



## DrumBeat: December 6, 2007

Posted by [Leanan](#) on December 6, 2007 - 9:54am

Topic: [Miscellaneous](#)

### [House approves energy bill, new fuel standards](#)

The House approved the first increase in federal automobile fuel efficiency requirements in three decades Thursday as part of an energy bill that also repeals billions of dollars oil company tax breaks and encourages use of renewable fuels.

The bill, passed by a vote of 235-181, faces a certain filibuster in the Senate and a veto threat from the White House.

### [Ready for America to reach its oil peak?](#)

The price of oil affects far more than our daily commutes. Our entire consumer economy is built on the idea that oil will be relatively inexpensive and infinitely available.

A reliable and affordable supply of oil makes globalization possible. Department stores, for example, wouldn't be able to fill its shelves with consumer goods made for less in overseas factories if not for the ability to ship these products inexpensively. Within our own borders, food is cheap and plentiful in large part because oil is. One reason we've built bigger houses — the average house size has doubled since the 1950s — is because we can afford to heat and cool them.

### [OPEC sent wrong message to oil market](#)

The Organization of Petroleum Exporting Countries decided at its extraordinary general meeting in Abu Dhabi on Wednesday not to raise oil production.

But this move may have sent a wrong message to the oil market.

### [Inflation worries hit Venezuela](#)

After nearly four years of economic growth fed by record oil prices, inflation is beginning to eat away at Venezuela's economy despite efforts by President Hugo Chavez's

government to put a cap on swiftly rising prices.

### [\\$3 gas is here to stay - analysts](#)

Prices at the pump have dipped recently as the busy driving season came to a close. But analysts predict higher prices next year.

### [Analysis: Big Oil to sign Iraq deals soon](#)

Big Oil's big dreams are close to coming true as Iraq's Oil Ministry prepares deals for the country's largest oil fields with terms that aren't necessarily what companies were hoping for but considered a foot in the door of the world's most promising oil sector.

### [Energy Driving Long-Term Growth Prospects In African Market](#)

The African arms market, traditionally recognized for its low value and opaque business environment, may represent tomorrow's growth market for the global defense industry, according to Forecast International's "Africa Market Overview" report. Driven by changing geopolitical environments and enabled by hydrocarbon-derived wealth, select African nations are attempting to recapitalize their military and security forces in a way that potentially creates major opportunities for western defense enterprises.

### [Alaska: The envy of the world](#)

Paradigm shift: There seem to be few, if any, large, easy-to-produce oil fields left. None have been found in 40 years. This means the new oil will increasingly need to come from places like Alaska's huge heavy oil reserves which are estimated to contain 100 billion barrels (five times the size of Prudhoe Bay). World prices for oil going forward will prove heavy oil economically viable, and indeed essential.

### [Welcome to my nightmare](#)

My real problem is simply that in my 48 years I've lived through so many pack-panic attacks over nothing that I won't fall so easily for the next.

Your parents or grandparents may know what I mean. Go ask if they remember all those plagues we were told would surely smite us if we didn't sign some cheque, praise some god, or vote for some politician.

Ask if they remember scares like the nuclear winter, DDT, mega-famines, global cooling, acid rain, Repetitive Strain Injury, bird flu, the millennium bug, SARS, toxic PVC, poisonous breast implants, the end of oil, death by fluoride, the Chernobyl doom, the BSE beef that would eat your brains, and other oldies and mouldies.

### [Satellite images cloud Saudi oil decline theory](#)

Satellite images may scuttle theories that the world's biggest oil field in Saudi Arabia is in decline, Bernstein Research said on Wednesday.

A jump in drilling activity in recent years at the giant Ghawar oil field has raised concerns Saudi Arabia is struggling to maintain oil output and has fueled "peak oil" theories that global production is poised for a collapse.

But satellite images show that much of the rise in drilling activity has centered on two major expansion developments by state oil firm Saudi Aramco, instead of on keeping older parts of the field producing with enhanced recovery techniques, Bernstein said in a research note.

### [Shell North Sea Rig Remains Shut After Power Failure Last Week](#)

Royal Dutch Shell Plc said its Cormorant Alpha oil platform in the North Sea remained shut more than a week after a power failure.

Production was stopped Nov. 27 as a precaution after two generators failed. The platform remains closed today, Jack Page, an Aberdeen, Scotland-based spokesman for Shell, said in a telephone interview.

### [Nigerian naira hits new high at 117.95 vs dollar](#)

The Nigerian naira rose to a new high of 117.95 to the dollar on the interbank market on Thursday from 118.40 on Tuesday on the central bank's support and huge dollar inflows from oil majors, traders said.

### [Six places in the world where climate change could cause political turmoil](#)

From Nepal to Nigeria, Indonesia to the Arctic Circle, a warmer world poses different problems.

### [Saudi Arabia's climate stance mocked by green groups](#)

- Saudi Arabia again received a drubbing from green groups on Wednesday who labelled the oil-rich nation "fossil of the day" at UN climate talks for its stance on global warming.

Ben Wikler, from green group Avaaz, said they chose Saudi Arabia for the gong -- given

out every day at a key climate conference underway in Bali, Indonesia -- for "complaining about an unfair focus on carbon."

### [House ready to vote on big energy bill](#)

House Democratic leaders are optimistic that they can pass an energy bill that would repeal billions of dollars in oil industry tax breaks and for the first time in decades require a major increase in automobile fuel economy.

Details on a tax package totaling nearly \$21 billion, about two-thirds of it on the major oil companies, was completed late Wednesday, clearing the way for a vote Thursday on the energy package.

### [UK road hauliers threaten to blockade refineries](#)

Members of Transaction 2007 will meet on Thursday night to discuss launching a protest against rising UK fuel prices including the possibility of blockading oil refineries and petrol stations, the truckers' action group said.

### [Vietnam faces power shortage in December](#)

Vietnam's electricity supply may fall well short of needs in December, due to technical problems at a gas-fired power plant and a shortage of water for hydroelectric dams, an official said Thursday.

### [Maryland must deal with tight power supplies](#)

Maryland faces a critical shortage of electric capacity that could lead to rolling blackouts by 2011 or 2012, utility regulators told state legislators this week.

The state faces a potential energy crisis because consumers use more power than the state generates and the transmission lines are highly congested, making it difficult to bring more power in from elsewhere, the Maryland Public Service Commission said in a report to the General Assembly.

### [Delegations call for \\$1b for emergency heating funds](#)

While New Hampshire and Maine got the first dose of cold winter weather this week, many in both states' congressional delegations are seeking a \$1 billion emergency increase in home heating aid for low income residents.

### [A Holistic Solution to the IT Energy Crisis](#)

According to the Environmental Protection Agency, nearly two percent of all electrical power consumed in the U.S. in 2006 was used by IT data centers -- an amount about equal to the electricity used by five percent of total U.S. households. And that number is growing. In a recent white paper for IDC, Jed Scaramella writes that for every dollar in server spending today, companies spend \$.50 on power and cooling, and it is expected to rise to \$.70 by 2010. The same report predicts that by 2012, 40 percent of an enterprise's technology budget will be consumed by energy costs.

### [Saudi Aramco raises prices of crude to US](#)

Saudi Aramco, the world's largest state oil company, raised its official selling prices for crude shipments to the US in January, the first increase since July.

### [China: Oil crisis eases, diesel supplies increase](#)

SHANGHAI'S fuel crisis has eased with daily supplies increasing, the city's main provider said yesterday.

Sinopec said drivers should not encounter problems filling their tanks at its 500 city outlets as it had increased diesel supply to 8,000 tons this month, up from 6,000 last month.

### [Steaks and cricket, starvation and poverty: diary of a surreal week in Zimbabwe](#)

Surprisingly, you can still rent cars. Maps of Harare are unobtainable, however, as there is no paper left to print them on. I rely on memory to find the safe suburban guest house where I plan to stay, the capital's hotels being infested with government informers. I arrive to find it has no electricity and not a drop of water.

I also need cash, but it is in desperately short supply. The Government cannot print enough to cope with inflation.

### [The Future. Shades of the Past - Changing the Structure of Society](#)

The Long Emergency! James Howard Kunstler (2005) has written about our possible recovery from the threat of the suburbia syndrome. The American dream following the second world war was to escape from the city, hence creating urban sprawl. The strategy? Concentration of services, Long commutes to work. Bigger, centralized schools and hospitals. All based on abundant and cheap oil. The author contends this cannot

continue as oil supplies diminish. The future societal organization will have to be a return to our origins. Smaller self contained communities, i.e. towns and villages surrounded by rural lands to minimize shipping distances for delivery of food to consumers. People will have to live within walking or cycling distance from facilities. Shades of Schumacher's "Small is Beautiful" of 3 or 4 decades ago.

### [Shifting tar sands](#)

So BP is finally returning to Canada's black hell. Welcome back, stout British Petroleum. Eight years after you shunned our tarry oil deposits for the watery, more profitable Russian stuff, your desperate need for oil has brought you back to Alberta, batting your eyelashes and fanning yourself with \$10bn in cash.

### [BP to spend up to \\$1.5 billion on refinery upgrades](#)

Russia's third largest oil firm, TNK-BP, will invest up to \$1.5 billion on refinery upgrades over the next five years to meet growing demand for high-quality products in Russia and abroad, an executive said.

### [Chevron sees 2008 spending up 15 percent](#)

Chevron Corp, the second-largest U.S. oil and gas company, said on Thursday it expects its capital spending to rise by about 15 percent as the company works to bring several large-scale oil and gas projects online in a high cost environment.

### [Atomic Ambitions](#)

A government-backed proposal to build a nuclear power plant in Albania has made Iran envious, the Italians interested, and the Greeks worried. But for many Albanians, the initiative is just the latest piece of rhetoric from a political class that seems unable to solve the puzzle of a deep energy crisis.

### [Energy meet is discussion on VY future](#)

It was supposed to be a meeting to discuss the future of Vermont's energy supply. Instead, it turned into a pro and con discussion over the fate of Vermont Yankee nuclear power plant.

### [John Michael Greer: Solvitur Ambulando](#)

First, a great many of the proposals on the table just now have surprisingly little to do

with the problems they claim to solve. Not long ago, for example, I read a lively and well-written essay arguing that the best way to bring humanity into harmony with the environment was for nations worldwide to embrace socialism. We can leave aside, for the moment, the fact that this is about as likely just now as a resumption of the Crimean War; the point at issue here is that it doesn't solve the problem it claims to address. On the theoretical plane, shifting ownership of the modes of production does not affect how those modes interact with the ecosystem. On the historical plane, socialist countries have had at least as bad a track record when it comes to the environment as capitalist countries. Instead of finding a solution to the problem it described, in other words, the essay simply tried to identify a new problem that can be used to promote the author's preferred solution.

### [Panelists discuss climate changes, peak oil](#)

"Kill your lawn."

That was one of the recommendations from a panel discussion based around peak oil and climate change held Wednesday night at the First United Methodist Church.

### [Angola: Energy profile](#)

On January 1, 2007, Angola became the 12th member of the Organization of Petroleum Exporting Countries (OPEC). As an OPEC member, Angola will have to pay \$2 million per year in membership fees and might be restricted by OPEC quotas on oil production. Angola is the second largest oil producer in Sub-Saharan Africa behind Nigeria.

### [New Zealand: Need for Cross Party Commission on Peak Oil](#)

The Maori Party has today reiterated the call it made on 4 September 2005 to establish a cross-party parliamentary commission on peak oil.

"Right at this moment in London an All Party Parliamentary Group on Peak Oil and Gas and the All Party Parliamentary Climate Change Group are meeting to focus on the interaction between oil depletion and climate change and whether a combined solution can be developed" said Hone Harawira, Climate Change Spokesperson for the Maori Party.

### [New Zealand: Mortgages, rents and exports bear cost of oil](#)

New Zealand's very high dependence on imported oil for the transport sector makes our economy particularly vulnerable to the ever increasing price of oil. And, as global oil demand continues to reach the limits of global supply, oil prices will only continue to increase. The Government and the Reserve Bank are still in denial about peak oil.

## Tom Whipple - [The Peak Oil Crisis: Decision at Abu Dhabi](#)

For those of you who came in late, it might be useful to recall that 35 years ago marginal world oil production (and therefore prices) was controlled by the Texas Railroad Commission. In those days, most oil production in the U.S. was hauled off by trains so by mandating how much could be moved the Commissioners could effectively control the price by preventing over production. This, of course, was based on the premise that plenty of oil was available to pump so that if you wanted the price to go down you simply pumped more. In the early 1970's, however, production in Texas and the U.S. as a whole went into decline so the Commission could no longer lower prices by shipping more oil.

## [Oil: Desperate search for the scarce commodity](#)

I don't know if hundred-year history of the oil cycle is over. There is always a "this time it's different" ideology at the peak. But then again, sometimes, it is different.

## [China plans subsidies for oil companies](#)

China will give subsidies to oil refiners to help offset the gap between high international crude oil prices and controlled domestic fuel prices, state media reported Wednesday.

The companies will receive rebates and will be exempt from paying oil import duties, the official Xinhua News Agency reported, citing the National Development and Reform Commission.

## [Malaysia: Far-reaching effects of high oil prices](#)

RAISING fuel surcharges is becoming a norm for some global airlines and it should be no surprise if the two local carriers decide to follow suit to offset rising operating cost as a result of higher crude oil prices.

## [The most expensive cities to buy gas in the U.S.](#)

Drivers in San Francisco enjoy views of the Golden Gate Bridge, with scenic stretches of the Pacific Coast Highway to the south and the rural shoreline to the north.

And they pay for it at the pump.



[Oil drops as US fuel supplies rise](#)

Oil prices dropped below \$87 a barrel Thursday to their lowest levels in six weeks after an overnight report showed an increase in U.S. supplies of gasoline and distillates, as well as of crude at a key Midwestern terminal.

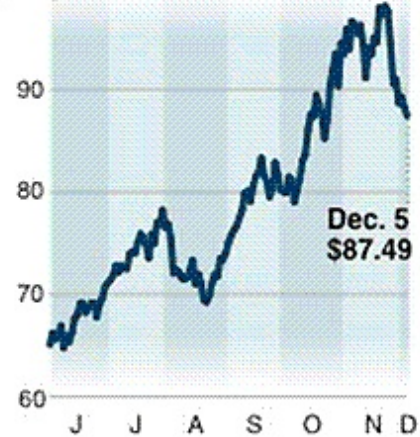
Traders shrugged off OPEC's decision to keep production levels steady and a big drop in overall U.S. crude stockpiles.

**Crude price falls**

The price of crude oil for January delivery fell 83 cents Wednesday on the New York Mercantile Exchange.

**NYMEX light, sweet crude oil**

\$100 per barrel



SOURCE: Department of Energy AP

[Nigeria Has 900,000 Barrels a Day of Oil Halted, Minister Says](#)

Nigeria, Africa's biggest oil producer, has halted about 900,000 barrels a day of crude output as a result of unrest in the Niger Delta and oilfield closures, the nation's minister of state for petroleum said.

The figure includes about 500,000 barrels a day shut in by militant attacks in the Niger Delta and another 400,000 barrels a day halted by "technical disruptions," H. Odein Ajumogobia said today by telephone.

[US under pressure at climate conference](#)

American climate negotiators refused to back down in their opposition to mandatory cuts in greenhouse gas emissions Thursday, even as a U.S. Senate panel endorsed sharp reductions in pollution blamed for global warming.

[Warmageddon](#)

Use of such scare talk to scare up tough actions by adults on greenhouse emissions must be more measured. Youth cannot be traumatized for a global cause.

### [Australian PM distances himself from big emissions cuts by 2020](#)

Australian Prime Minister Kevin Rudd on Thursday denied his government would support deep carbon emission cuts for developing nations by 2020 aimed at curbing global warming.

Rudd said Australia remained opposed to the binding cuts of between 25 and 40 percent in the next 12 years, despite reports that Australian officials had publicly embraced the plan at a major UN climate change conference in Bali.

### [Climate change bill heads for full Senate](#)

Legislation aimed at fighting climate change by capping greenhouse gas emissions was approved on Wednesday by a Senate committee and is headed for debate in the full Senate.

### [What if everyone believes in global warmism only because everyone believes in global warmism?](#)

Their insight has been fruitful and multiplied: "Availability cascade" has been coined for the way a proposition can become irresistible simply by the media repeating it; "informational cascade" for the tendency to replace our beliefs with the crowd's beliefs; and "reputational cascade" for the rational incentive to do so.

### [Scientists demand swift climate action at Bali meet](#)

Climate scientists from around the world urged delegates at U.N.-led talks in Bali on Thursday to make deeper and swifter cuts to greenhouse emissions to prevent dangerous global warming.

In a declaration, more than 200 scientists said governments had a window of only 10-15 years for global emissions to peak and decline, and that the ultimate goal should be at least a 50 percent reduction in climate-warming emissions by 2050.



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