



## DrumBeat: April 19, 2008

Posted by [Leanan](#) on April 19, 2008 - 9:38am

Topic: [Miscellaneous](#)

### [Nothing stopping oil prices from rising: IEA](#)

ROME (Rome) - Record oil of \$117 a barrel calls for a demand response and a supply response, but for now there is little to stop prices heading still higher, the deputy executive director of the International Energy Agency (IEA) said on Saturday.

"We need both a demand response and a supply response," said William Ramsay on arrival in Rome for talks between energy producers and consumers.

"I certainly hope we'll start to get a demand response ... that's greater efficiencies and all those things we have talked about."

### [Avalanches spark massive power shortage in Alaskan capital](#)

Several massive avalanches have damaged hydroelectric power lines near Juneau, Alaska, knocking out 85 per cent of the city's electricity and likely causing utility prices to soar.

...The damage is extensive and the danger of more avalanches is still high, said Gail Wood, spokeswoman for Alaska Electric Light and Power.

She said it may be three weeks before crews can get to the downed lines and it will probably take at least two months before the lines can be repaired.

Wood added power rates in Juneau could triple because the city will have to rely on diesel generators.

She estimated Juneau could burn 400,000 litres of diesel fuel a day to make up for the loss of the hydro power.

### [Gas prices soar; no slowdown in sight](#)

"The price of gas is not high because there is any shortage of it. In fact, there is a surplus of gas. ... We are running out of places to put it," said Bill Day, a spokesman for Valero

Energy Corp., which runs two refineries in California.

“Gas is high because the price of crude oil is high,” Day said. “Consumers think there is someone pulling the strings and setting prices, but it's the marketplace that sets the price. It is very, very unusual for oil to be as expensive as it is, and the dollar to be as low.”

### [Pain at the pump before going to the polls](#)

Energy prices are "killing us," says Jim Roberts, a 60-year-old Democrat. "I could work three jobs and still have a problem with paying for my heat and my gas."

Voters' pain and outrage notwithstanding -- even in an election year -- it's probably folly to expect short-term fixes from Washington. But if it's far-sighted strategy that consumers in Pennsylvania -- and elsewhere -- are seeking, this seems to be their lucky year. And in a state that's so closely split between Republicans and Democrats, a candidate's message about energy could help tip the balance between Pennsylvania going red or blue in November.

### [Ditch the car - but how?](#)

Parking is a fundamental part of solving the congestion equation – if people cannot conveniently access new transit, Ontario might as well spend the \$18 billion it plans for trains and buses on road widenings and asthma inhalers.

But transit improvements also make parking more expensive because better transit inflates land values. So a growing number of planners are looking at alternatives – even the elimination of free parking at transit terminals.

### [Pennsylvania taxes, transport costs give N.J. a big price edge](#)

Here's a shocker. Demand for fuel is down. A new report shows demand dropping on a national level, alongside rising fuel prices. People are apparently driving less.

But the price of fuel is up. What ever happened to supply and demand?

### [Mexico's Calderon pushes plan to reform Pemex](#)

LOS ANGELES (MarketWatch) -- Heated debate among Mexico's lawmakers about whether to open the door to foreign oil companies has stalled legislation aimed at reviving the flagging fortunes of state-run Petroleos de Mexico, the world's third-largest

oil producer.

The outcome is being watched closely across the border, especially by U.S. refiners anxiously looking for signs that Mexico can still be counted on as one of their main sources of crude.

### [Oil Bill Protest Shuts Mexican Congress](#)

MEXICO CITY — The scene inside the lower house of Congress here on Friday morning resembled a college political rally more than a legislative chamber. A giant tarp dragged over the dais was painted with the word “CLOSED.”

Chairs blockaded entrances to the stage. Signs draped over the desks of congressional leaders called for a “national debate” on overhauling the state’s ailing oil monopoly, Petróleos Mexicanos, or Pemex for short. A group of left-leaning lawmakers in hard hats waved Mexican flags while the chairman of the energy committee, Alejandro Sánchez Comacho, chanted into a bullhorn.

“You don’t sell Pemex,” he shouted. “You defend Pemex.”

### [Paraguay Chooses Between Firsts](#)

Lugo sees the electricity deals as one solution. Rising demand has created an energy crisis in South America, especially in growing economies like Brazil; and Paraguay’s hydro-electric dams on the Parana River provide one of the nation’s most valuable commodities (and almost two-thirds of its GDP). The market value of the electricity Paraguay sells to Brazil and Argentina each year is estimated to be more than \$3 billion; but Paraguay receives less than \$1 billion for it. Lugo wants to renegotiate that arrangement, and many if not most Paraguayans back him. “We’ve been robbed by our neighbors for far too long,” says Luisa Guillen, a market stall owner in the capital, Asuncion. “It’s time Paraguay stood up for itself, and I think Lugo’s the only candidate who realizes that.”

### [Persian Gulf Tanker Rates May Rise on Restocking, Record Fuel](#)

(Bloomberg) -- The cost of shipping Middle East oil to Asia, the world’s busiest route for supertankers, may rise for a seventh day on record refueling prices and as refineries hire tankers to replenish oil stockpiles.

### [Maine: Gasification plant bill signed into law](#)

Gov. John Baldacci signed a law Tuesday that paves the way for adoption of the nation’s first limits on carbon dioxide emissions from coal gasification power plants and

refineries. The new law also imposes a three-year moratorium on licensing of such plants until the new regulations are developed.

### [Innovation, the Silver Bullet for all our Problems](#)

High food prices, environmental damage, obesity, government waste, and even world hunger are being laid at the feet of farmers. While most of these accusations are untrue and based on misinformation or faulty science, nevertheless many of the problems of today are being, in some way, tied to agriculture. Do we have an answer? You bet, and it is the same answer farmers and agribusinesses have used for the past century to solve some mighty monumental challenges. The one thing that will meet the challenges of the present and the future is the same thing we have used to solve the problems of the past -- innovation.

### [Food, land crisis linked to environmental degradation](#)

The Executive Secretary of the United Nations Convention to Combat Desertification (UNCCD) Luc Gnacadja warned Friday that the current food security crisis needs to be examined in line with the environmental change such as desertification, land degradation and drought (DLDD).

### [India most energy efficient among emerging economies](#)

NEW DELHI: Defying the logic that a growing economy consumes more energy, India has emerged as the most energy efficient country among leading emerging nations including China, Brazil and South Africa.

### [Thinking out loud: "is free money a blessing or a curse?"](#)

Suppose there's a person who lives an ordinary life (like most people) in the sense that they have a regular job, pay regular bills, and enjoy their free time without doing anything lavish. Now, suppose this person suddenly inherits or wins a large sum of money, say, 5 million dollars. This is seen as a good thing by the person receiving the money, and mostly everyone else (it's legal after all). But is getting this money a blessing or a curse? Could an inheritance or jackpot like that make a person lazy, and more importantly, dependent on money which they didn't have before and have no ability to create?

Here's another scenario that's more realistic: think of oil-producing countries. These are nations that have done nothing to create their main source of wealth: crude oil that is sitting underground within established borders. These nations are basically a group of people who at some point in history learned they *happened* to be occupying a geographical location that for some reason contains crude oil, which is basically "free energy".

### [Chevy Volt is no "electric Camaro"](#)

The concept version unveiled at the 2007 Detroit Auto Show looked nothing like the high-tech, fuel efficient cars consumers were used to seeing. With its sharp angles, long hood, and wheels out at the corners of the body, the Volt concept looked like a futuristic performance car, not a high-efficiency people mover.

Inside GM, it was referred to as the "electric Camaro," said Boniface.

But there's a reason that fuel efficient cars don't look aggressive. A flat front end and sharp front corners are bad for air flow. The production car will have a rounded nose and tapered corners, while still retaining key styling elements of the concept car.

### [Kunstler: Farewell to suburbia](#)

The fog of cluelessness that hangs over North America about the gathering global oil crisis and its ramifications seems to thicken by the hour. One reason for all the fog is that the key part of the story is so broadly misunderstood -- namely, that it's not about running out of oil; it's about how the complex systems we depend on for everyday life begin to destabilize as the global demand for oil starts to outstrip the supply.

### [New Urbanism means making the automobile less necessary](#)

The problem: People living in low-density areas far from a city centre rely more on their cars. The solution: The New Urbanism Movement.

New Urbanism is a fancy term describing a growing interest in urban landscapes designed to make car use less necessary.

The goal is to reconfigure North American cities to accommodate a more European lifestyle where everyone lives, shops and entertains themselves close to home.

### [Gas averaging more than \\$1.20 a litre across Canada](#)

New Democrat finance critic Judy Wasylycia-Leis, agreed it will be a prime topic for discussion while Parliament takes a break next week.

"I think they're going to be pretty upset their price of gas keeps going up at the same time the government is giving another \$1.5 billion in subsidies to the oil sands, to the big gas companies, the big developers, and yet nothing is being done to protect consumers," she told Mike Duffy Live.

## [Energy challenges also create opportunities](#)

Many of us have read about the concept of "peak oil." U.S. oil production peaked in 1970 and world oil production seems to have peaked at the end of 2006. Every one of us is now experiencing its effects. Similarly, U.S. natural gas production has peaked and is going through depletion. As a result, natural gas prices have tripled in the last decade.

What has not been discussed until very recently is the fact that the coal industry cannot keep pace with worldwide demand, nor can it handle future energy needs.

## [Scientist: Get involved for Earth Day](#)

You can change a light bulb or plant a tree to help save the planet.

But to really be a good steward for Earth Day, get involved, said James Hansen, NASA's leading climate scientist who was in Reno this week to accept the Desert Research Institute's annual Nevada Medal award.

"The most important thing is to affect political process," said Hansen, the scientist featured on "60 Minutes" who complained that the Bush Administration edited his reports to make global warming seem less threatening.

## [Canada's Arctic mapping key to resource claims](#)

OTTAWA - Mapping the outer limits of Canada's continental shelves in the Arctic is essential in order to allow the country to control oil and mineral exploration in a responsible way, Natural Resources Minister Gary Lunn said Friday.

After returning from a trip to the polar cap where he visited a northern Canadian research outpost, Lunn said he was confident that scientists would finish their work on schedule by 2013, allowing Canada to stake its claim to controlling development near the North Pole.

## [Canada: Carbon tax won't park drivers](#)

A carbon tax likely won't persuade people to conserve gas, according to new figures from Statistics Canada that show the rising price of oil hasn't compelled drivers to cut their consumption.

Nationally, gas prices rose 7.9% between March 2007 and March 2008, but Canadians spent 11.3% more at the pumps last year compared to 2006, indicating they consumed more gas despite the increased price.

### [Saudi Arabia Says Market Doesn't Need More Oil](#)

Bloomberg) -- Saudi Arabia, facing calls from oil-consuming nations to pump more crude, has no plans to raise output because increased supply wouldn't damp record prices, Argus reported, citing Oil Minister Ali al-Naimi.

Adding the country's spare supplies would "destabilize" the market by flooding it with oil that isn't needed, al-Naimi said, according to Argus. Pressure to raise output is "probably politically driven," he said.

### [Economies Can Cope With Higher Oil Price, Libya Says](#)

"For years we've been saying the era of cheap oil is over," Shokri Ghanem, chairman of Libya's National Oil Corp., said today in Rome before the International Energy Forum, which starts tomorrow. "None of us thought it would reach \$115 a barrel so quickly, so it could reach \$120" this week.

The world economy "has not reached the tipping point where it can't accept higher prices," Ghanem said.

### [Chinese oil product wholesalers should have minimum 15 days reserve](#)

BEIJING (Xinhua) -- The Chinese Ministry of Commerce (MOC) said on Friday that the more than two year long-brewed "Administrant and technical criterion for wholesale enterprise of refined oil product" would take effect on May 1.

This criterion orders refined oil product enterprises to have at least 15 days of oil reserve on the basis of last year's average sales volume, a move to better stabilize market order.

### [Nigeria: Military Cannot Protect You, MEND Threatens Oil Companies](#)

Movement for the Emancipation of the Niger Delta, (MEND) has warned oil companies working along the coastal region of Nigeria to be ready for war, just as it said the military was not in a position to protect them.

MEND said the oil companies were in for a raw deal, stressing that it had decided to step up its attack on oil installations ahead of schedule. "And there will be many more to follow," it assured.

### [Kremlin 'threats' to GML solicitor over Yukos oil company](#)

A British businessman challenging the Russian government over its break-up of the Yukos oil company has accused the Kremlin of threats and intimidation.

Tim Osborne, a solicitor and director of GML, the majority shareholder in the now-defunct Yukos, said his foreign travel has been restricted since Russia's prosecutor general announced he was under investigation for alleged embezzlement of \$10 billion (£5 billion).

### [Apocalypse now](#)

Mention the concepts permaculture, global warming, environmental education and the peak oil crisis five years ago and the reaction would have been a glazed-eyed vacant expression.

Say it today and you can expect dire Apocalyptic predictions about impending doom and gloom with parts of Al Gore's "Inconvenient Truth" quoted with religious fervour.

But these trendy catchwords aren't vague concepts for Cuba's Roberto Perez – they've been part of his stark reality since the early 1990s when his home country was plunged into economic crisis overnight with its loss of access to Soviet oil, fertilizers and export trade market.

### [UK: Four days' fuel left as refinery strike looms](#)

FILLING stations across Scotland have only four days worth of fuel left, experts warned last night as a strike at the country's only oil refinery looms closer.

Supplies to airports, petrol stations and businesses across Scotland, northern England and Northern Ireland could be disrupted within a week as contingency plans to close operations at Grangemouth begin today.

### [Gas prices box in an Alabama community](#)

Cars have connected Wilcox County with the wider world, and with jobs. But now the drive doesn't pay off.

### [Asia's Optimism Misplaced as Oil Heads for \\$200](#)

The decoupling story has come full circle. A year ago, Asia had outgrown the West.



Then, as Asian shares fell, those arguing the region could stand alone became very quiet. Now the talk is that even with the U.S. teetering on recession, Asia's rapid growth will allow its markets to rise. Call it Decoupling Theory 2.0.

There are problems with this thesis, not least of which is the surging price of oil and food, and risks of wage-related inflation.

### [Cheap energy in UAE is over](#)

The UAE's electricity demand projections are staggering. Based on future development plans, the current installed capacity of energy will need to double by 2015. The amount of energy the UAE consumes is set to treble by 2020 - a reflection of a very energy-intensive lifestyle. Even as the energy-producing Middle East sells its wares in lucrative global markets, the UAE looks set to suffer from the resulting demand and price rise.

### [Report: Iran's president says oil prices too low](#)

TEHRAN, Iran - Iran's hard-line president declared that crude oil prices, now above \$115 a barrel, are too low, state media reported Saturday.

President Mahmoud Ahmadinejad told an oil and gas exhibition in Tehran on Friday that he thought the commodity still had to "discover its real value," according to the Web site of Iran's state-run television.

### [Paying the price for ignoring the real economy](#)

Addressing the latest meeting of Development Committee of World Bank and IMF in Washington on April 13, the Finance Minister, Mr P. Chidambaram, lamented that high crude oil and galloping food prices were imposing a crushing burden on developing countries.

According to the Finance Minister, the price of crude (currently at around \$110 a barrel) does not reflect either the cost of production or risks inherent in the market, and not even the interplay of demand and supply. Diversion of food crops for bio-fuels resulted in food inflation that hit the poor nations the hardest, he asserted.

### [France's answer to global food crisis is EU protectionism](#)

France has launched a political campaign to restore food protectionism at the heart of Europe's agriculture policy as food riots erupt in poor countries and global leaders give warning of the dire consequences of soaring grain prices.

At a high-level EU agriculture meeting in Luxembourg, Michel Barnier, the French Agriculture Minister, called on Europe to establish a food security plan and to resist further cuts in Europe's agriculture budget.

### [EU set to scrap biofuels target amid fears of food crisis](#)

The European commission is backing away from its insistence on imposing a compulsory 10% quota of biofuels in all petrol and diesel by 2020, a central plank of its programme to lead the world in combating climate change.

Amid a worsening global food crisis exacerbated, say experts and critics, by the race to divert food or feed crops into biomass for the manufacture of vehicle fuel, and inundated by a flood of expert advice criticising the shift to renewable fuel, the commission appears to be getting cold feet about its biofuels target.

### [Obama, Clinton woo coal vote in upcoming primaries](#)

WASHINGTON - Democrats Barack Obama and Hillary Clinton are walking a delicate line as they promise to aggressively tackle global warming while trying to assure voters that they continue to believe in the future of coal.

### [18 states commit to take action on climate change](#)

NEW HAVEN, Conn. - California Gov. Arnold Schwarzenegger predicted Friday that an international deadlock over how to deal with global warming will end once President Bush leaves office, while a leading expert warned of dire consequences if urgent action is not taken.

Schwarzenegger spoke at a conference at Yale University in which 18 states pledged to take action on climate change. He noted a dispute over whether the U.S. should commit to reducing its greenhouse gas emissions before China and India do the same.

### [US climate change plan branded 'Neanderthal'](#)

A new plan from US President George Bush which aims to cap greenhouse gases by 2025 has been dismissed as "disastrous" and "Neanderthal" by a group of ministers at a climate change meeting in Paris.

### [Bush's climate goals vague – but a start](#)

"Given the administration's track record and its reputation on global climate-change policy to date, this is a step in the right direction," says Robert Stavins, an environmental economist at Harvard University.

### [Freshening of deep Antarctic waters worries experts](#)

SINGAPORE (Reuters) - Scientists studying the icy depths of the sea around Antarctica have detected changes in salinity that could have profound effects on the world's climate and ocean currents.

### [Arctic Meltdown: The Economic and Security Implications of Global Warming](#)

Thanks to global warming, the Arctic icecap is rapidly melting, opening up access to massive natural resources and creating shipping shortcuts that could save billions of dollars a year. But there are currently no clear rules governing this economically and strategically vital region. Unless Washington leads the way toward a multilateral diplomatic solution, the Arctic could descend into armed conflict.



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