



## DrumBeat: August 1, 2007

Posted by [Leanan](#) on August 1, 2007 - 9:06am

Topic: [Miscellaneous](#)

### [Oil prices hit new all time record highs](#)

Oil prices hit a new all time record high of 78.77 usd a barrel in New York after US government data showed a much larger than expected fall in US crude supplies as refiners cranked up motor fuel production.

The US Energy Information Administration said US crude stock fell by 6.5 mln barrels in the week to July 27. Analysts polled by Thomson Financial News were calling for falls of 750,000 barrels.

The rise came as refinery utilisation rates rose to 93.6 pct.

'The crude stock draw was huge, much larger than expected and refinery utilisation was up but didn't translate into much more gasoline stocks and that's what we need at this point,' said Summit Energy analyst Amanda Kurzendoerfer.

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### [OPEC Posts Record 06 Oil Revenue; Lags Western Companies by Half](#)

The Organization of Petroleum Exporting Countries posted nominal record revenue of nearly \$650 billion last year on high crude prices and increased oil production, although its sales were just half those of the top U.S. and European energy firms, the producer group said in a report released Tuesday.

But in an indication as to why it may be keeping a tight rope on future production capacity, the report showed OPEC's base of economically recoverable oil reserves last year was flat if new, higher estimates from troubled OPEC producer Venezuela are stripped out, the worst growth in this key metric in recent years.

### [There Are Dire Consequences To Continued 'Growthmania'](#)

Earth's finite quantity of raw materials requires fossil fuels from processing to the finished products, and for plastics, petroleum provides the raw stock. Any radical transformation of the energy system in the 21st century will require a range of new technologies on a large scale using limited natural resources. For example, thin-film solar photovoltaics (PV) and battery-electric vehicles require rare metals — cobalt,

gallium, germanium, indium, lead, lithium, nickel, ruthenium, etc.

As this materials run short, by 2017, “the radio ... the [cell phone, computer game and Blackberry], and the movies that we know, may just be passing fancies, and in time may go.”

### [Argentine Government Continues To Beat Down Fuel Pump Prices](#)

Argentine fuel retailers have again pledged to drop any pump price increases following apparent government pressure in what is beginning to look like a game of price control "whack-a-mole."

### [Taiwan: Ministry tells state-run oil company to freeze gas prices](#)

Drivers and motorcyclists can take a break from rising fuel prices, as the Ministry of Economic Affairs yesterday ordered state-run CPC Corp, Taiwan (CPC) to leave gasoline prices unchanged until an improved floating price mechanism is determined within two weeks.

### [Energy Bill Aids Expansion of Atomic Power](#)

A one-sentence provision buried in the Senate’s recently passed energy bill, inserted without debate at the urging of the nuclear power industry, could make builders of new nuclear plants eligible for tens of billions of dollars in government loan guarantees.

### [America's nuclear revival](#)

One thing I've learned on my 7,000 mile journey through America's nuclear past and present is that when you're driving around scouting for a power plant -- any kind of power plant -- first locate the high-voltage transmission lines. (If you stand directly under those lines, sometimes you can hear the electricity cackle and spatter like rain drops on the roof.)

Then check the lay of the land. Then follow the downward slope to the water. Could be a river you're looking for, could be a lake (natural or man-made). Could be the ocean. But here's the rule: No water, no steam; no steam, no power.

### [NRC agency has trouble tracking its guns](#)

The agency tasked with sensitive investigations of the U.S. nuclear industry is having trouble keeping track of its guns, according to a new audit.

The Nuclear Regulatory Commission's Office of Investigations was unable during a surprise inspection to produce 15 out of 17 firearms it listed as being stored at NRC headquarters in Rockville, Md. A third gun that was found at headquarters was listed as being stored in another office.

[Let the Sun Shine In: Too much energy is wasted by converting it. We could cut energy use by as much as 30% in 10 years by removing some links from the energy chain](#)

Sometimes the best solutions to the energy crisis are the simplest, and often they're right in front of our eyes. Consider the use of solar power to light a home. Even the most advanced photovoltaic solar panels convert just 20% of the available sunlight to electricity. The resulting direct current (DC) then must undergo conversion to alternating current (AC), losing another 20%. If that AC goes on to light an incandescent bulb, which is only 5% efficient, you end up using a fraction of 1% of the original sunlight as room light. (Even switching to compact florescent bulbs, which are 15% efficient, makes little difference in overall energy efficiency.) But if you were to simply leave sunlight as light—via proper skylights, window orientation, and louvers—nearly 80% of the light ends up as illumination.

[Dr. Johann Wingard On Synthetic Fuels and Energy Crisis](#)

I believe that the combination of electrified transport, bio-fuels and synfuels from coal and oil bearing minerals can eventually replace oil based fuels, which would last mankind for the next couple of centuries. I am a hydrogen skeptic, but research and development on fuel cells which use hydrogen bearing liquid fuels may provide the breakthrough, as phenomenal efficiencies are possible with fuel cells used in conjunction with unfired micro-turbines. I agree with physicist David Goodstein who said that fusion and shale oil are the energy sources of the future – "...and will always be." Geophysicist Amos Nur of Stanford University believes that oil production will have to triple by 2060 just to cater for the world's expanding population. Clearly that is not likely to happen, meaning that a huge conflict could be emerging during the next few decades.

[\\$5.8 Billion More in Oil Revenues and a "New Geometry of Power" for Venezuela](#)

Speaking from La Cabrerita in the state of Anzoátegui during his weekly program *Aló Presidente*, Venezuelan President Hugo Chavez announced that Venezuela has recuperated US\$5.8 billion annually through measures to introduce 'oil sovereignty' and elaborated on his vision for the "new geometry of power" in Venezuela.

[Argentina: Changes to government energy policy unlikely despite crisis](#)

Argentina is not expected to change its energy policies under a new Kirchner administration, sources said. As reported, the sovereign has been hit by the one-two

punch of a lack of investment and governmental interference in the sector, coupled with abnormal weather patterns. The crisis has forced Argentina to cut 1200MW per day to industry from 4PM to 10PM in order to keep residential electric customers relatively unaffected by the crisis. 45% of gas demand cannot be satisfied during peak days, according to Ecolatina the consulting company founded by presidential candidate Roberto Lavagna.

### [Energy crisis at Turkey's doorstep](#)

Officials say the spread of power cuts throughout the country is imminent given that the current energy production fails to meet overall public consumption. They warn power cuts will have catastrophic impacts on the country's fragile economy.

### [The Philippines: Palace mulls crisis powers for Arroyo](#)

The looming energy crisis brought about by the extended dry spell might push Malacañang to ask Congress to grant special powers to President Arroyo, ABS-CBN News reported Wednesday.

### [China's Pursuit of Happiness](#)

China today faces an immediate challenge: energy dependence. China was the eight largest importer of oil in 2000, fourth largest in 2003 after the United States, Japan and Germany and will most probably occupy second place before the end of this decade. Beijing recognizes the need for a cheap and consistent supply of energy for its continued economic growth. Hence, economic strategies are based on fulfillment of these energy needs with any other strategic advantage being treated as a by-product. China's diplomacy revolves around the acquiring of energy assurances from resource rich countries regardless of the political, economical or security situation of the country. For this purpose, China has heavily invested its resources in Latin America, Central Asia and Africa.

### [Saudi Aramco Names Former Top Shell, Texaco Executives To Board](#)

Saudi Arabian Oil Co., the world's biggest oil company by production and reserves, Wednesday said former Royal Dutch Shell PLC (RDSB.LN) chairman Mark Moody-Stuart and James W. Kinnear, former president and chief executive of Texaco, are joining the company's board.

### [EU to Use 18% Cereals Crops by 2020 for Biofuel](#)

Europe should by 2020 divert around 18 percent of its cereals harvests, mostly maize and soft wheat, into making biofuel to meet targets for feedstock use in transport fuels, a

European Commission report said on Tuesday.

### [British Airways fined record £121m over fixed fuel surcharges](#)

BRITISH Airways was today fined a record £121 million after it admitted colluding to fix the prices of fuel surcharges.

### [Just Drill Baby](#)

Washington politicians have been telling us we are in an "energy crisis." But America's energy challenges are far more political than substantive, says Pete du Pont, chairman of the National Center for Policy Analysis and former governor of Delaware.

### [Lower gas prices state's reward for new habits?](#)

California drivers are bucking a national trend by burning less fuel. The state Board of Equalization reported Tuesday that gas use fell by nearly 1 percent in April, the most recent month for which it has statistics. That's down by 101/2 million gallons from a year ago and follows four straight quarters where Californians have used less gas than they did during the same period the year before.

### [Paris Woos Cyclists as Free Bike Scheme Takes Off](#)

The "Velib" -- short for "free bike" -- programme launched in Paris this month has been a runaway success for Mayor Bertrand Delanoë, allowing thousands of Parisians and visitors to leave their cars at home to pedal to work or to the shops.

### [Under the sun](#)

A growing number of people are cooking with an abundant, clean power source: nuclear fusion - or, in other words, the sun. This summer, I became one of them. Using some scrap materials and plans I found online, I built a solar oven whose temperature gets up to 240 degrees. It bakes potatoes, roasts vegetables and slow-cooks meat - all while sitting on my front lawn on a sunny day.

### [Turmoil at Another Progressive College](#)

Another progressive college is in a crisis. After the Western Association of Schools and Colleges placed the college on probation in July, some at New College of California, founded in 1971 and "committed to education in support of a just, sacred, and sustainable world," are undertaking the process of upturning the entire leadership -

with supporters seeing the shake-up as their best opportunity to save the San Francisco college.

“The administration at New College and specifically the president have been needing to go for a very long time,” said Richard Heinberg, who teaches in the Culture, Ecology and Sustainable Community Program.

### [Could the Moon help power Earth?](#)

We all use fossil fuels in our everyday life, but experts say they will deplete in the next 50 to 100 years. This will throw us back into the Stone Age.

Scientists are now desperately looking for an effective solution. Solar or wind energy is not expected to be sufficient to run the planet. Nuclear energy produces excess radioactive wastes.

Now some scientists are taking a closer look at the moon and see a shining new opportunity.

### [Fuelhardy](#)

We have placed ourselves in a position where we are relying on sources of oil the Emerging Trends Report (ETR) simply does not believe will be available in the quantities we will require in but a few years' time. Increased global consumption and competition for available supply is running headlong into barriers erected by production constrictions and reinforced by resource nationalization and resource mercantilism.

### [Why oil is the enemy of democracy](#)

The anti-war crowd is right. It is all about oil - although perhaps not in the way it means. Consider some of the current threats to global stability: Russia's contempt for international norms, Iran's nuclear ambitions, the massacres in Darfur, the descent of South America into Leftist authoritarianism. All these crises are oil-fuelled.

The six-fold rise in the price of a barrel, and the commensurate boost it has given to the petro-kleptocracies, is the central fact of our age. Russia is ceasing to be a democracy in any meaningful sense: opposition politicians are harassed, independent media closed, journalists murdered. Almost every contiguous state has felt the force of President Putin's oil diplomacy: Estonia, Moldova, Belarus, Ukraine and, above all, Georgia, which is being asphyxiated by a semi-official blockade. Nor does it stop there. Alexander Litvinenko, let us remember, was a British subject living under the Queen's peace. At best, his murder was an act of terrorism; at worst, an act of war. Yet Vladimir Putin calculates that he can mock us because, as his defence minister cheerfully puts it: "The West keeps buying our energy."



## [Big Oil: Looking Both Ways](#)

I recently described the dangers posed by declining production at many of the world's major oil fields. Now, in the past quarter, virtually all the world's major public exploration and production companies -- including ExxonMobil, Chevron, BP, and ConocoPhillips -- have reported lower crude oil production, based at least in part on "normal declines" in their fields. I continue to believe that this is a far bigger problem than most people recognize. It's also one of the reasons why respected energy seer T. Boone Pickens believes that, regardless of how rapidly world crude demand rises, global productive capacity may never materially exceed today's levels.

## [Extraordinary oil and non-oil revenues as of September](#)

According to the Ministry of Finance, the Venezuelan Treasury as of September will begin receiving oil and non-oil additional revenues.

The oil industry as of September is expected to deliver extraordinary oil royalties. That month Venezuelan state oil giant Pdvsa is expected to complete royalty contributions estimated in this year's budget at USD 12.16 billion.

## [Pipeline Politics and Turkey](#)

Daniel Yergin in his Price discusses Sir Winston Churchill's dilemma while deciding a great transformation in British navy; using oil as the mean of fuel instead of coal just before the World War I. If we take this great change as a milestone, since then hydrocarbon resources and having control over them have become an important issue for the Western civilizations.

As the price of oil and consequently input costs are increasing, energy issue and finding new alternatives that would decrease the dependency to hydrocarbon resources have become more pronounced by the policy makers and nongovernmental circles. On the other hand, economists blamed Asia-Pacific countries because of their increasing demand; even some discussed the peak oil theories more enthusiastically.

## [Concerns Mount Over Nuclear Energy After Series of Scares](#)

Irregularities at nuclear reactors in Germany and Japan in recent weeks have rekindled safety fears and raised tough questions about nuclear energy amid increasing environmental concerns.

## [Australia: Iemma dumps coal power plan](#)

THE NSW Government has indicated it is willing to use gas for its next power station, moving away from coal for the first time.

The about-turn is the Government's first response to plans for a national carbon trading regime.

### [Shell Pumping \\$27B To Oilsands](#)

In its first major move since privatizing Shell Canada Ltd., Royal Dutch Shell PLC said yesterday it will spend up to \$27-billion to build the biggest oilsands upgrader yet.

The Anglo-Dutch oil major said in a regulatory filing that it wants to build Scotford 2 in the Fort Saskatchewan area near Edmonton, beside its existing Scotford 1, where a multi-billion-dollar expansion is now underway. It will join a dozen other upgraders proposed or under construction in the region. Shell's mammoth structure will process up to 400,000 barrels a day of bitumen from its Athasca project as well as from in-situ projects in other parts of the province.

The price tag, one of the biggest spending plans in the country, reflects the scale of the oilsands business in Alberta and its rising costs. It comes on the heels of Petro-Canada's announcement last month that it will spend with its partners as much \$33.4-billion on its Fort Hills project, which involves a mine in Northern Alberta and upgrading fa

### [Oil: \\$100 a barrel - or \\$200?](#)

Nine of the last ten serious downturns in the world economy followed a spike in the price of oil, and we are heading for another spike, with oil back up near the peak of \$78.40 a gallon that it reached almost exactly a year ago. A record number of options contracts are now being sold that entitled customers to buy oil in the future at \$100 a barrel. That tells you where the inside players think the price of oil is heading, since those options will only be of value if the price were actually above \$100 a barrel.

The spike at \$78.40 in July, 2006 didn't cause a recession, so why should this one? Indeed, why would even \$100 a barrel cause a global economic crisis, given that one hundred US dollars today is only worth about the same in most other currencies as \$78.40 was a year ago?

### [Flush with Orders, Oil Drillers Expand](#)

With "easy oil" on land increasingly tapped out or in the grip of national oil companies, international oil companies and some national firms are scrambling to find the next big fields offshore. To do it, they have hired virtually all of the world's available rigs capable of drilling in water over 500 feet deep, at rapidly escalating prices. With new offshore



provinces opening up everywhere from India to Brazil, producers are booking deepwater rigs years in advance.

## [Ethanol](#)

*Rolling Stone* is usually pretty good about printing fairly accurate stories. I'd read other articles critical of the ethanol push, but never anything that grabbed me by the throat like this *Rolling Stone* article does. I don't claim to be an expert on the advantages and disadvantages of ethanol, but it seems to me like there must be an "other side of the story" to this.

## [Weather Forecasters Watching Two Systems in Atlantic](#)

The busiest stretch of the hurricane season starts in August, and almost right on cue, two disturbances were lurking in the Atlantic, one of which developed into a depression Monday night.

## [As icecaps melt, Russia races for Arctic's resources](#)

Call it the global warming sweepstakes.

As milder temperatures make exploration of the Arctic sea floor possible for the first time, Russia's biggest-ever research expedition to the region is steaming toward the immense scientific prestige of being the first to explore the seabed of the world's crown.

## [U.N. climate change meeting aims at rich countries](#)

The first U.N. special session on climate change focused on the world's rich countries on Tuesday, as policy-makers urged long-standing polluters to shoulder much of the burden for cutting greenhouse gases.

## [Landmark Energy Policy Study Points the Way to U.S. Energy Future without Fossil Fuels or Nuclear Power](#)

A new study concludes that the United States could eliminate almost all of its carbon dioxide emissions by the year 2050. It also concludes that it is possible to do so without the use of nuclear power.

## [U.N. rejects big Kyoto project in Equatorial Guinea](#)

An emissions-cutting project in Equatorial Guinea has become by far the biggest yet to fail a United Nations approval process under the Kyoto Protocol on global warming.

The project was meant to reduce flaring by turning natural gas into methanol. It failed to demonstrate that its proposed emissions cuts would not have happened anyway, regardless of Kyoto incentives.

This is the twenty-sixth project to be rejected so far.



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