



## DrumBeat: December 3, 2007

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Topic: [Miscellaneous](#)

### [Analysis: Energy report, fact or fantasy?](#)

A few months after the release of a prominent energy report, some experts say its recommendations possess minimal potential for solving the world's energy woes, while others wish Congress would adopt its comprehensive approach.

The National Petroleum Council, an advisory committee for the U.S. Department of Energy, released its 380-page report, "Facing the Hard Truths about Energy," in late July. The report received applause from diverse sectors, including many in industry, government and the media, for its recommendations on how to quench the world's insatiable thirst for energy as demand continues to rise.

...However, some experts say the report pushes proposals that will lead to harmful outcomes, not positive results. Included in this group is Jerry Taylor, a senior fellow at the Cato Institute, a libertarian think tank that hosted a panel discussion and analysis of the report this week.

### [Saudi Arabia sits tight ahead of OPEC meet](#)

Saudi Arabia said here Monday it was "very premature" to indicate whether OPEC would boost oil supplies or maintain current production levels when it holds a crucial output meeting this week.

### [Record Oil Prices... Facts and Reasons](#)

But of course, these increases in production did not rein in prices. Turkish threats to invade northern Iraq caused prices to rise to record levels. As in the case in such situations, industrial countries continued to complain that OPEC's production increase was insufficient to halt the rise, but without determining the desired increase, despite the studies and statistics available from the International Energy Agency.

### [Behind Chavez's Defeat in Venezuela](#)

Voters' surprise rejection of the President's constitutional reforms may mean more stability for business and the economy in the oil-rich nation.

### [S.D. commish to hear pipeline complaints](#)

A spokesman for the state Public Utilities Commission ruled Monday that it does not have authority to decide if a Canadian company can condemn the property of unwilling landowners along the proposed route of a crude oil pipeline.

That is an issue for the courts to decide, said John Smith, commission attorney.

But Smith said the PUC will accept the testimony of landowners who have complained about what they say is the way they've been treated by TransCanada Keystone Pipeline Co.

### [El Paso seeks right of way for Ruby Pipeline](#)

El Paso Corp said on Monday it filed a federal regulatory right of way application for its Ruby Pipeline project, a 620-mile, natural-gas transmission line running from Wyoming to Oregon.

### [Boomers Seek 'Green' Death](#)

It seems going green is all the rage these days, including after you die.

Green burial—which eschews the use of embalming chemicals and caskets that refuse to biodegrade—is on the rise across North America, say trend trackers.

### [Eat, drink and be miserable: the true cost of our addiction to shopping](#)

But the alternative of lower consumption is something no politician is prepared to consider. In one policy discussion on the subject, Treasury officials responded with contempt, and referred to it as tantamount to "going back to living in caves". We have a political system built on economic growth as measured by gross domestic product, and that is driven by ever-rising consumer spending. Economic growth is needed to service public debt and pay for the welfare state. If people stopped shopping, the economy would ultimately collapse. No wonder, then, that one of the politicians' tasks after a terrorist outrage is to reassure the public and urge them to keep shopping (as both George Bush and Ken Livingstone did). Advertising and marketing, huge sectors of the economy, are entirely devoted to ensuring that we keep shopping and that our children follow in our footsteps.

But there is a madness at the heart of this economic model with its terrible

environmental costs. It's best illustrated by a graph used by the US psychologist Tim Kasser at a Whitehall seminar last week. One line, representing personal income, has soared over the past 40 years; the other line marks those who describe themselves as "very happy", and has remained the same. The gap between the two yawns ever wider. All this consumption is not necessary to our happiness.

### [Richard Heinberg's Museletter: What Will We Eat as the Oil Runs Out?](#)

Our global food system faces a crisis of unprecedented scope. This crisis, which threatens to imperil the lives of hundreds of millions and possibly billions of human beings, consists of four simultaneously colliding dilemmas, all arising from our relatively recent pattern of dependence on depleting fossil fuels.

### [What should members of the peak oil movement call themselves?](#)

Language is important. Language is the primary way in which humans coordinate their vast enterprises and their daily tasks. And yet, despite this importance the peak oil movement has been fumbling around trying to figure out what to call its members. One thing is certain though. If we don't label ourselves, someone will do it for us. So, I propose to examine some of the terms that are currently in use and suggest a label. I'm certainly open to other suggestions. But, in this piece I hope to do some preliminary pruning.

### [Beijing seeks foreign coal](#)

Even if it has the world's third largest coal reserve, China fears that it is not enough. Experts: coal will be the principal source of energy in the country through to 2020. increasing numbers of companies try to buy into Indonesian and Australian markets.

### [Japan Presses China To Solve Gas Row](#)

Japanese cabinet ministers called on Chinese Premier Wen Jiabao to help resolve a dispute over natural gas on Sunday, a day after high-level economic talks aimed at warming the long-chilly ties between the two countries.

### [Indonesia to wean off oil, but biofuel use limited](#)

Indonesia aims to slash the use of oil in its energy mix to around a fifth from half now, but the main substitutes will be gas and coal despite efforts to promote renewable sources, the country's energy minister said on Friday.

The resource-rich tropical nation has been pushing the use of biofuels made from

sources such as palm oil, but Energy Minister Purnomo Yusgiantoro said the government expected only 5 percent of energy needs to come from biofuel by 2010.

### [Drive for 'green' palm oil adds to CO2 fears](#)

The destruction of peat bogs in Indonesia is releasing more carbon dioxide every year than all of India or Russia, and three times as much as Germany.

### [Kenya: Study Starts On Oil Products Use](#)

To address shortage of liquefied petroleum gas (LPG) in the country, he said, the government was contracting LPG import handling and storage facilities in Mombasa as well as storage and distribution facilities in Nairobi. Mr Murungi said that the government had made major strides in the electricity sub-sector citing the turn around in fortunes of the Kenya Power and Lighting Company. "In 2003, KPLC was facing serious financial problems with negative balance sheet and its continuation as an ongoing concern was seriously threatened," he said.

### [French producer prices boosted by oil, food costs](#)

French industrial producer prices rose at twice the expected pace in October, according to data on Monday that showed pipeline price pressures were building due to the rising cost of energy and raw foodstuffs.

### [Wind Power Sets Sail From Crowded Germany](#)

Nearly 19,000 wind turbines cover Germany: dotted across the countryside, nudging to the edge of cities and whirring alongside motorways.

They generate 5 percent of Germany's electricity -- more than in any other country in the world. But with the best plots already taken, there are now few spaces left where companies are allowed to build more. And it's not just a German problem.

### [Micro-wind turbines often increase CO2, says study](#)

It has become the home improvement of choice for the environmentally aware, but erecting a wind turbine on the side of your house could create more carbon dioxide than it actually saves, a study into their performance will reveal today.

### [Kunstler: Magic Wand Finance](#)

I would pause to remind readers how I regard capitalism in the first place: not as a belief system or a political ideology, but merely as a set of laws describing the behavior of surplus wealth and the "money" that represents it. Compound interest has worked for communists and Republicans alike. The trouble in our case today stems not from the inherent defects of capitalism which, like gravity, exerts its laws no matter how people think or feel, but from cavalier indifference to its laws. One of these is the idea that capital markets will perform credibly -- within reasonable limits of risk -- only if there is agreement that its tradable paper has some value. When markets work properly, fortunes are made and lost on the basis of relatively slight differentials in notions of value. In other words, people must have some idea what they are trading.

### [Enbridge crude oil Line 3 pipeline restarts](#)

Canadian oil pipeline company Enbridge Inc said Monday it restarted its Line 3 crude oil pipeline after completing repairs following an explosion last week that killed two workers.

The pipeline is now operating at pre-incident operating pressures, Enbridge said.

### [Arabs and Kurds reach accord in Iraq's Kirkuk](#)

Arab and Kurdish parties in Iraq's oil city of Kirkuk have clinched a deal under which Arabs will end their boycott of the provincial council in return for a more equal sharing of power, an official said on Monday.

### [Russia to raise gas oil export ahead of new EU rules](#)

Russian gas oil exports via pipelines will rise in December as refiners rush to evacuate more product before the European Union introduces new stricter quality rules for diesel from January, traders say.

### [BP: Technology and partnership key to regional oil industry's future](#)

Cooperation between governments, national oil companies (NOCs) and international oil companies (IOCs) and the application of innovative technologies is essential to unlocking additional hydrocarbon resources across the Middle East.

Speaking on the eve of the International Petroleum Technology Conference, taking place at the Dubai World Trade Centre from 4 - 6 December, BP Middle East President AbdulKarim Al Mazmi highlighted the importance of partnership between NOCs and IOCs in meeting the regional oil & gas industry's expansion targets.

### [Activist shareholder turns the screws on Sasol](#)

Pressure is mounting on petrochemicals giant Sasol to bring more urgency to its climate action strategy, with shareholder activist Theo Botha the latest to weigh in on the debate.

Known for giving executives a hard time on corporate governance issues, Botha raised concerns at Sasol's annual general meeting on Friday about the level of Sasol's commitment to reducing emissions.

### [Italian consumers warned of looming energy shortfall](#)

Italians could shiver through a cold, dark winter this year thanks to a shambolic bureaucracy and confused decision-making processes that have blocked vital development of energy infrastructure, according to Fulvio Conti, head of Enel, the country's largest utility.

"Watch out. We are in danger," warned Mr Conti in an interview, producing figures that showed how close Italy got to pulling the plug on consumers when gas consumption hit a record, reaching the limit of capacity on January 26, 2006.

### [China releases draft energy law](#)

China released the draft version of a long-awaited energy law today, calling for more environment-friendly energy policies and a more market-based pricing mechanism.

### [What are the Prospects for a New Mexican Revolution?](#)

Mexico's political metabolism incubates insurrection every 100 years. Revolutions tend to rise in the tenth year of the century - 1810 (the war of liberation from Spain) and 1910 (the Mexican Revolution) - a calendar that excites speculation about what might be on this not-so-distant neighbor nation's plate for 2010.

### [Uganda: Confronting the Energy Crisis](#)

In the early 1970s, open conflict between the Arab states and Israel set oil prices skyrocketing. Simultaneously, the Club of Rome and other organisations warned that the world risked running out of many key natural resources. Both led to widespread calls for massive investment in alternative renewable-energy sources, and for new, non-energy-intensive lifestyles.



Some international and national movement in this direction followed - the IEA and ministries of energy were created, for example. But much of the warning was ignored. And when the price of oil subsided in the 1980s, the political impetus for radical change evaporated.

The foolhardiness of this short-sightedness has now come back to haunt the developed world in the shape of global warming. If the lessons of the 1970s had been properly heeded, even though the risk of human-induced climate change was unsuspected at the time, we would be in a much better position to meet the threat it poses today.

### [Sri Lankan ceramic firms mull firewood as alternative energy source](#)

Sri Lanka's ceramics industry has been advised to consider cheaper and alternative forms of energy to trim power costs, which have increased with soaring oil prices.

Prema Cooray, secretary general of the Ceylon Chamber of Commerce, said studies show that firewood can be used as an economical fuel that can be a substitute for petroleum.

### [New technology key to safety of oil facilities](#)

The ability of Non-Destructive Testing (NDT) to detect defects before failure is of paramount importance in the oil and gas industry.

Speaking at the opening of the fourth Middle East Non-Destructive Testing conference and exhibition, Oil and Gas Affairs Minister Dr Abdulhussain Mirza said NDT was critical to ensure the safe, reliable and efficient operation of process facilities.

### [Several trends directing flow of capital into oil markets](#)

...Global peak oil and the depletion of the world's hydrocarbon resources "is not lost on the investment community and they want a piece of a resource in limited supply. As a result, there's a shift in interest by institutions towards more direct ownership in oil and gas operations."

### [Aerospaceplanes and space solar power](#)

Supplying a substantial percentage of America's future electrical power supply from space using SBSP systems can only be expressed as a giant leap forward in space operations. Each of the hundreds of solar power satellites needed would require 10,000 –20,000 tons of components transported to orbit, assembled in orbit, and then moved to geostationary orbit for operations. The scale of logistics operations required is

substantially greater than what we have previously undertaken. Periodically, industrial operations experience revolutions in technology and operations. Deep sea oil exploration is an example. Within a couple decades, entirely new industrial operations can start and grow to significant levels of production. The same will happen with space industrialization when—not if—the right product or service is undertaken. SBSP may be the breakthrough product for leading the industrialization of space. This was our assumption in conducting the study. As the cost of oil approaches \$100 a barrel, combined with the possibility of the world reaching peak oil production in the near future, this may turn out to be a valid assumption.

### [Long-term oil prophecies proven wrong](#)

By 1978 oil was traded at around the equivalent of \$US120 a barrel - and the end of the age of oil was widely predicted.

The Club of Rome predictions of the late 1960s, based on the idea that there is a limit to global economic expansion because of scarce natural resources such as oil, have not eventuated, and today there is scepticism about OPEC's ability to dictate oil prices.

### [Senior transportation a growing concern](#)

Concern over how the bulging population of seniors will get around in a sprawling nation heavily dependent on the automobile is paramount among advocates for the elderly — so much so that Markwood's group is making transportation the centerpiece of its annual "Home for the Holidays" campaign.

"Half of American households don't have access to adequate transportation options other than cars," Markwood says. "Rural America and suburbs don't have public transportation available."

### [Of hierarchies, thresholds and the rising price of oil](#)

OVER the past year the price of oil has more or less doubled to its current level of close to \$100 per barrel . With \$100 in sight, it provides us with an opportunity to reflect on what forces are driving the price of oil so high. By looking at wealth hierarchies we can examine how it is affecting both rich and poor countries. While there are a number of complex factors — such as speculation, the fall of the dollar and a number of geopolitical issues — which all have a bearing on the price of oil, the fundamental issue driving price increases is what the main stream economists euphemistically refer to as “supply problems”. These “supply problems” are rarely examined in depth, leaving a gaping hole in analysis of current events. There is a growing body of research and opinion that global oil production is either near or has passed its peak in production. The implication is that from that point onwards production in oil will decline.



### [Commodities go ka-ching; buyers go, 'Ouch'](#)

Cold steel is red-hot. So is lead. And wheat. Commodities are the hottest investment on the planet today.

Investment banks are scrambling to hire commodity traders and analysts, even as they lay off thousands of existing employees. Oil prices approached the once-unthinkable level of \$100 a barrel last month before falling back Friday to \$88.71. Grain and oilseeds trading on Chicago futures exchanges are up more than 25% from 2006. Copper prices soared so high that the U.S. Mint had to ban people from melting pennies and nickels to resell the metal.

### [Climate change may wipe some Indonesian islands off map](#)

Many of Indonesia's islands may be swallowed up by the sea if world leaders fail to find a way to halt rising sea levels at this week's climate change conference on the resort island of Bali.

Doomsters take this dire warning by Indonesian scientists a step further and predict that by 2035, the Indonesian capital's airport will be flooded by sea water and rendered useless; and by 2080, the tide will be lapping at the steps of Jakarta's imposing Dutch-era Presidential palace which sits 10 km inland (about 6 miles).

### [OPEC backs away from supply increase](#)

OPEC oil producers may decide not to raise supplies after a fall in crude prices from record highs, ministers from the cartel said on Monday.

Oil's slide below \$88 a barrel for U.S. crude from above \$99 on Nov. 21 has made some in the Organization of the Petroleum Exporting Countries reluctant to support the small supply increment that many oil traders were expecting.

### [Petroecuador controls oil protest, output rises](#)

Petroecuador has controlled a violent protest in an Amazon jungle province that had slashed the state oil firm's daily output by 20 percent earlier last week, a company spokesman said Monday.

Petroecuador's oil production was up near normal levels on Sunday at 172,404 barrels per day, recovering from the demonstrations by villagers of the province of Orellana who demanded more state funding for infrastructure projects.

### [Fire shuts down Saudi oil refinery](#)

A fire has shut down a Saudi Arabian oil refinery, the state oil company said Monday, the second accident in the country's energy industry in two weeks.

### [Petro-Canada eyes Syria riches](#)

Petro-Canada is one of at least four companies that have bid to explore for oil and natural gas off Syria, according to the country's Deputy Oil Minister Hassan Zainab.

### [China, India urged to curb energy use](#)

Coal-burning power plants belch pollutants into the air in China, contributing to global warming that experts say has destroyed billions of dollars in crops.

In India, melting Himalayan glaciers cause floods, while raising a more daunting long-term prospect: the drying up of life-sustaining rivers.

The two economic giants are becoming increasingly aware of the effects of rising temperatures. But though they are among the biggest contributors to the problem, both say they will not sign any climate change treaty that would slow the pace of their development.

### [Australian PM ratifies Kyoto Protocol](#)

Labor Party leader Kevin Rudd became Australia's 26th prime minister Monday and immediately began dismantling the former government's policies by ratifying the Kyoto Protocol on climate change.

Rudd had pledged to commit Australia to the landmark United Nations treaty on greenhouse gas emissions as his first priority and kept his word after his official swearing in at Government House in Canberra.

### [Climate campaigner's road from 'raving idiot' to Australian of the year](#)

Australian scientist Tim Flannery grew used to receiving quizzical looks in the 1990s as he pounded the corridors of power in Canberra urging politicians to do something about climate change.

"You'd go and see a federal minister and they'd stare at you like you were a raving idiot," Flannery says of his early lobbying efforts.



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