

# The Week That Was: 2010-10-16 (October 16, 2010)

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### The Science and Environmental Policy Project

PLEASE NOTE: The complete TWTW, including the articles, can be downloaded in an easily printable form at the web site: <http://www.haapala.com/sepp/the-week-that-was.cfm>

#### Quote of the Week:

*The principle of science, the definition, almost, is the following: The test of all knowledge is experiment. Experiment is the sole judge of scientific "truth." R.P. Feynman [H/t Arthur Robinson]*

#### Number of the Week: 20 Percent by 2030

#### THIS WEEK:

*By Ken Haapala, Executive Vice President Science and Environmental Policy Project (SEPP)*

On Tuesday, the Obama administration lifted its controversial ban on deep water drilling in the Gulf of Mexico while demanding that the oil industry must meet new, complex regulations. Rather than providing relief for businesses that have been idled and those who have been unemployed by the ban, the announcement created further uncertainty. There were no assurances that permits would be granted expeditiously. Rather, there were promises of even more regulations in the future. The administration seems to be oblivious to the national unemployment rate that is 9.2% and that businesses do not hire in periods of regulatory uncertainty. The only state with strong employment growth is North Dakota where oil drilling is expanding rapidly thanks to the new technologies of hydraulic fracturing and horizontal drilling that is opening up extensive oil reserves previously locked in deep, tight shale formations. Please see articles # 1 and #2, and the articles referenced under "BP Spill and Aftermath."

Several thought-provoking articles appeared discussing problems with alternative energy. Tom Fuller, an alternative energy advocate, explains why he thinks wind power is not doing well in 2010 – the buyer market is highly concentrated (basically forced by government). Thus, there is no pressing need on the producers to reduce costs because the eventual users must buy regardless of cost. (Since regulated utilities pass on costs plus a profit calculated on costs to their customers, including government imposed costs, utilities have no incentive to demand lower costs.) Please see article #3.

Bjorn Lomborg points out how government officials in Europe have failed to conduct the proper research to discover the tremendous hidden costs of alternative energy sources such as solar and wind. As a result, European countries that invested heavily in these sources are experiencing unexpectedly high utility rates. Please see article # 4.

Peter Grover discusses the folly of British experience and the government's current mania to build even more expensive off-shore wind farms. Please see article # 5.

As Fuller discusses, there is no incentive or demand on the businesses that are providing the wind farms to lower costs. This is a recipe for failure. Please see Cape Wind article referenced under "Subsidies and Mandates Forever."

Another provoking piece appeared on the blog of Roger Pielke, Sr. He describes the requirements of a good scientific model as explained in *The Grand Design*, a new book by Stephen Hawking and Leonard Mlodinow, and then concludes that the IPCC models fail the Hawking and Mlodinow requirements. A good scientific model: 1) is elegant, 2) contains few arbitrary or adjustable elements; 3) agrees with and explains all existing observations, and 4) makes detailed predictions about future observations that can

disprove or falsify the model if they are not borne out. Please see “When Is A Model a Good Model?” under “Challenging the Orthodoxy.”

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The issue regarding the resignation of Hal Lewis from the American Physical Society continues to cause controversy. TWTW carried the resignation letter last week. The American Physical Society issued a press release defending its position and Roger Cohen rebutted the press release. Please see the referenced article under “American Physical Society Row.”

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SEPP Corrections and Amplifications: Last week’s number of the week was reproduced incorrectly. The number of the week was 1100 times 10 to the fourth power, knots squared. This is the global Accumulated Cyclone Energy (ACE) over the past 24 months as reported by Ryan Maue (September 30, 2010). When it was reformatted the exponents were dropped, literally lowered, thus the number made no sense. In the future we will use the character ^ to indicate an exponent. The ACE would be expressed as 1100 X 10^4 knots^2.

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NUMBER OF THE WEEK: 20 Percent by 2030. Greenpeace and the Global Wind Energy Council produced a study claiming that wind power could produce up to 20% of the world’s power needs by 2030. Given the well known difficulties of wind, as expressed in article referenced above, one could say that this estimate is a bit optimistic.

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Those who challenge the claim that human emissions of carbon dioxide are causing unprecedented and dangerous global warming by pointing out the failure of the advocates to produce the physical evidence of causation continue to be personally attacked in academic departments at universities and in publications called scientific. For example, Fred Singer is repeatedly accused as being a lobbyist or agent for tobacco companies because he had the audacity to point out that the EPA’s second hand smoke study lacked scientific rigor. Below he describes his relationship with tobacco companies.

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**SEPP SCIENCE EDITORIAL #31-2010 (Oct. 16, 2010)**

***S Fred Singer Chairman, and President, Science and Environmental Policy Project (SEPP)***

**Second Hand Smoke [SHS] and Lung Cancer**

In 1993, the EPA published a report claiming that SHS [sometimes known as Environmental Tobacco Smoke – ETS] causes 3000 deaths from lung cancer every year.

Anyone doubting this result has been subject to attack and depicted as a toady of the tobacco lobby. The attacks have been led by a smear blog called “DesmogBlog,” financed by a shady Canadian PR firm of James Hoggan, and have been taken up with great enthusiasm by a self-styled “science historian,” Professor Naomi Oreskes.

The ultimate purpose of these attacks, at least in my case, has been to discredit my work and publications on global warming. I’m a nonsmoker, find SHS to be an irritant and unpleasant, and have certainly never been paid by Phillip Morris and the tobacco lobby, and have never joined any of their front organizations, like TASSC [The Advancement of Sound Science Coalition].

So what is the truth about SHS and lung cancer? I’m neither an oncologist nor a chemical toxicologist, but I do know some statistics, which allows me to examine the EPA study without bias [I personally believe that SHS cannot be healthy].

I can demonstrate that the EPA fudged their analysis to reach a predetermined conclusion – using a thoroughly dishonest procedure. They made three major errors: 1) They ignored publication bias, that is, studies that do not produce significant results are seldom published, 2) They shifted the confidence

intervals, 3) They drew unjustified conclusions from a risk ratio that was barely greater than 1.0. My opinions are independently confirmed by the Congressional Research Service [CRS-95-1115], and by a lengthy judicial analysis by Judge William Osteen [all available on the Internet].

- 1) Since none of the epidemiological studies provided a clear answer, EPA carried out a “meta-analysis”. Unfortunately, this approach ignores “publication bias”, i.e., the tendency for investigators not to publish their studies if they do not give a positive result.
- 2) The EPA in order to calculate a risk ratio, moved the confidence intervals from 95% to 90% -- and said so openly.
- 3) Even so, their risk ratio was just a little above 1.0 – whereas epidemiologists ignore any result unless the RR exceeds 2.0.

To sum up, while we cannot give specific answers for lung cancer cases or other medical issues connected SHS, we can state with some assurance that the EPA analysis is worthless.

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**ARTICLES:**

For the numbered articles below please see:

[www.haapala.com/sepp/the-week-that-was.cfm](http://www.haapala.com/sepp/the-week-that-was.cfm).

**1. Liberating the gulf**

Editorial, WSJ, Oct 13, 2010

[http://online.wsj.com/article/SB10001424052748703440004575548454110320976.html?mod=WSJ\\_Opinion\\_AboveLEFTTop](http://online.wsj.com/article/SB10001424052748703440004575548454110320976.html?mod=WSJ_Opinion_AboveLEFTTop)

**2. Drill, North Dakota, Drill**

Editorial, IBD, Oct 11, 2010

<http://www.investors.com/NewsAndAnalysis/Article/550055/201010111833/Drill-North-Dakota-Drill.htm>

**3. Captive Clients Determine the Success of Energy Initiatives**

By Tom Fuller, Watts Up With That, Oct 13, 2010

<http://wattsupwiththat.com/2010/10/13/captive-clients-determine-the-success-of-energy-initiatives/#more-26368>

**4. First do the research, then make deep carbon cuts**

By Bjorn Lomborg, The Australian, Oct 14, 2010

<http://www.theaustralian.com.au/news/opinion/first-do-the-research-then-make-deep-carbon-cuts/story-e6frg6zo-1225938377258>

**5. Taking The Wind Out Of Wind Power**

By Peter Glover, GWPF, Oct 13, 2010 [H/t Francois Guillaumat]

<http://www.thegwgf.org/energy-news/1694-peter-glover-taking-the-wind-out-of-wind-power.html>

**6. Shootout at the EPA Corral**

Texas takes aim at the White House’s illegal carbon rules

Editorial WSJ, Oct 10, 2010

[http://online.wsj.com/article/SB10001424052748704696304575538834180153298.html?mod=ITP\\_opinion\\_2](http://online.wsj.com/article/SB10001424052748704696304575538834180153298.html?mod=ITP_opinion_2)

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**NEWS YOU CAN USE:**

## ***Climategate Continued***

### **BBC Told to ensure balance on climate change**

*Climate change sceptics are likely to be given greater prominence in BBC documentaries and news bulletins following new editorial guidelines that call for impartiality in the corporation's science coverage.*

By Neil Midgley, Telegraph, UK, Oct 13, 2010

<http://www.telegraph.co.uk/culture/tvandradio/bbc/8060211/BBC-told-to-ensure-balance-on-climate-change.html>

## ***Challenging the Orthodoxy***

### **When Is A Model a Good Model?**

By Roger Pielke Sr. Pielke Research Group, Oct 11, 2010 [H/t Francois Guillaumat]

<http://pielkeclimatesci.wordpress.com/2010/10/11/when-is-a-model-a-good-model/>

### **Time to get real about climate change**

10/10/10 and 350.org based on urban legend, not science

By Tom Harris, Washington Times, Oct 14, 2010

<http://www.washingtontimes.com/news/2010/oct/14/time-to-get-real-about-climate-change/>

### **Opening closed minds**

By Des Moore, Quadrant Online, Oct 6, 2010

<http://www.quadrant.org.au/blogs/doomed-planet/2010/10/end-of-scientific-consensus>

### **The scientific world is fracturing**

By Joanne Nova, Oct 10, 2010 [H/t Marc Morano, Climate Depot]

<http://joannenova.com.au/2010/10/the-scientific-world-is-fracturing/>

### **No consensus among climate scientists after all**

By Des Moore, The Australian, Oct 14, 2010

<http://www.theaustralian.com.au/news/opinion/no-consensus-among-climate-scientists-after-all/story-e6frg6zo-1225938383591>

### **Opinion: Global Warming not worth the fight**

*The United States would gain little in trying to forestall climate change*

By Keith Yost, Staff Columnist, The Tech, Oct 15, 2010 [H/t Joe Bast]

<http://tech.mit.edu/V130/N45/yost.html>

[SEPP Comment: Even assuming man is causing significant warming!]

### **Is climate change activism dead?**

By Louise Gray, Telegraph, UK, Oct 14, 2010 [H/t Joe Bast]

<http://www.telegraph.co.uk/earth/environment/climatechange/8063347/Is-climate-change-activism-dead.html>

### **Dangerous Carbon Pollution: Propaganda from Climatism**

By Steve Goreham, Big Government, Oct 8, 2010

<http://biggovernment.com/sgoreham/2010/10/08/dangerous-carbon-pollution-propaganda-from-climatism/#idc-container>

## ***Defending the Orthodoxy***

### **Global warming summit heads for failure amid snub by world leaders**

By Louis Gray, Telegraph, UK, Oct 10, 2010 [H/t Brad Veek]

<http://www.telegraph.co.uk/earth/copenhagen-climate-change-confe/8053853/Global-warming-summit-heads-for-failure-amid-snub-by-world-leaders.html>

### **U.N.: ‘Credible’ climate report needed**

UPI, Oct 12, 2010 [H/t GWPF]

[http://www.upi.com/Science\\_News/Resource-Wars/2010/10/12/UN-Credible-climate-report-needed/UPI-81411286891515/](http://www.upi.com/Science_News/Resource-Wars/2010/10/12/UN-Credible-climate-report-needed/UPI-81411286891515/)

### **Text of the American College & University Presidents’ Climate Commitment**

American College & University Presidents’ Climate Commitment

<http://www.presidentsclimatecommitment.org/about/commitment>

### ***American Physical Society Row***

#### **Roger Cohen Responds to APS response to Hal Lewis Resignation**

By Roger Cohen, ICECAP, Oct 13, 2010

<http://www.icecap.us/>

<http://icecap.us/images/uploads/APSPressReleaseDeconstruction.pdf>

### ***Weather Extremes***

#### **Arctic Ice Rebound Predicted**

*Man is not the primary cause of change in the Arctic says book by Russian scientists*

By Verity Jones, Watts up with that, Oct 16, 2010

<http://wattsupwiththat.com/2010/10/16/arctic-ice-rebound%C2%A0predicted/#more-26514>

#### **Warmer, wetter climate helping U.S. farmers grow more crops**

USA Today, Oct 8, 2010 [H/t Best on the Web]

[http://www.usatoday.com/weather/climate/2010-10-08-climate-farmers\\_N.htm?loc=interstitialskip](http://www.usatoday.com/weather/climate/2010-10-08-climate-farmers_N.htm?loc=interstitialskip)

[SEPP Comment: See article below.]

#### **Study; Crop failures to increase with climate change**

USA Today Oct 8, 2010 [H/t Best on the Web]

<http://content.usatoday.com/communities/greenhouse/post/2010/10/crop-failures-climate-change/1>

[SEPP Comment: On the same day, the same newspaper gives two opposing statements about the effects of global warming / climate change. If climate change means a significant cooling of the great northern grain belts, then it would lead to crop failures.]

### ***BP Oil Spill and Aftermath***

#### **U.S. Lifts freeze on deepwater oil drilling**

By Matthew Daly, Washington Times, Oct 12, 2010

<http://www.washingtontimes.com/news/2010/oct/12/offshore-drilling-ban-could-be-lifted-tuesday/>

#### **Oil Industry Not Celebrating Yet**

*Executives Fear New Regulations Could Result in a Continued Slowdown of Offshore Drilling Activity*

By Stephen Power, WSJ, Oct 13, 2010

[http://online.wsj.com/article/SB10001424052748704164004575548562706663060.html?mod=ITP\\_pageone\\_1](http://online.wsj.com/article/SB10001424052748704164004575548562706663060.html?mod=ITP_pageone_1)

#### **China’s Will To Drill**

Editorial, IBD, Oct 13, 2010

<http://www.investors.com/NewsAndAnalysis/Article.aspx?id=550309>

## ***Energy Issues***

### **Sluggish Economy Curtails Prospects for Building Nuclear Reactors**

By Matthew Wald, NYT, Oct 10, 2010

[http://www.nytimes.com/2010/10/11/business/energy-environment/11power.html?\\_r=1&th&emc=th](http://www.nytimes.com/2010/10/11/business/energy-environment/11power.html?_r=1&th&emc=th)

*[SEPP Comment: It is more than a sluggish economy, hydraulic fracturing and horizontal drilling for natural gas has dramatically changed the energy outlook.]*

### **Offshore Wind Power Line Wins Praise, and Backing**

By Matthew Wald, NYT, Oct 12, 2010

<http://www.nytimes.com/2010/10/12/science/earth/12wind.html?th&emc=th>

### **New research questions hydroelectric reservoir emissions**

By Staff Writers, Energy Daily, Oct 11, 2010 [H/t Toshio Fujita]

<http://www.energy->

[daily.com/reports/New\\_research\\_questions\\_hydroelectric\\_reservoir\\_emissions\\_999.html](http://www.energy-daily.com/reports/New_research_questions_hydroelectric_reservoir_emissions_999.html)

### **Biomass Power Encounters a New Regulatory Forest**

By David O'Connor and Christian Termyn, Mintz Levin, Oct 2010

<http://www.mintz.com/newsletter/2010/Advisories/0689-1010-NAT-ECT/OConnor-Termyn.html>

*[SEPP Comment: A law firm's take on the problems biomass power faces. Note mentioned is that until the 1880s biomass burning (wood) was the dominant source of energy for the US until coal replaced it when virtually all the forests of the east were logged.]*

## ***Subsidies and Mandates Forever***

### **Cape Wind backers blew right by cost**

*Governor Patrick pushed hard for the project, hoping it would jump-start the state's green economy, And it may. But at what price?*

By Beth Daley, Boston Globe, Oct 10, 2010 [H/t Glenn Schleede]

[http://www.boston.com/lifestyle/green/articles/2010/10/10/cape\\_wind\\_backers\\_blew\\_right\\_by\\_cost/?page=full](http://www.boston.com/lifestyle/green/articles/2010/10/10/cape_wind_backers_blew_right_by_cost/?page=full)

*[SEPP Comment: Oops! As long as politicians do not have to pay they will promote anything that sounds good.]*

## ***EPA and other Regulators On the March***

### **EPA Estimates Its Greenhouse Gas Restrictions Would reduce global Temperature by No More Than 0.006 of a Degree in 90 Years**

By Chris Neefus, CNS News, Oct 6, 2010 [H/t John Thompson]

<http://www.cnsnews.com/news/article/epa-s-own-estimates-say-greenhouse-gas-r>

### **EPA global warmers power grab**

Editorial, Washington Times, Oct 9, 2010

<http://www.washingtontimes.com/news/2010/oct/8/epa-global-warmers-power-grab/>

### **New Policy Fuels High-Octane Debate**

*Permitting More Ethanol in Gasoline Angers Oil, Food and Car Interests, But May Lift Grain Sales*

By Tennille Tracy, WSJ, Oct 14, 2010

[http://online.wsj.com/article/SB10001424052748703673604575550261503126190.html?mod=WSJ\\_Energy\\_leftHeadlines](http://online.wsj.com/article/SB10001424052748703673604575550261503126190.html?mod=WSJ_Energy_leftHeadlines)

## ***Oh, Mann!***

### **The right to question Michael Mann's climate research**

By Joe Barton, Washington Post, Oct 12, 2010 [H/t Randy Randol]  
<http://www.washingtonpost.com/wp-dyn/content/article/2010/10/11/AR2010101105679.html>

**Cuccinelli calls for environmental, economic balance at energy conference**

By Rosalind Helderman, Washington Post, Oct 14, 2010  
[http://voices.washingtonpost.com/virginiapolitics/2010/10/cuccinelli\\_calls\\_for\\_environme.html](http://voices.washingtonpost.com/virginiapolitics/2010/10/cuccinelli_calls_for_environme.html)

*Review of Recent Scientific Articles by NIPCC. For a full list of articles see:*  
[www.NIPCCreport.org](http://www.NIPCCreport.org)

**A 1300 – Year History of West-Central Mexican Cloud Forest Climate**

Reference: Figueroa-Rangel, B.L., Willis, K.J. and Olvera-Vargas, M. 2010. Cloud forest dynamics in the Mexican neotropics during the last 1300 years. *Global Change Biology* **16**: 1689-1704.  
<http://www.nipccreport.org/articles/2010/oct/14oct2010a6.html>

**A Millennium of Reconstructed and Simulated Temperatures for Eastern China**

Reference: Liu, J., Storch, H., Chen, X., Zorita, E., Zheng, J. and Wang, S. 2005. Simulated and reconstructed winter temperature in the eastern China during the last millennium. *Chinese Science Bulletin* **50**: 2872-2877.  
<http://www.nipccreport.org/articles/2010/oct/13oct2010a3.html>

**The IPCC Spaghetti-Diagram Reconstructions of Paleoclimate are Incoherent With Each Other**

Reference: Bürger, G. 2010. Clustering climate reconstructions. *Climate of the Past Discussions* **6**: 659-679.  
<http://www.nipccreport.org/articles/2010/oct/13oct2010a2.html>

**Rapid Ice Loss On the Antarctic Peninsula**

Reference: Hall, B.L., Koffman, T. and Denton, G.H. 2010. Reduced ice extent on the western Antarctic Peninsula at 700-907 cal. yr B.P. *Geology* **38**: 635-638.  
<http://www.nipccreport.org/articles/2010/oct/13oct2010a1.html>

*Miscellaneous Topics of Possible Interest*

**Moonlighting as a Conjuror of Chemicals**

By Natalie Angier, NYT, Oct 11, 2010  
<http://www.nytimes.com/2010/10/12/science/12newton.html?pagewanted=1&ref=science>  
*[SEPP Comment: A different look at Isaac Newton as an alchemist. According to William Newman, in the 17<sup>th</sup> Century there were a number of theoretical and empirical reasons to take alchemy seriously. These were eventually replaced by more powerful theoretical and empirical reasons why not.]*

**How to prevent fraud**

*Thoughts on how to catch scientific misconduct early from a research recently convicted of the offense*  
By Suresh Radhakrishnan, The Scientist, Oct 7, 2010 [H/t Catherine French]  
<http://www.the-scientist.com/news/display/57738/>

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**BELOW THE BOTTOM LINE:**

**Wind could provide 20 percent of world power needs by 2030: study**

Physorg.com, Oct 12, 2010 [H/t Toshio Fujita]  
<http://www.physorg.com/news/2010-10-20-pct-world-power-2030.html>

[SEPP Comment: Contrary to statements at the end of the article, the US has heavily subsidized wind through the Stimulus bill, tax credits, and state mandates. The savings of carbon dioxide emissions are highly questionable.]

**Waste Pickers Offer to Fight Climate Change**

By Karl Malakunas, Manila Bulletin, Oct 11, 2010 [H/t Best of the Web]  
<http://www.mb.com.ph/articles/281600/waste-pickers-offer-fight-climate-change>

**That great story about Rock Hyrax urine you've always wanted to read**

Press Release, University of Leicester, Oct 12, 2010 [H/t Watts Up With That]  
<http://www2.le.ac.uk/news/blog/2010-archive/october-2010/that-great-story-about-rock-hyrax-urine>

**Cigarettes: A Secondary Cause of Global Warming**

By Ken Bosket, Star City News, Oct 12, 2001 [H/t Watts Up With That]  
<http://www.starcitynews.com/cigarettes-a-secondary-cause-of-global-warming/1566>

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**ARTICLES:**

**1. Liberating the gulf**

Editorial, WSJ, Oct 13, 2010  
[http://online.wsj.com/article/SB10001424052748703440004575548454110320976.html?mod=WSJ\\_Opinion\\_AboveLEFTTop](http://online.wsj.com/article/SB10001424052748703440004575548454110320976.html?mod=WSJ_Opinion_AboveLEFTTop)

The Obama Administration yesterday ended its nearly six-month deep water drilling moratorium, a welcome reprieve for the Gulf of Mexico region. If only we could be sure the Administration won't re-impose the ban by other means.

The ban was always political overkill, intended to appease the antidrilling left. The Deepwater Horizon spill was a tragedy caused by an unlikely series of mistakes, but the Gulf drilling workforce has a stellar safety record on the whole. The nation's leading engineering experts—a group put forward by the National Academy of Engineering and consulted by the Interior Department—opposed the moratorium, arguing that it would be "counterproductive to long-term safety."

The economic damage has been severe and the ban is deeply unpopular in Gulf states. Lifting the moratorium now, before the election, removes one political headache for Democrats.

On the other hand, the Bureau of Ocean Energy Management continues to sit on drilling permits, and the shallow water industry estimates that 70% of its fleet will soon be idle. From the looks of yesterday's announcement, the same slow-roll may be facing deep water drillers. Interior Secretary Ken Salazar last month issued new deep water regulations in anticipation of ending the ban, and Bureau Director Michael Bromwich is saying it will take four to six weeks for his agency to ensure drillers have complied with those rules and inspected their platforms. Mr. Bromwich has told the industry he won't succumb to "political pressure" to speed up this process and that a slow rate of permit approvals is the "cost of improving safety."

Last month's new regulations include tougher equipment and certification standards, and Mr. Salazar warned yesterday that more rules are to come, though no one knows what those will be. Mr. Salazar refers to this guessing game as a "dynamic" regulatory environment. Deep water drillers, energy investors and rig operators have another name for it: uncertainty. A de facto moratorium is still an obstacle to job creation and more domestic energy production.

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**2. Drill, North Dakota, Drill**

Editorial, IBD, Oct 11, 2010

<http://www.investors.com/NewsAndAnalysis/Article/550055/201010111833/Drill-North-Dakota-Drill.htm>

**Recovery:** While states like Nevada wallow in recession, tiny North Dakota becomes the first state rated as expanding by a leading service. Could it be the state's burgeoning energy industry?

The recession — induced by Democrats and activists meddling in the housing market through the Community Reinvestment Act and then whistling past the bad-loan graveyard of Fannie Mae and Freddie Mac — officially ended in June 2009, according to the National Bureau of Economic Research.

For much of the country, mired in a jobless recovery with job losses so great and prospects so bleak that it will take decades just to get back to where we were, this statistical factoid meant little as hope and change continued to deteriorate into chaos and incompetence.

The most recent data from the Adversity Index, produced by Moody's Analytics and MSNBC.com, showed that those states — Nevada, Michigan, Vermont, Rhode Island, Georgia, New Mexico, Mississippi and Illinois — were still in a recession as recently as July of this year.

One state, North Dakota, is in a boom of sorts, so much so that it was rated by the Adversity Index as the first state to have moved out of the recession and actual expansion mode.

The key may be North Dakota's development of the energy resources under its soil and in its rocks, something the Obama administration is loath to do nationally. Instead we get drilling moratoriums and polar bear habitat protection that serve to make America the only industrialized nation not developing its domestic energy resources.

North Dakota is simply gushing. It has a billion-dollar budget surplus and oil revenues ready to shoot up 70% over the next two years.

Contrast this with the Gulf states, where job losses could reach tens of thousands as the oil industry atrophies and rigs leave for foreign waters.

North Dakota has the lowest unemployment rate in the nation: 3.6% for July. That's in large part because the state has doubled its oil production in just four years, surging to 80 million barrels in 2009. In the past year, the number of oil-drilling rigs has tripled and now stands at about 130. New technology has made profitable the previously unprofitable oil reserves there.

That technology — hydraulic fracturing, or fracking — is being used to tap the oil resources of the Bakken Shale formation. Production so far is small on a global scale, but it's been enough to vault North Dakota past Oklahoma and Louisiana to become the nation's fourth-largest oil producer after Texas, Alaska and California. It has also lifted North Dakota out of its recession.

The Bakken Shale may contain as much as 4.3 billion barrels of currently recoverable oil, according to conservative estimates from the U.S. Geologic Survey. We also have additional shale oil stored in the Barnett formation in Texas and the Marcellus formation in Pennsylvania and New York.

In fact, the U.S. is the Saudi Arabia of shale oil. Yet some in Congress are working to ban hydraulic fracturing and place this oil resource off-limits as well.

A study done by SAC Corp. at the request of the National Association of Regulatory Utility Commissioners, the Gas Technology Institute and others shows that the U.S. economy will suffer \$2.3 trillion in lost-opportunity costs over the next two decades if this insane energy policy continues — dollars that would go a long way toward reining in runaway deficits and creating economic growth.

Just as the nonevent at Three Mile Island was hyped to kill nuclear power, so has the Gulf spill been used to kill domestic oil exploration. North Dakota has shown us the way out of our economic doldrums. And that way is to drill, baby, drill.

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### **3. Captive Clients Determine the Success of Energy Initiatives**

By Tom Fuller, Watts Up With That, Oct 13, 2010

<http://wattsupwiththat.com/2010/10/13/captive-clients-determine-the-success-of-energy-initiatives/#more-26368>

Something went terribly wrong with wind power. Preached to us all as a solution to climate change, it fell apart in one year. Some have blamed it all on the recession, ignoring the fact that other renewable energy sources and energy efficiency strategies have continued to grow.

I say it's the business model. Wind power companies sell either to utilities or governments. There is insufficient pressure on them to lower costs—and indeed, during wind power's moment of glory last year, prices went up 9%. Wind power companies are almost all divisions of large conglomerates, such as GE, or energy distributors such as utilities themselves. Wind power for some providers seems like a vanity entry into a PR sweepstakes—but there is no scope for reducing margins or searching frantically for innovative cost reductions.

And so their moment has passed, maybe permanently. While wind power tried to dictate terms to their captive clients (too often successfully), the cost of solar power and natural gas continued to fall, to the point where nobody could make a straight-faced case for wind as a competitive technology, and certainly not the offshore wind farms that are the new rage. Rage as in what customers will feel when they see their bills...

It hasn't helped that the inefficiency of wind's performance has been gleefully highlighted by those opposed to its expansion. If a turbine says it will give you 1 MW of electricity, you can only count on about a quarter of that being delivered. Maintenance issues are real, as are complaints about noise and bird kills. And they do take up a lot of space.

Contrast that with solar power companies. There are a lot more manufacturers, and they are increasing capacity continuously. Each new generation of fab provides 20% performance gains, and the next generation of wafers is longer, wider, thinner and less likely to break. Innovations for their balance of system peripherals come from a variety of outside companies in their supply chain, and the inexorable march to grid parity is nearing its goal.

They both get the same level of subsidies, which amount to a pittance overall. So what's the difference?

Solar sells to consumers, too. Residential, small business, offices and plants. Solar scales down as well as up. And their customers are you and me—cranky and demanding if things don't work, unwilling to sign long term contracts, wanting to see bottom line improvements rather than brochures showing acres of installations.

So solar will win. Not because they're nicer guys, but because their industry is more fragmented and they have more demanding customers.

Which, I believe, is the way the system is supposed to work.

So, although government is not good at picking winners, it can identify losers, and should do so forthwith. Wind power sales have fallen through the floor this year, but the DOE should be making pretty stern announcements about price performance failures in the wind industry, and pointing out the advantages of alternatives to alternative power—not just solar.

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#### **4. First do the research, then make deep carbon cuts**

By Bjorn Lomborg, The Australian, Oct 14, 2010

<http://www.theaustralian.com.au/news/opinion/first-do-the-research-then-make-deep-carbon-cuts/story-e6frg6zo-1225938377258>

*[SEPP Comment: At least we can agree to the first part.]*

#### **CLIMATE committees across the world are mistakenly putting the cart before the horse.**

ADVOCATES of drastic cuts in carbon dioxide emissions now speak a lot less than they once did about climate change. Climate campaigners changed their approach after the collapse of the Copenhagen climate change summit last December, and the revelation of mistakes in the UN climate panel's work, as well as in response to growing public scepticism and declining interest.

Although some activists still rely on scare tactics - witness the launch of an advertisement depicting the bombing of anybody who is hesitant to embrace carbon cuts - many activists now spend more time highlighting the "benefits" of their policy prescription. They no longer dwell on impending climate doom but on the economic windfall that will result from embracing the "green" economy.

You can find examples all over the world, but one of the best is in my home country, Denmark, where a government-appointed committee of academics recently presented their suggestions for how the country could go it alone and become "fossil fuel-free" in 40 years. The goal is breathtaking: more than 80 per cent of Denmark's energy supply comes from fossil fuels, which are dramatically cheaper and more reliable than any green energy source.

I attended the committee's launch and was startled that Denmark's Climate Commission barely mentioned climate change. This omission is understandable since one country acting alone cannot do much to stop global warming. If Denmark were indeed to become 100 per cent fossil-free by 2050, and remain so for the rest of the century, the effect, by 2100, would be to delay the rise in average global temperature by just two weeks.

Instead of focusing on climate change, the Climate Commission hyped the benefits that Denmark would experience if it led the shift to green energy. Unfortunately, on inspection these benefits turn out to be illusory.

Being a pioneer is hardly a guarantee of riches. Germany led the world in putting up solar panels, funded by E47 billion (\$66bn) in subsidies. The lasting legacy is a massive bill and lots of inefficient solar technology sitting on rooftops throughout a cloudy country, delivering a trivial 0.1 per cent of its total energy supply.

Denmark itself has also already tried being a green-energy innovator; it led the world in embracing wind power. The results are hardly inspiring. Denmark's wind industry is almost completely dependent on taxpayer subsidies, and Danes pay the highest electricity rates of any industrialised nation. Several studies suggest that claims that one-fifth of Denmark's electricity demand is met by wind are an exaggeration, in part because much of the power is produced when there is no demand and must be sold to other countries.

The sorry state of wind and solar power shows the massive challenge that we face in trying to make today's technology competitive and efficient. Direct-current lines need to be constructed to carry solar and wind energy from sunny, windy areas to where most people live. Storage mechanisms need to be invented so that power is not interrupted whenever there is no sunshine or wind.

Proponents of carbon cuts argue that green-energy technologies only seem more expensive because the price of fossil fuels does not reflect the cost of their impact on the climate. But allowing for this would make little difference. The most comprehensive economic meta-study shows that total future climate impacts would justify a tax of around E0.01 per litre of petrol (\$0.06 per gallon in the US) an amount dwarfed by the taxes already imposed by most European countries.

Despite the fact changing from fossil fuels to green energy requires a total economic transformation, Denmark's Climate Commission claimed that the price tag would be next to nothing. The commission reached this conclusion by assuming that the cost of not embracing its recommended policy would be massive.

The commission believes that, during the next four decades, fossil-fuel costs will climb sharply because sources will dry up and governments will place massive taxes on fossil fuels. But this flies in the face of most evidence. There is clearly plenty of cheap coal for hundreds of years, and with new cracking technology, gas is becoming more abundant. Even oil supplies are likely to be significantly boosted by non-conventional sources such as tar sands.

By the same token, the prediction that governments will impose massive carbon taxes has little basis in reality. Such assumptions seem like a poor framework on which to build significant public policy and seem to ignore the substantial cost of eliminating fossil fuels, which is likely to amount to at least 5 per cent of gross domestic product a year.

The shift away from fossil fuels will not be easy. Policy-makers must prioritise investment in green-energy research and development. Trying to force carbon cuts instead of investing first in research puts the cart before the horse. Breakthroughs do not result automatically from a combination of taxes on fossil fuels and subsidies for present-day green energy: despite the massive outlays associated with the Kyoto Protocol, participating countries' investment in R&D as a percentage of GDP did not increase.

The change in message after the disaster of the Copenhagen summit was probably inevitable. But the real change that is needed is the realisation that drastic, early carbon cuts are a poor response to global warming no matter how they are packaged.

*Bjorn Lomborg is the director of the Copenhagen Consensus Centre and adjunct professor at Copenhagen Business School.*

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## **5. Taking The Wind Out Of Wind Power**

By Peter Glover, GWPF, Oct 13, 2010 [H/t Francois Guillaumat]

<http://www.thegwpf.org/energy-news/1694-peter-glover-taking-the-wind-out-of-wind-power.html>

If you're hankering to see Britain's green and pleasant land and rugged coastline, don't wait too long. In an increasingly desperate bid to meet its EU climate and renewable-energy targets, the British government is planning to build 10,000 onshore and offshore wind turbines – many 400 feet high – over the next 10 years. The “British wind experience,” however, constantly cited by Canadian, United States, and other advocates, far from *saving* the earth, turns out in practice to be *costing* the earth.

### ***Costs have ‘escalated markedly’***

Last month the UK opened the world's latest and largest wind farm off the English coast at Thanet, Kent, amid a blaze of publicity. The 100 turbines are just stage one, with another 242 on way. Just a few weeks earlier, the UK Energy Research Centre (UKERC) – one of the government's think tanks – published a [new report](#) warning that wind-generation costs had “escalated markedly” since the “optimistic predictions

of the early 2000s.” According to the report, electricity generated by wind power in the UK now costs twice as much as that generated by gas or coal.

The UKERC report states that instead of falling as predicted the cost of installing offshore turbines has gone up by 51 per cent over the past five years. Spread over the projected 25-year lifespan for a typical wind farm, each kilowatt-hour of electricity now costs around 15 pence (15/100 of a British pound), almost twice the eight pence per kwh for conventional coal and gas-power plants. Nuclear power would do the same job for 10 pence per kwh. While costs “could fall,” the report warns they could also rise as high as 19 pence per kwh.

The reason? The unreliable and intermittent nature of wind requires a whole fleet of gas and coal-fired turbine backup facilities to cope when the wind fails. Unfortunately, in Britain, times of least wind (January and February) coincide with the coldest times of year, when electricity demand is highest. And given the *raison d’être* for the rush to wind – reducing carbon emissions – gas and coal turbine backups regularly having to kick in will more than cancel out meaningful CO<sub>2</sub> reductions.

UK electricity prices already “hide” a renewable, mostly wind, subsidizing levy of around £200 (C\$323, US\$319). That’s as much as 20 per cent per bill, a tab the report says British taxpayers will be picking up till at least the mid-2020s. This helps explain why British electricity bills are the highest in Europe.

What the report doesn’t say, however, is that if the same £1.2 billion (about \$1.9 billion Canadian or U.S.) was invested into a single (mostly) carbon-neutral nuclear power station, the electricity yield would be up to that *13 times higher*, with vastly superior reliability, not to mention cleaner air.

Dr. David Whitehouse is an astrophysicist, author of the acclaimed book *The Sun: A Biography* and a former BBC science editor. Speaking to Troy Media, Whitehouse explains, “Renewable-energy sources such as wind, wave and solar just have not got the power to make a big difference to an industrialised society which requires concentrated industrial-strength power generation to keep us warm.” Two key factors are at play here that wind advocates do their best to obscure.

### ***The ‘capacity versus load factor’ game***

The wind industry plays a little game whereby it constantly fails to explain the difference between *capacity* and “*load factor*,” or *actual* power generated. The Thanet wind farm is a classic case in point. Much was made of the claim that the farm could produce *capacity* up to 300 megawatts of electricity, or “enough to power 200,000 (even 240,000) homes.” But the fact is, wind farms almost always never get anywhere close to capacity.

The recommended load factor that determines whether a wind turbine or farm is economically viable and efficient is just over 30 per cent. The energy reality, in Britain’s “experience,” is that onshore farms run at a meagre 20 percent or below, with some, in urban areas, dropping as low as nine percent. The “experience” offshore isn’t much better. According to the UK Department of Energy and Climate’s own statistics, the average output of electricity power generated (or load factor) *offshore* during 2009-10 was just *26 per cent of capacity*. In consequence, the British government has legally obliged UK electricity companies to buy offshore wind energy *at three times the normal market rate*.

Whitehouse tells Troy Media, “No matter how many wind farms or tidal barrages you build, there is just not enough energy density in wave and wind to make a big difference. You could capture wind and wave energy with 100 per cent efficiency all over the country, and you wouldn’t have enough energy to power Birmingham, England.”

### ***Density: the definitive issue***

In his brilliant essay [Understanding E=mc<sup>2</sup>](#) (and his book *Terrestrial Energy* from which it is distilled), William Tucker shows that the density of mass in both wind and water bears no comparison with that of oil, coal and gas. Tucker calculates, for instance, that a land mass of about 375 square miles with around 660 widely spaced, gigantic turbines is necessary to match a power return of 1,000 megawatts, the normal candle for a conventional power plant. And that would be with the wind turbines *working at 100 per cent capacity* – which, as we’ve seen, *isn’t happening, even in the windiest countries*.

“The British experience,” Whitehouse says, “has been to use wind farms to increase the energy bills of every household without increasing the security of energy supply.” In Britain, that explains why energy analysts have of late widely predicted national power cuts *within just four years*.

Once we get past the wind-industry press handouts, what the “British wind experience” actually teaches is how quixotic fictions can easily leave us cold.

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## **6. Shootout at the EPA Corral**

Texas takes aim at the White House’s illegal carbon rules

Editorial WSJ, Oct 10, 2010

[http://online.wsj.com/article/SB10001424052748704696304575538834180153298.html?mod=ITP\\_opinion\\_2](http://online.wsj.com/article/SB10001424052748704696304575538834180153298.html?mod=ITP_opinion_2)

If Democrats take a drubbing in November, the Obama Administration is likely to turn to regulation to achieve its "transformational" agenda. Which is all the more reason to cheer on Texas as it pushes back against the EPA's illegal attempt to rewrite the nation's clean air laws.

To wit, the Lone Star State is resisting the Environmental Protection Agency's decision to regulate carbon under the clean air laws of the 1970s. These regulations will be damaging enough on their own. But the EPA and chief Lisa Jackson are also threatening to punish Texas and other green dissenters with a de facto moratorium on any major energy or construction projects. Just what the economy needs.

Under the Clear Air Act, the EPA's national office chooses priorities, but state regulators run the relevant programs and issue the necessary permits. When orders from HQ change, as with carbon over the last year, states get three years to revise their "implementation plans." But in August, Ms. Jackson decided that the law posed too long a climate wait and decreed that if these plans aren't updated by an arbitrary January 2011 deadline, her office will override the states and run the carbon permitting process itself.

Put bluntly, this coercion is illegal. As badly as Ms. Jackson has abused clean air laws to go after CO<sub>2</sub>, she can't by regulatory fiat usurp the law's statutory language about the federalist balance of power between Washington and the states. Texas filed an unusual lawsuit last week with the D.C. appeals circuit calling it an "ultra vires" act—literally, "beyond the powers"—and requesting an emergency stay of the EPA's regulations because of the imminence of irreparable harm.

No major construction project in America can go forward without EPA air quality and pollution permits, and that reality has special bearing for Texas, a world center of energy production. The EPA is good at issuing broad edicts but doesn't have any special competence or staff to run a day-to-day permitting operation, and its national permitting program is still being written. It certainly won't lift off by January. So the EPA decision to strip permitting authority from the states is tantamount to a ban on major construction or building expansion—not merely Texan refineries but any kind of carbon-heavy utility, industrial production, manufacturing plant or even large office buildings.

The Texas Commission on Environmental Quality, the state EPA branch, estimates that 167 current state projects would have to be junked in 2011, more after the first year. This regulatory uncertainty is already

icing over business planning statewide and making capital hard to obtain. Even the EPA admits in its regulatory filings that its takeover of permitting "may have adverse consequences" for state economies.

Ms. Jackson's real goal here is to threaten states like Texas that haven't fallen into line: Either accede to her unlawful and politically driven rules, or else watch EPA drive businesses out of the state. In the case of Texas, that means Mexico, where—ahem—companies will take their carbon emissions with them.

Believe it or not, West Virginia Democrat Jay Rockefeller has emerged as one of Ms. Jackson's most trenchant critics, and at a Capitol Hill coal rally in mid-September he said she "doesn't understand the sensitivities economically of what unemployment means." That's for sure, and he's sponsoring legislation to put a two-year freeze on Ms. Jackson's planning. Meantime, the EPA can't blatantly rewrite the laws it doesn't like, which means it is past time for the courts to intervene.

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