



Drumbeat: January 2, 2010

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[Russia 2009 oil output hits new high after 2008 blip](#)

MOSCOW (Reuters) - Russian oil output grew by around 1.5 percent in 2009 to a new post-Soviet high, putting the world's largest crude producer on an upward trend again after a 2008 blip, when production fell for the first time in a decade.

Energy ministry data showed on Saturday the country extracted 9.925 million barrels per day last year, a record since the collapse of the Soviet Union, up from 9.78 million bpd in 2008 and 9.87 million bpd in 2007.

The resumption in growth came as a surprise. At the end of 2008 analysts had largely expected the decline to continue due to a lack of new greenfield developments and a sharp drop in crude prices

But as crude prices recovered and oil majors such as Rosneft sped up the development of East Siberian fields to fill Russia's first pipeline to the Pacific, output outpaced expectations and growth is expected to continue.

w York City has now officially registered its ringing opposition to a proposal by state regulators to allow natural gas drilling in the watershed that supplies drinking water to more than eight million city residents. Albany should amend its proposal and put the area permanently off limits to drilling.

[For Chevron, It Could Be a Happy New Year](#)

Perhaps the most promising major integrated oil company for 2010, Chevron is well-positioned to prosper as its customers' energy needs grow. Plus, the stock is cheap -- and has a fat dividend, to boot.

[Saudi Revenues Fall in 2009 on Oil Price Correction, Output Cut](#)

JEDDAH - Saudi Arabia's revenues have been brought down by more than half in 2009 by the sharp correction in oil prices and drastic crude oil production cuts, according to the National Commercial Bank, or NCB, report on Saudi Arabia's 2010 budget.

The report further said fall in revenues and higher than budgeted expenditures, turned the fiscal balance into a deficit of SR45 billion (or 3.3 per cent of GDP), compared to a peak of SR581 billion (or 33 per cent of GDP) in 2008. While this accounts as the first budget deficit since 2002, it remains small both in nominal terms and relative to GDP compared to the 1990s, when the government was plagued by persistent deficits in excess of 30 per cent of GDP and massive debt burdens. The report further said fiscal revenues came in higher than budgeted, owing to higher oil prices in the second half of 2009.

[New Zealand: Oil reserves secured](#)

The government has reached arrangements to ensure the country doesn't run out of oil.

Energy Minister Gerry Brownlee says adequate reserves have been secured through an international tender.

Under International Energy Agency rules, the country must hold the equivalent of 90 days worth of oil imports - approximately 100,000 tonnes of crude.

[Rare Tortoises Could Stand in Way of California Solar-Energy Complex](#)

Two dozen rare tortoises could stand in the way of a sprawling solar-energy complex in a case that highlights mounting tensions between wilderness conservation and the nation's quest for cleaner power.

[The wasteful avalanche of 12 million light bulbs](#)

Twelve million low-energy light bulbs were posted to households over Christmas by an energy company as part of its legal obligation to cut carbon emissions, despite government advice that many would never be used.

Npower sent out the packages last month to escape a ban on issuing unsolicited bulbs, which came into force yesterday. The German-owned company saved millions of pounds by giving away the bulbs. Alternative ways of meeting its obligation, such as insulating homes, are much more effective but up to seven times more expensive.

[‘Cash for caulkers’ - a boon for energy and the economy](#)

TWO FACTS are driving the Obama administration’s “cash for caulkers” proposal to offer homeowners rebates for energy-saving projects. The first is that 17 percent of the nation’s construction workers are still unemployed and could use the work. The second is that homes are responsible for 21 percent of the nation’s carbon dioxide emissions,

twice as much as passenger cars. President Obama should send a bill to Congress as quickly as possible to get the program up and running.

[Premier adamant on tying energy future to Quebec](#)

HALIFAX—Competing visions of how to wean Atlantic Canada from fossil fuels and hook it into a greener hydroelectric grid have caused premiers to clash and old hopes of regional unity to falter.

[Climate change is inspiring the ultimate scary movies](#)

Disaster film-makers struggling to compete with the realities of the post-9/11 world have, in global warming, found the perfect plot device.

[Sustainability Comes of Age](#)

A growing number of graduate programs in sustainability address the issues affecting cities.

[Will Higher Global Temperatures Make It Easier for Viruses to Jump Species?](#)

ScienceDaily — An interdisciplinary team of researchers at the University of Idaho soon will begin investigating whether viruses that have adapted to higher temperatures -- similar to increases due to global warming -- can jump species more easily.

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[Heating Oil Hits 13-Month High as Frigid Weather Cuts Supplies](#)

(Bloomberg) -- Heating oil reached a 13-month high as the frigid weather that has drained distillate supplies was projected to extend into January, increasing demand for the motor fuel.

[Studies Find Heavy Heating Oil Has Severe Effect on Air Quality](#)

When it comes to finding a major culprit for the tainted air in a wintry New York, one often needs to look no farther than out the window to see a big building spewing black smoke.

The source is often No. 6 heating oil, the cheapest but most viscous type pumped into aging boilers, or its cousin No. 4 heavy oil, which is only slightly less noxious.

[Australian Coal Producers Start New Export System at Newcastle](#)

(Bloomberg) -- The first ship operating under a new agreement to expand coal exports at Australia's Newcastle Port, the world's largest harbor for supplying the fuel, is scheduled to leave the terminal tomorrow bound for South Korea.

Coal companies in the Hunter Valley region of New South Wales have signed 10-year export contracts worth more than A\$4 billion (\$3.6 billion), underpinning production expansion, the state's Ports Minister Paul McLeay said in a statement.

[It was dead wood, now lumber is the 'new oil'](#)

Locked in a 16-year down-cycle and ending the decade as the most dismal commodity performer, lumber is poised to become the crude oil of the new decade.

It all depends, analysts say, on Chinese building codes and the financial mathematics of 150 million new kitchen tables.

In one projection, the mass urbanisation of China over the next ten years could see lumber prices soar by more than 300 per cent, driven by a combination of unprecedented demand and the same flood of speculative money that gave the world \$150 per barrel oil in 2008.

[A ray of light](#)

The timing couldn't have been better. As Union environment minister Jairam Ramesh was reiterating India's commitment to a low-carbon economy at Copenhagen on December 7 last year, his colleague, new and renewable energy minister Farookh Abdullah, was inaugurating a 2 MW, zero-carbon footprint solar power plant in Jamuria, Asansol. Incidentally, it once used to be an abandoned thermal power plant with a high carbon foot print.

"It sent a strong message that India is empowered in green energy," says S P Gon Chaudhuri, an engineer and the man behind this green transformation. Chaudhuri has been tapping solar energy for lighting up villages across east India since the time when global warming looked like a distant threat and carbon footprints figured only in science journals.

[An elemental challenge for China and the world](#)

Though rare earth elements are not, geologically speaking, all that rare, they are still largely unknown to the general public. That, however, could be about to change. The likes of lanthanum and holmium could soon be names as familiar to us as gold and oil. The explanation is scarcity.

Global demand for these materials is booming, tripling over the past decade from 40,000 to 120,000 tonnes. Rare earth elements are used in a host of technologies from iPhones, to fibre-optic cables, to missile guidance systems. And they are also essential for a swath of low-carbon technologies from catalytic converters, to nuclear power rods; a market that is set to expand exponentially over the coming decades as nations seek to reduce their use of fossil fuels.

Yet one country has a virtual monopoly on the production of these materials. China provides 97 per cent of the global supplies of rare earth elements, most coming from a single mine in Inner Mongolia. By 2014 global demand for rare earth materials is forecast to hit 200,000 tonnes a year. But for several years China has been steadily reducing the amount of material it makes available for export. And as we report today, supplies of Chinese-produced terbium and dysprosium – irreplaceable elements of magnets used in the batteries of hybrid cars and wind turbines – are likely to be cut sharply in the coming months.

[Precious metals that could save the planet](#)

Baotou was of little interest to the outside world for millennia. When one of the first visitors reached its walls in 1925, it was described as "a little husk of a town in a great hollow shell of mud ramparts". Some 84 years later, this once barren outpost of Inner Mongolia has been transformed into the powerhouse of China's dominance of the market in some of the globe's most sought-after minerals.

The Baotou Rare Earth Research Institute is home to some 400 scientists whose work has put China at the pinnacle of research into a group of 17 metals which sound as if they

were dreamt up as poisons for superheroes – yttrium, promethium, europium – but whose unique properties make them indispensable to technologies worth trillions of pounds.

[China threatens to slam brakes on price of lead](#)

After a surge of more than 125 per cent, the price of lead ends the year in limbo – its future at the mercy of Chinese bureaucracy, the stroke of a pen and the legal status of 100 million electric bicycles.

The cycles in question, known as “e-bikes”, are battery-enhanced machines that are the darlings of the modern, urban Chinese. More than 20 million were sold this year, putting a vast army of commuters, unable to afford cars or motorcycles – and without licences – on the roads at a sedate maximum speed of 12 km/h (7½ mph).

If the rules stay as they are, analysts say, e-bike sales may rise to 25 million next year. If they change, as seems possible, the ramifications will stretch far beyond the streets of Shanghai, Beijing, Wuhan and Guangzhou.

[Concern as China clamps down on rare earth exports](#)

Britain and other Western countries risk running out of supplies of certain highly sought-after rare metals that are vital to a host of green technologies, amid growing evidence that China, which has a monopoly on global production, is set to choke off exports of valuable compounds.

Failure to secure alternative long-term sources of rare earth elements (REEs) would affect the manufacturing and development of low-carbon technology, which relies on the unique properties of the 17 metals to mass-produce eco-friendly innovations such as wind turbines and low-energy lightbulbs.

[A year without getting into a car](#)

Maybe it was the eve of a new year. Maybe it was the Champagne. Maybe it was simply the right time.

Whatever it was, Adam Greenfield of San Francisco made a resolution at a party on Dec. 31, 2008: He would not drive, or ride, in an automobile for all of 2009.

[Eclectic bunch of donors -- near, far, left, even right -- gave to Clinton group](#)

The foundation finances charitable programs in climate change, global health, poverty and education. It also hosts the annual Clinton Global Initiative, which brings together philanthropists, corporate chiefs, government officials and nonprofit leaders to find charitable solutions to worldwide problems.

The foundation said its activities have positively affected more than 220 million lives in 170 countries, including helping some 2 million people living with HIV/AIDS get access to medicines and helping 40 of the world's largest cities reduce their greenhouse gas emissions. Last year, the foundation helped implement waste management projects in Delhi, launch the first-ever Zagat Guide to Harlem and provide more than 1 million meals to schoolchildren across Latin America.

[With help from Sweden, 4 Northern Virginia families are 'Climate Pilots'](#)

If Americans really take the plunge and enter a carbon-constrained world, it might look a little like the Stokes family's home in Falls Church.

Nolan Stokes and Kathy Harman-Stokes -- a financial planner and a lawyer with two children in elementary school -- are installing a geothermal heat pump in their front yard that will tap the Earth's constant temperature to warm their home more efficiently. They know precisely how many kilowatts of energy their house is consuming when they wake up each morning. And they've cut back on their consumption of meat because they now know it generates significantly more greenhouse-gas emissions than vegetables.



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