

DrumBeat: November 10, 2007

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Topic: Alternative energy

European politicians wrestle with high gasoline prices

Since the start of the year, diesel prices in France, where protests have started, have risen by nearly 17 percent as fuel retailers like Total and Shell charge more, following the cost of crude oil upward. Consumers in Europe already face costs far higher than in many parts of the world because of hefty taxes.

"It's a very difficult situation for governments," said Colette Lewiner, an energy expert at Capgemini, a consultancy. "What governments should be doing is lowering the tax on the oil products, but that would mean lowering their own expenses and breaking spending promises, so governments are trapped."

The Oil King's Diplomat

This week Saudi Arabia hosts a summit of the Organization For The Petroleum Exporting Countries at a time when the cost of oil is soaring toward \$100 a barrel, with tensions in Iraq and the Persian Gulf making matters worse. Prince Saud al-Faisal, Saudi Arabia's foreign minister for 32 years, is working to calm disputes that plague the region and threaten the global economy. He spoke last week with NEWSWEEK's Christopher Dickey. Excerpts:

DICKEY: A couple of years ago you said Saudi Arabia wanted to see oil in the \$40 range. Well, we are way beyond that now.

SAUD: DON'T hold me to that.

Lula Says Brazil Oil Discovery May Lead Country to Join OPEC

Brazil's President Luiz Inacio Lula de Silva said the discovery of reserves totaling as much as 8 billion barrels of oil may lead the country to join the Organization of Petroleum Exporting Countries.

Brazil won't be ready to join the oil cartel for five or six years, when Petroleo Brasileiro SA's Tupi offshore oilfield is ready to start production, Lula told reporters today in Chile,

before he left an Ibero-American summit in Santiago.

Gas prices could set records by Thanksgiving as oil costs rise

You might want to stay put for Thanksgiving.

By the time the holiday rolls around, gasoline could cost more than ever before. Driven higher by the rampaging bull market for crude oil, Bay Area gas prices could soon top records set just this spring.

This, at a time of year when gas prices rarely rise at all.

Gas costs expected to follow oil price

The full impact of the recent jump in crude prices still hasn't found its way to the pump, meaning gasoline prices are likely to keep climbing.

"There's no question there are more increases to come," said Michael Wittner, senior oil analyst with investment bank Societe Generale in London.

Supercycle Buster

Perhaps the end of the commodity supercycle will represent the shortest cycle of them all. Perhaps peak oil will bring on its collapse.

'It's All About Energy, Stupid!'

If you run a business that's into renewable power, expect a presidential candidate to stop by. We profile four such companies on the cutting edge.

'People realise it is time to take action'

Bill McKibben may be a beanpole fortysomething academic, with greying hair, spectacles always on the end of his nose, and a thoughtful, unemphatic delivery, but his life has become quite rock'n'roll these days. "If you've been working at this for a long time like I have, especially during the 90s," he says, "there was a time when it was really quite lonely."

Shortages force up fuel prices

Tight supplies of gasoline and diesel fuel are pushing up prices at the pump and causing temporary outages at some retail stations in Iowa.

Transport truckers must drive longer distances and spend time waiting at major terminals, such as Des Moines, to get fuel loads for retailers because some outlying terminals are out of fuel, said Dawn Carlson, president of the Petroleum Marketers and Convenience Stores of Iowa.

NPG Asserts America Is on Path to Population Disaster

Negative Population Growth President Donald Mann has announced the start of a Campaign for a National Population Policy, a grassroots effort to get the American people and elected leaders focused on the country's escalating population crisis.

Declaring that America's population growth of 30 to 40 million people per decade will see U.S. population explode to 450 million by mid-century, Mann stressed the vital need for Congress to take immediate steps to create a U.S. Commission on Population Growth with a goal to fundamentally rethink our nation's "growth at any cost" mentality.

France's Lagarde And Total's De Margerie Discuss Oil Price

French Finance Minister Christine Lagarde, accompanied by Total SA (TOT) Chief Executive Christophe de Margerie, said Saturday the French market for oil-based fuels is "extremely competitive," with tight refining margins.

Lagarde and de Margerie spoke immediately after a meeting between oil companies and members of the French government to discuss rising fuel prices.

"Unique combination" of varied factors driving up oil price

International oil price has soared in about 10 months since it dived to 49.9 US dollars per barrel on January 18 this year without any return or interruption. The price of New York crude oil (or light, sweet crude) went up to 98.61 dollars, hitting an all-time ever since 1980. So people worldwide are deadly sure that oil price will reach 100 dollars per barrel within the year.

Here comes \$100 a barrel

Ready for \$100-a-barrel oil? Despite a stall in oil's steep price climb, that symbolic milestone could be here by Thanksgiving. So what can we do to reverse the surge in prices, or at least soften its impact? Not much.

Fossil Fuel Train Heads Into Overdrive

Today's skyrocketing fossil fuel use will accelerate far faster in the coming decades, driving oil prices higher and virtually guaranteeing catastrophic climate change in the decades to come, energy experts say.

As oil prices rise, regrets for not locking in

As home heating oil prices continue to hover above \$3 a gallon, homeowners who decided to pay upon delivery for their oil might wish they had locked in a lower price by signing up for a pre-buy program earlier this year.

Lester Brown: "We all have a stake in future civilisation"

We are at a turning point. This derives from two or three things: one is the possibility that the peak of world oil production might have been touched last year, according to recent analysis. If that is the case, we are living in a very different world from the one we have known up to now with the oil production continuously going up. It creates an interesting situation because now, for any country to get more oil, another must get less. This combines with the indirect effects caused by biofuels on food prices: the U.S. effort to reduce its fuel insecurity is leading to global food insecurity on a scale that's going to get much worse next year.

Malawi: Diesel shortage hits Southern Region

Most filling stations in Southern Malawi have run out of diesel, a development that has spurred smuggling of the fuel by illicit traders.

Guyana: Fuel shortage hits Berbice agriculture

Due to a shortage of fuel at the Guyoil Company at Heathburn, East Bank Berbice since last Wednesday a number of agricultural operations on the Corentyne have been affected.

Gas station owner, David Subnauth told Stabroek News yesterday that he checked at the company and was told that they were out of gasoline, diesel and kerosene. He said the boat that normally distributes fuel to Guyoil is not expected until next Wednesday."

Fare trade? Gas prices gouge cabbies, too

Taxi services, which typically run a thin profit margin, feel a sharper-than-usual pinch this fall -- one that passengers will soon share.

"It puts us in the poor house," said Paul Robar, the owner of Benways Transportation, on Friday. "Every day we operate taxis we're losing money. The small guy can't afford this anymore."

Explaining the barrel boost: there's a logic and rationale

The jump in oil prices to near-record levels may seem strange, even suspicious, especially given no major geopolitical blowups or other big news to explain it. But in a tight market, it doesn't take much to cause a barrel boost - and a lot of little things have added up to do just that.

Where from here on Arctic energy?

Whether it's offshore oil and gas development, skyrocketing fuel costs in rural communities or the development of renewable energy sources, it seems that there's no shortage of issues that relate to the production or use of energy in the Arctic.

Storm damage won't halt Dominican refinery's output, official says

The Dominican Petroleum Refinery guarantees the fuel supply despite damages caused by Tropical Storm Noel to processing terminal at the mouth of the Nizao river, 15 miles west of the capital.

UK: Green tax puts extra £1,000 on family cars

Families who choose to drive larger cars face an increase of up to £1,000 in the cost of motoring under a government plan to force people to switch to greener vehicles.

At the same time, manufacturers will be given incentives to accelerate the introduction of hybrid cars — which have a petrol engine and an electric motor — and those that run entirely on electricity.

Energy Tribune Speaks with Amory Lovins

ET: You've spent three decades fighting nuclear power. And yet, today, nuclear power is having a renaissance. The U.S. now gets 20 percent of its electricity from nuclear power plants. Wouldn't America's carbon dioxide emissions be much higher without those plants?

ABL: Nuclear power continues to die of an incurable attack of market forces. A huge and capable propaganda campaign by the industry and its political allies is spinning an illusion of a renaissance that deceives credulous journalists but not hard-nosed investors.

Global warming's true remedies

Politicians, who must always prove that they aren't passive bystanders (here, that they are actively fighting global warming) will scream, "Let us fight global warming". Scientists, environmentalists, writers and journalists will join campaigns to "reduce emissions to near-zero". Who could possibly disagree with that?

Nevertheless, when it comes to the painful-but-true solutions, we would rather not talk about them: Taxation on fossil fuels and adopting technology that bridges our persistent dependency on fossil fuels and the "moral duty" (as some campaigners put it) to curb emissions.

Climate wake-up call for Hampton Roads

Virginia is at last beginning to wake up to the threat of climate change — and not a moment too soon for Hampton Roads. As Gov. Tim Kaine testified on Capitol Hill recently, Hampton Roads "is the largest population center that is at the greatest risk from sea level rise outside of New Orleans." He also described the damage climate change is already causing to the Chesapeake Bay and the threat of far greater damage, and he has called for state and federal action to address these threats.

U.S., Florida can earn green by going green

Unfortunately, U.S. transport fuel consumption is so great that it is unlikely we'll ever be able to achieve complete energy independence. Fortunately, our neighbors in Latin America have plenty of arable land, which is ideal for growing energy crops.

Monbiot: Biofuels Could Kill More People Than the Iraq War

If the governments promoting biofuels do not reverse their policies, the humanitarian impact will be greater than that of the Iraq war.

A balanced contribution

I committed a "crime against humanity" earlier this week, according to George Monbiot.

I drove into my local Brazilian petrol station and filled up with ethanol, the

| Drum | DrumBeat: November 10, 2007 http://www.theoildrum.com/renvironmentally-friendly alternative to petrol, of which Brazil is the world's leading producer.

Cellulosic holds promises

Thune's legislation would kick-start a cellulosic ethanol industry that is admittedly in its infancy. Cellulosic ethanol is produced from native perennial grasses, such as switchgrass, and other biomass materials, such as wood chips and corn cobs. Here in western South Dakota, where dryland corn isn't a good crop risk in even the wettest of years, other kinds of ethanol-producing materials make more sense. Forest waste from logging operations and tree-thinning projects come to mind.

\$100 Oil Will Mean Greater Instability in Fuel-Subsidizing Countries

Many countries, including major oil exporters, spend huge sums subsidizing fuel prices; the higher the price of oil, the higher the cost of these subsidies. At some point, the subsidies become too much and the government has to cut back, potentially sparking unrest. That was the experience of Venezuela in the late 1980s, when thousands of people died in riots that followed a cut in subsidies. In Venezuela today, where the world's cheapest gasoline sells at about 8 cents a gallon, President Hugo Chavez is already laying the groundwork for a possible cut in a subsidy that costs his deficitriddled treasury about \$9 billion a year. Chavez is talking about the evils of gas-guzzling Hummers and the need to keep the revolution from financing the spending habits of the rich. But cheap fuel also keeps transportation for the poor affordable and a price jump at the pump could spell trouble.

Free energy? It doesn't measure up

When it comes to creating energy you can't make something out of nothing, says the BBC newsreader, from behind the very important desk. "Until now, because British scientists seem to have turned this fundamental law of physics upside down." The Mail on Sunday loved it too. "Amazing British invention creates MORE energy than you put into it - and could soon be warming your home," it said. Taste the excitement. "It violates almost every known law of physics."

Well, that'll teach those so-called scientists a lesson. The device is a heating element made by a company called Ecowatts, and it is claimed to make more heat energy than you put into it. Has anybody validated this claim?

Wall Street Journal Says Oil Prices Will Not Hit \$100 Mark

Because oil prices have been soaring daily, the prevailing idea is that it is only a matter of time before the price hits the \$100 mark.

However, the Wall Street Journal yesterday offered 10 reasons that oil prices will not reach \$100 in its `breaking views.com` column. The reasons include sufficient supply capacity, declining demand for oil due to oil price hikes, and the bubble contained in the current oil price.

Oil's long tail

Let the consumer beware: Costs are going up on almost everything the average American family consumes.

Blame it on crude oil. The rocketing price of crude oil is not only sharply hiking the costs of fueling the car and heating the home, but is bidding up prices on the raw materials that go into goods from produce to perfume.

America, the new 'Great Game' in Central Asia and the politics of oil

The United States is the world's biggest consumer and importer of oil. But the Chinese economic juggernaut is fast catching up with the US as an oil importer and is projected to have more cars than the US by the year 2020. The competition between the two countries for new sources of oil is going to be intense. With crude oil prices closing in on an all-time high of \$ 100 a barrel this week and expected to breach that barrier within the next few days, the US's interest in getting a hammerlock on Central Asia's vast oil and gas reserves is likely to become greater than ever before.

Iraq's troubles push oil costs up

The spike in oil prices shaking the U.S. economy right now is something of a self-inflicted wound stemming from a war gone awry.

Energy gluttony

The United States has about 4.6 percent of the world's population, and it uses 21 percent of the energy consumed each year. This gluttony costs Americans almost \$1 million a minute, or around \$500 billion a year, according to the U.S. Department of Energy.

It will take strong leadership to promote energy independence

The rising price of oil is driving families in New Hampshire and Maine to the wall. The lucky ones are locked into a fixed price for the remainder of the current heating season. A family at the mercy of the marketplace will see its discretionary income taking a hit

this winter as it's faced with a jump in price every time an oil truck unlinks from its fuel tank.

Wasting the Earth: The UN doomsday report

For energy-importing countries, securing the supply of affordable energy is directly linked with human well-being. There could be a "vulnerability paradox" regarding energy: the less vulnerable a country's energy sector becomes, the greater the impacts could be from energy problems.

Blame Both Sides in Russia-EU Energy Spat

At a basic level, rising petroleum costs hammer home the reality that Europe faces an imminent energy security challenge. The European Union, however, has yet to devise a coherent long-term energy strategy, and East-West tensions hinder its ability to speak on the issue with a unified voice.

Experts Say Argentina's Energy Crisis Needs Urgent Solution

Argentina's energy shortage is worsening, and it urgently needs to be tackled through heavy investment in exploration and production projects, as well as by raising energy rates to levels seen internationally, experts said at an annual think tank conference Friday.

Palm Tran ridership higher than expected

After a fare hike Oct. 1, Palm Tran was expecting a 5 percent to 10 percent drop in ridership.

But a preliminary analysis on the number of passengers using the county bus system last month shows the decrease was less than 5 percent.

One of the reasons why the hit was not so hard was the sharp spike in gas prices during the past month.

Need for cheap palm oil drives deforestation

Big international companies are fuelling the wholesale destruction of critically important rainforests and peatlands in Indonesia in their search for cheap palm oil, a hard-hitting report claims.

Thorium, the Answer to the Question 'How do You Hedge Uranium?'

I am going to report to you some news, which I think is very significant, about the verification of a large increase in the economical and accessible supply base of the principal ore of the metal thorium, which is located in the United States.

If You Love Renewable Energy, It's Time to Freak Out

Pelosi and Reid are just about to do the stupidest thing imaginable: pull the rug out from underneath the blossoming renewable energy economy at the time when we need it most.

Alaska's Congressional Delegation Vows to Defeat Drilling Ban

Alaska's congressional delegation came out swinging against the latest version of a proposal to ban drilling in the Arctic National Wildlife Refuge, although the bill has little chance of passage.

Property in Totnes: Wizards of the wacky West

Totnes, the 'capital of New Age chic', is hoping to make itself self-sufficient.

Risk of Full Blown Financial Crisis - Technicals at a Critical Juncture

This is no longer an intellectual game. It's real. This is not business as usual. If the markets collapse, the entire infrastructure of society will likely come under threat because, for example, we have passed 'peak oil'. If investment confidence goes, how will we adapt to that particular problem? Guys, it's not about making money this time around. It's about survival.

After peak oil

"Don't Panic" is excellent advice in most times of crisis (an though not if you're an investor, in which case the trick is to panic 48 hours before everybody else does). If the peak oil crisis is upon us, then not panicking is definitely the right response. It can be a quite gentle crisis if it is properly handled, but it will be a nightmare if governments and markets panic.

Dem and GOP experts tell oilmen to work both sides

Political experts told independent oilmen on Friday that they need to start making

friends among Democrats because that party could be setting U.S. energy policy after the 2008 election.

Doug Sosnick, a Democratic consultant, and Tony Blankley, a Republican pundit, told the Independent Petroleum Association of America annual meeting that oilmen are aligned too strongly with the Republican Party for their own good.

"You guys put your bet down, and you didn't hedge," Sosnick said, referring to a commodity and stock trading strategy of betting on both sides of a transaction to control losses.

Plunge from the pump

Rising oil prices have triggered a ripple effect that is changing our lifestyle - from grocery shopping to the traditional Aussie holiday.

Indian Government Tightens Rules for Oil & Gas Exploration

In a tightening of provisions for the seventh round of New Exploration Licensing Policy (NELP-VII), the government has decided to make several changes in the model production sharing contract.

...In short, the contractor has a domestic sales obligation. The government sees natural gas as the fuel of the future and would prefer to see that the commitments to core sectors like power and fertilizer are fulfilled first.

StatoilHydro: Brazil Change to Oil Block Auction 'Grave'

Brazil's decision to cut 41 blocks from an upcoming auction of oil and gas exploration and production blocks, is "grave and worrying," the president of StatoilHydro ASA (STO) in Brazil is quoted as saying in the Valor newspaper Friday.

As Oil Soars, Natural Gas Is a Bargain

As oil prices surged over the last few months, natural gas prices in the United States did something that could help to cushion the economic shock. They fell.

Japan, China to Hold Gas Field Dispute Talks Next Week

Japan and China have agreed to hold the next senior working-level talks aimed at resolving a dispute over gas exploration rights in the East China Sea next Wednesday in

Tokyo, Japanese Foreign Minister Masahiko Komura said Friday.

South African cities need to change lanes as oil runs dry

Urban sprawl as an urban form only works with this high level of mobility as it enables people to work, school their children, access medical care, recreational facilities and social services in different parts of the city. In South Africa, we rely for our mobility on the private car as well as busses, trains and taxis, particularly in black residential areas.

The underlying assumption which holds this structure together is that cheap fuel is infinite and is able to fuel our need for mobility. However, oil is finite, and is depleting with every journey. As oil continues to deplete, we need to consider seriously how appropriate our city models and structures are in an oil-constrained and hence mobility-constrained world.

How green is my valley?

When it comes to putting good eco principles into practice, Wales is ahead of the game.

France urges oil producers to raise capacity

Oil producing countries should increase both their production and exploration capacities to tackle a surge in oil prices, French Economy Minister Christine Lagarde said on Saturday.

Speaking after a meeting with oil producing and distributing firms, Lagarde said she wanted the issue discussed at a meeting of EU finance ministers on Monday in Brussels and at a G20 meeting in South Africa at the end of next week.

Canada's oil: black gold with a black heart

As the Middle East has become more unstable and as Iraq has boiled into chaos, other, unexpected places have flourished, and none more so than Fort McMurray. Five hours' drive north of Edmonton, in Alberta, it has always been a frontier town, and even before the first white explorers came fur-trapping, the Indians knew that this place sat on oil - they used it to waterproof their canoes.

The trouble has always been that it's not conventional crude, easily liberated from the earth, but tar sands (also known as oil sands) - a mixture of sand, water and heavy crude that is much more difficult and expensive to extract. It can cost about \$C26 (\$30) a barrel to extract - so when that was comparable to the price of oil, there was no point in trying; but now that oil is close to breaking the \$US100-a-barrel barrier (\$108), there definitely is.

Nigeria assumes \$100 oil won't last - minister

There is no fundamental justification for oil at \$100 a barrel and OPEC member Nigeria is assuming that prices will not last at these levels, oil minister Odein Ajumogobia said on Saturday.

Ecuador's Correa eyes high oil for 6 yrs

Ecuador President Rafael Correa, whose country is expected to rejoin the OPEC oil cartel later this month, said on Saturday he saw oil prices remaining high for some five or six years amid high demand from China.

Iran, Pakistan finalise gas exports contract

Iran and Pakistan have finalised a contract for a multi-billion-dollar gas export deal scheduled to be signed within a month, the Iranian oil ministry's news service Shana reported on Saturday.

Oil price rise causes global shift in wealth

High oil prices are fueling one of the biggest transfers of wealth in history. Oil consumers are paying \$4 billion to \$5 billion more for crude oil every day than they did just five years ago, pumping more than \$2 trillion into the coffers of oil companies and oil-producing nations this year alone.

The consequences are evident in minds and mortar: anger at Chinese motor-fuel pumps and inflated confidence in the Kremlin; new weapons in Chad and new petrochemical plants in Saudi Arabia; no-driving campaigns in South Korea and bigger sales for Toyota hybrid cars; a fiscal burden in Senegal and a bonanza in Brazil. In Burma, recent demonstrations were triggered by a government decision to raise fuel prices.

OPEC's oil exports seen at record \$658 bln

OPEC member nations are expected to rake in a record \$658 billion this year from their oil exports and then see their business grow by \$104 billion next year, the U.S. government's top energy forecasting agency said on Friday.

North Sea Brent Oil Daily Shipments Will Fall 21% in December

Daily shipments of North Sea Brent crude, part of the price benchmark for almost twothirds of the world's oil, will drop by about 21 percent in December.

Tankers are set to load 161,677 barrels a day of Brent crude in December, down from 204,500 barrels a day scheduled for November, according to the loading program of field operator Royal Dutch Shell Plc, Europe's largest oil company. A total of 5.01 million barrels will be shipped next month, compared with 6.14 million barrels in November.

North Sea oil production back to normal

Oil production on the Norwegian Shelf is back to normal, after seven platforms were closed down before a storm hit the North Sea Thursday, according to reports reaching here Saturday.

Buffett sells entire PetroChina stake

Warren Buffett has sold the last of his shares in PetroChina, the Chinese state-owned oil company, but brushed aside suggestions that the sale was in response to a disinvestment campaign over its parent company's ties to Sudan.

In an interview with Fox Business Network, Mr Buffett said the sale was "based on price", while admitting that he may have sold a little too early because of recent strong gains in PetroChina's share price.

Stampede at Carrefour cooking oil sale in China kills 3 shoppers, state media say

The accident is the second-known supermarket stampede in recent weeks. Fifteen shoppers were injured in a Shanghai market last month. Both were apparently caused in part by sales of cooking oil, prices of which have soared by more than a third due to inflation in the past year.

LIOC losing \$6 mn per month on spiralling crude prices

The Sri Lankan subsidiary of Indian Oil Corporation is incurring a loss of nearly USD 6 million a month due to the steep rise in global crude oil prices and has sought an increase in petroleum prices.

The losses of the Lanka IOC (LIOC), as a result of the crude oil prices hovering around the 100-dollars-a-barrel mark, are likely to rise further due to the Sri Lankan government's reluctance to raise petroleum prices before the end of this year.

Soaring prices for petrol and diesel have hit Plymouth motorists as more and more city forecourts cross the £1-a-litre barrier. A series of sharp daily rises have pushed the average cost of unleaded petrol in the UK beyond £1 a litre for the first time. In Plymouth, the average cost for a litre of unleaded was 99.1p yesterday, but some garages were charging as much as 107.9p for diesel.

Oil companies' allies in Congress blocking energy legislation

Oil prices are soaring again. A barrel of crude oil is nearing \$100 with gasoline prices set to rise in the coming months. As Middle Eastern nations continue to profit from our reliance on foreign energy sources, a bipartisan energy bill that will decrease oil imports, lower gasoline prices and grow South Dakota's renewable energy economy remains blocked by partisan politics. We need to break the log jam and pass an energy bill this year.

Gas prices up, customer anger down

The public has grown accustomed to high costs, and oil industry profits are declining.

Oil companies try public forums

Following a wave of record-setting profits and withering criticism from the American public over soaring prices at the pump, some major oil companies have taken their show on the road.

Fire ball seen at refinery after four explosions heard

Reports have this evening emerged of a fire at the Campo de Gibraltar refinery. According to eye witness reports flames were seen at the base of one of the chimneys with several explosions also heard by residents in the area.

Experts to prepare global warming report

If there's one document on global warming policymakers might put in their briefcase, this would be it. On Monday, scientists and government officials gather in Valencia, Spain to put together the fourth and last U.N. report on the state of global warming and what it will mean to hundreds of millions of people whose lives are being dramatically altered.

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