

# DrumBeat: September 10, 2008

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Topic: Miscellaneous

#### Saudis Vow to Ignore OPEC Decision to Cut Production

VIENNA — Hours after suffering a rare setback at OPEC headquarters, where the cartel said its members needed to lower production to keep prices from sinking below \$100 a barrel, Saudi officials assured world markets on Wednesday that they would ignore the decision and continue to pump as much oil as needed.

The marathon late-night session here illustrated the new pressures and power politics at play in the group that controls 40 percent of world oil production — and how ineffective the cartel can be. The meeting might be a harbinger of things to come, as OPEC faces its most difficult challenge in years: how to respond to falling prices in a weakening and uncertain global environment.

The Saudis made their strategy clear in informal talks and briefings with oil industry analysts and reporters, but as is their custom they would not speak for attribution because they did not want to appear to undermine a collective decision by OPEC that they endorsed publicly.

# US oilfield deaths rise sharply

SNYDER, Texas - Less than two months into the job in the oilfields of West Texas, Brandon Garrett was sliced in half by a motorized spool of steel cable as he and other roughnecks struggled to get a drilling rig up and running.

Garrett's grisly end illustrates yet another soaring cost of America's unquenchable thirst for energy: Deaths among those working the nation's oil and gas fields have risen at an alarming rate, The Associated Press has found.

At least 598 workers died on the job between 2002 and 2007, according to the U.S. Bureau of Labor Statistics. During that period, the number of deaths per year rose by around 70 percent, from 72 victims in 2002 to 125 in 2006 and a preliminary count of 120 in 2007.

# U.S. official urges EU to build one energy market

WARSAW (Reuters) - Linking up European electricity grids and gas networks would boost the continent's energy security and economic competitiveness and help reduce its heavy reliance on Russia, a senior U.S. official said on Wednesday.

"Europe does not function as one energy market... It needs to unbundle its energy companies and create one deep, liquid European energy market," Douglas Hengel of the U.S. State Department's economic bureau told Reuters in an interview.

#### Exec: American's US capacity reductions permanent

FORT WORTH, Texas - Despite the big drop in fuel prices over the last two months, domestic capacity reductions American Airlines has been making are permanent, Chief Financial Officer Tom Horton said Tuesday as he also suggested that the industry could see more consolidation in the future.

#### City plans to convert human waste to energy

SAN ANTONIO (Reuters) - San Antonio unveiled a deal on Tuesday that will make it the first U.S. city to harvest methane gas from human waste on a commercial scale and turn it into clean-burning fuel.

San Antonio residents produce about 140,000 tons a year of a substance gently referred to as "biosolids," which can be reprocessed into natural gas, said Steve Clouse, chief operating officer of the city's water system.

#### 'Extreme waves' worry Australia

Australia's coastline is increasingly being battered by extreme waves that are driven in part by climate change, government scientists say.

Research has shown that bigger waves are bearing down on the coastline as severe storms become more frequent.

The waves could threaten communities with flooding and coastal erosion.

### More of Gulf may open: Democrats are working on drilling bill

WASHINGTON — Oil and natural gas producers might soon be able to drill in the eastern Gulf of Mexico as well as along the Atlantic coast from Virginia to Georgia under an energy plan being crafted by House Democrats.

Democratic leaders Tuesday were still piecing together what House Speaker Nancy

Pelosi, D-Calif., called a "reasonable compromise," with plans to bring the bill to the floor for a vote by week's end.

While details are still being worked out, the plan would raise taxes on the oil companies; force producers that benefited from botched lease agreements with the government to pay royalties; require electric utilities to generate 15 percent of their power from renewable sources; and provide loan guarantees to automakers to help produce more fuel-efficient cars.

Pelosi insisted the plan would "make America energy-independent of foreign oil within a decade."

## Bolivian gas line explodes; protesters blamed

LA PAZ, Bolivia: The head of Bolivia's state energy company says a pipeline explosion has cut natural gas exports to Brazil by 10 percent.

Activists opposed to President Evo Morales are being blamed for the explosion. The energy company says protesters took over an energy plant and closed a valve, creating pressure that blew up the pipeline.

## Government oil officials probed about illicit sex

WASHINGTON: Federal investigators say government officials handling billions of dollars in oil royalties engaged in illicit sex with employees of energy companies, and received improper gifts.

The alleged transgressions involve 13 Interior Department employees in Denver and Washington. Alleged improprieties include rigging contracts, working part-time as private oil consultants and having sexual relationships with — and accepting golf, ski trips and dinners from — oil company employees, according to three reports released Wednesday by the Interior Department's Inspector General.

#### OPEC Faces "Demand Destruction"

Less than two years ago, OPEC cut production by 1.5 million barrels a day to keep prices from slipping below \$55 a barrel. Now Venezuela and Iran want the group to keep prices from dropping below \$100 a barrel. They have tasted what \$145-a-barrel oil tastes like just in July, and they thought it was good.

But the fact of the matter is that it's hard to imagine that the world can afford these prices for a protracted period of time. In the first seven months of the year, OPEC countries have received more revenues than they did all of last year. As many economists in the United States have noted, this is inflating the U.S. trade deficit,

undercutting the U.S. dollar and sapping the economy of money that would otherwise have eased spending burdens of households or gone into badly needed savings and investment.

<u>U.S. airlines not planning to cut fuel surcharges</u>: *Despite falling oil costs, carriers relying on fees until price is manageable* 

FORT WORTH, Texas - Although oil prices have dropped over the past few weeks, U.S. airlines have no immediate plans to reduce fuel surcharges that they tack on to the price of a ticket.

Most carriers have imposed several increases in their fuel surcharges — they range up to \$170 per round trip in the United States and more for international flights — on top of fare hikes.

Fuel accounts for up to 40 percent of the budget at many of the biggest airlines, topping labor as their biggest single cost.

## Report: Speculation drove oil market up, then down

Commodity index investors, blamed for record oil prices, sold \$39 billion worth of oil futures between their July record and Sept. 2, causing crude to plunge, according to a report released today.

The work by Michael Masters, president of the Masters Capital Management hedge fund, blames investors who buy and hold an index of commodities for driving prices to records, and for their subsequent drop. It comes a day before the U.S. Commodity Futures Trading Commission is set to discuss its own study of energy trading with a congressional committee.

#### **Nuclear Distraction**

The U.S.-India civil nuclear deal came one step closer to final approval over the weekend, as the international Nuclear Suppliers Group granted its imprimatur. Yet the controversy over the proposed pact remains as fierce as ever, not least in India. As a result, ironically, it's still possible the deal could end up distracting both sides from the hard work of deepening their relationship.

# India: TN gets the stick for 'excess' use of power

The Madras High Court Wednesday ordered the State government to bring into force an exclusive policy on thrift usage of electricity and detailing guidelines for the public notice

through advertisements on how to save power on a daily basis.

#### India: Energy sector expansion hit by tight money policy

Declining credit flow has forced energy sector companies in coal, petroleum and nuclear fuel to delay their expansion plans.

#### Calumet oil processing not hindered by Gustav

"If a refinery is not up and running, it's not able to refine oil into gasoline," she said. "That's why there is a shortage down there. There has been a huge drain of gasoline by the evacuees."

During hurricanes Katrina and Rita, Calumet's production was put to the test.

At one point in 2005, Calumet was the closest refinery to the Gulf Coast in operation.

"The thing that almost shut us down is the pipeline that delivers our raw crude oil shut down," Swaine said. "We almost ran out of crude. We came within 24 hours."

#### There are those who thrive amid Zimbabwe's economic woes

HARARE, Tuesday - For Zimbabweans saddled with the world's highest rate of inflation, the adage 'necessity is a mother of all inventions' strikes a familiar tune.

For outsiders it is mind boggling how Zimbabweans survive with inflation topping 13 million per cent, an unemployment rate of more than 80 per cent and average wages of less than US10 a month.

Yet on the pot holed streets of the major cities you see the latest top of the range vehicles and shelves at supermarkets in the poorest locations filled with imported food stuffs.

# Zimbabwe Crisis Reports: Tobacco Farms in Ruins

Hinde said that the crop shortage was also down to a lack of government support and continued power cuts.

"The government hasn't delivered the fertiliser and fuel it promised and electricity outages are hampering planting efforts. As a result, most of the tobacco farmers have planted late and you can't plant tobacco after September 1 here, the yields will be hopeless," he said.

## Australia: Shortfall in power could be overstated

THE shortfall in power generation capacity raised by the State Government as the reason for cutting other capital works spending may be exaggerated - a number of power stations are on the drawing board even though the privatisation of state-owned electricity generators will not proceed.

## The great honey drought

In 26 years of beekeeping, Ged Marshall has never seen anything as bad as the 2008 honey harvest. A miserable summer that has confined his bees to their hives following a winter bedevilled by deadly viruses means that production this year will be barely a third of its usual level of around five tonnes of honey.

Unfortunately for the nation's honey lovers and apiarists, Mr Marshall's experience is far from unique. According to the British Beekeepers' Association (BBKA), up to a third of Britain's 240,000 hives failed to survive last winter and spring due to disease and poor weather. The result is a drop of more than 50 per cent in honey production across the country.

## Natural gas supply talks fall through between Iran, UAE

Iran and Crescent Petroleum Co., a United Arab Emirates-based oil and gas explorer, failed to reach an agreement to supply gas to the U.A.E. because they couldn't agree on a price, state-run Shana reported.

# From a 'halo' car to an expensive folly

Once synonymous with power and brawn, the high-performance Dodge Viper was launched 16 years ago to show off Chrysler's engineering prowess. These days, in the era of \$4-a-gallon gasoline, the Viper is more akin to an expensive folly, and it looks set to become the latest victim of a new era of austerity at Chrysler.

Leadership for a Comprehensive Energy Roadmap: The First 100 Days - (Shirley Ann Jackson, President of Rensselaer Polytechnic Institute)

International energy markets, trading schemes, and re-alignment of nations are emerging because energy consumption is rising exponentially — driven by population growth, swiftly developing economies, improving global living standards, and the burgeoning use of ever more energy-dependent technologies. It is not difficult to cite jaw-dropping illustrations of growth in energy consumption: e.g., each year, for the past few years, China has added 60,000 to 90,000 megawatts of electrical generating

capacity — roughly the equivalent of the throughput of the entire electrical grid of England.

Consumption of nearly every major energy source is up markedly. If current trends continue, humans will use more energy, over the next 50 years, than in all of previously recorded history. Fossil-based energy sources, including coal, will remain a dominant part of the primary energy mix. In fact, because of demand, the market clearing price of coal, heretofore always plentiful and reliable, has doubled over the last year. We may only speculate on the effect of this growth in demand on the state of our planet's environmental health.

# Mexico to Raise Gasoline Price to Market Rate by 2010

(Bloomberg) -- Mexico will increase the price of gasoline sold by state-owned oil company Petroleos Mexicanos on a weekly basis until it reaches average international market rates in 2010, Finance Minister Agustin Carstens said.

Gasoline prices in Mexico will catch up with average market rates as the government gradually eliminates its subsidy, Carstens said in an interview on Televisa television today.

## Just how scary is Russia?

From Georgia to boardrooms, Russia is flexing its well-oiled muscles. The rest of the world is justifiably worried.

# Why does the Bush administration persist on provoking Russia?

America has two core parties, which are the only players with a real chance of winning the election (due to mass-media coverage of debates, etc). Both John McCain and Barack Obama are members of the think-tank the Counsel on Foreign Relations (founded by David Rockefeller, and Dick Cheney used to be its director), which are composed of the most influential of policy makers, determined for Socialist-styled globalism (world government), and have been influencing presidential administrations for decades.

There are many people in America opposed to this system and what it stands for, yet they are marginalized and silenced, and the debate that remains between the two candidates will be meaningless as they both ultimately stand for the same things: conflict, increased immigration/amnesty and increased government spending on an already broke budget- this was the essence of the protests. Not to mention the lack of will to do anything about the crimes of this present administration.

### Tech's looming battle against rising energy costs

According to the U.S. Department of Energy, the price of energy will continue to rise over the next 25 years, as global demand is poised to grow by 57 percent while the energy supply dwindles. As a result, businesses will find their profits reduced due to higher operating costs -- unless they do something about that energy usage.

#### Metal thieves steal radio tower

WINDBER, Pa. -- Police in Somerset County are trying to figure out how a radio tower went missing in Windber. Police say a group of people had a very thorough plan to get all 120 feet of steel and copper down from the old Windber radio tower.

Police believe the thieves threw cables over the guidelines of the tower and yanked it down with a truck. Police also found cut bolts and torch marks on nearby grass. Police say the tower had to be cut into small pieces in order to get it out of the wooded area, but they can't figure out how they did it without anybody noticing.

...The thieves also got away with a 300-pound Penelec transformer full of copper.

The radio tower hasn't been used for years, but the family who owns it was in talks with a company to use the tower to bring wireless Internet to Windber.

#### Armenia Shuts Down Nuclear Plant For Renovation

Armenia relies on the Soviet-built Metsamor plant, 30 kilometers (18 miles) west of the capital Yerevan, for 40 percent of its electricity needs. The European Union has pleaded with Armenia to close the ageing plant, which is in an area prone to earthquakes, and in 2004 offered to provide 100 million euros (\$148 million) in compensatory aid.

But Armenian officials say their landlocked and resource-poor country cannot afford to do without the plant, which also provides electricity for export to neighboring Iran.

### Mexico Investors Hurt as Calderon Fails to Loosen Grip on Oil

(Bloomberg) -- Mexican President Felipe Calderon has taken his plans to loosen the government's grip on Petroleos Mexicanos about as far as he can. It isn't very far.

### US Congress presses for energy votes by October

Acknowledging that they have less than 3 weeks before the next recess, congressional leaders on both sides of the Capitol said they will bring energy bills up for votes soon.

The atmosphere was stormier in the House, where Speaker Nancy Pelosi (D-Calif.) and Minority Leader John Boehner (R-Ohio) still seemed far apart on their ideas for a comprehensive bill, than in the Senate, where Majority Leader Harry M. Reid (D-Nev.) mentioned three bills he plans to bring to the floor next week and Minority Leader Mitch McConnell (R-Ky.) called for extensions of renewable energy tax credits and for expansions of Outer Continental Shelf leasing.

### New York: Treadwell calls for home heat rebate, tax credit, and full LIHEAP funding

"The federal government must step and increase home energy assistance now to help individuals and families who will be facing severe hardships this winter," Treadwell said. "Government has a duty to respond to people's needs in a time of crisis, and with rising fuel prices, we know that families need assistance this year to heat their homes."

# Drill, Baby, Drill-If It Makes Economic Sense, That Is

So far, the Congressional "debate" over offshore drilling has been a lot of political sloganeering, from Republican cries of "Drill, Baby, Drill," to blanket condemnations by many Democrats of any drilling proposals.

Lost in the shuffle, though, is the bottom-line impact of more offshore drilling. As Common Tragedies pointed out a while back, the "dirty little secret" of offshore drilling is that it would probably mean economic benefits for all Americans, even if it wouldn't solve all of America's energy woes. So the question becomes, how valuable are pristine beaches when oil and gasoline are much more expensive than a year ago? In other words, what are the real costs and benefits of opening up America's coast to more oil exploration?

### Lyrics: Country Star Aaron Tippin New Single 'Drill Here, Drill Now'

Country Star Aaron Tippin debuted his new single called 'Drill Here, Drill Now' on the Sean Hannity show today. Inspired by the American Solutin's movement, Aaron Tippin song 'Drill Here, Drill Now' is based off of the petition drive to get congress to approve of drilling for oil in America.

With over 1.5 million signatures on the 'Drill Here, Drill Now, Pay Less' petition, American's are making quite the effort to get more oil to American people. Aaron Tippin explains the reason he made the single was because he, like all Americans, are tired of paying \$4 a gallon for gas at gas stations. Tippin feels this is the correct action for Americans to solve the oil/energy crisis in America.

HONOLULU (AP) \_ Hawaii Congresswoman Mazie Hirono has joined small business owners looking for science-based solutions to the energy crisis.

The businesses are petitioning Congress to enact solutions to reduce the country's dependence on oil, solve the climate crisis, create jobs and leave the environment clean.

# IEA cuts oil demand growth forecasts

LONDON - World oil demand will grow by less than expected this year and next due to high prices and weaker economic conditions, the International Energy Agency said on Wednesday.

In its September Oil Market Report, the agency lowered its 2008 world oil demand growth forecast by 100,000 barrels per day (bpd) to 690,000 bpd and also trimmed its forecast for 2009 global demand growth by 40,000 bpd to 890,000 bpd.

'High prices are having an impact on demand,' said David Fyfe of the IEA. 'The OECD (countries) are feeling the impact.'

The IEA, adviser to 27 industrialised nations on energy policy, noted anecdotal evidence of a more permanent downward trend in demand in the United States, the world's biggest energy consumer.

These included a marked shift to more efficient vehicles, changing mobility and driving habits, signs that suburban living was gradually losing its appeal, the agency said.

#### OPEC agrees to surprise output cut, oil price rises

VIENNA, Austria - OPEC oil ministers agreed Wednesday to trim overall output by more than 500,000 barrels a day in a compromise meant to avoid new turmoil in crude markets while seeking to bolster falling prices.

The news sent oil prices rising. Light, sweet crude for October delivery rose 97 cents to \$104.23 a barrel in electronic trading on the New York Mercantile Exchange.

The OPEC announcement reflected the organization's efforts to cover all bases in an oil market that saw prices spike to a record high just short of \$150 a barrel in July, only to shed nearly 30 percent off those peaks in subsequent months.

# Anxiety about staying warm this winter spreads

HARRISBURG, Pa. - Homeowners already pinched by high food and gas prices have grown increasingly anxious about staying warm this winter.

At state assistance offices and at community organizations, phones are ringing off the hook as people seek help with what are expected to be punishing heating bills. Legislators and governors from Alaska to Maine are watching the gap between surging need in their states, and assistance that may or may not be coming from Washington.

#### To win the presidential race, it takes energy

Record-high prices for gasoline, heating and electricity and growing concern about global warming have pushed energy issues to the forefront of the 2008 presidential campaign.

Not since the gas lines of the 1970s has energy loomed so large as it does in the race between Republican John McCain and Democrat Barack Obama, says Kenneth Medlock, an energy expert at Rice University. And it's an issue that is unlikely to fade between now and November.

# Separatists in Russia see hope in South Ossetia and Abkhazia

MOSCOW: Tatarstan is a long way from South Ossetia. Where South Ossetia is a poor border region of Georgia battered by war, Tatarstan is an economic powerhouse in the heart of Russia, boasting both oil reserves and the political stability that is catnip to investors.

But the two places have one thing in common: Since the collapse of the Soviet Union, both have given rise to separatist movements. And when President Dmitri Medvedev of Russia formally recognized the breakaway areas of South Ossetia and Abkhazia as independent nations two weeks ago, activists in Kazan, the Tatar capital, took notice.

## Russia: Chubais Predicts Energy Crisis in 2010

Anatoly Chubais, former head of RAO UES of Russia, is predicting an energy crisis in Russia at the beginning of 2010 if the rate of gas production in the country stagnates. He talked about this at the unveiling of his book Economic Notes, co-authored with Egor Gaidar.

There have been two cold winters in Russia out of the last seven, Chubais notes, and another one can be expected in 2010. Fuel oil reserves will be insufficient by that time, which could lead to a shortage of 7 billion kilowatt-hours of electricity. Electricity and heat can be generated, Chubais reasons, but technical limitations, such as the capacity of electricity generating stations and transportation complexities for fuel oil, hinder it.

Chubais suggests that the energy crisis of 2010 may be "substantial" and require evacuations from a number of cities.

### Kyrgyzstan: Current energy crisis caused by oversized electricity export, Premier said

"The current energy crisis is caused by oversized energy export," the Prime Minister Igor Chudinov said at the meeting with the Ak Jol People's Party fraction in the Parliament today.

"It has started in 2004 when we drained 2bln cubic meters of water to provide electricity supply to Russia," Chudinov said.

#### Saudi Oil Policy Unchanged By OPEC Decision, Official Says

Bloomberg) -- Saudi Arabia is not planning to reduce its oil production even as OPEC urged members to lower output and return to their official targets, a Saudi oil official said today.

There is no change in its oil policy and Saudi Arabia will supply whatever customers demand, an oil official of the country said today.

#### OPEC-Russia link will not affect consumers - Badri

VIENNA (Reuters) - Closer energy dialogue between OPEC and Russia should not affect energy consuming nations, OPEC Secretary-General Abdullah al-Badri told reporters on Wednesday.

Russia regularly attends OPEC meetings as an observer and was represented at Wednesday's meeting by Deputy Prime Minister Igor Sechin, who said he wanted to broaden cooperation with the producer group.

## Indonesia to increase oil production next year

JAKARTA, Sept. 10 (Xinhua) -- The Indonesian government and House of Representatives have agreed to raise the country's oil production level to around 960,000 barrels per day, according to local media on Wednesday.

"The projected production level would be met by applying an exploration and refinery method that were more effective," the national Antara news agency quoted Indonesian lawmaker Harry AzharAziz as saying.

"The method is meant to minimize the declining rate," he added.

There frequently wasn't much to any of these stories, but unfortunately journalists can't just write "oil went up today for no particular reason", so they always find some reason for prices moving to stick in their market reports.

Yet in the last few months, we've seen some really quite worrying developments, both in geopolitics and in the weather.

# The Agriculture Bomb

Our farm harvest is highly energy dependent. Food in the U.S. travels an average 1,500 miles to end up on your dinner plate. Nitrogen fertilizers are made from natural gas, insecticides are oil-based, tractors run on diesel, and plastic packaging comes from oil. Add in refrigeration and it may take as much as 1,000 calories of oil-energy to produce a calorie of food today, according to some estimates. In 1944, it took just one calorie of oil-fuel to make 2,300 calories of food (horses were still used on many farm fields back then, and they provided fertilizer, too).

So why not go back to horses? Because today's farmer riding a combine can do in hours what it would take days to do with a horse. Before the mechanical revolution in farming, about one-third of the U.S. population worked on farms, and it wasn't because they liked the fresh air. It was the only way to get things done and get enough food to feed everybody. If the energy crisis worsens — and I think it will — we'll face some hard choices.

#### Ex-Treasury chiefs see economy, energy as top issues

Two former U.S. Treasury secretaries agree that the next president will face extraordinarily complex issues, chief among them the struggling economy and America's ongoing energy crisis.

# Long Beach aims to boost output from Wilmington oil field

SACRAMENTO -- Long Beach isn't waiting for Congress and the presidential candidates to do something about reducing America's dependence on imported foreign oil.

On the last day of the regular 2008 legislative session, Mayor Bob Foster got a bill passed by the Legislature to allow the state and the city to negotiate a contract with Occidental Petroleum Corp. to revive part of the 76-year-old Wilmington oil field -- once thought to be nearly tapped out.

# 6.1 magnitude quake hits southern Iran

TEHRAN — A 6.1-magnitude earthquake struck southern Iran on Wednesday near Bandar Abbas, site of a major Iranian oil refinery, the U.S. Geological Service said.

# Norwegian gas pipe likely shut all winter -Statoil

LONDON (Reuters) - The leaking gas pipeline between Norway's Kvitebjoern platform and a processor at Kollsnes is not now expected to be repaired before next spring although quicker repair options are being looked at, an executive from field operator StatoilHydro said on Wednesday.

The company discovered a leak on the gas pipeline and closed it in August. It has been looking for ways to get it fixed and back into service for winter since then. But those efforts have not so far allowed Statoil to bring forward the repair work.

#### Pakistan - Power tariff hike to shoot cost of production: FPCCI Chief

LAHORE (APP)- Federation of Pakistan Chamber of Commerce and Industry (FPCCI), Wednesday said that hike in power tariff would cause increase in cost of production that would eventually lead to cut in export orders and badly hamper industrial production in the country.

# Four-day school week an option

For school districts looking to save fuel costs, the four-day school week has become an option. As far back as 2003, more than 108 districts across the country held classes only four days a week, according to the National School Boards Association.

These districts are mostly in rural areas, but are spread throughout the country, including Arizona, Colorado, Kansas, Louisiana, New Mexico, Oregon, South Dakota, Wisconsin and Wyoming.

The concept dates back to at least the 1970s, when fuel prices spiked during that decade's energy crisis.

# Production photos of Chevy Volt show big changes from concept car

The production version of the Chevrolet Volt electric car is a small four-door sedan that bears no resemblance to the low, sleek, two-door sports coupe that Chevy exhibited on the 2007 auto-show circuit to drum up interest in the vehicle and boost General Motors' image as leaning green.

Official GM photos of the car were posted accidentally by Wieck Media, a clearinghouse

for automakers' pictures, for just 12 minutes Monday. But that was long enough for them to be downloaded and published by thecarconnection.com and other online sites. The pictures were quickly "put back in the vault" as soon as GM noticed, according to Chevy spokesman Terry Rhadigan.

#### Cars converted to the future

The cluttered Advanced Vehicle Research Center garage, tucked in an office park, can accommodate two Toyota Priuses. Lately, the bay stays full. Demand keeps the cars rolling in for a makeover some say will become standard as the car industry weans itself off gasoline. In less than four hours, the mechanics at the garage can outfit a Prius with a second battery pack. It emerges as a hybrid that can plug into a wall outlet to recharge like a cell phone.

The result: A car that breaks a once-unimaginable fuel efficiency barrier and delivers 100 miles per gallon. The spare battery costs less than 75 cents to charge and gives the plug-in Prius about a 35-mile range solely on electric power, making gasoline optional on short commutes. Retrofitting Priuses has become a full-time occupation for the Advanced Vehicle Research Center.

# State grants \$4 million for ethanol plant

MADISON - Abengoa Bioenergy's \$275 million ethanol plant is under way, with a little help from the state of Illinois in the form of a \$4 million grant.

# Britain pledges aid for Bangladesh at London conference

LONDON (AFP) - Britain pledged 75 million pounds Wednesday to help Bangladesh fight the effects of climate change, as the impoverished flood and cyclone ravaged Asian nation highlighted the need for billions of dollars.

Joining forces at a conference in London, Bangladesh and Britain called on nations to thrash out a new global warming agreement in Copenhagen next year to achieve a comprehensive deal to prevent rapid climate change.

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