



DrumBeat: August 4, 2007

Posted by [Leanan](#) on August 4, 2007 - 9:36am

Topic: [Miscellaneous](#)

[U.S. fuel thirst deepens despite more mass transit](#)

Lofty gasoline prices have helped push U.S. public transit ridership to the highest level since the country spawned its highway system in the 1950s -- but the growth is not enough to drive down demand for motor fuel any time soon.

[Demand Destruction - Market Failure](#)

Stern and others have pointed out that markets for coal, then oil and gas never quantified or priced their greenhouse gas emissions. As the potential serious consequences of climate change are now being understood, this externality can now be considered the *biggest market failure ever*. More importantly, this historic inability of markets to value something as *important as the humanity endangering consequences of burning fossil fuels* calls into question the central tenet of our socio-economy.

[India mixes arms and energy access](#)

India's energy needs and status as a big global arms purchaser from some and supplier to others are increasingly becoming intertwined. Having lost out to China in several direct bids for energy sources around the world, the tying up of energy needs with arms supplies or purchase contracts is emerging as a subtle, even if unstated, strategy.

[Energy lobby marshals forces](#)

As Congress debates a bill today that would block energy development on Garfield County's Roan Plateau, the Denver oil and gas lobby is preparing to roll out a counter-blitzkrieg.

[Say bye bye to bananas, hello local with '100 Mile Diet'](#)

Say goodbye to coffee. Adios to chocolate. Bananas, pineapples and olives, too. Store-bought cookies, crackers and cereal. Frozen dinners.

Seattle residents committed to following the "100 Mile Diet" -- an experiment in eating only what's grown 100 miles from home -- said sayonara to all of these items for the month of August.

...The grass-roots non-profit Sustainable Ballard is coordinating the local effort to follow the diet. The group is hosting a kickoff event Sunday at the Ballard Farmers Market. Chefs will highlight meals made of local ingredients. During the month, the group is holding a canning and preserving class and people are encouraged to meet for local-food potlucks.

Electric Politics podcast: [Yesterday This Day's Madness Did Prepare](#)

One fact to keep in mind. Instead of taking their recent, unprecedented, and obscene profits and reinvesting them, big oil companies are returning the money to shareholders as dividends. *Ergo* there's no more oil to be discovered. We know that for other reasons, but if somebody tries to argue with you about Peak Oil, just point out to them that big oil has zero interest in getting at the truth. Or big oil's lackeys. To take another *tour d'horizon* of the Peak Oil situation I turned to David Strahan, an award-winning former BBC journalist who's written an outstanding book, *The Last Oil Shock*. David pulls the story together in a unique, intriguing and most persuasive way. I very much enjoyed talking with him and I hope you find this show interesting and useful.

[Oil price in danger zone — OPEC concerned, US worried](#)

Oil at an all-time high near \$80 a barrel has pushed top fuel consumer the United States into the economic danger zone — and OPEC, too, is concerned.

The 12 exporters are keeping a lid on supply for now given ample stocks of crude worldwide, but if prices stay this high or inventories continue to drain, they may reconsider when they meet on Sept 11. Expensive fuel has had only a modest impact on US consumers, but Energy Secretary Sam Bodman voiced concern the economy will suffer if prices do not fall soon. "That's why I hope that both OPEC and non-OPEC nations will look carefully at the facts," he said on Thursday — the day after US crude hit a record \$78.77.

[The E.U. and Russia: An Uneasy Oil and Gas Bond](#)

There is no shortage of paranoia in the West these days over Russia's revitalized, energy-driven, superpower status. Much of it was fueled by the German-Russian Nord Stream gas pipeline mega-deal in 2005. Not only did it confirm Germany's status as Russia's preferred strategic European partner, but for many it also confirmed Europe's dangerous over reliance on Russian energy. Those fears were bolstered again in June when Italy's Eni signed up with Gazprom to develop the huge South Stream pipeline.

[In pursuit of sustainable communities](#)

The SCD focus is indicative of our belief that all global issues can ultimately only be solved at the local level — community by community, region by region.

It must be representative of our response to climate change, peak oil, water shortage, biodiversity loss, socio-economic disparity, localized employment, educational access, health care, transportation and commerce and a myriad of other issues.

[Professor urges 'sustainable' solution](#)

Contrary to the hope of rural America, ethanol and biodiesel aren't the "silver bullet" solution to the nation's looming energy shortage.

In fact, the use of food crops to fuel Pontiacs, not people, is something akin to a crime against humanity -- at least in a world where Third World, peasant farmers allegedly are being pushed off their land by wealthy investors who want to capitalize on the biofuel boom.

[South Africa: Petrol panic sweeps city](#)

Panic petrol buying is sweeping Cape Town as the fuel industry strike bites and pumps run dry across the Peninsula.

And there is no chance of more fuel until early next week.

[The serious money says biofuel](#)

Whether the market is gripped by irrational exuberance and zooming to new highs, or enduring one of its periodic meltdowns, it's risky to bet against the tide -- no matter what your personal views.

Apparently, that lesson isn't lost on Alberta Energy Minister Mel Knight. He unveiled details of a \$209-million program earlier this week to help Alberta biofuel producers ramp up output.

[Sales tax on gas would boost roads, colleges](#)

Early in the third year of Referendum C's five-year timeout from the Taxpayer's Bill of Rights, it's obvious Colorado has enough money to upgrade *either* its congested highway

network or its tattered higher education system.

[Where's the bridge money?](#)

Insecure road funding is an unintended consequence of what is hailed as a healthy trend toward more fuel-efficient vehicles. Even though the number of cars on the road and miles traveled have grown, gasoline use - and thus gas taxes - have remained essentially flat. The result is that the gas-tax trust fund that has subsidized the nation's road system for decades will run out of money by 2009.

Federal, state and local governments collectively spend about \$70 billion each year on roads and bridges. That's \$9 billion less than is needed to maintain them and \$62 billion less than is needed to expand the system to handle growth, Federal Highway Administration figures show.

[Be Fearful, Be Brave](#)

Byron King, editor of Outstanding Investments, examined investment opportunities among oil and gas stocks. Because the world is no longer awash in oil, King declared, the energy sector - both traditional and alternative - will be awash in great opportunities.

The "cheap oil" days are over, he warned, which means the energy-dependent American lifestyle will become costlier to maintain...maybe much costlier. "We've invented the cheap-energy system that has given us prosperity and freedom," King explained, "now we begin the descent. We'll either have to invent our way out of it, or go back to the way it was before."

n He was talking, of course, about our petroleum-based economy... in the face of Peak Oil. Once mocked, denied and ridiculed, the realities of Hubbert's theory are now coming to pass as, one by one, the world's oil fields pass their peak production rates and ease into decline.

[Precious Oil](#)

The Independent Philippine Petroleum Companies Association (IPCA) announced that the public will again expect (dread seems to be a more appropriate word) another round of fuel price increases averaging at P0.50 per liter in the coming weeks. This, IPCA Chairman Glen Yu said, will have to be implemented because of a \$4 dollar per barrel increase in the price of oil in the world market, which he finds confusing because of the adequate supply of oil. Who is then responsible for the spikes in oil prices?

[Crude Oil & Gold: Profiting From the Linkage](#)

Regarding Crude Oil, among the many reasons for Deepcaster's long-term bullishness is that the world is at about "peak oil" - - that is, the peak of possible production. Whether "peak oil" is actually this year, or in the next year or two or three, is rather irrelevant. The evidence, according to Matt Simmons, Boone Pickens, and others in a position to know, is that we are at "peak oil." One salient fact is that the rate of consumption considerably exceeds the rate of discovery, and has for some time.

[Helicopter Crashes In S Nigeria, Pilot Dead](#)

Helicopters have taken on an increasing role in transporting oil workers amid rising insecurity in southern Nigeria, where all of Nigeria's crude is pumped. More than 150 foreigners have been kidnapped in Nigeria this year alone, with many taken from their vehicles as they traveled on the region's roads.

But Nigeria's aviation industry has also had troubles. Hundreds of people have died in aircraft accidents over the past three years, with analysts blaming poor maintenance and untrained ground crews.

[As gas prices decline, so does interest in buying hybrid cars](#)

The latest Cars.com Consumer Search Index is showing a significant decline in searches for hybrids and other fuel-efficient cars, all of which saw dramatic increases during the last several months when gas prices were at all-time highs.

[Roofs and energy efficiency](#)

At a time when many countries are talking of energy efficiency and energy conservation, these are costly alternatives that also cause harm to the environment. Air-conditioning exhaust and power generation add carbon emissions to the atmosphere. Besides, these expensive appliances are useless in the face of power brownouts and a looming energy crisis.

What many do not realize is that the biggest source of their problem is the roof.

[Canada: Fuel-cell buses promised for 2010 Olympics](#)

Whistler will become home to the world's largest fleet of hydrogen fuel-cell buses by the 2010 Olympic Games in a five-year, \$89-million project announced Friday by the B.C. government.

[Area food banks feel strain while prices rise](#) - *Donations drop as consumers struggle, charity*

officials say

The annual rate of increase of food prices for the first six months of this year was 8 percent, said Patrick Jackman, an economist with the federal Bureau of Labor Statistics. Last year, the rate was 1.4 percent, and the year before, 1.7 percent.

[UK: Homeowners offered support to get 'green grants'](#)

A new system to help homebuyers get green grants worth hundreds of pounds to lower their fuel bills and make their homes greener has been announced, linked to the introduction of Home Information Packs and Energy Performance Certificates.

Most people are unaware that there are typical grants of £100 to £300 for cut price loft and cavity wall insulation.

[UK: Lib Dems plan air tax to aid rail](#)

The Liberal Democrats say they would put an extra £10 tax per ticket on internal flights in Britain to help fund improvements to the rail network.

They are also proposing to put a toll on road freight, while encouraging private investment in railways.

[Is green the new sexy?](#)

Recycling and turning off the standby are apparently the new ways to a woman's heart according to a poll for men's magazine Nuts. Women quizzed for the survey on the personality traits they found most attractive in men, put caring about the environment top of their list, surprisingly ahead of a good sense of humour.

[Russia warns it will reject any extra gas demand from Turkey](#)

Turkey's largest natural gas provider, Russia, has warned state-owned Turkish Pipeline Company (BOTAS) to refrain from demanding more gas than the amount specified in a supply contract between the two countries, according to Energy Ministry officials, leaving Turkey with the threat of yet another natural gas crisis looming on the horizon.

Turkey has been relying on Russia for natural gas, especially in the winter months, when Iran has failed in the past to provide the amount required.

Leaving questions about the issue unanswered, BOTAS officials hinted that Turkey was likely to face what could turn out a serious energy crisis this winter.

[Equilibrium Metal Demand and the Relativism of Peak Resource Pronouncements](#)

All of the debate on peak oil and peak resources in general overlooks that what is peak for the gander may not be peak for the goose. This is overlooked not because it isn't obvious, but because the American financial establishment doesn't want to face the political aspects of local and relative peak resource problems caused by environmental activism domestically and resource nationalism abroad. American financiers disguise their lack of interest in the future welfare of America by telling us that all markets are now global, and one has to go with the flow.

The temporary salvation of America's economy is the fact that we are the first industrialized country to reach major natural resource equilibrium. We, in America, already have most of the permanent metal product infrastructure that we need and we recycle on a massive scale, so that we need new metal only incrementally.

[Book Review: Twilight in the Desert - The Coming Saudi Oil Shock and the World Economy by Matthew R. Simmons](#)

One of the greatest questions of the modern world concerns whether our recoverable oil supplies will decrease faster than we can replace them with economical new energy sources. If we can keep up, then civilization can continue relatively unchanged and make the leap to the next stage of development. If not, then our modern civilization will face a resource shortfall that could spell the end of our way of life, much like other resource shortfalls have wiped out ancient civilizations.

[Gazprom, Beltransgaz Complete Payment Negotiations for Gas Supply](#)

OAQ Gazprom said it has completed negotiations with OAQ Beltransgaz over the Belarussian company's US \$456.2 million debt for natural gas supplies received this year.

"Negotiations have been completed, the first payment made," Gazprom said in a statement.

"In addition to this Gazprom expects full settlement of the outstanding debt within a week and 100 pct completion of current payments."

[The Saudi Arabian Economy](#)

Saudi Arabia is the largest economy in the Middle East, comprising 25 percent of the Arab world's GDP. It is the world's leading oil exporter, possessing one-fourth of the world's proven oil reserves. For more than 35 years, Saudi Arabian economic

development has been broadly governed by five-year economic development plans. The first five plans emphasized the development of the Kingdom's infrastructure, with later plans having an increasing focus on human resource and private-sector development. Over the past decade, the Saudi Government has placed an emphasis on privatization, particularly in the industrial and agricultural sectors. The 8th Plan, approved in November 2005, reflects the emphasis placed on economic diversification and the increased importance of developing the non-oil sector in Saudi Arabia.

[Joint Irano-Saudi oil project underway](#)

Development of Forouzan Oil Field in cooperation with Saudi Arabia aimed at replacing the existing platforms has entered a new phase.

[Even during periods of peak use, Utilities selling surplus electricity](#)

Even though the summer's been hot, with temperatures hitting 90 degrees or more for nine days last month, there were enough cloudy and rainy afternoons to decrease local electric use, Feltz said.

"Clouds versus no clouds can make a 30-megawatt difference in demand," she said.

[New Book Discloses that Oil, Coal not Needed for Past Several Decades](#)

A concerted effort, funded with tax-payer money through off-the-record' funding, has resulted in the discovery of an entirely new area of physics dealing with energy and propulsion, but special interests, by abusing the National Security Act, have kept these developments illegally classified.

[Oil exploration boat attacked in Uganda](#)

Gunmen attacked an oil exploration boat in western Uganda early Friday, killing one worker, officials said.

The motive for the attack was unclear, army spokesman Maj. Felix Kulayigye said.

"We suspect that the gunmen were soldiers from the Congolese national army, though we have no idea why they would launch such an attack," Kulayigye said.

[Peak Oil Passnotes: To Sir With love](#)

The U.K. has a problem: Its local oil and gas have peaked. There is no argument, it is not

heresy in the local industry and you can say it without being dragged out of your office and exposed as a communist. U.K. North Sea production peaked some years back at about 3 million barrels per day and continues to decline at around 1.8 million barrels per day at the moment. The decline rate is around 7% a year.

The same thing has happened in the United States. Oil production peaked at the start of the 1970s and, despite the huge concentration of capital and wells, continues to decline. These are both basic facts.

[U.S. publishes initial terms for Alaska oil leases](#)

The U.S. Interior Department published on Friday the initial terms for its upcoming Alaskan lease sale, which will give energy companies the chance to drill for oil in the state's Chukchi Sea.

[Suez: Codelco will control Chile LNG project](#)

Suez Energy Andino, a unit of France's Suez, said on Friday it would have a sizable participation in a planned liquid natural gas complex in northern Chile, but the complex would be controlled by government-owned miner Codelco.

[Ireland tidal energy project put on hold](#)

A plan to install the world's biggest tidal energy turbine in Northern Ireland has been put on hold.

...The company said the delay is because the jack-up installation vessel it will charter is stuck on its current project for an extended period.

[The Renewables Revolution Will Not Be Televised](#)

To be sure, there have been some recent moments when the media turned its focus on energy. Like when President Bush proclaimed that we are "addicted to oil."

Or like this week, with a slew of energy legislation making its way to the floor of Congress. Among the bills are some important ones that would set higher gas mileage standards for vehicles and establish a federal renewable portfolio standard (RPS) for generating of renewable energy. Some of them may even be voted on today.

But I resisted the urge to write about them, and exhort you to call your Congressmen in support. Why?

Because the renewables revolution will not be televised.



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