



DrumBeat: May 28, 2008

Posted by [Gail the Actuary](#) on May 28, 2008 - 9:09am

Topic: [Miscellaneous](#)

[In Vermont, a Debate Swirls Around an Aging Nuclear Plant](#)

BRATTLEBORO, Vt. — After part of a cooling tower collapsed last August at Vermont's only nuclear power plant, the company that runs it blamed rotting wooden timbers that it had failed to inspect properly. The uproar that followed rekindled environmental groups' hopes of shutting down the aging plant.

The proposed closing, albeit a long shot, has gained some support this year among Vermont politicians. The discussion here is bringing into sharp relief a conflict between two objectives long held by environmental advocates: combating nuclear power and stopping global warming.

[Grain prices grow, but so do risks](#)

In corn's long journey to market, in which farmers grow the corn but an interlocking web of investors finances it, grain dealers are seeing the cost of doing business rise. And not everyone can manage. Market pressures have overwhelmed some Illinois grain elevators, with at least four closing in ~~The last year~~ ^{the last year}. The problem is that grain deal money to hold and deliver corn. The usual practice is that they agree to buy grain in advance of the harvest, which enables farmers to lock in prices.

[State releases analysis of TransCanada plan](#)

The state has just released its full analysis and recommendation on awarding a state license and a \$500 million subsidy to potential natural gas pipeline builder TransCanada Corp. Gov. Sarah Palin last week announced that her administration would recommend state legislators give TransCanada the license and subsidy. The administration released only an executive summary of its analysis of TransCanada's proposal.

Today, it posted the full analysis - hundreds of pages of material, including numerous reports from the state's financial, technical and legal experts. The report is [here](#)

[Sweden turning sewage into a gasoline substitute](#)

GOTEBORG, Sweden: Taking a road trip? Remember to visit the toilet first. This city is among dozens of municipalities in Sweden with facilities that transform sewage waste into enough biogas to run thousands of cars and buses.

Cars using biogas created a stir when they began to be rolled out on a large scale at the start of the decade. The tailpipe emissions are virtually odorless, the fuel is cheaper than gasoline and diesel, and the idea of recovering energy from toilet waste appealed to green-minded Swedes.

[Azerbaijan: Newfound Wealth Hardens Baku's Bargaining Position On Karabakh](#)

Touting Azerbaijan's recent economic success and "participation in international life," he boasts that "Armenia is not where Azerbaijan is today."

"To reach that point, to where Azerbaijan is today, they have to do a lot -- they have to get the ticket to the train -- the train of legality, of peace, of good-neighborhood," Azimov says. "If they want to be good neighbors to Azerbaijan, they have to respect territorial integrity."

This, he says, is what Azerbaijan expects from the new president of Armenia; if not, Yerevan "will get something different than what Azerbaijan seeks."

The implication is that Armenia could find itself trying to match oil-rich Azerbaijan in another area: Baku is spending more than \$2 billion on defense this year -- more than Armenia's entire national budget -- and is displaying much of its new military hardware for the country's Armed Forces Day on June 26.

[Fuel protest: lorry drivers flex their muscles](#)

Hundreds of lorry drivers converged on London yesterday to protest at rising fuel costs. Police closed a section of the A40 — one of the capital's main arteries — so that it could be used as a massive lorry park.

From there the drivers made their way to a rally at Marble Arch, where they told of jobs under threat, severe belt-tightening and family companies facing closure.

[Blackouts hit thousands as generators fail](#)

Hundreds of thousands of people were hit by electricity blackouts yesterday when seven power stations shut down. The unscheduled stoppages were regarded as an unprecedented sign of the fragility of Britain's power infrastructure.

Operations were cancelled, people were stuck in lifts, traffic lights failed and fire engines were sent out on false alarms. Householders were unable to use any appliances or make phonecalls as the blackouts hit areas including Cleveland, Cheshire, Lincolnshire and London.

[Apple raises prospect of solar-powered iPhone](#)

A patent application suggests that Apple is working out a way of powering portable devices with the sun

[Russian billionaires fall out with BP](#)

A simmering row between BP and the billionaire local shareholders in the company's

Russian joint venture, TNK-BP, has burst into the open.

Yesterday BP and the Russian shareholders were forced to acknowledge differences over strategy, with the Russian billionaires who own 50% of the company arguing that TNK-BP, Russia's third-largest oil producer, should be able to expand abroad even if that meant its coming into direct competition with BP itself.

[Oil crisis triggers fevered scramble for the world's seabed](#)

A fevered scramble for control of the world's seabed is going on - mostly in secret - at a little known office of the United Nations in New York.

Bemused officials are watching with a mixture of awe and suspicion as Britain and France stake out legal claims to oil and mineral wealth as far as 350 nautical miles around each of their scattered islands across the Atlantic, Pacific, and Indian oceans. It takeschutzpah. Not to be left out, Australia and New Zealand are carving up the Antarctic seas.

[Tidal power fuels Britain's National Grid](#)

Tidal power has been harnessed to generate electricity for Britain's National Grid for the first time, it has been announced. The move has been hailed as a milestone in the development of marine energy, which could provide up to a fifth of Britain's electricity needs. It came when a single turbine on the Atlantic the National Grid on Monday morning. The area off the north of Scotland is regarded as potentially one of the best in the world for tidal power and has been described as the "Saudi Arabia of marine energy".

Atlantic

[Last-ditch bid to avert Arctic free-for-all](#)

Denmark will today launch an effort to calm the scramble for the Arctic, bringing together the five coastal nations competing for what are believed to be the largest unclaimed reserves of oil and gas left on the planet.

The gathering in Greenland begins in the shadow of a new "oil shock" as soaring prices force governments to reassess their energy policies and heat up already feverish interest in who owns the seabed beneath the Arctic Ocean.

[Shipyards to Focus on Energy Vessels](#)

Prime Minister Vladimir Putin urged his government on Tuesday to give Russia a modern fleet of ships for its flourishing energy sector and named his close ally, Deputy Prime Minister Igor Sechin, to manage the multibillion-dollar project. The principal direction is the creation of a complete line of ships and equipment to extract and transport oil and gas from offshore deposits," Putin told a meeting of top officials in his hometown of St. Petersburg.

direction

[RSPP Calls for Clear Rules on Biofuels](#)

The Russian Union of Industrialists and Entrepreneurs, or RSPP, said Tuesday that the country needed new legislation if it was going to become a leading producer of biofuels, as they are currently taxed the same as vodka.

Excise duties on bioethanol make it unprofitable to produce in the country, a situation that leaves a government call for 30 new plants for the alternative fuel unrealizable, participants at a joint meeting of the lobby group's agriculture and energy committees said.

[Rosneft and Gazprom Set to Carve Up Offshore](#)

State-controlled energy giants Rosneft and Gazprom have agreed on splitting offshore deposits, limiting foreign and private access, an official said Tuesday.

The government official, who asked not to be identified, said the two firms last year signed an agreement under which Rosneft will develop oil deposits on the country's northern shelf, while Gazprom will explore gas fields.

[The Consequences of Rising Oil Prices for Producing Countries](#)

At this point, it is essential to point out, especially for Arab readers who may think that the increase in prices benefits the countries of the region, that this is a wrong and shortsighted impression, and that producing countries bear an unavoidable responsibility to global consumers. Despite the massive financial rents earned by oil producing countries from these prices, prices have serious political and social consequences for the international community in the foreseeable future rather than in the long term.

[Natco Technologies to be Used in the Manifa Arabian Heavy Crude Programme](#)

Natco Group announced that it will provide equipment and technology to Foster Wheeler for the Saudi Aramco Manifa Arabian Heavy Crude Programme, in the Kingdom of Saudi Arabia. The development of the Manifa oil field, located in the Persian Gulf, includes construction and expansion of new processing infrastructure to handle an additional 900,000 bpd of Arabian heavy crude. The project is planned for a 2011 completion.

Natco will supply the world's fifth-largest crude oil field with advanced dehydration & desalting technology including design and fabrication of six trains treating a total of 900,000 barrels per day (bpd). Each train will be comprised of one TriVolt dehydrator and two TriVolt desalter units for a total of 18 vessels.

[Russia worried as oil production slides](#)

Russia's government has proposed urgent measures to halt a slide in oil production, which threatens to undermine the country's petroleum-fuelled economic boom.

"All the proposals have been accepted and will be submitted to parliament at the end of this week," Deputy Finance Minister Sergei Shatalov told journalists after the Presidium, a group of

the most powerful ministers created by Prime Minister Vladimir Putin, met to discuss the crisis on Monday.

[Russia takes over railways](#)

June 1: Russian Railways takes over management of Armenian Railways; many Armenian state-owned enterprises have been handed over to Russia, including country's whole energy sector; President Serzh Sargsyan made special speech in February, when still prime minister, to persuade cabinet to accept this latest move (Armenian news agency Arminfo)

[Food price crisis to get worse](#)

Rome - High food prices are here to stay for the foreseeable future, potentially forcing millions more people into hunger, two reports from the United Nations and the OECD showed on Thursday.

A surge in commodity prices in the last year was not a blip and prices will remain at or above current levels for at least the next decade as some of the main underpinning factors - demand for a richer diet, the rise of biofuels and high oil prices - will remain, one of the reports said.

[Low lakes prompt Contact to fire up mothballed generator](#)

Low hydro lakes and rising winter power demand have pushed Contact Energy to fire up one of its mothballed generators at the New Plymouth (N.Z.) power station.

The power station was closed in December last year after asbestos was found in areas where it was not thought to have been.

[Queensland Gas Co looks at power play in NSW market](#)

QUEENSLAND Gas Co has taken the initiative in a long-planned scheme to link its Surat Basin coal seam gas fields in Queensland directly to the New South Wales market.

QGC yesterday announced that it and two joint venture partners were examining the feasibility of a 400-600 megawatt power station in the Hunter Valley – a station that would underwrite the cost of a pipeline from QGC's Surat Basin coal seam methane fields to Newcastle.

[Indonesia to withdraw from OPEC](#)

Indonesia will withdraw from the Organization of Petroleum Exporting Countries at the end of the year, the country's energy minister told foreign journalists Wednesday.

Purnomo Yusgiantoro said the move follows declining oil production levels in Indonesia that have left the country a net importer of oil.

[Foreign Countries Cutting Fuel Subsidies Will Decrease Oil Demand](#)

Indonesia has decided to decrease their fuel subsidies; thus raising the price of gasoline for consumers at the pump. The new price will rise 28.7% to a price of 65 US cents per liter or \$2.46 per gallon. India also announced an increase in gasoline prices to \$2.66 per gallon, an increase of about 7%. Taiwan is another country that is ending a freeze on gasoline prices.

These price increases are important to creating more elasticity in the demand for oil. If governments fix the price of gasoline at below market levels, when demand increases there and supply remains constant, the price can only go up. In economic terms, this creates a demand curve that is almost vertical. Small increases in demand with fixed supply can create huge price increases. By passing through the increased price to consumers, demand will be reduced and price will find a new equilibrium point at a lower price point. Could this create a short term top in the price of oil?

[Has Russian Oil Output Peaked?](#)

As the world's second-largest oil exporter, Russia joins a growing number of top oil suppliers wrestling with how to address declining or peaking production. Like Venezuela and Mexico, Russia is heavily dependent on oil, which accounts for more than two-thirds of government revenue and 30 percent of the country's gross domestic product. Now, Moscow is trying to remedy a situation caused in part by outdated technology, heavy taxation of oil profits, and lack of investment in oil infrastructure.

[Oilsands: Imperial Oil loses bid to get Kearl water permit reinstated](#)

Imperial Oil Ltd.'s attempts to get a water licence reinstated for its \$8-billion Kearl oilsands project hit a snag Wednesday when a federal judge dismissed the company's request.

In a decision filed in Ottawa, Federal Court Judge Douglas Campbell upheld an earlier decision to pull the water licence for the proposed development.

The permit was revoked earlier this year after another court ruled the environmental assessment on the project was incomplete.

[South Africa's Q1 mine output slumps on power supply cuts](#)

South Africa's Chamber of Mines believes that new figures showing a dramatic fall in mine production will strengthen its hand in the struggle with the government for more electricity. At the same time, one of the world's leading gold miners admits this could take years.

Statistics SA, an independent research group, said first-quarter mining output slumped 22.1% compared with the final quarter of last year -- the sharpest fall for 40 years.



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