



Drumbeat: September 28, 2011

Posted by [Leanan](#) on September 28, 2011 - 9:34am

[Report Says Vehicle Fuel Should Be the Priority, Not Electricity](#)

Research on solar and wind power is all well and good, but a self-assessment by the Department of Energy has found that in the great scheme of energy needs, the government is not investing enough in transportation energy, an area in which those renewable power sources do not play a role.

“Reliance on oil is the greatest immediate threat to U.S. economic and national security, and also contributes to the long-term threat of climate change,” its analysis, released on Tuesday morning, states.

The report emphasizes the need to replace oil rather than fuels like coal and natural gas, which are supplanted by electricity-generating solar and wind power. (There is very little oil used to generate electricity in the United States.)

[Gas Tax Should Be Mile Fee as Cars Evolve](#)

The federal government reaped \$31.7 billion from fuel taxes in 2009, the lowest total in five years. States collected \$37.9 billion in 2008, about the same amount as the year before. More recent data isn't in yet, but further declines are inevitable. In July, carmakers and U.S. authorities agreed to raise fuel-efficiency standards 80 percent by 2025. As better mileage becomes commonplace, motorists won't need to buy as much gasoline or diesel.

Boosting the federal gasoline tax above its current 18 cents a gallon would be a short-term fix at best, failing to address the shrinking tax base. The only way to raise adequate revenue and charge all users fairly is to restructure the road tax so it is based on miles driven, rather than fuel burned.

[How Will We Fuel the Future?](#)

The reason Bill Gates wishes for a technology that creates energy at half the price of coal with no carbon dioxide emissions is that he wants a technology so compelling that it is adopted by poor countries as well as rich ones. Coal is plentiful worldwide, and unless the new technology is much cheaper, China and India will never adopt it. And if these two countries — which together are building four coal-fired power plants a week — don't get off coal, nothing that happens in the West matters, since the levels of carbon dioxide

they will pump into the atmosphere will be well above the danger mark. Half the price of coal and no carbon: That's a tall order, which is why Gates is looking for a miracle. But what he means is a technological miracle of the kind that happens from time to time. The steam engine, the automobile, the computer, the Internet are all miracles. We need something on that order in energy — and fast.

[‘The Quest’ questioned](#)

The most famous peak oil forecaster was M. King Hubbert, a geologist who worked for Shell Oil and the U.S. Geological Survey, and who predicted that U.S. oil production would reach its peak around 1965 or 1970. When production did peak in 1970, and start a long decline, then, as Yergin writes in *The Quest*, "Hubbert appeared more than vindicated."

Why only "appeared"? Because, Yergin argues, Hubbert's forecast for U.S. oil production over the longer term was off, and the country now produces about four times as much as Hubbert had forecast for 2010.

[Oil Falls, Heading for Quarterly Decline in New York on Europe Debt Crisis](#)

Oil fell in New York, heading for the biggest quarterly decline since 2008, on speculation that fuel demand will drop as the U.S. economy slows and Europe's debt crisis batters consumer sentiment.

Futures slipped as European equity markets and the euro gave up earlier gains. U.S. inventories of gasoline and crude oil increased last week, according to a Bloomberg News survey before today's Energy Department report. Commerce Department data today may show U.S. durable goods orders fell and a report tomorrow may confirm European consumer confidence slid to a two- year low in September.

[OPEC won't interfere with falling oil prices, for now](#)

Oil prices may be \$20 off April's \$127-a-barrel peak but there is no panic in Riyadh, Kuwait City or Abu Dhabi. Far from it.

Oil policy officials in the capitals of OPEC's Gulf Arab price doves Saudi Arabia, Kuwait and the United Arab Emirates are relaxed and won't be losing sleep if prices fall further.

[Enoc wants to sell oil but not at big loss](#)

Emirates National Oil Company remains hopeful for a change in the government's price controls on petrol that would allow it to get stations in the northern emirates running again.

[Oil refineries seek huge tax refunds](#)

PASADENA, Texas (AP) — Some of the nation's largest oil refineries are seeking huge tax refunds that could force school districts and local governments across Texas to give back tens of millions of dollars they were counting on to pay teachers and provide other services.

The refineries want the tax breaks in exchange for buying pollution-controlling equipment. But the cost to public schools would be dear, coming only months after lawmakers slashed education spending by more than \$4 billion.

[Chesapeake Energy Calls Active Ahead of Utica Shale Report](#)

Chesapeake Energy Corp. shares are poised to gap sharply higher on the open this morning, as traders react to news of “strong initial production success” in the Utica shale region of Ohio and Pennsylvania. In fact, the firm plans to increase its net liquids production by 50% to roughly 150,000 barrels per day by the end of 2012, with output rising 150% to 250,000 barrels by the end of 2015.

[BP May Quadruple Indonesian Gas Plant as Part of Asian Drive](#)

BP Plc (BP/) is studying a fourfold expansion of the \$5 billion Tangguh liquefied natural-gas plant in Indonesia as the region's economic growth surges and Japan raises imports following its nuclear disaster.

[BP's Dudley Says India Must End Gas-Price Controls to Attract Investment](#)

India needs to move toward ending controls on natural gas prices to encourage investments in offshore energy exploration, BP Plc (BP/) Chief Executive Officer Robert Dudley said.

“In general, deepwater requires a lot of capital, it's a lot of risk,” Dudley told reporters in New Delhi today. “You obviously need to develop mechanisms that'll create the rewards for all that risk. Over time, free-market systems are what any economy needs to be able to ensure efficient development.”

[Fire at Shell Singapore refinery intensifies](#)

SINGAPORE (Reuters) - A fire has intensified at Royal Dutch Shell's Singapore refinery, the company's largest, a senior company executive said on Wednesday.

[Shell evacuates non-essential staff from Singapore refinery](#)

(Reuters) - Royal Dutch Shell has evacuated all non-essential staff from its 500,000 barrels-per-day Singapore refinery as a fire burns at the plant, the Singapore Civil Defence Force said in a statement on Wednesday.

[Gazprom Says EU Raids Were "Unexpected"](#)

MOSCOW -(Dow Jones)- Russian gas firm OAO Gazprom Wednesday defended its European supply contracts and said raids of offices of some of its European partners by the European Union's antitrust authority were "unexpected."

"Gazprom (...) was not informed about the existence of any claims, and thus could not offer the cooperation needed to address all possible issues," Gazprom said in a statement.

[ANALYSIS - Turkey readies sanctions against Syria](#)

ANKARA (Reuters)- Having failed to persuade Syrian President Bashar al-Assad to end a bloody crackdown, Turkey is preparing a list of sanctions against its one-time friend in a policy shift that aligns Ankara more closely with the West.

[MOL Reduces Syrian Crude Oil Production By 1,500 B/D](#)

BUDAPEST -(Dow Jones)- Hungarian oil and gas firm MOL Nyrt.'s Croatian subsidiary INA-Industrije Nafta D.D. has cut output at its Syrian operation by 1,500 barrels a day, MOL said in a stock exchange filing Wednesday.

[Exxon to start fracking 2nd Polish shale gas well](#)

(Reuters) - Exxon Mobil will begin fracking at a second shale gas well in Poland next week after it recently finished the process at a more advanced well, a local operations board member for the global oil major said on Wednesday.

[EU antitrust inspectors raid Bulgarian gas firms](#)

(Reuters) - The European Commission has started raids at several Bulgarian gas companies as part of a wider investigation over possible breaches of antitrust rules in gas firms in 10 EU members in central and eastern Europe.

[OPEC is Hanging by a Thread](#)

History has a knack for repeating itself.

We've seen it happen time and again. It feels like an inevitable cycle, and there's no immediate solution to this problem.

It's happening right now, as a matter of fact.

All we need to do is take one look at the OPEC. They're doomed to the same fate we've seen play out more than once before...

You see, the OPEC is following in our footsteps.

[EPA hearing on gas drilling pollution in W. Pa.](#)

PITTSBURGH (AP) — A public hearing Tuesday on proposed rules to reduce air pollution from oil and gas drilling operations found at least some points of agreement between industry and environmental groups.

[Report Finds Gaps in USGS Study on Offshore Drilling in Arctic Ocean](#)

A U.S. Geological Survey report last summer on the nation's capacity to assess impacts from oil and gas drilling in the Arctic Ocean was credible and unbiased but failed to identify which scientific gaps are most important to fill, according to a new report commissioned by a pair of conservation groups.

[Tea Party conservative blocks pipeline safety bill](#)

Washington -- Tea Party conservative Sen. Rand Paul is blocking pipeline safety legislation intended to fix some of the problems that led to the rupture of a natural gas pipeline in San Bruno last year that destroyed a neighborhood and killed eight people.

[U.S. Says Sunken Transocean Rig May Be Source of Oil Sheen](#)

The U.S. Coast Guard said the wreckage of Transocean Ltd. (RIG)'s Deepwater Horizon drilling rig may be the source of an oily sheen on the surface of the Gulf of Mexico.

[Oil Spill Affected Gulf Fish's Cell Function, Study Finds](#)

A minnowlike fish that is a major source of food in wetland marshes along the Gulf of Mexico is showing early signs of biological damage from the BP oil spill, a peer-reviewed study published on Monday found.

Exposure to toxic chemicals from the BP disaster, which spewed 4.9 million barrels off the coast of Louisiana in 2010, has altered the gulf killifish's cellular functions in ways that have been predictive of a lack of reproduction in other fish, according to the study, which appears in the Proceedings of the National Academy of Sciences.

[Tesla's business plan: Riding on fumes](#)

FORTUNE -- This Saturday, Tesla Motors is holding a test drive to reveal the latest versions of its second zero-emission automobile, the all-electric four-door Model S to several thousand reservation holders. Tesla has made some extraordinary claims for the car, and analysts and investors will be watching the event closely to see if it can live up to them.

[\\$25 billion green-car fund dodges bullet](#)

A large green-car loan fund that was created in the Bush years and which began dispensing money under the Obama White House dodged a bullet late Monday.

But the spotlight turned on the Department of Energy's Advanced Technology Vehicle Manufacturing loan program in this dispute may keep the fund in the cross hairs for the next budget showdown.

[Appalachia faces steep coal decline](#)

Business owners like Howard, politicians and miners in the hilly coalfields of Central Appalachia blame the industry decline on tougher regulation from the Obama administration. They aren't as ready to talk about something a change in administrations cannot fix. The region's thick, easy-to-reach seams of coal are running out, forcing many operators to shift to cheaper and more destructive mining methods that draw heavier environmental regulation.

Coal here is getting harder and costlier to dig — and the region, which includes southern West Virginia, Virginia and Tennessee, is headed for a huge collapse in coal production.

The U.S. Department of Energy projects that in a little more than three years, the amount of coal mined here will be just half of what it was in 2008. That's a significant loss of a signature Appalachian industry, and the jobs that come with it.

[Solyndra Allowed by Court to Auction Solar-Panel Plant Next Month](#)

Solyndra LLC, the bankrupt solar- panel maker, won court permission to hold an auction for a plant that was financed partly with more than \$500 million in loans guaranteed by the U.S. government.

U.S. Bankruptcy Judge Mary Walrath in Wilmington, Delaware, today approved an Oct. 27 auction of Solyndra's assets, rejecting a request from lower-ranking creditors for more time to seek potential buyers.

[The Solyndra curse](#)

The collapse of Solyndra highlights just how risky this still-nascent business is. It didn't help either that Solyndra filed for Chapter 11 just two weeks after another publicly traded solar firm, Evergreen Solar, did the same.

[Critic of Obama clean-energy loans lobbied Energy Department](#)

Rep. Fred Upton, R-Mich., the chairman of House Energy and Commerce Committee, previously lobbied the Department of Energy to lend money for at least four energy projects in his home state through the same loan program. But after last month's bankruptcy of the solar panel manufacturer Solyndra — the first company to win a DOE clean-energy loan funded through Obama's \$825 billion stimulus plan — Upton was among the Republican lawmakers who decried the Department of Energy loan guarantee program for "picking winners and losers."

[Feds give \\$450 million to Texas clean energy plant](#)

HOUSTON (AP) — The U.S. Department of Energy has awarded \$450 million to a clean coal project planned for arid West Texas.

The department says the money will be used to build one of the "most advanced and environmentally clean coal-based power plants." The plant will use a lower-carbon coal to produce energy.

[Delaware seeks comment on fuel cell plan](#)

DOVER, Del. (AP) — State officials are encouraging the public to support an effort to bring an alternative energy company to Delaware.

Bloom Energy wants to build a fuel-cell factory at the closed Chrysler plant in Newark, with the help of \$16 million in state incentives. Delmarva Power, a unit of Pepco Holdings Inc., would be allowed to count electricity from the fuel cells toward its renewable energy requirements.

[A Way to Make Motor Fuel Out of Wood? Add Water](#)

A Georgia company says it has overcome a major roadblock in turning agricultural waste into vehicle fuel and other useful chemicals by experimenting with a technology that treats the waste with compressed water heated to very high temperatures.

The company, Renmatix, plans to cut the ribbon on a research and development center on Tuesday in King of Prussia, Pa., near the heart of the nation's chemical and refining

industry, to complete development of the process. The goal is to accomplish something that has eluded a dozen companies in recent years despite big government inducements: to commercialize a technology for making use of cellulosic biomass, or wood chips, switchgrass and the nonedible parts of crops.

[Sunny outlook for emirates in drive for more solar energy](#)

Solar panels are spread across Abu Dhabi rooftops and Dubai officials promise to announce a "big" solar plan. Cheaper solar technology is helping to drive their progress.

[Start-Up in California Plans to Capture Lithium, and Market Share](#)

A start-up company will announce on Wednesday that it is beginning commercial operations at a factory in Southern California to capture lithium from existing geothermal energy plants, a technology it says has the potential to turn the United States into a major lithium exporter.

The plant, built by Simbol Materials near the Salton Sea in the Imperial Valley, will also capture manganese and zinc.

[Clean-energy credits tarnished](#)

WikiLeaks reveals that most Indian claims are ineligible.

[Climate Change Takes a Toll on Cultures](#)

In some places, the shifts in ecosystems require indigenous cultures to rapidly adapt or perish as their traditional means of subsistence becomes harder to sustain.

[Arctic Shelves Have Lost Half Their Size in Six Years](#)

OTTAWA — Canada's Arctic ice shelves, formations that date back thousands of years, have been almost halved in size over the last six years, Canadian researchers said on Tuesday.

Researchers at Carleton University in Ottawa, who regularly analyze satellite images from the region, also found that a major portion of the ice shelves split in half this summer and other pieces covering an area roughly one and a half times that of Manhattan have broken off since the end of July.

[Slowing jet stream shows risk from warming Arctic](#)

LONDON (Reuters) - A new, unpublished finding that the polar "jet stream" is slowing down provides compelling evidence of a link between rapidly melting Arctic sea ice and colder winters across the northern hemisphere and other extreme weather.

The possibility of far flung impacts from a rapidly warming Arctic underlines the danger of unpredictable, economically disruptive knock-on effects of rising greenhouse gas emissions.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/).