

## Asinus Muses

### A Question of Taste

Which is the more environmental car? A hybrid using a battery to increase its gasoline induced miles per gallon, or a diesel that already has an equivalent mpg – and both with virtually the same overall CO<sub>2</sub> emissions? It depends on whether you are in the London Congestion Zone or outside it.

### Help

If governments are so keen on subsidising sources of carbon dioxide-free energy like wind, water or sun, Asinus is at a loss to know why they can't also subsidise nuclear, even if a reputation for consistency would be dangerous for politicians, or indeed for lobbyists.

### Smoke Signals

1. 'People just need to recognise that the storms have caused disruption and that, if they're able to, maybe, not drive ... on a trip that's not essential, that would be helpful.'
  2. 'Raising taxes on gasoline would be more interference with the free market than we would like to see.'
- Pointers for US Energy Policy?

### Political Cost

Things change a bit over time, but in August last you would have paid these different amounts to fill your 40 litre tank with gasoline, if you had been travelling around the world.

- In the UK the cost would have been \$66
- In the US it would have been \$25.6
- In Indonesia it would have been \$9.6
- In Iraq it would have been \$0.4

A month later it would have been a bit more in the USA and Indonesia; and it would probably have been unavailable anyway in Iraq. Such are the results of taxation and subsidy.

### Grass Belt

Fifty or so years ago on a beautiful morning in Oklahoma the corn seemed as high as an elephant's eye. In another ten years it might be elephant grass that will make a farmer's morning equivalently beautiful as he prepares to harvest it for transport to the nearest power station. If one hectare can produce the equivalent of 36 barrels of oil annually, you should be able to calculate how many acres of elephant grass will be needed to satisfy what percentage of electricity consumed by whatever country you live in.

### Stretch-hybrids

People in theory favour a hybrid car, and the Toyota Prius, for instance, seems to be selling well wherever it's available. It was predictable, however, that a basic model, however environmentally acceptable, wouldn't satisfy the market for long. Once you are a luxury car or SUV driver you need an SUV or luxury car and so, at least in the United States, the race is on for the super-hybrids. 'We call it lean muscle' said Mr Burns who has designed the Enigma (0–60mph in 4.3 seconds); 'we've got to produce a car that gets a 14-year-old boy excited, we've got to have the smoking, the squealing, the tires popping off'. Is that what's known as environmental development economics?

### Hold-up

Nine people were charged recently in Texas for stealing more than \$100,000 worth of fuel after being arrested at a gasoline station outside Houston at 2am. At, say \$2.50/gallon that would be 40,000 gallons. Were these nine people trying to fill nine tank lorries, or had they arranged for 1000 of their friends to bring their cars along? And how did they get the gasoline out of the underground tanks? It sounds to have been an

ingenious heist – unless it banally turns out that they had been at it for weeks.

### Licence to sell?

In the latest UK North Sea licensing round a record number of 152 licences were issued. Twenty-four of them, however, were given to new entrants, who no longer have to prove they are financially or technically capable of developing an oil field. It's not clear, therefore, how many of the 24 will do anything other than hope to sell on their licences at a profit to someone who can. Is this what is known as a level playing field?

### Driver Rage

In Europe governments have become so involved with pump prices that, when the price of gasoline increases beyond what some lobby group thinks is tolerable, it seeks to, and sometimes succeeds, in blockading refineries, distribution depots or roads in order to force a reduction of tax (i.e. consumer government take). In the USA even when gasoline hits the previously unimaginable level of \$3/gallon, it's no use blaming the government, whose 'take' is marginal, and so nobody thinks of blockading the distribution of a product which anyway they can't do without.

### SUVs versus the Environment

Nobody seriously suggests that SUVs do the environment any good, but four protesters, who chained themselves to an SUV to make an environmental point, are hoping to argue in court that their action was justified, and indeed necessary, since it was aimed at preventing an environmental catastrophe. Lawyers are ingenious people, but it will be interesting to see if the judge decides that SUVs by themselves are a sufficient agent of catastrophe.

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