



Drumbeat: August 3, 2010

Posted by [Leanan](#) on August 3, 2010 - 9:18am

Topic: [Miscellaneous](#)

[America's delusions of energy independence](#)

The public is on the “energy independence” bandwagon. The “Drill Baby Drill” crowd likes the idea that if we only open every conceivable acre of U.S. territory to oil drilling, the U.S. will be energy independent. The environmental crowd likes the idea that wind and solar can replace oil, natural gas and coal to power everything in the United States, including our extensive transportation system. I personally think both positions are delusional.

The problem I see with our current situation is that the vast majority of people, including pretty well all politicians and the media, don't understand why oil is so valuable and why it is not easily replaceable. A major aspect of oil that makes it such a great energy source is that the Energy Profit Ratio for oil can be extremely high, particularly for the large fields we have historically relied upon; fields such as Ghawar, Prudhoe Bay, the Black Giant, Cantarell, Burgan, Ekofisk, Samotlor and many others.

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[Sri Lanka says China to not operate oil bunkering](#)

COLOMBO (Reuters) - Sri Lanka said on Tuesday China would have no operational role in new oil bunkering facilities being built as part of a \$1.5 billion port due to open in November on the island nation's southern coast.

[BP Hasn't Sought Permission to Sell Venezuela Units, Energy Minister Says](#)

BP Plc, seeking to raise funds to pay for the Gulf of Mexico oil spill, hasn't requested permission to sell assets in Venezuela for which it would need his country's authorization, said Rafael Ramirez, company president of Petroleos de Venezuela SA, the state-owned oil company.

PDVSA, as the Venezuelan company is known, has the first option to purchase BP's local assets, calling them “very attractive,” Ramirez, who is also oil and energy minister, told reporters in Caracas today.

[BP Could Face up to \\$21 B in Oil Spill Fines](#)

(AP) BP could face up to \$21 billion in fines stemming from the massive oil spill in the Gulf of Mexico.

[The other Gulf oil crisis](#)

The oil spill in the Gulf of Mexico is a rude reminder of the risks inherent in an economy dependent upon petroleum. But there's a quieter crisis in the other gulf - the Persian Gulf - that should call Americans' attention to the even more severe consequences of relying upon imported oil.

The costs of using the military to protect the transport of oil from the most turbulent part of the world should convince our country's policymakers to increase investments in researching and developing affordable, American-made clean-burning alternative fuels. But, first, we have to understand the real causes, costs, and consequences of importing 12.9 million barrels of oil per day, which make up nearly 60 percent of U.S. oil consumption at a total direct cost of roughly \$300 billion per year.

[The Progressives and the Virtue of the Small](#)

Dr. J. chats with Phillip Longman co-author of *The Next Progressive Era: A Blueprint for Broad Prosperity*, and a senior fellow at the New America Foundation. They discuss the need for progressive policies to break up the concentrations of industrial and financial capital, and to support small, local banks and businesses. They also discuss the proposal for all American youth to receive "stakeholder accounts" as proposed by Thomas Paine. Then a short essay by Robert Reich, and a piece from Marcelo Rinesi on "Peak Oil and Climate Change."

[French Power Prices to Rise 3.4%, Government Ministers Say](#)

(Bloomberg) -- French electricity prices will be raised 3.4 percent, Finance Minister Christine Lagarde and Energy Minister Jean-Louis Borloo said in a joint statement.

Prices will rise 3 percent for households and between 4 percent and 5.5 percent for companies, they said in an e-mailed statement. The increases will be effective Aug. 15, they said.

[China Working Toward Green Energy Solutions](#)

The huge turbines at the Guanting Wind Farm are popular backdrops for photos of

newly married couples who find the 60-meter-tall structures a symbol of modernity; an endearing addition to the distant mountains, corn fields and lake a few dozen kilometers outside bustling Beijing.

The hum of the spinning blades is the sound of China going green as it seeks to address the growing energy demands of its rapidly modernizing consumer society and fast-paced industrialization.

[States turn to tolls to fund roads](#)

Toll roads are increasingly emerging as the go-to strategy for states and metro areas eager to build and maintain expressways amid a recession that has battered government budgets.

"There's more interest in tolling today than there has been" in more than three decades, says Jack Finn, national director of toll services with the Kansas City-based consulting firm HNTB.

A traditional main source of road funding — gasoline taxes — has eroded as motorists drive fewer miles and more fuel efficient vehicles. The Obama administration opposes increasing the 18.4-cent-per-gallon federal share of the gas tax. It has been at that level since 1993. Transportation Secretary Ray LaHood says that public-private partnerships and tolling are additional ways to support transportation projects.

[July sales gains at automakers GM, Ford](#)

NEW YORK (CNNMoney.com) -- General Motors and Ford Motor reported improved U.S. sales in July, kicking off what is expected to be one of the best months for industrywide sales over the last two years.

[Tesla Subsidy Vanishing Amid Electric Vehicle Boom](#)

Twenty years ago the California Air Resources Board established the zero emissions vehicle mandate requiring the largest automakers to build and sell electric vehicles. Twelve states adopted the same aggressive targets, creating what remains the strongest regulatory force driving the development of battery electric and hydrogen fuel cell vehicles.

With General Motors and Nissan delivering EVs by year's end and Toyota, Honda and Volkswagen, among others, promising them within a few years, it looks like manufacturers will have no trouble meeting what they once considered an onerous requirement. This can only be considered a success for CARB because its goal of electrifying the fleet is being achieved.

But it has negative implications for electric vehicle startups — particularly Tesla Motors

— who depend upon selling zero emission vehicle credits to subsidize their bottom lines.

[GM makes a move into electric trucks](#)

NEW YORK (CNNMoney.com) -- As it prepares to begin sales of the Chevrolet Volt electric car later this year, General Motors is spreading out into electric delivery vans with an investment in Indiana-based Bright Automotive.

[Builders try to prove green homes can be affordable](#)

Can green homes really be affordable? To stand out in a still sluggish housing market, more builders are beginning to offer average-priced, ultra-efficient homes.

['The Colony' envisions the worst-case scenario](#)

(CNN) -- Could you survive a global catastrophe that wiped out most of humanity?

That's the premise of "The Colony," a reality show on the Discovery Channel that drops seven strangers in a deserted area for 50 days where they are left to fend for themselves without food, running water, electricity and assistance from the outside world.

But before you dismiss it as a "Survivor" copycat, know that the contestants are not competing for any money, nor attempting to dodge being "voted off." They are willing participants in an experiment meant to simulate a real post-calamity society.

[America's delusions of energy independence](#)

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[Pakistan's largest city descends into deadly chaos after assassination](#)

KARACHI, Pakistan — At least 45 people were killed overnight in Pakistan's commercial hub of Karachi after a member of the dominant political party in the city was shot dead, police said on Tuesday.

Dozens of vehicles and shops were set on fire as security forces struggled to gain control of the city. Karachi residents stayed off the streets Tuesday in anticipation of more violence.

The latest unrest came after Raza Haider, a provincial lawmaker, was shot dead along with his bodyguard in a mosque in the Nazimabad area of the city while attending a funeral on Monday.

[Is the Middle East on the Brink of a Big New War?](#)

Tuesday's cross-border firefight between Israeli and Lebanese government forces might simply have been a misunderstanding. And the rockets fired from Gaza and the Israeli air strikes on the besieged territory over the past week could be viewed as periodic blip in business as usual on that front. By the same token, last Friday's unprecedented joint visit to Beirut by the leaders of Saudi Arabia and Syria could be viewed simply as a move to stop the conflict between their Lebanese proxies turning nasty. And British Prime Minister David Cameron's pleas to Turkey to keep open its communication channels with Israel's leaders are quotidian diplomatic common sense. Viewed in a wider context, however, each of those events could be taken as signs of why many in the Middle East believe that despite the outward calm, the region may be on the brink of another catastrophic war.

[Argentina Has Colder Winter Than Antarctica, Spurring Record Power Imports](#)

Argentina is importing record amounts of energy as the coldest winter in 40 years drives up demand and causes natural-gas shortages, prompting Dow Chemical Co. and steelmaker Siderar SAIC to scale back production.

Electricity supplied from Brazil and Paraguay rose to a daily combined record of about 1,000 megawatts on July 12, while consumption peaked at 20,396 megawatts three days later, according to Buenos Aires-based energy broker Cammesa. Shipments of liquefied natural gas are set to double this year.

[Analysis: Shale Gas to Help Meet Chinese Future Energy Demand](#)

Wood Mackenzie reported that unconventional gas, particularly shale, will increase significantly to help meet China's strong gas demand growth.

In its recent study, Race for Supply – the Future of China's Gas Market, domestic unconventional production will account for over a quarter of total gas supply by 2030. However, unconventional gas resources will take a significant time to develop and therefore meeting its gas demand will require China to import significant additional volumes of liquefied natural gas and piped gas, particularly up to 2020.

[FACTBOX - China's refinery expansion plans](#)

BEIJING (Reuters) - PetroChina (0857.HK: Quote) has started to expand its Hohhot refinery in northern Inner Mongolia that would more than triple the plant's refining capacity to 100,000 barrels per day.

China will likely add some 3 million bpd of new refining capacity between 2010 and 2015, industry officials and Chinese media have said, in a new refinery building boom to fuel its robust economic growth.

[Saudi Aramco to Cut Prices of Crude Oil to Asia as Refiners' Profits Slump](#)

Saudi Arabian Oil Co., the world's biggest crude exporter, may cut the official selling price of all of its September-loading crudes to Asia as processing profits for refiners have declined.

[Mexico produced 2.573 mln bpd oil in July](#)

MEXICO CITY (Reuters) - Mexican oil production rose in July to 2.573 million barrels per day, up from 2.546 million bpd in June, according to a preliminary estimate released by state oil monopoly Pemex on Monday.

Pemex said the bulk of the increase was due to higher output at the Ku Maloob Zaap heavy oil project, which pumped 833,000 bpd in July, up from 810,000 bpd in June.

[Chesapeake Changes Mix to More Liquids, Less Gas](#)

Chesapeake Energy has accelerated its efforts towards a more liquids-rich asset base in recognition of the "significant and persistent" value gap that has developed between natural gas and oil prices, the company reported in an operational update released August 2.

The company has redirected a significant portion of its technological, geoscientific, leasehold acquisition and drilling expertise to identifying, securing and commercializing unconventional liquids-rich plays.

['America's Bubba': Is Nungesser an oil folk hero or an opportunist?](#)

More than 100 days into this historic catastrophe, few officials or institutions have escaped Nungesser's unholstered, often heart-stopping rants. As a result, the 51-year-old Republican who made millions building offshore housing for oil rig workers has become point man for the region's uncapped rage and frustration.

[For Clean Power and Not-So, New Midwest Lines](#)

A major Midwest utility, Ameren, said Monday that it had created a new subsidiary to build transmission lines in Missouri and Illinois that will bring more wind power onto the grid – not to mention coal power, from clean to conventional.

[Manila nuclear plant is slowly dying](#)

MANILA // On a windswept bluff overlooking the South China Sea, the Bataan nuclear power station stands as a reminder to the UAE and other nations of the Middle East as they pursue similar solutions to their own energy needs.

The plant, which was completed in 1984 at a cost of US\$2.3 billion (Dh8.44bn), has never produced a kilowatt of electricity.

[Groups Seek Ban on Lead in Sporting Ammunition](#)

Lead, for centuries the core ingredient of ammunition, is now coming under attack itself.

As the American military begins to embrace “green bullets,” environmental groups are pushing state and federal officials to ban the use of lead in hunters’ guns and fishermen’s tackle.

Their goal is to protect both the animals that scavenge the carcasses of hunted prey and the people who consume meat from hunting expeditions.

[Predictions of Coal, CO2 Production Flawed, Says Latest Research](#)

AUSTIN, Texas — The CO2 emission estimates used for government policy decisions assume unlimited coal and fossil fuel production for the next 100 years, an unrealistic premise which skews climate change models and proposed solutions, according to new research published by Tad Patzek, chair of the Petroleum and Geosystems Engineering Department at The University of Texas at Austin.

Based on widely accepted studies predicting coal production will peak and decline after 2011, Patzek warns climate change predictions should be revised to account for this inevitable peak and decline. His research appears in the internationally peer-reviewed journal, *Energy, The International Journal*.

"Governments worldwide are basing their policy decisions on the uninterrupted increase of coal and oil production worldwide," says Patzek. "These policy decisions will be inherently in error, and will lead to expensive and false technological solutions."

[Oil Rises to Three-Month High Before U.S. Supply Data Amid Weaker Dollar](#)

Oil rose to a three-month high in New York as the dollar weakened and analysts forecast that crude inventories declined last week in the U.S.

Crude-oil supplies probably fell by 1.5 million barrels last week, a Bloomberg News survey showed before an Energy Department report tomorrow. Futures earlier breached \$82 a barrel for the first time since May as European equities pared losses after an index from the Institute for Supply Management yesterday showed that U.S. manufacturing slowed less than analysts forecast in June.

[Kuwait says satisfied with oil at \\$75-85 a barrel](#)

Kuwait is satisfied with oil prices between \$75 and \$85 a barrel and doesn't expect OPEC to lower production quotas, the nation's oil minister said.

"We are satisfied with the range of \$75 to \$85," Sheikh Ahmad Al Abdullah Al Sabah said in Moscow on Tuesday. "We don't anticipate any cuts but we do encourage other OPEC countries to be more compliant."

[China's Oil Demand May Continue to Slow in Third Quarter as Economy Cools](#)

China's crude oil demand growth may continue to slow in the third quarter as a cooling economy cuts requirements for fuel including diesel, according to data from the country's largest oil company.

[Coal Imports May Drop in China on Less Growth, More Hydro](#)

China, the world's largest energy consumer, may reduce monthly coal imports to the lowest level in more than a year in the second half as the economy cools.

[China Diesel Demand Falls After Heavy Rains, Floods, Cutting Sinopec Sales](#)

China's diesel demand has fallen because of heavy rains and flooding, cutting sales of China National Petroleum Corp. and China Petrochemical Corp.

[Tropical Storm Colin Forms as Winds Reach 40 Miles per Hour, Center Says](#)

Tropical storm Colin, approaching the southeastern Caribbean Sea from the Atlantic, was upgraded from a tropical depression, the National Hurricane Center said today.

[BP gears up for 'static kill' operation](#)

NEW ORLEANS, Louisiana (AFP) – BP will attempt to mount a "static kill" operation Tuesday to finally plug the worst spill in oil industry history, freeing it to concentrate on the environmental disaster in the Gulf of Mexico.

Engineers must first conduct a "injectivity" test that was delayed Monday but they hoped to begin pumping heavy drilling fuel, known in the trade as "mud," into the well as early as Tuesday to permanently shut the giant gusher.

[BP faces insider dealing probe as nears well kill](#)

WASHINGTON/HOUSTON (Reuters) – BP faces an investigation into whether its employees profited illegally from the Gulf of Mexico spill, as the oil giant prepared on Tuesday to kill the blown-out well for good.

U.S. securities regulators are investigating potential insider trading in shares of BP, including by BP employees, two sources familiar with the probe told Reuters.

[BP oil well gushed 4.9 million barrels: US](#)

WASHINGTON (AFP) – The US government on Monday said BP's ruptured well in the Gulf of Mexico gushed an estimated 4.9 million barrels of oil, making it the largest accidental oil spill of all time.

"Overall, the scientific teams estimate that approximately 4.9 million barrels of oil have been released from the well," the joint response command that includes BP and the US government said in a statement describing the new estimate.

[Kuwait Raising Stake in BP Depends on Market Conditions, Oil Minister Says](#)

Kuwait is satisfied with its stake in BP Plc and may increase its holding if market conditions are favorable, the Persian Gulf nation's oil minister said.

"We already have a stake there," Sheikh Ahmad al-Abdullah al-Sabah told reporters in Moscow today. "If Kuwait investment authorities see that there are more attractive opportunities, I am sure they will take them depending on the situation in the market."

[Tests show BP dispersant no worse than the others](#)

WASHINGTON (AFP) – Dispersants mixed with crude are no more toxic to marine life than oil alone and the type of dispersant used by BP in the Gulf of Mexico is no worse than the alternatives, a study showed Monday.

[Biologist Using Noah's Ark Idea To Save Sealife](#)

PANACEA, Fla. -- On the chance that the Gulf of Mexico oil spill threatens some sea creatures with extinction, naturalist Jack Rudloe hopes his laboratory can save them.

Rudloe has launched Operation Noah's Ark, using his four-acre facility an hour south of Tallahassee to preserve more than 350 different specimens - everything from sharks to starfish, shrimp and batfish - in an environment that includes a grassland and duplicates high and low tides. And he's not doing it two-by-two. The fiddler crabs, for instance, number around 50,000.

[NJ senators vow to reschedule BP-Lockerbie hearing](#)

NEWARK, N.J. – New Jersey's U.S. senators said Monday they'll continue their investigation into what role BP PLC may have played in the release of convicted Pan Am 103 bomber Abdel Baset al-Megrahi last year, and will consider issuing a subpoena to BP CEO Tony Hayward.

[Investors See Petrobras Peril of Ignoring BP Oil Drilling Spill](#)

Lucia Rodriguez Ilaria figured it would be easy to get a big crowd together in Brazil's largest city to demonstrate against BP Plc, the company responsible for the largest oil spill in U.S. history. The June 12 event in Sao Paulo was part of Worldwide Protest BP Day, an event organized in 52 cities across five continents that aimed to start a boycott of BP products. About 350,000 people signed on for the protest on Facebook.

In Sao Paulo, eight people showed up for the rally at Ibirapuera Park, Bloomberg Markets reports in its September issue.

[Speakers at Bayonne public hearing voice concerns over natural gas pipeline](#)

Speakers yesterday told federal regulators they do not want a proposed natural gas pipeline that Spectra Energy wants to run through Bayonne's Bergen Point anywhere near the residential neighborhood, as reported in today's editions of The Jersey Journal.

[Electric Vehicles Top Clean-Energy Venture Capital, Better Place LLC Says](#)

Better Place LLC, which makes charging stations for electric vehicles, led a 64 percent jump in venture capital investments in the clean technology sector during the second quarter, according to Ernst & Young LLP.

Venture capital firms invested \$1.5 billion in clean technology companies in 65 financing rounds, the highest level of private funding since the third quarter of 2008, according to Ernst & Young analysis.

[Gov't Motors' Electric Edsel](#)

The administration's electric car represents both the genius of American technology and the stupidity of its government. Imagine Rube Goldberg with \$50 billion. Buy now and get a free 40-mile-long extension cord.

[Bioenergy From Wood Capable of Substituting for a Fifth of German Oil Use](#)

Energy from wood, corn and plants has the potential to replace as much as a fifth of Germany's oil consumption within a decade, according to a study by a renewable energy lobby group.

[Why do we worship at the altar of technology?](#)

If there is one true religion in the US, it leads us to worship at the altar of technology. Christian or Jew, Muslim or atheist, we accept the doctrine of this shared faith: that technology provides the main path to improving our lives and that if it occasionally fails, even catastrophically, it will just take another technology to make it all better.

[Australian election campaign hungry for food security](#)

Simmering concerns in Australia about food security have prompted the governing Labor Party to add a national food policy to its list of election promises. Experts say it's an area of emerging concern for Australia and the opposition Liberal Party has already promised a food security minister at cabinet level if it wins this month's general election.

As a food exporting nation - but also an attractive destination for food related investment - Australia faces important decisions about food security.

[Farmers outline food plan priorities](#)

Biosecurity, research and development and water are the top issues Labor needs to address in its promised national food plan, the National Farmers Federation (NFF) says.

[Welcome to the Interboom](#)

According to Pombriant, the three most pressing issues to test our economy in the coming years are:

1. the end of high technology as a driving force in the economy;
2. the aging of the Baby Boomer generation; and
3. the Peak Oil milestone.

[Developed nations should not shift responsibility for climate change: Chinese envoy](#)

Huang Huikang, who took over Yu Qingtai as special representative for climate change negotiations of China's Foreign Ministry, told Xinhua in an exclusive interview that developed nations should stop shifting focus from their promises and pledges on climate change.

"In the past 200 years, developed countries have caused a large accumulation of carbon dioxide due to their mode of production and way of life -- the historical responsibility is quite clear in this regard," he said.

[Climate Loopholes May Wipe Out Greenhouse Gas Cuts, Island Nations Say](#)

Loopholes in the Kyoto Protocol climate treaty risk wiping out emissions reduction pledges made by developed nations for 2020, an alliance of island nations said at United Nations global warming talks in Bonn.

The pact's rules mean current pledges by developed nations to reduce greenhouse gases by 12 percent to 18 percent by 2020 could end up leading to cuts amounting to just 1 percent to 7 percent from 1990 levels, Al Binger, a delegate from Grenada, told envoys. That may wipe out the treaty's goal of a 5 percent cut in its first commitment period, which runs from 2008 through 2012.

[Climate-proof 'cool refuges' needed](#)

Cities may need "cool refuges" as climate change brings heat waves and the risk of mass casualties, engineers warn.

They've raised the prospect of vulnerable people - including the elderly and the sick - heading into air-conditioned shopping malls to survive, possibly at night.

[Warming Is Real. Now What?](#) (review of *The Climate War* and *Weather of the Future*)

Even as Democrats abandoned efforts late last month to advance a major climate change bill through the Senate, books about global warming continue to pour forth. Two of the more interesting ones do not waste time rearguing debates over the science (in 2007 a United Nations panel, synthesizing the work of hundreds of climatologists from around the world, called evidence for global warming "unequivocal"), but instead take as a starting point the clear and present dangers posed by the greenhouse gases produced by burning fossil fuels.

[Russia burns and crops fail as global warming's 35th 'birthday' approaches](#)

Today, the news got even worse. A significant portion of the Russian wheat crop is now considered to be in jeopardy, causing the most dramatic rise in wheat prices in more than 50 years, according to the Wall Street Journal. The specter of wheat shortages in the months to come is now stalking the markets.

According to other reports, the drought and heat have decimated the wheat crop in a belt stretching all the way from Romania to Siberia.

And now there are fears that next year's crop is at risk too. The winter wheat sowing season in that part of the world begins at the end of August. But right now, the soil is bone dry, so without rain soon, farmers won't be able to sow their seed.

[Will Russia's Heat Wave End Its Global-Warming Doubts?](#)

At a meeting of international sporting officials in Moscow on July 30, Russian President Dmitri Medvedev announced that in 14 regions of the country, "practically everything is burning. The weather is anomalously hot." Then, as TV cameras zoomed in on the perspiration shining on his forehead, Medvedev announced, "What's happening with the planet's climate right now needs to be a wake-up call to all of us, meaning all heads of state, all heads of social organizations, in order to take a more energetic approach to countering the global changes to the climate."

For Medvedev, such sentiments mark a striking about-face. Only last year, he announced that Russia, the world's third largest polluter after China and the U.S., would be spewing 30% more planet-warming gases into the atmosphere by 2020. "We will not cut our development potential," he said during the summer of 2009 (an unusually mild

one), just a few months before attending the Copenhagen climate summit, which in December failed to reach a substantial agreement on how to limit carbon emissions.



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