



DrumBeat: September 21, 2008

Posted by [Leanan](#) on September 21, 2008 - 10:01am

Topic: [Miscellaneous](#)

[Kurt Cobb: The last bailout](#)

I title this piece, "The Last Bailout," because if we are at peak, then financial bailouts will do little to help us. In the past when society had rising energy supplies with large energy profit ratios, these financial bailouts could avert disastrous consequences. They would allow the economy to regain its equilibrium and await the next sustained upturn. But, what if there is no next sustained upturn? If that turns out to be the case, then even if additional bailouts take place after today, they will all ultimately be lumped together into one, namely, the last bailout. And, the last bailout will of necessity fail to work as advertised.

[With skyrocketing utility bills, focus shifts to safe heating](#)

As cash-strapped Bay Staters scramble for cheap ways to heat their homes, the state fire marshal is warning that the national energy crisis could unleash a devastating wave of costly and potentially deadly fires this winter.

"I think it will be very dangerous," said state Fire Marshal Stephen D. Coan. "Historically and statistically we know that it only takes really that first cold night when those furnaces kick on, the first log is put into the fire, when the first space heater is plugged into the wall. From a fire standpoint, those are bad nights for us."

[Bomb a warning to Pakistan: End U.S. alliance](#)

"The attack on the hotel is a message to the Pakistani leadership: End all cooperation with the Americans or pay the price," said Brian Glyn Williams, associate professor of Islamic history at the University of Massachusetts. "Both sides see Pakistan as a vital battlefield in their global struggle and clearly Pakistani civilians are paying the price for being in the middle of this struggle," he told The Associated Press.

[Oil, Money and Politics on Display at Stevens Trial](#)

The government's case against Sen. Ted Stevens, scheduled to begin with jury selection

Monday in Washington D.C., could reveal details about politics in Alaska and connections between an oil company and Alaska's senior senator.

[Panic Grips Tenn. During Gas Shortage](#)

NASHVILLE -- Many Tennessee communities gripped by a gas shortage were in panic mode over the weekend, and bad news from AAA did not help to calm them.

AAA said Saturday that supplies in the state may not return to normal until late next week, but until then, they said everyone needs to deal with the crisis in a reasonable manner.

The latest updated came a day after Gov. Phil Bredesen stated that the colonial pipeline that provides much of the Nashville area's supply was at 100 percent capacity.

AAA stated that the pipeline is still experiencing interruptions because of power problems caused by Hurricane Ike. It said it does not expect normal service to be restored until next Friday.

[Bronson blames bloggers for fueling state gas frenzy](#)

Bronson said the gas shortages were due to "public panic" that he blamed in large part on unnamed bloggers fueling the frenzy.

"A lot of it was people who actually believed a blog, when they see what's coming out over the blogs and it just got worse and worse as the day went on," said Bronson. "Even though all three of us were indicating there's no shortage of fuel, it didn't make a difference."

So bloggers were able to incite the public into a petrol panic while three of Florida's four statewide elected officials could do nothing to stop them? Yipes.

[WITNESS: Speculation and sandwiches as OPEC burns night oil](#)

Barbara Lewis is deputy energy editor for Europe, Middle East and Africa for Reuters. She has worked at Reuters for eight years and has covered numerous OPEC meetings over the past decade. In the following story she describes the tensions and fervour of an 'ordinary' oil exporters' quota-setting meeting -- in Ramadan and with oil prices around \$100 a barrel.

[There's an Energy Crisis: But it's not the one you think](#)

OIL PRICES are plummeting, and the government ought to do something about it.

[Making most of hard black gold](#)

power. Coal has historically played a crucial role as a source of energy worldwide, and has several important advantages over other fossil fuels.

[Louisiana Oil and Gas Association: More drilling needed to face coming oil crunch](#)

Oil is finite, meaning it depletes. Today, the world's crude oil depletion rate according to some experts is close to 10 percent. It's important to understand that Gawhar, the largest oil field in the world in Saudi Arabia, is in a decline rate of 8 percent, and Cantarell, the second largest oilfield in the world belonging to Mexico, is in a 10 percent decline.

Let's assume the current world crude oil production is at 86 million barrels per day. Using a very conservative decline rate of 7 percent, the world would have to discover a new 6 million barrels per day next year to stay even with current world supplies.

Let's also assume world oil demand growth is 2 percent. That would add approximately another 2 million barrels per day. The world will have to discover 8 million new barrels of oil next year to meet decline and growth. That is equivalent to discovering the total production of the United States and Mexico.

[Who will lead by example on climate change?](#)

Another sober warning that we are mice preparing for our own drowning is on my desk. The more I read it, the more I laughed as to what politician would dare pay attention. We might be the mice of climate change, but the pols are the rats on a sinking planet.

The Center for Environment and Population, a consortium of university researchers and environmental advocacy groups, last week released a report on how the American lifestyle plays a direct part in climate change. Because of suburban sprawl and its obligatory lawns, malls, and roads, each American in effect takes up 20 percent more land than he or she did 20 years ago. Our world-leading use of household appliances is rising dramatically.

Then there is the nagging habit of humans wanting to live precisely where global warming will hit first. Fifty-three percent of Americans live within 50 miles of a coast, on only 17 percent of the nation's land. If we are not in pursuit of water, we head for the desert. Seven of the 10 fastest-growing cities in the United States are in arid Arizona, Nevada, or Colorado, and Nevada is our fastest-growing state.

"In response," the report said, "Americans must make strategic choices both in their individual lives and collectively as a nation - from the local community to national levels - in order to balance the increasing pressures of human activity and their climate change impacts."

This is the part that is almost a joke: Who will lead by the example of their own individual choices?

[Climate emergency: birth of a new protest movement](#)

In the room are a chemical engineer from a large mining/energy corporation, a solar energy engineer, a psychiatrist, a veterinarian, an artist and a construction worker. Also present are an ex-Labor Party activist, a Greens candidate in the 2007 election and a socialist student. Where do you find all these people, and more besides, in one room working for the one cause? At a meeting of Melbourne's Climate Emergency Network (CEN).

Australia is seeing the emergence of a new radical cause that is cutting across old political boundaries and bringing together people who would never before have crossed paths. For more than a decade, the environmental movement has been dominated by elite lobbying organisations on the one hand and dwindling groups of direct action protesters organising forest blockades on the other. Official green discussion alternated between pseudo-scientific "sceptics" saying there is nothing to worry about and safe pastel-green NGOs telling us that if we did our recycling (and made a donation) we had nothing to worry about.

[Peak Oil and Nuclear Power](#)

Which is most technically feasible to scale? Coal? Carbon emissions...cap and trade...coal cleanup costs...coal is an unlikely source of electricity to nearly triple. And, coal has important uses in the manufacture of metals and metal products.

Renewables? If only! But scaling up by a factor of 13 is a formidable challenge. Not in the next twenty years. Not even in the next 50 years.

Nuclear? The USA has 104 operating nuclear power plants. Scaling up by a factor of six would require 624 plants, or 520 new ones to replace crude oil totally. They cost about \$4-5 billion each. For this, we would pay \$2.34 trillion. We import 10 million barrels of crude every day. We send out of the USA \$438 billion annually for purchased crude oil.

We'd pay off the nukes in five years and four months, and then we are ahead more than \$1,430 per year for every citizen in America.

[Fuel economy drive seen powering turbo boom](#)

DETROIT (Reuters) - Underpowered and unprofitable, a generation of small cars from Detroit has sputtered in the marketplace.

"Among other pejorative terms, dealers have sometimes referred to subcompacts as

beer cans -- meaning it's a bunch of metal and not much more," veteran auto investor and executive Jerry York told the Reuters Autos Summit in Detroit this week.

But as General Motors and Ford work to roll out revamped, fuel-efficient cars starting in 2010, they also are trying to strike a balance between the need for economy and the American craving for horsepower.

[No quick resolution to food versus fuel debate](#)

ST. LOUIS (Reuters) - The government mandate for a much more aggressive U.S. policy to produce crop-based fuels is less than a year old but it has spurred one of the biggest battles within the agricultural industry in decades.

[EU biofuel panic threatens planet - Brazil envoy](#)

BRUSSELS (Reuters) - Europe's heated debate over biofuels risks weakening one of the world's best tools to fight climate change and one of the developing world's best hopes for economic growth, Brazil's ambassador to the EU said on Friday. "What I fear is the debate over biofuels has taken on a very emotional character and we have somewhere got lost in this emotion," said Maria Celina de Azevedo Rodrigues.

"Once, biofuels were seen as the salvation, and all of a sudden they are the devil."

[Beaverton boy lauded for solar cell invention](#) (updated)

"In his project, 'A Highly-Efficient 3-Dimensional Nanotube Solar Cell for Visible and UV Light,' William invented a novel solar panel that enables light absorption from visible to ultraviolet light. He designed carbon nanotubes to overcome the barriers of electron movement, doubling the light-electricity conversion efficiency. William also developed a model for solar towers and a computer program to simulate and optimize the tower parameters. His optimized design provides 500 times more light absorption than commercially-available solar cells and nine times more than the cutting-edge, three dimensional solar cell."

[How do we become less auto dependent?](#)

With a peak oil conference in Sacramento this week and the 100th anniversary of the first mass-market automobile coming up, it's a perfect time to re-visit our relationship with that most ubiquitous icon of the American (and California) Dream: The Car.

...These days it's pretty well accepted that we can't all drive everywhere. California was home to some of the earliest suburban sprawl, so its metropolitan areas experienced early on what happens when everyone tries to drive everywhere: unending congestion

(despite more and bigger highways), more sprawl and overall greater dependence on oil.

For years we've tried to limit sprawl and promote transit, bicycling and walking – first in the name of conservation and quality of life, more recently to fight global warming. Today peak oil (the looming high point of global oil production) and the end of cheap oil make it more urgent than ever to reduce our dependence on cars.

There's a problem, though. We're stuck with the landscape we've built over the past 60 years, much of which is literally uninhabitable without a car. Trying to make our communities less car-dependent simply by adding more buses, streetcars and light rail is like trying to make a bowl of chicken soup vegan simply by picking the chicken out. It's just not that simple: like the chicken broth in my chicken soup, car dependence is an inherent property of nearly every city, town and suburb in this country and especially so in car-loving California.

[My View: For security, a West Coast oil reserve](#)

Energy security is an essential component of California's economic stability. International conflicts, whether expressed through terrorism, insurgency or organized crime, threaten the supply of oil necessary for fueling our regional economy. The federal government should take action to mitigate the impact of disruptions to California's oil imports. It should expand the Strategic Petroleum Reserve to create a West Coast stockpile.

[Saudi needs oil above \\$49 to avoid deficit; Qatar break-even \\$24: IMF](#)

DUBAI: Saudi Arabia, the world's largest oil exporter, will need crude prices to remain above \$49 a barrel to avoid a fiscal deficit, a senior International Monetary Fund official has said.

"If it goes below that level we would start seeing a fiscal account deficit," Mohsin Khan, director of Middle East and central Asia at the IMF, told Dow Jones Newswires.

[Oman facing major gas shortage](#)

Even with the start of delayed gas imports to Oman in November, the sultanate is still short of gas supplies to meet rapidly growing demand, an Omani newspaper reported the oil minister as saying on Sunday.

[Aramco-Dow petchem plant 'faces delays'](#)

Saudi Aramco and US firm Dow Chemicals' giant Ras Tanura petrochemical faces delays as the sheer size of the project complicates design, a report said.

[Group declares ceasefire in Nigeria's south](#)

LAGOS, Nigeria - Nigeria's main militant group declared a ceasefire in the southern oil region on Sunday, ending the worst spate of militant attacks in years to hit Africa's oil giant.

The Movement for the Emancipation of the Niger Delta said it was ceasing hostilities immediately after appeals from elders and politicians in the restive southern region.

The group said in an emailed statement that it would launch another spate of reprisal attacks in the event of another military raid on one of the group's base camps.

[FACTBOX - Nigerian militant campaign hits oil production](#)

(Reuters) - Militants in Nigeria's oil-producing Niger Delta began a unilateral ceasefire on Sunday after a week of the most intense attacks for years on the oil industry in Africa's top producer.

Following are details on the facilities the main militant Movement for the Emancipation of the Niger Delta (MEND) claims to have attacked over the past week and what the operators have said.

[How and Why the Republicans Will Win and a Police State Established](#)

Matthew Simmons predicts by 2015 the world will, in the BEST case scenario, be pumping no more than 65 million barrels per day of crude. Since this is The Young Turkes I will just say Matthew Simmons is arguably the most deeply knowledgeable single person in the world on the actual state of the worlds oil fields, what their future production curves will be, the fields coming on line and the state of new and expected discoveries. Matthew Simmons is the founder and chairman of the worlds most successful energy investment bank (really REALLY smart) and has been intensively studying oil depletion and peak oil in particular for the last 8 years.

By 2012, the last year of the next administrations term, the world's oil market will be several million barrels a day short of demand and that shortage accelerating over time. Keeping in mind the oil exporting nations, with rivers of wealth pouring into their economies (while the oil lasts) will be using ever more of their own production, which will decrease the oil available on the world market for the net importers much faster than the decrease in the total production figures.

[Oil Rich Venezuela and Brazil Get Ready for War. But Against Who?](#)

In recent years President Hugo Chávez has become Washington's ultimate Latin American nemesis, with the Venezuelan leader striving to bedevil the U.S. at every possible opportunity. While his rhetoric and flamboyant attitude might otherwise go unnoticed, Venezuela is an oil rich country and Chávez has used his "petro-dollars" to upgrade his nation's military, mostly through the purchase of Russian-weaponry, and has implemented a foreign policy that is breathtaking in its sweep and novelty.

[Gas station owners just trying to survive](#)

In response to talk about price-gouging by oil companies, I want to say a couple of things from a gasoline retailer's point of view.

First, it should be pointed out the fuel that was already available here and bought at lower prices was streetpriced based on the reasonable expectation of a continuing supply. When it became clear Hurricane Ike was going to hit the Texas coast and the refineries were shutting down and no more continuing supply would be available, the value of those existing gallons significantly increased. Supply and demand.

Hurricane Gustav already had pinched the supply line, and with the refineries not producing, the pipeline not pumping, and the fact it would take seven to 10 days at best to get it all back up and running, we were looking at a limited supply of fuel. That, in turn, caused prices to rise, especially in light of the "panic" buying going on Friday, Sept. 12, the day the storm hit.

[The end of the Canadian environmental movement?](#)

So today the enviros have the election they have been waiting for, they have the platform they have been lobbying for and they have a leader who believes in it to his core.

And yet, from the enviros, silence. It hurts ones ears to listen to the silence that has emanated from the environmental groups since the Green Shift was released, never mind during this campaign.

[Permafrost May Not Thaw Even During Global Warming](#)

One of the potential consequences of a warmer world, according to scientists who study such things, is the deep thawing of the permafrost. Thawing could release huge quantities of carbon into the atmosphere, as vegetation, bones and other organic material, long locked up in the deep freezer that is the permafrost, decompose.

But a study published in Science suggests that the impact of warming on the permafrost may not be as bad as forecast. The evidence comes in the form of a wedge of ancient ice found at an old mining site in the Yukon in Canada.

[Northeast states start carbon dioxide auction for future sustainability](#)

The Regional Greenhouse Gas Initiative gets real on Thursday, when its first industry auction of carbon dioxide allowances will take place. It's the first mandatory carbon regulatory venture in the United States, and so of keen interest globally as well.



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