



Drumbeat: January 5, 2010

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Topic: [Miscellaneous](#)

[Chesapeake says NY could drive away gas drillers](#)

NEW YORK (Reuters) - Chesapeake Energy has called proposed New York state regulations for the shale gas drilling industry unnecessarily onerous and likely to scare energy companies out of state, depriving New York of badly needed revenue.

"The measures proposed ... will be more burdensome than any of those placed on our industry throughout the United States and will more than adequately ensure that the development of the Marcellus Shale natural gas formation in New York will occur with sufficient environmental safeguards," Chesapeake said in public comments made available to Reuters on Tuesday.

[Pump prices on pace to top 2009 high by weekend](#)

The cost of filling up the car is rising in the wake of soaring crude and by this weekend, pump prices will race past the highs for all of 2009.

Tracing the ascension of crude, up 14 percent since mid-December, energy prices across the board are catching up. On Tuesday, benchmark crude prices closed higher than they had on any day last year.

It's part economic and part meteorologic.

[Colo. approves 5,100 oil, gas permits in 2009](#)

DENVER -- Colorado approved roughly 5,100 oil and gas drilling permits last year, down from the record 8,027 issued in 2008 before the recession.

[TVA hydroelectric dams on for 1st time in 3 years](#)

CHATTANOOGA, Tenn. (AP) -- The Tennessee Valley Authority is starting the new year with its 29 hydroelectric dams running around the clock for the first time in three

years.

The Chattanooga Times Free Press reports TVA has more water stored in the reservoirs above Chattanooga than at the end of any year since it erected its network of dams in the 1930s and 1940s.

That comes even after 70 days of spilling water through the dams to bring down water levels.

There's so much water that TVA can't capture all the potential energy because it doesn't have the equipment to do so.

[Venezuela Aluminum Cuts 'Shrugged Off' as Supply Leads Demand](#)

(Bloomberg) -- Venezuela's decision to cut aluminum output to save electricity is being "shrugged off" as global supplies grow faster than demand, said Douglas Horn, a commodity analyst at CPM Group.

"I've been surprised that prices haven't reacted more positively," Horn said today in a telephone interview from New York. "There is a ton of aluminum supply out there. There's plenty of cushion."

[Britain must grow more sustainable food, says Benn](#)

Britain must grow more food in a different way to respond to mounting ecological challenges such as climate change, and help provide food for burgeoning world populations, the environment secretary Hilary Benn has told farmers.

"Food security is as important to this country's future wellbeing – and the world's – as energy security. We need to produce more food. We need to do it sustainably. And we need to make sure that what we eat safeguards our health," he said.

[Book Review: Prosperity Without Growth - Economics for a Finite Planet](#)

By comparison to The New Economics engagingly light tone, Jackson's book is more of a heavy hitter formed in a serious academic style. Not that this make it inaccessible, the book has received high praise for its reevaluation of how "human society can flourish - within the ecological limits of a finite planet." Its importance for sustainable development has been compared to the Brundtland Report and author Dianne Dumanoski described it thus: "What makes it unthinkable to stop growth even though it is killing us? Tim Jackson boldly confronts the structural Catch-22 that drives this madness and proposes in this lucid, persuasive, and blessedly readable book how we might begin to get off the fast track to self-destruction."

[C.I.A. Is Sharing Data With Climate Scientists](#)

The nation's top scientists and spies are collaborating on an effort to use the federal government's intelligence assets — including spy satellites and other classified sensors — to assess the hidden complexities of environmental change. They seek insights from natural phenomena like clouds and glaciers, deserts and tropical forests.

The collaboration restarts an effort the Bush administration shut down and has the strong backing of the director of the Central Intelligence Agency. In the last year, as part of the effort, the collaborators have scrutinized images of Arctic sea ice from reconnaissance satellites in an effort to distinguish things like summer melts from climate trends, and they have had images of the ice pack declassified to speed the scientific analysis.

The trove of images is “really useful,” said Norbert Untersteiner, a professor at the University of Washington who specializes in polar ice and is a member of the team of spies and scientists behind the effort.

[Saudis keen to address electricity issue](#)

Frequent power cuts in the summer left many Saudis wondering bitterly why the world's top energy exporter could not supply more electricity to its own people.

They may not have to look too far. In the sweltering summers, as temperatures soar to 50°C, many home owners leave air conditioners running day and night, even when away on holiday. Power cuts follow, hitting mainly poor areas.

Like its oil-rich neighbours, Saudi Arabia struggles to deploy its petrodollars to meet the needs of a growing private sector and an increasing population. The government knows that heavily subsidised services encourage wasteful consumption – but it is loath to act.

[Saudi Arabia increases 'light' oil prices for US](#)

Saudi Aramco, the world's largest state owned oil producer, raised the official selling prices for lower sulfur, or “light” oil grades to be exported to US customers in February.

Saudi Aramco also raised prices for all crude types to be shipped to Europe next month and lowered prices for crude oil varieties sent to refiners in Asia, the Dhahran based company said in an emailed statement.

[Shaybah pipe add on near complete](#)

Work on expanding a pipeline at Saudi Arabia's Shaybah oilfield will be finished soon,

two industry sources said today.

State oil company Saudi Aramco said in June it had completed work on expanding capacity at Shaybah to 750,000 barrels per day from 500,000 bpd.

[Nigeria: Widening Scope of Social Unrest](#)

Lagos — It is not an overstatement to note that the country is today in a state of anomie. No part of this nation is spared the social hardship that is currently the lot of the people occasioned by crippling and debilitating fuel shortages. Whether it is Lagos in the South West, Kaduna in the North West or Enugu in the South East, the sad stories of motorists queuing on end at filling stations and travelers getting stranded at motor parks are the same.

The extreme confusions, disorderliness and chaos at various filling stations across the country bear a clear testimony to a looming danger in the land if no urgent and concerted efforts are made by the concerned authorities to squarely address the brewing social crisis. Nigerians are facing real hard times. There are growing and all pervading frustrations, agonies and anger every where.

[The End Of Gazprom's Reign?](#)

Just over 18 months ago, Russia was predicting a bright future for Gazprom, stating that its capitalization would exceed \$1 trillion by 2015 and its shares would be trading on the New York Stock Exchange.

Today, the story is very different. The company's net profits fell by nearly half in the first two quarters of 2009, and several factors seriously challenge Gazprom's continuing reign.

Russian President Dmitry Medvedev, in his annual address to the Federal Assembly in November, called for an end to the economy's heavily reliance on hydrocarbon sales. Given that the Russian economy has contracted by 10 percent, Medvedev is urging Russia to shift away from raw materials to smaller, sleeker, more technologically efficient sectors.

[Pemex Output May Rise After Seven Years of Decline](#)

(Bloomberg) -- Petroleos Mexicanos may see crude output rise in 2011 after seven years of plunging output, the state-owned oil company said in a presentation.

Pemex, as the Mexico City-based company is known, may produce 2.55 million barrels a day next year, up 50,000 barrels from the forecast for 2010, Carlos Morales, head of exploration and production, said in a presentation on the company's Web site dated Dec.

1.

[Coal trips India's electric car revolution](#)

"Our problem in India is electricity," Maruti Suzuki Chairman R.C. Bhargava told the Hindustan Times. "If you don't have electricity, and if your electricity anyway comes from coal, I am wondering, what objective that (electric vehicles) would meet?"

[State grid sees tight time for power supplies](#)

THE State Grid Corp of China, which supplies power to more than 1 billion people, has warned that a national electricity shortage may worsen.

It said thermal-coal stockpiles were falling amid the delay in deliveries caused by bad weather.

By last Monday, the State Grid, the larger of the nation's two major power distributors, had 8.94 million tons of thermal coal in stock, only enough for 10 days, China Business News reported yesterday.

[For Cape Cod Wind Farm, New Hurdle Is Spiritual](#)

BOSTON — In a new setback for a controversial wind farm proposed off Cape Cod, the National Park Service announced Monday that Nantucket Sound was eligible for listing on the National Register of Historic Places, guaranteeing further delays for the project.

[US shipment of solar modules jumps 13-fold in less than a decade](#)

Annual industry data released by the Department of Energy show that shipments of PV in 2008 reached 986,504 kW, comprised of 586,558 kW of imports and 462,252 kW of exports. There were 66 companies involved in the survey behind 'Solar Photovoltaic Cell / Module Manufacturing Activities 2008.'

[Fears of oil depletion are 'exaggerated'](#)

Peter Davies, Chief Economist at BP, admitted that the world's oil potential is limited but dismissed what he described as theories about peak oil.

"Can we go on as before... are there external constraints in the oil market that would prevent the trends that we have known from continuing," he told a recent seminar organised by the Saudi Association for Energy Economics (Safe)

"One factor is resources. They are limited, and a barrel can only be produced once. But ideas of peak oil supply are not true. Doomsayers have exaggerated the issue. The bell-shaped curve of production over time does not apply to the world's oil resources," he told the seminar in Alkhobar city.

"Those who believe in peak oil tend to believe that technology and economics don't matter, and I think this is false. The application of technology, the innovation of new technology and economic forces especially mean that recoverable oil resources can increase. If there is a peak in oil, it will come from the demand side. There are always fears, but these remain overstated and exaggerated."

[Cramped on Land, Big Oil Bets at Sea](#)

Big Oil never wanted to be here, in 4,300 feet of water far out in the Gulf of Mexico, drilling through nearly five miles of rock.

It is an expensive way to look for oil. Chevron Corp. is paying nearly \$500,000 a day to the owner of the Clear Leader, one of the world's newest and most powerful drilling rigs. The new well off the coast of Louisiana will connect to a huge platform floating nearby, which cost Chevron \$650 million to build. The first phase of this oil-exploration project took more than 10 years and cost \$2.7 billion -- with no guarantee it would pay off.

[Peak oil: Are we there yet?](#)

For some time now, and with greater frequency lately, energy analysts have been predicting that the output of conventional oil will soon peak unless something is done to reduce demand.

Predictions of the date of this event have varied from 'imminently' to 'in the next 20 to 30 years.'

In the International Energy Agency's latest World Energy Outlook, however, the chief economist stated that "the output of conventional oil will peak in 2020 if oil demand grows on a business-as-usual basis."

[Phil Flynn: A New Decade](#)

A new decade begins in energy trading with new challenges and obstacles in the markets' mission to assure the availability of supply. As the new decade begins, the greatest challenges ahead are said to be "peak oil" and global warming yet today the new decade in energy starts out worrying about the cold. The oil market and heating oil markets are soaring as the country is getting a big chill from coast to coast. The cold weather has gone global with cold temperatures even being reported in the Europe and China. In the short term the polar bears have nothing to worry about as global warming

takes an extended holiday.

[Oil Trades Near 14-Month High on Cold Snap, Economic Outlook](#)

(Bloomberg) -- Crude oil traded near a 14-month high in New York as freezing weather in the U.S. and global signs of an economic revival bolstered the outlook for fuel demand.

Oil traded above \$81 a barrel before a U.S. government report due tomorrow that may show supplies of distillate fuels such as heating oil fell as cold weather hit the country's northeast. China's manufacturing expanded at the fastest pace in more than five years, a report showed yesterday.

"Fundamentals are more and more encouraging," said Tobias Merath, head of commodities research at Credit Suisse Group AG in Zurich. "We have had some positive surprises in economic data and colder weather reaching into the U.S. distillate inventories are the key to a sustainable uptrend."

[Indonesia to drop cost recovery cap](#)

Indonesia plans to scrap curbs on a scheme to reimburse oil and gas companies for exploration spending in order to support flagging investment, a senior energy ministry official said today.

[China to 'Actively' Join Global Race for Resources](#)

(Bloomberg) -- China, the world's second-biggest energy consumer, said it will "actively" participate in the global competition for oil, natural gas and mineral resources as domestic demand rises.

The country will intensify the development of overseas resources to ensure "stable" energy supplies for economic growth, Zhang Xiaoqiang, vice chairman of the National Development and Reform Commission, said in a speech on foreign investment posted on the commission's Web site today.

[Russia resumes oil to Belarus refineries, no deal](#)

MOSCOW/MINSK (Reuters) - Russia said it had resumed flows of crude to refineries in Belarus but it did not clinch a deal to resolve a tense price dispute with Minsk that raised fears oil supplies to European Union countries might be blocked.

Russia's foremost energy official, Igor Sechin, told Prime Minister Vladimir Putin on Monday their country had restarted supplying refineries in neighbouring ex-Soviet Belarus on Jan. 3, but there were still "no signed agreements" with Minsk.

[Down Mexico Way: Oil and Politics South of the Border](#)

For energy-focused investors Mexico's deteriorating fiscal position and the actions of the country's national oil company (NOC), Petroleos Mexicanos (PEMEX), are cause for concern. Pemex is the third-largest supplier of crude to the US, behind only Canada and Saudi Arabia. To put the company's operations in perspective, Pemex produced more crude oil than US energy giant Exxon Mobil in 2008.

Of course, other energy producing nations such as Venezuela face more dire fiscal challenges. But the Chavez government's chronic mismanagement of the national oil company, Petróleos de Venezuela (PDVSA), and the economy in general are well known and largely priced into the market. After all, CDS spreads on Venezuela are trading at 1,130 basis points, second only to the Ukraine; traders are already pricing in a healthy dose of credit risk.

[Suncor sells some U.S. assets](#)

Noble Energy, Inc. NBL-N says it will pay \$494-million (U.S.) to acquire major oil and gas assets in the United States from Canada's largest energy company, Suncor Energy Inc. SU-T .

Noble announced Tuesday it will acquire essentially all the Rockies upstream assets of Petro-Canada Resources (USA) Inc. and Suncor Energy (Natural Gas) America Inc.

[How Russia Is About to Dramatically Change the World](#)

Over the next few days, Russia will change the world. It has completed a new oil pipeline and port complex that sets Russia up to become a more powerful oil exporter than Saudi Arabia. The ramifications for Europe and Asia are profound: The shape of the global economy—and the global balance of power—will be altered forever.

[2010: The Year for Gold Shares - Bob Moriarty](#)

My very favorite company right now is an energy stock. It's not one that anyone can buy. It's still private but it's going to be a very big deal. It will be the Google of investing. It's a company called Titan Oil Recovery Inc. It's run by one of the smartest and best managers I know, Ken Gerbino. Basically the company treats their prime oil fields with a patented bacterial process that essentially lowers the surface tension of the oil, making it easier for it to flow. Their tests on dozens of oil fields show increased oil production by over 100%. That's giant. In the oil business, most oil gets left in the ground. You can never recover all of the oil in a field. This process is going to be worth many billions of

dollars. It's not a total solution to peak oil but it's sure better than anything else I've ever seen or heard of.

[New coal-fired power plant fuels debate](#)

MARISSA, Ill. — On a clear December morning, drivers traveling south on state Route 4 in southwest Illinois can see the Prairie State Energy Campus' stack rising 700 feet above the surrounding corn fields — 70 feet taller than the Gateway Arch.

The scope of project is even more striking once on site. The hulking plant will consume more than 50,000 tons of structural steel, 15,000 tons of steel rebar and 160,000 cubic yards of concrete. It is surrounded by more than a dozen tower cranes, their jibs reaching skyward.

What's more, the \$4 billion project stands as a tangible symbol of the polarizing debate over climate change and the use of coal as an energy source.

[Trains stopped in their tracks](#)

The heaviest snowfall to hit northern China in nearly six decades continued to snarl traffic yesterday, stranding thousands of passengers on railways and at airports.

The unusually harsh winter weather also caused coal shortages, forcing some provinces to cut power supplies.

[Big U.S. fund group divests over Sudan](#)

BOSTON (Reuters) – TIAA-CREF has become the first large U.S. fund complex to sell stakes in a group of Asian energy companies over human rights concerns in Sudan.

[Beds of bounty](#)

But while the immediate future of Enniskillen Orchard is now secure, there is another threat hanging over Maguire and the farm that belonged to his father before him.

"The developers and our local council can't wait until this area is covered in houses," he says. "All they can see is the bloody bottom line. If it is rezoned, there is no way in the world we can carry on farming activity in among those."

...Hawkesbury Harvest points out that Hawkesbury Council's recent strategic plan doesn't once mention the word "agriculture" and accuses the council of wanting "rural-living theme parks" at the expense of real farms.

The group's submission concludes: "When the sands and gravel are gone, the hydrology buggered, the microclimates changed, the landscape turned into fodder for a mower sales and repair industry and when people transit through it faster than they do now because there's nothing of real interest to see and do, will our kids and their kids thank us for this?"

[Centrica Wind-Farm Funding Shows Liquidity Improving](#)

(Bloomberg) -- Centrica Plc's deal to fund U.K. offshore wind farms through a stake sale and bank debt may become a blueprint for competitors in the country's \$160 billion push to develop sites in deeper and more remote waters.

The Crown Estate, the authority which administers 55 percent of the coastline on behalf of the monarchy, is assessing bids from 18 companies in its third offshore wind licensing round and aims to quadruple planned capacity by adding farms in the North Sea, Irish Sea and English Channel. It anticipates announcing winners, who will need to find financing, this month.

[Tajiks feel pinch in funding dam](#)

Since a deal with a Russian investor fell apart in the autumn of 2007, the Tajik government has been trying to fund the remaining work on the dam by itself and is encouraging citizens to contribute either by taking out some shares or by responding to a parallel scheme - a direct appeal for cash contributions.

To encourage the spirit of giving, the official media have been full of reports of companies and private individuals - from cash-strapped students to elderly people on tiny pensions - making donations to the fund, or announcing their intention to buy shares. But people interviewed by the Institute for War and Peace Reporting (IWPR) said they were being coerced into buying shares in the power plant or making a straight donation, neither of which they could afford.

['Avatar': Why do conservatives hate the most popular movie in years?](#)

Ever since Al Gore took center stage with his documentary, "An Inconvenient Truth," conservatives have been falling over each other in their attempts to mock liberal planet savers, taking special pleasure in slamming Hollywood environmentalists who fly private jets or live in huge houses. (As soon as Climategate erupted, two Hollywood conservatives surfaced, asking the academy to take back Gore's "Inconvenient Truth" Oscar, even though, inconveniently, the Oscar had actually gone to the film's director, not Gore.)

So Cameron's giddy embrace of a primitive people who live in harmony with their land - and his scathing portrayal of a soulless corporation willing to do anything, including kill

innocent natives, to steal and exploit their planet's valuable natural resources -- is the kind of anti-technology, pro-environment dramaturgy that sets off fire alarms.

[Global warming is a driver, whether you believe or not](#)

The new decade has dawned and it promises to be a big one for the power management sector. But be warned it may take several years before we start seeing the real dividends.

Whether you believe in Global Warming or not there is no doubt that it is the engine driving the growing demand for energy efficiency and towards the back end of the past decade large sums were being pumped into the power management sector to try and stimulate the switch over to more energy efficient alternatives across a wide spectrum of commercial and industrial activities.

[Global warming battle could create 129,000 Mich. jobs](#)

Michigan could gain a significant economic boost and thousands of new jobs by reducing emissions of gases that cause climate change, according to an analysis released Monday.

[The comparative costs of climate change](#)

How much will decarbonizing the economy cost, and compared to what?

Probably the most widely discussed economic analysis on what the transition to a low-carbon economy will cost is the so-called Stern Review by British economist Nicholas Stern.

[South Africa Wants to Cut Emissions, but Lacks Policies to Match Its Rhetoric](#)

Slashing emissions in coal-dominated South Africa will require an overhaul of national policies as well as significant funding, a new study finds.

[Where on Earth will we store all that captured CO₂? Try the East Coast](#)

Deep saline aquifers or nearly empty oil wells are a few of the possibilities for where to put carbon dioxide, but what might be even better is a volcanic rock known as basalt. That's because the rock both stores CO₂ and, over a relatively short period of years, forms carbonate minerals with it—in other words, limestone.

[Australia suffers hottest decade as globe warms](#)

SYDNEY (AFP) – Australia has sweltered through its hottest decade on record, officials said Tuesday, linking a rise in heatwaves, drought, dust storms and extreme wildfires with global warming.

The Bureau of Meteorology also said 2009 was the second warmest year since detailed records began in 1910, with an annual mean temperature almost one degree Celsius (1.8 degrees Fahrenheit) above average.



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