



Drumbeat, July 27, 2009

Posted by [Gail the Actuary](#) on July 27, 2009 - 9:01am

Topic: [Miscellaneous](#)

[Will America lose the clean-energy race?](#)

As Congress debates climate and energy legislation, Asian challengers are moving rapidly to win the clean-energy race. China alone is reportedly investing \$440 billion to \$660 billion in its clean-energy industries over 10 years. South Korea is investing a full 2 percent of its gross domestic product in a Green New Deal. And Japan is redoubling incentives for solar, aiming for a 20-fold expansion in installed solar energy by 2020.

In contrast, the United States would invest only about \$1.2 billion annually in energy research and development and roughly \$10 billion in the clean energy sector as a whole under the Waxman-Markey bill - less than 0.1 percent of U.S. GDP. A group of 34 Nobel laureates recently wrote a letter to President Obama decrying the lack of investment and calling on him to uphold his promise to invest \$15 billion annually in clean-energy R&D.

The United States is also falling behind in energy science and technology education. Only 15 percent of undergraduate degrees earned in the United States are in science and engineering, compared with 50 percent in China, according to the National Academies.

[Is the ocean Florida's untapped energy source?](#)

(CNN) -- The answer to easing the energy crunch in one of the nation's most populous states could lie underwater.

Imagine if your utility company could harness the ocean's current to power your house, cool your office, even charge your car.

Researchers at Florida Atlantic University are in the early stages of turning that idea into reality in the powerful Gulf Stream off the state's eastern shore.

[Heavy Crude Loses Its Shine for Refiners](#)

Reduced Supply Has Driven Up the Fuel's Price, Squeezing Margins in Comparison to Lighter Oils

U.S. refiners that turned to cheaper, dirtier crude oil in recent years in a bid to boost profits are seeing the strategy backfire as supplies of the oil dwindle. . .

In an attempt to shore up oil prices, members of the Organization of Petroleum Exporting Countries have been scaling back oil production, and much of the cuts have been in heavy crude. OPEC has agreed to reduce overall crude production by 4.2 million barrels a day.

"The heaviest are the least-profitable grades for them so they are the first grades they like to cut," said Antoine Halff, analyst with brokerage firm Newedge.

[Gas Glut Pummels Prices](#)

A huge supply buildup in natural gas will keep pushing down prices.

AS U.S. NATURAL-GAS INVENTORIES APPROACH maximum levels this summer, even a dramatic plunge in drilling activity might not be enough to stop slumping prices.

Gas-futures prices have tumbled 73% since last July's high above \$13 per million British thermal units. A glut of output from onshore gas fields, on top of weak demand and mild weather in the major gas-consuming regions, signal that a rebound isn't near, even though natural gas for August delivery on the New York Mercantile Exchange settled at \$3.695 per million BTU Friday, up 0.7% on the week. . .

"Gulf of Mexico production is much smaller than it was," says Credit Suisse's Wolff. "It used to be more than 20% of U.S. gas production, and now it constitutes about 11%. A hurricane is less likely to have a major impact on supply."

[FACTBOX: Nigeria oil reform bill](#)

Foreign oil firms in Nigeria will get a chance this week to publicly criticize and question legislation that could make it much more expensive to operate there.

Here are some facts on the oil and gas reform bill:

- * State-run Nigerian National Petroleum Corp. (NNPC) would be broken up into a handful of autonomous units that include a profit-driven national oil company.
- * The independent national oil company would be allowed to raise funds by investing in capital markets instead of relying on government revenues as at present, a bureaucratic process which has slowed the development of key projects.
- * The national oil company would initially be 100 percent owned by the government, but Nigerians may be offered a stake in the company in the future.
- * Some deep offshore oil production contracts, mainly from the 1993 bid round, will be renegotiated to allow the government to impose higher royalties and taxes.

[PXP's Tranquillon Ridge Project Update](#)

On July 24, 2009, despite support of California Governor Schwarzenegger and bipartisan approval by the California State Senate, the California State Assembly failed to approve legislation authorizing a path forward for PXP's T-Ridge project. Support for T-Ridge has come from Santa Barbara County, the California State Senate, the Governor and a large environmental coalition, including the Environmental Defense Center, Trust for Public Land, and "Get Oil Out", as well as firefighters and peace officers throughout the state. More than two dozen environmental groups have urged approval for T-Ridge because of the significant merits of the project. The T-Ridge project utilizes an existing platform and facilities operating off the Santa Barbara coast to access oil and gas reserves currently drained by PXP and upon project approval will include a steady new revenue stream to the state of California. . .

The T-Ridge project continues to maintain strong support and has benefited from the attention it received during the recent high profile budget debate. PXP intends to continue pushing for the project based on its merits to the state of California and address any misconceptions that groups may have regarding the project.

[Companies line up to join electric-car battery industry](#)

The Energy Department is getting ready to hand out about \$2 billion in grants to create a domestic industry for electric-car batteries, and 122 companies are scrambling to get pieces.

The companies range from small niche firms to giants such as Dow Chemical and Johnson Controls. All are promising a combination of innovation and ability to deliver new products on a commercial scale to prevent the United States from trading dependence on foreign oil or reliance on foreign-made batteries.

[Despite federal aid, new energy jobs slow to bloom](#)

Between 1998 and 2007, renewable energy employment grew by about 9.1 percent, according to a study by The Pew Charitable Trusts that was based on an extensive jobs database. That still totals only about 770,000 jobs, or about one half of 1 percent of all jobs in the United States, according to the study. And the period under study ended before the recession struck, so it remains unclear how well the new energy sector has fared since then.

[Report: Why We Need the Climate Bill's Building Code](#)

Section 201 would require all states to adopt laws by 2010 that are at least 30 percent more stringent than two leading baseline energy codes, the 2006 International Energy Conservation Code and the American Society of Heating, Refrigerating and Air-Conditioning Engineer's 90.1-2004 standard. The Waxman-Markey bill would require states to embrace energy codes that are 50 percent more strict than the baseline by 2015, with an additional 5 percent reduction every three years until 2030.

The impact? Implementing these targets would reduce the building sector's energy use by 18.7 percent below 2005 levels by 2030, and 40.4 percent below 2005 levels by 2050, with roughly similar declines in greenhouse gas emissions, according to Architecture 2030. Since homes and commercial buildings account for about 40 percent of total U.S. energy demand, these reductions would significantly advance the overall goals of reducing fossil fuel consumption and limiting greenhouse gas emissions.

[Sarah Palin's Farewell Address - Full Transcript](#)

I promised energy solutions and we have, we have a plan calling for 50% of our electricity generated by renewable resources and we can now insist that those who hold the leases to develop our resources that they do so now on Alaska's terms. So now finally after decades of just talk, finally we're seeing oil and gas drilling up there at Point Thompson. And I promised that we would get a natural gas pipeline underway and we did. Since I was a little kid growing up here, I remember the discussions, especially the political discussions just talking about and hoping for and dreaming of commercializing our clean, abundant, needed natural gas.

Our gas line inducement act, AGIA, that was the game-changer and this is thanks to our outstanding gas line team, and the legislature adopting this law, 58-1.

[Nissan plant near Nashville cited for energy efficiency](#)

Among other things, company officials said Nissan has eliminated compressed air leaks and installed variable speed electric motor drives to match motor loads.

Plant officials said the facility's energy efficiency has improved up to 32 percent in the past four years.

[Ebb and flow of wind power stress NW power grid](#)

In coping with the variations, the BPA has at times adjusted flows through dams at rates that exceeded guidelines established to protect fish.

"It is stressful. You have the threat of fish issues on one hand you are trying to prevent, and at the same time you're trying to meet load," she said. . .

One somewhat controversial element, planned for October, gives the BPA the ability to

curtail wind production on what amounts to a three-strikes-you're-out stance. Wind operators who don't respond to agency requests to reduce output on three occasions run the risk of having Bonneville do it for them.



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