



DrumBeat: September 24, 2008

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Topic: [Miscellaneous](#)

[The Approaching World Oil Supply Crisis](#)

A world oil supply crisis is looming in the near future, according to a growing number of energy analysts. This summer, Christophe de Margarie, CEO of the French oil company Total (one of the world's top 10 oil companies), said it will be difficult to raise world oil production above 95 million barrels per day by 2020.

This is the first time a top executive of a major oil company has stated a maximum world oil-production level this low. But it is consistent with maximum world oil-production estimates provided by prominent peak oil forecasters such as Chris Skrebowski, editor of London's Petroleum Review, and Colin Campbell, founder of the Association for the Study of Peak Oil.

[Socar calls force majeure as Azeri oil output drops](#)

BAKU (Reuters) - A further drop in Azeri oil production following a gas leak last week has prompted state oil firm Socar to declare force majeure on some shipments, a Socar source said on Wednesday.

The source at Socar said the country's Azeri-Chirag-Guneshli (ACG) fields in the Caspian Sea were currently producing 300,000 barrels per day (bpd), or a third of their usual 900,000 bpd.

[ConocoPhillips, EnCana start huge refinery expansion](#)

ConocoPhillips, the second-largest U.S. oil refiner, and Calgary-based EnCana Corp. began construction this week on a \$3.6 billion Illinois refinery expansion to boost Canadian heavy-oil processing.

[Nigerian oil output around 2 mln bpd - minister](#)

ABUJA (Reuters) - Nigerian Oil Minister Odein Ajumogobia said recent militant attacks

on oil facilities had not significantly hit output and that the country was currently producing around 2 million barrels per day.

[U.S. navy tanker under apparent pirate attack off Somalia](#)

LONDON (Reuters) - The U.S. Navy said on Wednesday it appeared pirates had tried to attack one of its big military oil tankers.

A security team aboard the vessel opened fire on two small boats near Somalia after they ignored warnings and pursued the ship, a U.S. Fifth Fleet spokesman said.

[Firm says it suspects collusion in SKorea oil spill case](#)

SEOUL (AFP) - An international ship management company said Wednesday it suspects South Korean officials are colluding to blame a Hong Kong tanker crew for Korea's worst oil spill despite an earlier acquittal.

[Polar war could break out in 12 years over scramble for oil and gas, British think tank warns](#)

A Polar war could break out in the Arctic within 12 years, a respected British think tank has warned.

At its heart will be a mad rush for the black gold bonanza of oil and natural gas locked beneath the frozen waters.

Melting ice caused by global warming and high energy costs suddenly make the fabulous wealth of Arctic energy resources more accessible and very attractive.

Five nations – Russia, the US, Canada, Denmark and Norway– are claiming large tracts of the Arctic as their own, said the authoritative Jane's International Defence Review.

[Farming interns sow their sustainable oats](#)

One thing that drew me to Howell was the idea that lessons in historic farming might provide unique insight on important modern issues: global warming and peak oil, the safety and quality of our food, and the movement toward sustainability and self-sufficiency. Essentially, I wanted to travel back in time and see for myself if the good old days were as good as advertised and perhaps worth returning to.

[Obama declares support for 'clean' coal](#)

Barack Obama's campaign yesterday rushed to proclaim his support for "clean coal" technology after remarks by running mate Joe Biden cast doubts on Democratic friendliness to the coal industry.

In a videotaped exchange with an environmental campaigner in Ohio, Biden allowed Republicans to change the subject from the financial gloom that has put John McCain on the defensive this week.

Asked why he and Obama backed the expensive prospect of capturing and storing carbon dioxide emitted from coal-fired power plants, Biden told the campaigner: "We're not supporting clean coal ... No coal plants here in America."

Biden's comments contradict Obama's public promotion of "clean coal" as well as a more controversial scheme to turn coal into liquid fuel.

[Costs of Climate Change, State-by-State: \\$Billions](#)

Climate change will carry a price tag of billions of dollars for a number of U.S. states, says a new series of reports from the University of Maryland's Center for Integrative Environmental Research (CIER). The researchers conclude that the costs have already begun to accrue and are likely to endure.

Combining existing data with new analysis, the eight studies project the long term economic impact of climate change on Colorado, Georgia, Kansas, Illinois, Michigan, Nevada, New Jersey and Ohio. Studies on additional states are in the works.

[New studies find global warming will have significant economic impacts on Florida coasts](#)

Fort Lauderdale, Fla. -- Leading Florida-based scientific researchers released two new studies today, including a Florida State University report finding that climate change will cause significant impacts on Florida's coastlines and economy due to increased sea level rise. A second study by researchers at Florida Atlantic University recommends that the state of Florida adopt a series of policy programs aimed at adapting to these large coastal and other impacts as a result of climate change. Key findings of the FAU report were included just this week by Florida Gov. Charlie Crist's Climate and Energy Action Team when it adopted the "Adaptation" section of its final report.

[British public 'unwilling' to pay for climate change costs](#)

Public confusion over the environmental agenda appears to be as high as ever, with a majority in the UK calling for more action to tackle climate change while at the same time saying they are not willing to pay more to help.

[It needn't cost the earth](#)

At the moment it's too difficult to live the green life. Obstacles should be removed and green choices made cheaper and easier.

[Costa Rica Electricity Rates Could Increase 30-80 Percent](#)

Even though Costa Ricans are already feeling the pressure of rising costs of fuel, food, and other goods, last week, the government-run Costa Rican Electricity Institute (ICE) announced plans to increase electricity costs by an astonishing 30-80 percent. ICE cites rising gasoline prices as culprit for the increase, since the institute uses crude oil to produce energy for consumption.

[IOC to speed up work on oil pipeline to Nepal](#)

New Delhi: An Indian Oil Corp. Ltd (IOC) pipeline project, which is expected to reduce oil transportation cost to Nepal by as much as 60%, has gained momentum with the visit of Pushpa Kamal Dahal, the Himalayan nation's prime minister, to India last week.

[Greece: Strikes cause gas shortage](#)

Some gas stations began running out of fuel yesterday as drivers rushed to fill up their tanks due to fears that rolling 48-hour strikes by customs officers will lead to the country running dry.

[5 Myths About Wind Energy](#)

The United States now has nearly 17,000 megawatts of wind power installed, which can supply about 1.2 percent of the nation's demand for electricity, according to a recent report from the Department of Energy (DOE).

With these numbers projected to grow in the coming years, it might be good to be aware of a few myths that are blowing in the wind.

[Wind Farm Site Considered 10 Miles From Queens Shore](#)

Has the economic or political climate changed for wind power on Long Island? The Long Island Power Authority hopes so.

A year after the authority withdrew its proposal to build an \$800 million offshore wind farm near Jones Beach, it said Tuesday that it would look into building a potentially larger wind farm 10 miles off the south shore of Queens.

[Mexican Petroleum Reports Gasoline Imports Rise](#)

During the first eight months of this year Mexican Petroleum (Pemex) spent 10.538 billion dollars to purchase gasoline abroad, an amount practically equivalent to what it spent in the entire 2007 for the same purpose, that is, 10.676 billion dollars.

The cost of importing automotive fuel combined negatively with the continuous drop in crude oil production mainly as a result of the declining main oil field known as Cantarell, whose volume last August was below 1 million barrels per day, for the first time since 1995.

[Pickens: Foreign Oil Soon Will Be 'Abhorrent'](#)

T. Boone Pickens has a plan to end foreign energy dependence, but for him, it's not a question of whether the United States will listen to him. It's simply a question of when.

Current levels of foreign energy dependence are unsustainable for America and present both economic and security risks, Pickens told a Gaston Hall audience Sept. 21. Pickens came to Georgetown to present his eponymous plan for using alternative energies, chiefly natural gas and wind power, in lieu of foreign oil. The U.S. already is in an energy crisis, he said, and refusal to focus on alternative energies cannot continue.

"The way I see this unfolding is that we'll do what I said we should do," Pickens said with characteristic bluntness. "But when? ... This has to be done."

[Sen. George V. Voinovich: Ohioans tell of hardships caused by high gas prices](#)

I heard from parents who have had to slash their family budgets; from seniors who are struggling to cover health care costs; and from small business owners who are really feeling the pinch and not sure how to make ends meet and keep their companies afloat.

An elderly woman from Defiance shared her struggle to pay for groceries, medications and health costs -- and she's especially worried about her home heating bills this winter. She said the high prices of gas have really affected the local Meals on Wheels program because volunteers are being forced to spend even more money to pay for gas.

[Trucker Protest Runs Out of Gas](#)

Independent truckers organizing a protest against high fuel prices hoped pain at the gas pump would drive 200 or more truckers to Washington Sept. 23. Instead, fewer than 20 truckers showed up for the rally and protest, and organizers blamed high fuel prices.

[Millions secured for energy assistance](#)

Millions of dollars have been secured to help Missouri families this winter meet high energy costs, but officials say it will not be enough.

[Compressed workweek: 4 and 10, do it again](#)

As energy bills mount, more employers around the country, including municipalities, school districts and businesses, have adopted an abbreviated schedule. Many others are weighing the option, not only to ease commuting costs for workers and help the environment, but also to save on operating expenses.

Experts, however, give the model mixed reviews.

[4-day work weeks can get job done](#)

Four-day workweeks, introduced by some Metro Detroit businesses in light of high gas prices, offer more benefits than just saving employees money on fuel.

Workers who are given the option of a shorter workweek say they have more time to spend with their families and are coming to work more refreshed after a long weekend.

Employers say worker morale is up and staffers are more productive because they know they have to squeeze five days' work into four.

[As Gas Prices Rise, Cornell University Works To Limit Consumption of Fuel](#)

Rising fuel costs — while a major concern for the general public — are not the primary motive behind many of Cornell's green initiatives designed to cut emissions and reduce fuel usage.

“It's more of an environmental issue than a monetary one,” said Director of Transportation David Lieb '89. “One of President Skorton's major policies for the University is to be at the cutting edge of green technology.”

[OPEC oil output expected to drop](#)

LONDON—OPEC's oil supply is expected to fall sharply in September because of lower output from members including Saudi Arabia and Iran, industry consultant Petrologistics said on Wednesday.

The estimate boosted oil prices and indicates that the Organization of the Petroleum Exporting Countries was starting to cut supplies even before it agreed on Sept. 10 to trim output back to official targets.

OPEC's 13 members are expected to pump 32.6 million barrels per day in September, down from a revised 33.4 million bpd in August when output was unusually high, Conrad Gerber, head of Petrologistics, told Reuters.

"Things have come back to normal," Gerber said. "This has nothing to do with the OPEC decision. That reduction will come later on."

[Investigation Widens Into Unusual Oil Price Rise](#)

Federal regulators have subpoenaed recent trading records from several Nymex traders as part of a widening investigation into the sharp rise in oil prices on Monday.

[Dmitry Orlov: Adieu, stage 1 collapse!](#)

So far so good. In terms of mental milestones, we can tease apart financial collapse into a number of psychological levees that are being breached one by one. The first one to go was people's faith in home equity: that the value of their homes will serve as a nest egg to sustain them in retirement. What we have been witnessing for the past week or so is the demise of people's faith that their investment portfolio will sustain them. It is still easy to find investment advisers who will tell you to "go long on equities" because, you see, "eventually the economy will recover," but their reassuring words are starting to sound like a death rattle to all those whose retirement savings suddenly look laughably inadequate.

[LaBruzzo: Sterilization plan fights poverty](#)

Worried that welfare costs are rising as the number of taxpayers declines, state Rep. John LaBruzzo, R-Metairie, said Tuesday he is studying a plan to pay poor women \$1,000 to have their Fallopian tubes tied.

"We're on a train headed to the future and there's a bridge out," LaBruzzo said of what he suspects are dangerous demographic trends. "And nobody wants to talk about it."

LaBruzzo said he worries that people receiving government aid such as food stamps and publicly subsidized housing are reproducing at a faster rate than more affluent, better-educated people who presumably pay more tax revenue to the government. He said he is gathering statistics now.

[Power From the Restless Sea Stirs the Imagination](#)

For years, technological visionaries have painted a seductive vision of using ocean tides and waves to produce power. They foresee large installations off the coast and in tidal estuaries that could provide as much as 10 percent of the nation's electricity.

But the technical difficulties of making such systems work are proving formidable. Last year, a wave-power machine sank off the Oregon coast. Blades have broken off experimental tidal turbines in New York's turbulent East River. Problems with offshore moorings have slowed the deployment of snakelike generating machines in the ocean off Portugal.

[B.C.'s ethanol standards for gasoline a mistake: scientists](#)

B.C. is taking the wrong approach by mandating that gasoline sold in the province contain five per cent ethanol by 2010, according to some scientific experts.

[Spain eases plan to slash subsidy for solar power](#)

MADRID (Reuters) - Spain has decided to ease proposed sharp cuts in a generous subsidy scheme to solar power producers in one of the world's hottest markets, Energy Secretary Pedro Marin said on Tuesday.

[BHP wants to sell uranium to China for decades](#)

BHP Billiton, the world's largest mining company, is positioning itself to supply China with uranium for "decades" as the country ramps up its nuclear plant program in a carbon conscious world.

[Green idealists fail to make grade, says study](#)

People who believe they have the greenest lifestyles can be seen as some of the main culprits behind global warming, says a team of researchers, who claim that many ideas about sustainable living are a myth.

According to the researchers, people who regularly recycle rubbish and save energy at home are also the most likely to take frequent long-haul flights abroad. The carbon emissions from such flights can swamp the green savings made at home, the researchers claim.

[The burning issue: Few now dispute that coal is key to a clean energy future](#)

AS the climate change debate moves from the abstract to the concrete, the clean coal sceptics are slowly being mugged by reality. The facts are that almost a quarter of world energy demand is fuelled by coal and 39 per cent of the world's electricity is generated in coal-fired power stations. It is impossible to imagine a smooth international transition to a carbon-constrained economy without finding cleaner ways to burn coal.

[EU lawmakers set to halt carbon curbs](#)

BRUSSELS (Reuters) - European Union lawmakers are set to slam the brakes on plans to curb carbon dioxide emissions from cars, easing the burden on the auto industry in the fight against climate change, documents circulated on Tuesday showed.

A draft European Parliament resolution would delay and soften the mandatory emissions limits proposed by the executive European Commission, reduce the fines for non-compliance and give carmakers a freer hand on how they achieve the cuts.

[Senate approves bill with energy trade-offs](#)

WASHINGTON — Oil and gas companies could soon be helping fund renewable energy projects, via the Internal Revenue Service.

But the industry also may be one step closer to gaining access to more areas offshore as Democratic leaders agreed Tuesday to drop a quarter-century ban on drilling off the East and West coasts.

"The White House made it clear any new drilling provision was a nonstarter," said Drew Hammill, a spokesman for House Speaker Nancy Pelosi, D-Calif. "The future resolution of offshore drilling will have to be addressed with a new president."

In what could prove to be a pivotal day on Capitol Hill for the oil and gas industry, the Democratic-led Senate — in its ninth attempt — finally, and overwhelmingly, approved a measure that would provide \$17 billion in tax credits for renewable energy sources, largely by hitting up the oil and gas companies for higher taxes.

[Oil rises \\$2 on U.S. fuel supply concerns](#)

LONDON (Reuters) - Oil rose more than \$2 to over \$109 a barrel on Wednesday as concerns about U.S. fuel supply outweighed anxiety about the U.S. government's \$700 billion plan to rescue the finance industry.

[Chavez sees 1 million-barrel oil exports to China](#)

In comments broadcast Tuesday on state television in Venezuela, Chavez said

Venezuela's oil exports to China would increase to almost 500,000 barrels a day next year. That figure could reach 1 million barrels a day within four years, he said.

The sides also plan to construct three oil refineries in China capable of processing Venezuela's heavy sulfur-laden crude and build four oil tankers.

"While the world enters an energy crisis, we are investing," Chavez said.

[Jordan gets first subsidised Iraqi oil under new deal](#)

AMMAN (AFP) - Jordan received 11,000 barrels of Iraqi oil by road on Wednesday, the first delivery under a new agreement which revises the subsidy the kingdom receives in the light of spiralling world prices, Energy Minister Khaldun Qteishat said.

"Forty-one tankers laden with 11,000 barrels of crude oil from Iraq crossed the border today," Qteishat told AFP.

[The road less travelled: a sceptic's view of the commodities boom](#)

While arguments on 'peak oil' have been around for decades (and yet to be realised), the inability to add supply quickly in many commodities due to infrastructure and labour supply bottlenecks has fuelled concerns over the ability to add supply in the longer term.

The ability of these arguments to elicit an enthusiastic reaction among a large number of investors is obvious. The opposing case for sceptics is perhaps more complex.

[Saudi central bank says no scarcity in bank liquidity](#)

RIYADH (Reuters) - Saudi Arabia's central bank governor said on Wednesday there was no scarcity in liquidity in the world's top oil exporter and Saudi banks were in a good position to weather a global downturn.

"Figures point to strong growth in loans, money supply, banks have liquidity, additional deposits. There is no scarcity in liquidity," Hamad Saud al-Sayyari told reporters.

"Banks want to expand. This conflicts with our policy in limiting the increase in liquidity and the rise in inflation."

[Scooter sales skyrocket 66%](#)

NEW YORK (CNNMoney.com) -- The scooter is becoming the new must-have set of

wheels in a lot of American cities.

While auto sales have continued to sink, scooter sales were up 66% in the first half of 2008 compared to a year ago, while motorcycle sales overall only ticked up 0.5%, according to the Motorcycle Industry Council.

[Green energy's big win in Congress](#)

After a year of stalemate that threatened to strangle the nascent United States solar industry, the U.S. Senate on Tuesday passed energy legislation that extends a key investment tax credit until 2016.

[Review: Carfree Cities by J.H. Crawford](#)

Can you imagine a world without cars? No honking horns, snarled traffic, and no cloying pollution. J.H. Crawford, author of *Carfree Cities*, not only asks us to consider this possibility, but he outlines in his book the steps to turn the carfree dream into a reality. "Venice, Italy is certainly the best advertisement for carfree cities that I have ever seen," explains Crawford.

[Jeremy Leggett: Independence from the street up](#)

The International Energy Agency (IEA) is warning of an oil crunch by 2012, so we have to act immediately if we aren't to add peak oil to our credit-crunch woes. There is also a grave risk of major shortfalls in gas supply in the next few years. North Sea oil and gas production is plunging 7.5% a year at the same time as liquefied natural gas (LNG) projects are being cancelled around the world. Meanwhile, Moscow dangles the prospect of sending most of its gas exports east to China, rather than west to Europe.

[Double-dose of Kunstler on Community Learning Day](#)

"A list of the things you said that I disagree with would be very long," Kunstler said.

"Compelling in its compassion but a little strange," Kunstler said of Bates' standpoint. "It raises the basic question: so what? My answer to that question, to all of the displays of compassion (is that we) are going to be overridden by our own problems."

He emphasized the idea that people should focus on environmental problems as a nation and let other countries handle their own problems without U.S. assistance.

[Getting on track](#)

And the corn looked strange. After 15 years away, I expected changes, but I had to look closely to understand what I was seeing. While childhood scenes usually appear smaller when revisited in adulthood, these fields looked larger.

It wasn't just because I'd been urbanized — these fields really were bigger! What had shrunk was the space in between the cornstalks, in between the corn and the bean fields, and in between the fields and any roads or farmhouses. Fortunately, I'd watched the documentary "King Corn" ([click here for more information](#)) and read Michael Pollan's writings on modern corn cultivation, so I had some idea of how to account for these seemingly endless vistas of corn and soybeans.

Evidently, hybrid strains of corn have been developed that can produce even while planted pretty much toe to toe. Unless you look at them from above, say from the observation car on the second story of the train, you can't even see that there are rows. Back when I lived in Iowa City, my friend's beagle used to periodically take off between the rows in the cornfield near the park, and stay in there for hours. Now, you couldn't shove a beagle between those stalks. A guinea pig, maybe.

[Crisis no reason to dilute climate plan - EU](#)

BRUSSELS (Reuters) - The global financial crisis is no reason to water down the European Union's flagship plan to fight climate change, the bloc's environment chief said on Wednesday.

[Arctic 'methane chimneys' raise fears of runaway climate change](#)

Scientists claim to have discovered evidence for large releases of methane into the atmosphere from frozen seabed stores off the northern coast of Siberia.

A large injection of the gas - which is 21 times more potent as an atmospheric heat trap than carbon dioxide - has long been cited by climate scientists as the potential trigger for runaway global warming. The warming caused by the gas could destabilise permafrost further, they fear, leading to yet more methane release.

But climate experts have expressed caution at the claims, which have yet to be published in a peer reviewed scientific journal. Methane release from stores of so-called gas hydrates, that can form on land or under the sea, is not new to researchers. Huge quantities are known to exist in the Arctic, but special circumstances would need to exist for significant releases to occur.

[Met Office: Global warming sceptics 'have heads in sand'](#)

The UK Met Office climate change bureau has issued a stinging attack on the idea that recent falls in global temperature might mean that global warming is over or has been

exaggerated.

"Anyone who thinks global warming has stopped has their head in the sand," said an unnamed Met Office spokesman in a statement released online today.

[Vegetarian shift seen helping climate, not poor](#)

OSLO (Reuters) - Eating less meat can help rich nations to combat global warming but may not work for poor countries where people depend on livestock for survival, a leading expert said on Wednesday.

[Western cap and trade initiative faces obstacles](#)

GRANTS PASS, Ore. - A new Western regional plan to cap and trade greenhouse gas emissions faces a tough road in state legislatures, where the details still must be worked out.

The Western Climate Initiative would establish a regional market to trade carbon emissions credits, allowing industries that emit greenhouse gases to buy and sell credits for their emissions. The goal is to cut the region's carbon emissions to below 2005 levels by 2020, a roughly 15 percent reduction.

The initiative, proposed Tuesday by seven western states and four Canadian provinces, covers more polluters than other regional plans adopted in the United States, Canada and Europe.



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