



DrumBeat: August 26, 2007

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Topic: [Alternative energy](#)

[Real world oil demand](#)

Compared to July 2006, when we had similar prices, we have one massive and little remarked difference today: there is nothing like the geopolitical risk we had in July 2006 at the height of Israel's intense bombing and artillery shelling war against Lebanon. At the time, the geopolitical risk premium (GRP) was estimated at anywhere from 15 to 30 USD-per-barrel. Today's GRP is likely only about 5 to 7 USD-per barrel. It therefore has a lot of growth potential, and not much downside potential.

The underlying base for high prices is short supply, because the world is one more year closer to Peak Oil than in 2006. Coupled with over-discounted risks to supply, prices can fly at the touch of the right panic button.

[The end of oil is not a possibility but a certainty](#)

Regardless of how long you've been alive, whether you're 16 or 60, it's never been a problem to get gasoline. The ability to fill our gas tanks has often felt as guaranteed to Americans as free speech and free press. However, the privilege of gas may become a thing of the past quicker than we may think.

There is one fact often overlooked when dealing with the issue of oil and that is this: We cannot make a finite resource infinite.

[Oil aplenty, and right in our own backyard](#)

There is no energy crisis in America. We pay so much for gas today largely because a small number of legislators prevent us from using our own Heaven-sent natural resources, in Alaska and off our shores. The energy sources are there; we just aren't allowed to use them.

[Make CTL fuel available](#)

Cecil Roberts, president of the United Mine Workers of America, quickly cut to the

chase on this matter by labeling CTL as a legitimate and real answer to resolving numerous worrisome issues on the table for our country. Energy independence, national security, the trade deficit and economy all stand to benefit greatly from the expansion of CTL technology. In West Virginia, thousands of jobs with good wages and benefits are in the balance.

[Mexico's Pemex restores 81 percent of oil production after storm](#)

Mexico's state oil company Pemex has restored 81 percent of oil production after Hurricane Dean crashed through its southern Gulf of Mexico oil fields, the company said Saturday.

"This result was achieved three days early, reaching a production of 2.1 million barrels (per day)," the company said.

[Oilsands face pipeline space shortage](#)

A new problem is bubbling in Canada's growing oilsands industry: too much oil and not enough pipeline space to move it.

Production from the deposits is growing so much, so fast, producers and pipeline companies are looking for ways to mitigate the impact of an oil bubble expected to swell by November and last for as long as 18 months.

[Myanmar official defends fuel price hikes that sparked protests](#)

A recent increase in fuel prices that sparked a series of rare protests in Myanmar was triggered by spiraling global oil prices and was not a political move, a diplomat from the impoverished Southeast Asian nation said Sunday.

Myanmar could no longer afford to subsidize fuel so heavily because of the steep increases in oil prices worldwide, Thaung Tun, Myanmar's ambassador to Manila, told The Associated Press on the sidelines of a regional ministers meeting in the Philippine capital.

[Analysts say fuel protests in Myanmar no immediate threat to junta](#)

A week of protests over fuel price hikes present no immediate threat to Myanmar's military rulers because very few people joined the demonstrations and the key organizers were swiftly detained, analysts said Sunday.

[Saudi oil forces get US training](#)

US defense giant Lockheed Martin is training thousands of recruits for a special force designed to protect Saudi Arabia's oil facilities from attack, a specialist economic newsletter said yesterday. Saudi authorities have recruited around 5,000 members of the Facilities Security Force and plan to raise the number to 8,000-10,000 over the next two years as an interim target, the Nicosia-based Middle East Economic Survey said.

[Regional oil revenues to remain strong](#)

Dubai Mercantile Exchange (DME) chief executive officer Gary King will give an analysis of the regional energy outlook when he addresses a British Business Group event in Dubai on Monday night.

"I believe we will be in a period of sustained high energy prices for some time in our current climate and will continue to live in an environment of high energy price volatility," says King, who will be speaking at the BBG's latest special interest group meeting at the World Trade Club Dubai.

[The Sacking of the Iranian Minister of Oil](#)

It is difficult to explain what is happening in Iran in terms of its domestic politics, particularly when it comes to the oil sector. How can Iranian officials explain to their people that, with Iran currently the second largest country in OPEC, the country has to ration its gasoline because it is suffering from a shortage in oil-derivative supplies?

[Goodbye beautiful Britain](#)

Enjoy the countryside while you can. In the near future there will be no place for sentiment, no eye for beauty and no room for cows and sheep. Don't blame the farmers: the culprits are population growth, global warming and the energy gap.

[To eat or to drive?](#)

Farmers all over the world are finding a sudden boom in demand for their crops – but as fuel for cars rather than as food.

[Crumbs all that's left in Africa breadbasket](#)

A severe fuel shortage has forced commuter buses off the roads, leaving Zimbabweans living in the townships with little access to what little remains in the city center.

In some parts of the country, even water is being sold on the thriving black market to desperate residents who have gone days without it.

[Argentina: Shell loses appeal](#)

The courts turned down an appeal by Shell CAPSA yesterday which argued that there was discrimination and arbitrariness when it came down to the inspections and fines applied by the Domestic Trade Secretariat.

[ASEAN may need closer look at nuclear energy plans](#)

The Association of Southeast Asian Nations ended this week's energy security dialogue in Singapore facing some stark realities: they need to set aside years of lofty rhetoric and act to cushion the economic blow of high oil prices, and they will have to look hard at introducing nuclear energy to the region.

[Bangladesh: Gas for Power Generation](#)

One leading Bangladesh daily has published a report underlining the anticipated gas supply deficit to meet the emerging crisis for fueling the planned power plants. The report stated that the Government is contemplating setting up of a dozen power plants of 3570 MW capacity in the next 3-5 Years to mitigate the present huge deficit and immediate future demand. Acknowledging the present uncertain situation of gas supply and lack of exploration efforts the report suggested for import of gas from Myanmar to comfort the situation. This may be analyzed a little deeper to see what may the options to overcome the situations.

[Venezuela's new jet set take off on back of oil-fuelled boom](#)

Surging oil wealth and the restrictions of a dollar-pegged, overvalued currency are driving unprecedented numbers of Venezuelans to travel overseas on holiday, with the number of international flights jumping 45 per cent last month over the previous year.

[Testing reveals fewer expected miles per gallon for 2008 cars and trucks](#)

As the new 2008 cars and trucks roll into showrooms, there's a new sticker shock. Federal fuel-mileage ratings dropped an average of 15 percent for the new vehicles compared with 2007 models. The familiar economy figures on the window stickers now show fewer expected miles per gallon for even the most gas-stingy cars.

[Gulf Coast Cities Draw Up New Blueprints](#)

Two years after Katrina claimed more than 200 lives in Mississippi and left behind billions of dollars in damage, teams of visionary urban planners are embedded in Pass Christian and other coastal cities, helping them draft ambitious blueprints for rebuilding the "New Urbanism" way.

New Urbanism - an architectural movement to transform sprawling city blocks into compact, walkable neighborhoods with old-fashioned features - is only one of the dynamics that could define Mississippi's coastline.

[After oil supplies dry up, what's Plan B?](#) - *Extreme scarcity could be disastrous for U.S. economy*

The United States has reacted to the threat of peak oil and gas with all the alacrity of its response to climate change. It is ignoring the looming crisis for as long as it can, just waiting for that sledgehammer to land its first blow. Eventually, when a recession hits, tax revenue will plummet, and the government will have nowhere near the money it needs to build an alternative energy and transportation infrastructure. Every year that goes by without an intensive mobilization to build an oil-independent economy diminishes our odds of surviving the end of oil.

...At this point, you might be asking yourself: When oil becomes scarce, how will I get food? That's a very good question. Here are a few more: Will my garbage get picked up? How will my water district purify and deliver water and treat sewage without petrochemicals? What if I need an ambulance? What if my home is one of the 7.7 million that rely on oil for heating? Which of my medications are made out of petrochemicals? How will I get to work? Will I even have a job anymore?

[The dangers of the race for energy](#)

OIL AND GAS aren't our future but the way we use them will certainly play a major role in determining what our future would be like. Our over dependence on oil and gas as fuels could ultimately play a catastrophic part in decline of the peace around the world.

[Lebanon on brink of blackout due to lack of fuel](#)

Lebanon is on the verge of a blackout within three to four days due to the lack of fuel in most of the power stations here, said the media Saturday.

As-Safir newspaper stated that Lebanon electricity authorities announced that several fuel factories had stopped working for financial and security reasons.

Rationing of electricity consumption began in Beirut and areas in the north and south regions of the country, with suspension periods reaching over 14 hours a day, the paper said, adding that four containerships filled with fuel were waiting for permission to unload their cargo.

[As China Roars, Pollution Reaches Deadly Extremes](#)

No country in history has emerged as a major industrial power without creating a legacy of environmental damage that can take decades and big dollops of public wealth to undo.

But just as the speed and scale of China's rise as an economic power have no clear parallel in history, so its pollution problem has shattered all precedents. Environmental degradation is now so severe, with such stark domestic and international repercussions, that pollution poses not only a major long-term burden on the Chinese public but also an acute political challenge to the ruling Communist Party. And it is not clear that China can rein in its own economic juggernaut.

[Landmatters Coop gets planning approval!](#)

Most significantly, the Inspector's ruling explicitly endorsed the permaculture aspect of the project, which is a planning precedent for the UK. The planning inspector granted planning permission for a permaculture holding, integrating agriculture, forestry, education, ancillary rural enterprises and residential use subject to the 'low-impact' criteria set out in their planning application.

[Deeper than a mud puddle](#)

The following story is told from the point of view of a farmer living in an intentional community in a post-Peak Oil world several years from now. The details change as it continues to evolve in my mind, but in all its versions it sticks to one general assumption. The gap between energy demand and supply widens, and at some point in the future various aspects of our social and economic institutions begin to break down in earnest. Here is today's version...

[Verve points to future for Ford](#)

The Verve, which will debut next month at the 2007 Frankfurt Motor Show, is the first of three subcompact concept vehicles that will debut in the key regions of Europe, Asia and North America.

North America, in particular, has been longing for a subcompact, or so-called B-size, car from Ford since gas prices soared to \$3 a gallon. Ford left the ultra-efficient subcompact car segment in 1997, the last model year for the Aspire, and hasn't said when it's coming

to market with a replacement since then.

[Altar Call for True Believers](#)

I am far from saved. My footprint is surely too large for me to enter the kingdom of sustainability heaven. If sustainable living is a continuum, from excessive waste to zero waste, then I too am not where I want to be on it.

However, I gaze out across the continuum and see people—environmentalists!—much farther behind than I expect.

A few people I know who consider themselves environmentalists have purchased new cars recently, ones that run on internal-combustion engines and get less than thirty miles to the gallon. One friend, a global-warming scientist, told me he decided not to buy a hybrid “until the kinks get worked out.”

["Momentum building." for new climate deal: U.N.](#)

The United Nations says momentum is building for tougher long-term action to fight global warming beyond the U.N.'s Kyoto Protocol and a climate meeting starting in Vienna on Monday will be a crucial part of the process.

[Climate change is a mixed bag for Inuit](#)

It's a double-edged sword for the Inuit. It's transforming their frozen landscape, melting glaciers and disrupting animal life. The number of hunters in the area has dropped in recent years from nearly 500 to about 200.

Since 1995, Greenland's vast ice cap has lost 7 percent of its mass and 300 feet in height, according to the European Environmental Agency, a European Union body based in Denmark.

But the change also presents new opportunities. Twenty years ago, when visitors were rare, the fjords and bays were clogged with ice through July. Now, those bays are navigable by April or May. That means more tourists — eager to explore one of the most remote and unexploited corners of the globe.

Eight cruise ships will come to the area for the first time this month and next.



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