ministry of Economy, Trade and Industry said in a report Friday.

[China to consume 350m tons of oil in 2007](#)

China's total consumption of oil is expected to reach 350 million tons this year. Due to the soaring oil price on the international markets, the cost of the high consumption of oil is growing, said an official with the National Development and Reform Commission (NDRC) last Saturday.

[Kurdish Oil Riches Lure Wildcatters Unswayed by Deaths in Iraq](#)

Yousef, who once fought off Saddam's Republican Guard in the mountains nearby, has given up his Kalashnikov AK-47 to work on an oil platform built by Norwegian wildcatter Det Norske Oljeselskap ASA, or DNO. Oil producers such as Canada's

Western Oil Sands Inc. and Heritage Oil Corp.; Switzerland-based Addax Petroleum Corp.; Genel Enerji, a unit of Turkey's Cukurova Holding AS; and the U.K.'s Sterling Energy Plc are all exploring the region, which the Kurds have controlled since 1991.

[Shell chief calls for powerful EU energy supremo](#)

Europe needs an energy minister to co-ordinate a common policy on the supply of gas from Russia, according to Jeroen Van der Veer, the chief executive of Royal Dutch Shell.

[Chavez Prefers Russian Oil and Lenin](#)

Venezuelan President Hugo Chavez took several parting shots at the United States as he wrapped up a visit to Moscow on Friday, suggesting that he preferred Russian oil companies to U.S. ones and that life was more than Superman.

[Escaping Putin's Energy Squeeze](#)

Increased dependence on Russian-dominated energy routes and supplies poses the risk that Russia will be able to exert significant political pressure on Europe. Indeed, it has already demonstrated its capacity to do so. In the past 18 months Russia has twice shut off gas to Europe, first during a politically driven dispute with Ukraine and then in an energy dispute with Belarus early this year.

[Uganda is not ready to handle oil](#)

By leveraging the oil revenues, we could see dramatic improvements in our roads, railways, electricity and telecommunications, easing the flow of goods and services and lowering the costs of doing business. Improvements in our education and health systems would also see dramatic improvements in our standard of living. This is the best case scenario.

In the worst case scenario, we can look forward to a collapse of all other productive sectors of the economy as a stronger shilling makes production unprofitable, making it cheaper to import rather than produce locally. We may see widening income gaps with a small percentage of the population growing exponentially richer, while the majority descends into dehumanising poverty.

[North American Petroleum Refining Industry Turnaround Activity and Future Spending](#)

Capital and maintenance spending for the North American Petroleum Refining Industry is reaching record levels. In a special segment of "Industry Today," Chris Paschall, VP of Refining for Industrial Info, will give an inside look at some of the drivers behind capital

and maintenance spending trends in the industry. "Industry Today" is a weekly internet radio broadcast hosted by Industrial Info featuring technology, industry trends and company executives important to the industrial market.

[EU consumers could save £40bn a year as energy markets open up](#)

Industry and households throughout Europe could save £40bn a year after the EU's domestic energy supply market was yesterday opened for full-scale competition. The move promises to help put an end to distortions that cost UK consumers £10bn last year.

[Unrealized benefits of transport electrification are within reach](#)

New materials innovations that are now out of the laboratory and going into production that, when widely adopted in the US, can cap greenhouse gas emissions worldwide. High power, long life batteries that recharge in 10 minutes are now being manufactured in the US that can power both fully electric plug-in vehicles and plug-in hybrids.

[McDonald's puts oil to green use](#)

McDonald's is to convert all its UK delivery vehicles to run on biodiesel, using the firm's supply of cooking oil.

[Australia: Walk-out sparks debate on electricity market](#)

ACADEMIC Tim Brennan, in his 2001 paper analysing "rolling blackouts, bankrupted utilities, state bail-outs and allegations of anti-competitive conduct" in the wake of the Californian energy crisis, made this observation: "Deregulating an industry, like flying an airplane, makes headlines only when there has been a crash."

Deregulation and the questions surrounding the structure of the energy market have occupied an unfamiliar space in the headlines over the past week.

The crash? Energy One chief executive Vaughan Busby prefers to call it a near miss. Last Friday, the junior energy retailer, which has 10,000 customers, largely in NSW and Queensland, became the first casualty of high wholesale energy prices due to the drought.

The company announced it was walking away from its retailing business, declaring it "unprofitable", saying it could make more money selling hedging contracts and developing its billing software than it could through its retail operations.

[The Gas-Guzzler Lobby Stops Time](#)

By 2020, when the 35 miles per gallon standard kicks in, 35 miles per gallon will sound like ancient history. By then we'll be well past Peak Oil, meaning that we'll have used up most of the world's oil reserves, while an industrialized China and industrializing India will have increased their oil consumption exponentially. That scenario alone should push gas prices above seven bucks a gallon in today's dollars.

[Nuclear energy hot topic once again](#)

Thanks to global warming, nuclear energy is hot again. Its promise of abundant, carbon emissions-free power is being pushed by the president and newly considered by environmentalists. But any expansion won't come cheap or easy.

[Crude Oil and Gasoline: The Illusion of Equality](#)

The time has come to once and for all put to rest the notion that crude oil and gasoline are joined at the hip as commodities in solidarity.

Yes, there's a thin veil of truth to the myth, born of the fact that the latter is refined from the former. But for all practical purposes, it's prudent to consider each separately from the other. The reason: each is driven by a separate, and at times dissimilar, set of supply and demand factors.

[Power cuts test Pakistani patience in election year](#)

The last thing any government wants is hot, angry voters, but that is Pakistan's fate with elections just months away.

Near record summer temperatures can be blamed on global warming, but power outages aren't acts of God.

[Iran Venezuela boost ties with petrochemical plant](#)

The presidents of Iran and Venezuela launched construction of a joint petrochemical plant on Monday, underlining closer ties between the two energy-rich nations united in opposition to the United States.

[Pakistan okays power import from Iran](#)

Pakistan has formally approved a plan to import electricity from Iran to supply areas in

southwestern Baluchistan province with power.

[Sri Lanka electricity plant problems hits AES Corp profits](#)

The utility has been forced to buy power from private power producers owing to a severe shortage of generating capacity.

It is also caught in a financial crunch with an average selling price of 10.40 rupees a unit against a generation cost of 12.60, even after a recent tariff hike.

[Iran's roads to go eco-friendly](#)

Iran is set to start producing hybrid cars from late July in a bid to cut down on fuel consumption in the country, according to a report by Iran's Mehr News Agency (MNA)

[Pemex Awards First Service Contract for Crude-Oil Drilling](#)

Pemex, as the company is known, awarded a 10-year contract to a group led by Mexico's Grupo Diavaz to run the oil field with a goal of more than doubling production to 15,000 barrels per day, said Carlos Morales, chief of Pemex's exploration and production unit. Pemex plans to offer four more oilfield-service contracts this year, he said.

[Pemex looks for more efficiency](#)

Petróleos Mexicanos, the third-biggest oil supplier to the U.S., must improve its operating capabilities and expand into new production areas, such as deepwater, to curb its dependence on the Cantarell oil field, said the company's head of production and exploration.

"Cantarell has made us highly dependent," said Pemex's Carlos Morales during a conference last week in the Gulf of Mexico port city of Veracruz. "The solutions we're going to face in the future are much smaller fields that require much more work and efficiency than we have today."

[South Africa's arterial routes on the road to disaster](#)

Faced by an arterial meltdown, transport lobbyists are calling for a return to rail transportation to alleviate the "unacceptable and growing levels" of congestion.

Alarming reports show that the country's main arterial routes are being "pounded to

destruction" by heavy vehicles and that some roads may only last another five years.

[Organic food under threat](#)

'I'm not normally apocalyptic,' said Patrick Holden, owner of the farm and director of the Soil Association. 'But the organic food industry is facing big problems that need to be sorted out as a matter of urgency.'

[Kurt Cobb: Deceptive landscape](#)

But my pleasant walk through these leafy streetscapes is deceptive. For all its orderliness this neighborhood generates enormous entropy that is hidden from the viewer's eyes. This has implications for our political life because these are the kinds of neighborhoods across the United States from which communities draw their leaders and in which turnout is heaviest during election time.

[Test your Energy IQ](#)

Big Oil says Americans lack basic energy knowledge. How much do you know, and what's behind their test?

[North Dakota Governor extends hours for commercial truckers hauling fuel](#)

Governor Hoeven has issued an executive order that extends the service hours for commercial truck drivers hauling fuel.

Officials say a low supply of gasoline caused by refinery slowdowns is threatening to create regional shortages especially in the eastern part of the state.

[Growth is bumping against profound physical limits](#)

It used to be that with one stone, you could hit two birds, named More and Better, roosting on the same branch. Not so now, because "Better has flown a few trees over to make her nest." As a result, "if you've got the stone of your own life, or your own society, gripped in your hand," you have to choose between the two, advises Bill McKibben in 'Deep Economy'.

Growth is no longer making most people wealthier, but instead generating inequality and insecurity, he observes. "And growth is bumping against physical limits so profound – like climate change and peak oil – that continuing to expand the economy may be impossible; the very attempt may be dangerous."

[Trinidad and Tobago: Energy security](#)

"You mention in one of your articles that Peak Oil could occur as early as 2015. It may have already happened. There is increasing evidence that supply is declining off the various Peaks, depending on what liquids one is looking at. A continued rapid decline in Saudi (it has declined 11 per cent from its highs already) production, whether for geological, economic or political reasons, will not be masked for much longer.

(The article also mentions TOD and Jeffrey's "Hubbert Linearisation Model.")

[Our friends in the north](#)

Scotland still has about a third of her oil left. If she gets together with her Norwegian neighbours in a sort of mini-OPEC, keeps the price of North Sea oil up in the era of Peak Oil (and this may rise in pretty short order to more than \$200 a barrel; in 1999 it was only \$10 a barrel), and uses the income as collateral to obtain hi-tech equipment and training, then her government can promote the necessary industrial and infrastructural reconstruction.

[Growth and degrowth - revolutionary approaches to saving the planet and making a happier future](#)

Economic growth is central to the ideology of modern capitalism. In capitalist economies, growth is usually related to a measurement known as Gross Domestic Product, GDP, defined as the value of all goods and services purchased in a country over a specified period. Growth is said to occur if this value increases, and most nation states are obsessed that this happens, year by year. But this says nothing about whether spending was necessary, or who did the spending. Consumption of any goods or services, whether needed or not, contributes to growth.

[The University of Texas Presents Two-Day Symposium to Improve Approach to Energy Technology Innovation and Policies](#)

"Energy is in the news every single day, but often with misleading or incomplete information. This short course is a great opportunity for participants to learn the truth about energy from an objective collection of experts," said Dr. Michael Webber, Associate Director of the Center for International Energy and Environmental Policy at the University of Texas at Austin. "We believe Austin, which was recently listed as one of the greenest cities by Treehugger.com, is the ideal setting for delivering a 360 degree perspective of energy technologies and the policies that directly affect the industry."

[Energy Map of America](#) (Flash)

[Carbon backlash: coal divides corporations](#)

U.S. coal mining companies, which for years have been branded the bad guys of global warming, are fighting back.

They are questioning not only the science but also the motives of some of the big-name corporations who have made well-publicized commitments to cleaning up their act.

[Hindu devotees disappointed as sacred icicle melts](#)

Hundreds of thousands of devotees make a long, tiring trek to the Kashmir mountains each year to look at the natural icy formation, worshipped as a symbol of the god of destruction, Shiva.

But by Monday, just the second day of the two-month-long pilgrimage, the pilgrims only had a tiny stump of ice to look at -- compared to a 3.6-metre (12-foot) high formation that was there a few weeks ago.

"The Shivlingam (Shiv phallus) has melted down completely," Arun Kumar, a senior official of the pilgrimage board, told AFP.

[Saudis To Give Extra Protection To Oil Fields](#)

Saudi Arabia will set up special security units to protect oil and industrial facilities against militant attacks, the Interior Minister said in remarks published on Monday.

Prince Nayef bin Abdul-Aziz also told members of the unelected Shura Council that the kingdom was holding more than 3,000 suspects, many linked to a campaign by al Qaeda launched in 2003 to overthrow the pro-Western royal family.

Saudi Arabia has said it foiled at least two major plots since 2006 to hit major oil facilities in the kingdom, the world's largest oil exporter.

[Oil Boom, Politics Shape Africa's Future](#)

Europe's great powers once scrambled for dominance across vast, underdeveloped African lands rich in raw resources, including the scarlet palm oil used to grease the first cogs of the industrial revolution.

A century later, a new group of nations are competing for a different valuable, viscous material, with Sub-Saharan Africa closing in on the Persian Gulf as the prime overseas supplier of oil to the last remaining superpower.

[Plans to ramp Kuwait's oil production on track, despite minister's resignation, official says](#)

Sheik Ali al-Jarrah al-Sabah, Kuwait's oil minister and member of the ruling family, resigned Saturday, five days after Kuwaiti lawmakers requested his impeachment over allegations that he helped his cousin embezzle public money from a state-owned company more than a decade ago.

"Kuwait's production expansion plans remain unchanged," Farouk al-Zanki, chief executive of Kuwait Oil Company told Dow Jones Newswires on Sunday.

[Chinese company OKs deal on Sudan oil](#)

China's No. 1 oil company, CNPC, and Indonesia's PT Pertamina have agreed to co-develop a Sudanese offshore oil block, ignoring international efforts to isolate Sudan over the crisis in its Darfur region, a report said Monday.

[China's oil-tanker construction falls behind rising oil imports](#)

The rate of construction of oil tankers for Chinese shipping lines is falling behind the rate of increase in oil imports, which may pose a threat to the country's energy security, a China Ocean Shipping (Group) Co (COSCO) official said.

[Japan homeowners swapping oil for electricity](#)

A rush by Japanese homeowners to convert their houses to run solely on electricity has put them in the vanguard of efforts to cut back on oil use, but also risks driving up coal and gas imports if nuclear generators falter.

[Rich world's consumerism may cause African famines, experts warn](#)

Food production in developing countries will halve in the next 20 years unless wealthy nations lower their rate of consumption, the Stockholm Environment Institute warned at a weekend conference.

The livelihoods of more than three billion people in the world are being undermined by the wealth of the privileged few, the institute's executive director, Johan Rockstroem, warned.

[EU Warns Citizens: Adapt to Climate Change Now](#)

European Union nations must adapt to climate change by using water more efficiently, adjusting crops and farming methods, and caring for elderly people vulnerable to heat, the EU executive said on Friday.

In addition to cutting greenhouse gas emissions to halt global warming, Europeans should change the way they live and work to mitigate the effects of rising temperatures, the European Commission said in a document.

The paper raised the possibility that entire cities may eventually have to be moved.



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