



DrumBeat: May 30, 2009

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Topic: [Miscellaneous](#)

New presentation by Matt Simmons: [Two Energy Oxymorons: 1. Energy Independence 2. Energy Security \(PDF\)](#)

The World Is "Energy Insecure"

- Only handful of nations produce exportable energy.
- These nations straddle the poverty line.
- If these countries ever created a middle-class, their energy exports would end.
- All prosperous countries (except Norway) are importing energy "hogs."
- This applies to all fossil fuels and nuclear power, too.

Country	Percentage
Canada	23.8%
Saudi Arabia	12.0%
Mexico	11.3%
Nigeria	9.6%
Venezuela	8.4%
Iraq	6.8%
All Others	23.0%
Angola	3.2%
Russia	3.0%
Algeria	1.6%

Source: U.S. Dept. of Energy, Energy Information Administration (EIA)

SIMMONS & COMPANY
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[Review of RAND study, Imported Oil and US National Security \(May, 2009\)](#)

RAND Corporation has brought its considerable expertise to bear on the national security implications of US oil import dependence. The study, "Imported Oil and US National Security" (127 pgs), was conducted by a team of analysts within RAND's Infrastructure, Safety & Environment (ISE) department, led by Keith Crane. While this study examines this issue solely from an American perspective, many of its observations are applicable to other import-dependent nations. Although there is much of value in this report, I wish to challenge its central recommendation on how government should deal with price spikes and physical shortages.

[Gas price surge may stall recovery](#)

NEW YORK (CNNMoney.com) -- The rising price of gasoline is putting pressure on cash-strapped motorists and throwing barricades into the path of a speedy economic recovery.

[Oil nationalism](#)

Latin America is a study in contrast of how countries manage their oil. In Mexico and Venezuela, state and oil industry live in a symbiosis flaunted as resource nationalism – but their state oil companies are looking increasingly like wounded giants. Brazil's Petrobras, managed with a more open attitude, now overshadows its sisters to the north. This shows that pragmatism, not xenophobia, is a better safeguard of national interests.

[Brazil leans toward oil production sharing-minister](#)

RIO DE JANEIRO (Reuters) - Advisors to the government "strongly support" a production sharing model to develop Brazil's massive subsalt oil reserves, as Latin America's largest economy considers changes to its Oil Law to fund social welfare programs, Energy Minister Edison Lobao said on Friday.

[Venezuela Oil Minister Seeks Cash, Partners in Japan](#)

(Bloomberg) -- Venezuela's Oil and Energy Minister Rafael Ramirez met with Japan's Prime Minister Taro Aso today in Tokyo as the South American country seeks financing for energy projects.

[U.S. natural gas rig count slips to 6-1/2-yr low](#)

NEW YORK (Reuters) - The number of rigs drilling for natural gas in the United States fell by 8 this week to 703, the lowest level in 6-1/2 years, according to a report issued Friday by oil services firm Baker Hughes in Houston.

[National Grid takes £30m fight to Court of Appeal](#)

National Grid, the energy networks operator, is to take its fight against a £30 million fine from Ofgem, the industry regulator, to the Court of Appeal, the company said yesterday.

In February 2008, National Grid was fined £41.6 million for restricting competition in the domestic gas metering market, the highest fine to have been imposed in Britain's energy industry.

[GM plans to make small car in USA](#)

NEW YORK (CNMoney.com) -- General Motors, with bankruptcy looming, pledged Friday to build a small car in the United States in an idled car plant that will be revamped.

[What you don't know ...](#)

Some China analysts are crying foul: If IVA growth figures are being cooked, surely that means China's recent GDP data have been overstated too. China's statisticians use IVA output to estimate what accounts for nearly half of China's GDP.

China's association of electricity generators has a solution: it's stopped publishing consumption data.

[Court orders Curacao oil refinery to cut pollution](#)

A court has ordered a Curacao refinery run by Venezuela's state-owned oil company to cut pollution or face heavy fines, a victory for activists who have complained for years about the thick haze of smoke that often blankets the capital in the Dutch Caribbean island.

[Collateral Damage And Response To The Food Crisis: It Wasn't Supposed To Be This Way](#)

But lest we forget, let's remind ourselves that it wasn't supposed to be this way. Trade liberalization and the reduction of government involvement in food markets were supposed to make food supplies more reliable. Instead, FAO documents interventions by 102 countries to ensure stable food supplies while IFPRI documents 54 projects in which food-importing countries are positioning themselves so they are not at the mercy of the market when food supplies are short.

[ADB calls for low-carbon transport systems](#)

The Asian Development Bank Saturday called on its Asian government borrowers to design mass transport systems in a way that would slow the rapid growth of their greenhouse gas emissions.

[Why our 'amazing' science fiction future fizzled](#)

Corn says Americans' faith in the power of technology to reshape the future is due in

part to their history. Americans have never accepted a radical political transformation that would change their future. They prefer technology, not radical politics, to propel social change.

"Technology has been seen by many Americans as a way to get a better tomorrow without having to deal with revolutionary change," Corn says.

[Gulf Arabs look east after EU trade deal hits wall](#)

MUSCAT (Reuters) - Gulf Arab oil producers are expected to sign trade pacts with China, South Korea, Australia and New Zealand starting this year after talks with the European Union for a similar deal hit a wall, an Omani official said.

The Gulf Cooperation Council (GCC) -- an economic and political bloc of six nations -- suspended talks with the EU late in 2008 after a disagreement on human rights and democracy derailed two decades of negotiations.

The alliance that includes world top oil exporter Saudi Arabia, the largest Arab economy and a member of the G20, is now looking at EU's rivals in the east, Abdulmalik al-Hinai, undersecretary for economic affairs at Oman's Ministry of National Economy, told Reuters in an interview late on Friday.

[EU cool on Russian appeal to help Ukraine on gas](#)

BRUSSELS (Reuters) - The European Union is unlikely to meet a Russian request to help Ukraine with payments for billions of dollars worth of Russian gas, European Commission President Jose Manuel Barroso said on Friday.

Barely four months after a pricing dispute between the two ex-Soviet states in January that disrupted supplies to Europe, Russia last week rejected a Ukrainian proposal to defer payment on up to \$5 billion in gas storage fees. Moscow, backed by Italy, has urged the EU to help Ukraine.

[Clouds gather over energy prices as storm season starts](#)

NEW YORK (MarketWatch) -- Fewer hurricanes are likely to gather over the Atlantic during the tropical storm season that starts Monday, but it would only take one or two aimed at key facilities to fan already rising oil and gas prices, analysts say.

The National Oceanic and Atmospheric Administration is expecting 14 storms compared to 16 last year, and fewer major hurricanes.

Still, this hurricane season again threatens to halt energy production and swamp key agricultural regions, raising the cost of natural gas, gasoline and even some food, and

possibly waylaying a U.S. economy recovery.

[Venezuela's economy](#)

The price of Venezuelan crude oil rose above US\$50/b in mid-May for the first time in eight months. Yet this level is still too low to alleviate financing pressures on the government. Officials outlined a modest fiscal adjustment in March, along with plans to meet government financing needs with new debt issuance, but this may not be sufficient to close the budget gap.

[Oman to up oil output to 830,000 bpd by end-2009](#)

DEHRADUN, India (Reuters) - Oman will raise its crude oil production to up to 830,000 barrels per day by the end of this year, oil minister Mohammed bin Hamad Al-Rumhy said on Saturday.

[Petro-Canada's grand delusion](#)

Petro-Canada, the former state oil company, is -- shareholders and Competition Bureau willing -- about to disappear into a merger with Suncor. Although it has, in theory, been "just another oil company" since the early 1990s, for the first half of its existence it was a major factor in Canadian politics. It was rarely a benign one.

[India aims to end fuel subsidies](#)

India's government said it may eliminate diesel and gasoline subsidies as soon as July, quicker than expected, ending a policy that had crushed state refiners' profits, strained government finances and inflated oil demand.

[U.S. Says 'Significant' Gas Resource Found in Gulf](#)

(Bloomberg) -- Drillers discovered "significant" possible energy resources in gas hydrate in the Gulf of Mexico, the U.S. Geological Survey said today.

The gulf "contains very thick and concentrated gas- hydrate-bearing reservoir rocks, which have the potential to produce gas using current technology," USGS said in a statement. Gas hydrate is comprised of natural gas and water.

[How the American Oil Industry Can Save Your Retirement](#)

According to new analysis by the American Institute for Economic Research, federal tax revenue fell \$138 billion last month compared to just one year ago. News headlines will likely focus on how the drop could severely hinder Washington's ability to pay down the projected \$1.7 trillion budget deficit. That's missing a major point -- how the drop will impact American workers' outlook for prosperity and retirement.

Pundits will also certainly ignore the role our oil industry could play in easing these problems. Let's look at both issues.

[Web Video of the Week: Understanding Peak Oil](#)

The whole discussion of oil supply and demand can be slippery and complicated. How long will it last, and when can we expect to see serious impacts on our everyday lives? If you're looking for an entertaining and captivating overview of this issue, we've found it. Watch this feature length documentary online now to learn about the history, present and future of global oil production and consumption. It could change the way you plan your tomorrows.

[New industrial revolution on way, says HSBC](#)

BRITAIN is set for a second industrial revolution as the traditional industries of manufacturing and farming are replaced by robotics, gaming and wind farms, a major new report predicted today.

[22nd Century Darwinians Challenge the Church in "Julian Comstock"](#)

Peak oil has left the world a churchy, early-industrial shambles in Robert Charles Wilson's new novel *Julian Comstock*. An engaging cross between post-apocalyptic series Jericho and Susanna Clarke's *Jonathan Strange & Mr. Norrell*, it may be the best science fiction novel of the year so far.

[Top six tips for surviving post-peak oil gas-archy](#)

When we have to get all Thunderdome-y to get gas, what are V-8 loving horsepower junkies like ourselves supposed to do? Doing anything with batteries other than using one to start the car is like putting a steak in the microwave, and even thinking about it is cause to be backhanded. (I'm lookin' at you Neil Young.) The solution has to be loud, go fast, burn something and preferably retain the internal combustion engine. I have come up with the top six totally unscientific and completely non-reality based solutions to get us through dryer times.

[Liftoff for the New Apollo Energy Project](#)

AS the space-shuttle program ends, some people question whether America still has the guts for bold new projects, in space or elsewhere. The House Energy and Commerce Committee answered that question affirmatively last week, when we launched an adventurous new national project to build a clean-energy economy for the United States and the world.

[Flood of anger](#)

Worried about drought, Washington State is planning to dam the Similkameen River. Opponents say the project would trigger destructive floods in B.C.

[Enron's other secret](#)

We all know that the financial stakes are enormous in the global warming debate — many oil, coal and power companies are at risk should carbon dioxide and other greenhouse gases get regulated in a manner that harms their bottom line. The potential losses of an Exxon or a Shell are chump change, however, compared to the fortunes to be made from those very same regulations.

[Risk too high for non-state carbon capture - Statoil](#)

MONGSTAD, Norway (Reuters) - Industry refuses to invest in carbon capture and storage (CCS) projects without strong state support because of a lack of clarity on future emissions rules, Norway's StatoilHydro (STL.OL) said on Friday.

[The man who could change the world](#)

America has been slow to respond to climate change, but its new Secretary of Energy, Nobel prizewinner Steven Chu, is determined to make up for lost time. He calls on fellow scientists to step up to the plate.

[Atlanta Roofer Blasts Obama Energy Adviser on Proposal to Paint Roofs White to Slow Global Warming](#)

KTM also points out an additional dilemma around materials used. Specifically asphalt roofs, which is the roofing material used to cover about 80% of all residential homes in the United States cannot be sufficiently painted to last for extended periods of time. Essentially the choice color of your asphalt shingle roof is limited to whatever color shingle you pick out during installation.

Paint has a difficult time sticking to an asphalt roof. In addition, painting an asphalt roof will cause the paint to bubble and blister as a result of moisture getting trapped. This is

magnified if freezing conditions occur, which can cause cracks in the shingles. Finally, KTM has confirmed with CertainTeed, a leading manufacturer of asphalt roofing shingles that painting an asphalt shingle roof will void the manufacturer's warranty.

[On CH₄, Poverty and CO₂](#)

At a meeting on population and resources early this year at the University of California in Berkeley, one session focused on global energy trends. Richard Nehring, a consultant tracking fossil fuels, noted that Africa (below and above the Sahara) has vast deposits of natural gas (CH₄), many of which are suitable for extracting butane and propane, valuable household fuels. This leads to a glaring question.

We know there are orphan drugs — potential treatments for diseases in poor places that don't get pursued because there's scant profit. But is natural gas in Africa essentially an "orphan fuel"?

[Republicans say Democrats' proposal will do little to ease climate change, only raise costs](#)

WASHINGTON - Republicans on Saturday attacked the climate change proposal crafted by congressional Democrats and endorsed by President Barack Obama as doing little to reduce global warming while saddling Americans with high energy costs.

[The browning of America](#)

In politics, the urgent but not necessarily terribly important always trumps the important but not palpably urgent. In the US today, getting out of the economic downturn is urgent, but not a matter of life and death. Moving towards sustainable energy use and cutting back on man-made contributions to global warming is a matter of life and death, but not immediately so in the US. When there is a conflict between a speedy exit from the recession and saving the environment, the environment therefore loses.



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