



DrumBeat: November 25, 2007

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Topic: [Miscellaneous](#)

[Demand, and high oil prices, are here to stay](#)

Hundred-dollar oil is one of those psychological thresholds in the market that we note with fanfare. But \$100 a barrel isn't significantly different from the mid-\$90s we've faced for several weeks. It's not the price that matters so much as the trend.

Just a few weeks ago, we wrote stories about \$90 oil. A couple of months before that, it was \$80. So far this year, oil prices have almost doubled. Pick your marker. They all bear the same message: The oil market is changing.

Oil economists and geologists debate whether world oil supplies have peaked. In the markets, though, the debate is over.

[Report on the Implications of Peak Oil](#)

We are concerned enough by the prospects of oil production falling or remaining level having unacceptable impacts on our people to start the dialog in the state. We don't know when Peak Oil will happen - or if it has happened - our when or if technology will mitigate the impacts -- we don't care to debate that --we have all been around politics far long enough to know it moves at glacial pace. Even if we take the most optimistic of views like that of EIA or CERA --it's not that long of a lead time considering the work that needs to be done and the slow pace of government. The economist, oil men, business folks all have a different duty than we do. Of course we will need them to make the change happen but we need to pick the destination or they will just do more of the same.

[Huckabee: America Enslaved to Saudi Oil](#)

Republican presidential hopeful Mike Huckabee says America has become "enslaved" to oil from Saudi Arabia, muting its response to human rights issues in the Middle East country.

[Enbridge Sees Big Wind Farm Running in a Year](#)

Enbridge Inc aims to have Canada's second-biggest wind farm up and running in a year, a spokeswoman for the company said Friday, adding that project delays have caused "significant" cost overruns.

[Oil prices to keep rising as demand grows](#)

With world oil prices nearly touching \$100 a barrel in the past week, we are living through the third great energy shock of the post-war era. But this time, demand from India and China means that prices are unlikely ever to go down again.

[Nigerian military reports clash with militants near Shell gas plant](#)

Nigerian troops clashed early on Sunday with armed militants in the Niger Delta oil region near a natural gas facility run by Royal Dutch Shell PLC, a military official said.

The latest encounter between troops and militants in rising violence in the troubled region occurred in Soku, in the southern swamps of Rivers state, where Shell runs a natural gas gathering facility, military spokesman Maj. Sagir Musa said. No details were yet available on casualties or the impact of the clash on oil and gas operations, he said.

[Honduras seeks to resume oil imports from Venezuela](#)

Honduras is seeking to resume oil imports from Venezuela after 15 years in a move that would further strengthen President Hugo Chavez's influence in Central America.

The administration of President Manuel Zelaya, burdened by the surge of international oil prices, will start talks with Caracas next week and the idea is to make all of its fuel oil imports from Venezuela.

Fuel oil is used for electric generation.

[Subsidised fuel weighs on India's budget](#)

This is India's problem. People out on the streets depend on the lower price of essential fuels like kerosene and petrol to survive. But India buys 70% of its oil from international markets - and pays global prices for it.

Selling fuel to its citizens at an artificially low cost is taking its toll on the country's economy. India sells gasoline, diesel and other consumer fuels at below cost - and is now starting to feel the heat as oil prices head towards \$100 a barrel.

[Pakistan: Increase in gas price to badly hit common man](#)

The proposed 6.56 per cent increase in gas price will not only hit the common man but have adverse effect on transport, power generation, fertiliser, and cement prices.

"The government must not go for this unjustified raise as it will bring price-hike in the country, leaving the poor to commit suicides and rendering industrial sector uncompetitive," observed various trade bodies, business organisations and a group of common people.

[Diesel costs trickle down](#)

Skyrocketing diesel prices are biting into the profits of transportation companies and other firms that rely heavily on diesel-powered trucks, buses and other vehicles to deliver goods.

[Road to the White House: Energy rises as primary issue](#)

Oil prices flirting with \$100 a barrel, warnings of climate change and holiday road trips fueled by gas topping \$3 a gallon are combining to give energy issues unprecedented prominence in the presidential campaign.

[Sen. Kay Bailey Hutchinson: Congress is drilling a dry hole](#)

The only way to address our crisis is to increase the supply of energy. However, legislation proposed in Congress would actually lead to reductions in energy supply and target the oil and gas industry with \$16 billion in new taxes.

[What went wrong in offering Texans a choice?](#)

Starting in the 1990s, 19 states took at least some steps toward rolling back electricity regulations that had stood for six decades. The idea was sold on promises that competition would lower prices. However, electricity rates went up in every case.

In fact, while electricity prices have increased by a little more than 16 percent on average since 2002 in states that are still regulated, they've gone up by an average 29 percent in those that deregulated.

[Far From Beijing's Reach, Officials Bend Energy Rules](#)

When the central government in Beijing announced an ambitious nationwide campaign to reduce energy consumption two years ago, officials in this western regional capital got right to work: not to comply, but to engineer creative schemes to evade the requirements.

[The Philippines: Why oil prices are rising](#)

LAST TIME we saw petroleum prices rise rapidly (in 2005), our economy slowed down, overall prices shot up, and joblessness rose. World crude oil prices had shot up then from around \$30 per barrel to above \$60.

Another round of petroleum product price increases is now upon us. After hovering around \$50-60 in the last two years, crude oil prices are now above \$90, and expected to breach \$100 soon. The domestic oil industry has already raised fuel prices by around 50 centavos a liter, and Filipinos are bracing themselves for another round of difficulties that are expected to arise from these recent developments. Why are oil prices rising so rapidly?

[Still out to sea](#)

Rising costs in fuel have Manatee boaters, anglers shortening trips, but not docking their vessels entirely.

[Power struggle](#)

At age 56, the Salem Harbor Power Station is in its dotage by some industry standards. How much longer can it last?

After a boiler pipe explosion killed three workers at the huge plant along Fort Avenue in Salem earlier this month, critical decisions loom: Next year, New England energy officials must decide if the plant is essential to the regional power grid. And owner Dominion power company must determine what investments to make to keep the facility running within state guidelines.

[Debating the Merits of Energy From Air](#)

THE tiny Greek island of Serifos, a popular tourist destination, depends on its postcard views of sandy beaches, Cycladic homes and sunsets that blend sea and sky into a clean wash of color. So when a mining and energy company floated a plan earlier this year to build 87 industrial wind turbines on more than a third of the island, the Serifos mayor, Angeliki Synodinou, called it her “worst nightmare.”

['Charge 'er up, Jacko': why electric cars look set to accelerate](#)

Electric cars are small, slow, uncomfortable and dangerous. At least that is what most people used to think. The reality is changing fast as major manufacturers shift up a few gears: within a few years we will see electric vehicles on the road that look like their petrol equivalents, but with running costs of a couple of pence per mile.

[Can a bold new "eco-city" clear the air in China?](#)

Called Dongtan, or East Beach, the project attempts to channel China's voracious demand for housing and energy into a radical new model: a city that eventually supports half a million residents, recycles almost all of its waste, produces its electricity from wind turbines, solar panels and biofuel, and ferries people around in hydrogen fuel-cell buses and solar-powered water taxis.

[Top US engineer in piss-off-everybody car fuel solution](#)

In essence, Zubrin says that the OPEC oil cartel - and in particular its heaviest hitters, the Saudi royal house - are no friends of the wealthy liberal West, nor the downtrodden poor of the Third World. He argues that OPEC's production quotas keep the price of oil far higher than the free-market price and far and away higher than the costs of production. This channels colossal sums of hard currency into the hands of inimical governments...

[Railroad stakes claim to its right of way](#)

The N.C. Railroad has become more active about policing its right of way, citing safety and the need to preserve the corridor for future uses such as a commuter rail. Since 2004, the line has secured about 127 license agreements governing how encroaching property owners can use the buffer zone. That is more agreements than the railroad has from negotiations the previous 150 years.

Some property owners have been eager to comply with agreements, but others are balking. In many cases, the property owners have been mowing the grass and paying taxes on land that they thought was theirs.

[Fresh from the Woods: Fuel from the forest](#)

"The time will come, in two or three decades, when we will look at the days of only sawing boards and making paper as the Dark Ages," says Robert G. Wagner, professor of forestry at the University of Maine. "The chemical versatility of wood is so great, we will cringe at the idea we were once wasting it."

[Ethanol proves to be the big letdown of 2007](#)

Ethanol, the centerpiece of President Bush's plan to wean the U.S. from oil, is 2007's worst energy investment.

The corn-based fuel tumbled 57 percent from last year's record of \$4.33 a gallon and drove crop prices to a 10-year high. Production in the U.S. tripled after Morgan Stanley, hedge fund firm D.E. Shaw & Co. and venture capitalist Vinod Khosla helped finance a building boom.

[Through Genetics, Tapping a Tree's Potential as a Source of Energy](#)

Aiming to turn trees into new energy sources, scientists are using a controversial genetic engineering process to change the composition of the wood. A major goal is to reduce the amount of lignin, a chemical compound that interferes with efforts to turn the tree's cellulose into biofuels like ethanol.

[Small producers don't fit into the pipe](#)

Call it evolution, or being a victim of your own success. Either way, Wyoming is steadily losing its small mom-and-pop oil and gas producers to big corporations whose headquarters and shareholders are far outside the state's borders.

"I don't have any hope the small guy is going to be around for much longer," said John Kennedy, long-time owner of Gillette-based Kennedy Oil.

[Maine Truckers Protest High Fuel Prices](#)

Larry Sidelinger, who owns Yankee Pride Transport in Damariscotta, organized next Saturday's meeting in Damariscotta. Sidelinger said that with high prices, truckers are barely making a living hauling pulp, logs and lumber.

Others plan to suggest remedies, such as temporarily waiving state taxes on diesel fuel and replacement automotive parts like tires and brakes.

[Higher diesel fuel costs have area truckers hurting](#)

If Tony Zawojski didn't have his truck paid off, he's not sure he'd still be an owner/operator.

"It's tough, I'm barely getting by," the Egg Harbor resident said after filling up at Country Express in Bellevue. "If I had to make truck payments, I think I'd be out of business."

[Ethanol industry see future in pipeline](#)

Dennis McCoy can get part of his corn crop to the bellies of hogs without a hiccup. But the North Dakota farmer believes ethanol made from his other corn acres is hamstrung by traditional truck and rail shipping.

[India: Power crisis looms large as winter nears](#)

There could be dark days and nights ahead as Kashmir is facing severe power deficit which amounts to half the actual requirement. Officials say the crisis may worsen in the coming harsh winter months when the local power generation and the imports suffer the largely, alike, each year.

[Climate change science hard to ignore](#)

Dr. Gerald Dickens of Rice University notes that the cold, deep ocean contains more than 10 times as much carbon as the atmosphere, trapped in frozen gas hydrates. These gas hydrates are sensitive to relatively small changes in deep-ocean temperature. Scientists believe four times in the distant past, 250, 183, 120, and 55 million years ago gradual warming of the planet caused the ocean to warm enough to release these gas hydrates into the atmosphere resulting in abrupt, runaway climate change.

[The needle and the damage done](#)

The hastening end of the Petroleum Age, a scenario that always has been confidently rejected by the global oil industry, is becoming harder to ignore.

This has little if anything to do with a world crude oil price poised to cross the \$100 (U.S.) per barrel threshold. Oil, which closed last week at \$98.18, is still below its all-time inflation-adjusted high of \$102 per barrel set in April 1980. Which means it has taken 27 years for oil to recover to its previous peak price – six years longer than it took for stock prices to regain their losses during the Great Depression.

[Reaching our peak oil supply](#)

Though some dismiss them as crude-oil Cassandra's, the peak-oilers are not wild-eyed pessimists. Their number includes men like T. Boone Pickens, the Dallas oil tycoon, and

Houston's Matt Simmons, who founded the world's largest energy investment banking company. They point to hard data indicating that the world is quite simply running out of oil and doing so quickly (www.theoil drum.com and www.energybulletin.net are two good Web sites compiling peak-oil news, analysis and information).

[Don't be fuelled...](#)

Remember when we were told by some wise observers that the Iraq war might be justified because it would help stabilise oil at about \$20 a barrel? Most of the experts now agree we have passed the "peak oil point" and it's all downhill from now on - or, rather, uphill as far as the price is concerned. And remember, it's not just filling a petrol tank where we shall feel the pain... it's everywhere.

[Oil platform catches fire in North Sea](#)

LONDON - An oil platform in the North Sea caught fire Sunday, and helicopters were fighting strong winds to rescue the 159 workers aboard it, the Royal Air Force said.

At least 44 of the workers were quickly removed from the Thistle Alpha platform about 120 miles northwest of Britain's Shetland Islands, and seven rescue helicopters were trying to save the others, said RAF spokesman Michael Mulford.

[US scales back goals for unity](#)

With American military successes outpacing political gains in Iraq, the Bush administration has lowered its expectation of quickly achieving major steps toward unifying the country, including passage of a long-stymied plan to share oil revenues and holding regional elections.

[OPEC And Producer States' Policies](#)

The opening ceremony of the Third OPEC Summit was marked by two important speeches, clearly expressing two different schools and methods in the region. However, despite the fundamental differences between OPEC member states (the Saudi and Venezuelan oil ministers played a key role in establishing OPEC in 1960), the organization was able to overcome them and achieve the goals articulated in its by-laws.

[Iraqi Kurds Brush Off Baghdad Government Nullifying Oil Deals](#)

The Kurdistan Regional Government Sunday brushed off a statement by Iraqi Oil Minister Hussein al-Shahrastani in which he declared all oil contracts signed by the Kurdish regional authorities with foreign companies null and void.

"By stating that, al-Shahristani has gone beyond his powers and size," KRG spokesman Jamal Abdullah said in statement published on the KRG Web site.

Environmentalism and the future of coal: [Part 1](#) and [Part 2](#)

[Australia's new PM Rudd acts swiftly on climate](#)

Australia's new prime minister, Kevin Rudd, made climate change his top priority on Sunday, seeking advice on ratifying the Kyoto pact and telling Indonesia he will go to December's UN climate summit in Bali.

Rudd, who swept aside 11 years of conservative rule by John Howard in Saturday elections, also spoke to U.S. President George W. Bush by phone, but would not say when he planned to start a promised withdrawal of 500 Australian combat troops from Iraq.



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