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recent reports

IEA Oil Market Report (OMR): *double-entry book-keeping world oil*

The IEA is a schizophrenic organization. It provides rich insight into new energy technologies such as wind, solar and efficiency improvements, but just as often boosts the cause of fossil fuels, with forecasts that support their continued dominance.

Their latest OMR is one of the latter. They see global demand for oil rising robustly in 2017 by 1.3mb/d, and 1.4mb/d in 2018, 15% up on the ten-year averages, to reach just shy of 100mb/d. Even though demand so far in '17 has grown only 0.9mb/d, the IEA see this due to one-offs such as Indian currency issues, and expect a surge later in the year.

Supply looks robust though, up 1.25mb/d year-on-year, with US shale and Nigeria, Libyan and other non-OPEC supply growing too. 2018 looks even stronger.

So, for oil stocks to diminish and prices to increase, all those energy efficiency and new technology initiatives the IEA also promulgate need to slow or fail. The IEA double-think continues.

BP Statistical view of World Energy 2017: *the latest big picture*

BP's Review released on 13 June concluded that primary energy use grew just 1% in 2016, about half the average rate of the previous 10 years. This fits the narrative of a long-term transition away from OECD growth toward China / India, along with more efficiency and fast-growing non-carbon technology. We'll explore this is more detail in dollarsperbbl.

key trends – may / june

structural versus cyclical change – *a structural cycle?* **-**

BP's Review also highlights the belief that a secular change is underway in energy, towards low then negative fossil fuel growth. Is the evidence aligned? Global primary energy demand is well below previous averages; coal's decline is precipitous, gas below the 10year average, oil up due to price decreases. But the trend is clear. The next grand energy cycle may be structural – from liquid, thermal fuels to solid-state electricity, where growth is double that of primary energy, and above 5% pa in China and India. This almost certainly accelerates oil decline, as China and India embrace renewable energy technologies, to avoid import dependency.

the energy technology revolution – *two losers already obvious*?:

A prediction: two technologies not participating significantly in the energy revolution: nuclear (see chart), and hydrogen cars.

useful blogs

- Terrajoule
- Chinese European Energy News
- Trusted Sources Energy
- Bloomberg Gadfly Energy
- Plugged In (SciAm)

may / june posts on dollarsperbbl

- The One Equation that Describes the EV Revolution
- OPEC's Terrible Choice
- Exxon's Dangerous Vision
- Scale and Scalability

summary chart – source BP

Solar and wind are different in kind to previous non-fossil fuel energy technology – as BP's analysis shows below. Of the 67 countries BP track in their database, nuclear provided about half with substantial power, before plateau. To get from 15% to 75% took wind 20 years, solar 8 years.

Wind and solar are still growing above 15% pa – universal and scalable.