



DrumBeat: September 7, 2008

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Topic: [Miscellaneous](#)

[Cost of oil could dim a solar light](#)

Mark Bent wrestles with oil prices. Never mind that crude futures have fallen \$20 a barrel from their record in July.

Bent's company, Houston-based SunNight Solar, has seen costs for shipping its solar-powered flashlights rise by about 30 percent so far this year, and they show no sign of abating.

...SunNight's flashlights use small solar panels to power rechargeable batteries that last as long as 6,000 hours, compared with 15 hours for conventional disposable batteries. The powerful light-emitting diodes are bright enough to illuminate a room.

Bent sees SunNight as a way to take low-cost lighting to places that don't have electricity, such as parts of Africa and South America. The company's products often replace kerosene lamps.

The trick is to make customers — who may spend 30 percent of their disposable income on kerosene — understand that paying more for the light now will cost them less over time than what they spend on kerosene. Even a modest price increase can derail the careful equation, he said.

[Charlie Maxwell to Barron's: \\$300 Oil is Inevitable](#)

According to a Monday, September 8 Barron's article titled "What \$300-a-Barrel Oil Will Mean for You", Charles (Charlie) Maxwell, Senior Energy Analyst at Weeden & Co., thinks \$300 oil is "inevitable."

With three or four new Saudi oil fields coming on line soon, Charlie thinks supply and demand are roughly in balance for the next two years. Charlie predicts oil prices between \$75 and \$115 for awhile. After that, he sees prices soaring again.

[Sailor killed as militants seize oil vessel in Nigeria: army](#)

LAGOS (AFP) - Nigerian militants on Sunday killed one sailor and kidnapped another when they hijacked a vessel belonging to the Nigerian unit of Italian oil company Agip, a military spokesman said.

"The vessel Fulmar Lamnaco was attacked at Sambriero river off Bonny in southern Rivers state," Lieutenant Colonel Musa Sagir told AFP. "One crew member was killed while another was taken hostage."

[Ministers agree to extend Arab gas pipeline to Europe](#)

CAIRO (Xinhua) -- Oil ministers in the Arab gas pipeline project have agreed to extend the pipeline to the European market, the Egyptian MENA news agency reported on Sunday.

[Whether to drill might be foregone](#)

It makes elemental sense to me to hold some or all of those offshore and ANWR reserves for some future date when our national security, including food supply, is severely at risk. Perhaps a program that would allow us to explore, drill and cap those productive areas for emergency use - and not just an extra trip to Grandma's house - might be in order. If that were the case, those of you who say "no drilling" would be sorely pressed to win your argument. I'm confident we have the skills to accommodate the caribou.

There are several reasons why we can't retain "capped" oil for strategic purposes. One is that the oil will be sold on the world market.

Most astounding to me is that we have no plan. Though we know oil has "peaked" - T. Boone Pickens and Matthew Simmons say 2005 was the year - or will "peak" soon, there has been no plan on what to do when that occurs. Another is this: Could you possibly believe the oil industry sees billions of barrels of oil lying around at \$150 per barrel and doesn't want it? The game here for both the oil companies and countries for whom 90 percent their GDP is from oil is the same: They know it's running out, and they want to sell the very last drop at the highest possible price.

[Cheney Warns Russia to Reverse Its Course](#)

Mr. Cheney has long been the Bush administration's most vocal hawk, but his remarks on Saturday, originally intended to reflect broadly on Euro-Atlantic security, amounted to a sweeping indictment of Russia's actions in recent years and a challenge to its leaders to reverse course. The speech, his aides said, was carefully vetted in Washington and reflected the administration's deep anger over Russia's incursion into Georgia a month ago.

He called for a continued expansion of the alliance to include Georgia and Ukraine,

despite Russian threats, and a diversification of energy supplies, which, he said, Russia has wielded like a weapon to intimidate European nations.

[Fuel supply to ease soon, says minister](#)

KATHMANDU: Minister for Commerce and Supplies Rajendra Mahato has said that the government would ease the supply of petroleum products within the next 10 days as there has been a decision to provide Rs3bn to the cash-strapped state-owned oil import monopoly Nepal Oil Corporation (NOC) for this.

[New mines lag as coal booms](#)

This is not your father's coal boom.

Record high coal prices suggest, and industry analysts and executives confirm, that demand for Appalachian coal is at an all-time high.

Yet that demand hasn't produced companies, jobs and new mines that a 1970s coal boom produced.

[Newtown joins heating oil consortium](#)

NEWTOWN, CT -- The town has become a member of the Cooperative Oil Purchasing Consortium because of the significant uncertainty in the fuel oil market, Ronald Bienkowski, the school system's director of business, told the Board of Education on Tuesday night.

[High heating costs baffle even suppliers](#)

Laura Borst, the co-owner of Borst Oil Co. on South Thompson Street in Schenectady, said she watches the cable news networks all day, every day, to see which news event will be the next to affect the price of her company's product.

“[Earlier this year] Iran tested missiles, or something, and the price [of crude oil] went up like \$11.50 in one day. It's extremely political,” she said. “One day all of the forecasters will say the price is coming down and two days later they'll say it's going to go back up. The same forecasters will say the complete opposite thing.”

[Police OK with new fuel policy](#)

The policy takes effect on Oct. 1. Patrol officers are allotted 120 gallons of gas per month, which includes gas needed to patrol and drive the cars home. Patrol sergeants are allotted 65 gallons a month; investigators 75 gallons a month; drug investigators 95 gallons a month; and administrative staff 45 gallons a month. Any department employee who exceeds the specified amount will be required to pay for the cost of the gas it takes to drive the car to and from home each month. No officer will be required to pay for gas used to patrol, according to the policy.

[Assessing the Value of Small Wind Turbines](#)

Fascination with wind turbines small enough to mount on a roof is spreading from coast to coast. Mayor Michael R. Bloomberg of New York last month proposed dotting the city with them. Small turbines have already appeared at the Brooklyn Navy Yard, atop an office building at Logan International Airport in Boston, and even on a utility pole in the small New Hampshire town of Hampton.

These tiny turbines generate so little electricity that some energy experts are not sure the economics will ever make sense.

[Vanishing Barns Signal a Changing Iowa](#)

The tale of the disappearing barn, a building whose purpose shifted, then faded away, tells a bigger story too, of how farming itself, a staple in this state then and now, has changed markedly since those writers drove through.

What had in the 1930s been an ordinary farm here — 80 or 160 acres and a few cows and sheep and chickens — is today far bigger and more specialized to pay for air-conditioned, G.P.S.-equipped combines and tractors, so much fuel and the now-skyrocketing price of farmland.

[Arctic Ice Hints at Warming, Specialists Say](#)

Leading ice specialists in Europe and the United States for the first time have agreed that a ring of navigable waters has opened all around the fringes of the cap of sea ice drifting on the warming Arctic Ocean.

[U.S. should stop selling off its needed natural gas](#)

While the cost of natural gas has nearly tripled during the past five years, exports of U.S. natural gas to Canada have risen 155 percent. In fact, 38 percent of all piped U.S. gas goes to Canada. Another 33 percent is pipelined to three Michigan hamlets on rivers across from Ontario. Mexico does not receive quite as much as Canada.

Responsibility must lie in NAFTA and free trade. For by shipping our life-preserving gas out of the country during an energy crisis — and endangering the lives of her people during the winter — the United States is treating its own citizens no better than the English served the enslaved Irish.

[McCain's energy follies](#)

Global problems obviously require a global response. As the world's most profligate user of energy, and as one of its most technologically gifted nations, the United States should lead the way by developing more efficient vehicles and by expanding carbon-free energy sources like wind and solar power.

The John McCain of a few years ago understood this. He sponsored a bill with John Kerry that would have aggressively raised fuel economy standards, and another that would have put a stiff price on carbon emissions to encourage investment in cleaner technologies.

Unfortunately, that John McCain has receded from view. He has dropped his opposition to offshore drilling, pandered shamelessly by urging a gas tax holiday, and missed several crucial votes on bills extending credits for wind and solar power.

[Drill: Domestic oil recovery creates domestic jobs](#)

One thing you've got to say about developing more domestic energy sources: the jobs won't be outsourced. It will be American workers drilling in new oil fields and recovering natural gas reserves along the Outer Continental Shelf and on the Alaskan North Slope. American workers will recover the oil shale in Colorado.

[MARSHALL ISLANDS: Responding to the Emergency](#)

The Republic of the Marshall Islands (RMI) has recently experienced unprecedented increases in the costs of imported fuel and staple food items. This high and sustained inflation in energy and food prices has had significant impacts on the economy and people of the RMI. This prompted President Litokwa Tomeing and his Cabinet to officially declare a State of Economic Emergency on July 3, 2008.

[High cost of weekly shop to last a decade, warn producers](#)

“We have been through a period of low costs. I don't think we are going to see those again,” said Alan Lafley, chief executive of Procter & Gamble, whose products include Pampers nappies and Ariel washing powder. “Energy and commodity costs will be higher in the first two decades of the 21st century than in the 1980s or 1990s.”

[Global resources essential](#)

One of the world's best known economic forecasting and market analysis firms is headed by Dr. Horace "Woody" Brock. He recently spoke at a conference in Sydney, Australia (no, I was not there but wish I had been) and offered the best assessment of the oil market I have heard.

He gave three reasons for why the oil market is where it is. The first reason is increasing demand from all over the globe. Even though demand in this country has tapered off, other countries have made up for our weaker appetite for oil. The second reason is about peak oil. I wrote about this some time ago when we were just starting to see peak oil. A few years ago, several of the world's largest oil fields peaked in terms of production, not because of demand but because of supply. Brock cited the oil production in Mexico that is down 30 percent over the past four years as well as declines in other areas of the world such as the North Sea and Russia. The last reason is the most intriguing and controversial.

[Novice farmers bloom in gardens](#)

Heinberg believes that modern industrial agriculture — which relies on farm machinery, irrigation, pesticides and synthetic fertilizers — is particularly vulnerable.

“We’ve created a form of agriculture that was perfectly suited to the 20 th century with cheap fossil fuel, but I’m afraid it’s going to be a catastrophe in the 21 st century,” he said.

[Bangladesh climate victims search for new land](#)

Rough tides linked to rising sea levels have drowned 40 percent of the land on Kutubdia Island over the past half century, according to non-government organisation Coast Trust, which says the situation is getting worse each year.

The villagers who have fled the island are what scientists -- including those from the United Nations Inter-government Panel on Climate Change (IPCC) -- are calling Bangladesh's first climate refugees.

[Gulf oil production poised to increase by 10 million barrels a day](#)

Dubai: A massive \$300 billion investment in boosting oil production is underway which could see the Arabian Gulf deliver a staggering 10 million barrels of crude a day in added capacity by 2015 more than half from Saudi Arabia alone according to project research firm Proleads.

"Recent analysis of total global oil production and development projects indicate that world crude production capacity from all sources has the potential to rise from 87 million barrels per day to as much as 108 million by 2015," said Emil Rademeyer, director of Proleads.

"Our analysis shows that if all current projects across the region meet their projected targets in barrels of oil a day, it would mean that by 2015 the hydrocarbon rich countries of the Gulf Cooperation Council (GCC) will be supplying more than half that future added oil capacity," said Emil Rademeyer, director of Proleads.

[Drill now, pay later](#): *The drive to tap oil reserves in Alaska and offshore overlooks our long-term need for petroleum*

Upon recent discoveries of oil in the kingdom, King Abdullah ordered that those new finds be left untapped to preserve the nation's oil wealth for future generations. "When there were new finds, I told them, 'No, leave it in the ground, with grace from God, our children need it,'" the king said.

Behind the king's statement lies a plain truth: The Saudis prefer to sit on their oil, while we are rushing to deplete ours. The Saudi reserve-to-production ratio - an indicator of how long proven reserves would last at current production rates - is 70 years; Iran's is 82; the United Arab Emirates' is 90; and Venezuela's is 91. Iraq and Kuwait are at more than 100. How long does the U.S. have left? Eleven years.

[Julian Darley: The Energy Secret - Understanding What Drives The 21st Century And Why Peak Oil Really Matters](#)

There are at least two invisible things that tend to be ferociously difficult to understand. One is relations among humans and the other is energy. Especially when the former want more of the latter. And for some reason, understandable perhaps but also unfortunate, we are mostly loathe to try to comprehend where our energy comes from. Thus there is a kind of 'energy secret': we cannot see energy and we don't seem to be very good at understanding it, even though without it there is no life here or anywhere else in the universe.

[Iran wants OPEC output cut to target quotas](#)

TEHRAN (AFP) - Iran said on Sunday that OPEC members should cut output to the agreed target quotas in the face of falling oil prices, two days before the cartel meets in Vienna, state-run IRNA news agency reported.

"The market does not need more oil and there is no need for excess production given the fall of oil prices," Iran's envoy to the Organisation of Petroleum Exporting Countries, Mohammad Ali Khatibi told IRNA.

"Members should return to the agreed quota and respect it. If a member does not want to go back to the OPEC quota they should have a reason," he added.

[OPEC struggles with falling oil prices](#)

LONDON - The question facing the OPEC oil producer group which meets this week is when, not if, to cut its oil production target as crude prices slide in the face of weakening economic growth, analysts say.

[Gulf Arab States to Urge OPEC Not to Cut Oil Output](#)

(Bloomberg) -- OPEC's Gulf-Arab members, which pump half of the group's oil, are likely to urge their colleagues to leave output unchanged when they meet this week as prices above \$100 a barrel squeeze the global economy.

[Saudi crude price hikes may offer Opec production hints](#)

The latest term crude prices suggest Aramco may be starting to price in a period of lower output, even if Opec next week doesn't formally sign off on a production cut.

[Mexico: Running Out of Oil and Options](#)

As equities commence the dramatic autumn slump I've been anticipating in recent weeks, it is uninspiring to witness the standard of political debate in the US Presidential election. It seems that neither candidate is aware of, or at least willing to articulate, the tectonic shifts taking place in global financial power which threaten to severely limit the room for maneuver of the incoming administration. Roosevelt said America should talk quietly to the world but carry a big stick; now a big begging bowl is more appropriate. We hear references to Iran and Russia as geopolitical challenges, but nobody is talking yet about a bigger threat right on America's doorstep: **the potential implosion of the Mexican state.**

[Putin predicts West won't cool ties with Russia](#)

MOSCOW: Russia's Prime Minister Vladimir Putin predicts there won't be any cooling of ties with the West because the West needs Russian oil, gas and minerals.

[Don't Believe Industry Scam on Drilling Arctic Refuge](#)

Unfortunately, patently false claims by the oil and gas industry continue to find traction

in news stories across the nation. One of the biggest myths that industry would like the media and the public to believe is that drilling the Coastal Plain of the Arctic National Wildlife Refuge will require only 2,000 acres.

[Bush likely to scrap nuclear deal with Russia](#)

WASHINGTON (Reuters) - The United States is likely to scrap a civilian nuclear pact with Russia soon as punishment for its war against Georgia last month, a U.S. official said on Thursday.

[Greenpeace proposes giant North Sea windfarm grid](#)

BRUSSELS (Reuters) - North Sea nations could link their offshore windfarms via a giant electricity grid on the sea bed and bring huge benefits for Europe, according to a Greenpeace report gaining interest from the European Commission.

The environment group said on Wednesday the grid would build on existing infrastructure to link tens of thousands of turbines located offshore, helping to smooth out power fluctuations caused by turbulent weather around the stormy North Sea.

[Demand for solar panels exceeds supply](#)

The sun may set early on anyone trying to take advantage of expiring solar-energy tax credits this year.

Many solar manufacturers and installers say they can't take on more jobs for 2008 because they're either out of panels or out of time.

[Chrysler showing off plug-in hybrids to dealers](#)

NEW YORK - Chrysler LLC has been demonstrating plug-in hybrid prototypes to some dealers that are further developed than those previously shown by the automaker, the company's president said.

In comments Tuesday at the Motor Press Guild in Los Angeles, Chrysler Vice Chairman and President Jim Press said the vehicles are being developed by Chrysler's Envi unit, which the automaker created last year to create electric vehicles and other advanced propulsion technologies.

[Biofuels War: The New Scramble for Africa by Western Big Money Profiteers](#)

Biofuels war has broken out in Africa. Newspaper headlines have not proclaimed it but the gist of it is already out. Big money profiteers from Europe and United States are rushing to Africa in a new scramble for the continent, transforming large swathes of arable land into massive biofuels plantations.

Local but poor populations in many parts of Africa are increasingly being driven deeper into economic obscurity yet 60% of them still depend on agriculture for survival. Another 60% of that eke out a living by subsistence farming and animal husbandry.

[Eat less meat to fight climate change: UN expert](#)

LONDON (AFP) - People should cut their consumption of meat to help combat climate change, a top United Nations expert told a British Sunday newspaper.

Rajendra Pachauri, chair of the UN Intergovernmental Panel on Climate Change (IPCC), told The Observer that people should start by having one meat-free day per week then cut back further.

[Is our taste for Sunday roast killing the planet?](#)

Your Sunday roast stands accused. According to the United Nation's chief climate expert, Rajendra Pachauri, that tasty piece of top rump resting on your dining table is the source of many of the world's environmental woes, in particular those involved in the dangerous warming of the planet's climate.

Our appetite for animal flesh is boosting fertiliser production, pollution and emission of greenhouse gases to dangerous levels, Pachauri has told The Observer. Give up meat - at least for one day a week - and we can help to save the Earth, he added.

[Demand seen thin in first U.S. greenhouse auction](#)

NEW YORK (Reuters) - U.S. Northeast power companies likely will not race to buy permits to emit the main greenhouse gas in the country's first carbon auction later this month because the region's emissions of the gas have slipped over the last few years, experts said.

[Research suggests refinery emissions higher than estimates](#)

EDMONTON - A recently published report suggests that Canadian refineries are underestimating emissions of greenhouse gases and cancer-causing chemicals.

The study, which used a new method to track so-called "fugitive emissions" from pieces

of equipment at an unidentified Alberta refinery, finds such releases of gases such as benzene are up to 18 times higher than previously thought.

[EPA tightens lawn mower, motor boat emission rules](#)

WASHINGTON (Reuters) - Exhaust-spewing lawn mowers and speed boats will get a green make-over under tough new rules from the U.S. Environmental Protection Agency designed to reduce smog and save millions of gallons of gasoline.

Gas-powered engines in lawn and garden equipment will be required to cut smog-forming emissions by 35 percent, while engines in personal watercraft will have to cut smog-forming emissions by 70 percent and reduce carbon monoxide emissions by 20 percent.

[Speculators and water an uneasy mix](#)

CANBERRA (Reuters) - On the cracked grey clay of an ancient lake bed on the edge of Australia's outback, Guy Kingwill is at the frontier of a global rush to commercialize water.

Despite a long-running drought, Kingwill, who runs the vast Tandou farm, 142km southeast of the mining town of Broken Hill, has just sold his property's critical water on a national market rather than pump it into irrigated cereal crops.

"The return on the water is higher," Kingwill told Reuters. "Where we are it's broadacre cropping. But the market now is driving significantly more per megaliter from horticulture than you can get a profit margin out of wheat and barley," he says.

Across the world, speculators are increasingly looking to water as a new profit engine as supplies dwindle, caught between booming populations demanding more access and climate warming threatening its very availability.

[The world we avoided](#)

The Montreal Protocol rescued the ozone layer, but also prevented drastic regional climate changes.

[Global warming greatest in past decade](#)

Researchers confirm that surface temperatures in the Northern Hemisphere were warmer over the last 10 years than any time during the last 1300 years, and, if the climate scientists include the somewhat controversial data derived from tree-ring

records, the warming is anomalous for at least 1700 years.

"Some have argued that tree-ring data is unacceptable for this type of study," says Michael Mann, associate professor of meteorology and geosciences and director of Penn State's Earth System Science Center. "Now we can eliminate tree rings and still have enough data from other so-called 'proxies' to derive a long-term Northern Hemisphere temperature record."



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