



DrumBeat: December 13, 2008

Posted by [Leanan](#) on December 13, 2008 - 10:32am

Topic: [Miscellaneous](#)

[Greed, hatred, warfare and the race for fossil fuels](#)

NEITHER an optimistic nor a pessimistic prophet on energy, the author of "A Thousand Barrels a Second" states a simple fact: "civilization" makes us silly and greedy.

Although Peter Tertzakian does not mean it, his vivid historical account of mankind's thirst for energy to pump up "civilization" lets the cat out of the bag: Modern history proves mankind's insatiable thirst for energy just to live better and, sometimes, to wage wars.

[Falling oil prices taking its toll in more than one way](#)

(MENAFN - Arab News) Oil continued its dismal performance, despite assertions from OPEC bigwigs that an output cut - and a severe one - is just round the corner. OPEC President Chakib Khelil said earlier the week the group could announce a "severe" production cut and suggested the grouping could seek to surprise the market with the size of the reduction in a bid to bolster the weakening prices.

However, oil prices edged down Tuesday as investors continued to question whether the anticipated big production cut would be able to curb crude's stunning fall over the last five months.

[Ghanem: Global Economic Well-being Concerns OPEC, Not Short-term Interests of Its Members](#)

"The market needs some substantial action," he said. He said oil prices were rather low. "I think they are close to a bottom and after the OPEC meeting, they will rebound," he added. "We need to redress the market if we feel the economic situation is affecting demand," Ghanem said.

But he added OPEC "wasn't looking at the short-term" interests of its members.

"If the glut continues so many projects will be postponed, there will be another energy crisis in the coming years," he said.

[With oil prices falling, Iran's good times are almost over](#)

Crashing prices for crude oil — Iran's main export — will ravage the country's economy in 2009, according to Iranian economists and businessmen, and European diplomats.

With oil now hovering around \$40 a barrel (and Iran's lower-quality crude selling even cheaper), bad news is just over the horizon, they say. Foreign imports will be throttled, incomes will drop, Iran's currency will weaken and inflation will grow even worse. Iranian President Mahmoud Ahmadinejad's populist spending programs, which have bloated the government budget but bolstered his popularity with poor Iranians, could sputter to a halt.

[Iran to get three more supertankers](#)

Iran's state shipping company will take delivery of three new oil supertankers in the first quarter of 2009, boosting its fleet by about 12 per cent, a senior company official said. Iran is the world's fourth-largest oil exporter, and operates 25 supertankers, which can each hold two million barrels.

The new tankers are part of the National Iranian Tanker Company's (NITC) nearly \$2 billion (Dh7.3bn) plan to boost its very large crude carrier (VLCC) fleet to 38 supertankers to meet the growing demand for oil shipping, its commercial director Shseyedan Seyedhabibollah said.

[Plant shortage may hit LNG supply](#)

BARCELONA: The world will face a severe liquefied natural gas (LNG) supply crunch when demand rebounds after the economic crisis and if more production plants are not built soon.

[Proposed TVA Nuclear Plant Comes With Exorbitant Price Tag](#)

Using estimates from the nuclear energy industry, the Nuclear Regulatory Commission found that the two pressurized water reactors planned for the site near Scottsboro, Ala., range from \$9.8 billion to \$17.5 billion. That's compared to estimates of \$6.4 billion to \$7.1 billion a year ago.

[More turning to wood for heat](#)

Wood may be a renewable resource — and plentiful in Minnesota — but it has its drawbacks. Smoke can annoy neighbors and contains fine particles that can pose a

health hazard, particularly for those with respiratory problems. Wood-burning appliances can pose a fire hazard, especially if not properly maintained.

Still, if the price of natural gas and fuel oil remains high, burning wood is likely to remain attractive as a cost-saving method of home heating.

"They're looking for an alternative fuel source, something that's a little more stable than fossil fuels," said Harlan Hill, owner of Fire Works Fireplace Installation in St. Cloud.

['Peak Oil Theory' Demands Energy Alternatives](#)

Plummeting gasoline and diesel prices have given consumers relief at the pump. But oil pessimists believe the current slump in demand will pass. And when it does, the world will be in the same fix it was before the global recession. The era of easy oil is behind us. According to those who believe in what's called "peak oil theory," world oil production has already peaked, or flattened, and in the foreseeable future, the declining resource will inevitably change the way we live.

[OPEC seen in consensus on output cut](#)

ALGIERS (Reuters) - OPEC ministers are in agreement on the need to cut output when they meet on Wednesday in Algeria to prop up sagging prices, OPEC President Chakib Khelil said on Saturday.

"There is an OPEC consensus on the reduction. But I can not tell you (more)," Khelil told reporters.

[Russia to attend OPEC summit](#)

ALGIERS, Algeria (AP) -- The head of OPEC says Russia and three other non-cartel members will take part in the oil producers' summit next week in Oran, Algeria.

Chakib Khelil says Russia will send its deputy prime minister in charge of energy and its oil minister to Wednesday's summit. The other guest countries invited by the 14-member cartel are Oman, Azerbaijan and Syria.

[Gazprom: OPEC system 'not applicable' to Russia](#)

PARIS - The vice chairman of Russian state-owned energy giant Gazprom said Friday that his country could not take part in OPEC-style production quotas to limit output.

"The mechanism of OPEC couldn't be applicable straight-forwardly to the Russian

Federation," Alexander Medvedev told a press conference here.

[Kuwaiti expert calls on OPEC to cut 2 mln bpd in oil output](#)

ABU DHABI (RIA Novosti) - A member of Kuwait's top advisory body on oil issues has called on OPEC to cut production by 1.5 million to 2 million barrels a day, the Al-Kabas daily reported on Saturday.

In an interview published by the paper, Musa Maarafi said that the 1.5 million barrel decrease in daily output, which was agreed in October and came into effect in on November 1, had been "insufficient."

[Phil Flynn: Capitol or Capital Creation](#)

Of course what is the contango trying to tell us about this crazy world that we live in? Well perhaps a lot of things. For example if you are an optimist it could be telling us that even though demand is lousy now, the market expects the economy to recover and demand will rebound in the future so the market wants to pay to put away oil for a rainy day. Perhaps the era of low oil prices will create a new round of strong economic growth in the future similar to what happened in the late nineties. If you are a pessimist you could say that the market is paying us to put oil away because the economy is so bad and credit so tight that many oil production projects will be canceled leading to tight supply in the future. Or that in the future the dollar will be so worthless that it will take so many more dollars to buy that same barrel of oil. Or that China's economy will explode leading the world back to the brink of "peak oil" leading to the era of the next super spike and we will need that cushion of supply.

[Maine governor: Don't count on low fuel prices](#)

AUGUSTA, Maine—Gov. John Baldacci said he doesn't want to sound like a grinch, but he's warning Mainers not to count on lower fuel prices lasting very long.

..."Not to sound like the Grinch, but energy prices will go up again as our national economy begins to show some signs of recovery from this recession," the governor said in a text of his message. "We must remember that prices fell from record highs in just two months -- and it would not be a surprise if they went back up even faster."

[End of the oil sands' building frenzy?](#)

CALGARY, Alberta -- Canadians have grown accustomed to the flow of multi-billion oil sands investments from all corners of the Earth, turning Canada's currency into a petrodollar and pumping economic prosperity.

But as the sector struggles with its first downturn since the rush started 11 years ago, there's increasing discussion this is not a short-term pullback, but the end of the oil sands' building frenzy.

[Oil Sands milestones](#)

1962 The Albertan government implements an oil sands policy in order to organize the development of the oil sands as a supplement to conventional crude oil policy.

[Petro-Canada moves closer to a cheaper Fort Hills](#)

CALGARY - Petro-Canada is seeing "a pretty good response" as it re-negotiates deals to bring down costs at its delayed Fort Hills oil sands project, Ron Brenneman, chief executive, said yesterday.

"I don't know where it will end up or whether it's enough to make a difference in the overall project economics," but costs are moving down and are becoming more predictable, Mr. Brenneman said in an interview.

[Iran expects "hard year" in oil market](#)

TEHRAN (Xinhua) -- Iran's representative in the Organization of Petroleum Exporting Countries (OPEC) Mohammad Ali Khatibi said that his country expects a hard year in the global oil market, Iran's satellite Press TV reported on Saturday.

"The oil market will see tough times next year before the market re-stabilizes," Press TV quoted Khatibi as saying.

[China May Boost Crude-Oil Imports for Reserves as Prices Fall](#)

(Bloomberg) -- China, the world's second-biggest energy consumer, may import more crude oil to enlarge its emergency stockpiles as declining prices make purchases cheaper, a government official said.

It is appropriate to buy oil when prices are low and funds are available, said the official, who helps oversee China's strategic oil reserves. The official declined to be named because of internal rules.

[Russia offers Ukraine deal on gas debt: Gazprom](#)

Russian energy giant Gazprom has offered Ukraine a compromise deal on its outstanding gas supply debts, the company's deputy chairman Alexander Medvedev told reporters Friday in Paris.

"We hope to find a solution. We are making proposals to our Ukrainian colleagues," said Medvedev, who is also head of Gazprom's export arm.

[Why 'Energy Independence': We're Focusing on the Wrong Goal](#)

"Independence" sounds healthy. Yet we make no attempt to be independent of other countries in regard to other goods or services. Actually, the policy of seeking energy independence is a dramatic exception to the broader American policy of free trade. The theory of free trade holds that a nation is better off when its citizens are permitted to buy goods from foreigners at any price they wish to pay and worse off if the government interferes with these arrangements. By this definition, the quest for energy independence is another form of protectionism. That word annoys a lot of people, and it doesn't settle the debate. But it does put the issue of energy independence in a useful perspective.

[Really out of gas](#)

It's not as if the Big Three CEOs were blindsided by some cataclysmic event that overnight made their business model unsustainable. So-called "Peak Oil" theorists have been arguing for some years about the inevitable tipping point where global demand for oil begins to outstrip its supply, forcing prices through the roof for a scarce commodity.

What we have seen over the last few years is precisely the beginning of that trend, as economic growth in China and India has rapidly increased the demand for energy. This has been coupled with falling oil production by two of the United States' most important suppliers, Venezuela and Mexico, who jointly make up for about 20 percent of U.S. imports.

[Lincoln City crimps its carbon](#)

Daniel Lerch, program manager of the Portland-based Post Carbon Institute, worries that city governments that strive toward a hard-to-define "carbon neutrality" could overlook issues of peak oil -- the adaptations needed as oil resources begin to run out.

"We aren't going to truly have a carbon-neutral city for many years," Lerch says.

[Developer unveils coal-to-gas refinery for West Virginia](#)

A New York electric power plant developer with a mixed track record announced plans Dec. 9 to build \$3 billion coal-to-liquids plant capable of refining an estimated 6.5 million barrels of gasoline annually in West Virginia.

[Julian Darley: A Healthcare Renaissance: Could Peak Oil Inspire America To Create A National Health Service?](#)

As someone new to peak oil quickly finds out, just about everything depends on oil and gas. One of the more startling revelations being that the entire consumer food system in most countries would collapse within a week without fossil fuels. If a shortage continued for long, nothing much would get planted, even on organic farms.

But healthcare? Let's consider it for a minute, in two very different ways. At the most extreme point of use, namely hospitals, energy is the lifeblood. If the grid electricity supply fails, diesel generators have to kick in immediately. Many hospitals have a surprisingly short supply of diesel for their generators -- though some use natural gas, which may be more robust, except in an earthquake.

[Population growth contributes to emissions growth](#)

"Population is the unmentioned elephant in the living room when it comes to climate change," said Bill Ryerson, president and founder of the Vermont-based Population Media Center.

U.N. officials contend that pushing policies on population growth could undermine already difficult negotiations that are fraught with finger pointing between rich and poor nations over who is to blame for global warming.

The developing world would oppose introducing population into the mix on the grounds that it would hold them accountable for a problem they blame on the West. The Vatican along with Catholic and Muslim countries, meanwhile, are opposed over fears population policies would increase support for abortion and birth control.

[Africans to Unlock \\$990 Million Global-Warming Fun](#)

(Bloomberg) -- Poor countries at the United Nations climate talks in Poland may win approval to tap into a \$990 million fund as early as next month to cope with the damage of global warming, their biggest victory in 11 days of debate.

[Can Obama make good on his pledge to slash carbon dioxide emissions by 80 percent by mid-century? YES!](#)

Obama's plan, which will rely on a free-market oriented federal carbon cap and trade

system, also foresees a cut in carbon emissions from U.S.-manufactured cars by 5 percent in 2015 and by 10 percent in 2020.

He likely will have the powerful leverage of a multibillion-dollar federal bailout to force Detroit's Big Three automakers to comply with his goals.

[The glaciologist's worst nightmare](#): *Forget melting. The possibility of ice break-up could lead to an irreversible catastrophe*

There was a line in the Intergovernmental Panel on Climate Change (IPCC)'s fourth report that didn't get the attention it deserved:

"Dynamic processes related to ice flow not included in present models but suggested by recent observations could increase the vulnerability of the ice sheets to warming, increasing future sea-level rise."

The media picked up on the projected rise in sea levels of 18 to 59 centimetres by the end of the century, but they didn't question the models' limitations.



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