



DrumBeat: February 25, 2008

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Topic: [Alternative energy](#)

[Russia quietly prepares to switch some oil trading from dollars to rubles](#)

MOSCOW: Russia, the world's second-largest oil-exporting nation after Saudi Arabia, has been quietly preparing to switch trading in Russian Ural Blend oil, the country's primary export, from the dollar to the ruble. But the change, if it comes, is still some time off, industry analysts and officials said.

The Russian effort began modestly this month, with trading in refined products for the domestic market.

Still, the effort to squeeze the dollar out of Russian oil sales marks another project with swagger and ambition by the Kremlin, which has already wielded its energy wealth to assert influence in Eastern Europe and in former Soviet states.

"They are serious," said Yaroslav Lissovolik, the chief economist at Deutsche Bank in Moscow. "This is something they are giving priority to."

[Texas oilman takes on Gazprom over giant contract claim](#)

BERLIN: In a court case closely watched by investors, a Texas company is accusing Gazprom of refusing to honor an investment and property agreement in one of Russia's biggest gas fields.

Richard Moncrief, chairman of Moncrief Oil International, said he had decided to use the German courts to establish what he says is a 40 percent stake worth \$12 billion, in the vast Yuzhno-Russkoye gas field of western Siberia. The field is intended to supply the underwater Nord Stream pipeline, through which Russia will be able to supply natural gas directly to Germany and Western Europe, bypassing Ukraine, Belarus and Poland.

[Companies call for oilsands development freeze: report](#)

For the first time, major oil producers are calling on the Alberta government to introduce a partial moratorium on oilsands development in the province's north, according to a newspaper report.

[Progress seen in Nigeria's efforts to collect all oil royalties due](#)

ABUJA, Nigeria: Nigeria has made some headway in getting its fair share of oil revenues from foreign energy companies, but the country, the largest crude producer in Africa, still loses hundreds of millions of dollars each year to theft, according to independent overseers.

Nigeria passed legislation last year establishing an independent body, the Nigeria Extractive Industries Transparency Initiative, or Neiti, to make sure that major oil companies pay the necessary royalties and taxes.

But anti-corruption activists, while welcoming Neiti, say the law is not strong enough to fully clean up a secretive industry that has spurred systemic corruption in the most populous nation in Africa.

[Alaska governor defies oil giants and own party](#)

ANCHORAGE (Reuters) - Alaska's Sarah Palin has made a habit of taking on big opponents and winning, but the Republican governor is facing her toughest fight yet after locking horns with the state's powerful oil industry.

Palin, 44 has taken direct aim at the traditional comfortable partnership between the the big three oil companies in the state - BP, ConocoPhillips and ExxonMobil -- and the state Republican party.

[Chinese interest in Arctic riches heating up: Calgary political scientist](#)

CALGARY - There's a new global player that wants in on the vast oil and gas reserves that the Arctic region is believed to hold - China.

[Saudi Arabia May Urge OPEC to Hold Quotas, CGES Says](#)

(Bloomberg) -- Saudi Arabia, the world's biggest oil producer, may lobby OPEC to maintain output quotas at its March 5 meeting while trimming its own production to curb global supply, the Centre for Global Energy Studies said.

"OPEC is likely to desist from making any output cuts until the second half of the year," the London-based center, known as CGES, said in a report e-mailed today. "Saudi Arabia may insist on keeping quotas the same while varying its own output in pursuit of high prices."

[Arctic oil bonanza worries Alaska natives](#)

ANCHORAGE, Alaska (Reuters) - Modern technology and surging oil prices have suddenly made the prospect of drilling in the remote, icy Chukchi Sea irresistible to the world's oil giants -- and that is worrying the Inupiat people who have lived at the sea's edge for centuries.

[US to set 'binding' climate goals](#)

The US is ready to accept "binding international obligations" on reducing greenhouse gas emissions, officials say, if other nations do the same.

The comments came in a news conference in Paris given by James Connaughton and Daniel Price, environmental and economics advisers to President Bush.

The US hopes the world's major economies will conclude a "leaders' declaration" before the July G8 summit.

[Iceland's Heated Debate](#)

The people of Iceland awaken to a stark choice: exploit a wealth of clean energy or keep their landscape pristine.

...As the project progressed, it gradually became clear that Kárahnjúkar was bigger than anyone had imagined. Even Jóhann Kröyer, project manager for the dams and tunnels, remarked over dinner at a work-site canteen: "I think maybe people didn't realize how huge this project is."

But as the months passed, a growing and significant minority did realize it, and a kind of national family feud erupted — ostensibly framed around the irreversible impact on the land of the gigantic dam, the blocking of two glacial rivers, and the resultant flooding of the highland wilderness for the reservoir. Iceland had obtained an exemption from the Kyoto Protocol pollution limits, which would expire in 2012, adding an element of urgency, and future smelters and expansions were on the drawing board. Was the government going to take one of the world's cleanest countries and offer it up as a dumping ground for heavy industry?

[China faces shortage of 6 billion tons of oil](#)

TOKYO, Feb 25 (KUNA) -- China, the world's second-biggest energy consumer, faces a shortage of 6 billion tons of oil and 600 million cubic meters of natural gas over the next few years, as the country has entered a phase of rapid mineral consumption amid its rapid industrialization, the official media reported Monday.

"An insufficient supply of resources has become a major bottleneck for the country's

development," Wang Min, vice-minister of land and resources, told a national geological survey conference in Beijing, according to the China Daily. Given the goal of doubling the nation's gross domestic output, China is expected to consume 510 million tons of oil, 20 million cubic meters of natural gas, 3.7 billion tons of coal, 400 million tons of steel, 6.6 million tons of copper and 13 million tons of alumina by 2010, Wang noted.

[Russian oil supply stop unsettles Germany](#)

BERLIN (UPI) - A surprising oil delivery stop and an unwanted Russian intermediate firm have managed to increase Germany's concern over energy security.

It remains somewhat of a mystery what has caused Russian supplier Lukoil to stop exports to Germany for a second time in less than a year. At least one thing is clear, though: As in most energy rows Russia has had, the latest one is also about money.

[Gulf currency union far off, says UAE](#)

Gulf Arab oil producers are still at the start of forming a single currency and may not follow the European Union model, the United Arab Emirates central bank governor said on Monday.

[Doomsday vault tunneled into Arctic mountain](#)

LONGYEARBYEN, Norway - A "doomsday" vault built to withstand an earthquake or nuclear strike was ready to open deep in the permafrost of an Arctic mountain, where it will protect millions of seeds from man-made and natural disasters.

[Big Foot](#) - *In measuring carbon emissions, it's easy to confuse morality and science*

Possessing an excessive carbon footprint is rapidly becoming the modern equivalent of wearing a scarlet letter. Because neither the goals nor acceptable emissions limits are clear, however, morality is often mistaken for science. A recent article in *New Scientist* suggested that the biggest problem arising from the epidemic of obesity is the additional carbon burden that fat people — who tend to eat a lot of meat and travel mostly in cars — place on the environment. Australia briefly debated imposing a carbon tax on families with more than two children; the environmental benefits of abortion have been discussed widely (and simplistically). Bishops of the Church of England have just launched a "carbon fast," suggesting that during Lent parishioners, rather than giving up chocolate, forgo carbon. (Britons generate an average of a little less than ten tons of carbon per person each year; in the United States, the number is about twice that.)

[Bali Confirmed the Shift: Nation Is On Board Now](#)

WASHINGTON - It's missing the point to think about the United Nations climate change conference in Bali last December based upon on whether specific targets were agreed upon or not. This point ignores dramatic historical changes in the world concerning climate change-related attitudes and approaches. Bali is not Kyoto. The new consensus among the U.S. Congress, President George Bush, and leaders of formerly recalcitrant countries such as India, China, and Australia is this: The international community recognizes climate change, recognizes our shared contribution to it and its impact on all of us, and recognizes our shared responsibility in tackling it.

[The cult of continuity](#)

It is a puzzle why so much emphasis is now put on the supposed inevitable continuity of modern industrial life. The argument goes that humans are so very clever that they have brilliantly overcome every resource and ecological constraint on their way to becoming the dominant species. And, now with our powerful new technologies we are poised to dominate the globe forever while adding to it the conquest of outer space. Perhaps every empire including the empire of modern man thinks along similar lines.

But a cursory study of history should lead us to conclude no such thing. Humans have squandered opportunities, let their ambition lead them to destruction, run out of natural resources, and despoiled the landscape beyond repair again and again. Human societies do not always triumph. They tend to rise and fall as if they had a natural life cycle.

[OPEC set to fine-tune oil output to match demand](#)

LONDON — A seasonal drop in demand will lead OPEC to curb oil shipments unofficially in the short term, even if it leaves its formal target alone, officials from producer nations and executives said.

[Iran shrugs off sanctions threat over atomic plans](#)

TEHRAN (Reuters) - Iran voiced defiance on Monday as Western powers pushed for new sanctions over its nuclear programme, saying high oil prices will cushion the blow.

[Fossil fuel costs to grow](#)

THE WORLD still has plenty of oil. What humanity is running out of is cheap oil.

That fact's unlikely to change, ever. Which means that historically high costs for crude oil – and, by extension, more expensive prices at the gas pumps – are here to stay.

[China's tight coal supply could further limit power](#)

BEIJING: China's shortage of thermal coal could lead to a serious power shortage this year unless additional measures are taken, state media reported on Monday, citing an official from the China Electricity Council.

[Santos planning US\\$12 billion ethanol project](#)

MEXICO: Mexican sugar producer Grupo Santos is planning a US\$12 billion ethanol initiative despite the fact that Mexico's legal framework would block project development, Grupo Santos president Alberto Santos de Hoyos told BNamericas, confirming a report from newspaper *Reforma*.

The project would entail building 60 ethanol plants that would produce a total of 381.4 MMcf per year of ethanol using sugar cane as feedstock, the paper reported.

[GM crops can meet India's food, biofuel needs](#)

MUMBAI: India, which recorded the fastest growth in genetically modified (GM) crop adoption globally, could attain food self sufficiency once it allows commercialisation of GM crops, the head of a global research body said on Monday.

"India can become self sufficient in food production by use of biotechnology in food crops," Clive James, chairman of the International Service for the Acquisition of Agri-biotech Applications, told reporters in an interview.

[Energy justice concerns minorities](#)

Black energy industry professionals concerned about the vulnerability of low-income minorities to supply and price volatility want to have a greater say in the distribution of fuel, electricity and other energy sources.

[Government seeks UK's first 'cycling city'](#)

The government today launched a £47m quest to establish a British "cycling city" that would get more people on to two wheels, and cut congestion and pollution.

The winning metropolis will join London, which has already announced a £400m cycling and walking programme, in launching a series of initiatives including new cycle routes and training schemes.

[Britain's year zero: UK to leap from 'laggard to leader' on carbon dioxide emissions](#)

All new buildings will have to be pollution free, according to a government target to be unveiled this week. As only a handful fit the bill today, there's a long way to go.

[Canada: Federal carbon tax proposed](#)

OTTAWA - A carbon tax of \$30 a tonne, three times higher than the tax announced last week by the B.C. government, would be part of Tuesday's federal budget if the Canadian Centre for Policy Alternatives had its way.

[Argentina seeks to avoid energy crisis, as Brazil refuses to share Bolivian natural gas](#)

RIO DE JANEIRO: Brazil has declined to cede any of its imports of Bolivian natural gas to Argentina, which is struggling to find more energy sources to avoid supply shortages that could derail its fast-growing economy.

Argentina and Brazil are facing the possibility of short-term energy crises from a lack of natural gas, which is needed to fuel industries and generate electricity for residents. Bolivia is sitting in the middle, with the region's largest gas reserves.

[Companies must provide power to change](#)

Britain's energy companies must transform the way in which they produce, distribute and price power if the public's efforts to become more energy efficient are to have an impact, the chief executive of the UK's consumer energy body argues.

According to Allan Asher, the chief executive of energywatch: "Nothing's going to change unless we reinvent the way that firms produce, distribute and derive profits from energy - and the first thing to do is to break the link with ever-increasing sales and consumption. It's a surprising fact that still, today, every single energy firm charges us less per unit of energy the more we use."

[The world gets heavier](#)

In the short term, the growth in ultra-heavy production is expected come from two main sources—the oilsands of Alberta and the Orinco Belt in Venezuela. But other basins will add to supplies longer term.

[Good old days of spending at Pentagon will soon come to an end](#)

It's obvious, when you think about it. If the U.S. had no present or prospective "peer competitor", how could the Pentagon justify spending huge amounts of money on next-generation weapons? For beating up on "rogue states", last-generation-but-one weapons are more than adequate. So there has to be a peer competitor, whether it understands its role in the scheme of things or not. And only China can fill that role.

So what is the alleged competition about? Energy, of course, and mostly oil. Michael Klare again: "The Pentagon and U.S. strategists talk openly about U.S.-China competition for energy in Africa, in the Caspian Sea basin, and in the Persian Gulf, and they talk about the danger of a China-Russia strategic alliance that the U.S. has to be able to counter. This is very much part of U.S. concerns. They talk about the Shanghai Co-operation Organization as a proto-military alliance that threatens America's vital interests."

[New Zealand: Emergency power costs consumers big](#)

Mr Brownlee says he has been told that the Whirinaki plant is burning between 700,000 and one million litres of diesel a day. It is one of the more expensive ways to generate power and is obviously at odds with Labour's climate change claims.

"Consumers are facing big power price increases over winter, as energy chiefs warn of a 1,000 M/W shortfall in the North Island. That may mean cold showers and will result in industrial shut downs.

"Burning diesel is expensive and it'll hit us all in the hip pocket. Labour has utterly failed to future-proof our energy infrastructure.

[Energy firms harness tidal stream](#)

Potential opportunities for firms to exploit the energy reserves in the north of Scotland are being promoted.

Possible developments in the Pentland Firth are being investigated by industry executives.

[Regenerating From Wasted Energy](#)

Earlier this month, researchers at a Canadian venture firm Bionic Power showed a man-power generator called Biomechanical Energy Harvester.

The device, which resembles an orthopedic knee brace, can generate up to five watts of power without any discomfort to the wearer. For example, for every minute of walking, the device can generate enough power for 10 minutes of talk time on a typical mobile

phone, the firm says.

The innovative part of the device is that it can actually make walking more comfortable and less tiring for the wearer of the device. People walk by moving each leg forwards and backwards. The device operates during the end of the moving phase of each leg, which is similar to the braking phase of an automobile or an elevator. Thus, it helps to decelerate and simultaneously produces electrical power.

[The Fading Twilight of Oil](#)

Houston investment banker Matthew Simmons is somewhat surprised and obviously pleased that his 2005 'Twilight in the Desert' has now surpassed 100,00 copies in print - making it a best seller of sorts -- and that it is now available in German, Chinese, Japanese and Korean.

But what really pleases him is that despite early and inaccurate accusations that his book criticizes Saudi Aramco for mismanaging Saudi Arabia's giant oil fields, his research efforts have won the praise of the very people who assumed they were the target of his pen.

That praise, however, hasn't tempered his conviction that the world as we know it is about to change irrevocably as the demand for petroleum outpaces supply.

[Oil prices approach \\$100 a barrel](#)

Oil prices pushed toward \$100 a barrel Monday as the Turkish incursion into northern Iraq and warnings by Iran against further sanctions heightened concerns over potential crude supply disruptions.

Turkish troops fired more than 40 salvos of artillery shells Monday across the Iraqi border against Kurdish rebels, a day after the military confirmed a Turkish helicopter crashed in Iraq and eight soldiers were killed.

[UAE company to build new refinery in Abu Dhabi](#)

The Abu Dhabi Oil Refining Company (TAKREER) of the United Arab Emirates (UAE) announced on Monday that it will build a new refinery in Abu Dhabi Emirate to boost its refinery capacity, Emirates News Agency reported. When completed by 2013, the new refinery will have a capacity of 417,000 barrels per day (bpd), representing 86 percent of TAKREER's current installed refining capacity, according to the report.

[Dimensions of oil addiction](#)

In a column in the Trib on President Bush's recent visit to the Middle East in search of more and cheaper oil, Jonathan Gurwitz asks us to imagine the United States as dependent on hostile, unstable nations for our food supply as we currently are for oil.

No need to imagine.

The alarming truth is that today's food production does depend on petroleum.

[High food prices may force aid rationing](#)

The United Nation's agency responsible for relieving hunger is drawing up plans to ration food aid in response to the spiralling cost of agricultural commodities.

[Can Turkish economy survive high energy prices?](#)

One of the test beds of peak oil, or supply constraints, is Turkey. The country is not gifted with many hydrocarbon reserves and faces a decline in its oil production. The rising thirst of energy for this developing country relies on exports from close countries. Natural gas, which is not peaking soon, is also a twin brother of oil in terms of pricing of the contracts, yet Turkey has no chance on this front either.

[Why NASCAR?](#)

Historically, says Kunstler, NASCAR is a regional derivative: "The NASCAR subculture arose in the South, the old Dixie states, where the automobile had had tremendous social transformative power ... where it liberated the red-necked peasantry from the oppression of geographic isolation."

NASCAR is a balm, a salvation, says Kunstler, for "a nation of outsourced blue-collar jobs, shrinking incomes, vanishing medical insurance, rising fuel and heating costs and net-zero personal savings"

[Legislative environment grows heated](#)

Washington State University economist Melissa Ahern is an expert on peak oil, the theory that the planet already has reached its maximum oil production level and faces steeply rising oil prices and a deepening global recession — not in centuries but in a decade or two. She delivered her own urgent message to a Senate committee Thursday evening.

Asked how the nation can reduce its dependence on liquid petroleum, she came down on the side of both conservation and technological innovation.

[David Pimentel - Corn can't save us: Debunking the biofuel myth](#)

Dwindling foreign oil, rising prices at the gas pump, and hype from politically well-connected U.S. agribusiness have combined to create a frenzied rush to convert food grains into ethanol fuel. The move is badly conceived and ill advised. Corporate spin and pork barrel legislation aside, here, by the numbers, are the scientific reasons why corn won't provide our energy needs...

[Accountability in energy](#)

Was the sale of these assets in the best financial and strategic interests of the people of this country in these days of Peak Oil, where the world demand for petroleum is outstripping the supply, and our resources are being depleted?

[Why I didn't buy a new family car](#)

Gas mileage issues have moved to the top of my list of reasons for not purchasing a new family car. According to the Jan. 3 NCT article, "Record gas prices signify a crude reality," other consumers apparently agree. Sadly, too many of the 2008 family vehicles are gas-guzzlers at a time when peak oil prices are skyrocketing and more increases are on the horizon.

Many consumers, myself included, can no longer afford to drive from one end of Escondido and back again in a car that gets 12 miles to the gallon. Commuting to and from San Diego in the same car is akin to flushing dollar bills down the toilet just to watch them swirl away into the abyss.

[60 insurers attending Marsh NOC confab](#)

Not less than 60 Nigerian insurers are among over 400 people attending this weeks National Oil Companies' conference in Dubai. The energy conference is the second of the annual seminar convoked by Marsh, world's leading insurance broker.

[Coffee, confection and the trillion dollar climate connection!](#)

A just completed UN study calls for a \$20 trillion global investment in climate change abatement over the next 20 years. This higher-than-usual price tag is no doubt a gross cost figure. Doubtless, too, the \$20 trillion figure responds to the demands of a more alarmed scientific community. In any event, \$20 trillion is equivalent to 1.5 per cent of global GDP for the coming two decades. That's about three times the rate estimated by Nicholas Stern for the first 20 years of climate change mitigation.



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