



## Drumbeat: March 14, 2009

Posted by [Gail the Actuary](#) on March 14, 2009 - 9:17am

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### [Solar energy industry's situation bittersweet](#)

While BP Solar has no plans for layoffs in Maryland, it will put its new 140,000-square-foot, \$30 million building up for lease or sale this fall, said spokesman Tom Mueller. While demand for solar panels is still intact, foreign startups are bringing stiff competition to the industry.

"In the last 10 years, technology has advanced significantly in the solar front," Mueller said. "The cost of producing equipment starts to go down as new technology is being introduced ... That's the ongoing challenge — keeping up with technology and competing with the cost structure of startups. How do we compete with these new competitors?"

### [Solar's prospects dim, at least for near term](#)

Applications for new solar projects have plunged in recent months in California as homeowners and business owners struggle to get credit and rein in spending on big-ticket items such as a rooftop full of solar panels. . .

The drop in applications for solar homes parallels the near-freeze in the overall housing market. New-home construction fell to a record low in 2008 in California, according to the California Building Industry Association, and January data hints that 2009 could be even worse.

### [Pollution Causing Global Dimming](#)

According to a report in Friday's edition of the journal Science, skies all over the world are dimming due to increases in airborne pollution over the past 30 years.

The new study compiles satellite and land-based data on global dimming over a longer period than had previously been available. . .

The researchers reported that the dimming is happening all across the world, except in Europe.

### [Scientists are grim, economists more optimistic about climate change's effects](#)

COPENHAGEN -- Scientists are gloomy; economists are more upbeat. Such was the bottom line of an epic, three-day international congress of climate change experts that ended here yesterday.

At the congress, it seemed that all the scientists had to share with their peers was bad news, but a number of economists saw the climate crisis rather as an historic opportunity to reorganize the world economy and develop new, clean and job-creating activities.

### [Nuclear industry to fight Yucca Mountain bill](#)

The government's policy has been to place the material in an underground repository under development at Yucca Mountain, 100 miles northwest of Las Vegas. But President Barack Obama opposes the Yucca site and has indicated he plans to dramatically scale back the project. . .

But some in the nuclear industry are troubled that Reid's intent is for the study panel to take Nevada off the table entirely as it evaluates nuclear waste policies. The government has focused solely on the Yucca site for more than 20 years, spending more than \$10 billion on studies.

### [AT&T To Invest \\$565M In Natural Gas Vehicles](#)

AT&T Inc. will spend up to \$565 million over 10 years on alternative-fuel vehicles for its corporate fleet.

The investment in natural-gas-powered transportation is the most significant to date by a U.S. company.

The Dallas-based telco will buy 8,000 compressed natural gas vehicles as installation and repair vans, and replace about 7,100 passenger cars with hybrid-electric models.

### [Baker Hughes: To Cut 1,500 Jobs In Second Round Of Layoffs](#)

HOUSTON -(Dow Jones)- Oilfield services provider Baker Hughes Inc. (BHI) said Friday the company has begun laying off 1,500 workers, or about 4% of its workforce, as part of a second round of cuts resulting from the economic downturn.

Gary Flaharty, Baker Hughes' director of investor relations, told Dow Jones Newswires that about one-third of the cuts will occur in the U.S. and will involve a variety of posts,

including manufacturing and field operations jobs.

The cuts come "in response to the stalled economy, lower oil prices, lower natural gas prices and further cutbacks in spending by our customers," Flaharty said.

#### [Iran oil minister: Too much oil on the market](#)

Iran's oil minister suggested Saturday that a weekend OPEC meeting should decide to cut back on crude output, adding his voice to those in the organization who think supply has outstripped demand.

"There is too much oil on the market," Gholam Hossein Nozari told reporters on the eve of a ministerial meeting of the 11-nation Organization of the Petroleum Exporting Countries.

#### [CFTC Should Have Acted Sooner on Oil Fund Trades, Chilton Says](#)

The Commodity Futures Trading Commission should have acted sooner to investigate trades done to profit at the expense of the U.S. Oil Fund, the world's largest exchange-traded fund, Commissioner Bart Chilton said.

The CFTC is investigating "multiple market participants," including the U.S. Oil Fund, which is managed by Alameda, California-based U.S. Commodity Funds LLC. The review, part of the CFTC's national oil market probe announced last year, is focused on an increase in the price difference between March and April futures contracts on the New York Mercantile Exchange on Feb. 6.

#### [Official: Australian oil spill worse than thought](#)

BRISBANE, Australia (AP) — Ten times more oil than originally thought leaked from a ship to blacken miles of white sand beaches along Australia's northeast coast, a government official said Saturday.

Authorities declared a disaster zone along 37 miles (60 kilometers) of some of Australia's most popular beaches in Queensland state after they were covered in a blanket of heavy fuel oil that spilled from a ship hit by rough seas on Wednesday.

#### [Kurdish oil min expects to export crude soon](#)

Iraq's autonomous Kurdistan region should begin to export oil via Iraq's pipeline network in the coming months, the region's minister of natural resources said on Friday.

Norway's DNO International (DNO.OL) is in the final stages of connecting its Tawke field to the network but investors fear that a dispute between Baghdad and the Kurdish region on oil revenue sharing will hold up oil deliveries. "We don't expect any real problem there despite our differences with Baghdad .. From our point of view oil will flow the day it (the pipeline) is ready," Ashti Hawrami told Reuters in an interview.

Hawrami said the export of crude from the region could happen even without agreement between the two sides on an over-arching oil law. "We should not mix the two things," he said.

### [Sunoco Plans to Reduce Its Work Force by 20%](#)

The oil refiner Sunoco said it would cut 750 jobs, about 20 percent of its work force, to reduce costs in the face of weak demand for gasoline and diesel fuel. Sunoco, based in Philadelphia, hopes to slash costs by more than \$300 million this year through the job cuts, as well as savings in energy, materials, equipment and contractor services costs. It will take a charge of \$35 million to \$40 million in the first quarter. The recession has knocked demand in the United States for gasoline and diesel fuel lower, squeezing refinery margins as crude oil prices have fallen.

### [EU project to develop nanomaterials for more efficient solar cells](#)

A new EU-funded project is turning to nanotechnology in a bid to dramatically ramp up the efficiency of solar cells. Called ROD-SOL ('All-inorganic nano-rod based thin-film solar cells on glass'), the three-year project has a budget of EUR 4 million, EUR 2.9 million of which will come from the 'Nanosciences, nanotechnologies, materials and new production technologies' (NMP) Theme of the Seventh Framework Programme (FP7).

The aim of the project is to develop new, more cost-effective nanomaterials for solar cells. In a time of rising energy prices, the race is on to develop new, cheaper ways of exploiting renewable energy sources. 'Photovoltaics is an important pillar of this effort, as solar energy is available in almost unlimited amounts,' commented project coordinator Dr Silke Christensen of the Institute of Photonic Technology (IPHT) in Germany.

### [Chu: Nuclear must be part of energy mix](#)

Energy Secretary Steven Chu sought Wednesday to assure skeptical senators that the Obama administration supports continued development of nuclear energy, even as it backs away from building a nuclear waste dump in Nevada.

"Nuclear is going to be part of our energy future. It has to be," Chu told members of the Senate Budget Committee at a hearing in which a half dozen senators, Republicans and Democrats, raised concerns about the administration's support for nuclear power.

## [Depopulate or perish](#)

Most of us would agree that there is a limit to the number of people this planet can sustain. It may be 10 billion or 100 billion but there is a limit. The only debate is about the size of the limit and how we prevent the human population from reaching the limit and destroying the planet.

We are currently witnessing planetary degradation such as diminishing water supplies and agricultural land. We also have increasing species extinction, and declining resources – in fact, peak everything.

## [Should We Save General Motors?](#) (Dave Cohen - APO-USA)

Although plug-in electric hybrids are a weak measure for reducing our oil consumption over the next decade, they form one wedge in an array of programs that must be implemented. Thus a domestically made Chevy Volt is among the “productive works” we require to reverse 30 years of financial engineering that created a credit/debt bubble and exorbitant bonuses on Wall Street. Through a bankruptcy and restructuring, we must save General Motors.

## [OPEC set to keep oil production quotas unchanged](#)

LONDON (Reuters) - OPEC oil producers are likely to keep their official oil production targets unchanged when they meet on Sunday, choosing to enforce existing quotas rather than cut output further, a Reuters poll showed on Tuesday.

Nine of 14 analysts polled thought the Organization of the Petroleum Exporting Countries would agree to roll forward production ceilings when they meet in Vienna on March 15.

Five analysts suggested the 12-member producer group would opt to reduce output quotas. The average output cut forecast by this minority was a reduction of 710,000 barrels per day (bpd).

## [Economy to slow U.S. nuclear power growth: NRC head](#)

LOS ANGELES (Reuters) - An "excessive exuberance" for expansion in the U.S. nuclear power industry has calmed because of the global credit and economic crisis, the head of the U.S. Nuclear Regulatory Commission said on Tuesday.

Separately, a GE Hitachi Nuclear Energy official warned that the lack of credit will slow the pace of U.S. nuclear power development.

## [Seventh Generation Becomes First in Its Industry in North America to Purchase Sustainable Palm Kernel Oil Credits](#)

To begin this important work, Seventh Generation has become the first business in its industry in North America to purchase palm kernel oil credits. These credits are in essence a premium paid to producers of more environmentally responsible palm oil so they can make the changes and create necessary programs and infrastructure to reduce adverse impacts of this important product.

The credits, which cover 100% of the palm kernel oil Seventh Generation uses, are the first step in a much larger initiative that will ultimately allow the company to ensure that all the palm kernel oil it purchases is produced in an environmentally and socially responsible manner.

## [Petrobank Announces Record 2008 Results](#)

- Heavy Oil Business Unit ("HBU") 2P reserves increased by 171% to 69.0 million barrels with net present value, before tax, discounted at 8% of \$392.8 million.
- HBU 3P reserves plus high estimate contingent recoverable bitumen resources totaled 814.7 million barrels with net present value, before tax, discounted at 8% of \$3.6 billion.



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