



DrumBeat: March 3, 2008

Posted by [Leanan](#) on March 3, 2008 - 9:37am

Topic: [Miscellaneous](#)

[UK mulling fuel poverty voucher](#)

The government is considering a voucher scheme to help the poorest people pay their gas and electricity bills, the BBC has learned.

Treasury ministers raised the idea in a meeting with executives from some of the biggest UK energy firms on Monday.

Energy firms have been criticised for raising gas and power prices when they are seeing their profits increase.

More than four million people in the UK are fuel poor - spending more than 10% of their income on energy bills.

[Shell likely to miss Canada tar sands](#)

Hopes that Royal Dutch Shell would be allowed to include oil reserves from a huge project in Canada in time for a major strategy announcement later this month have been dashed.

This will disappoint the City and raise concern about the Anglo-Dutch giant's ability to grow profits from its multibillion-pound expansion into unconventional sources of oil such as Canada's tar sands fields.

[Chevron-led Russian Port Ships 25 Percent Less Oil in February](#)

(Bloomberg) -- The oil terminal operated by Chevron Corp.'s Caspian Pipeline Consortium in Russia's Black Sea port of Novorossiysk shipped 25 percent less crude in February compared with the same month last year.

[Russia's oil fund garners \\$160 billion so far in 2008](#)

Russia's oil funds accumulated \$160 billion by March 1 as the world's biggest energy

exporter benefited from oil and gas sales.

[From bankruptcy to big bucks](#)

Two three-letter words sum up Russia's economic good fortune under Vladimir Putin: oil and gas.

Russia was bankrupt just a decade ago, its economy in meltdown after the Government defaulted on its foreign debt and the stock market lost two thirds of its value in a single day.

[Inflation in South Africa & the Global Commodity Cycle](#)

The trouble today for governments that subsidise food and petrol is that it's getting really expensive. With oil over \$100 and grain prices soaring, paying wholesale rates on the global market is going to be a drain on local currency reserves. Sooner or later these governments will have to allow prices to rise. As we've seen in Burma, China, and even Italy and other places, suddenly soaring food prices are not a political winner.

[OPEC MEETING Ecuador to propose OPEC unity in Exxon-Venezuela dispute](#)

VIENNA (Thomson Financial) - Ecuador is to propose OPEC presents a united front in support of Venezuela during its dispute with oil giant Exxon-Mobil, when the cartel meets this Wednesday in Vienna to discuss production quotas.

[Nuclear Watchdog Presses Iran on Weapon Reports](#)

The director of the International Atomic Energy Agency said Monday that intelligence reports that Iran secretly researched how to make nuclear weapons were of "serious concern," adding that his agency was determined to fully investigate the claims.

[Kunstler: Campaign Blues](#)

The president-elect will quickly realize that the number one problem is not that Americans can't afford health care -- it's that they can't afford anything, because their income is evaporating in terms of both lost jobs and a dollar that is racing toward worthlessness. They'll be hard put to pay for food and gasoline, nevermind Grandma's emphysema treatments. They will be walking away from home ownership -- or yanked kicking and screaming by default-and-repo -- and any government scheme devised to abridge their mortgage contracts will only undermine basic contract law that has made mortgage lending a credible thing in the first place. And that too, of course, would redound straight to a real estate sector already in price free-fall, with no one willing or

able to think about buying a house.

[Old North Church goes modern with LEDs](#)

The 18 strips of LEDs inside church's sanctuary — replacements for old-fashioned incandescents — may seem an anachronism at the most visited historic site in a city with a rich Revolutionary War legacy. But the lights are tucked into crown molding, illuminating the graceful white ceiling arches while the lights themselves are hidden from direct view by tourists and worshippers below.

"What we've added is light, and beauty," said Ed Pignone, executive director of the Old North Foundation of Boston, which oversees the 285-year-old church.

[Okla. fight over poultry waste escalates](#)

At stake is a practice thousands of farmers have employed for years: Taking the ammonia-reeking stuff — clumped bird droppings, bedding and feathers — and spreading it on their land as cheap fertilizer.

However inexpensive, decades of mass-dumping of the litter has wreaked havoc in the 1-million-acre Illinois River watershed, turning it into a murky, sludgy mess, environmentalists say.

[Hands off palm](#)

The cosmetics producer Lush is setting up a forum to find alternatives to palm oil, a crop regarded as unsustainable but that is still found in many everyday products such as soap and moisturiser.

[Oil jumps to a record above \\$103 as dollar drops](#)

NEW YORK — Oil prices surged to a record high Monday as the dollar weakened to another low against the euro.

Light, sweet crude for April delivery was trading up \$1.93 to \$103.77 on the New York Mercantile Exchange after earlier rising as high as \$103.95. That's higher than the \$103.76 many analysts say would have been the price of oil in 1980, if it was adjusted for inflation into 2008 dollars.

[Heinberg - Beyond hope and doom: Time for a peak oil pep talk](#)

Awareness of Peak Oil, Climate Change, impending global economic implosion, topsoil depletion, biodiversity collapse, and the thousand other dire threats crashing down upon us at the dawn of the new millennium constitutes an enormous psychological burden, one so onerous that most people (and institutions) respond with a battery of psychological defenses—mostly versions of denial and distraction—in an effort to keep conscious awareness comfortably distanced from stark reality.

I discuss this in "the Psychology of Peak Oil and Climate Change," chapter 7 of *Peak Everything*, where I conclude that the healthiest response to dire knowledge is to *do something practical and constructive in response, preferably in collaboration with others*, both because the worst can probably still be avoided and because engaged action makes us feel better.

[Bill McKibben: First, Step Up](#)

At any given moment we face as a society an enormous number of problems: there's the mortgage crisis, the health care crisis, the endless war in Iraq, and on and on. Maybe we'll solve some of them, and doubtless new ones will spring up to take their places. But there's only one thing we're doing that will be easily visible from the moon. That something is global warming. Quite literally it's the biggest problem humans have ever faced, and while there are ways to at least start to deal with it, all of them rest on acknowledging just how large the challenge really is.

[The Senate Shills for Big Oil](#)

One of the major shortcomings in last year's admirable energy bill was its failure to extend vital tax credits to producers of wind, solar and other renewable fuels. This was entirely the doing of the Senate, which caved in to the oil companies and their White House friends.

The House had approved the credits but insisted — under the Democrats' pay-as-you-go rules — that they be paid for by eliminating the same amount in tax credits for oil and gas producers. Industry (which is rolling in cash these days) howled, President Bush lofted veto threats, and the Senate caved.

[UK gas terminal shut Monday, damage probe continues](#)

LONDON, March 3 (Reuters) - Royal Dutch Shell's UK gas terminal at Bacton remained closed on Monday afternoon as investigations continued into the extent of the damage caused by a fire on Feb. 28, a spokesman for the company said.

"The plant is still shut down and investigations are ongoing," the spokesman said, adding that it was still unclear for how long the terminal would be closed.

[Ukraine's Naftogaz Ukrainy says Gazprom has cut shipments by 35 pct](#)

KIEV (Thomson Financial) - NJSC Naftogaz Ukrainy said OAO Gazprom has cut natural gas supplies to Ukraine by 35 pct, 10 percentage points more than the supply cut announced this morning, Interfax reported.

[Venezuela, Exxon in refinery supply talks: minister](#)

CARACAS (Reuters) - Venezuela is in talks with Exxon Mobil over supplies to the Chalmette refinery, the oil minister said on Friday, amid an escalating legal battle between the OPEC nation and the U.S. oil giant.

[Arabian Gulf tanker rates likely to increase due to lack of vessels](#)

London: The cost of shipping Middle East crude to Asia, the world's busiest route for supertankers, may advance for a sixth day because vessel supply is constrained in the Atlantic.

[Papua New Guinea: Fuel crisis hits Bougainville](#)

MOTORISTS in Bougainville are resorting to kerosene to run their vehicles as the region experiences fuel shortage .

All fuel outlets have been hard hit with most completely dried up.

It is expected that there would be no vehicles moving about this week.

[Romania: Price for French nuclear tech may prove too high](#)

With France pushing for greater cooperation on nuclear power with Romania, the Canadians who first introduced nuclear tech to Romania argue the Gallic technology comes at a cost the country may not be willing to pay.

[Cops probe fires in development near Seattle](#)

WOODINVILLE, Wash. - Four large model homes are burning at a multimillion-dollar development in a suburb north of Seattle. An official says a sign found at the scene had the initials of the Earth Liberation Front.

[EU energy commissioner says oil could reach 200 dollars a barrel](#)

MADRID (AFP) - Oil prices could reach 200 dollars a barrel, the European Union's energy commissioner said in an interview published Monday in Spain, two days ahead of an OPEC meeting to decide daily output levels.

"When I arrived at the European Commission in 2004, a barrel of oil cost 52 dollars. It has doubled in three years. We can't rule out that in 2011 it will be at 200 dollars," Energy Commissioner Andris Piebalgs told business daily El Economista.

[Krone Is World Beater With Norway Oil, Rates, Surplus](#)

(Bloomberg) -- Foreign-exchange traders searching for refuge from mounting losses in the credit market are heading to Norway.

The krone is luring speculators attracted to the highest interest rates in five years and a trade surplus that is bigger than any of the 30 most-developed economies thanks to oil prices that now exceed \$100 a barrel. Since the start of the collapse of the U.S. subprime-mortgage market in June, the krone's 15.5 percent gain has trailed only the Japanese yen and Swiss franc among the world's 16 most-actively traded currencies.

[Saudi arrests Qaeda suspects planning attacks](#)

RIYADH (Reuters) - Saudi Arabia said on Monday it has arrested 28 people suspected of seeking to regroup al Qaeda's wing in the oil-exporting kingdom to carry out a "terror campaign".

[Saudi Arabia Is Not a Puppet State: Saud](#)

RIYADH — Saudi Arabia will never change its domestic or foreign policies under pressure from the United States, Foreign Minister Prince Saud Al-Faisal said here yesterday.

Addressing a closed session of the 150-member Shoura Council in the capital, Prince Saud said the Kingdom's policies were steady and not dictated by the superpower or any other country. "We have never been a puppet state," a Shoura member quoted Prince Saud as saying.

[Libya says Tamoil deal off](#)

ALGIERS (Reuters) - U.S. based private investment firm Colony Capital LLC's deal to buy a controlling stake in Libya's European refiner Tamoil is off, the Libyan Investment

Authority (LIA) chairman said on Monday.

"There is no deal," Mohamed Layas, chairman of Libya's state investment arm, told Reuters by telephone from the north African OPEC member country.

[Kadhafi: Ministries abolished, oil revenues to be distributed directly to Libyans](#)

According to him, the cabinet is not needed as it had failed to manage the the country's hugel oil earnings. He stressed big projects were behind schedule and so ordinary people should themselves devise a new way of sharing out oil revenues. "All citizens have the right to benefit from the oil funds. They should take the money and do whatever they want with it," he said, according to Reuters.

[Russia reduces natural gas to Ukraine by a quarter](#)

MOSCOW and KIEV — Russia's gas monopoly Gazprom reduced supplies to Ukraine by a quarter on Monday, just hours after its chairman and Kremlin candidate Dmitry Medvedev won Russia's presidential election.

[EU considering calling urgent gas coordination group for Gazprom/Ukraine dispute](#)

BRUSSELS (Thomson Financial) - The European Commission said it is considering calling an urgent gas coordination group meeting to be held over Gazprom's latest dispute with Ukraine.

[StatoilHydro Sleipner T Output to Resume in 24 Hours](#)

(Bloomberg) -- StatoilHydro ASA, Norway's largest oil and natural-gas company, will start production at platform T at the Sleipner gas and condensate field in the North Sea within the next 24 hours.

The resumption of output at platform A will ``take longer," spokesman Gisle Johanson said today by telephone, without elaborating. The two platforms have a capacity of about 39 million cubic meters of gas a day, of which platform T accounts for more than 50 percent, he said.

Production was halted after a gas leak at platform A, which was discovered when an alarm sounded at about 3 a.m. local time today. The 228 personnel on site were moved to lifeboats for about 1 1/2 hours before returning to the platform. The cause of the leak remains unknown, Johanson said.

[Greek power utility says strike disrupts production](#)

ATHENS (Reuters) - A strike at Greece's electricity utility Public Power Corp (PPC), has disrupted energy production throughout the country and may lead to partial power cuts, the company said on Monday.

[Russians look for continuity in Putin ally Medvedev](#)

MOSCOW (AP) — Russians on Monday looked to Dmitry Medvedev, the man they overwhelmingly chose as their next president, to continue Vladimir Putin's policies of asserting this resurgent country's power abroad and keeping a tight grip on society at home.

[South America on brink of war](#)

SANTA CRUZ, Bolivia — South America was on the brink of war yesterday as Venezuela and Ecuador amassed troops on the Colombian border in response to the killing of a Marxist rebel leader.

Venezuelan President Hugo Chavez threatened to join the rebels in a war to overthrow hard-line Colombian President Alvaro Uribe, a key ally of the United States, deploying tanks, fighter jets and thousands of troops along the Colombian border.

[Caring for each other](#)

Experts say the world may soon reach peak oil, meaning there won't be any more "easy, light, sweet oil" left to extract, and from then on, until fossil fuels run out completely, it will become increasingly expensive to produce oil.

During this time we will rely on Middle East supplies. Natural gas is also stressed, as we use half of Canada's output to satisfy 15 percent of our need. Although other energy sources are being sought, it is hard to see how they will power cars and planes.

[Inflation and petroleum depletion](#)

The Central Bank Governor in agreeing that fiscal policy provides a special challenge for natural resource based economies demurred by saying that higher oil revenues provide these governments with the opportunity to increase public spending on priority economic and social goals. However, these "fortunate" governments are faced with the trade-off between pressing development needs and the limits of the countries' institutional and absorptive capacities. The Governor also warned us before of the slippery slope of economic decline after a 10 per cent inflation rate. We only need to look at the success of Botswana (a resource rich country) to see that our Executive (as hinted by the Governor) lacks the policies and institutions required to manage a resource rich

country.

[Congestion charge has increased life expectancy of Londoners](#)

The Central London Congestion Charging Scheme (CCS) has led to a modest increase in the life expectancy of Londoners, according to a joint study by King's College, London and the London School of Hygiene & Tropical Medicine, which is published in *Occupation and Environmental Medicine* journal.

[Ethanol giant ADM is bullish on fuel's future](#)

CHAMPAIGN, Ill. - On a conference call back in early November, Archer Daniels Midland Chief Executive Patricia Woertz sounded like an ethanol bull on the prowl for a bargain.

[Agriculture's new 'golden age'](#)

Peter Brabeck, CEO of Nestlé SA, the world's largest food company, foresees a struggle between the food and biofuel industries over arable land as fresh water supplies diminish.

"We will not find sufficient water to produce all the crops," Brabeck said while reporting his firm's financial results last week. "There will be a fierce fight for arable land."

Arable-land acreage is indeed shrinking, even factoring out its conversion to production of fuel feedstock. Several million hectares of farmland disappear each year, as growing economies convert it into residential subdivisions and industrial parks. Declining fresh-water supplies further diminish the amount of land available for farming.

[Water to be the next commoditised resource](#)

As the world's population soars, economic growth and the resulting demand for energy have led to a growing consensus that the days of unfettered and unregulated extraction and usage rights will come to an end.

Neil Eckert, chief executive of Climate Exchange, the carbon trading system, believes a cap-and-trade system like the one Europe has established to regulate CO₂ emissions could be a solution. "If there is not enough of something, you ration it. Once you ration it, you create a secondary market, and it starts to be traded," he said.

As head of the world's largest wind turbine manufacturer, Mr Engel has an interest in water being assigned a price. Wind generation requires just five litres of water to generate five megawatts, the average amount of energy consumed by a household per year. Coal requires 10,000 litres, while nuclear needs 12,500, to produce the same

amount of power.



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