



Drumbeat: July 25, 2011

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[The scourge of 'peak oil'](#): *When demand for oil consistently surpasses supply, experts warn that our lives will look "very differently"*

Energy derived from oil reaches, quite literally, every aspect of our lives.

From the clothes we wear, to the food we eat, to how we move ourselves around, without oil, our lives would look very differently.

Yet oil is a finite resource. While there is no argument that it won't last forever, there is debate about how much oil is left and how long it might last.

Tom Whipple, an energy scholar, was a CIA analyst for 30 years - and believes we are likely at, or very near, a point in history when the maximum production capacity for oil is reached, a phenomenon often referred to as "peak oil".

"Peak oil is the time when the world's production reaches the highest point, then starts back down again," Whipple told Al Jazeera. "Oil is a finite resource, and [it] someday will go down, and that is what the peak oil discussion is all about."

[Testing oil potential](#)

Cessation of oil production in Libya has refocused attention on an important question with no easy answer: How much oil can the world produce?

[Domestic Demand to Corner Saudi Oil Exports: Experts](#)

As Saudi Arabia continues to grow rapidly, the dilemma of sufficiently meeting domestic and international crude oil demand becomes one that would lend credence to believers in higher prices down the line, experts and analysts told CNBC.

[Growing Saudi consumption for its own crude cause for concern](#)

The surge in the Saudi domestic crude consumption is generating ripples all around. With the region in the midst of hot and humid summer, this could be straining — ultimately — the delicate, global demand/supply balance.

As per the IEA, the world's biggest crude exporter looks set to burn a record average of 600,000 barrels per day of its own crude in 2011, limiting exports despite an increase in output.

On a hot day, up to 1.2 million barrels are needed by Saudi power plants to meet electricity demand. Interestingly the difference between peak and trough Saudi direct crude demand increased from about 180,000 barrels per day in 2002 to 2008 to about 660,000 barrels per day in the years since 2009 — apparently a consequence of a changing life style!

[Mideast fuel oil inflows to E Asia to fall](#)

Middle East fuel oil supplies into East Asia for August are expected to fall drastically from high levels of the past two months amid easing demand from China, traders said.

So far, only 400,000-450,000 tonnes of cargoes from Saudi Arabia, Iran and Kuwait have been fixed for August arrival, down from more than 1 million tonnes for each of the last six months, Reuters data show.

[The big bets that the debt fiasco will raise oil prices](#)

Oil traders are betting as a herd that they are on the cusp of potentially their most profitable period since the Libyan uprising stoked fears of Saudi Arabian oil being lost to the market. Hedge funds, among the biggest players in oil futures, are leading this charge, according to the U.S. Commodity Futures Trading Commission, which tracks such data. They have upped their bets on a serious rise in oil prices three weeks in a row -- the first time that has happened since late February-early March, Reuters reports.

We care about this directional betting because, if the hedge funds are correct, the global economic struggle faced by everyone except China will worsen. Plus, tens of billions of dollars will flow to petro-leaders -- in Russia, Venezuela, Iran -- whose behavior turns increasingly more discourteous when they are richer.

[Anders Behring Breivik: Suspect 'targeted North Sea'](#)

The man accused of the Norway massacre included North Sea oil and gas platforms and BP's Aberdeen base on his potential list of targets.

Anders Behring Breivik detailed in a 1,500-page manifesto how he could carry out such terror attacks.

[Debate Intensifies Over Climate Change Aspects of Canada's Oil Sands Pipeline](#)

As the State Department weighs approving an oil pipeline stretching from Canada to Texas, experts are divided on whether the Keystone XL project would worsen global warming.

The split opinion is coming to a head, as the House considers a bill speeding up the approval process for the \$7 billion pipeline and the State Department readies release of a final environmental assessment in August. In the middle are protesters, analysts, researchers and industry officials floating wildly different numbers about the greenhouse gas impact of the the TransCanada proposal.

[Iran-China oil trade runs smoothly - Beijing sources](#)

(Reuters) - Iran's oil trade with China, its biggest crude buyer, has not suffered the problems hampering its exports to India, Beijing-based oil industry officials said on Monday.

Chinese companies first started paying in euros for their Iranian crude in 2006 and have also considered payment in yuan, the sources said. There have been no problems with payments, they said.

[Cyprus: Energy crisis to 'plague us for some time'](#)

THE energy crisis caused by the destruction of the main power station will plague the island for quite some time but a total blackout is a very remote possibility, a top energy official said yesterday.

[Yemen to Put an End to Fuel Crisis by Weekend - Minister](#)

Minister for Trade and Industry, Hisham Sharaf, said on Saturday that the acute fuel crisis will come to an end by this weekend, as long queues of cars are still seen near filling stations across the country. In a statement to Al-Thawra Daily, Sharaf said the government has already started supplying benzene to all cities as a first step towards ending the fuel crisis.

"The government imported 90000 tonnes of oil as a first step to tackle the acute fuel shortage in the country," he said, pointing out that Yemen needs 8000 tonnes of diesel a day, with the Secretariat Capital portion estimated at 140000 tonnes.

[Entergy To Refuel Vt. Nuclear Plant, Trial Awaits](#)

NEW YORK -- Entergy Corp. said Monday its board of directors voted in favor of refueling its Vermont Yankee nuclear plant in Vermont, despite state government objections.

[America: Why Aren't You Protesting](#)

As noted by Richard Heinberg on June 22nd, 2011, the media has lacked the ability to connect the economic situations in the Middle East and their uprisings to what is happening in Europe. I would avoid the word "Revolution" in the case of the Middle Eastern uprisings, seeing as no dramatic systemic changes have taken place, only the ousting of dictators. Same as I would avoid the words of social upheaval in the case of European protests, which have been quite calm and only demanding to maintain the social safety nets produced through years of labor struggle. Rather, the odd occurrence is the ostensibly quiet population of the United States who are in many cases having the same economic problems and austerity based government solutions. This a place where the media does want to ask the public the question, "Why aren't you protesting?"

[Richard Heinberg - Conservation: There is no alternative](#)

Energy conservation is our best strategy for pre-adapting to an inevitably energy-constrained future. And it may be our only significant option for averting economic, social, and environmental ruin.

The world will face limits to energy production in decades ahead regardless of the energy pathway chosen by policy makers. Consider the two extreme options—carbon minimum and carbon maximum.

[Review: *The End of Growth* by Richard Heinberg](#)

The limits-to-growth debate began in 1972 with the MIT report of the same name. That seminal study concluded that without preventive action, sometime early this century the global economy would collide catastrophically with hard ecological limits. No one acted, and now the economy is, in Heinberg's judgment, trapped in a rut from which there's no escape. Heinberg is a leading authority on one critical natural limit precluding further growth, that of oil supply—on which his *The Party's Over* is a standard reference. In this new book, he argues that industrial economies are on the eve of a great contraction. Though we may see temporary revivals of growth hereafter, even ones lasting entire quarters or years, the overall trend line will be pointed steeply downward.

[Can economic growth last?](#)

The figure above shows the rate of global economic growth over the last century, as reconstructed by J. Bradford DeLong. Initially, the economy grew at a rate consistent with that of energy growth. Since 1950, the economy has outpaced energy, growing at a 5% annual rate. This might be taken as great news: we do not necessarily require growth at a physical scale to maintain growth in the economy. But we need to understand the sources of the additional growth before we can be confident that this condition will survive the long haul. After all, fifty years does not imply everlasting permanence.

[Bill Mckibben: Burning up over our energy policy: Choose solar over carbon fuels -- or brace for more severe heat](#)

On Thursday, Mayor Bloomberg announced he was handing over \$50 million of his own cash to the Sierra Club, to be used in the fight against coal-fired power. Coal - along with oil and gas - is global warming's primary culprit. We burn it, the Chinese burn it, everyone burns it.

But we don't need to, it turns out. The other blast of cool air comes from a City University of New York study released in June that used an airplane equipped with a special laser mapping system to show that New York City could provide half the power it needed from rooftop solar panels. It looked at the size, shape and angle of every roof in all five boroughs - it even calculated how much shade trees were casting. The study concluded that two thirds of the buildings in the five boroughs had suitable roof space for solar panels. And if New York, which has one of the most compact footprints on Earth, can provide half of its power from the sun, it could become a worldwide model of clean energy.

[Kurt Cobb: Fly me to the moon \(and let me mine among the stars\)](#)

Several years ago a young boy asked me during a presentation if we might be able to pipe in oil and natural gas from the Moon or other planets. I thanked him for the idea and explained that the cost of a pipeline would be far greater than the value of any oil and natural gas we might find.

But dreams of exploiting mineral wealth on other celestial bodies lurk not only in the minds of young boys, but also in the minds of intelligent and completely sane adults. The most recent iteration of this dream comes from scientists working on fusion energy. It turns out that helium-3, a rare isotope of helium, may be useful as fuel for fusion reactors. The very small quantities of helium-3 available on planet Earth are a byproduct of the manufacture of hydrogen bombs using tritium, a radioactive isotope of hydrogen. Ironically, one of the advantages of helium-3 in fusion reactors is that it lends itself less to weapons proliferation than tritium, the decay of which is the source of helium-3. In addition, helium-3 fueled reactors would produce no radioactive waste.

[Oil at \\$120 Becomes Biggest Energy Bet](#)

The biggest bet in the oil market has become a 20 percent increase to \$120 by the end of the year as global growth drives demand for raw materials.

The number of contracts held by traders in options to buy West Texas Intermediate crude at \$120 a barrel in December totaled 45,502 lots on the New York Mercantile Exchange as of July 21, 4,226 lots more than the next-highest wager, which is for \$125. Open interest in the two contracts jumped 29 percent in the past four weeks, according to data compiled by Bloomberg.

[Oil falls to near \\$99 as US debt talks stall](#)

SINGAPORE – Oil prices fell to near \$99 a barrel Monday in Asia amid investor concern that the lack of an agreement among U.S. lawmakers to raise the country's debt limit could trigger a default and damage the global economy.

Benchmark oil for September delivery was down 81 cents to \$99.06 a barrel at late afternoon Singapore time in electronic trading on the New York Mercantile Exchange. Crude rose 74 cents to settle at \$99.87 on Friday.

[Price of gas jumps 8.5 cents in past two weeks](#)

NEW YORK — The average price for a gallon of gasoline in the United States rose for the first time since early May following an increase in the price of crude oil, according to the latest nationwide Lundberg survey released Sunday.

The national average price for a gallon of regular gasoline was slightly more than \$3.70 on July 22, an increase of 8.58 cents in the past two weeks, according to the survey of some 2,500 gas stations in the continental United States.

[After IEA Experiment, What's Next for Oil Prices?](#)

The Paris-based International Energy Agency (IEA) announced yesterday that it would not continue releasing oil reserves into the global oil market.

The decision last month to release 60 million barrels from member strategic reserves, with 30 million coming from the U.S. Strategic Petroleum Reserves (SPR), did have an initial downward impact on oil prices.

But that turned out to be short-lived.

[Kerosene out of reach for oil-rich Nigeria's poor](#)

LAGOS, Nigeria (AP) -- It's been five months since Toyin Felix last cooked dinner for her family in her kitchen. The price of kerosene is so high this mother of four now builds a fire outdoors with wood instead.

[Iran says India owes it \\$5 billion for oil imports](#)

TEHRAN: Iran said on Monday India's latest payment balance on crude oil imports from the Islamic state stands at \$5 billion, the official IRNA news agency quoted the governor of the Central Bank of Iran as saying.

[Syria Holds Hundreds at Protests as Cabinet Approves Plan for New Parties](#)

Syrian security forces arrested hundreds of anti-government protesters as the Cabinet approved a draft law that would allow new political parties to exist alongside President Bashar al-Assad's ruling Baath party.

[Iraq To Export 10,000 B/D Of Crude Oil To Syria - Official](#)

AMMAN -(Dow Jones)- Iraq is about to reach a final agreement with the Syrian government to start exporting some 10,000 barrels a day of Iraqi crude oil to Syria and gradually increase that amount, a senior Iraqi oil official said Monday.

"We are in the final stages of reaching an agreement to start exporting to Syria," the official told Dow Jones Newswires.

[Qatar to sell liquefied natural gas to Malaysia](#)

DUBAI, United Arab Emirates - Qatar's state-run Qatargas says it has agreed to sell 1.5 million tons of liquefied natural gas annually to Malaysia, locking in its first major customer in Southeast Asia.

[Dow Chemical Will Build \\$20 Billion Petrochemical Plant With Saudi Aramco](#)

Dow Chemical Co. and Saudi Arabian Oil Co. approved a plan to build a \$20 billion petrochemical plant at the Persian Gulf port of Jubail as Saudi Arabia seeks to process more valuable products from its crude.

[All eyes on the kings of black gold](#)

This week the oil majors report their earnings for the first half of the year. What impact will there be for the Middle East and especially Abu Dhabi?

[BP Breakup Could Unlock \\$100B, JPMorgan Says](#)

Robert Dudley could unlock \$100 billion for BP Plc investors by following ConocoPhillips and splitting up Europe's second-biggest oil producer.

BP, trying to recover from last year's Gulf of Mexico disaster, has lagged behind its three larger rivals this year, rising 1 percent in London even as oil peaked at \$127 a barrel. Conoco's decision to split its refinery arm from its exploration and production business led analysts at banks including UBS AG, Bank of America and JPMorgan Cazenove to recommend BP look at a similar move.

[GE Profit Beats Estimates as Finance Unit Blunts Energy-Profit Drop](#)

General Electric Co. (GE) posted second- quarter earnings that beat analysts' estimates, buoyed by its finance unit, as the industrial order backlog rose to a record.

[Michigan Lawmakers Call Auto Mileage Proposals 'Overly Aggressive'](#)

Michigan's congressional delegation has warned in a letter to the White House that new automobile fuel economy and emissions standards being drafted by the Obama administration are "not reasonably feasible" given the state of current technology and consumer buying habits.

[Time for an energy policy](#)

In the early 1980s, the government of Brazil decided it didn't want to be dependent on the OPEC countries. Instead, it began researching what could replace oil. There were a number of alternatives, but that country went with ethanol made from sugar. Now new cars and trucks, including those produced by Detroit's Big Three, must be able to run on this alternative fuel or on oil.

It wouldn't have happened if Brazil hadn't forced it to happen. That type of mandate is what is needed here, and it now looks like something may actually happen. Two months ago, a bipartisan bill was introduced in the House "to insure that new vehicles enable fuel competition so as to reduce the strategic importance of oil to the United States."

[Who will ride an alternative to 'market-driven sprawl'?](#)

Leavitt and high-speed rail supporters believe that laying down infrastructure will give communities something permanent to cluster around. Their transit systems will have renewed value as people realize they can cross the state without ever getting in a car.

If a city can reorient itself around a subway line, the argument goes, the state can reorient itself around a high-speed train.

[BP still stained by Gulf of Mexico oil spill](#)

BP, still pulling itself out of the wreckage of the Deepwater Horizon disaster, may need to redefine its strategy as it posts disappointing earnings.

[Less than 10 percent of oil spill uncollected](#)

MARSHALL - A year after one of the largest oil spills in the history of the Midwest, cleanup crews still toil along the Kalamazoo River in southern Michigan - and it won't surprise some regulators and residents if they remain working in a more limited capacity next summer and beyond.

[Threat to Japanese Food Chain Multiplies as Cesium Contamination Spreads](#)

Radiation fallout from the wrecked Fukushima nuclear plant poses a growing threat to Japan's food chain as unsafe levels of cesium found in beef on supermarket shelves were also detected in more vegetables and the ocean.

[Japanese support PM's call to do away with nuclear power: poll](#)

TOKYO (Reuters) - More than two-thirds of Japanese support Prime Minister Naoto Kan's call to do away with nuclear power, a media poll showed on Sunday, underscoring growing opposition to atomic energy in the wake of the crisis at the Fukushima Daiichi plant.

[Powering Japan's future](#)

Last year, Japan produced close to one quadrillion watt-hours of electricity — that's 1 followed by 15 zeros. The vast majority of that — which translates into one billion megawatt hours (MWh) — came from coal, natural gas and nuclear power plants operated by 10 utilities that, only a few months ago, seemed unshakably powerful.

Now, though, Japan's energy future looks quite different.

[Solar power forecast to pay dividends for residents](#)

Dubai residents could begin selling solar power to the grid in two years. No regional government has established large-scale financial incentives for renewables, despite ambitious targets.

[Solar panels help cool buildings, says study](#)

As well as providing a source of alternative energy, roof-mounted solar panels could also have the extra benefit of cooling the house or workplace on which they are fitted says a new report.

[Energy efficiency plan: Hire someone else to pay the bill?](#)

FORTUNE -- For owners of older office buildings, the promise of smaller energy bills is a big enticement, but the way to better energy systems is a big mystery. And it's this confusion that's got Steve Gossett working hard to become the overwhelmed landlord's best friend.

Gossett's company, Transcend Equity, pays all the landlord's energy bills. It also devises and pays for major capital investments to make a building more energy-efficient. In return, building owners pay a fixed fee to Transcend.

[Price of dinner foods up almost 5% in one year](#)

The "Food at Home" component of the recent consumer prices report surged almost 5% on an annual basis as grocers passed on to consumers the 12-month jump in corn, rice, sugar and oats.

[Food Prices to Stay High Amid Underinvestment, Climate Change, IFAD Says](#)

Global food prices will remain high as underinvestment in agriculture over decades has left supplies unable to meet demand, according to a United Nations agency.

"We are just depleting our stocks and now we have this high population growth," Kanayo F Nwanze, president of the International Fund for Agricultural Development, said in an interview. "Prices won't come down overnight. They are going to stay high for some time to come."

[In Philadelphia, Going Green or Growing Wild?](#)

The judge stared at the photographs. They looked like weeds, but they had botanical names. This tall woman (she is 5-foot-11 in her bare feet) looked perfectly sane in her clean, pressed trousers and tailored blouse. The fine was canceled, and Ms. Ruddick went home and began searching for a gardener who could bring enough order to her yard-gone-wild to forestall another summons and to allay neighbors' fears about declining property values.

"You have to allow a certain amount of mess to create a habitat," she said. But "it also pushes a boundary that's very uncomfortable: the sloppiness and the ugliness, the awkward moments when things are cut" before "it starts to get its own shape."

[Poorer countries lead global movement toward low-carbon power -- study](#)

Poor countries have spent just as much as rich ones -- and in the case of China, more -- to develop low-carbon energy, according to a study coming out this week. Its conclusions could turn the conventional wisdom about the differences among nations over mitigation efforts on its head.

[Capturing greenhouse gases](#)

When it comes to fighting climate change, most people think about shrinking their carbon footprints by reducing the amount of the heat-trapping gas, or carbon dioxide, generated when they flip on a light switch, drive a car, or put on the air conditioner.

But scientists and policy makers have long been intrigued by a larger-scale approach: the idea of removing carbon dioxide - separating out the greenhouse gas from the exhaust coming out of the flues of coal plants or other sources, and keeping it out of the atmosphere. The Department of Energy has sunk millions of dollars into more than a dozen projects aimed at the problem, through a program that funds risky but potentially transformative research.

[Carbon capture and utilisation could make economic sense](#)

Many countries are investing in techniques of utilising CO₂ for manufacturing processes – but UK is getting left behind.



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