



DrumBeat: August 21, 2007

Posted by [Leanan](#) on August 21, 2007 - 9:04am

Topic: [Miscellaneous](#)

[Gasoline demand is finally slowing: Is \\$3 gas the reason?](#)

American motorists may have finally eased up on the gasoline habit.

After years of strong demand despite record high prices, there's evidence that the rate of growth in gas consumption is easing. Whether last spring's spike above \$3 made a difference, the recent credit worries have crimped demand, or if the decline is merely a statistical blip remains to be seen.

But one fact is clear. Demand for gasoline in the United States grew just 0.4 percent in the latest four weeks from a year earlier, according to the Energy information Administration, which polls refineries and wholesalers to gauge the amount of fuel sent to filling stations, down from 1.4 percent growth just five weeks earlier.

The average rate of growth over the last decade or so is about 1.5 percent, according to the federal agency.

[The Brother-in-Law on Your Couch Vision of the Apocalypse](#)

Ok, it isn't the apocalypse, but whenever I point out to people that to a large degree hard times means consolidating housing, living with family and friends and taking in refugees you happen to be related to (by biology or friendship), I get a great deal of resistance. I suspect some of us are better prepared to deal with purple-haired mutants invading our neighborhoods than we are prepared to deal with the basic reality that hard times often look like your brother in law, his kids and spouse sleeping on your living room couch for three years. And I get the frequent impression many of us would rather face the mutants, given the choice.

[Mexico halts Coatzacoalcos oil shipments due to Dean](#)

Mexico suspended crude shipments from its Coatzacoalcos port in the state of Veracruz as powerful Hurricane Dean approached the area, a port official said Tuesday.

"There were two shipments scheduled (for Tuesday) but they have been suspended," said port official Juan Jimenez, referring to state oil monopoly Pemex.

The other two of Mexico's three major oil ports -- Dos Bocas and Cayo Arcas -- were closed on Monday as the hurricane hit Mexico's Caribbean coast.

The three ports ship the bulk of Mexico's crude exports, which are mostly to the United States.

[Gulf to Japan VLCC freight hits four-year low partly due to Opec cuts](#)

The world's main crude export route sank to a four-year low last Tuesday, hit by strong fleet supply, long-standing Opec cuts and refinery maintenance in Asia, according to brokers and analysts.

The Very Large Crude Carrier (VLCC) route from the Gulf to Japan struck W50 - its lowest level since October 2003, according to Reuters data.

[Warming Will Exacerbate Global Water Conflicts](#)

"People are really starting to panic for water," said Arthur, whose father started drilling wells in 1959. They must drill ever deeper to tap the sinking water table. "Eventually, the water will be so deep the farmers won't be able to afford to pump it," he said. "There's only so much water to go around."

As global warming heats the planet, there will be more desperate measures. The climate will be wetter in some places, drier in others. Changing weather patterns will leave millions of people without dependable supplies of water for drinking, irrigation and power, a growing stack of studies conclude.

[US castoffs resuming dirty career](#)

Some townspeople in this 19th-century mill village on the Connecticut River celebrated when workers began tearing down a shuttered coal-fired power plant this year. First, they dismantled the towering boiler. In June, the smokestack that belched hundreds of thousands of tons of heat-trapping gases into the air came down. Last month, workers hauled away the five-story steel skeleton, leaving just a concrete silo as a reminder of this local icon of global warming.

But the demolition is hardly a victory in the battle against manmade climate change.

Virtually every piece of the 2,600-ton plant is being shipped to Guatemala to be rebuilt, girder by girder, to power a textile mill that sells pants, shirts, and sportswear to the United States. It could last, and continue to pollute, for another 50 years.

[The new dirty energy](#)

FOR THOSE WHO dream that high oil prices will help drive America toward a brave new world of clean energy, the MacKay River project in Alberta, Canada, offers a glimpse of the future.

[Drunk on ethanol](#)

'Gasoline is going -- alcohol is coming. And it's coming to stay, too, for it's in unlimited supply. And we might as well get ready for it now.'

Those words might have come from President George W. Bush, or just about any member of the U.S. Congress, or every major presidential candidate from both parties. All are euphorically drunk on ethanol (a fancy name for grain alcohol), seen as the miracle fuel that will simultaneously solve our global warming problem and end our reliance on foreign oil. Actually, though, they were uttered by automotive pioneer Henry Ford nearly a century ago.

[Simple and cheap: Nepal's application of science](#)

Almost unnoticed, Nepal is developing simple and cheap technologies that make the best of local resources and don't damage the environment.

[The complexity of modern life](#)

The point of this discussion is this: no isolated model of the economy, climate, or resource production can hope to completely capture the workings of any of these complex systems. Not only are these systems profoundly non-linear (and unstable) but they all interact with one another forming a much larger (and much more unstable) mega-system. That is not to say that we shouldn't try to model complex systems, just that we must be prepared for rapid, uncontrollable collapse of the system in ways that a model cannot possibly predict.

...We cannot know the exact path of failure, but we can make one solid prediction for the future: the system will fail.

[Do EIA Natural Gas Forecasts Contain Systematic Errors?](#)

In the July, 2007 issue Public Utilities Fortnightly, we published the article "Gas Market Forecasts: Betting on Bad Numbers." This research addressed the question: are systematic errors built into the EIA natural gas (NG) forecasts, causing them to err repeatedly the same direction? It is widely recognized that over the past decade EIA

forecasts for NG differ substantially from actual outcomes.

[A Pipe Dream for Chavez?](#)

Venezuela's multibillion-dollar natural gas pipeline project is on hold—the news affects Chavez's power, his neighbors, and Petróleos de Venezuela,

[Iran seeks foreign oil investment](#)

Iran appointed a new deputy oil minister for international affairs on Monday as part of a government reshuffle. Hossein Nogherekar-Shirazi, who will take over responsibility for liaison with foreign companies, was appointed by the acting oil minister, Gholam-Hossein Nozari.

[Iraq needs \\$100-150 bln for reconstruction: Finance minister](#)

Iraq needs at least \$100 billion to rebuild its shattered infrastructure after four years of violence and lawlessness following the U.S.-led invasion of 2003, Finance Minister Bayan Jabbar said on Monday.

["Injection Risks Tremors, Pollution": 'Green' sounds toxic alarm; 'Tests negative'](#)

Chairman of Green Line Environmental Group Khaled Al-Hajri accuses Kuwait Gulf Oil Company (KGO), a subsidiary of Kuwait Petroleum Company (KPC), and Saudi SAK Oil Company of planning to inject approximately 9 million cubic meters of chemical toxic wastes into the ground in close proximity of Wafra farms.

[Philippines Researching Nuclear Power To Avert Energy Crisis](#)

Philippine President Gloria Macapagal-Arroyo has approved a proposal to study the utilization of nuclear power to cut the cost of electricity in the country.

[Sun and mirrors](#)

Eskom will decide by year-end whether it will proceed with a new 100MW facility powered entirely by the sun.

Concentrated solar power (CSP) is a relatively new technology worldwide, but it has the backing of the World Bank because it is the only zero-greenhouse-gas-emission technology that has the potential to rival coal-fired power as a low-cost solution to the energy crisis.

[No electricity on this Nebraska farm means many hot days](#)

It's a lifestyle that most people left behind decades ago as air conditioning evolved from an expensive luxury to a household requirement on the humid Plains. A recent survey by the Lincoln Electric System found that 98 percent of the homes it serves are air-conditioned.

Even many senior citizens who grew up without air conditioning recoil at the thought of living without it.

[Pemex abandons oil rigs as Dean nears](#)

Mexico's state-run Pemex oil company abandoned its offshore oil rigs just ahead of Hurricane Dean, evacuating more than 18,000 workers and shutting down production in its main oil-producing region.

Pemex officials said they expected the Category 5 storm to weaken somewhat as it crosses the Yucatan Peninsula, but still pack winds of up to 100 mph Tuesday when it reaches the Campeche Sound, where 80 percent of Mexico's oil is extracted.

[Shell Suspending GoM Personnel Evacuations](#)

Due to high confidence in the Hurricane Dean storm track over the next several days, we are suspending any further personnel evacuations at this time.

Shell operated production shut-in as a result of Hurricane Dean was approximately 39,000 barrels of oil per day and 97.5 million cubic feet of natural gas per day. No further production shut-ins are expected in regard to Dean and we will begin to bring production that was shut in due to long lead times back on line.

[How bad is peak oil, really?](#)

As it so happens, I've recently been investigating the question of what kind of civilization we would need to have if we wanted to live without fossil fuels, and I wanted to know how we are currently using oil in order to understand how to live without it.

Using government data detailing the use of oil, in dollars, the conclusion I came to was this: over 90 percent of petroleum in the U.S. is burned by internal combustion engines. So the question needs to be reframed: would it really matter if we couldn't use internal combustion engines?

[BNP: No real commitment to energy issues by Labour!](#)

Ending the UK's dependence on finite reserves of oil and gas should be the priority of any government serious about keeping the social and economic fabric of the country in tact. Much of the country's energy imports are sourced from unstable regimes in the Middle East and central Asia and Russia is worryingly flexing its new found muscle as the world's leading distributor of gas. Add to that the impact of Peak Oil which the BNP first brought to readers' attention about five years ago; the UK's continued dependence on imported fossil fuels is the Achilles Heel of our society.

[Kunstler: Hot Shots](#)

The Federal Reserve seems to be manufacturing an impressive supply of "greater fools" to go along with the dribs'n'drabs of credit that it is dropping into the sucking chest wound that the economy has become for the body politic. The Fed's idea, I suppose, is that if they lend a little money to the geniuses who engineered the latest (and probably last) bubble of the cheap oil age to cover their present losses, then the US economy will "right itself." What I think they don't get is that finance has virtually become the US economy — if you subtract it, there is nothing left besides hair-styling, fried chicken, and colonoscopies. By "righting the economy" do people mean the ability to keep running a transparently fraudulent set of rackets that have nothing whatever to do with financing real productive activity?

[SEC Official: Mulling New Oil Reserve Booking Guidelines](#)

The Securities and Exchange Commission is considering changing the rules for how oil and gas companies book their reserves, a top SEC official said in a speech last week.

Reserves are oil companies' most important assets, and a modernization of the rules could mean billions of barrels of oil and trillions of cubic feet of natural gas may be able to make it onto balance sheets, potentially triggering a revaluation of the sector.

[Saudi Ministry of Petroleum clarifies report on Jizan refinery](#)

Saudi Arabia said it would invite bids for the building and operation of the planned Jizan oil refinery in the fourth quarter and denied reports that Aramco had been asked to help do the job.

...The plant will have the capacity to process 250,000 to 400,000 barrels per day and the kingdom wants the plant to be privately owned.

[Shell, Dow eye China's refining sector](#)

Lured by huge opportunities in the Chinese oil product market, Shell has come back to the country's refining sector through its participation in the Nansha greenfield refinery, a refining branch of China Petroleum and Chemical Corp's (Sinopec) Guangzhou Petrochemical.

[Hurricanes Favor Some Energy Companies Over Others](#)

During a five-week stretch two years ago that produced hurricanes Katrina and Rita, energy equities were among the biggest winners in a flattish market otherwise spooked with concern about the effects of higher energy prices.

While virtually all boats in the ocean of petroleum stocks rose amid 2005's unprecedented battering to Gulf Coast petroleum infrastructure, there were some standouts within the vast network of companies that explore for oil, service wells and refine and distribute petroleum products.

[Young Chinese worried about global warming, but want cars](#)

Most of China's urban youth are concerned about global warming, but not enough to forsake the luxury of owning a car or other perks of being rich, state media said Monday, citing a survey.

According to the survey of 2,500 people aged on average 30 years in cities across the country, 76 percent said they did what they could to save energy, the China Youth Daily reported.

However, with monthly income averaged at 2,977 yuan (392 dollars), 76 percent would like to buy a car once they have enough money.

[Heathrow climate change protest draws to a close](#)

Climate change activists demonstrating against proposed expansion at Heathrow, the world's busiest airport, began leaving their camp near the aviation hub Monday after a week of protests, officials said.

[Scientist unveils plan on climate change](#)

A New Mexico Tech scientist believes he has found a way to head off dangerous climate change. Oliver Wingenter said the idea is simple — fertilize the ocean so that more plankton can grow.

[Islands emerge as Arctic ice shrinks to record low](#)

Previously unknown islands are appearing as Arctic summer sea ice shrinks to record lows, raising questions about whether global warming is outpacing U.N. projections, experts said.

..."Reductions of snow and ice are happening at an alarming rate," Norwegian Environment Minister Helen Bjoernoy said at a seminar of 40 scientists and politicians that began late on Monday in Ny Alesund, 1,200 km (750 miles) from the North Pole.

"This acceleration may be faster than predicted" by the U.N. climate panel this year, she told reporters at the August 20-22 seminar. Ny Alesund calls itself the world's most northerly permanent settlement, and is a base for Arctic research.



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