



DrumBeat: July 12, 2007

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Topic: [Miscellaneous](#)

[Energy for China: More diversity of supply, but demand is growing fast](#)

China's energy challenges are monumental. The economy is in the midst of a highly energy-intensive stage of growth, but domestic reserves—especially of oil—are far from adequate to meet burgeoning demand. As a result, the government faces a series of policy challenges: to expand supply while increasing efficiency, to allow fuel prices to increase and risk more social unrest, and to acquire energy assets overseas while China's international conduct is under close scrutiny. If the government fails in any of these delicate tasks, in the medium to long term the resulting energy crunch could pose a serious threat to China's economic growth and political stability—and hence to the global economy as well.

[Peak Oil Politics in Kuwait](#)

In a world of Peak Oil, oil-rich states like Kuwait and their OPEC allies would rather string us junkies out as long as they can by promising bountiful future flow.

Patting us on the back and saying the oil won't run out any time soon is paired with threats of supply reduction if major consumers like the United States pursue other energy options, like renewable energy and other alternative sources.

[Meet the Future of Flight](#)

If the Dreamliner really does prove to be 20% more fuel-efficient than the aircraft it is replacing, U.S. air carriers will have a built-in competitive disadvantage every time a pilot advances the throttles and spools the engines of an older model aircraft.

[Water World: Slipping Toward Climate Catastrophe](#)

The IPCC predicts that sea levels could rise by as much as 59 centimeters this century. Hansen's paper argues that the slow melting of ice sheets the panel expects doesn't fit the data. The geological record suggests that ice at the poles does not melt in a gradual and linear fashion, but flips suddenly from one state to another. When temperatures increased to 2-3 degrees Celsius above today's level 3.5 million years ago, sea levels rose

not by 59 cm but by 25 meters. The ice responded immediately to changes in temperature.

[Gasoline prices on the rise; fuel shortage due to flooded refinery](#)

By the end of the week, prices could reach \$3.25 to \$3.50 a gallon in the Midwest, said Tom Kloza, publisher and chief oil analyst at the Oil Price Information Service. He said Tuesday that the prices consumers pay in the next 10 days could be the highest of the year.

...“Coffeyville lit the fuse,” Kloza said, adding problems at a Valero refinery in Ardmore, Okla., and the BP refinery in Whiting near Chicago also are contributing to high wholesale prices. “Ardmore was a basic hiccup for a U.S. refinery. But having a hiccup on the backside of kind of a major organ disappearing is pretty serious.”

(The comments under this article are kind of interesting.)

[Coal plant: Process worked, so now what?](#)

First, we still face an uncertain energy future. All of the "alternative energy" sources discussed to date simply will not meet our community's growing energy needs. There is no simple answer, no magic potion or easy fix. We may wish that compact fluorescent light bulbs, smart thermostats, biomass plants and solar panels will fill the ever-growing void in our projected needs. But they simply will not. Each of those solutions provides single-digit answers to triple-digit questions.

Second, we have to choose something, and we need to do it soon. If we don't, we could see our utility bills skyrocket beyond their already high levels and find ourselves having to buy power (and yes, coal-generated power) on the open market or suffer rolling blackouts and power shutdowns similar to what we saw in California a few years back. Our near-singular reliance on a petroleum product, natural gas, has near-term calamity written all over it. The something (or combination of somethings) we choose must provide real power in large doses in order to meet our growing needs. While our ultimate mix may contain experimental and burgeoning technologies, the bulk of power must come from a reliable (and affordable) source.

[Media Help Keep Power Supply Switched Off](#)

Sweltering heat is sweeping the nation, ushering in fears that the “slammed” power grid won’t be able to meet the demands of consumers desperate to keep cool.

But as much as journalists are now focused on that threat, they have largely ignored nationwide power issues while rabid environmentalists have battled nuclear and coal power plants.

[Biofuel Boom Driving Up Pasta Prices](#)

Mamma mia! The price of a plate of pasta is expected to rise 20 percent this summer as a bad wheat harvest and increasing competition from biofuel manufacturers send the price of delicate, delicious durum wheat skyrocketing.

[Death To The SUV?](#)

General Motors is abandoning plans for its luxury Cadillac Sixteen could be the first in a long list of large cars, light trucks and SUVs scrapped by automakers, as they face more strict fuel economy standards in the near future.

[Castro decries squandering of resources in Cuba](#)

Cuban leader Fidel Castro has warned that the squandering of fuel and other resources is threatening Cuba's viability and sovereignty.

[Pipeline explosions show weakness in Mexican industry](#)

A series of gas pipeline explosions triggered by a leftist guerrilla group has rocked Mexico with a powerful warning about the vulnerability of the nation's oil and gas industry.

[Diplomat says U.S. would support Chile nuclear energy](#)

“We know that Chile needs energy. We have invested \$5 billion dollars into the investigation of clean energy, and we can cooperate on this issue,” said Burns. “There is a debate going on right now in Chile, and we do not want to intervene. But, if they decide yes, and this is what I was talking to Minister Tokman about on Monday, of course we could help them. We have experience and expertise on this issue and there are many American companies working in nuclear energy.”

[Nebraska: Some Gas Pumps Run Dry](#) - Governor Declares State Of Emergency Related To Fuel

Truckers spent more than an hour waiting to fill up with fuel for delivery as some gas pumps ran dry across the state on Wednesday.

Nebraska's governor has issued an executive order that will allow gasoline truck drivers to alter their hours of service.

Gas supplies in the state have been tight after flooding in Kansas last week. Industry

experts said high waters submerged a Coffeyville, Kan., refinery and waters could keep the 108,000-barrel-a-day facility shut down for most of the summer.

[Blood for oil](#)

Brendan Nelson's admission that Australia has to help secure oil supplies at least brings some honesty into the rhetoric about our ongoing military involvement in Iraq. However, it also reveals a dangerous and blinkered vision of how the oil have-nots expect to secure preferential treatment from the oil haves when the peak oil crunch finally comes.

[Interview with King Abdullah II](#)

You know the funny thing is, three years ago we went to the States and said our national agenda, which is a reform program we've sort of outlined for ourselves in Jordan, had stipulated that we need to look for alternative forms of energy and one serious one is nuclear energy, because we don't have natural resources here. So we went to the West 2^{1/2}, three years ago and said okay now, this is one of our priorities, and nobody said: "Fantastic. We will work with you." Only [when] I was interviewed in an Israeli newspaper and it was like this – the last question in a very complex interview about the peace process – that I said, yes we are interested in an energy program. The next day we know is headline news: Jordan talks nuclear power.

[Brookside Farm a one-acre success](#)

Both have political and philosophical concerns that go far beyond the traditional farmer's squinty-eyed lookout for prices, weevils and weather. Both are interested in the implications of "Peak Oil" the culmination of world oil production which, some experts say, is already upon us and which must necessarily lead to a decline in global oil production that could fundamentally alter the American way of life. Both are laboring to demonstrate what life will look like in a post-oil world.

[KBR wins Ras Tanura deal](#)

The US' KBR has won the project management contract from Saudi Aramco and Dow Chemicals for the construction of the Ras Tanura petrochemical plant, Aramco and Dow said in statement. KBR beat Fluor and Foster Wheeler to the project management contract, while the three companies were also competing for the front-end engineering and design contracts, according to Reuters.

[Devon Energy Wagers \\$100 Million on Repeating Chevron's Success](#)

Devon Energy Corp. is making a \$100 million bet on a potential oil bounty this week, drilling an exploration well 33,000 feet below the seabed in some of the Gulf of Mexico's deepest waters.

That's a lot to lose when the chance of success hovers around 30 percent, said Tony Vaughn, vice president and general manager of the Oklahoma City-based company's Gulf division.

But potential from discoveries near Devon's Chuck field about 240 miles southwest of New Orleans, most notably Chevron Corp.'s Jack field, makes it worthwhile.

[Canadian households a paler shade of green](#)

Canadian households have gone green in some areas, but still have a few bad habits to break, according to a Statistics Canada report made public yesterday.

[U.K.: 'Smart meters' get £10m trial](#)

The government has announced a two-year trial of 'smart meters' it hopes will help consumers monitor – and lower - their energy consumption.

[Prof's hydrogen research draws Chrysler's notice](#)

A University of Windsor chemistry professor may be holding the keys to hydrogen-powered vehicles of the future.

David Antonelli's breakthrough in hydrogen storage research is attracting worldwide attention -- and investment from Chrysler.

[National Grid Admits Mistake](#)

Rensselaer County leaders have directed the New York State Public Service Commission to investigate why National Grid, hoping to avoid bigger power problems, chose to shut down power to Troy customers on Tuesday.

A National Grid spokesman admits the power company could have done a better job communicating with municipal leaders during the power outages.

At one point, those outages left 80% of customers in Troy without power.

[The Vatican to Become World's First Carbon Neutral Sovereign State](#)

By agreement with the Vatican, Planktos/KlimaFa is now pleased and honored to announce that the Holy See plans to become the first entirely carbon neutral sovereign state, and it has chosen KlimaFa eco restoration offsets to achieve this historic goal. In a brief ceremony on July 5th the Vatican declared that it had gratefully accepted KlimaFa's offer to create a new Vatican Climate Forest in Europe that will initially offset all of the Holy See's CO2 emissions for this year.

[News Analysis: Why does Kuwait keep its oil reserves secret?](#)

Asked whether the 100 billion barrels represented exploited and unexploited reserves, Al-Olain, also Minister of Electricity and Water, said, "What is invested at present is not part of oil reserves ... there is no doubt that Kuwait has not exploited its oil reserves."

But industry newsletter *Petroleum Intelligence Weekly* last year said it has seen Kuwait's internal records showing reserves were about 48 billion barrels - half the officially stated 99 billion. Former Oil Minister Sheikh Ali al-Jarrah al-Sabah, who resigned in late June, refused to disclose reserves during his tenure saying this is related to the country's security.

Kuwait's analyst Jamie Etheridge said in an article published here that there's sound logic in keeping the real figure secret. First of all, within the energy industry there is a significant difference between proven, probable and possible reserves.

[The Peak Oil Crisis: A Tale of Two Reports](#)

In the last few days, two important reports on the prospects for world oil production were "released." While these reports reach diametrically opposite conclusions, each of them, in its own way, is likely to make a contribution to the debate over just when the economic troubles occasioned by the peaking of world oil production will occur.

[South Korea sends oil as hopes rise on North Korea](#)

A South Korean tanker left Thursday with a first shipment of fuel oil for North Korea, a delivery expected to prompt the North to start shutting down its nuclear weapons programme.

[7 kidnapped oil workers freed in Nigeria](#)

Gunmen have released seven kidnapped oil industry workers — five foreigners seized from a rig a week ago and two senior Nigerian managers taken captive last weekend, police and company officials said Wednesday.

[Kurds speak out against key oil law](#)

Kurdish leaders spoke out Wednesday against a key oil law, raising further doubts over efforts to pass one of the political benchmarks sought by the United States at a time when the Bush administration is trying to fend off critics of its Iraq policy.

The political wrangling in Baghdad is having an impact in Washington, where a growing number of Senate supporters of the president's strategy are now pressing for a change – pointing to the failure of Iraqi Prime Minister Nouri al-Maliki's government to make political progress.

[Gazprom Chooses Total as Shtokman Partner](#)

"Gazprom has made a decision on the choice of a foreign partner to implement the initial phase of Shtokman field development, and named French Total S.A. as such. A respective agreement is to be signed in Moscow tomorrow," declared Alexey Miller, Chairman of OAO Gazprom Management Committee.

[Don't peak? Sorry, the oil crunch is inevitable](#)

With gas prices rising again and global warming still in the headlines, a new Washington County group is looking at the issue of our dependence on crude oil.

[The gauges do not lie: oil pressure is building](#)

Now the International Energy Agency tells us demand for oil will grow at 2.2% a year, not 2% as previously estimated, as China and India consume more. The result, says the agency, is a supply "crunch" in five years' time and, in the end, insufficient supply can only be balanced by a drop in demand.

That may be the eventual result - in other words, a proper recession - but in the very short-term, it is hard to see how the pressure can be relieved.

[Northeast faces flood risks from global warming](#)

New York's Wall Street, Boston's historic areas and Atlantic City's casinos may all suffer frequent devastating flooding by the end of the century unless the world sharply cuts greenhouse emissions, a new report said on Wednesday.

"The very character of the Northeast is at stake," Peter Frumhoff, director of science and policy at the Union of Concerned Scientists, said in an interview about the report, called "Confronting Climate Change in the U.S. Northeast." UCS collaborated with 50 scientists and economists to produce the peer-reviewed report about climate impacts to

the Northeast.

[Lawmakers unveil anti-pollution proposal](#)

The nation can begin to address the risks of climate change while avoiding harm to the economy, senators said Wednesday in unveiling anti-pollution legislation.

The bill would establish a mandatory cap on carbon dioxide emissions from power plants, refineries and industrial plants but allow companies to trade emission credits and avoid making emissions cuts if the costs become too high.

[Edwards wins online poll on climate change](#)

John Edwards has the best approach to fighting climate change of any 2008 Democratic presidential contender, according to an online straw poll of members of the liberal activist group MoveOn.org.

[U.K.: New topics to be taught in reformed curriculum](#)

Students will soon be taught climate change and how to manage their finances as England's school secondary curriculum is overhauled to make it more interesting and relevant to children.

[Florida to introduce tough greenhouse gas targets](#)

Florida, the fourth most-populous U.S. state, will impose strict new air-pollution standards that aim to reduce greenhouse-gas emissions by 80 percent of 1990 levels by 2050, according to draft regulations released on Wednesday.

[Think tank: Families should have no more than two children](#)

Families should have no more than two children if they want to help combat climate change, according to new research by a thinktank.

According to the report, published by the Optimum Population Trust, Britain's high birth rate is a major factor in the current level of climate change, which can only be combatted if families voluntarily limit the number of children they have.

The report calls for a 'two-child' policy in the UK that would reduce the nation's population from 60 million, as it currently stands, to no more than 55 million by 2050.



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