



## DrumBeat: March 1, 2008

Posted by [Leanan](#) on March 1, 2008 - 9:45am

Topic: [Miscellaneous](#)

### [Annual Threat Assessment - Director of National Intelligence](#) (PDF)

#### GLOBAL ENERGY SECURITY

Access to stable and affordably priced energy supplies has long been a critical element of national security. Sustained increases in global demand and the interactive effects of energy with other issues have both magnified and broadened the significance of developments in the global energy system. Oil prices in late 2007 were near record levels and global spare production capacity is below the market's preferred cushion of 3 to 4 million barrels per day (b/d).

...The double impact of high energy and food prices is increasing the risk of social and political instability in vulnerable countries. Corn protests in Mexico, bread riots in Morocco, and recent unrest in Burma are directly linked to higher food and energy prices. Higher food prices, as well as rising transportation and logistical costs, also have outstripped global aid budgets and adversely impacted the ability of donor countries and organizations to provide food aid. For example, the World Food Program's food costs have increased by more than 50 percent over the past five years and are projected to grow another 35 percent by the end of the decade.

### [White House wants more oil; investment not seen](#)

WASHINGTON (Reuters) - The White House called for more U.S. and global oil output to fight rising energy costs, but a top intelligence official said on Wednesday that prices at \$100 per barrel had yet to spur production.

"We would like to not only have exporting countries increase their output but we would also like here in the United States to be able to increase domestic (oil) production in environmentally friendly ways," White House spokeswoman Dana Perino told reporters.

She insisted, however, there was no "silver bullet" or short-term solution to high energy costs.

### [Dueling Markets: Can Food Fight Oil?](#)

It's no secret that high oil prices have moved big money, some \$3 trillion, from energy-consuming states in the West to suppliers like Saudi Arabia and Russia. Pooling up in huge state-controlled investment funds, this vast transfer wealth is tipping the global financial power, raising fears in the West of petrol-power domination.

Or maybe not. A recent Goldman Sachs commodities report notes that growing populations and wealth in the developing world, and to a lesser extent rising biofuel production, is moving some money back to farm powers like the United States. "Food exports won't offset our oil bill, but they will help," says Robert D. Hormats, vice chairman of Goldman Sachs International. Agricultural exports are a key reason the U.S. trade deficit decreased about 6 percent last year.

### [Soaring fuel costs spark a tidal wave of diesel thefts](#)

SOARING fuel costs have led to a spate of thefts of diesel from farms and goods yards across Scotland.

Police believe relentless rises in pump prices have turned diesel into such a valuable commodity that it is being stolen and resold – joining copper and lead as a target for criminals seeking a quick profit.

Insurers say the crime wave has become an "epidemic" with claims from farmers doubling in the last three years.

### [Venezuela urges OPEC to study Exxon row](#)

ALGIERS (Reuters) - Venezuela wants next week's OPEC meeting to discuss its escalating legal battle with Exxon Mobil, a Venezuelan official was reported by Algeria's official APS news agency as saying on Saturday.

### [James Petras: ExxonMobil in the midst of a lost war](#)

Caracas 29 ABN- "ExxonMobil is in the midst of a lost war. There is no opportunity for them to gain a trial, nor they have the solidarity of other oil companies; the other oil companies understand that the current Venezuela is profitable, very profitable because the common profitability has been exceeded," he expressed.

### [Wind power snafu nearly led to rolling Texas blackouts](#)

Texas' near miss with rolling blackouts Tuesday night may appear at first blush to be a sign of the failings of wind power — more than 80 percent of the state's wind turbine energy went offline when a North Texas cold front stilled the air.

But the state's grid operators say a problem they could normally handle was complicated when a number of traditional power plant operators failed to provide the amount of electricity to the grid as promised.

The details behind the close call may seem esoteric, but it's an important distinction to make in a state where wind power is the fastest-growing source of new projects and the margin between power supply and demand grows tighter.

### [Human error caused outage](#)

A Florida Power & Light engineer not following proper procedure was the sole cause of Tuesday's massive power outage that left millions without electricity throughout the state for a few hours, FPL officials said Friday.

### [U.S. Won't Finance Montana Coal Plant](#)

The Agriculture Department's Rural Utilities Service will not provide financing for a controversial coal plant proposed by a Montana electricity cooperative, an agency spokesman said yesterday.

### ['Clean' Coal? Don't Try to Shovel That](#)

Clean coal: Never was there an oxymoron more insidious, or more dangerous to our public health. Invoked as often by the Democratic presidential candidates as by the Republicans and by liberals and conservatives alike, this slogan has blindsided any meaningful progress toward a sustainable energy policy.

### [Nepal king must pay \\$880,000 electricity bill](#)

kathmandu • It has been a humiliating couple of years for Nepal's King Gyanendra. First, the erstwhile living deity was stripped of absolute power. Then his subjects took his face off the national currency, renationalised his palaces and decided to abolish the monarchy.

Now he has been ordered to pay an electricity bill of \$880,000 (£442,000) for the vast Narayanhiti Royal Palace in Kathmandu, the Nepalese capital, and several other royal residences around the country.

### [Lawmaker introduces gas prices resolution](#)

Citing fuel prices that have doubled since 2000, state Sen. James J. Rhoades, R-

Mahanoy City, introduced on Tuesday a resolution asking President Bush and the U.S. Congress “to control exceedingly high gas and energy prices.”

...Noting the five largest United States refineries earned \$228 billion in profits between 2001 and 2005, the resolution suggests “one lasting solution to this problem is to control the price increases energy suppliers pass on to consumers.”

### [Rising gasoline prices are a national emergency](#)

The biggest news in the country right now, as far as I'm concerned, is what you and I are being forced to pay at the pump. And I am not just talking about local gas prices - gas is high everywhere. It is well over \$3 a gallon no matter where you go, and it got there overnight - heck, in a matter of minutes. There is no sign of it going back down.

### [Alaska lawmakers consider oil surplus to offset heating bills](#)

JUNEAU, Alaska (AP) - Oil rich Alaska is suffering from an energy crisis because of the high cost of fuel.

The problem is especially acute in rural villages where fuel bills are often two or three times the national average.

Some lawmakers believe the state should use part of its oil wealth that's feeding a multibillion dollar budget surplus to help residents offset their fuel costs.

### [Pizza and beer now cost an arm and a leg](#)

If you're looking for a sure sign the U.S. economy is headed in the wrong direction, all you need to do is look at the skyrocketing price of “recession-proof” foods: pizza, hot dogs, bagels and beer.

For many Americans, the credit crunch and the mortgage mess have left their pocketbooks – and their cupboards – bare. These same consumers, many living paycheck to paycheck, have relied on these cheaper foods to keep their expenditures down. Not anymore.

### [Community concern needs to be reborn](#)

This is the first time since our agency started providing heating assistance benefits that clients are having trouble receiving fuel oil deliveries because their allocations do not cover the cost of the minimum delivery quota (150 gallons).

Whether one believes that we are entering into a peak oil crisis or not, the stark reality remains that energy costs will continue to rise unabated.

### [Smart growth, conservation are the only ways to survive](#)

These small, older towns are not just charming reminders of the past, they are also a bridge to the future. Basic to the concept of smart growth is another concept, "peak oil." Sometime around the 1970s, scientists in the petroleum field realized oil discoveries were declining, and that trend has continued since. It is now recognized by all but the most "head in the sand" diehards that the era of fossil fuels - which allowed for 100 years of technological and scientific expansion and provided for the lifestyle enjoyed today in the industrialized nations - is coming to an end.

### [Under the pump](#)

IT WAS not just motorists who were in for a shock as the the price of oil passed \$US103 a barrel for the first time in history on Friday. The soaring price of "black gold" is likely to affect everything from airline travel and taxis to investing, and even what you can afford to put on your dinner table.

### [Oil money is coming – and there is little the west can do about it](#)

Larry Summers was in full flow. Addressing a packed meeting on sovereign wealth funds at the Davos gathering of the World Economic Forum in January, the former US treasury secretary told the investment arms of foreign governments they should sign up to a code of conduct and be more transparent.

In a telling sign of the shift in the balance of global economic power, the sovereign wealth funds told Summers to get lost. The Saudis accused him of double standards: hedge funds were not being regulated despite causing mayhem in the financial markets, so why pick on SWFs? The Russians — revelling in Washington's discomfort — said American attempts to restrict investment by wealth funds was "not helpful".

### [Ukraine's PM says Russia will not cut gas supply](#)

KIEV, March 1 (Reuters) - There will be no cutoff of Russian gas to Ukrainian consumers despite threats to reduce volumes over payment arrears and contractual issues, Ukrainian Prime Minister Yulia Tymoshenko said on Saturday.

..."I am certain that there will be no cutoff of gas. Ukrainians will be able to use gas without fuss. No one is going to cut off anything," Tymoshenko told a news conference.

### [Zimbabwe: Fuel shortage looms](#)

A MASSIVE fuel shortage is looming in the country amid revelations that government has started stocking diesel and petrol for the election campaign.

Sources said the National Oil Company of Zimbabwe (Noczim), the sole importer of fuel in the country, has been directed to hold on to the fuel that they have imported on behalf of private fuel companies.

### [South Africa: Farmers Can Plan - But Not Indefinitely](#)

Millions of dollars worth of agricultural produce have been lost due to the electricity crisis in South Africa, which has seen rolling power cuts - referred to locally as "load shedding" - across the country over the past few months.

### [China's Industrial South Faces Its Worst Power Crunch in Decades](#)

The Pearl River Delta, a center of "made in China," is in the midst of a severe power shortage. In some areas factories can only run four days a week. The Guangdong Provincial government has declared that the province is undergoing the most serious power supply crunch since 1978, when China started the reform and opening-up policy.

### [Bangladesh's gas crisis may persist for a decade](#)

DHAKA, March 1 (Xinhua) -- Bangladesh's gas crisis may persist for next one decade as there is no immediate option for addressing the problem -- neither through augmenting domestic production nor through import of the fuel, private news agency UNB reported Saturday.

### [2050 Peak Coal May Make the US into the Next Middle East](#)

Despite possible uncertainties in their methods, the Energy Watch Group has published numbers that raise alarming questions about our energy future. While the United States is busy pouring resources into the Middle East to keep the oil flowing, what is being done to safeguard our domestic coal supplies?

### [Calif. to consider return to customer power choice](#)

NEW YORK, Feb 29 (Reuters) - The California Public Utilities Commission (CPUC) said Thursday it will consider steps to let customers choose their electric suppliers, but must first remove the California Department of Water Resources (CDWR) from the power



supply business.

### [China steps forward as Venezuela's key oil buyer](#)

BEIJING (Reuters) - China could be the near monopoly buyer of Venezuelan fuel oil after Beijing stepped up financial aid to cash-strapped Caracas, but it will be years before higher volumes of crude from the OPEC member begins flowing East.

### [No impact from Energy Saving Day](#)

The UK's first Energy Saving Day has ended with no noticeable reduction in the country's electricity usage.

E-Day asked people to switch off electrical devices they did not need over a period of 24 hours, with the National Grid monitoring consumption.

It found that electricity usage was almost exactly what would have been expected without E-Day.

Colder weather than forecast in some regions may have led to higher use of heating, masking any small savings.

### [Cuba to Produce Ethanol without Sacrificing Food](#)

Havana, Mar 1 (Prensa Latina) Cuban scientists from nine institutions met this week to analyze the possibilities to produce ethanol from sugarcane byproducts and other alternative sources without sacrificing food.

### [Ecuador Oil Min: Force Majeure On Oil Exports](#)

QUITO -(Dow Jones)- Ecuador's oil and mining minister, Galo Chiriboga, said Friday the government has declared a force majeure on its oil exports.

"I have reviewed carefully the situation and approved the force majeure as a preventive measure," Chiriboga told Dow Jones Newswires.

### [Seismic data points to huge Raukumara oil strike](#)

New Zealand could soon be known as a "land of milk and oil" as Crown Minerals plans to unveil details of a new sedimentary basin potentially more productive than the booming Taranaki oilfields.

### [Valero will need 2,000 workers at peak of \\$2.4 billion expansion](#)

A \$2.4 billion expansion to Valero Energy Corp.'s Port Arthur refinery will require 2,000 workers when construction reaches its peak, the plant manager said Friday.

The expansion also will create more than 30 permanent jobs on completion, Valero general manager Greg Gentry said.

### [A revolution in the skies... a disaster for the planet](#)

Cheap flights. More flights. Multiplying routes. At the end of a week that has seen protests against airport expansion, predictions of further airport chaos, and record oil prices, British travellers are showing no sign of shaking off their addiction to CO<sub>2</sub>-heavy cheap flights.

A record number of new air links will open from the UK to Europe this summer. The Independent has identified 100 entirely new short-haul international routes to be launched from Britain when the summer schedules begin at the end of this month.

### [Football-sized boulders provide clue to Antarctic melt](#)

Boulders as big as footballs show that a thinning of west Antarctic glaciers has become much faster in recent decades and may hold clues to future sea-level rise, according to scientists at British and German research institutes.

### [Matthew Simmons calls on regional oil producers to curb output](#)

Matthew Simmons, the controversial energy investment banker, has called on Middle East oil producers to reduce their oil production to extend the life of their reservoirs.

Simmons, chairman of Simmons & Company International and a leading proponent of the theory of peak oil, which states that production has reached its peak and will decline, says Middle East states risk their reservoirs collapsing if they try to increase production.

### [Gulf states should reveal oil reserves](#)

There are few more controversial figures in the oil industry than Matthew Simmons. Since the Houston-based banker argued the case for the peak or declining oil scenario in his 2005 book 'Twilight in the Desert' he has been at the centre of a storm that has had a real impact on the rising oil price.



If Simmons' thesis is correct, then the oil-producing states of the Middle East are living on borrowed time. Even with the introduction of enhanced oil recovery (EOR) techniques, their fields are on the inexorable road to decline. The only question is how long the decline will take.

### [Nigeria oil hub targeted in night attack](#)

ABUJA (Reuters) - Armed men torched a police building and several vehicles at the main jetty on Bonny Island, an oil and gas export hub in Nigeria's southern Niger Delta, a security expert working for an oil major said on Saturday.

Police spokesmen could not immediately be reached to comment on the report from the industry source, who said the raid took place in the middle of the night.

### [Oil firms line up for contracts in Iraq](#)

BAGHDAD—More than 100 companies including foreign majors are vying for deals to tap Iraq's vast oilfields, but a vital oil law is stalled by tension involving the Kurdish region, Baghdad's oil minister said yesterday.

Hussain al-Shahristani said 115 companies had registered to compete for oil extraction and service contracts to help develop Iraq's oil reserves, the world's third-largest.

### [Canada's privileged position](#)

Being Prime Minister of Canada is a cakewalk.

That is because there is nothing so propitious politically as \$100 a barrel oil -- and an acrimonious and engaging presidential race in the United States -- to skate outside the fractured population of Upper North America.

### [Cars Becoming Less Popular, But Not in China](#)

FREMONT, Calif. — With oil prices reaching \$102.08 per barrel, a record high, driving a car is becoming less affordable than ever for people the world over. In China however, people are as enthusiastic as they ever were about buying and owning cars, according to Wenxuecity.com, a Chinese language website based in California.

### [Area drivers feel pinch of costly gas](#)

Kris Guist of Rainier called her family's one-ton truck a "yard ornament."

Chuck Halk of Longview has a prosthetic leg and depends on his Ford pickup to get around. He called rising gas prices "ridiculous" and "sad" and worried that if they keep going up, "I'll have to take the CUBS, and those ain't no fun."

### [Honda's natural gas car named as Greenest Vehicle of 2008](#)

WASHINGTON: Honda's Civic GX natural gas car has been named by the American Council for an Energy-Efficient Economy as the greenest vehicle of 2008 for the fifth consecutive year.

### [New fuel eases oil issues](#)

Hydrogen refueling stations are in the chicken and egg stage.

"You can't have a hydrogen car without some place to refuel it," said Frank Ohlemacher, the facilities manager at Ohio State's Center for Automotive Research. CAR houses the only hydrogen refueling station in Ohio, where it is used in research on alternative transportation technologies.

### [EPA justifies blocking Calif. waiver](#)

WASHINGTON - The Environmental Protection Agency on Friday justified blocking California from cracking down on auto emissions by saying global warming isn't unique to the state.

The long-awaited analysis drew angry ridicule from environmentalists and officials in California and some of the dozen-plus other states that also wanted to implement the greenhouse gas emissions reductions sought by California.



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