



DrumBeat: December 19, 2007

Posted by [Leanan](#) on December 19, 2007 - 1:39pm

Topic: [Miscellaneous](#)

[One in Five Expect to Borrow to Heat Homes This Winter](#)

For perhaps as many as 27 million American adults, keeping warm this winter will mean borrowing money and 20 million will use credit cards to be able to afford their heating bills, according to a CreditCards.com poll.

Nearly 12 percent of Americans say they will need to borrow money to pay winter heating bills; 9 percent will need to use credit cards to be able to afford their heating bills. The poll, commissioned by CreditCards.com and conducted by GfK Roper Public Affairs & Media, surveyed 1,004 randomly selected American adults by telephone Dec. 7-9, 2007 to gauge their attitudes about energy costs in 2008. A majority say they expect oil and gasoline prices to get worse in 2008.

[57 mpg? That's so 20 years ago](#)

Car makers are confident they can meet new government rules calling for a national fleet average of 35 miles per gallon. But it will take a big technological push, they say.

You might wonder why, since twenty years ago the car that got the best mileage in the nation was a real techno-wimp compared to what's on the road today. It wasn't even a hybrid. But it got better fuel economy than any car sold now - even the Toyota Prius.

[Alaska oil spill may signal wider problems-state](#)

Alaska officials are investigating the cause of a pipeline rupture on the North Slope earlier this week that they say could be a sign of more widespread corrosion problems at the state's aging fields.

The 4,284-gallon spill from the ConocoPhillips line on the Kuparuk field was caused by rare rust on the outside of the pipe beneath a layer of insulation, according to preliminary findings by the company and the Alaska Department of Environmental Conservation.

[BP delays crude unit restart at Texas City](#)

BP has delayed the restart of a crude unit at its Texas City, Texas, refinery by about a month until mid-February, trade sources said on Wednesday.

The refinery, which was shut ahead of Hurricane Rita in September 2005, has a nameplate capacity of 460,000 barrels per day.

[BP and plaintiffs settle](#)

A second jury lost a chance to render a verdict in a trial stemming from the deadly 2005 explosion at BP's Texas City refinery when a civil trial ended early Tuesday with a settlement.

[Food and Fuel Compete for Land](#)

For years, cheap food and feed were taken for granted in the United States.

But now the price of some foods is rising sharply, and from the corridors of Washington to the aisles of neighborhood supermarkets, a blame alert is under way.

[Analysis: Venezuela helps Cuban refinery](#)

A Soviet-era oil refinery in Cuba is getting back online with the help of the communist island's close regional ally and petroleum benefactor, Venezuela.

[China's crude oil output to reach 186 million tons in 2007](#)

China Petroleum and Chemical Industry Association (CPCIA) forecast on Wednesday that the country's crude oil output would reach 186 million tons in 2007, up 1.5 percent year-on-year.

[Nevada study group pushing for private toll roads](#)

Advocates for privatization say the toll is a good option in the state because of the shortage of funds available to build the roads needed. They cite rising costs for construction materials, including asphalt. Also, the governor is opposed to increasing taxes to pay for such projects.

[Nepal: Want petrol? Buy bonds first](#)

The government is planning to issue bonds to raise funds to pay off the Indian Oil Corporation (IOC) and sort out the long-running shortage of gasoline in the market.

[Some gas stations in Toronto area run out of fuel: weekend storm partly to blame \(Gasoline-Shortage\)](#)

Some out-of-gas signs have been appearing at service stations in the Toronto area, while others have stopped selling regular gas.

Liberal MP Dan McTeague, a longtime monitor of gas prices, says the weekend snow storm is partly to blame for some of the shortages.

He says another factor could be that refiners have to increase their ethanol content to 10 per cent by the end of the year.

[Energy crisis just as bad now as it was three decades ago](#)

I came across a speech today by the president of the United States. I found this portion of his speech to be particularly interesting:

"In little more than two decades, we've gone from a position of energy independence to one in which almost half the oil we use comes from foreign countries, at prices that are going through the roof. Our excessive dependence on OPEC has already taken a tremendous toll on our economy and our people. This is the direct cause of the long lines which have made millions of you spend aggravating hours waiting for gasoline. It's a cause of the increased inflation and unemployment that we now face. This intolerable dependence on foreign oil threatens our economic independence and the very security of our nation."

Jimmy Carter gave this speech on July 15, 1979.

[Illinois lands clean-coal plant, but White House warns of rising costs](#)

Illinois won a battle with Texas on Tuesday for a showcase clean-coal research project, but within hours the Bush administration waved a caution flag about rising costs and said it wasn't ready to sign off on the \$1.8 billion FutureGen power plant.

[Mexico, US Suffer as Rio Grande Sucked Dry](#)

Springs across southern Texas have run dry as aquifers are pumped for water. Most could be exhausted within two decades.

Historically, the Rio Grande, the fifth-longest river in the United States, flowed continuously from Colorado to the Gulf of Mexico. But since the 1900s, dams, channelization and overexploitation have endangered its survival.

[The Last Empire: China's Pollution Problem Goes Global](#)

Can the world survive China's headlong rush to emulate the American way of life?

[My ancestral carbon footprint](#)

Hansen points out something I didn't know. Per head of its current population, the UK is responsible for more carbon dioxide in the atmosphere than any other nation.

How come? After all, our current per-capita emissions are only half those in the US, Canada and some of the more profligate Gulf states – and about level with Germany, Japan and Russia.

The trouble is that us Brits – whose dogged desire to mine coal and burn it to power dark satanic mills kick-started the Industrial Revolution over 200 years ago – have been at the business of filling the atmosphere with CO₂ longer than anyone else. And, as we have all been told countless times, once the dreaded greenhouse gas gets into the air, it sticks around – often for centuries.

[Bali climate deal marks a geopolitical shift](#)

Developing countries flexed their muscles in unprecedented ways at the climate talks, suggesting the old north-south power equation is changing.

[Can We Use Wood to Beat the Gasoline Shortage?](#)

Under ordinary driving conditions, wood is added to the gas producer every 50 to 60 miles. Hardwood, cut into chips less than 4" in length to prevent arching or pocketing in the generator, is used in preference to softwood such as pine because it leaves fewer tars and gummy residues. Even so, the cooling tanks and filters on the vehicle must be cleaned every 900 miles, and motor overhauls are in order every 5,000 to 8,000 miles.

[Energy bill to save 'billions'](#)

"If you drive a car or if you use a toaster or heat your home, this bill is going to save you money," says Brendan Bell, Washington representative of the Union of Concerned Scientists. The environmental lobbying group estimates the vehicle fuel economy

changes will save consumers \$22 billion a year starting in 2020. In the home, the energy efficiency provisions could save \$400 billion in electricity and gas bills by 2030, the group says.

"This is billions and billions of dollars for consumers," Bell says.

[Chevron might be a peak oiler](#)

Is Chevron a savvy market player picking up assets in a long-term oil boom, or are they a loose cannon overpaying at the top?

Here in the Taipan HQ, high on the second floor of the 808 building, there is a constant debate as to whether the market is at the top of the oil cycle, or are we using up the last of our precious hydrocarbons in a peak-oil frenzy of waste.

[Oilfield Hacks and Future Oil Prices](#)

While a cult of Peak Oil adherents fret about the end of the hydrocarbon age, we've been focusing on trends that will provide buffering to the upcoming declines in oil production. Don't get me wrong, I'm not saying that Peak Oil won't happen. However, the dreaded peak may turn into a downward sloping plateau supported by higher prices. This high price plateau should buy the planet enough time to start thinking about conservation and using alternate energy sources.

[New Zealand: Oil reserves secure for 2008](#)

New Zealand has secured contracts for additional oil reserves in Australia, Japan and the Netherlands for 2008, the Ministry of Economic Development announced today.

Secured through a global tender, the contracts ensure that New Zealand is able to meet its obligations as a member of the International Energy Agency (IEA). One of the main obligations of membership is to hold minimum oil stocks equivalent to 90 days of the previous year's net imports.

[Cashing In on the Global Economic Boom](#)

Global oil supply is an increasingly important issue, he said, but he and fellow co-manager Evan Smith said they are "agnostic" about the idea of peak oil.

"We think the real issue is access to proven reserves," Hicks said. "We think that's the major restraint in respect to bringing about more oil supply."

But the tight market - compounded by the possibility that OPEC could reduce output - is bullish for crude, especially since global emerging market demand will likely offset lower consumption in developed countries.

“Production is going to be capped at around 85 million barrels a day,” according to Hicks. “We’re still very constructive going forward.”

[Newt Gingrich explains why red staters must turn green](#)

Newt Gingrich, the fierce and incendiary conservative speaker of the US House of Representatives in the 1990s, has co-written a small book that aims to gently coax his fellow conservatives into the environmental camp. It's OK to be green, argues Gingrich and his coauthor, Terry L. Maple, a former president and CEO of Zoo Atlanta and professor of conservation at Georgia Tech University.

[Time magazine Person of the Year 2007: A Tsar Is Born](#)

Although few Russians seem to think Putin himself is corrupt, it is commonly believed that he is surrounded by business and political heavies who are amassing millions in payoffs. Indeed, if anything can bring him down, it may well be graft. As long as living standards rise, people are more likely to forgive the perception that officials are getting obscenely rich by demanding illicit payoffs. But if the economy stops growing—if the price of oil falls back to earth—Putin will face a challenge, whether from the masses in the streets or from military and civilian challengers.

[Where have all the oil optimists gone](#)

There used to be a group of happy-go-lucky folks who thought the price of oil was always on the verge of collapsing.

Steve Forbes seemed to be their chief. He preached that the benefits of exploration would soon kick in, that all the peak oilers were nutty, and that the return of \$35 a barrel was just a matter of time.

Now those voices have quieted down a bit (maybe even a lot). So why the chastening? Perhaps it's because we've had some genuinely big discovery news in recent months, and crude oil has stayed expensive anyway.

[Michael Lynch: A Hard Rain is Gonna Fall on Oil Prices \(Probably\)](#)

Since I am renowned (perhaps infamous) as an oil market bear, it is somewhat daunting to write about next year's price declining when everyone is now waiting for \$100 oil. In the past few years, my price forecasts have been undone (in my opinion) by events

ranging from Katrina to the ethnic unrest in Nigeria.

At the same time, it is hard to credit the argument that the oil market has experienced a “paradigm shift” in which oil is harder to discover and produce than before, demand is growing much faster, and prices have little effect on demand. Many argue that non-OPEC has peaked, or is near it, and that OPEC’s market share will grow rapidly from now on, so that even if so-called “peak oil” is not here, ever higher prices will be. Thus, many forecasts put long-term prices at or above \$60, but it is worth remembering that only three years ago most predicted much lower prices.

[Michael J. Economides - \\$100 Oil: It's a New Beginning](#)

In August 2004 when oil was about \$40 per barrel, I predicted outrageously in an op-ed piece that oil would hit “\$60 by next winter.” The newspaper editor changed that to \$50, saying it was to “protect my reputation.” Well, oil didn’t stop at \$60 – just two months ago it hit \$80. With the toothpaste out of the tube the market became desensitized, and there’s really no end in sight.

[Could OPEC drop dollar for euro?](#)

Could oil producing countries drop the dollar for a more stable currency? Iran's recent announcement that it would stop using the dollar in its oil transactions made that question a plausible scenario for other oil producers to follow with a weakening US economy and a declining dollar. The depreciating US currency worries oil exporting countries as it means a reduction in the value of their dollar reserves and a loss in revenues with the spiraling oil prices. So could Iran's decision signal a trend for other oil producing countries to follow?

[China starts first national oil reserve base](#)

China said Wednesday its first national oil reserve base has been filled with crude oil, one day after it announced the setting up of a national oil reserve center.

Located in Zhenhai, Zhejiang Province, east China, the base has a planned storage space of 5.2 million cubic meters, said the National Development and Reform Commission, China's top economic planning agency.

[China proposes 10 pct tax on crude, urges fuel tax](#)

China's Finance Ministry said on Tuesday it has proposed introducing a 10 percent tax on crude oil production, which would be phased in at a 5 percent rate initially.

This tax would help compensate local governments for the extraction of crude oil and

would benefit the environment, Vice Minister Zhu Zhigang said in a statement published on the ministry's Web site www.mof.gov.cn.

[Part II: The Price of Biofuels](#)

Despite years of research and recent investment in scaling up production processes, no commercial facility yet makes cellulosic ethanol. The economic explanation is simple: it costs far too much to build such a facility. Cellulose, a long-chain polysaccharide that makes up much of the mass of woody plants and crop residues such as cornstalks, is difficult - and thus expensive - to break down.

[Energy bill a boon for ethanol, and a challenge](#)

By mandating a boom in ethanol output from sources other than corn, the energy bill President Bush is expected to sign presents a huge opportunity for the fledgling biofuels market — and considerable uncertainty.

The commercial viability of making ethanol from grasses and agricultural waste is unproven, and if industry can't meet the challenge, consumers could end up paying the price.

[Thirsting for answers in dry Georgia](#)

The sharply contrasting ways that normally rainy metropolitan Atlanta and semi-arid San Diego County have dealt with growth and water consumption are an instructive tale that might offer clues to Georgia legislators as they try again in January to divvy up the region's precarious water supply.

[UK family visits hit by petrol price rises](#)

Family reunions in the UK could be hit by fuel-price fears this Christmas, a leading motoring organization said here Wednesday.

With average petrol prices now at more than one pound a litre, 58 percent of drivers say they are less likely to travel this festive season compared with last year, the Royal Automobile Club (RAC) said.

[Protest over Sahrawi oil deal](#)

An international network organisation working in solidarity with the Sahrawi people,

Western Sahara Resource Watch, has swiftly reacted to reports that a subsidiary of the Libyan state oil company [Tamoil] is on the verge of investing between US \$100 and \$150 million in the occupied Western Sahara.

"If this is true, it would mean a serious betrayal of the Sahrawi people's legitimate struggle against occupation," Western Sahara Resource Watch protested.

[Vested interests, not people, oppose clean energy](#)

AMONG the myths of the energy debate is that renewable, non-fossil energy costs more and so is unpopular.

Policy dinosaurs like the US government then argue that to represent the people's wishes they have to reject international standards like those in the Kyoto Protocol. This alienates them from other nations as well as from their own people.

[Order DVDs of the 2007 Houston World Oil Conference](#)

DVDs of the ASPO-USA (Association for the Study of Peak Oil - USA) 2007 Houston World Oil Conference can now be ordered. The professionally recorded and edited set of 12 DVDs covers over 20 hours of the conference. All of the main sessions are included along with several of the auxiliary ones including Saturday morning's Smart Money and Peak Oil with Charles Maxwell and others.

The presentations have the power points integrated into the DVDs for easy viewing rather than just the camera view. Cost is \$85.00 US, including shipping and handling to most countries. Shipping will commence in late December or early January.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).