



## DrumBeat: October 17, 2007

Posted by [Leanan](#) on October 17, 2007 - 8:58am

Topic: [Miscellaneous](#)

### [Oil reverses course, hits new record](#)

Oil prices surged to a new record of \$89 a barrel Wednesday after Turkey's parliament authorized an incursion into northern Iraq in search of Kurdish rebels.

The vote overshadowed a U.S. government report that crude oil and gasoline inventories overall rose more than expected last week. But prices did draw some support from a 200,000 barrel decline in inventories at the closely-watched New York Mercantile Exchange delivery terminal in Cushing, Okla.

Light, sweet crude for November delivery rose \$1.09 to \$88.69 a barrel on the Nymex after rising to a record \$89 earlier.

### [OPEC intervention not ruled out in Riyadh](#)

The recent hike in oil prices is driven by speculation and a weak dollar rather than any new demand, but more intervention by OPEC exporters is not ruled out, Nigeria said on Wednesday.

### [Economies adjust to an oil price heading for \\$90 a barrel](#)

Only a month after breaching \$80, the price for a barrel of oil is now heading towards \$90, scaling heights barely conceivable a few years ago.

A year ago the Inter-national Monetary Fund's economic forecasts were based on an assumption that oil would average \$75.50 this year. The IMF's annual meetings are likely to take place this weekend with the price almost \$15 higher.

Yet global growth has remained remarkably robust. The world has shown that it can live with oil at \$70 a barrel and higher.

### [No long-term global oil shortage: US](#)

THERE is no long-term global oil shortage, a senior US official said in Australia yesterday, on a day when the oil price went almost to \$US87 a barrel because of the Turkey-PKK situation.

James A. Slutz, deputy assistant secretary for oil and natural gas, made it clear yesterday that the US position is that any worries about oil supply are caused more by slow technological take-up by oil explorers than by any specific oil shortage.

Or, as the industry puts it, a low rate of change in the approach to non-conventional oil.

### [Motley Fool: Let's Open a Foolish Mailbag](#)

But now, Fools, I'm concerned that the world's energy situation is far more precarious than is typically understood. Certainly, the mainstream media haven't picked up on the fragile state of the world's ability to meet increasing crude oil demand with ready supplies. (But then, keeping up with Britney and Paris is a time-consuming assignment.) Nor have the powers that be in Washington displayed any sort of grasp of the true nature of the energy challenges we're already beginning to face.

### [Energy package is hung up on taxes](#)

The White House is threatening to veto any energy bill that seeks to raise taxes on oil companies, prompting Democratic lawmakers Tuesday to accuse the administration of being too cozy with the industry.

### [When oil prices rise, so does just about everything else](#)

When oil gets expensive, everything gets expensive. Everything.

Think about it: Almost everything we consume must be transported in boats, planes, trains or trucks that run on petroleum-based fuel. And a lot of consumer goods – and their packaging – are made of petroleum-based plastics or chemicals.

### [Commuting habits hard to break](#)

Recent census data show commuting habits in Sioux Falls are difficult to break, even with unstable gas prices and global warming concerns. In 2000, 84.3 percent of workers drove alone on their daily commute. Data for 2006 shows a slight increase to 84.6 percent.

### [Hybrid harvest](#)

A new crop of hybrid gas-electric vehicles will debut for 2008, upping the variety of gas-conscious conveyances while making it easier for drivers to keep their lifestyle.

### [U.S. Automakers Renew Small Car Efforts](#)

U.S. automakers pretty much ceded the small car market to the Japanese during the past decade. Now, with consumers shifting toward more gas-thrifty models and the realization that a strong compact brings buyers to their brand, Detroit is trying to make yet another comeback.

### [Nantucket ferry fares hiked as oil price soars](#)

The Woods Hole, Martha's Vineyard and Nantucket Steamship Authority can barely keep up.

In the month before the authority's September meeting the price of a barrel of oil jumped from \$70 to \$80 a barrel.

Since that meeting, the price of oil has risen \$8 to a record \$88 a barrel in trading yesterday just as the Steamship Authority's board voted on fare increases to make up for the earlier spike in fuel prices.

Now, increases in the cost of a ticket on the fast ferry between Hyannis and Nantucket approved by the authority's members may not be enough to right the boat line's budget for next year.

### [Taxi fares to increase next month](#)

"It's been about seven years since the city's taxi fares were increased. With the recent increases in fuel prices, the city government and the taxi unions reached a consensus that it is time to raise the fee," Department of Transportation Commissioner Luo Shiawshyan (羅孝賢) said yesterday at Taipei City Hall.

### [Bush, Climate and the Technology Illusion](#)

But most interesting of all is the way he envisages controlling the level of greenhouse gas emissions. Not by reducing energy consumption, the increase of which was, on the contrary, put forward as inescapable - "In this new century, the need for energy will only grow" - including in the most developed countries. Climate change is therefore only one of the two challenges that will confront humanity according to him - the other being "energy security." Mr. Bush continued, "For many years, those who worried about climate change and those who worried about energy security were on opposite ends of the debate. It was said that we faced a choice between protecting the environment and producing enough energy. Today we know better. These challenges share a common

solution: technology. By developing new low-emission technologies, we can meet the growing demand for energy and at the same time reduce air pollution and greenhouse gas emissions." And the American president enumerated various techniques under study that would allow us to "be responsible stewards of the earth the Almighty trusted to our care."

I cannot emphasize enough the importance of this vision, very representative not only of what Mr. Bush thinks, but also of the doctrine that has developed among a broad swathe of the defenders of an economic system basically unchanged in the face of the climate change challenge.

### [Hidden Costs Of Climate Change In US: Major, Nationwide, Uncounted](#)

The total economic cost of climate change in the United States will be major and nationwide in scope, but remains uncounted, unplanned for and largely hidden in public debate, says a new study from the University of Maryland.

The report, The U.S. Economic Impacts of Climate Change and the Costs of Inaction, is the first to pull together and analyze the previous economic research on the subject, along with other relevant data, in order to develop a more complete estimate of costs.

### [National power grid watchdog says renewable energy sources require new power lines](#)

The watchdog that oversees North America's power grid says the full promise of renewable fuels cannot be harnessed without first building more power lines that can carry this cleaner energy to consumers.

In an annual report, the North American Electric Reliability Corp. of Princeton, N.J., said increasingly popular state government rules requiring a certain percentage of electricity to be from renewable sources will require massive investments in transmission capacity.

### [Oil price surge obscures emerging refinery cushion](#)

Oil's thundering rally over the past six days may be masking a bearish turning point for the market -- the recovery in refining capacity, which could end a three-year squeeze on global fuel supplies.

If, as many analysts expect, refiners manage to bring new plants onstream on time next year, the world may enjoy its biggest margin of spare fuel supply capacity in years, relieving one of the major risk factors that has lifted oil prices.

Yemen is showing political stability but security remains a concern for foreign investment.

### [Alaska gets tough on Big Oil](#)

A faceoff between Alaska's governor and giant oil companies may scuttle plans to build a \$25 billion natural gas pipeline.

### [More power to a new look at energy globally](#)

A new study by the Australian Strategic Studies Institute states that we are in "the third energy shock of the post-war [post-1945] era".

This differs from those of 1973 and 1979 in being driven by rapidly rising demand, not constraints by suppliers.

Demand, the report says, has gone on climbing despite a huge rise in oil prices. Neither consumers nor governments have responded as they did in the 1970s shocks.

### [Unfair meddling in Cape Wind](#)

TWO YEARS ago, the state's Energy Facilities Siting Board completed an exhaustive, 39-month review of the undersea cable linking the proposed Nantucket Sound wind power turbines with transmission facilities on the Cape. The board approved the cable, even though then-governor Mitt Romney was an outspoken opponent of the Cape Wind project. Now a subcommittee of the Cape Cod Commission is recommending that the commission deny approval of the cable because of "insufficient information." The commission should reject this transparent, obstructionist recommendation and approve Cape Wind's cable.

### [Why your electric bill is so high](#)

In standby, a machine is not really turned off. It goes into a state of reduced activity that requires only minimal power consumption. The downside is that even at vastly reduced power levels, millions of machines running all day, every day, adds up to huge amounts of wasted energy. With oil prices at record highs and the climate under threat from excessive consumption of fossil fuels, this is neither smart nor desirable.

### [Global warming starts to split GOP contenders](#)

While many conservative commentators and editorialists have mocked concerns about

climate change, a different reality is emerging among Republican presidential contenders. It is a near-unanimous recognition among the leaders of the threat posed by global warming.

Within that camp, however, sharp divisions are developing. Senator John McCain of Arizona is calling for capping gas emissions linked to warming and higher fuel economy standards. Others, including Rudolph W. Giuliani and Mitt Romney, are refraining from advocating such limits and are instead emphasizing a push toward clean coal and other alternative energy sources.

All agree that nuclear power should be greatly expanded.

### [Climate change creating jobs for some](#)

Climate change presents unprecedented headaches for the nation's farmers but will fuel a jobs bonanza in agriculture, according to new research.

The University of Sydney study found 123,000 jobs - mostly graduate positions - will be created in the agriculture sector during the next six years, which is a 36 per cent increase on current levels.

### [Better Biofuel: Corn with No Ears](#)

Ear-less corn holds heaps of sugar that could be turned into ethanol and other biofuels, a new study finds.

When grown in the Midwest, this "tropical maize" lacks nutrient-needy cobs, so the crops require less nitrogen and other fertilizers.

### [Farming Faces Phosphate Shortfall](#)

Global reserves of phosphorous, essential for agriculture, could run out in 60 to 100 years, warn experts.

### [Europe biofuel group threatens action on U.S. subsidy](#)

European biodiesel makers said on Tuesday they may take a legal action against what they see as unfair subsidies for U.S. biofuel which threaten their business.

### [India: Import bill set to surge on use of vegetable oil as biofuel](#)

Even as World Food Day is being celebrated on Tuesday, there is a growing concern among the vegetable oil industry in the country against the global usage of vegetable oils for fuel purpose, more so in the current scenario when crude oil prices are ruling above \$85 per barrel, which has significantly scaled up the vegetable oil prices between 50% to 130% since last year.

### [Spike in Crude Oil Price to \\$88/Barrel Without New Runup in Pump Price Exposes Oil Industry Deception, Profiteering](#)

The oil industry's longstanding argument that high gas prices in recent years were driven by the rising price of crude oil would leave motorists paying about \$4.50/gallon at current oil prices if the industry claim was accurate, said the Foundation for Taxpayer and Consumer Rights and its OilWatchdog.org project. The group said that the current national average of \$2.76/gallon spotlights the profiteering of the spring gasoline price highs and the increasing politicization of gasoline pricing.

### [Oil price may cause investor pain this time](#)

Oil's spike to all-time highs around \$87 a barrel has set long-term investors wondering whether the price of crude is finally getting high enough to do economic damage.

### [Another oil record? Markets just yawn](#)

Remember the good old days when the price of oil would soar, and Canada's energy-heavy stock market would rise right along with it?

Well, oil prices are soaring again. But something's gone wrong with the second part of that equation.

### [No viable solution to energy crisis in 20-30 years](#)

The world is unlikely to find viable solution for the energy crisis in the next 20-30 years, Sustainable Energy Authority (SEA) Chairman, Ananda S. Gunasekera said.

"During this transition period from the depletion of the fossil fuel until the discovery of such viable renewable energy source the people have to undergo difficulties," he said.

### [Analysis: Iran, Syria in gas deal](#)

A \$1 billion deal to pipe natural gas to Syria from Iran announced in early October signals increasing ties between the two foes of the United States, and its path through

Turkey could inflame tensions at a time when U.S.-Turkish relations are strained.

### [Ecuador Oil: More Trouble Ahead](#)

Ecuadorian president Rafael Correa, inspired by policies in Venezuela, is aggressively attacking foreign oil companies in a gamble that likely will lead to further falls in oil output from Latin America's fifth-largest oil producing country. Foreign oil companies account for half of Ecuador's oil production, while state oil company Petroecuador continues to be plagued by mismanagement and a heavy debt burden.

### [Ecuador to halt oil drilling in pristine forest](#)

Ecuador said on Tuesday it will not allow oil drilling in a pristine Amazon jungle area inhabited by unique tropical species and Indian tribes hidden from the outside world.

The move could hurt the operations of China's Andes Petroleum, Spain's Repsol and Brazil's Petrobras who manage oil fields partially inside the area.

### [5 Injured in Protest at Oil Field in Ecuador](#)

One person was shot and four others sustained serious injuries when residents of Shushufindi, a town in the northeastern province of Sucumbios, tried to occupy an oil field being guarded by the army, Ecuadorian media reported Tuesday.

### [A loophole could dim impact in proposed energy-saving bill](#)

It's not as portentous as raising fuel-efficiency standards or doling out solar-energy subsidies. Nevertheless, Congress is poised to pass a major energy-saving measure as soon as this month, if it can solve a rather glaring problem: How do you describe an energy-efficient light bulb?

That question is crucial because the new legislation would phase out energy-intensive incandescent bulbs on the basis of their size and shape rather than on the amount of power they draw. As a result, unscrupulous manufacturers could easily skirt the phase-out by changing slightly the shape of their incandescent offerings, efficiency advocates say, dramatically reducing the measure's benefits.

### [Leading Experts In Organic Solar Cells Say The Field Is Being Damaged By Questionable Reports](#)

In the latest issue of Elsevier's Materials Today Dr. Gilles Dennler of Konarka Austria GmbH and twenty other experts warn that an unseemly race to report organic solar



cells (OSCs) with world record efficiencies is leading to a significant number of published papers claiming unrealistic and scientifically questionable results and performances.

### [Britons named world's biggest emitters of CO<sub>2</sub> from air travel](#)

Britons produce more carbon emissions from air travel a head than any other country, a study reveals today, citing the country's predilection for low-cost airlines as a major factor.

The average carbon emission for each British flyer was 603kg (1329lb) a year, more than a third higher than Ireland in second place with 434kg and more than double that of the US at 275kg, in third place.

### [As a land thaws, so do Greenland's aspirations for independence](#)

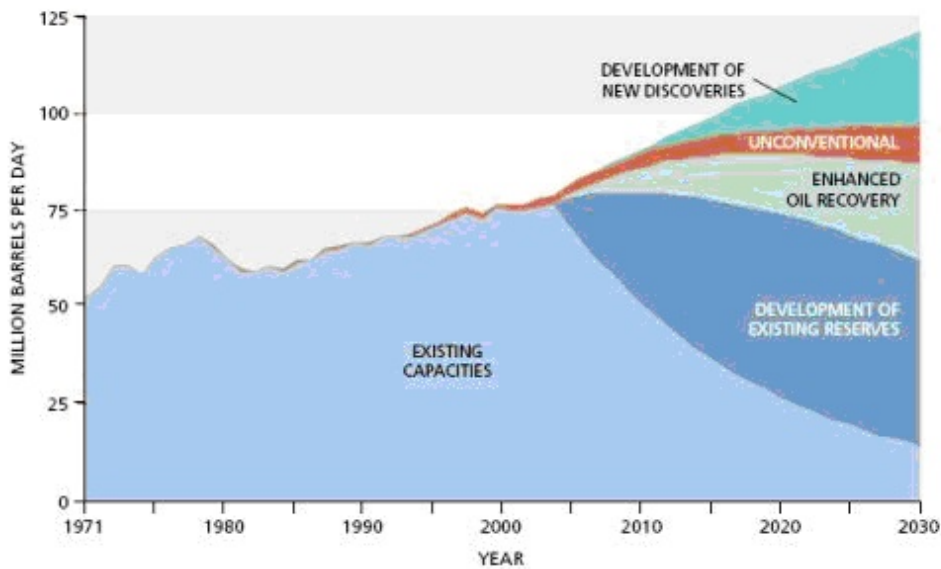
As global warming makes Greenland's mineral wealth more accessible, talk of independence from Denmark is also heating up.

### [Record Price of Oil Raises New Fears](#)

The price of oil jumped to yet another record yesterday, sparking predictions that motorists would see sharply higher gasoline prices by Thanksgiving — and fears that \$100-a-barrel oil is no longer such a distant prospect.

### [Crude Oil Price Up, IEA Says Production Must Rise 45% to Meet Demand](#)

You can also put the “challenging supply situation” in perspective with the image below, taken from the executive summary of the report. The forecast for demand of 124 million barrels per day comes from the International Energy Agency. Keep in mind the IEA expects production to increase by 45% to meet expected demand.



Source: IEA, World Energy Outlook 2004.

FIGURE ES-5. Illustrative Total Liquids Supply

### ['A Crude Awakening': The film and the science](#)

Looking around, it is easy to get the feeling that nobody really knows how much oil is left - or at least, no-one who is willing to speak in earnest.

### [Putting focus on a new fund](#)

Heebner's approach is to make an assessment of global trends and then invest in companies that stand to capitalize on those trends. A book by Matt Simmons, "Twilight in the Desert," chronicles the poor quality and grossly inflated estimates of what remains in Middle Eastern oil fields. If that's true, you can understand why a third of CGM Focus is invested in energy stocks.

### [New Zealand Oil and Gas on the hunt for funds and offshore oil fields](#)

New Zealand Oil and Gas is seeking more oil assets and is prepared to look offshore.

With a new chief executive and oil revenues beginning to flow, the company has set itself the ambitious target of nearly doubling next year's production of more than 1.1 million equivalent barrels of oil in just four years.

### [Bracing for Potential Energy Crisis in Argentina](#)

While Argentine consumers have been buffered from price-hikes thus far, as tax-payers

they could yet be saddled with a hefty bill. Indeed, Argentina faces a string of lawsuits from multinational corporations with investments in Argentina's public utilities and the country's oil and gas sector.

### [We Need Al Gore, Because Global Warming Truly Threatens Peace](#)

America's love affair with petroleum will soon come to an end, either because of peak oil or because the rest of the world will simply catch up with how much we consume, thus driving up prices. Sing a dirge for cheap oil, because it's dead and gone.

Global warming itself is a problem like no other that we've faced. That helps explain why it's taken so long for us to take it seriously – comparatively few people have educated themselves on what it is and what it could mean.

### [Saudi Arabia to open oil taps](#)

Top oil exporter Saudi Arabia is set to pump at least 8.7 million barrels per day this month, and is likely to raise that to about 9 million bpd in November when Opec's supply increase takes effect, an Opec source said today.

Last month Opec agreed to raise supply by 500,000 bpd from 1 November in an attempt to soothe consumer concerns over tight supplies and high prices.

Under the agreement, Riyadh has a supply target of 8.943 million bpd, a Reuters report said.

### [OPEC exports jump 609,000 bpd in Sept against Aug](#)

OPEC seaborne oil exports, excluding Angola, jumped 609,000 barrels per day (bpd) in September versus August, according to newly released data by Lloyd's Marine Intelligence Unit (LMIU) on Wednesday.

### [Aramco to shut Rabigh refinery](#)

Saudi Aramco will shut down its 400,000 barrels per day (bpd) Rabigh refinery for at least a month for routine maintenance from early next week, industry sources said on Wednesday.

The shutdown could last longer than a month because it also includes works that will link the plant to its new \$10 billion joint-venture petrochemical complex with Japan's Sumitomo Chemical.

### [Iran produces 4m barrels of oil per day](#)

The Islamic Republic of Iran produces four million barrels of crude oil per day, the Iranian National Oil Company's Marketing Manager, Sayed Mohammad Khatibi, announced on Wednesday.

Speaking to IRIB reporter, Khatibi rejected the false estimate about IRI oil production capacity which has been provided by certain international sources and raised in the last OPEC meeting.

For accessing a true statistic about oil production capacity of a certain country, it's better to refer to that country's official statistics, Khatibi noted.

### [Oil Peak or Peak Oil?](#)

The United States consumes about 21 million barrels of petroleum every day. About 85 million barrels a day is produced *in the entire world*. The US thus consumes about a fourth of the supply, even though it has only 5 percent of the world's population. The US only produces about 7.5 million barrels a day, so it has to import some 13 million. The geniuses in the White House have so alienated some US suppliers, like Venezuela, that Caracas is planning to sell nearly half of its over 2 mn. b/d to China rather than selling it all to the US. Since petroleum is now increasingly scarce and is a seller's market, Chavez's plan would cut down on the amount of petroleum available to the US.

### [Soaring oil prices have yet to derail economy](#)

With oil prices touching new highs above \$88 a barrel Tuesday, the financial markets and the economy seem to be largely unfazed — at least so far. And despite the rapid run-up in the cost of crude from about \$60 just two months ago, motorists have been watching pump prices fall. What's going on here?

### [Eni Inks a 25-Year Deal with Libya](#)

Italian oil and gas company Eni has signed an agreement with NOC to improve oil and gas production in Libya. The agreement calls for a 10-year investment of U.S. \$28 billion.

The 25-year renewable agreement converts the existing petroleum contracts to the most recent contractual model. Eni and NOC plan to maximize the recovery of their existing wells, namely El Feel and Western Libya Gas Project, by applying the most up-to-date technologies possible. Additionally, they will start a new drilling campaign in nearby fields.

### [Britain to claim more than 1m sq km of Antarctica](#)

The United Kingdom is planning to claim sovereign rights over a vast area of the remote seabed off Antarctica, the Guardian has learned. The submission to the United Nations covers more than 1m sq km (386,000 sq miles) of seabed, and is likely to signal a quickening of the race for territory around the south pole in the world's least explored continent.

### [EU and Russia Agree on Early Warning System for Energy](#)

Top EU and Russian energy officials meeting in Brussels agreed to postpone a dispute over investment access in the gas and electricity sector and showed a united front on gas prices and secure supplies.

### [Canada's Oil Province Alberta Seeks Chinese Investment](#)

A senior official from Canada's Alberta Province said on Tuesday she hoped more Chinese investment would be made in Alberta, home to rich oil sand reserves.

"In all our meetings, we have been encouraging Chinese investment in Alberta," said Alberta's Minister of Employment, Immigration and Industry Iris Evans at a press conference at the Canadian Embassy in Beijing.

### [Canada says can't meet Kyoto targets](#)

Canada has no chance of meeting its commitments to cut emissions of greenhouse gases laid down by the Kyoto climate change protocol, the minority Conservative government said in a policy speech on Tuesday.

### [Human waste can help save planet: Indian expert](#)

A cheap system to recycle human waste into biogas and fertiliser may allow 2.6 billion people in the world access to toilets and reduce global warming, an Indian environmental expert said Tuesday.

### [Coastal planners ready for sea-level rise](#)

This fall, the state agency that regulates coastal development in Rhode Island plans to become one of the first local regulatory agencies in the country to officially recognize the likelihood of sea-level rise and write policies and regulations to prepare for higher water.

The rising waters will require that new buildings in flood zones be constructed at higher elevations, says Grover Fugate, executive director of the Coastal Resources Management Council. He says there should also be changes in the state building code for coastal development and different rules for septic systems. Sewer outfalls and bridges may be affected.



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