



DrumBeat: September 13, 2008

Posted by [Leanan](#) on September 13, 2008 - 10:05am

Topic: [Miscellaneous](#)

[OPEC cut decision proving ineffective - Khelil](#)

ALGIERS (Reuters) - OPEC's decision to cut output is proving ineffective against speculators, its president Chakib Khelil said on Saturday, adding its next gathering in December would hopefully take more "practical" steps.

"The current situation of the oil market is caused by speculators' practices," Algeria's official APS news agency quoted him as saying. "OPEC's decision to reduce output has proved to be ineffective against those speculators."

He added: "We are not working against supply and demand, but against speculators."

"The next OPEC meeting planned for December 17, 2008 in Oran will come out with a decision that we hope will be more practical," said Khelil, also Algeria's energy and mines minister.

[Alitalia 'running out of fuel'](#)

Italy's national airline, Alitalia, may have to cancel some flights because of a lack of funds to buy fuel, a top official has warned.

Augusto Fantozzi, Alitalia's bankruptcy administrator, made the comments as he called unions to emergency talks a day after the latest session broke down.

The unions earlier quoted him as saying flights could not be "guaranteed" because we cannot "get fuel".

[Venezuela seeks to lower tone in US diplomatic spat](#)

CARACAS (Reuters) - Venezuelan President Hugo Chavez sought to lower the tone of a diplomatic spat with the United States, saying he doesn't plan to take more steps against his country's biggest oil customer.

Chavez thrust the OPEC nation into its worst diplomatic crisis with the Bush

administration in years by expelling the U.S. ambassador on Thursday, triggering a feud between Washington and Latin America's leftist leaders.

[Lula's new lucre: Brazil may keep full control of offshore oil](#)

The reserves, though hard to reach, are expected to propel Brazil up the table of oil producing nations. Tony Hayward, chief executive of BP, Europe's second biggest oil company, says the new finds are "as significant as the North Sea" - which in the 1970s was one of the new frontiers that helped pull the world out of its last big oil shock.

But the find is also set to pit one of the world's most important emerging economies against both foreign equity investors and international oil companies. Many in the leftwing government seem determined to avoid sharing the coming bonanza. The future shape of the industry may be decided by short-term political imperatives ahead of presidential elections due in 2010.

[Nigeria Militants Say They Are Holding 27 Oil Workers](#)

LONDON -(Dow Jones)- Niger Delta militants said Saturday that they are holding 27 oil workers in a camp attacked by the army and would only exchange them against their jailed leader.

[Chevron Lawyers Indicted by Ecuador in Oil-Pit Cleanup Dispute](#)

(Bloomberg) -- Two lawyers for Chevron Corp., the second-largest U.S. energy company, were indicted in Quito, Ecuador, over allegations stemming from a cleanup of oil pits that's now the subject of a multibillion dollar lawsuit.

[Transportation Energy Data Book](#)

New data in this year's edition include: transportation petroleum use by mode; ethanol consumption; number of vehicles per 1000 people in different regions of the world for 1996-2006 (China grew from 9.3 to 26.6); mpg for trucks as a function of speed; characteristics of daily driving; percent of housing units with a garage or carport; and more.

(You can get a free hard copy if you live in the U.S. Otherwise, there's a downloadable PDF.)

[Uppsala Research makes a breakthrough in China](#)

Professor Kjell Aleklett, (known for his research on the world's declining oil resources)

and his researchers at Uppsala University have been given a challenging task – they will estimate China’s future need for oil and gas.

“What our own future will be here in the West depends very much on what happens in China,” says Kjell Aleklett.

“Today China uses much less energy per capita than Europe and the rest of the Western world does. But if many of those Chinese who currently live in rural areas (which is the great majority) move to the cities then China’s energy needs will greatly increase.

“Already China imports half of the oil it uses and those imports will need to increase if energy consumption rises since China already extracts as much oil as it can from its own reserves. But more oil barrels to China means fewer to the rest of the world,” states Kjell Aleklett.

[Nigeria militants order oil workers to leave delta](#)

ABUJA (Reuters) - Nigeria's most prominent militant group on Saturday warned oil companies in the restive Niger Delta to withdraw their workers in the next 24 hours after a gunbattle with security forces.

The Movement for the Emancipation of the Niger Delta (MEND), responsible for attacks that have cut more than a fifth of the OPEC member's oil output, threatened to retaliate against oil workers after at least three people were killed in fighting between security forces and militants in Tombia in Rivers state.

[Why a windfall tax is not the answer](#)

Gordon Brown unveiled a new range of measures to help those struggling with soaring fuel bills this week – all of which were thoroughly underwhelming in the face of the enormous energy price hikes households have suffered in the past nine months.

The promise of a few extra pounds a week if we have a cold winter, along with a few extra discounts on insulation materials, will not go very far to help families already struggling with 50 per cent increases in their energy bills in 2008. It will help people to get their energy bills down for the longer term, but that is only half of the problem.

['Gas Spike Ike' shows need for fuel policies](#)

It will be interesting to see if a regional fuel shortage will have any effect on political polls. Republicans have historically been more in favor of expanding refining capability, but the states most affected by a hurricane-related shortage are already expected to go Republican in the general election.

Simply put, U.S. refinery capability must increase somehow. The counterarguments, while valid to some degree, are outweighed by the suffering and inconvenience put upon the population when disasters break out.

[Gas prices trigger a memory](#)

A rush on gas stations always brings to mind the energy crisis of the 1970s and the rationing endured by civilians during World War II.

I doubt if few or any of use would endure such restrictions today no matter how good the cause.

[Food bank struggles to keep up with demand](#)

Second Harvest is facing an unprecedented food shortage. Its August donations dipped by 40 percent as demand exploded from the 515 social services agencies that rely on it for food to distribute.

[Sodden farmers struggling with a changing climate](#)

A terribly wet summer in the UK has left farmers facing the worst harvest in 40 years and the task of adapting to new conditions.

[Weather, fuel costs, have farmers at crisis point](#)

BRULE – Erratic weather throughout 2008, not just record-setting rainfall amounts in August, have disrupted the farming cycle in all parts of the province, but particularly along the Northumberland shore. "Nobody needs to tell me there's global warming," says Harold Tattrie.

[Renewable, efficient energy touted to US lawmakers](#)

WASHINGTON (Reuters) - Energy experts urged U.S. lawmakers on Friday to focus on efficiency and renewable energy, as well as increased domestic production, as they consider legislation to address volatile fuel prices.

Speaking at a bipartisan energy summit hosted by the U.S. Senate, experts encouraged lawmakers to invest in research and technology and make tax credits for renewable energy consistent.

"An on-again, off-again production tax credit is not a way to promote stable

development of renewable energy," Daniel Yergin, chairman of Cambridge Energy Research Associates, told lawmakers.

"Uncertainty is the enemy of investment, whether for renewables and alternatives or for conventional energy."

[The Simple Solutions](#)

We have more than enough oil on our own shores within our economic and environmentally sensitive grasp to meet our daily needs and be free of foreign blackmail. Drill for it now and put it in our cars as rapidly as we can. Build more refineries to process that oil. Cut gasoline grades down to about five, no more. Build nuclear and natural gas fired power plants. Convert coal to oil. Stop subsidies for ethanol and other uneconomic idiotic solutions and let them die a rapid death before these boon doggles drive our taxes up dramatically and drive our food prices out of reach of the average family, where we end up going hungry so a radical environmentalist or a government employee can feel good about him or herself for "saving the planet". And stop this crazy idea of conserving energy. We don't need to conserve, we have all the energy we need, if we will just go get it. We need to expand our opportunities and horizons, not limit them. Limits are for losers and whiners. Of course we need to continue working on economic energy solutions to replace crude oil. And in spite of what the so-called experts tell you, we are no where near "peak" oil. But new, economic technology will come along if we just let the power of our industry and capitalism operate efficiently and without impediments and constant second-guessing from an out-of-control, heavy-handed, stupid government that screws up everything it touches.

[Worldchanging Interview: Founder of the WorldWatch Institute, Lester Brown](#)

A large share of the world's oil is used for transportation and we know that a good part of that can be substituted -- we can substitute, as I mentioned using plug-in hybrids with, we can substitute wind for example, any source of electricity, but wind, because it's clean, or -- for automotive fuel, for gasoline, or for diesel. So that takes care of a large part of our use of oil. But there's still a lot more. And the more difficult ones to substitute are construction machinery -- heavy duty construction machinery -- some farm implements, jet aircraft. They're more difficult. But what we can begin to do with, I mean jet aircraft can run on ethanol as well as jet fuel. So that's entirely do-able. The trick is to develop sources of liquid fuel that are not environmentally disruptive -- and are not socially competitive with, for -- the food supply. And that means developing cellulosic ethanol as a form of liquid fuel that can be used in the place of gasoline and biodiesel.

[Canadian Scholar Thomas Homer-Dixon Launches CIGI's 2008-09 Signature Lecture Series](#)

"In coming decades, Canada and the world face an unprecedented convergence of natural, social and economic stresses, such as worsening energy scarcity, changing

climate, rapid population growth, mass migration and widening gaps between rich and poor," says Dr. Homer-Dixon. "At some point, these stresses are likely to cause sharp, sudden shifts in world order, including breakdown of economies and political systems. This possibility is not, in itself, bad news. In times of crisis, people often show their greatest capacity to change their institutions and behaviors."

[Essential elements could face peaks of their own](#)

Heard the warnings about peak oil? If -- actually when -- petroleum production reaches a maximum level and starts to decline, soaring prices and declining supplies could cause social and economic chaos. Peak oil, once mocked as a concern for the distant future, could soon be upon us.

But what happens when we exhaust other products of the Earth? Many of the metals we get from mines are crucial for modern technology, even if we've never heard of them.

[Workers, employers welcome 4-day week](#)

Public employers are at the forefront. In Minnesota, cities from Albertville to Zimmerman, counties and schools are making the switch or considering it. Even some private businesses, although more tentatively, are embracing what they call the compressed workweek.

Higher energy costs are triggering the change, with employees saving 20 percent of their commuting gas money while building costs drop with less heating, cooling and even toilet paper used when the doors are locked on Friday.

[Secret Energy Savings of Dual Tariff Energy Bills](#)

The first thing to do is contact your electricity supplier and check if you are on a 'dual tariff', and, secondly, ask what the tariffs are. You will soon see there is likely to be a huge difference between the 'peak' and 'off-peak' charges. In other words electricity used at night-time could be as much as 60 per cent cheaper than electricity used during the day. Standard peak hours are generally from 0730hrs to 1930hrs.

[Brazil plans to build 50 more nuclear power plants](#)

RIO DE JANEIRO (Xinhua) -- Mines and Energy Minister Edison Lobao announced Friday Brazil plans to build 50 to 60 nuclear power plants in half a century, with each having capacity of 1,000 megawatts.

"The general idea is to build one plant per year," he said during a visit to the construction site of Brazil's third nuclear power plant, Angra 3.

[Obama and McCain: Silent on Climate Change](#)

Barack Obama and John McCain are ignoring the biggest news event in human history. They aren't alone. Very few media outlets are reporting the news either.

On August 31, NASA released photos showing the North Pole has become an island for the first time in the past 125,000 years. (Please read that line again, look at the NASA image, and let it penetrate.) The summer ice cap at the Arctic is melting so fast that Dr. Mark Serreze, a sea ice specialist at the National Snow and Ice Data Center in Colorado, said the Arctic may have entered a "death spiral" caused by global warming. For the first time in human history, the ice cap no longer touches neighboring continents. But the presidential campaigns are nearly silent on the unprecedented threat of global warming.

[Russia tries to raise oil production](#)

MOSCOW (AP) — Home to abundant oil reserves, Russia rarely worried about where the next barrel would come from — until now.

With analysts expecting production to fall this year for the first time in a decade, Russian companies are pushing to find new oil in remote regions such as the Arctic Shelf and East Siberia — but their efforts are hampered by crippling taxes that give the government much of the recent gains from high oil prices.

The Kremlin is now apparently considering tax cuts aimed at letting companies keep enough of the country's windfall from higher oil prices to invest in exploration — on top of cuts earlier this year that analysts and industry executives said they didn't go far enough. Russia's oil industry is calling for \$16.3 billion in further breaks from next year.

[A look at Russian oil efforts](#)

Key issues behind Russia's effort to increase oil production:

FALLING OUTPUT: Russia's wells will produce 0.5 percent less oil this year than the 491.5 million tons they did last year, analysts think, although the government is sticking with its forecast of a 1 percent increase. It would be the first decline in a decade. Older fields are producing less and companies are looking for new oil, but that's expensive.

[US, Venezuela escalate crisis](#)

CARACAS/WASHINGTON (Reuters) - The United States on Friday imposed sanctions

on Venezuelan officials it accused of helping Colombian rebels smuggle drugs, deepening a diplomatic crisis that raised the specter of an oil supply cutoff.

[Russia says it must stake claim to Arctic resources](#)

MOSCOW (Reuters) - Russia must stake its claim to a slice of the Arctic's vast resources, the secretary of Russia's Security Council said on Friday at an unprecedented session of the council held on a desolate Arctic island.

Russia, the world's second biggest oil exporter, is in a race with Canada, Denmark, Norway and the United States for control of the oil, gas and precious metals that would become more accessible if global warming shrinks the Arctic ice cap.

[Nigeria: Shell Extends Force Majeure On 200,000 Bpd](#)

The escalation of violence by militant rebels in the Niger Delta this year has repeatedly crippled oil supplies from Nigeria, which exports about 2 million barrels of oil daily.

The loss of high quality crude from the world's eighth largest oil exporter helped push oil prices to record highs above \$147 a barrel in July. Shell, the operator of Bonny Light, is the worst hit by the rebel attacks.

[Nigerian troops attack militants' positions](#)

LAGOS, Nigeria: Militants say Nigerian troops are attacking their positions in the south and they warn of reprisal raids on the country's oil industry.

Lt. Col. Sagir Musa of the military task force charged with calming the oil region has confirmed there was an armed engagement on Saturday.

[Oil shale development seems always just over horizon](#)

Want to know why oil shale isn't being commercially produced in western Colorado yet?

A former government petroleum expert offered a concise explanation: The oil companies don't really want it.

Energy companies "are not excessively interested in bringing in a new field so long as, by gradually increasing the price, they can stimulate production in the older regions," Dr. David T. Day said.

[Oil's fall to \\$100 won't change frugal energy use](#)

NEW YORK - The worst oil shock since the 1970s has put a permanent mark on the American way of life that even a drop in oil's price below \$100 a barrel won't erase.

Public transportation is in. Hummers are out. Frugality is in. Wastefulness is out.

Although oil prices dipped beneath the \$100 mark Friday for the first time in five months, it still isn't cheap and Americans have long memories. They are saddled with debt, high food costs and home prices worth far less than two years ago.

[A glut of people](#)

Paul and Anne Ehrlich explore the genetic and cultural evolution of the Earth's dominant animal, looking at what's gone wrong.

[Nuclear output could as much as double by 2030-IAEA](#)

VIENNA (Reuters) - Nuclear power production could as much as double by 2030 as countries seek relief from rising fossil fuel costs and a remedy against global warming, the International Atomic Energy Agency said on Thursday.

[USDA overestimates corn-to-ethanol use: trade group](#)

WASHINGTON (Reuters) - U.S. ethanol refiners are unlikely to use as much corn in the coming year as the government estimates due to weak margins and high corn prices, a trade group said on Friday.

U.S. ethanol refiners probably will consume 3.8 billion bushels of corn in the next 12 months to make the alternative motor fuel, compared with the Agriculture Department estimate of 4.1 billion bushels, or a third of the 2008 corn crop. The 2008/09 marketing year opened on September 1.

[Group: Global warming could cost Ohio its buckeyes](#)

It's not the best-researched global-warming theory, but it could be the most horrifying to certain fans of college football: Environmentalists said Friday that climate change might push the growing range of Ohio's iconic buckeye tree out of the state, leaving it for archrival Michigan.

[Antarctic winter ice gets bigger; Arctic shrinks](#)

OSLO (Reuters) - The amount of sea ice around Antarctica has grown in recent Septembers in what could be an unusual side-effect of global warming, experts said on Friday.

In the southern hemisphere winter, when emperor penguins huddle together against the biting cold, ice on the sea around Antarctica has been increasing since the late 1970s, perhaps because climate change means shifts in winds, sea currents or snowfall.

At the other end of the planet, Arctic sea ice is now close to matching a September 2007 record low at the tail end of the northern summer in a threat to the hunting lifestyles of indigenous peoples and creatures such as polar bears.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).