Oil: Contract killing

“SPECULATORS are back and prices are up,” moaned James May, the head of the Air Transport Association, a trade group for American airlines, on September 22nd. He was referring to the record jump in the price of oil on the New York Mercantile Exchange (NYMEX) that day, from $104.55 to $120.92. At one point, the price was up by more than $25.

Mr May was not the only one to blame speculators. Truck drivers with similar views converged on Congress the following day, honking their horns in protest. The Democrats have vowed to pass a law crimping speculation. The Commodity Futures Trading Commission, which regulates NYMEX, has promised an investigation.

But oil analysts have a more prosaic explanation. The oil price had been falling because of the worsening prospects for the world economy and the closure of several refineries during recent hurricanes, which reduced demand for oil. Then it began to rise again, thanks both to the plans for a bail-out of struggling banks and to the reopening of refineries. That would not have caused such a huge leap in prices were it not for an accident of timing.

Cash-Rich Oil Firms Snap Up Assets

The turmoil on Wall Street is reshaping the U.S. oil industry, forcing debt-laden smaller producers to sell assets and creating opportunities for larger, cash-rich companies that until recently had been criticized by investors for spending too conservatively.

Oil output losses worse than feared

The amount of oil production losses caused by hurricanes Ike and Gustav in the energy-rich US Gulf of Mexico is far greater than initially predicted, helping to keep prices above $100 (€68, £54) a barrel in spite of slower economic growth.

Refineries have been particularly badly hit, with a lack of power slowing their return to operation. The output drop is forcing fuel distributors to draw down the country’s gasoline stocks to the lowest level in 41 years to maintain supplies.
Weak US Oil Demand Blunts Storm Outages

For Mexico's state oil company, Pemex, the good news came when twin severe hurricanes avoided its offshore oil platforms this month.

The bad news came after the storms struck U.S. Gulf Coast refineries, slashing oil demand in its biggest market. Pemex said late Wednesday it has been forced to trim its already struggling oil output by 250,000 barrels a day, or 9%, due to brimming inventories caused by lingering outages at U.S. plants.

The good news-bad news scenario that bedeviled Pemex plays out across the U.S. energy map in the wake of hurricanes Gustav and Ike.

Shell says delaying some turnarounds due to hurricanes

NEW YORK (Reuters) - Shell Oil Co. will delay turnaround maintenance at some Gulf Coast sites due to the effects of hurricanes Gustav and Ike, the company said in a press release Friday.

Moscow strengthens presence in U.S.'s backyard

MOSCOW — When the Bush administration dispatched two U.S. warships to the Black Sea to deliver humanitarian aid to war-stricken Georgia, Russian Prime Minister Vladimir Putin reacted with indignation and a warning.

"There will be an answer," Putin said during a visit to Uzbekistan. Asked to elaborate, he replied, "You'll see."

Venezuela, Russia join forces on oil ventures

VENEZUELA and Russia plan to create a giant oil consortium to invest in joint oil ventures.

"They've offered us the chance to create an oil consortium...the largest in the world," Venezuela’s President Hugo Chavez said in televised remarks from Moscow.

Russia Sees PVDSA in Control of Energy JV

Venezuela's national oil company will probably have control of a planned joint venture
with Russia to develop oil and gas resources, Russian Energy Minister Sergei Shmatko told reporters on Friday.

"Venezuela's national restrictions are tough," Shmatko said on the sidelines of a visit to Russia by Venezuelan President Hugo Chavez. "We are unlikely to have control."

Gulf states covet Asian farms

CHIANG MAI - Once committed largely to perceived safe-haven investments in the United States, Gulf nations are now looking to send their petrodollar surpluses towards a more exotic global destination: Southeast Asian farmland.

UN to buy emergency food stocks from poorer farmers

More than 350,000 small-scale farmers in Africa and Central America will soon begin selling produce to the UN in an initiative that could transform the way food aid is purchased.

Announcing the five-year $76m (£41m) pilot project yesterday, the UN's World Food Programme said it would buy surplus crops from low-income farmers in 21 countries to help boost fragile economies. The food will be used for regional hunger emergencies and safety net schemes, such as school feeding projects.

Indonesia: Food prices 'to remain high in next four years'

Global food prices are to remain high until 2012 given high demand amid fast-growing population and rapid biofuel development, the Agriculture Ministry has warned.

Achmad Suryana, head of the ministry's Food Security Agency, said Wednesday evening, population growth and increasing biofuel projects would push up the global stock-to-consumption ratio for many crops.

Amphibians facing a wipeout by 2050

Half of Europe's amphibian species could be wiped out in the next 40 years. Scientists from the Zoological Society of London say that the combined force of climate change, pollution, disease and habitat loss and degradation has left many with "nowhere to run".

Bill Gates goes green with algae biofuel investment
The world’s richest software geek, Microsoft chairman Bill Gates, is one of the investors behind the latest round of funding for algae biofuel company Sapphire Energy.

Bright idea gives solar-power cyclists a fresh pair of legs

London A solar-assisted bicycle that gives riders extra pedal power has been invented.

The bright yellow device operates like a normal pedal cycle but has a canopy lined with solar cells overhead.

Rising solar output could hit producers' margins

NEW YORK/LOS ANGELES (Reuters) - Solar companies' success in ramping up new production lines and factories could leave the fast-growing renewable energy market awash in solar panels next year, driving down prices and profit margins in the nascent industry.

The recent move by this year's hottest solar market, Spain, to cut its cap on subsidies for new solar panels has sparked fears that big producers may see their selling prices drop by as much as 20 percent as they scramble to sell out their production.

Japan Posts Surprise Trade Deficit

TOKYO -- Japan, a nation that rode exports to become the world's second largest economy, posted a surprise trade deficit in August, an alarm signal for the country's already shrinking economy and yet another worrisome indicator for troubled global markets.

...The government attributed the trade deficit to a short-term imbalance: Falling car exports and higher energy costs. Four of Japan's five largest carmakers said this week that global demand was falling, especially in the United States. At the same time, the cost of imported oil and coal soared to record highs.

Gas Shortage In the South Creates Panic, Long Lines: If Drivers Can Fill Up, They Get Sticker Shock

Drivers in Charlotte reported lines with as many as 60 cars waiting to fill up late Wednesday night, and a community college in Asheville, N.C., where most of the 25,000 students commute, canceled classes and closed down Wednesday afternoon for the rest of the week. Shortages also hit Nashville, Knoxville and Spartanburg, S.C., AAA said.

Terrance Bragg, a chef in Charlotte, made it to work only because his grandfather drove
from a town an hour away with a 5-gallon plastic container of fuel for him. Three of his co-workers called and said they couldn't make it.

"I drove past nine or ten gasoline stations that were out of gas," Bragg said. "I had my GPS up looking for any gas in the area, from the mom-and-pop places to the corporate gas stations. Nothing. They were all taped off."

**Drivers are at mercy of a few refineries**

Panic buying, dwindling inventories and a pair of unpredictable storms all played a part in creating the gas shortages that tightened in Middle Tennessee over the past two weeks.

But as shocking as the short-term loss of gasoline was to the region, it could have been much worse, analysts said this week.

"We really did dodge a bullet," said Bruce Bullock, director of the Maguire Energy Institute at Southern Methodist University in Dallas. "If it had hit 15 or 20 miles down the coast, we could have had the refineries out for nine to 12 months."

**Fuel shortage worsened by timing of hurricanes**

The timing of back-to-back Hurricanes Gustav and Ike is partly to blame for gas shortages that have been worse than those following more destructive storms in the same Gulf Coast region, experts and industry officials say.

The storms hit at a time when refineries had decreased production to switch from summer-grade to winter-grade fuel, said Tex Pitfield, president of gas hauler Saraguay Petroleum Corp. in Atlanta.

**No gasoline shortage expected**

Western Pennsylvania motorists shouldn't see the gas shortages that are plaguing areas of the Southeast, but that doesn't mean there isn't some drama going on behind the scenes, or before the pump.

Carriers from Ohio crossing the state line for cheaper gasoline are making it harder to get fuel to local stations, said Don Bowers, manager of petroleum products for Superior Petroleum Co., a Ross-based oil products distributor.

**Gas shortage may crimp weekend fun**
Metro Atlanta’s gas crunch showed little sign of abating Friday morning, posing potential complications not just for commuters but also for people planning to drive to big weekend events.

The University of Georgia home game against Top 10 rival Alabama. The 20th anniversary of the Atlanta Football Classic. The North Georgia State Fair in Marietta. The PGA Tour Championship. Auburn at home versus Tennessee.

These are just a few of the major events within a day’s drive of metro Atlanta planned for today through Sunday. But with North Georgia gas supplies spotty, will everyone be able to get where they’re going?

No, said local fuel distributor Tex Pitfield, the chief executive of Saraguay Petroleum in Atlanta.

Pitfield has called on Gov. Sonny Perdue to cancel Saturday’s UGA game to avert tens of thousands of Athens-bound motorists putting further pressure on the region’s gas supplies.

School systems work to conserve gas for buses

As school systems wind down their financial years, the fuel situation is getting down to the wire for some.

The situation was not improved by Hurricane Ike’s disruption of oil supply from the Gulf of Mexico a few weeks ago.

Some counties rationing gas

The Exxon station in Cashiers put a $25 limit on gas purchases Wednesday and today. The measure has ensured that the station in a rural area of Jackson County has gas for most of the day – from 6 a.m. - 2 p.m. for the past few days – and limited long lines and angry customers.

People are actually thanking us," said station owner Jim Nichols. "The working person is able to get to work and home and have fuel everyday to get to do what they need to do."

India: Patriarch Under Siege

THE DMK Government in Tamil Nadu is facing its toughest test yet since its coming to power in May 2006. Faced with an unprecedented power shortage of about 2,000 MW (against the state’s total demand of about 10,000 MW), the government is finding it hard to cope with the crisis. The situation turned grim in late August when parts of the state went without power for about five hours every day. Chennai and its suburbs
suffered power cuts for between one-and-a-half to three hours.

India: Demand for kerosene, diesel shoots up

The loadshedding in the district has pushed up demand for kerosene and diesel as merchants have started using generators to operate their business establishments.

Faced with the 'five-hour official power cut', they have no choice but to buy the fuel to keep their business running, trade sources here said.

India: Shortage of coal may fuel power crisis

Mahagenco says that it barely has stocks and is in a critical condition.

Indonesia: Industries may face gas supply shortage

Indonesian industries could suffer a gas shortage of up to 200 billion British thermal units per day (BBtud) next year as state gas distributor PT PGN begins increasing supplies to state power firm PT PLN.

Thailand: Shell delays E20 on supply concerns

Shell will delay its launch of E20 gasohol from the third quarter to the end of the year because of an ethanol supply shortage.

"If we expand our gasohol pump network as planned earlier, it requires at least 200,000 litres of ethanol per day. But now I don't think we can make it as ethanol makers prefer to export to gain higher profits," said Tiraphot Vajrabhaya, the chairman of Shell Thailand.

An alternative nuclear-energy solution

There may be a workable way to solve most of America's energy problems, end dependence on foreign oil and dramatically cut greenhouse gas emissions with little pain.

Remarkably, in this presidential election year, no one mentions this single most promising technique.

This may be because its name contains the word "reactor." The notion of power plants using the Integral Fast Reactor, or IFR, a sophisticated form of nuclear technology, apparently is an anathema to today's politicians.
And yet this technology is demonstrably safer than any existing nuclear power plant, depends almost completely on recycling for its fuel and would make virtually no contribution to worldwide climate change.

**Heating with wood to save money**

LAKE PLACID — Dan Plumley has been heating the roughly 1,800-square-foot home he rents in Keene with wood since 1988. He sometimes supplements his basement woodstove with electric baseboard heat.

Plumley, who has a background in forestry, said he typically gets about 60 percent of his wood for the winter from dead and dying trees on the 40-acre woodlot that he manages near his home. Hophornbeam, white ash and sugar maple are the types of logs usually found in his woodpile.

This year, in an effort to save more money, he is trying to get all his wood from the property. Plumley said he begins scouting for dying trees that will become next year’s firewood before the snow is even gone from the ground each spring.

**Greek customs workers end strike**

ATHENS, Greece: Greek customs workers have called off a strike that caused severe fuel shortages throughout the country, after a court ruled their action illegal.

**Saudi Oil, OPEC's Ire: Saudi King Abdullah wants to bring prices down to ensure long-term demand, but other OPEC ministers disagree**

It happens almost like clockwork. A few days before the end of every month, marketing executives from Saudi Aramco, Saudi Arabia's national oil company, ring up the likes of ExxonMobil (XOM) and Royal Dutch Shell (RDS), sounding them out about the oil they need and the price they would be willing to pay. The Saudis crunch the numbers, set a price, then call the global customers back to see how much they'd be willing to buy. By the 10th of the following month, customers—there are about 80 in all—are told how much crude they'll actually get.

It's all part of an elaborate dance that goes on continually at OPEC's biggest producer. While the cartel may set production quotas for each member, the Saudis and a few other top suppliers frequently exceed those limits in order to meet world demand. And these days, the dance looks more like a tug-of-war, as the Saudis and their allies in the organization seek to contain crude prices while Iran and others want to keep them as high as possible. Saudi relations with OPEC "depend on where prices are; when prices are too high [the Saudis] side with consumers," says Vera de Ladoucette, senior director of consultancy Cambridge Energy Research Associates in Paris.
Southeast gas shortage squeezes small retailers

WOODSTOCK, Ga. - Ralph Sheffield's tidy gas station has stayed open around the clock for 13 years, keeping the lights on even during lonely Christmas mornings and the slow holiday season.

But the streak ended last week after he went eight days without receiving gas, forcing him to close early each night. Despite the crowds that crush the station when it does have fuel, Sheffield estimates his gasoline sales will drop by 30 percent this month.

The fuel shortage that has drivers across the Southeast scrambling to fill their tanks is pinching independent stations that rely on gas sales to lure customers who also buy snacks, soda and other incidentals.

"It's a panic," Sheffield said. "And we are frustrated."

At least one analyst says major oil companies are supplying their branded stations and cutting off independent retailers. Experts say it could be weeks before the region again has a steady supply of gas.

Oil falls as US bailout talks falter

LONDON - Oil prices fell below $105 a barrel Friday on investor concern that faltering negotiations in Washington may sabotage a bailout plan to stabilize the U.S. financial system, which could curb global growth and undermine crude demand.

East Timor fights to tap vast undersea gas field

JAKARTA, Indonesia - East Timor is drawing up plans for a deep sea pipeline and petrochemicals plant to tap an estimated $90 billion in disputed underwater oil and gas, company and government officials said, in a rare opportunity for one of Asia's poorest and smallest countries to boost its economy.

It is the latest move in a high-stakes battle with Australia over where the oil and gas in the Greater Sunrise field — containing about 300 million barrels of light oil and 8.3 trillion cubic feet of natural gas — should be processed.

Shots fired in US-Pakistan clash

The United States military says US and Afghan forces have exchanged gunfire with Pakistani troops across the border with Afghanistan.

A senior US military official says a five-minute skirmish broke out after Pakistani soldiers fired warning shots near two US helicopters.
**Vancouver's long commuters face problems of peak oil**

The environmental costs of flying or ferrying to work—as against the vision of the Metro Vancouver Liveable Region Strategic Plan, which promotes compact communities—are obvious. Anthony Perl, the director of Simon Fraser University’s urban studies program, called the growth in supercommuting a “self-correcting problem”, as fuel costs will soon crunch the lifestyles of even the most flush among the suit-and-tie set.

However, he told the Georgia Straight, the notion of flying to work in the Lower Mainland doesn’t have to die with peak oil.

“There’s two places where I think dirigibles would make good transportation,” Perl said, noting he’s touted the use of zeppelins in his newest book, *Transport Revolutions* (Earthscan, 2007), which he coauthored with Toronto urban consultant Richard Gilbert.

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**Books: Useful Advice for Building Sustainable Communities**  
(review of Rob Hopkins' *The Transition Handbook*)

With the rise of oil prices, the movement for sustainability has new wind in its sails. Farmers markets make ever more sense, alternative energy networks scour the territory for small-scale solutions, and even in red states, city councils set up peak oil committees.

For communities where transformational breezes are stirring, Rob Hopkins’ *The Transition Handbook: From Oil Dependency to Local Resilience* offers useful advice.

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**Thomas Homer-Dixon: Unbounded uncertainty**

There has been something deeply disconcerting about the negotiations of the past few days in Washington to bail out the U.S. financial system: The best and brightest of policy and economic elites have seemed out of their depth.

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**Governor Schweitzer's energy delusions**

On August 26, Governor Brian Schweitzer delivered a rousing speech to a roaring crowd. The speech was exalted by pundits, bloggers and, of course, just about everyone here in Montana. My alarm clock is set to Montana Public Radio because it's somewhat less jarring and offensive than a blaring alarm buzzer, so I got an earful about the speech the next morning. But not once did I hear anyone provide any critical analysis of it, the closest being Montana GOP Chairman Erik Iverson calling Schweitzer a “partisan attack dog”. While I don't disagree with that, I would hardly call it analysis. So I will do it
Strategies for the Energy Crisis (interview with BP's chief scientist, Steven Koonin)

I'm optimistic about security of supply. I see many sources for liquid hydrocarbons. I see great potential for efficiency improvements in U.S. transportation fleets. I am less optimistic about carbon dioxide emissions reductions. The world should give it its best shot, but there are so many forces aligned against it that I think it's going to be very difficult for the world to stabilize emissions, let alone stabilize concentrations of carbon dioxide in the atmosphere.

No relief yet on gas shortages

The Wednesday evening announcement that the Environmental Protection Agency was waiving fuel blend rules for metro-Atlanta didn't have any immediate effect on the gas shortages in Coweta.

In fact, Thursday was the worst day so far for drivers seeking to fill their tanks.

Solar panels are new hot property for thieves

Tom McCalmont, who runs Regrid Power in Campbell, close to California's Silicon Valley, said that the sophistication shown by thieves suggests that industry insiders are behind many of the thefts, a suspicion bolstered by supply difficulties with new solar panels.

McCalmont has experience of solar panel thefts: his own company lost $30,000-worth of panels to burglars this summer. "They knew which wires to cut, which not to cut," he said. "This showed a level of expertise that indicated that whoever did it was from the solar industry."

Tanzania Doubles Power Cuts on Technical Problems

(Bloomberg) -- Tanzania extended power cuts to 10 hours a day from five due to mechanical problems at the Songas power plant, the state-run Tanzania Electric Supply Co. said.

South Africa: Aluminium foundry sector on the decline

Eskom is considering restrictions on industry, allowing them to buy 90% of the average energy used in the previous financial year, which ended in September last year. The utility also plans to limit growth in electrical supply by 4%, to service a 6% growth in
Krieg says these restrictions will result in an entirely different cash flow analysis. While the aluminium industry is generally on the increase, the challenge of the energy limitations, coupled with the envisaged limit of the growth of electrical supply to 4% a year, implies a move away from primary beneficiation in the aluminium industry towards less energy intensive downstream value addition,” says Krieg.

Cambodia eyes nuclear plant for electricity

PHNOM PENH, Cambodia - Impoverished Cambodia hopes to build a nuclear power plant to meet its future energy needs and help offset its dependence on imported oil, Prime Minister Hun Sen announced Friday during the first meeting of his new Cabinet.

Jamaica going nuclear?

The Jamaican government is establishing a panel to determine the feasibility of building small-scale nuclear power plants to help solve the energy crisis.

American Association of Petroleum Geologists Exhibition Proceedings

Despite the sessions on CO2 sequestration and alternative energy, the AAPG is a somewhat unreconstructed skeptic when it comes to global warming. The party line, as expressed by president Lee Billingsley, is that a human origin is 'not proven' and that taxing energy to reduce consumption will have a deleterious effect on the exploration and production effort. The AAPG is likewise doubtful that 'peak oil' is real - preferring a future of 'plateau' production lasting out through 2050 and beyond. The fly in the ointment is the possibility of runaway consumption using up these plentiful reserves before that time.

More methane plumes found in Arctic

Hundreds more methane plumes have been discovered in the Arctic raising fresh fears that the greenhouse gas is contributing to global warming.

A British team of scientists found the gas, which is 20 times more potent than carbon dioxide as a greenhouse gas, being released from the seabed to the west of the Norwegian island of Svalbard.

The findings follow the revelation earlier this week that Russian scientists have discovered vast quantities of methane being released by the melting permafrost from the seabed off Siberia.