



## DrumBeat: September 13, 2007

Posted by [Leanan](#) on September 13, 2007 - 9:17am

Topic: [Miscellaneous](#)

### [Oil hits new record on refinery outages](#)

Oil prices briefly hit a record high and gasoline futures jumped Thursday as refiners reported production problems after Hurricane Humberto hit Texas.

...Valero Energy Corp.'s 325,000 barrel-per-day Port Arthur, Texas, refinery was shut due to a power outage. Exxon Mobil Corp. said its Beaumont, Texas, refinery suffered a minor production outage from Humberto.

Dow Jones Newswires reported that Port Arthur refineries owned by Motiva Enterprises LLC and Total SA were also shut down due to the power outage.

### **UPDATE:** [Oil closes above \\$80 for first time](#)

### [The world oil benchmark price briefly topped \\$80 a barrel](#)

"The idea of OPEC bringing on just 500,000 barrels a day, and not until November, is like Ben Bernanke saying maybe we should lower interest rates 1/10th of 1%: It has no relevance," said Matt Simmons of Simmons & Co., an energy investment bank in Houston, and author of a controversial book contending Saudi oil reserves are less prolific than claimed.

### [New energy agency chief sees household energy use rising in industrial countries](#)

Despite the growing political commitment to tackling global warming, individual energy use and carbon emissions in the leading industrial countries have actually increased in recent years, the new head of a major energy advisory group said Monday.

### [Dirty energy threatens health of 2 billion](#)

The health of about 2 billion of the world's poor is being damaged because they lack access to clean energy, like electricity, and face exposure to smoke from open fires, scientists said on Thursday.

## [Carmakers Turn 'Green' But is it a Smokescreen?](#)

Even while showing off their new-found clean and green credentials, carmakers filled hall after hall in Frankfurt with powerful, tyre-squealing sports cars boasting up to 530 horsepower, or giant gas-guzzling SUVs.

## [Investors bask in solar power's sun](#)

Whereas solar photovoltaic panels are installed directly on buildings and convert sunlight into electricity, solar thermal power is more complicated: it uses mirrors to concentrate sunlight and heat liquids, which are then used to drive turbines to make electricity.

## Tom Whipple - [The Peak Oil Crisis: A Meeting to Remember](#)

This 500,000 barrel increase could turn out to be a real test of just how close Saudi oilfields are from going into decline and the real prospects for future world production.

## [Greer: The Innovation Fallacy](#)

The core concept that has to be grasped to make sense of the future looming up before us, it seems to me, is the concept of limits. Central to ecology, and indeed all the sciences, this concept has failed so far to find any wider place in the mindscape of industrial society. The recent real estate bubble is simply another example of our culture's cult of limitlessness at work, as real estate investors insisted that housing prices were destined to keep on rising forever. Of course those claims proved to be dead wrong, as they always are, but the fact that they keep on being made – it's been only a few years, after all, since the same rhetoric was disproven just as dramatically in the tech stock bubble of the late 1990s – shows just how allergic most modern people are to the idea that there's an upper limit to anything.

It's this same sort of thinking that drives the common belief that limits on industrial society's access to energy can be overcome by technological innovations. This claim looks plausible at first glance, since the soaring curve of energy use that defines recent human history can be credited to technological innovations that allowed human societies to get at the huge reserves of fossil fuels stored inside the planet. The seemingly logical corollary is that we can just repeat the process, coming up with innovations that will give us ever increasing supplies of energy forever.

## [Pipeline bombs](#)

A series of attacks on September 10th on Mexico's natural-gas pipelines have dealt the

country a triple blow: they have crippled affected businesses, caused losses to the state oil company Petróleos Mexicanos and hurt the government of President Felipe Calderón. Concern about the vulnerability of Mexico's infrastructure and its vital oil and gas industry is likely to increase as a result. The incidents also suggest that Mr Calderón, who has proven to be more effective in his early months in office than had been anticipated, still faces considerable challenges from both within and outside the political system.

### [India Caps Natural Gas Price, May Scare New Explorers](#)

India capped natural gas prices 34 percent below a global benchmark, cutting returns for Reliance Industries Ltd., and deterring global companies from exploring.

### [Venezuela may double, triple natural gas reserves, Chavez says](#)

Venezuela, the biggest oil exporter in South America, has proved natural gas reserves of 180 trillion cubic feet and hopes to double or triple the total through exploration, President Hugo Chavez said on Wednesday.

### [OPEC says new fuels pose risk to future oil demand](#)

OPEC sees efforts by consumer nations to promote alternative fuels as posing risks of a fall in world oil demand in the long term, an official of the exporter group said on Thursday.

### [Italians call for pasta strike due to increase of prices](#)

Italians were called to join a pasta strike on Thursday to protest against the inexplicable increase of prices.

### [Hurricane Humberto Hits Texas With Winds of 85 Mph](#)

In Port Arthur, about 16 miles southeast of Beaumont, Total SA, Europe's third-largest oil company, said its refinery lost all power at 4:33 a.m. Crews are assessing damage and working to restore power, Total's Petro Chemicals USA Port Arthur plant said today in a report to the Texas Commission on Environmental Quality. Valero Energy Corp. closed its Port Arthur refinery because of Hurricane Humberto.

Port Arthur's Total SA plant produces 240,000 barrels of oil a day, Valero Energy Corp.'s facility produces 325,000 and Motiva Enterprises LLC plant produces 285,000 barrels a day. Motiva is a refining joint venture between Royal Dutch Shell Plc and Saudi Aramco.

### [Ecocidal Tendencies: Must we destroy the family to save the world?](#)

Is contemporary environmentalism motivated by genocidal fantasies? Responses to Daniel Engber's analysis of calls for voluntary population control include several such accusations. Supporters for the proposition tend to argue that population reduction is coming; our only choices relate to how it will happen.

### [Bill McKibben may inspire you to change more than light bulbs](#)

McKibben, an American environmentalist and author best-known for his work *The End of Nature*, postulates in his latest book, *Deep Economy: The Wealth of Communities and the Durable Future*, that in order to truly push past the energy crisis, there must be more local direction, with regions producing their own food, energy, culture and entertainment.

### [No escape from the day when the power turns off](#)

The soaring consumption of oil is quickening the pace of the impending oil crisis. It has been estimated that by 2059 - 200 years after the world's first commercial oil well was drilled in 1859 - oil resource will be used up.

### [The rise of resource nationalism in Indonesia](#)

The rise of resource nationalism today manifests itself in moves by host country governments to either raise taxes on international oil and mining companies (IOCs), tighten the state's control over production, change contract terms or nationalize the operations.

### [Russian Control Of Iran-Armenia Pipeline Confirmed](#)

Armenia's Russian-controlled national gas distribution company has become the owner of the entire Armenian section of an under-construction natural gas pipeline from Iran, it was officially confirmed on Wednesday.

### [Zimbabwe: Delta Resorts to Coal Imports](#)

LOCAL companies have resorted to expensive coal imports from South Africa due to escalating shortages on the local market, primarily supplied by Hwange Colliery Company whose deliveries have declined to precarious levels, The Financial Gazette can report.

Production capacity at most industrial operations in the country has plumbed fresh depths, severely undermined by the erratic deliveries of the critical industrial mineral.

### [Iran and the revolution's economic malaise](#)

The IMF estimates that Iran state subsidies on gasoline, food, housing, bank credit and fertiliser account for 25 per cent of GDP, a recipe for economic disaster. Government spending in Iran has gone ballistic with the rise in crude oil prices. The gasoline subsidy ensures Iran has the cheapest petrol in the world, a major factor that explains Teheran's clogged traffic, pollution and oil smuggling syndicates. The billions of dollars Iran wastes in subsidising gasoline should have been used to build local refining capacity or upgrade ageing oilfields in a rational world but the economics of revolutionary Iran is anything but rational.

### [Saudi petchem JV likely to delay plant start to Q1](#)

Saudi Chevron Phillips Co is likely to delay the start up of its \$3 billion petrochemical plant in Jubail to first-quarter 2008 from fourth-quarter this year, industry sources and end users said on Thursday.

### [OPEC Seeks to Bridge Gulf Over Venezuelan Oil Output](#)

Staff from the Organization of Petroleum Exporting Countries have met with officials from member country Venezuela in a bid to bridge the gulf between the country's stated official oil production level and estimates a third lower by news agencies and institutions, a gap that some say has undermined the credibility of the Latin American nation's oil policies.

### [Raymond J. Learsy: OPEC Tosses Us A Few Crumbs While Oil Marches to \\$80. Why?](#)

Perhaps the more interesting question, though, is why oil went on to reach new highs after OPEC tossed us this crumb. Might the lack of transparency in commodity futures trading have something to do with it? How easy it would be for OPEC members to promise a supposedly price-easing quota boost just to fill a newspaper headline, while surreptitiously manipulating the price higher by buying up oil futures contracts in markets that are both opaque and commodity exchanges that are largely unregulated from London to Singapore.

But then again, why bother manipulating futures prices higher when the scaremongers and peak-oil pranksters will do it for you.

### [BP shrinking Gulf of Mexico operations; to focus on two platforms](#)

BP will be concentrating on the Atlantis and Thunder Horse regions - among the world's biggest platforms and underwater structures. BP has been forced to delay both projects several times, and their falling further behind schedule would be damaging to the U.K. oil giant, the FT reported.

### [BP Alaska oil output down on maintenance, not fires](#)

A sharp drop in BP's Alaskan crude production this month has been caused by seasonal maintenance and not by a string of fires, the oil major said on Wednesday.

Alaskan government data shows output from BP's Prudhoe Bay field dropped to 186,000 barrels per day on Monday, down from over 300,000 bpd at the start of the month.

### [A Non-OPEC Progress Report](#)

A data-driven analysis of new oil projects outside of the Organization of the Petroleum Exporting Countries (OPEC) reveals that production growth is now surpassing the dismal performance exhibited in 2005 and 2006. New project schedules and the EIA's supply data make it possible to take a close look at the non-OPEC supply situation, and thus make a rough estimate of how 2007 will turn out.

### [Record oil prices to hurt Asian Q4 gasoline demand](#)

Record oil prices are set to hurt Asian gasoline demand in the fourth quarter, as major importing nations will come under pressure to conserve fuel or roll back retail subsidies that prop up demand.

### [Compromise on oil law in Iraq seems to be collapsing](#)

A carefully constructed compromise on a draft law governing Iraq's rich oil fields, agreed to in February after months of arduous talks among Iraqi political groups, appears to have collapsed. The apparent breakdown comes just as Congress and the White House are struggling to find evidence that there is progress toward reconciliation and a functioning government here.

### [Mexico blasts could threaten investment](#)

An attack on Mexico's gas and oil pipelines this week has shut down more than 2,000 businesses throughout the country at a cost of \$200 million per day, an industrial official

said Wednesday.

### [Venezuelan state grasps 70.9 percent of 2006 Pdvsa income](#)

The overwhelming increase in the input by state-run oil holding Petróleos de Venezuela (Pdvsa) in 2006, to USD 11.9 billion raised the percentage of oil revenues that ended in the hands of the Venezuelan state, both as taxes and contributions to social welfare programs.

### [Analysis: Venezuela, China boost oil ties](#)

Venezuelan and Chinese state petroleum companies said they will spend more than \$10 billion to develop the oil-rich Faja del Orinoco region, part of a continuing effort by Caracas to bolster ties between the two countries.

### [Exxon seeks deal on Venezuela oil](#)

Exxon Mobil is seeking arbitration over a stand-off with Venezuela about the takeover of its oil assets.

### [Alberta warned on royalties](#)

Leaders from the Canadian oilsands sector offered their own warnings yesterday against tinkering with Alberta's royalty structure, four days before a special six-member task force reports on whether Albertans are getting a fair share of the province's oil and gas riches.

### [Natural gas drillers brace for sour year](#)

Hopes that Canada's natural gas industry might soon pull itself out of its severe slump were dashed Tuesday as the country's largest natural gas producers said low commodity prices will force them to keep domestic spending on exploration in 2008 on a par with this year's anemic levels.

### [Denmark Aims for Meeting of Arctic Nations to Discuss Borders](#)

Denmark and semiautonomous Greenland plan to host a meeting of five Arctic nations next year against the backdrop of increasing interest in the region's natural resources, reports said Thursday.

### [Mitsubishi, Shell, Exxon to develop coal liquefying device to process oil](#)

Asia's biggest power equipment manufacturer Mitsubishi Heavy Industries Ltd. will jointly develop coal liquefaction facilities, which are used to produce gasoline and other petroleum products, with Royal Dutch Shell Plc and Exxon Mobil Corp., a leading financial paper here reported Thursday.

### [Russian coal exporters buying own rail wagons](#)

Russian coal exporters are scrambling to buy thousands of rail wagons because a chronic shortage of those provided by state rail monopoly RZhD has disrupted exports, an official at major exporter KRUTrade said.

### [Russian Gas Politics: Putin Does It Again](#)

Putin is also an expert at playing the hydrocarbon card. He's arrested oligarchs who won super-cheap oil and gas contracts from predecessor Boris Yeltsin after the USSR fell, merging their fossil fuel assets into national champions Gazprom and Rosneft, its oil equivalent. He also used creative contract revision and even environmental citations to wrest control of two major Siberian exploration projects away from Shell and BP.

### [As We Stand on the Brink of Catastrophe, Bio-Fuels are no Magic Bullet](#)

Having made ethanol into this magic elixir, politicians, financial investors, and the occasional environmental organization are masking the need for far deeper investigation and solutions.

### [Study: Rising sea endangers coastal cities](#)

A chilling set of three-dimensional images of climate-triggered sea rise flooding into coastal U.S. cities was released this week by the environmental nonprofit group Architecture 2030.

A sea level rise as little as 1 meter could have catastrophic impact along the country's 12,000 miles of coastline, where 53 percent of Americans live, according to the group's pathbreaking scientific analysis.

Such cities as Miami Beach and Hollywood, Fla.; New Orleans; Hampton, Va.; and Point Pleasant, N.J., would have major areas underwater with a sea rise of 1 meter or less. By a 1.5-meter rise, Miami and other Florida communities, along with East Boston, Mass.; Galveston, Texas; and Atlantic City, N.J., are in deep trouble. By 3 meters, San Francisco, New York, Boston, San Diego and Savannah, Ga., fall victim to severe damage.



Check out the U.S. flood maps [here](#). Click on a location, and you'll get a Google Earth image. Mouse over it, and you'll see what it would look like with a 1.5m sea level rise.



*Galveston, oh Galveston...*

### [Shell CEO says "psychology" behind high oil prices](#)

Royal Dutch Shell Plc's top executive said on Wednesday he sees no fundamental reason for crude oil prices to have jumped above \$78 a barrel.

"No one has to wait at the gas pumps of the world. There is no physical problem," Shell Chief Executive Jeroen van der Veer told reporters in Calgary.

### [Forget about fundamentals, this is the oil market after all](#)

As oil prices surged to a record of more than \$80 (U.S.) a barrel yesterday, analysts were asking just one question.

Why?

### [Bodman Says \\$80 a Barrel Oil Prices Are 'Troublesome'](#)

Record crude oil prices above \$80 a barrel are "troublesome," U.S. Energy Secretary Samuel Bodman said today.

### [Traders doubt OPEC's ability to boost output](#)

Such uncertainties also lead inevitably to renewed airing of the Peak Oil theory, which

posits that the world's petroleum production is at or near an unsustainable high and doomed to drop as demand gradually overwhelms supply.

### [China targets strategic oil reserve of 12 mln tons by 2010 - report](#)

China aims to increase its strategic oil reserve to 12 mln tons by 2010, from 2-3 mln tons currently, the official Shanghai Securities News reported, citing a senior state planner.

### [Thais suffer without subsidies as oil hits record](#)

Thais are to suffer another economic blow as global oil prices rose to a record above \$80 a barrel and the post-coup government ruled out resurrecting fuel subsidies that were dumped as too expensive.

Motorists in Thailand are more exposed to global oil rises than many in Asia, after the country freed fuel prices at the pump to market rates by 2005, unlike countries such as China and India that maintain government-capped prices.

### [Officials: Pipeline will help N.D. oil producers](#)

Increased pipeline capacity may help North Dakota oil producers avoid discounts as high as \$30 a barrel when selling their crude, along with giving them more shipping options, two industry officials say.

New pipelines designed to bring Canadian oil to Midwestern refineries also may ease pressure on an important east-west pipeline that many North Dakota producers rely on to transport their oil, said Lynn Helms, director of North Dakota's Department of Mineral Resources.

### [API Chief Economist John Felmy: Cellulosic Ethanol Potentially a 'Holy Grail' \(Part 4 of 6\)](#)

But while Felmy was optimistic about the contribution plug-ins might make, he was downright ecstatic about the potential contribution that cellulosic ethanol might make. "Potentially, it's a Holy Grail," he told EnergyTechStocks.com.

### [Ten fuel-saving tips from a hypermiler](#)

Wayne Gerdes knows how to wring a gas tank dry.

He can squeeze 84 miles per gallon from your standard-issue Ford Ranger pick-up. He

once averaged more than 100 mpg during the course of an entire summer. And while behind the wheel of a hybrid electric Honda Insight, he coaxed the vehicle into yielding an astonishing 180.1 mpg. Gerdes can do these seemingly impossible things with a car because he is one of a rare breed of drivers known as hypermilers.

### [Judge rejects carmakers' emission suit](#)

Vermont and several other states scored a victory on Wednesday in their battle to get automakers to comply with rules aimed at reducing global warming.

A federal judge ruled that states can regulate greenhouse gas emissions from vehicles, rejecting automakers' claims that federal law pre-empts state rules and that technology can't be developed to meet them.

### [Brazil wants probe of U.S. farm aid](#)

Brazil will ask the World Trade Organization for a formal investigation of U.S. farm subsidy programs, which it says includes payments for ethanol production, a senior Brazilian official said Wednesday.

### [Yunus calls for lifestyle 'traffic rule' to fight warming](#)

The 2006 Nobel Peace Prize winner Muhammad Yunus called for a worldwide lifestyle change, saying global warming is "a matter of life and death" for low-lying nations like his own country Bangladesh.

In a keynote speech to a symposium on climate change, Yunus suggested a "traffic rule" under which products bear red, yellow or green markings to indicate the extent to which they come from renewable sources.

### [Tories propose new 'green taxes' to protect the environment](#)

A higher tax on domestic flights and a moratorium on airport expansions are among some of the key proposals a Conservative policy group will announce Thursday as part of the political party's commitment to fighting climate change.

### [Eating less meat may slow climate change](#)

Eating less meat could help slow global warming by reducing the number of livestock and thereby decreasing the amount of methane flatulence from the animals, scientists

said on Thursday.

### [English coastal storms more intense, but is it climate change?](#)

Coastal storms battering the southern coast of England have sharply increased in intensity over the last century and a half, a possible consequence of global warming.

### [Global warming impact like "nuclear war": report](#)

Climate change could have global security implications on a par with nuclear war unless urgent action is taken, a report said on Wednesday.

The International Institute for Strategic Studies (IISS) security think-tank said global warming would hit crop yields and water availability everywhere, causing great human suffering and leading to regional strife.

### [World crops could decline 16% due to warming](#)

Global warming could send world agriculture into serious decline by 2080 with productivity collapsing in some developing countries while it improves in a few rich nations, a study reported on Wednesday.

India, Pakistan, most of Africa and most of Latin America would be hit hardest, said economist William Cline, the study's author. The United States, most of Europe, Russia and Canada would probably see agricultural gains if climate change continues on its current course, the study found.



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