



DrumBeat: February 23, 2008

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Topic: [Miscellaneous](#)

[Move Over, Oil, There's Money in Texas Wind](#)

Texas, once the oil capital of North America, is rapidly turning into the capital of wind power. After breakneck growth the last three years, Texas has reached the point that more than 3 percent of its electricity, enough to supply power to one million homes, comes from wind turbines.

Texans are even turning tapped-out oil fields into wind farms, and no less an oilman than Boone Pickens is getting into alternative energy.

"I have the same feelings about wind," Mr. Pickens said in an interview, "as I had about the best oil field I ever found." He is planning to build the biggest wind farm in the world, a \$10 billion behemoth that could power a small city by itself.

[Yergin: Climate Change and Energy are Converging into New Era of Clean Energy](#)

CAMBRIDGE, Mass.--(BUSINESS WIRE)--"High energy prices, climate change and energy security are converging as the new engine driving the development of clean energy," Daniel Yergin, chairman of Cambridge Energy Research Associates (CERA) and executive vice president, IHS Inc., said today in Washington, D.C. "There is a major shift in public opinion towards clean energy, which is being bolstered by the growing conviction that new carbon policies will reshape the competitive landscape of the global energy business."

[South America gas crisis solution fails](#)

BUENOS AIRES, Argentina - The presidents of Argentina, Brazil and Bolivia failed to resolve a natural gas dispute Saturday, but agreed to study how to divide Bolivian supplies to avoid an energy crunch, an official said.

Bolivian Energy Minister Carlos Villegas said the three leaders amicably discussed ways to divide up limited Bolivian supplies, but reached no immediate solution during talks at Argentine President Cristina Fernandez's suburban residence.

[US Senate Panel To Review Strategic Oil Reserve Policies](#)

A U.S. Senate panel will next week review how the government uses the Strategic Petroleum Reserve, a spokesman for the committee said Friday.

Some of the current administration's policies for filling and using reserves from the SPR, an emergency crude stockpile, have come under harsh criticism from some Democratic leaders in Congress.

In particular, the Bush administration's plan to fill the SPR at a time of record oil prices has prompted angry reactions from Capitol Hill.

[High Diesel Prices Have a Troubling Ripple Effect](#)

Sharp and sustained rises in diesel prices are squeezing New Hampshire businesses that rely on trucks, especially companies who are locked into fixed contracts with their customers, such as loggers.

"I can't charge a surcharge," said Chris Crowe, owner of CR Crowe in Littleton, who delivers logs and chips to mills and wood-to-energy plants throughout northern New England. "I'm getting paid the same price as a year ago, and in some cases, the price has gone down."

[Auditor: Roads suffering as funds fall](#)

According to the legislative auditor, the value of the state's existing gas tax has fallen 16 percent since 2003, due to the effects of inflation. The state's gas tax has remained at 20 cents per gallon since 1988, but the increasing amount of fuel usage in the state generally helped offset the losses to inflation, until 2003. That's when higher fuel prices began to prompt the state's drivers to change their behavior.

That loss of effective revenue has forced MnDOT to rely more heavily on borrowing to cover its costs. As recently as 1998, the auditor found that the gas tax funded about two-thirds of the department's operations. By last year, however, that had fallen to about half.

[Aramco splits Jubail contracts to minimise risk of cost rises](#)

Saudi Aramco is seeking to minimise the impact of rising costs at its new refinery in Jubail by splitting the contracts into smaller, more manageable packages and asking contractors to submit fixed-price bids.

[Saudi Arabia shuts down Ras Tanura hydrocracker](#)

Singapore: Saudi Aramco has shut a 44,000 barrels per day (bpd) hydrocracker at its Ras Tanura refinery for one to two weeks, following an outage at the problem-ridden unit, industry sources said on Friday.

[Coal stocks still low at two Indonesia power plants](#)

JAKARTA – Two big power plants on Java, Indonesia's most crowded island, which suffered severe blackouts this week, have enough coal for just one to three days, the state utility said on Friday, raising fears of further outages.

[Oil Futures Hit \\$137 for 2015](#)

Barclays Capital, a division of Barclays Bank PLC located in the U.K., has upped its projected oil cost for the year 2015 from \$93 a barrel to \$137 a barrel after record high prices in oil futures this week.

[Zambia targets 2nd bank for \\$1.2 bln crude oil deal](#)

"The talks are headed for collapse unless the bank relents on its conditions which include demand for collateral from the government before it can release the funds. This stance has displeased the government and it's a matter of days before these talks collapse," the official told Reuters on condition of anonymity.

[Conoco: It Could Take Years for Settlement with Venezuela](#)

ConocoPhillips anticipates it could take years to obtain any negotiated or arbitrated settlement in the dispute the company has with Venezuela for the assets that the Chavez government expropriated last year, the company said Friday in its annual report.

"The timing of any negotiated or arbitrated settlement is not known at this time, but we anticipate it could take years," according to the report.

[Chavez Gets Arab, Latin Countries' Backing Versus ExxonMobil](#)

A conglomerate of Arab and Latin American countries are putting their support behind Venezuela in the ExxonMobil row, claimed Venezuelan President Hugo Chavez on Feb. 22.

[GM exec stands by calling global warming a 'crock'](#)

DETROIT (Reuters) - General Motors Corp (GM.N: [Quote](#), [Profile](#), [Research](#)) Vice Chairman Bob Lutz has defended remarks he made dismissing global warming as a "total crock of [crap]," saying his views had no bearing on GM's commitment to build environmentally friendly vehicles.

Lutz, GM's outspoken product development chief, has been under fire from Internet bloggers since last month when he was quoted as making the remark to reporters in Texas.

[In New Mexico, storm gathers over Texas firm's hopes for oil find](#)

This hilly swath of high desert about 20 miles south of artsy, touristy Santa Fe has never been oil-and-gas country: That distinction belongs to the pumpjack-dotted landscape of the faraway southeastern and northwestern corners of New Mexico.

Over the past couple of years, however, a Texas company has quietly leased the mineral rights to some 65,000 acres in the Galisteo Basin.

[Stockholm bourse ends week down](#)

Oil firm Lundin Petroleum was near the top of the winners list of major Swedish firms amid further gains in oil prices and renewed speculation that global oil production has reached its peak. Dagens Industri reports that according to Kjell Aleklett, a professor at Uppsala University and chairman of the Association for the Study of Peak Oil, global production has remained at 84.5 million barrels per day over the last three years despite increasing global demand. Peak production is unlikely to ever climb above 90 million barrels per day, Aleklett forecast.

[Immense and untapped: Iraq's oil](#)

BAGHDAD, Iraq (CNN) -- Iraq has a vast and untapped oil wealth, perhaps 100 billion barrels worth. That's enough, industry experts say, to boost world oil supplies and trigger a decline in prices.

[Australia: Search on for new oil fields](#)

MASSIVE oil and gas reserves lie undiscovered across Australia's vast sedimentary basins, the country's peak oil exploration body says.

A new report by the Australian Petroleum Production and Exploration Association has concluded that only a quarter of Australia's oil and gas reserves have been explored.

Without further oil discoveries, Australia faces a crippling trade and energy crisis.

[Iran Says May Get 10 Percent of Global Gas Market in 20 Years](#)

(Bloomberg) -- Iran could supply 10 percent of the world's natural gas demand within 20 years as the country ramps up production at new fields, according to Seyed Reza Kasaeizadeh, head of the National Iranian Gas Co.

Iran currently produces about 1 percent of world gas demand, Kasaeizadeh told the official Shana news agency.

[US help for African energy crisis](#)

The United States signed an agreement Friday designed to promote the role of the private sector in helping southern African countries overcome an energy crisis.

[S.Africa power crunch may benefit coal sector](#)

LONDON (Reuters) - South Africa's electricity crisis has cost its economy dearly but it also offers the country a chance to revitalise its vital coal industry.

[German Government Could Jettison Higher Biofuel Target](#)

The German government has said it might scrap plans for a 5 percent rise in the amount of biofuel added to gasoline. The move has been prompted by concerns about motorists with cars that are not biofuel compatible.

[Virgin biofuel jumbo trials won't use algae](#)

Trials of biofuels for airliners will use conventional, controversial feedstocks, it has been reported. Virgin Atlantic and Boeing had hoped to employ so-called "second-generation" biofuel feedstocks such as algae which wouldn't threaten food production or biodiversity. The news comes as the UK government has announced a review of potential downsides to biofuel use.

[Eurostar: climate change concerns drive double-digit rise in high-speed rail travel](#)

BRUSSELS, Belgium: The head of Eurostar, the high-speed rail service linking London to Paris and Brussels, said Friday that climate change worries helped make 2007 a banner year and urged the EU to rein in the "unsustainable" growth of airline carbon emissions.

[Global shortage of commodities looming](#)

Our peak oil thesis gained some new respect this week as oil prices hit yet another record, the first close over US\$100 per barrel. Demand fluctuates, but it is all about supply, and supply concerns this week showed how tight the market really is.

Peak oil has lots of press, but what about peak copper? Peak zinc? Peak gold? Sounds preposterous, but maybe it's not so far-fetched. Nearly every commodity is experiencing some supply issues, for a host of reasons. Add it all up, and it means potential supply shortages in the future. Demand may slacken this year, but in the next 10 years today's high commodity prices may actually look like a bargain.

[Iran backs OPEC production cut in March](#)

TEHRAN – Iran will back a cut in production by OPEC when it meets in March and expects the group to take such action, the country's oil minister said in remarks published on Saturday.

[Peak oil holds enormous consequences for our lives](#)

All across the world, people are starting to grasp the concept of peak oil.

[First cargo of Norwegian gas to the US](#)

The first cargo of gas from the Norwegian continental shelf arrived in the USA this week. This shipment of Snøhvit LNG is the first delivery of LNG gas from Europe to the world's largest energy market.

[Iraq's Kurds move in on oil stronghold Kirkuk](#)

Iraq's Kurds are moving towards taking control of the vital oil city of Kirkuk as one of the most explosive disputes bequeathed by Saddam Hussein nears a resolution.

[Indonesia to cut oil imports](#)

JAKARTA (UPI) -- Indonesia's state-run Pertamina said it will reduce its monthly crude oil imports by 1.5 million barrels starting in April because of surging prices.

"Crude oil is so expensive we will cut imports by 1.5 million barrels in April," said production director Suroso Atmomartoyo.

[Palm oil at new peak](#)

KUALA LUMPUR: Malaysian palm oil futures surged to record highs for the seventh consecutive session on Friday on hopes China will buy more palm oil to replenish its vegetable oil reserves.

[Energy storage nears its day in the sun](#)

MONACO (Reuters) - Energy storage is an unglamorous pillar of an expected revolution to clean up the world's energy supply but will soon vie for investors attention with more alluring sources of energy like solar panels, manufacturers say.

[UN says warming threatens fish stocks](#)

PARIS - Major world commercial fish stocks could collapse within decades as global warming compounds damage from pollution and overfishing, U.N. officials said Friday.

A U.N. Environment Program report details new research on how rising ocean surface temperature and other climate changes are affecting the fishing industry. It says that more than 2.6 billion people get most of their protein from fish.

"You overlay all of this and you are potentially putting a death nail in the coffin of the world fisheries," Achim Steiner, head of the program, said in a telephone news conference from Monaco.



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