



DrumBeat: August 7, 2008

Posted by [Leanan](#) on August 7, 2008 - 8:29am

Topic: [Miscellaneous](#)

[The Peak Oil Crisis: Masking the Peak](#)

As world oil production has never peaked before, there is no historical basis for making informed judgments as to what is going to happen.

All we know is that some six billion people, living in some 200 economies on this earth are soon going to be confronted with getting by on less than the 86 million barrels of oil per day (b/d) that we currently consume. The outcome of the interaction among all those people, all those countries and all that oil is too complex to foresee with any clarity.

It has long been recognized among those studying the peak oil phenomenon a severe, lengthy, worldwide economic setback could reduce the demand for oil to such an extent that peak production could be lost in the chaos.

Other scenarios involve oil prices rising to such level that demand drops significantly, which would be followed by a major drop in prices, followed by increased demand and rising prices, and the cycle continues.

[McCain's nuclear plan: Doable, but risky](#)

Experts agree that a big investment in nuclear energy would help wean the U.S. off oil but the move would be expensive - not to mention the safety controversy it will drum up.

[BP Halts BTC Oil Loading, Pipe Shutdown to Last Weeks](#)

(Bloomberg) -- BP Plc and partners are likely to stop crude oil exports from a Turkish port tomorrow because of an explosion at a pipeline from Azerbaijan which may take weeks to repair, officials at Turkey's pipeline operator said.

[EPA rejects ethanol waiver request](#)

NEW YORK (CNNMoney.com) -- The U.S. Environmental Protection Agency

announced Thursday it will not curtail a rule requiring that ethanol be added to gasoline, turning back criticism that the additive was artificially raising food prices.

[Ivanhoe Energy Will Tap Ecuador's Amazon Oil, PetroEcuador Says](#)

(Bloomberg) -- State-owned energy company PetroEcuador and Ivanhoe Energy Inc., a Canadian oil and natural-gas producer, will sign an oil production deal this month, PetroEcuador's head of production said.

[Petrobras agrees to new oil deal](#)

Brazilian oil company Petrobras has agreed to switch to a new service contract with Ecuador, Oil Minister Galo Chiriboga said.

The new contract will allow the company to be paid a service fee for extracting oil instead of keeping part of the crude.

[Imperial Delays C\\$8 Billion Oil-Sands Mine Decision](#)

(Bloomberg) -- Imperial Oil Ltd., Canada's largest oil company, is postponing until next year a decision to proceed with a proposed C\$8 billion (\$7.64 billion) oil-sands mine after legal delays.

[Abu Dhabi to Invest \\$20 Billion to Raise Oil Output](#)

(Bloomberg) -- Abu Dhabi, the largest sheikhdom in the United Arab Emirates and owner of the world's fifth-biggest oil reserves, will spend \$20 billion to raise crude production by 30 percent in the next two years.

``Forecasts of strong global demand for oil in the long run coupled with diminishing supplies has prompted the emirate to allocate investments of up to \$20 billion to raise its oil production capacity to 3.5 million barrels a day by 2010, up from 2.7 million barrels a day at present," the Abu Dhabi Department of Planning and Economy said in an e-mailed report today.

[New Zealand: Sufficiency, efficiency for plucky Waitati](#)

Residents of the seaside settlement of Waitati are building on their "1970s hippie roots" and are remodelling the township into a hub for energy-saving and sustainability.

In the backyards of many Waitati residents' homes are flourishing vegetable gardens,

hen houses and composting toilets.

Not for them, petrol-guzzling vehicles; instead a proposed "hitching" scheme could see residents wait at designated pick-up points to save on petrol and cut environmental impacts.

[Unpaid bills are causing more utility shut-offs](#)

WASHINGTON -- Utility shut-offs for customers behind on their energy bills are increasing around the country, reaching 50% or more in some hard-hit areas, as the effects of rising prices and a sagging economy are beginning to drag down more vulnerable consumers.

Agencies that provide financial assistance for energy costs report long waiting lists and significant jumps in first-time applicants. With the prospect of much more serious trouble this winter, when bills traditionally are higher, Congress is exploring a significant increase in federal energy assistance as part of a second economic stimulus plan scheduled for consideration next month.

[OPEC exports fall 360,000 bpd to Aug. 23 - analyst](#)

LONDON (Reuters) - OPEC oil exports, excluding Angola and Ecuador, will fall by 360,000 barrels per day (bpd) in the four weeks to Aug. 23, an analyst who tracks future flows said on Thursday.

Seaborne crude exports from 11 OPEC members, including Iraq, will fall to 24.46 million bpd from 24.82 million bpd in the four weeks to July 26, British consultancy Oil Movements said in its latest estimate.

The decline reflects lower shipments from Saudi Arabia and other Middle East countries and is in line with the normal seasonal pattern, the consultancy said. Sailings were at a peak for 2008 in its report three weeks ago.

[Energy Information Administration chief quitting](#)

Guy Caruso, the head of the U.S. agency that supplies federal data on energy supplies and prices, will step down Sept. 3.

The Energy Information Administration chief said in an e-mail to his employees that he was leaving the Energy Department's statistical agency after six years as its administrator.

[Seeking to Halt Output Decline, Pemex Increases Budget, Rigs](#)

Faced with declining production, Mexico has increased both the number of oil rigs in operation and its investment budget, benefitting firms that supply equipment to Petroleos Mexicanos, or Pemex, as the state oil firm struggles to make up for lost time.

A shortfall in exploration and production spending over the past decade has caught up with Pemex. Output is down 20% from peak production of 3.4 million barrels a day in 2004.

[Iraq Oil Ministry Invests \\$1.04B in 2008 to Improve Oil Sector](#)

The Iraqi Oil Ministry topped other ministries in spending this year, investing some \$1.04 billion during the first six months of 2008 to improve the oil sector, according to data published by the Iraqi planning ministry Thursday.

[High Prices Keeping Lid On Big Oil Deals](#)

Although flush with cash due to high oil prices and hard-pressed to increase production, major oil companies aren't ready to make large-scale acquisitions, at least not yet.

Industry watchers don't think the current political climate is conducive to consolidation, because oil companies fear becoming a target in a presidential campaign season that has increasingly spotlighted energy policy. The other, perhaps larger impediment is high oil and natural gas prices, which would make a takeover of the most likely targets prohibitively expensive.

[Carpooling numbers on the rise](#)

Someplace between Kipling Street and the Mousetrap, somewhere between the driver's seat where Brian Scarborough sipped hazelnut coffee and the shotgun seat where Brian McCall slurped regular, at some mark on the radio dial between Rush Limbaugh and NPR, a commuting insurgency began.

The three people riding from Arvada to Greenwood Village in Scarborough's BMW station wagon concluded they had become committed carpoolers, rather than random employees thrown together by \$4 gas. One month into their experiment, and the three road warriors have gladly given up their American birthright to drive to the office alone.

[Mitsubishi electric car to get U.S. market test by PG & E, Edison](#)

Mitsubishi Motors Corp. will bring electric cars to the U.S. starting this fall in test

programs announced today with Pacific Gas & Electric Co. and Southern California Edison.

The Japanese automaker will deliver fewer than a dozen of its tiny MiEV electric cars to the utilities, but the company said it plans to use the programs to determine whether the U.S. is a viable mass market for such vehicles.

[The medieval marvel: 14th century Hungarian stove cuts my monthly gas bill to just £5](#)

'With most stoves you put some wood in and you get a nice little fire but as soon as the flame's gone down, the heat disappears.

'But a tile stove works as a storage heater because there is a great mass of masonry inside which heats up and radiates heat through the tiles'.

[5 Years After Blackout, Power Grid Still in 'Dire Straits'](#)

The US power grid - three interconnected grids made up of 3,500 utilities serving 283 million people - still hangs together by a thread, and its dilapidated state is perhaps one of the greatest threats to homeland security, according to Bruce deGrazia, the president of Global Homeland Security Advisors and a former assistant deputy undersecretary for the Department of Defense, who spoke at an electricity industry conference in Shepherdstown, Va.

The slightest glitch on the transmission superhighway could upset the smooth distribution of electricity over thousands of miles of transmission lines and darken states from Ohio to New York in a matter of seconds, bringing hospitals and airports to a standstill.

[Kuwait: Govt finalizing war emergency plan](#)

The government is finalizing its emergency plan this week in order to ensure that the country is protected from foreign dangers in case the regional situation escalates and a war breaks out between Iran and the USA.

An unnamed senior official revealed that the government has learnt that two aircraft carriers are scheduled to arrive in the Gulf and the Red Sea in preparation for the expected war at any time. The official said that this information led the government to accelerate its emergency plan preparations, which include arrangements for protecting all sectors and vital installations.

[Gas shortage delays Middle East projects](#)

LONDON/DUBAI • Middle Eastern gas supply cannot keep pace with the region's rapid expansion and fierce competition between industries could force some energy-intensive projects, such as aluminium, to be delayed or even shelved.

In their bid for cheap, captive power, several aluminium majors have plans to site new plants in the Middle East, which is fast becoming an important growth area for the metal used in transport, power and packaging.

But the region's fast expansion has forced them to vie for lower-than-expected gas and power supplies coupled with rapidly rising demand. Aluminium producers are competing for energy with the steel and petrochemicals sectors, and Asian customers are also willing to pay more for liquefied natural gas (LNG).

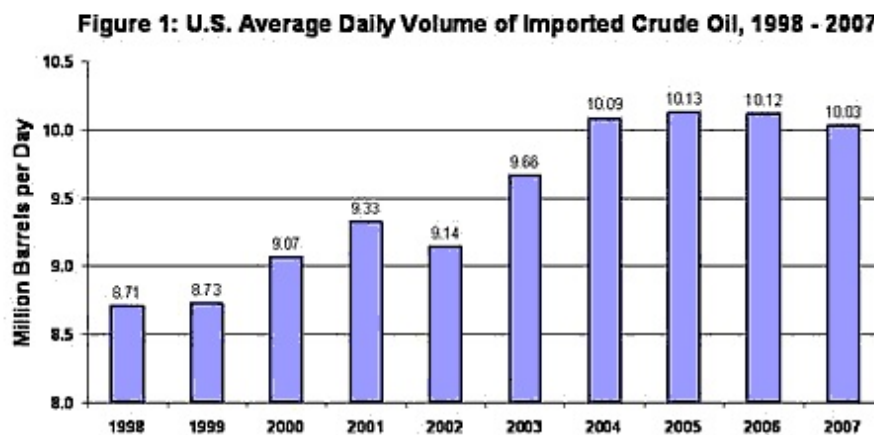
[Natural gas demand soars in Peru, rate hikes loom](#)

LIMA (Reuters) - Motorists like Jesus Llanos wait in impossibly long lines to fill their cars with natural gas, a cheap gasoline substitute that people are flocking to because of sky-high global fuel prices.

Though Peru has large gas reserves, it has few pipelines to transport it and only several dozen filling stations in Lima to sell it -- putting President Alan Garcia's government in an uncomfortable position of trying to administer a temporary shortage.

The rise in natural gas demand, combined with a drop in hydroelectric power following light rains, has been so sudden that the government says it may raise energy prices soon to compensate thermoelectric plants that will have to buy costlier diesel.

[The Ever-Changing Sources Of US Crude Oil Imports](#)



Imports of crude oil are an important component of energy used in the United States,

accounting for about two-thirds of total U.S. crude oil supply in 2007. The United States increased its crude oil imports by 16 percent between 1998 and 2005, when we reached a peak average daily import level of 10.13 million barrels per day (MMbbl/d). U.S. crude oil imports have declined slightly in subsequent years (Figure 1), as has overall petroleum demand. Imports in 2008 for the five months ending in May are down by 3 percent from the same period in 2007. In fact, imports for the month of May 2008 alone were over six percent below May 2007.

[Rolling crude leaves not just importers clueless, but exporters too](#)

One would tend to associate inflation rates of 10.4%, 15.1, 26.4% and 32.2% with India, Brazil, China and Pakistan, respectively. But these are figures for Saudi Arabia, Russia, Iran and Venezuela, respectively — four of the five largest oil exporters in the world. While oil-importing countries are yet to figure out appropriate measures to tackle, with the energy crisis figures suggesting that exporting nations are as clueless as importing ones.

[Supply and Demand in the Oil Market](#)

I think that the main thing we can learn from the recent volatility in oil prices is not that the laws of supply and demand have been broken, or that they're a function of anything else, but mainly that demand for oil is very inelastic, and that relatively small increases in demand can result in very large increases in price.

[External container gas sales restricted](#)

TIJUANA – Gas station owners in Tijuana and Rosarito have agreed to restrict gasoline sales for external containers, hindering Americans looking to take lower-cost, government-subsidized fuel back to the United States.

[Will Paris Hilton's energy plan work?](#)

The Hilton Plan seems to have it backward: Even under fairly conservative estimates we have the ability to develop more fuel-efficient technology before we can access all the oil that's offshore.

But it also looks like, even with such technology, the United States would still need to be importing significant amounts of oil from abroad in the coming decades. If we really wanted to get ourselves off the sauce, we'd need to combine these technological improvements with developing walkable communities and extending public transit.

[Let's Tax the Pants Off Big Oil](#)

While the current energy crisis is painful, the solution is not price caps or profit penalties. Rather, if we give entrepreneurs the opportunity to make money by finding creative ways to extract oil from exotic places or invent viable long-lasting batteries for electric cars, they will tap the capital markets and get after a solution. In the meantime, as consumers, we need to adapt.

[Can Chrysler survive?](#)

Besides being caught in a cyclical downturn brought on by the subprime lending crisis, the U.S. auto industry is going through a secular transformation caused by the spike in oil prices. Goodbye, high-profit pickups and SUVs; hello, breakeven (or worse) small cars.

All of the old Big Three are suffering, but none like Chrysler. Chrysler has invested less than either Ford or GM in small cars and alternative fuels, and has no significant international operations to provide some relief.

[South Africa strike hurts mining, factories](#)

South Africa's giant mining companies were badly hit by a strike yesterday over rising power, food and fuel prices that threatened to bring the continent's biggest economy to a standstill.

As global mining leaders such as Anglo Platinum, the world's top producer of the precious metal, counted their losses, powerful unions prepared for marches across the country.

Mines, refineries, car makers, textile factories, businesses and construction of stadiums meant for the 2010 Soccer World Cup could all be affected. Workers and students stayed at home after public transport was disrupted.

[Greed Above, Death Below](#)

The need for a criminal inquiry into the Crandall Canyon mine disaster is shockingly clear now that investigators have detailed how greedy mine operators concealed danger warnings and literally chiseled underground pillar supports to the breaking point. The roof of the Utah mine collapsed last summer, killing six miners and leading three would-be rescuers to their deaths.

[The World Does Not Face a Shortfall in Oil Stockpile](#)

"Relax, there's enough oil for the coming decades. Stop producing ethanol, which is using

up agricultural materials and has raised the price of food worldwide."

This is the view of Robert Mabro, the honorary president of the Oxford Energy Seminar, which is directed by the Kuwaiti expert Nader Sultan and which hosted the Saudi Aramco CEO, Abdullah Jumah, Shell chief executive, Jeroen van der Veer, Petrobras president, Sergio Gabrielli, and the chairman of the International Energy Agency, Nobuo Tanaka.

[Alaska: Cap fuel oil costs](#)

Passing even more of private energy costs in Alaska to state government is a policy fraught with long-term peril, but since the current emergency has made action inevitable, the Legislature should adopt a simple, limited program with a clear expiration date.

The program that best fits those criteria would pay only for the cost of heating oil above a particular price. The payments would not go to individual Alaskans but to oil distributors, which already keep the necessary records. The dealers would charge customers a set price, say \$2.50 per gallon, and collect the rest of the market price from the state.

[Brakes put on Obama gas station ads](#)

A Barack Obama ad ready to air at Florida gas stations that have pumps topped with TV screens was nixed at the last minute because the advertising company's chief said it reflected poorly on the oil industry, according to the presidential candidate's campaign.

[Expanding drilling may be harmful in long run](#)

In the past we experienced the consequences of pollution at the local or regional level, which allowed us to recognize when we had a problem and take needed action. We are now in a new era in which humankind's collective actions are, for the first time, capable of altering the global environment. This is a frightening realization. Fortunately, we have a small window of opportunity within which to act to minimize the extent of climate change and ocean acidification. The question is whether we will have the wisdom and the will to act now.

[Lester R. Brown: Raising Energy Efficiency In A New Materials Economy](#)

Industry, including the production of plastics, fertilizers, steel, cement, and paper, accounts for more than 30 percent of world energy consumption. The petrochemical industry, which produces plastics, fertilizers, and detergents, is the biggest consumer of energy in the manufacturing sector, accounting for about a third of worldwide industrial

energy use. Since a large part of industry fossil fuel use is for feedstock to manufacture plastics and other materials, increased recycling can reduce feedstock needs. Worldwide, increasing recycling rates and moving to the most efficient manufacturing systems in use today could reduce energy use in the petrochemical industry by 32 percent.

The big challenge in cities everywhere is to recycle the many components of garbage, since recycling uses only a fraction of the energy of producing the same items from virgin raw materials. Virtually all paper products can now be recycled. So too can glass, most plastics, aluminum, and other materials from buildings being torn down. Advanced industrial economies with stable populations, such as those in Europe and Japan, can rely primarily on the stock of materials already in the economy rather than using virgin raw materials. Metals such as steel and aluminum can be used and reused indefinitely.

Part II is [here](#).

[U.S. drives 10 billion fewer miles May 08 over May 07](#)

New Federal data showing further steep declines in the number of miles Americans are driving is additional proof that the country needs new means - other than the gas tax - to finance the nation's transportation infrastructure, U.S. Secretary of Transportation Mary E. Peters said today.

"By driving less and using more fuel-efficient vehicles, Americans are showing us that the highways of tomorrow cannot be supported solely by the federal gas tax," Secretary Peters said. "We must embrace more sustainable funding sources for highways and bridges through more sustainable and effective ways such as congestion pricing and private activity bonds."

[New Zealand: Petrol Prices Are Due To Peak Oil Not Profits](#)

"We need to acknowledge that the supply of cheap oil is nearing its end. Despite short-term fluctuations like the recent price dip, all the evidence shows that supply cannot keep up with demand any longer and a serious effort needs to be made to rapidly adapt our economy to a world without cheap oil.

"We need to stop looking for someone to blame and invest now in more sustainable forms of mobility.

[Here comes the night](#)

OIL WAS FIRST discovered in the Middle East 100 years ago in May by British explorer, George Reynolds. Now there's talk the world's oil will be exhausted in only 40 years' time. That's why, say some analysts, the days of cheap oil are gone forever.

[South Africa: Is Sasol an asset or a liability?](#)

Probably within the next three years, according to many experts using a variety of forecasting techniques, the annual output of oil will begin to fall inexorably as old wells dry up faster than new ones can be brought on stream.

Moreover, the amount of oil available for importing countries such as South Africa will shrink even sooner and faster than total world production, since domestic consumption of oil is growing rapidly in most oil exporting countries.

The stark implication is that South Africans will face further oil price spikes and, before long, actual shortages.

[Schools move to eject cars from campuses](#)

High schools and colleges are steering students away from cars to save money on gas, save the environment and promote physical fitness.

This fall, Ripon College in Ripon, Wis., is offering freshmen free mountain bikes, helmets and locks in exchange for a promise not to bring a car to campus. The \$300-per-student cost is funded by private donations.

[Cars could cut fuel use by 30-50% say MIT report](#)

Fuel consumption of new vehicles could be reduced by 30-50 percent by 2035, according to an analysis by MIT. Total US fuel use for vehicles could be cut to year 2000 levels, with greenhouse gas emissions cut by almost as much, the study finds.

[Gazprom's oil arm posts half-yearly 2.2% increase in oil exports](#)

MOSCOW (RIA Novosti) - Gazprom Neft, the oil arm of Russian energy giant Gazprom, reported on Thursday a 2.2% year-on-year increase in crude oil exports in January-June to 7.62 million metric tons (55.9 mln bbls).

[Luxury cars switch from premium to regular-gas diet](#)

DETROIT — Although there's a growing trend among automakers to recommend that drivers pump premium into their cars, Ford (F) and General Motors (GM) are quietly touting the fact that some of their luxury models take regular gas.

Ford Motor's 2009 Lincoln MKS and General Motors' Cadillac CTS were both engineered to run just as well on regular-grade fuel as the high-octane stuff. By contrast,

automakers recommend premium gas for nearly 62% of new vehicles on the market, up from 47% of models in 2002, according to Kelley Blue Book.

['Green' building codes sprout up across USA](#)

As energy costs rise, more states and cities are adopting policies that encourage or require new construction to be energy-efficient.

[Well, so much for a future of \\$200 oil: With new production coming on-line, crude could be in double-digits soon](#)

The pullback is vindication for analysts who for months have been saying that oil prices had entered bubble territory on a mix of financial speculation, worries about a military attack on Iran and rapidly increasing Asian demand. With hefty new supplies hitting the global market from Saudi Arabia, Libya and even Iraq, those analysts say, oil is likely to fall below \$100 soon.

"This fall is a reaction to overshooting over the past couple of months," said Daniel Ahn of Lehman Brothers, which has issued several reports suggesting oil prices were unjustifiably high. "The fundamentals of new supplies suggest prices will be in double digits."

Saudi Arabia apparently hit its target of 9.7 million barrels a day in July, silencing skeptics who suggested the kingdom was running out of crude. The Saudis were pumping 8.5 million barrels a day this time last year, said oil-markets analyst George Littell with Groppe, Long & Littell in Houston, as they anticipated increases in non-OPEC production that failed to come through.

Now, Littell says, "they're running flat out."

[Costly oil spurs long-term change in consumers](#)

SAO PAULO (Reuters) - High oil prices have caused "dramatic" and longer-term changes in consumer behavior, U.S. Acting Deputy Energy Secretary Jeffrey Kupfer said on Wednesday.

"Oil prices continue to come down but it's unclear what will happen with the prices," said Kupfer while meeting with representatives of Brazil's ethanol and automobile industry at the American Chamber of Commerce in Sao Paulo.

"But at the same time, U.S. citizens are making decisions that will carry forward regardless of how fuel prices fluctuate," he told journalists.

[Commodities rush could be over](#)

The commodity price boom is fizzling fast, a development that could ease inflation fears and lead to some relief for consumers at the pump, in grocery aisles and at the jewelers.

After skyrocketing earlier this year, prices for a wide variety of commodities, including oil, corn, wheat and gold, have fallen drastically in recent weeks, thanks to declining demand, a strengthening dollar and emerging signs of weakness in the global economy.

"The rush is definitely over," says Nathan Golz, futures researcher at broker A.G. Edwards.

[The falling price of oil explained](#)

Only a few weeks ago, it was the soaring price of fuel that was gripping the world's attention.

Now a rapid decline in prices is delighting consumers and easing fears about global inflation. But what is behind this fall in oil prices, and can it continue?

[The laws of economics still at play in the oil market](#)

Forecasters failed to foresee demand would fall as prices rose despite long-standing evidence to show that would happen.

[Oil Production Will Keep Pace with Global Demand](#)

Alarmism about running out of black gold is fueled by speculators and doesn't reflect the reality of available, albeit pricey, oil in coming years.

[Britons face bigger bills as French Government caps energy prices](#)

British families could find themselves subsidising households in France after the French Government ordered a 2 per cent cap on electricity price increases yesterday.

EDF, which supplies homes on both sides of the Channel, raised its prices to British customers by 22 per cent only two weeks ago. It also put up its charges for gas by 17 per cent - but it will not be allowed to increase French prices by more than 5 per cent.

[Let's face it, there's simply not enough oil and gas to go around](#): *We have reached 'peak oil', and fuel prices look certain to rise for the foreseeable future*

UK oil exports have collapsed to zero in eight years, helping to push up global oil prices. At the same time we have started to import gas, just as international competition takes off. That same international competition is driving up coal prices too.

Britain is, as you say, "a country that still sources 70% of its gas at home". But that figure is declining at an accelerating rate, now falling 10% per year, and by 2020 80% of our domestic gas production will be gone (government and industry agree on this).

[US experts predict more active hurricane season](#)

US weather experts raised their predictions for this year's Atlantic hurricane season on Tuesday, warning that warmer waters could whip up 17 tropical storms including nine that will grow into hurricanes.

The Colorado State University hurricane team added that five of the storms will mushroom into powerful hurricanes that carry winds of 179 kilometers (111 miles) per hour and higher.

[Israel mulls military option for Iran nukes](#)

JERUSALEM - Israel is building up its strike capabilities amid growing anxiety over Iran's nuclear ambitions and appears confident that a military attack would cripple Tehran's atomic program, even if it can't destroy it.

Such talk could be more threat than reality. However, Iran's refusal to accept Western conditions is worrying Israel as is the perception that Washington now prefers diplomacy over confrontation with Tehran.

[Jimmy Carter -- the peak oil president](#)

The timing is extraordinarily appropriate, and not just because energy is the campaign issue of the week. The wave of Republican mockery currently assaulting Barack Obama's recommendation that Americans properly inflate their tires flows squarely within the tradition of scorn and derision that conservatives have heaped on Carter for decades -- in part because of his call for conservation and sacrifice in 1977.

[Toward a Type 1 civilization](#)

Our civilization is fast approaching a tipping point. Humans will need to make the transition from nonrenewable fossil fuels as the primary source of our energy to renewable energy sources that will allow us to flourish into the future. Failure to make

that transformation will doom us to the endless political machinations and economic conflicts that have plagued civilization for the last half-millennium.

We need new technologies to be sure, but without evolved political and economic systems, we cannot become what we must. And what is that? A Type 1 civilization. Let me explain.

[Will the Solution to the Energy Crisis Come From Local Power Generation?](#)

People embrace the buying of local food; has the time come for local energy co-operatives, too?

[Yucca Mountain cost estimate is increased](#)

The U.S. Department of Energy says it has revised upward its cost estimate of the Yucca Mountain nuclear repository from its 1983 start to closure in 2133.

Officials said the new system life cycle cost estimate includes money needed to research, construct and operate Yucca Mountain for 150 years.

The new cost estimate of \$79.3 billion, when updated to 2007 dollars totals \$96.2 billion -- a 38-percent increase from the last published estimate in 2001 of \$57.5 billion.

[Biofuel debate faces showdown in USA](#)

- 25% of US corn crop already used for biofuel
- Texas governor wants biofuel target cut by 50%
- Barack Obama wants big increase to 60bn gallons

[Following Fidel's lead, Cuba cuts ethanol plans](#)

HAVANA (Reuters) - Following denunciations of the use of food for fuel by former Cuban leader Fidel Castro, a Cuban official said on Wednesday the Caribbean island is modernizing its sugar industry but that plans to increase ethanol production have been scaled back.

[Are Europe's sports cars endangered species?](#)

Environmentalists say today's supercars, with huge engines pumping out up to three

times as much carbon dioxide (CO₂) as the average vehicle, have no place in a world struggling to rein in climate change.

But Lamborghini and its rivals argue that theirs is a rare art that needs protecting, blending timeless European design elements with cutting-edge technologies that themselves can help save the planet.

[California Energy Supply Vulnerable to Future Heat Waves](#)

(ENS) - In the near future, large California cities can expect more frequent heat waves because of climate change, warn scientists at universities in California and Texas.

This could mean increased electricity demand to run air conditioners in the densely populated state, raising the risk of power shortages during heat waves, said Norman Miller, an earth scientist at Lawrence Berkeley National Laboratory and geography professor at the University of California, Berkeley, and Katharine Hayhoe, a climate researcher at Texas Tech University.

If the electricity to run those air conditioners is generated using fossil fuels, this also could mean even more emissions of the heat-trapping gas carbon dioxide that causes climate change.

[Climate change catastrophe by degrees](#)

Unfortunately, Professor Bob Watson is not speaking out of turn in telling the world to prepare for four degrees of global warming. "Mitigate for two degrees; adapt for four" has long been the catchphrase among climate negotiators and campaigners. Translated, that means: try to reduce emissions to stay below two degrees of warming, but also prepare for the worst.



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