



## DrumBeat: September 12, 2007

Posted by [Leanan](#) on September 12, 2007 - 9:03am

Topic: [Miscellaneous](#)

### [Oil Rises to Record \\$80.18 on Larger-Than-Expected Supply Drop](#)

Crude oil rose to a record \$80.18 a barrel in New York after supplies dropped the most this year.

U.S. oil inventories fell a greater-than-expected 7.01 million barrels to 322.6 million last week, the Energy Department said today. Prices also rose after OPEC said yesterday it would increase production by 500,000 barrels a day, less than is needed to meet a seasonal rise in demand.

"We've shrugged off OPEC's offer of 500,000 barrels," said Nauman Barakat, senior vice president of global energy futures at Macquarie Futures USA Inc. in New York. "There's a tropical storm in the Gulf and inventories posted a huge decline."

Crude oil for October delivery rose \$1.68, or 2.2 percent, to settle at \$79.91 a barrel at 2:54 p.m. on the New York Mercantile Exchange, a record close. Futures also touched the highest intraday price since trading began in 1983. The previous record of \$78.77 was reached on Aug. 1.

### [The mystery behind surging oil prices](#)

Latest inventory report shows big drop in crude. But overall supplies are still high, and U.S. economic growth is slowing. So what's pushing prices up to \$80 a barrel?

### [What's Behind OPEC's Production Hike?](#)

Recent shifts in the oil market have driven the Saudis to want to cool things with a 500,000 barrel a day increase. So far, it hasn't worked.

### [Power prices set to surge](#)

For a long time, conventional wisdom has held that coal would easily meet the nation's rising demand for electricity. It's cheap, and there's enough of it in the U.S. to power the country for an estimated 250 years.

But a combination of rising construction costs for coal-fired power-plants and uncertainty over whether Congress will regulate emissions of carbon dioxide - a byproduct of burning coal and one of the main gasses behind global warming - has put plans for many new plants on hold.

### [Google's Green Car Challenge](#)

Hoping to jump-start innovation in "sustainable transportation," Google.org - the search giant's philanthropic arm - today issued a \$10 million request for proposals for projects that will promote the commercialization of plug-in hybrid vehicles, electric cars and vehicle-to-grid technology.

### [High gas prices could make you skinnier](#)

Higher gasoline prices may slim more than just wallets, according to a new study from Washington University in St. Louis.

Entitled "A Silver Lining? The Connection between Gas Prices and Obesity," the study found that an additional \$1 per gallon in real gasoline prices would reduce U.S. obesity by 15 percent after five years.

### [U.S. oil firm pulls out of Sudan](#)

Two months after Fortune revealed that a Houston-based oil-services company was operating in Khartoum despite a tight U.S. embargo against Sudan, the company announced on Monday that it was withdrawing from the country, as well as from Cuba, Iran, and Syria (all of which are under U.S. sanctions).

### ['Tabletop fusion' probe turns up concerns](#)

A Purdue University panel that reviewed misconduct allegations against a scientist who claims he produced "tabletop fusion" has concluded that "several matters merit further investigation."

### [Who's the greenest bank of all?](#)

Sustainable building is all the rage - and big banks want in on the action.

### [Live the good life in a green mansion](#)

In addition to eight bedrooms, 11 bathrooms, two elevators, two laundry rooms, two wine cellars (one for red, one white), a movie theater and guesthouse, the house will also have a state-of-the-art air purification system and eco-friendly light fixtures that will reduce energy consumption by 90 percent.

### [As commutes begin earlier, new daily routines emerge](#)

Americans are leaving home earlier and earlier to beat the rush and get to work on time. Census data released today document the ever-lengthening commutes: In 2000, 1 worker in 9 was out the door by 6 a.m., the new data says; by 2006, it was 1 in 8. That might not seem like a big change, but it has put more than 2.7 million additional drivers — for a total of 15 million — on pre-dawn patrol.

This "commuting creep" is changing the lives of tens of millions of Americans. It affects everything from the breakfast-food industry to television viewership trends, from traffic-signal timing to newspaper delivery times, from carpooling patterns to personal fitness routines. Increasingly early commutes also are altering workers' relationships with their families.

### [Climate-change paradox: Greenhouse gas is Big Oil boon](#)

With enough CO<sub>2</sub> injected into declining oil fields, the US could see its petroleum reserves quadruple.

### [Matt Simmons: Take to the Water to Move People, Goods](#)

As much as the SUV has been depicted as Public Enemy #1 in the campaign to increase the fuel efficiency of vehicles, Matthew Simmons says the SUV isn't so bad.

What is bad, the noted Houston investment banker told EnergyTechStocks.com, is an SUV stuck in traffic. "Traffic congestion is the single biggest user of oil."

### [API Economist John Felmy: Molecules there but Trillions Must be Spent](#)

While he finds Matthew Simmons to be credible, John Felmy, chief economist at the American Petroleum Institute in Washington, DC, doesn't agree with the Houston-based energy investment banker that the world is hitting a point of "peak oil" production. "The molecules are there," says Felmy.

### [API Chief Economist John Felmy: Greater Diplomacy Needed with Mexico, Others \(Part 2 of 6\)](#)

Like other energy experts, Felmy is worried about the precipitous decline in production from Mexico's giant Cantarell oilfield. Cantarell reportedly is the world's second biggest oil complex. It is the backbone of Mexican oil production, which provides a virtually irreplaceable source of imported crude for the United States. As Cantarell falters, Felmy sees a critical need to convince Mexico that it needs to change.

### [API Chief Economist John Felmy: Plug-in Hybrids Hold Promise, but Won't be Cost-free \(Part 3 of 6\)](#)

Plug-in hybrid electric vehicles (PHEVs) are expected to be capable of going up to 40 miles or farther solely on electricity. Powering the vehicle will be as easy as plugging it in to an ordinary electrical socket. A number of manufacturers, including General Motors and Toyota, are expected to introduce plug-ins over the next few years. Surveys show that if consumers understand what a plug-in vehicle is, acceptance should be high, even with the vehicle's expected higher price tag.

### [Analysis: Iran moves to ditch U.S. dollar](#)

Faced with U.S. economic sanctions and a weak dollar, Tehran is demanding foreign energy companies do business in yen and euros, despite increasingly desperate need for investment.

### [Analysis: Poland's energy ambitions](#)

Poland is one of the least energy import dependent countries in Eastern Europe, but among the fiercest when it comes to its desire to dominate energy security policy in Europe.

### [What a Lake Says About Climate Change](#)

When the East German nuclear power plant Rheinsberg was shut down almost 20 years ago, environmentalists expected that fauna and flora in nearby Stechlin lake would survive without further damage.

### [Farms 'to see energy crop takeover'](#)

Future demand for biofuels could see more than a million hectares of miscanthus, together with willow for coppicing, being cultivated in the UK, taking over 15% to 20% of agricultural land.

### [Energy efficient appliances should be made compulsory, says UN expert](#)

Governments should make energy efficient appliances and building materials compulsory because that is the smartest way of controlling greenhouse gas emissions, a U.N. expert said Tuesday.

### [Mexico pipeline attacks raise fear of "new Nigeria"](#)

A series of attacks on Mexico's fuel pipelines this summer has raised fears the key energy supplier could slide into a Nigeria-style struggle to keep its oil and gas flowing, experts said on Tuesday.

...So far, energy shipments from Mexico, the world's fifth largest oil exporter, have not suffered from the attacks, and strife in Nigeria has been much worse. Still, analysts say rising instability in Mexico, a normally reliable supplier, could add as much as \$10 a barrel to world oil prices.

### [IEA cuts world oil demand forecasts](#)

World oil demand will grow more slowly than expected in the last quarter of 2007 and next year, and high prices may further curb consumption, the International Energy Agency said on Wednesday.

### [Bubble Energy?](#)

According to (some) wizards at Harvard, "Solar could meet one-fifth of U.S. energy needs within two decades." At least that's what they said 30 years ago in the widely acclaimed book *Energy Future*. What happened? If you count as solar both the obvious solar and indirect solar sources such as wind, wood, corn, geothermal and the like, America today hit a collective 4%, or one-twenty-fifth share.

### [Low Technologies, High Aims](#)

M.I.T. has nurtured dozens of Nobel Prize winners in cerebral realms like astrophysics, economics and genetics. But lately, the institute has turned its attention toward concrete thinking to improve the lives of the world's bottom billion, those who live on a dollar a day or less and who often die young.

### [Transport group urges petrol price rise](#)

Petrol prices should go up to keep carbon emissions down, according to the Government's transport advisers.

The Commission for Integrated Transport (CfIT) called for a "steady increase in fuel price to help control CO2 emissions".

### [Free-lunch foragers](#)

'Freegans' are a growing subculture that has opted out of capitalism by cutting spending habits and living off consumer waste.

### [Turning the Ride to School Into a Walk](#)

Forty years ago, half of all students walked or bicycled to school. Today, fewer than 15 percent travel on their own steam. One-quarter take buses, and about 60 percent are transported in private automobiles, usually driven by a parent or, sometimes, a teenager.

The change was primarily motivated by parents' safety concerns — a desire to protect their children from traffic hazards and predators. But it has had several unfortunate consequences. Children's lives have become far more sedentary. They are fatter than ever and at greater risk of developing hypertension, diabetes and heart disease at young ages.

### [Oil reserves not running out anytime soon](#)

Oil is a nonrenewable resource. Whatever we burn today for use as energy will be unavailable for future generations.

Though this is a fact, it has the tendency to spawn catastrophic predictions based on fear rather than factual evidence. For more than 150 years there has been a steady stream of scientists claiming our oil supply is running out, and we have only a few years left. The world will in actuality never run completely out of oil; the problem is people believe it will.

### [Cautionary Cleantech Metrics](#)

In the influential book "Hubbert's Peak: The Impending World Oil Shortage," author Kenneth Deffeyes argues we are running out of oil and that a catastrophic collapse in oil supplies is inevitable. This point of view totally ignores the feasibility of extracting usable oil from the so called "heavy oil" reserves, as well as recovering oil from coal. At \$70 per barrel, these technologies are viable today – and every time the price of oil rises, these technologies become more feasible. Oil from the Athabasca tar sands, for example, is recoverable at a price of \$45 per barrel. Similar costs apply to the massive reserves in Venezuela's Orinoco basin.

### [Power Cuts Threaten Lifeblood of Albanian Economy](#)

Albania has been suffering from a massive power crisis since the 1990s - the result of poor strategy in the energy sector, lack of investment and fast-growing consumption.

The failure of several governments to effectively tackle the crisis jeopardizes the country's fragile recent economic recovery, stunting the possibility of growth and making life for ordinary people hard to fathom.

### [Nigeria: Energy Crisis - Beyond Emergency Declaration](#)

The chronic nature of the crisis justified the pledge by President Umaru Yar'Adua at the take-off of his administration that the situation in the sector deserved a declaration of emergency. And to be fair to Yar'Adua, a lot of activities of the government are focussed on addressing the problem. It has been explained that the perceived tardiness in the Yar'Adua approach is due to the fact that he wants to be holistic and systematic in the solutions to be proffered. He has taken his time to apprise himself with the depth of the problem while the consumers of electricity are yearning for steady power supply. The approach seems to take energy as whole, be it electricity or fuel.

### [Engineer says Thailand needs nuclear-powered electricity plants](#)

Thailand needs nuclear-powered electricity generating plants due to the rising demand for electricity and to help cushion the impact of global warming, a board member of the Council of Engineers said Wednesday.

Kamol Takabut said during a seminar that a feasibility study on constructing a nuclear-powered electricity plant would be submitted to the government next month and it would be left to the new elected government to decide whether to go ahead with its construction.

### [Lebanon plagued by power losses](#)

Power rationing has been stepped up in recent weeks, leaving citizens facing up to 14 hours per day without electricity. The crisis, not helped by ongoing fighting in the region, has meant reliance on generators and led to a fuel shortage. To make matters worse, there have even been reports of theft of electricity through the illegal connection of cables to power lines.

### [Natural gas cars on road](#)

IF ALL GOES to plan, Barbadians may be able to operate natural gas cars and significantly reduce fuel bills by 2008.

### [PT OKs resolution in favor of railroad bed preservation](#)

The Portage Township board Monday became the fifth in the area to approve a resolution in favor of preserving old railroad beds for future use.

Lisa McKenzie, representing the Keweenaw Peninsula Chamber of Commerce, said the corridors could still be used for recreational uses — or, depending on how things go, railroads.

“None of us realize how drastically things could change with the energy crisis, so who knows,” she said.

### [Soaring wheat, oil prices spark global inflation fears](#)

As central banks prepare to cut interest rates to relieve a global credit crunch, they're being stalked by the threat of inflation.

Wheat prices rose to record highs on global markets today. Oil prices rose to near-record levels. And as pork prices soar, China posted its highest inflation figures in more than a decade.

### [The greening of nuclear energy](#)

The nuclear power industry is riding the green wave back into public favour with its promise of a low-carbon solution to our growing energy needs. But even as the industry struggles to dictate what role nuclear can realistically play, it is bound by a global energy landscape - from solar to carbon sequestration - that is still predominantly shaped by the marketplace.

### [Change in political climate must inform green investments](#)

We might have been forced to listen to nearly two years of the manure of political rhetoric to reach this point, but if the last few weeks are anything to go by the UK could soon see the green shoots of serious political action on climate change.

### [Beware the new world energy order](#)

With crude oil prices strengthening and demand for oil continuing to rise, you'd expect



three of the most powerful men in the global business to be thrilled with their good fortune.

Instead, Rex Tillerson, chairman and CEO of Exxon Mobil Corp., Jeroen van der Veer, chief executive of Royal Dutch Shell PLC, and Thierry Desmarest, chairman of Total S.A. -- brought together likely for the first time last Friday by Alberta utility magnate Ron Southern to address his Spruce Meadows Round Table -- are anxious about whether there's even a future for their business.

### [World Oil Outlook: Consumption Increases, Inventories To Decline In 4th Quarter](#)

Announced maintenance at fields in the United Arab Emirates has lowered EIA's projection for OPEC crude oil production in the fourth quarter by 100,000 bbl/d from last month's Outlook to 30.9 million bbl/d. In 2008 EIA expects that OPEC will increase production slowly, to an average of 31.4 million bbl/d, in order to manage inventories and maintain prices. The economic uncertainty and risks to oil demand brought on by the turmoil in financial markets will likely reinforce OPEC's cautious approach to production-target decision-making.

Despite expected increases in production capacity by several OPEC members, the expected gains in demand for OPEC oil will likely keep surplus capacity in the 2-to-3 million bbl/d range through 2008. Most of the surplus will remain concentrated in Saudi Arabia, leaving Riyadh with the flexibility to play a key role in influencing oil market developments. The modest level of worldwide surplus capacity makes the market vulnerable to unexpected supply disruptions.

### [Oil Minister: Angola May Have OPEC Oil Quota in '08, Not Now](#)

Angola's Oil Minister Desiderio da Graca Verissimo e Costa said Tuesday that his country wouldn't be constrained by an Organization of Petroleum Exporting Countries production quota this year but may have one in place in 2008.

Costa, speaking ahead of an OPEC policy meeting at which members are expected to approve a rise in quotas, said the issue of a limit for Angola, which became its 12th member at the beginning of this year, isn't on the agenda.

### [Preparing for the post oil era](#)

SHETLAND and neighbouring Faroe Islands are both to spend oil revenues to create an economy eventually independent of oil.

Opening the Energy from the Edge symposium in Lerwick yesterday morning, the Faroese prime minister Joannes Eidesgaard announced that his country would spend at least 10 per cent of its oil revenues to stimulate research to become less reliant of fossil

fuels.

### [IEA sounds 'wake-up call' on energy savings](#)

With sustained economic growth, the rising demand for travel, homes and leisure in the developed world has led to a 14% increase in energy-use and related CO2 emissions since 1990, the International Energy Agency (IEA) has warned in a new report.

### [Oil's golden years stifled innovation](#)

The trouble with oil and natural gas is that it runs out. Norway's energy resources in the North and Norwegian seas are already maturing. Oil production is expected to increase until 2011 and then fall gradually, while gas production is expected to increase rapidly until 2013 and then plateau, according to the Norwegian Petroleum Directorate, the government body.

### [KRG responds to Dr Shahrستاني's recent statements on oil](#)

The Kurdistan Regional Government (KRG) would like to make it clear that Dr Shahrستاني's recent remarks about the legality of the KRG's oil and gas contracts are totally unacceptable. His views are irrelevant to what the KRG is doing legally and constitutionally in Kurdistan. Dr Shahrستاني should concentrate on making a positive contribution to the country, rather than undermining the constructive work that the KRG is carrying out for the benefit of all the Iraqi people.

### [Mexico pipeline bombers threaten new attacks](#)

A leftist rebel group claimed responsibility on Tuesday for bomb attacks on Mexican oil and gas pipelines earlier this week, and threatened more assaults against the state-owned oil company.

### [Oil and Corruption in Iraq Part III: Kurdistan's Gushing Crude Spawns Conflict](#)

The German seismologist working in northern Iraq was not supposed to talk about his job. But after having spent nearly three months in an isolated camp near the Taq Taq oilfields, he could not contain himself.

"You can dig where you want," he said. "The crude gushes!"

### [African oil to increasingly fuel Asian growth - Nigerian oil executive](#)

Africa's oil industry is set to increasingly fuel Asia's booming economies but infrastructure investment is needed to make the sector more globally competitive, an executive of a Nigerian oil company said Wednesday.

### [FAO Warns Climate Change Could be Major Threat to Food Security](#) (podcast)

The UN Food and Agriculture Organization says climate change could become a "major threat to world food security." It calls climate change one of the "main challenges humankind will have to face for many years to come."

### [9/11, unity, and the chattering of chipmunks](#)

The "chattering of chipmunks." Disagreement, doubt, frustration. It's a drag. Bykofsky caught crap for saying it and had to take it back, but I think the sentiment is fairly common. I hear echoes of it when enviros say that the American public won't rally around the climate change (peak oil / biodiversity / oceans) fight until "another Katrina" happens. Indeed, responding to Bykofsky, our own Kit Stolz said: "I'm sorry, but somebody needs to say it. We need another Katrina -- now."

### [Act now, eat later](#)

The Association for the Study of Peak Oil and Gas's (Aspo) South African chapter released its report on the country's energy future last month and issued a caveat to the government: the country has to switch to a path of sustainability for the sake of both the economy and social stability.

### [Biofuels offer cure worse than the disease OECD](#)

Biofuels, championed for reducing energy reliance, boosting farm revenues and helping fight climate change, may in fact hurt the environment and push up food prices, a study suggested on Tuesday.

In a report on the impact of biofuels, the Organisation for Economic Cooperation and Development (OECD) said biofuels may "offer a cure that is worse than the disease they seek to heal".

### [Sweden, Brazil sign biofuels deal during Lula visit](#)

Sweden agreed Tuesday to abolish a tax on ethanol, which it currently purchases from Brazil, under a biofuels accord signed here during a visit of Brazilian President Luiz Inacio Lula da Silva, officials said.

### [Southeast Asia gears up for palm oil boom](#)

Southeast Asian nations are gearing up for a palm oil boom as interest in biofuels soars, but activists warn the crop may not satisfy a global thirst for energy that is both clean and green.

They caution that oil palm plantations require massive swathes of land -- either what's left of the region's disappearing forests, denuded plots that would be better off reforested, or land critical to supporting local people.

### [Japanese consumers feel the pinch of biofuel demand](#)

As more people embrace ethanol and other biofuels as eco-friendly alternatives to fossil fuels in curbing global warming, the unintended consequence is a rise in food prices as demand puts pressure on agriculture.

While the most frequently voiced concern is that food will become more expensive in the developing world, the effects are already being felt in quiet ways in rich countries such as Japan, which relies on imports for most of its food needs.

### [Many roads lead to cleaner cars, GM and Toyota say](#)

The world's biggest automakers, GM and Toyota, have taken different routes so far to developing cleaner vehicles but agree there is no one way to achieving lower fuel consumption and CO<sub>2</sub> emissions.

They also agree that making the technology affordable will be a major challenge.

### [Mediterranean's rich marine life under threat: study](#)

The experts said a cold current emanating from the Gulf of Trieste off northern Italy, which allowed the waters of the Adriatic and the Mediterranean to mix, had vanished since 2003 due to warming.

### [World likely to pass dangerous warming limits](#)

The world will probably exceed a global warming limit which the European Union calls dangerous, scientists at Britain's MetOffice Hadley Centre said on Tuesday, presenting a new, 5-year research program.

But not all scientists agree, demonstrating a shift in debate from whether climate change is happening -- on which there is near consensus -- to how bad it will get and what to do about it.



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