

The Week That Was: 2011-12-10 (December 10, 2011)
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The Science and Environmental Policy Project

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SEASONS GREETINGS

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SEASONS GREETINGS

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Quote of the Week:

Sherlock Holmes: *"It is a capital mistake to theorize before one has data. Insensibly one begins to twist facts to suit theories instead of theories to suit facts"*. From: "Scandal in Bohemia" A. Conan Doyle. [H/t Jim Johnson]

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Number of the Week: 14,570

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THIS WEEK:

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

COP-17: Early Sunday morning news reports (eastern US) state that the attendees of 17th Conference of Parties (COP) of the UN Framework Convention on Climate Change (UNFCCC) reached an agreement to agree to another international agreement controlling carbon dioxide emissions by 2015 with the controls starting in 2020. The agreement angered the representatives of less developed nations who expected to start receiving massive payments from more industrialized nations for past and future carbon dioxide emissions. Yet, they retain hope for such payments as a separate agreement was concluded to fund a guide for such payments in the future.

Given that carbon dioxide is essential for green plants and most other forms of life, and that enhanced atmospheric carbon dioxide is a boon to agriculture, perhaps the lesser developed nations should be paying the industrial nations for the service they are providing rather than trying to extort money from the service providers when they are receiving the service.

No doubt the agreement is welcome news to the oligarchy (borrowing a term from Roger Pielke, Sr.) that controls the reports of the UN Intergovernmental Panel on Climate Change (IPCC), which attempt to prove, unsuccessfully, that carbon dioxide emissions are the principal cause of global warming. Now that global warming is no longer occurring the term has morphed into climate change. How increasing atmospheric carbon dioxide causes a cooling is still a mystery.

The agreement to agree gives hope to the bureaucrats of the UN who desperately desire an independent source of funds for which they are not accountable. International bureaucrats believe it is simply not dignified to be forced to justify expenditures to political bodies such as Congress, which are accountable to the public they represent.

The agreement gives hope to promoters of unreliable and expensive wind and solar generated electricity. As the subsidies in the US are reaching termination, the promoters will no doubt argue that their inferior products are needed in the future when controls of carbon dioxide emissions may or may not be subject to international control.

Citizens of the West should be thankful for the representatives from China and India who are very concerned about the economic future of their citizens and insisted on vague terms in the enforceability of any agreements. Clearly, they are more responsive to the needs of their citizens than representatives of many developed nations, such as, those of the European Union. Please see Article # 1 and links under COP-17.

Argumentum ad hominem: No international conference of global warming advocates, such as COP-17, is complete without personal attacks on global warming skeptics who Senator Barbara Boxer declared endanger humanity. Often the work of the skeptics is labeled as “cherry-picking” or “disinformation” without specifics and even though such activities frequently appear in the work of the global warming oligarchy.

Emphasizing facts that contradict sweeping generalizations is not cherry-picking. Tim Ball gives a classic example of cherry-picking by Ben Santer of the Lawrence Livermore National Laboratory in an effort to defend his revision of the text of the IPCC Second Assessment Report (AR-2) after peer review to include the claim that global climate is being influenced by humans. Subsequently, *Nature* magazine published an article by Santer with a graph indicating increasing atmospheric temperatures. However, the graph only showed a segment of the atmospheric data and when all the data was included there was no indication of increasing temperatures.

Students of propaganda recognize that disinformation comes from a Russian term describing the activities of Soviet agents in spreading intentionally misleading information. It is also called black propaganda. Michael Mann’s hockey-stick, so prominent in the Summary for Policymakers of the Third Assessment Report (AR-3) of the IPCC, can be so identified. What was not clear at the time was that tree-ring proxy data for temperatures were clipped when they were joined with instrument data. As revealed in the Climategate emails, ably presented by Steve McIntyre, the proxy data diverge from the instrument data, thus making the tree-ring data unsuitable as a proxy for instrument data.

Interestingly, in his defense of the hockey-stick at the fall conference of the American Geophysical Society (AGU) Mann continued a program of disinformation. His abstract states: /

attempt to use the Hockey Stick to cut through the fog of disinformation that has been generated by the campaign to deny the reality of climate change. This clearly misstates the position of most global warming skeptics who recognize that climate change is normal and natural. Please see links to comments by Tim Ball and Judith Curry under “Climategate Continued,” and “Seeking a Common Ground.”

AGU: Roger Pielke Sr. points out that, at the fall conference under its new leadership, the AGU is apparently politicizing science.

Also, Pielke has a link to a conference in India that included global warming skeptics. Please see links under “Defending the Orthodoxy,” and “Questioning the Orthodoxy.”

FERC: The mission statement of the US Federal Regulatory Energy Commission (FERC) declares: “**Mission:** Reliable, Efficient and Sustainable Energy for Customers. Assist consumers in obtaining reliable, efficient and sustainable energy services at a reasonable cost through appropriate regulatory and market means.” FERC has apparently abandoned this mission in favor of expensive, unreliable electricity from wind power. It ordered the Bonneville Power Administration (BPA), in the Pacific Northwest, to take power from wind farms even though BPA has an excess of reliable hydroelectric power at far lower costs to its customers.

FERC is also ignoring its responsibilities of protecting regional grids from possible disruption and power outages that may come about as EPA regulations force the shut-down of coal fired power plants. Giving some cover to the irresponsibility of FERC, the Department of Energy (DOE) issued a study that can be politely described as a “puff-piece.” It looked at the issue of grid reliability from the standpoint of the nation as a whole rather than by the various regions. That is, a shortage of electricity in the Southeast can be counter-balanced by an excess in the Pacific Northwest – as if the transmission of this electricity over some 2500 miles using power lines that do not exist is not an issue. Under questioning by members of Congress, a DOE official admitted that a more detailed study is needed. Please see Article # 4 and links under “EPA and other Regulators on the March”

Number of the Week: 14,570. According to an estimate by Willis Eschenbach posted on the Anthony Watts web site, that is the number of attendees at COP-17. Approximately 40% represented nongovernment organizations (NGOs), mostly environmental groups, not counting the environmentalists included as government representatives. Please see the link under “Environmental Industry.”

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ARTICLES:

For the numbered articles below please see this week’s TWTW at: www.sepp.org. The articles are at the end of the pdf.

1. Nations Chart New Course Toward Climate Pact

By Patrick McGroarty, WSJ, Dec 11, 2011

http://online.wsj.com/article/SB10001424052970203413304577090623685867712.html?mod=WSJ_hp_LEFTTopStories

2. Subsidizing Wall Street to Buy Chinese Solar Panels

By T.J. Rodgers, WSJ, Dec 8, 2011

http://online.wsj.com/article/SB10001424052970204903804577082631863392956.html?mod=WSJ_Opinion_LEADTop

3. Exxon Declares Gas King

Abundant Fuel Expected to Dethrone Coal as Top U.S. Power Generator by 2025

By Tom Fowler, WSJ, Dec 8, 2011

http://online.wsj.com/article/SB10001424052970203501304577084594165136990.html?mod=WSJ_Energy_leftHeadlines

4. If the Lights Go Out

Regulators are letting EPA compromise U.S. electric reliability.

Editorial, WSJ, Dec 6, 2011 [H/t Tim Wise]

http://online.wsj.com/article_email/SB10001424052970204262304577068643772900890-1MyQjAxMTAxMDAwNjEwNDYyWj.html?mod=wsj_share_email

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NEWS YOU CAN USE:

Climategate Continued

Climategate (Part II)

A sequel as ugly as the original.

By Steven Hayward, The Weekly Standard, Dec 12, 2011

http://www.weeklystandard.com/articles/climategate-part-ii_610926.html

Early Signs of CRU/IPCC Corruption and Cover-up

By Tim Ball, His Blog, Dec 6, 2011

<http://drtimball.com/2011/early-signs-of-cruipcc-corruption-and-cover-up/>

“Not Unusual”: AR5 and Climategate 2.0

By Steve McIntyre, Climate Audit, Dec 6, 2011

<http://climateaudit.org/2011/12/06/climategate-2-0-an-ar5-perspective/#more-15181>

Comments On The Global Warming Policy Foundation Report “The BBC and Climate Change: A Triple Betrayal”

<http://pielkeclimatesci.wordpress.com/2011/12/08/comments-on-the-global-warming-policy-foundation-report-the-bbc-and-climate-change-a-triple-betrayal/>

UN seeks to undermine FOI

By Andrew Montford, Bishop Hill, Dec 6, 2011

<http://bishophill.squarespace.com/blog/2011/12/6/un-seeks-to-undermine-foi.html>

[SEPP Comment: According to the email, some NOAA and NASA employees want UN protection from Freedom of Information requests.]

UEA's latest wheeze

By Andrew Montford, Bishop Hill, Dec 7, 2011

<http://bishophill.squarespace.com/blog/2011/12/7/ueas-latest-wheeze.html>

Suppression of climate debate is a disaster for science

By Margaret Wentz, Global and Mail, CA, Dec 1, 2011

<http://www.theglobeandmail.com/news/opinions/margaret-wente/suppression-of-debate-is-a-disaster-for-science/article2255673/>

Cicerone on Climategate

By Andrew Montford, Bishop Hill, Dec 4, 2011

<http://bishophill.squarespace.com/blog/2011/12/4/cicerone-on-climategate.html>

Leaked emails confirm climate change questions

By Staff Writers, ABC Newcastle, AU, Dec 5, 2011 [H/t ICECAP]

<http://www.abc.net.au/news/2011-12-05/leaked-email-confirms-climate-questions/3712442/?site=newcastle§ion=news>

Suppressing Scientific Inquiry

Blocked Sea-Level Research Probed

By Imre Saluszinsky, The Australian, Dec 4, 2011 [H/t GWPF]

<http://www.thegwpf.org/science-news/4488-blocked-sea-level-research-probed.html>

Challenging the Orthodoxy

Global temperature evolution 1979-2010

By David Whitehouse, The Observatory, Dec 6, 2011

<http://www.thegwpf.org/the-observatory/4502-global-temperature-evolution-1979-2010.html>

[SEPP Comment: See link immediately below.]

Global temperature evolution 1979–2010

Grant Foster and Stefan Rahmstorf, Environmental Research Letters, Dec 6, 2011

<http://iopscience.iop.org/1748-9326/6/4/044022>

[SEPP Comment: See link immediately above.]

Defending the Orthodoxy

Advocacy of a Particular Climate Science Perspective by a Panel Sponsored By The American Geophysical Union

By Roger Pielke Sr, Pielke Climate Science, Dec 6, 2011

<http://pielkeclimatesci.wordpress.com/2011/12/06/advocacy-of-a-particular-climate-science-perspective-by-a-panel-sponsored-by-the-american-geophysical-union/>

The four individuals who have been selected to “communicate” the AGU view of climate science are certainly welcome to express their individual views. However, they are presenting only one perspective of climate science. Any objective person who has knowledge of the climate system will immediately see this bias. However, those who are less familiar with the science issues will be misinformed by their perspectives. The AGU, by permitting this communication, is further losing its prestige as an objective framework to present scientific findings with respect to climate. This AGU panel is presenting the Democratic viewpoint which I discussed yesterday.

Chris Huhne: Britain should lead the world in cutting carbon emissions

Chris Huhne has called for Britain to lead the world in cutting carbon emissions, setting himself on a collision course with George Osborne, the Chancellor.

By Louise Gray, Telegraph, UK, Dec 5, 2011 [H/t GWPF]

<http://www.telegraph.co.uk/earth/environment/climatechange/8934765/Chris-Huhne-Britain-should-lead-the-world-in-cutting-carbon-emissions.html>

Climate Change – Is David Attenborough Right?

By John Porritt & Nigel Lawson, Radio Times, Dec 8, 2011

<http://www.thegwpf.org/the-climate-record/4521-climate-change--is-david-attenborough-right.html>

... scientists observing real-time phenomena around the world point to one inescapable conclusion: the climate is changing faster than anyone imagined possible even a few years ago.

[SEPP Comment: Apparently Attenborough is not familiar with the historic record for the past 20,000 years such as from Greenland ice cores.]

Advocacy group's extreme weather map brings climate change home

An interactive map produced by the Natural Resources Defense Council shows 2,941 record-breaking weather events recorded across the U.S. from January through October. Credit: Natural Resources Defense Council

By Dean Kuipers, LA Times, Dec 8, 2011

http://latimesblogs.latimes.com/greenspace/2011/12/nrdc-extreme-weather-map-brings-climate-change-home.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+GreenspaceEnvironmentBlog+%28Greenspace%29

[SEPP Comment: Extreme weather events are commonplace when considering the globe. Hurricane Irene was not a hurricane when it struck the US.]

COP-17 meeting in Durban

Durban: what the media are not telling you

By Christopher Monckton, WUWT, Dec 9, 2011

<http://wattsupwiththat.com/2011/12/09/durban-what-the-media-are-not-telling-you/>

[SEPP Comment: The goal is a brave new world.]

US senators urge ambitious climate deal

By Staff Writers, AFP, Dec 5, 2011

http://www.terradaily.com/reports/US_senators_urge_ambitious_climate_deal_999.html

[SEPP Comment: Fifteen out of one hundred.]

Sen. Boxer to climate-change deniers: 'You are endangering humankind'

By Andrew Restuccia, The Hill, Dec 7, 2011 [H/t Timothy Wise]

<http://thehill.com/blogs/e2-wire/e2-wire/197815-boxer-to-climate-deniers-you-are-endangering-human-kind>

Waiting on climate is 'escapism': top UN scientist

By Staff Writers, AFP, Dec 8, 2011

http://www.terradaily.com/reports/Waiting_on_climate_is_escapism_top_UN_scientist_999.html

[SEPP Comment: According to Pachauri, head of the IPCC, waiting for climate change is escapism? Has there been a time when it has not changed?]

Durban climate change talks: false text diverts race to reach deal

COP17 president issues official denial of fake negotiating text sent to delegates trying to seal last-minute agreement

By Fiona Harvey and John Vidal, Guardian, UK, Dec 10, 2011 [H/t Marc Morano, Climate Depot]

<http://www.guardian.co.uk/environment/2011/dec/10/durban-climate-talks-false-text?newsfeed=true>

Questioning the Orthodoxy

Summary Report on International Conference on Climate Change: Shifting Science and Changing Policies

By Roger Pielke Sr, Pielke Climate Science, Dec 4, 2011

<http://pielkeclimatesci.wordpress.com/2011/12/04/summary-report-on-international-conference-on-climate-change-shifting-science-and-changing-policies/>

[SEPP Comment: A conference that emphasized issues that are largely ignored by the climate alarmists and attendees of COP-17.]

New Report: The BBC and Climate Change: A Triple Betrayal

By Staff Writer, GWPF, Dec 8, 2011

<http://www.thegwpf.org/press-releases/4520-new-report-the-bbc-and-climate-change-a-triple-betrayal.html>

More U.N. Insanity Paid For By U.S. Taxpayers

By Larry Bell, Forbes, Dec 6, 2011

<http://www.forbes.com/sites/larrybell/2011/12/06/more-u-n-insanity-paid-for-by-u-s-taxpayers/>

The Pathetic State Of Science Journalism

By David Whitehouse, GWPF, Dec 6, 2011

<http://www.thegwpf.org/opinion-pros-a-cons/4501-david-whitehouse-the-pathetic-state-of-science-journalism.html>

Climate of corruption

By Tony Thomas, Quadrant, AU, Dec 6, 2011

<http://www.quadrant.org.au/blogs/doomed-planet/2011/12/climate-of-corruption>

When Your Paycheque Depends on a Climate Crisis

By Donna Laframboise, NFC, Dec 8, 2011

<http://nofrackingconsensus.com/2011/12/08/when-your-paycheque-depends-on-a-climate-crisis/>

U.S. Rejection of CO2 Emission Cuts: Just Do the Math (16% and falling)

By Chip Knappenberger, Master Resource, Dec 8, 2011

<http://www.masterresource.org/2011/12/us-co2-cuts-math/#more-17716>

Time for some Kyoto honesty

By Tom Harris, Winnipeg Free Press, Dec 5, 2011

<http://www.winnipegfreepress.com/opinion/westview/time-for-some-kyoto-honesty-134955738.html>

Alfred Wegener Institute Deputy Director, Veteran Polar Scientist: “We Have A Light Cooling Trend”

By P Gosselin, No Tricks Zone, Dec, 4, 2011 [H/t GWPF]

<http://notrickszone.com/2011/12/04/antarctic-neumayer-iii-deputy-director-veteran-polar-scientist-we-have-a-light-cooling-trend/>

Questioning European Green

Soaring Cost of Green Policies to Reach £11BN

By Dean Herbert, Scotland Express, Dec 8, 2011 [H/t GWPF]

<http://www.express.co.uk/posts/view/288609>

Climate Change Policies Put Fuel Poor In Jeopardy

By Staff Writers, Renewable Energy Foundation, Dec 2, 2011 [H/t GWPF]

<http://www.ref.org.uk/press-releases/243-climate-change-policies-put-fuel-poor-in-jeopardy>

UN-backed coal power station linked to deforestation and land grabbing

By Luke Starr, Ecologist, Nov 29, 2011 [H/t GWPF]

http://www.theecologist.org/News/news_analysis/1145313/unbacked_coal_power_station_linked_to_deforestation_and_land_grabbing.html

The Polar Bear Affair (Part 1001)

By Ben Pile, Climate Resistance, Dec 9, 2011

<http://www.thegwpf.org/best-of-blogs/4523-ben-pile-the-polar-bear-affair-part-1001.html>

Expanding the Orthodoxy

World must learn to 'manage the planet': UNEP chief

By Staff Writers, AFP, Dec 7, 2011

http://www.terradaily.com/reports/World_must_learn_to_manage_the_planet_UNEP_chief_999.html

[SEPP Comment: What hubris! Perhaps the UN should start by managing volcanoes rather than controlling people.]

Seeking a Common Ground

Climate change uncertainties

By Martin Livermore, Scientific Alliance, Dec 8, 2011

<http://www.scientific-alliance.org/scientific-alliance-newsletter/climate-change-uncertainties>

Whatever the case, the fact that we are no more certain about how the climate operates now than when the IPCC first started surely means that lack of a strong agreement in Durban is no immediate cause for concern.

Science communication

By Judith Curry, Climate, Etc. Dec 9, 2011

<http://judithcurry.com/2011/12/09/science-communication/#more-6120>

Why the decision to tackle global warming isn't simple

By Judith Curry, Climate Etc, Dec 5, 2011

<http://judithcurry.com/2011/12/05/why-the-decision-to-tackle-global-warming-isnt-simple/#more-6089>

Communicating Better to the Public – Exaggerate, or be Vague?

World heading for 3.5 C warming, climate talks told

By Staff Writers, AFP Dec 6, 2011

http://www.terradaily.com/reports/World_heading_for_35_C_warming_climate_talks_told_999.html

Three-quarters of climate change is man-made

Independent study quantifies human influence on global warming.

By Quirin Schiermeier, Nature, Dec 4, 2011

<http://www.nature.com/news/three-quarters-of-climate-change-is-man-made-1.9538>

[SEPP Comment: The article is accompanied by a typical propaganda photo of invisible carbon dioxide darkening the skies.]

Comments On The Nature Article “Three-Quarters Of Climate Change Is Man-Made” By Quirin Schiermeier

By Roger Pielke, Sr, Pielke Climate Science, Dec 9, 2011

<http://pielkeclimatesci.wordpress.com/2011/12/09/comments-on-the-nature-article-three-quarters-of-climate-change-is-man-made-by-quirin-schiermeier/>

[SEPP Comment: See link immediately above.]

Communicating Better to the Public – Make things up.

Paleoclimate Record Points Toward Potential Rapid Climate Changes

By Patrick Lynch, NASA, Dec 8, 2011 [H/t Anthony Watts, WUWT]

<http://www.nasa.gov/topics/earth/features/rapid-change-feature.html>

[SEPP Comment: Even during the melting of the great ice sheets at the end of the last ice age sea levels did not rise at the rate Hansen is projecting.]

An Ethical Analysis of the Climate Change Disinformation Campaign: Is This A New Kind of Assault on Humanity?

By Donald Brown, Climate Ethics, Penn State, Dec 2, 2011

<http://rockblogs.psu.edu/climate/2011/12/an-ethical-analysis-of-the-climate-change-disinformation-campaign-is-this-a-new-kind-of-assault-on-h.html>

[SEPP Comment: Is it ethical for an ethics professor to judge the ethics of others when he obviously knows little about their scientific or ethical views?]

Models v. Observations

Upper Ocean Heat Content Change By Bob Tisdale

By Roger Pielke Sr, Pielke Climate Science

<http://pielkeclimatesci.wordpress.com/2011/12/04/upper-ocean-heat-content-change-by-bob-tisdale/>

1. The latest analyzed heat anomaly is the highest in the period of record since the Argo Network obtained robust global coverage.
2. The current heat anomaly is still well below that predicted by the GISS model.
3. The current muted heating presumably still falls within the envelope of model realizations.
4. In order to return to being in close agreement with the GISS results and the ensemble mean of the Katsman and van Oldenborgh study, there must be a significant heating in the coming several years.

Misleading Climate Science – An Example Of Multi-Decadal Regional Climate Predictions With No Demonstrated Skill On That Time Scale

By Roger Pielke, Sr, Pielke Climate Science, Dec 9, 2011

<http://pielkeclimatesci.wordpress.com/2011/12/09/misleading-climate-science-an-example-of-multi-decadal-regional-climate-predictions-with-no-demonstrated-skill-on-that-time-scale/>

[SEPP Comment: The US Department of Interior wasting money by funding misleading studies.]

Measurement Issues

November Global Temperature Update Delayed

By Roy Spencer, His Blog, Dec 9, 2011

<http://www.drroyspencer.com/2011/12/november-global-temperature-update-delayed/>

The Impact of Urbanization on Land Temperature Trends

By Zeke Hausfather, et al, WUWT, Dec 5, 2011

<http://wattsupwiththat.com/2011/12/05/the-impact-of-urbanization-on-land-temperature-trends/>

[SEPP Comment: The post includes a map of urban and rural stations.]

Changing Weather

All-Time Weather Record to be Broken

By Joe D'Aleo, WeatherBell Analytics, Dec 7, 2011

<http://www.weatherbell.com/weather-news/all-time-weather-record-to-be-broken/>

[SEPP Comment: Probably will not make it in the new map of extreme weather events by the global warming alarmists of NRDC.]

Blocking the way

Predicting the atmospheric detours that lead to weather trouble

By Bob Henson, UCAR, Sep 8, 2011 [H/t Roger Pielke Sr.]

<https://www2.ucar.edu/magazine/features/blocking-way>

Candid Admission By UCAR – “Blocking The Way – Predicting The Atmospheric Detours That Lead To Weather Troubles”

By Roger Pielke, Sr, Pielke Climate Science, Dec 8, 2011

<http://pielkeclimatesci.wordpress.com/2011/12/08/candid-admission-by-bob-henson-of-ucar-blocking-the-way-predicting-the-atmospheric-detours-that-lead-to-weather-troubles/>

[SEPP Comment: See above linked article.]

Global Winds Could Explain Record Rains, Tornadoes

By Staff Writers, Science Daily, Dec 5, 2011

<http://www.sciencedaily.com/releases/2011/12/111205170101.htm>

[SEPP Comment: Joe D'Aleo suggested a similar relationship, prior to the tornado outbreak in April.]

Scotland lashed by monster storm

By Staff Writers, AFP, Dec 8, 2011

http://www.terradaily.com/reports/Scotland_lashed_by_monster_storm_999.html

A wind turbine in Ayrshire, southwest Scotland, was destroyed after bursting into flames.

For photo of the wind turbine see: Windy days, Bishop Hill, Dec 8, 2011

<http://bishophill.squarespace.com/blog/2011/12/8/windy-days.html>

Changing Climate

Simultaneous ice melt in Antarctic and Arctic

By Staff Writers, SPX, Dec 06, 2011

http://www.terradaily.com/reports/Simultaneous_ice_melt_in_Antarctic_and_Arctic_999.html

[SEPP Comment: 19,000 years ago.]

Chinese 2,485 year tree ring study shows natural cycles control climate, temps may cool til 2068

By Jo Nova, Her Blog, Dec 9, 2011

<http://joannenova.com.au/2011/12/chinese-2485-year-tree-ring-study-shows-shows-sun-controls-climate-temps-will-cool-til-2068/#more-19295>

[SEPP Comment: It is speculative to make predictions of temperatures from historic tree rings.]

Ancient Dry Spells Offer Clues About the Future of Drought

By Adam Voiland and Maria Jose-Vinas for Goddard Space Flight Center, SPX, Dec 09, 2011

http://www.terradaily.com/reports/Ancient_Dry_Spells_Offer_Clues_About_the_Future_of_Drought_999.html

[SEPP Comment: Historic regional rain fall may be used to understand regional trends, but historic temperatures are ignored by the global warming alarmists.]

This Science Is All At Sea

By Doug Hoffman, The Resilient Earth, Dec 6, 2011

<http://www.thegwpf.org/science-news/4507-this-science-is-all-at-sea.html>

[SEPP Comment: Atmospheric blockings influence regional climate.]

Changing Seas

Rising credulity

The truth about sea levels? They're always fluctuating

By Nils-Axel Mörner, Spectator, UK, Dec 3, 2011

<http://www.spectator.co.uk/essays/7438683/rising-credulity.shtml>

Australian sea level rises exaggerated by 8 fold (or maybe ten)

By Jo Nova, Her Blog, Dec 6, 2011

<http://joannenova.com.au/2011/12/australian-sea-level-rises-exaggerated-by-8-fold-or-maybe-ten/#more-19263>

Changing Sea Ice

Tropical sea temperatures influence melting in Antarctica

By Staff Writers, SPX, Dec 08, 2011

http://www.terradaily.com/reports/Tropical_sea_temperatures_influence_melting_in_Antarctica_999.html

[SEPP Comment: Overall the ice in Antarctica is expanding.]

Changing Earth

Research Study Show Link Between Earthquakes and Tropical Cyclones

New study can help scientists identify regions at high risk for earthquakes

Press Release, Univ. of Miami, Dec 8, 2011

<http://www.rsmas.miami.edu/news-events/press-releases/2011/research-study-show-link-between-earthquakes-and-tropical-cyclones/>

[SEPP Comment: San Francisco may be an exception.]

Agriculture Issues & Fear of Famine

What is the Contribution of Fossil Fuels to Feeding Humanity?

NIPCC Reports, Dec 7, 2011

<http://www.nipccreport.org/articles/2011/dec/7dec2011a1.html>

[SEPP Comment: A critical question totally ignored by climate alarmists.]

Climate Smart Agriculture

By Judith Curry, Climate Etc, Dec 4, 2011

<http://judithcurry.com/2011/12/04/climate-smart-agriculture/#more-6074>

Litigation Issues

Washington doesn't need to regulate rain

Supreme Court has a chance to stop judicial folly

By Jim Petersen, Washington Times, Dec 6, 2011

<http://www.washingtontimes.com/news/2011/dec/6/washington-doesnt-need-to-regulate-rain/>

[SEPP Comment: Another inane decision by the courts favoring the environmental industry over common sense.]

Cap-and-Trade and Carbon Taxes

Carbon Credits Turning 'Junk' as Ban Shuts Door: Energy Markets

By Dinakar Sethuraman and Natalie Obiko Pearso, Bloomberg, Dec 7, 2011

http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2011/12/07/bloomberg_articlesLVSNGM1A74E9.DTL

Subsidies and Mandates Forever

Democrats push extension of expiring green energy grants

By Ben Geman, The Hill, Dec 8, 2011

<http://thehill.com/blogs/e2-wire/e2-wire/198095-democrats-push-extension-of-expiring-green-energy-grants>

Clean-energy policies create jobs, and Congress should take note

Editorial, Boston Globe, Dec 5, 2011

<http://bostonglobe.com/opinion/editorials/2011/12/05/clean-energy-policies-create-jobs-and-congress-should-take-note/iol3CpcZBljPF9krAkyWIM/story.html>

[SEPP Comment: Raising electricity rates and lowering the disposable income of the general public may create jobs for a few, but lowers the level of prosperity for the general public.]

EPA and other Regulators on the March

EPA says 'fracking' probably contaminated well water in Wyoming

The agency's new draft report finds dangerous amounts of benzene in a well near the town of Pavillion. The finding is sure to roil the debate over the controversial natural gas drilling process known as hydraulic fracturing.

By Neela Banerjee, LA Times, Dec 8, 2011

http://www.latimes.com/news/nationworld/nation/la-na-fracking-20111209_0,1034865.story

The Pavillion wells are shallower than ones in the mid-Atlantic states, and the fracking is done vertically. *[SEPP Comment: These wells were drilled before the adaption of the new techniques of horizontal drilling and hydraulic fracturing far below the water table.]*

EPA Puts Forth Reconsidered Boiler MACT Rule

By Staff Writers, POWERnews, Dec 7, 2011

http://www.powermag.com/POWERnews/4214.html?hq_e=el&hq_m=2340788&hq_l=4&hq_v=5e660500d0

U.S. Agency Is Ordered to Change Wind Rules

By Matthew Wald, NYT, Dec 7, 2011

http://www.nytimes.com/2011/12/08/business/energy-environment/bonneville-power-ordered-to-change-wind-rules.html?_r=1&ref=science

[SEPP Comment: A FERC special: the Bonneville Power Administration must accept unneeded wind power that raises electricity costs to the consumers.]

Republican asks EPA to prove it isn't exaggerating greenhouse gas figures [from natural gas systems]

By Ben Geman, The Hill, Dec 7, 2011

<http://thehill.com/blogs/e2-wire/e2-wire/197721-issa-probes-epa-greenhouse-gas-emissions-tally->

[SEPP Comment: A more correct headline would have been: House Oversight and Government Reform Committee Chairman Issa asked EPA to substantiate a doubling of estimates of methane emissions from natural gas systems.]

DOE Reliability Report: EPA Rules Will Create No Resource Adequacy Issues

By Staff Writers, POWERnews, Dec 7, 2011

http://www.powermag.com/POWERnews/4215.html?hq_e=el&hq_m=2340788&hq_l=5&hq_v=5e660500d0

Energy Department plans new grid reliability effort as EPA rules loom

By Ben Geman, The Hill, Dec 8, 2011

<http://thehill.com/blogs/e2-wire/e2-wire/198119-energy-department-plans-new-grid-reliability-effort-as-epa-rules-loom>

The Lizard or Your Livelihood

By Marita Noon, Townhall, Dec 4, 2011

http://finance.townhall.com/columnists/maritanoon/2011/12/04/the_lizard_or_your_livelihood

Councils become climate experts too. (Now big-government insanity comes from small councils)

By Jo Nova, Her Blog, Dec 10, 2011

<http://joannenova.com.au/2011/12/councils-become-climate-experts-too-big-government-insanity-from-small-councils/#more-19365>

Among the options Port Macquarie Hastings Council is considering to combat dire predictions of sea level rises in the suburb over the next 50 to 100 years is a “planned retreat” - the forced eviction of waterfront residents as a pre-emptive measure.

[SEPP Comment: In the name of public health and safety, governments justify terrifying power.]

Energy Issues

Inside America's Energy-Export Boom: 10 Key Insights

By Bob Evans, Forbes, Dec 4, 2011 [H/t GWPF]

<http://www.forbes.com/sites/sap/2011/12/04/inside-americas-energy-export-boom-10-key-insights/>

Oil and Natural Gas – the Future or the Past?

Oil industry says crude far from depleted

By Staff Writers, AFP, Dec 8, 2011

http://www.energy-daily.com/reports/Oil_industry_says_crude_far_from_depleted_999.html

The New North Dakota: Shale Oil Takes Off in Colorado

By Staff Writers, IER, Dec 1, 2011 [H/t Warren Wetmore]

<http://www.instituteforenergyresearch.org/2011/12/01/the-new-north-dakota-shale-oil-takes-off-in-colorado/>

Tapping our energy potential

New domestic energy discoveries and extraction techniques promise prosperity

By Ed Feulner, Washington Times, Nov 5, 2011 [H/t Warren Wetmore]

<http://www.washingtontimes.com/news/2011/dec/5/tapping-our-energy-potential/>

Energy Revolution In Oil, Gas May Create Economic Boom

By Victor Davis Hanson, IBD, Dec 8, 2011

<http://news.investors.com/Article.aspx?id=594184&p=1>

Shale-Gas Drilling to Add 870,000 U.S. Jobs by 2015, Report Says

By Jim Efstathiou Jr, Bloomberg, Dec 6, 2011

<http://www.bloomberg.com/news/2011-12-06/shale-gas-drilling-to-add-870-000-u-s-jobs-by-2015-report-says.html>

[SEPP Comment: The study was commissioned by America's Natural Gas Alliance.]

Canada approves major oil sands expansion

By Staff Writers, AFP, Dec 8, 2011

http://www.energy-daily.com/reports/Canada_approves_major_oil_sands_expansion_999.html

China Hits It Big With Shale Gas

By Walter Russell Mead, American Interest, Dec 8, 2011 [H/t Timothy Wise]
<http://blogs.the-american-interest.com/wrm/2011/12/08/china-hits-it-big-with-shale-gas/>

Oil Spills & Consequences

US hits BP with five Gulf spill violation charges

By Staff Writers, AFP, Dec 7, 2011

http://www.energy-daily.com/reports/US_hits_BP_with_five_Gulf_spill_violation_charges_999.html

Brazil orders Chevron to shut down production well

By Staff Writers, AFP, Dec 1, 2011

http://www.energy-daily.com/reports/Brazil_orders_Chevron_to_shut_down_production_well_999.html

[SEPP Comment: A precaution with the discovery of hydrogen sulfide.]

Nuclear Energy and Fears

Earthquake not a factor in Fukushima accident [direct factor]

By Staff Writers, WNN, Dec 2, 2011

http://www.world-nuclear-news.org/RS_Earthquake_not_a_factor_in_Fukushima_accident_0212111.html?utm_source=World+Nuclear+News&utm_campaign=c3033bbc22-WNN_Weekly_29_November_5_December_201112_5_2011&utm_medium=email

Within an hour of the earthquake, however, almost the entire site was submerged to a depth of up to nine metres by a series of tsunami waves.

Let the People of Fukushima Go Home and Get Back to Work

The science does not support the panic.

By Theodore Rockwell, American Spectator, Dec 6, 2011

<http://spectator.org/archives/2011/12/06/let-the-people-of-fukushima-go>

Nuclear Agency Moving to Tighten Plant Safety

By Deborah Solomon, WSJ, Dec 6, 2011

http://online.wsj.com/article/SB10001424052970204903804577082781205693726.html?mod=WSJ_Energy_leftHeadlines

Mr. Jaczko also said budget constraints may force the agency to slow down license renewals and requests by plants to make changes, such as operating at higher power levels.

[SEPP Comment: Realistic improvements for safety are understandable, slowing down permitting is not.]

Alternative, Green (“Clean”) Energy

European offshore wind installed capacity to grow 17-fold

By Staff Writers, Wind Energy Update, Dec 5, 2011

http://social.windenergyupdate.com/uncategorised/weekly-intelligence-brief-november-28-december-05?utm_source=WEU%2BE-Brief%2B0611&utm_medium=Newsletter%2B0611&utm_campaign=WEU

[SEPP Comment: More trouble for the Euro.]

The dark side of green energy

When governments dream, taxpayers pay

By Terence Corcoran, Financial Post, Dec 5, 2011

<http://opinion.financialpost.com/2011/12/05/terence-corcoran-the-dark-side-of-green-energy/>

Solar power much cheaper to produce than most analysts realize

By Staff Writers, Study from Queens College, Kingston, Canada (SPX), Dec 09, 2011

http://www.solardaily.com/reports/Solar_power_much_cheaper_to_produce_than_most_analysts_realize_999.html

[SEPP Comment: More important than the cost of the panel is the total cost of reliable production of electricity.]

Spain: Bungled wind policy backfires

An attempt to pass a crippling wind energy law in the run-up elections in Spain has the hallmarks of a bungled government shot at shoring up the interests of big utilities.

By Jason Deign, Wind Energy Update, Dec 2, 2011

http://social.windenergyupdate.com/uncategorised/spain-bungled-wind-policy-backfires?utm_source=WEU%2BE-Brief%2B0611&utm_medium=Newsletter%2B0611&utm_campaign=WEU

[SEPP Comment: The bungled wind policy was instituting a wind policy in the first place.]

Power Scarcity Renews Concerns about Electric Reliability in Texas

By Staff Writers, POWERnews, Dec 7, 2011

http://www.powermag.com/POWERnews/4219.html?hq_e=el&hq_m=2340788&hq_l=7&hq_v=5e66050d0

US Navy in big biofuel purchase

By Staff Writers, AFP, Dec 5, 2011

http://www.biofueldaily.com/reports/US_Navy_in_big_biofuel_purchase_999.html

[SEPP Comment: Perhaps the Navy will demand that the next generation of jet aircraft burn corn or algae directly.]

UK PM confirms support for offshore wind

By Staff Writers, Wind Energy Update, Dec 5, 2011

http://social.windenergyupdate.com/uncategorised/weekly-intelligence-brief-november-28-december-05?utm_source=WEU%2BE-Brief%2B0611&utm_medium=Newsletter%2B0611&utm_campaign=WEU

According to Department of Energy & Climate Change, the UK needs around £200bn of investment in new energy infrastructure to help reduce dependence on imported fossil fuels and boost our energy security.

\$36 billion in loans to renewable energy technologies

Summary of loans

Washington Post, Dec 7, 2011

http://www.washingtonpost.com/politics/renewable-but-not-always-new/2011/12/07/gIQAIT4OdO_graphic.html

For Obama's green-car revolution, fits and starts

By Carol Leonnig and Joe Stephens, Washington Post, Dec 7, 2011

http://www.washingtonpost.com/politics/for-obamas-green-car-revolution-fits-and-starts/2011/11/29/gIQA0FdRdO_story.html?hpid=z1

Obama's Electric Car Dream Short-Circuits

Editorial, IBD, Dec 8, 2011

<http://news.investors.com/Article/594198/201112081844/obamas-electric-car-dream-short-circuits.htm>

Carbon Schemes

Stanford scientists subject rocks to hellish conditions to combat global warming

By Mark Shwartz for Stanford University, SPX, Dec 07, 2011

http://www.energy-daily.com/reports/Stanford_scientists_subject_rocks_to_hellish_conditions_to_combat_global_warming_999.html

"About 60 percent of the world's carbon dioxide emissions come from power plants, refineries and other industries," said Sally Benson, professor (research) of energy resources engineering at Stanford.

[SEPP Comment: Less than 5% of carbon dioxide emissions are caused by humans.]

California Dreaming

At \$100 billion, Californians have 2d thoughts about high-cost, high-speed rail

By Andrew Malcolm, IBD, Dec 7, 2011

<http://news.investors.com/Article/593972/201112071108/high-speed-rail-poll-california-obama-china.htm>

[SEPP Comment: A slight miscalculation by the political promoters.]

Review of Recent Scientific Articles by NIPCC

For a full list of articles see www.NIPCCreport.org

Global Groundwater Depletion and Global Sea Level Rise

Reference: Konikow, L.F. 2011. Contribution of global groundwater depletion since 1900 to sea-level rise. *Geophysical Research Letters* 38: 10.1029/2011GL048604.

<http://www.nipccreport.org/articles/2011/dec/6dec2011a1.html>

Extreme Weather: Record-breaking Cold Winter of 2009/10 in the Northern Hemisphere

Reference: Wang, C., Liu, H. and Lee, S.-K. 2010. The record-breaking cold temperatures during the winter of 2009/2010 in the Northern Hemisphere. *Atmospheric Science letters* 11: 161-168.

Cattiaux, J., Vautard, R., Cassou, C., Yiou, P., Masson-Delmotte, V. and Codron, F. 2010. Winter 2010 in Europe; A cold extreme in a warming climate. *Geophysical Research Letters* 37: L20704
doi:10.1029/2010GL044613.

<http://www.nipccreport.org/articles/2011/dec/7dec2011a3.html>

Late Pleistocene Musk Ox Populations Contracted and Expanded Naturally Without Going Extinct

Reference: Campos, P.F., Willerslev, E., Sher, A., Orlando, L., Axelsson, E., Tikhonov, A., Aaris-Sørensen, K., Greenwood, A.D., Kahlke, R.-D., Kosintsev, P., Krakhmalnaya, T., Kuznetsova, T., Lemey, P., Macphée, R., Norris, C.A., Shepherd, K., Suchard, M.A., Zazula, G.D., Shapiro, B. and Gilbert, M.T.P. 2010. Ancient DNA analyses exclude humans as the driving force behind late Pleistocene musk ox (*Ovibos moschatus*) population dynamics. *Proceedings of the National Academy of Sciences* 107: 5675-5680.

Biological Productivity in the Coastal Arctic Ocean

Reference: Tremblay, J.-E., Belanger, S., Barber, D.G., Asplin, M., Martin, J., Darnis, G., Fortier, L., Gratton, Y., Link, H., Archambault, P., Sallon, A., Michel, C., Williams, W.J., Philippe, B. and Gosselin, M. 2011. Climate forcing multiplies biological productivity in the coastal Arctic Ocean. *Geophysical Research Letters* 38: 10.1029/2011GL048825.

<http://www.nipccreport.org/articles/2011/dec/6dec2011a5.html>

Extreme Low-Temperature Events During Northeast China's Warm Season

Reference: Fengjin, X. and Lianchun, S. 2011. Analysis of extreme low-temperature events during the warm season in Northeast China. *Natural Hazards* 58: 1333-1344.

<http://www.nipccreport.org/articles/2011/dec/6dec2011a3.html>

With ever fewer extreme minimum temperature events occurring in response to the warmer temperatures of the past few decades, farmers in Northeast China have been able to harvest greater amounts of rice, sorghum, corn, soybeans and other major crops than would otherwise have been possible, thanks to the warming experienced in that particular part of the world.

Oh Mann!

Climate Contrarians Ignore Overwhelming Evidence

By Michael Mann, Letter, WSJ, Dec 5, 2011 [H/t Roger Cohen]

http://online.wsj.com/article/SB10001424052970204449804577068211662483248.html?mod=WSJ_Opinion_MIDDLEThirdBucket

[SEPP Comment: May be behind a pay wall. The responses are amusing.]

NO-SO-MANLY MANN

By Steven Hayward, PowerLine, Dec 5, 2011

<http://www.powerlineblog.com/archives/2011/12/no-so-manly-mann.php>

Environmental Industry

NGOs: It's Worse Than We Thought

By Willis Eschenbach, WUWT, Dec 7, 2011

<http://wattsupwiththat.com/2011/12/07/ngos-its-worse-than-we-thought/#more-52631>

Other Scientific News

NASA Satellite Confirms Sharp Decline in Pollution from US Coal Power Plants

By Rani Gran for Goddard Space Flight Center, SPX, Dec 02, 2011

http://www.spacedaily.com/reports/NASA_Satellite_Confirms_Sharp_Decline_in_Pollution_from_US_Coal_Power_Plants_999.html

Rise of atmospheric oxygen more complicated than previously thought

By Staff Writers, SPX, Dec 06, 2011

http://www.terradaily.com/reports/Rise_of_atmospheric_oxygen_more_complicated_than_previously_thought_999.html

2012 Update: Magnetic Pole Reversal Happens All The Geologic Time

By Patrick Lynch for Goddard Space Flight Center, SPX, Dec 02, 2011

http://www.terradaily.com/reports/2012_Update_Magnetic_Pole_Reversal_Happens_All_The_Geologic_Time_999.html

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BELOW THE BOTTOM LINE:

Study debunks 6 myths about electricity in the South

By Staff Writers, SPX, Dec 06, 2011

http://www.energy-daily.com/reports/Study_debunks_6_myths_about_electricity_in_the_South_999.html

[SEPP Comment: Solving physical problems with untested models.]

Frito-Lay/PepsiCo Cashes in On Electric Truck Subsidies

By Paul Chesser, NLPC, Dec 8, 2011

<http://nlpc.org/stories/2011/12/07/frito-laypepsico-cashes-electric-truck-subsidies>

Headmaster freezes schoolkids for Gaia

Earth Goddess requires sacrifices

By Andrew Orlowski, A Register, Dec 7, 2011 [H/t GWPF]

http://www.theregister.co.uk/2011/12/07/gaia_sacrifice_freezing_pupils/

Is climate change altering humans' vacation plans

By Staff Writers, SPX, Dec 09, 2011

http://www.terradaily.com/reports/Is_climate_change_altering_humans_vacation_plans_999.html

[SEPP Comment: *Schools letting out earlier in the spring has nothing to do with this shift?*]

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ARTICLES:

1. Nations Chart New Course Toward Climate Pact

By Patrick McGroarty, WSJ, Dec 11, 2011

http://online.wsj.com/article/SB10001424052970203413304577090623685867712.html?mod=WSJ_hp_LEFTTopStories

DURBAN—Major industrial and emerging economies set a course to reduce greenhouse gas emissions over the next decade and beyond, even as poorer nations warned it wasn't enough to shield them from the worst potential impacts of climate change.

Following marathon negotiations that stretched past dawn on Sunday, two days after the conference's scheduled conclusion, delegates from almost 200 countries agreed to draft a new international emissions treaty by 2015.

Indian Environmental Affairs Minister Jayanthi Natarajan and her delegation leave a closed-door meeting Saturday as climate-change talks extended into an extra day.

Under the agreement, most industrial nations currently bound to reduce emissions under the so-called Kyoto Protocol will extend their commitments beyond their current expiration in 2012. Many are European Union members already bound by EU law to make cuts that will satisfy the Kyoto requirements. Even though Russia, Canada and Japan earlier vowed not to recommit to the Kyoto Protocol, they have signed onto the new agreement. The U.S., China and India—the three largest emitters of greenhouse gases—pledged to join them in the pact to take effect in 2020. Delegates will spend the next four years hammering out the specifics of their 2020 deal, starting at meetings next year in South Korea and Qatar.

Separately, envoys agreed to establish a fund to guide the flow of much of what they hope will be \$100 billion in annual pledges by 2020 to mitigate the impact of climate change in poor countries.

China and India nearly derailed the broader climate pact by refusing to accept a strict "legal instrument," to police those emissions cuts. Instead, the version of the agreement that emerged Sunday contained the phrase "legal force"—a broader term that is seen as offering governments more leeway to identify how to curb emissions.

The pact marks a small sliver of common ground among different nations committed to checking climate change. But taken together, the two weeks of meetings in Durban highlighted the monumental challenge of any future treaty passing political muster at home.

China and India have long argued it would be unfair to curb rapid development that is helping eradicate poverty to offset emissions that rich countries produced over decades without consequence.

"I'm wondering if there is an effort here to shift the burden of this entire climate change problem on countries who have not contributed to this entire issue," India's environment minister, Jayanthi Natarajan, said as she rejected an unqualified binding deal. "Please don't hold us hostage."

Meanwhile, the U.S. had said it wouldn't accept binding targets unless India and China were on board. The chief U.S. negotiator, Todd Stern, also interpreted the agreement as a strong collective obligation to cut emissions. As long as India and China sign up for emissions cuts that are "symmetrical" to those pledged by the U.S., Mr. Stern said he believed the final treaty stood a chance of passing in a Congress that has rejected climate legislation—including the Kyoto Protocol—in the past.

"If the agreement has those elements then we could get into the category of the just very hard rather than the impossible," Mr. Stern said.

Though they didn't block its passage, many smaller nations were bitterly disappointed by a deal they said wasn't sufficient to keep emissions low enough to prevent temperatures from rising more than an average of two degrees Celsius, a threshold above which scientists say the impact of climate change will become much more pronounced.

Venezuela's Claudia Salerno urged fellow negotiators to push for a more robust deal when they meet again next year. "This is a very bad agreement," she said.

But many saw the pact as the one compromise possible. Even vaguely defined "legal force" commits China and India to emissions cuts, according to Luiz Alberto Figueiredo of Brazil. "It's legally binding and indeed it's very strong," he said.

Two years ago, talks in Copenhagen also broke down when China refused to accept a legally binding deal delegates had hoped to have in place by 2013, after the Kyoto Protocol was set to expire.

The EU revived the quest for a legally binding deal by pushing the target date back to 2020. Ahead of the United Nations-led meeting in this tropical port city, EU officials said they would only extend their Kyoto commitments if a broader binding deal was on track.

But after nearly a week tense negotiations in Durban, the EU accepted the broader wording that India and China demanded. "We wanted more ambition--The EU strategy worked," said Connie Hedegaard, the EU's climate commissioner.

2. Subsidizing Wall Street to Buy Chinese Solar Panels

By T.J. Rodgers, WSJ, Dec 8, 2011

http://online.wsj.com/article/SB10001424052970204903804577082631863392956.html?mod=WSJ_Opinion_LEADTop

At the end of the recently released film "Margin Call," the chairman of the fictional investment bank that triggered the mortgage-backed securities meltdown sits in his executive dining room, looking down on the Hudson River sunset while enjoying a steak and an expensive bottle of Bordeaux. Why not? He has just saved billions for his shareholders by dumping the firm's entire "toxic loan" portfolio in one hectic trading day. Just before giving a bonus to the brilliant analyst who foresaw the meltdown only hours in advance, the chairman predicts, "There's going to be a lot of money made coming out of this mess."

Wall Street understands how to make money, up-market or down. "Margin Call" may fuel Occupy movement ire, but in creating mortgage-backed securities, Wall Street did nothing other than facilitate home-financing access to the next tier of less-qualified home buyers, as demanded by every president since Bill Clinton. After that, the bankers did exactly what their shareholders wanted: bundle those risky loans into securities, sell them to lock in the profits, and dump the risk right back onto the federal government—where it belonged.

My purpose is not to debate the morality of mortgage-backed securities but to update the Law of Unintended Consequences with the corollary Law of Misguided Subsidies: Whenever Washington disrupts a market by dumping subsidies into it, Wall Street will find a way to pocket a majority of the money while the intended subsidy beneficiaries are harmed by the resulting market turmoil.

The recent crash in mortgage-backed securities was a near-repeat of the savings-and-loan crash of the 1980s, in which Washington insured the S&L industry but failed to set limits on high-risk loans. When the bubble burst, Washington paid Wall Street the insurance money while homeowners lost huge sums in real-estate hell. Wall Street understands how to manage risk; the federal government and consumers do not.

Consider the current 30% federal solar energy subsidy. A home solar system with 60 solar panels produces about 15,000 watts of power, enough to completely offset the \$6,000 annual electricity bill of a typical upscale California home. The system costs about \$90,000 prior to the 30% federal income-tax credit, which reduces its cost to \$63,000. After a simple payback period of about 10 years, the homeowner literally enjoys free electricity for the remainder of the guaranteed 20-year system life, a very profitable 10 years.

But what if that \$27,000 tax credit, the accelerated-depreciation tax savings, and most of the hefty post-payback profits went to Wall Street firms with a "tax appetite," not the homeowner? That's just what happens with the majority of new home solar-system installations today.

Washington and consumers are both notoriously shortsighted investors. Washington thinks in two-year election cycles, and consumers will usually choose a financially unfavorable option if it offers no money down. Today's most successful pitch for home solar financing goes like this: "Why pay a lot of money when you can get your solar system installed free and immediately reduce your utility bill?" Most homeowners find that proposition compelling. They ignore the fine print: "You must give your tax credit and depreciation to us and sign a long-term contract to buy power from us at prices just below market."

Today, most new home solar systems are purchased by special Limited Liability Corporations (LLCs) that are specifically created by Wall Street firms to purchase home solar systems and to sell power to the homeowner on a cell-phone-like contract. The homeowner does not mind giving up the tax benefits as long as the "free" system reduces utility bills.

However, when the system is paid off and the monthly LLC profit jumps to 100% of the electricity bill, the LLC solar electricity price to the homeowner is maintained just below market—and the profit really

begins to roll into the LLC. Since the risks to the LLC grow as the solar systems age, many banks offload their risk by selling the LLCs before their 20-year lifetime is up, locking in much of the long-term profit. There is now a growing market for what might be called "solar-backed securities." Wall Street understands the time-value of money; the federal government and consumers do not.

One of the largest solar-system installers in the U.S., SolarCity Corp., uses the LLC strategy and currently buys a majority of its solar panels from the low-cost Chinese supplier, Yingli. Thus when President Obama said that we must subsidize our solar industry to remain competitive with the Chinese, it would have been more accurate to say that we subsidize Wall Street to create employee-less corporations that buy and install Chinese solar panels in the U.S. Wall Street and consumers understand that free markets are borderless; Washington does not.

Just last week, the U.S. International Trade Commission found the Chinese solar industry guilty of "dumping" solar panels in the U.S. Tariffs are likely to be levied against Yingli and others. Here then, is a practical guide to the Obama administration's nonsensical solar policy: Washington gives tax breaks to Wall Street to fund LLCs that buy solar panels from the Chinese to "help" the American solar industry, while the ITC threatens to levy a tariff on those solar panels, which would raise the price of solar energy to U.S. homeowners. In short, Wall Street pockets the money and consumers get higher solar-energy prices.

We should stop reflexively indicting Wall Street "greed" and focus instead on Washington as the disruptive force in one market meltdown after another. Solyndra, the poster child of the Law of Misguided Subsidies, borders on irrelevancy compared to the full impact of bad economic policy.

Mr. Rodgers is the founder, president and CEO of Cypress Semiconductor.

3. Exxon Declares Gas King

Abundant Fuel Expected to Dethrone Coal as Top U.S. Power Generator by 2025

By Tom Fowler, WSJ, Dec 8, 2011

http://online.wsj.com/article/SB10001424052970203501304577084594165136990.html?mod=WSJ_Energy_leftHeadlines

Natural gas will replace coal as the leading fuel for generating electricity in the U.S. by 2025, when it will also become the world's No. 2 overall fuel source thanks to its abundance and a drive for cleaner-burning energy, according to the latest long-term outlook from Exxon Mobil Corp.

The closely watched study, set to be released Thursday, forecasts that global energy demand will grow about 30% by 2040 as the world population climbs to nine billion from seven billion.

Natural gas will overtake coal as the second-largest fuel source overall, ranking behind oil and powering everything from electrical plants to home-heating systems. But Exxon said coal use will continue to grow through 2025 around the world, primarily in developing nations such as China and India and the African continent, because economic growth will be fastest in emerging nations.

But thereafter coal use will start to drop, for the first time in history, according to the study, which Exxon uses to help its long-range planning. Key drivers in that expected drop in coal use will be growing demand for fuels that produce fewer greenhouse gases and a decline in China's population expected after 2030.

Exxon in recent years has moved to expand its natural-gas business, including the \$25 billion purchase of U.S. shale-gas producer XTO Energy in 2010.

But the report isn't a public-relations exercise, said Bill Colton, Exxon's vice president of corporate strategic planning, who oversees the report.

"It's not about the future Exxon might like to see, but what we think will happen," Mr. Colton said. "The last thing we want to do is delude ourselves about the future."

Exxon has created a world-energy outlook for decades to help guide its many business units in long-term planning, but it wasn't until 2004 that the oil major, based in Irving, Texas, decided to publish it.

The report doesn't predict energy production or forecast prices.

The report is bullish on overall global economic growth and accompanying energy-demand growth through 2040, Mr. Colton said, in spite of the economic problems in the U.S. and Europe. Energy-demand growth in developed nations is expected to be modest in coming years and actually fall 2% overall from 2010 to 2040, thanks largely to efficiency improvements, Exxon predicts.

But developing nations will see energy demand grow 57% through 2040, with demand for electricity expected to grow by 80% as the standard of living improves, the report projected.

The report also predicts that between 2030 and 2040 hybrid vehicles—cars that use a combination of gasoline engines and electric motors—will move from the margins of the market to the mainstream, from about 1% of the current fleet to more than 40% in 2040.

Overall vehicle-fuel efficiency will grow from 27 miles per gallon in 2010 to 48 mpg in 2040, according to Exxon. This will lead to a flattening of fuel demand for passenger cars despite a doubling of the fleet to 1.6 billion vehicles by 2040.

Demand for fuel by large trucks, airplanes, ships and trains will rise by 70% from 2010 to 2040, however, driven by world economic growth and the need to move more global cargo. Global demand for diesel is expected to rise by 85% through 2040, while gasoline demand will be down 10% by 2040.

4. If the Lights Go Out

Regulators are letting EPA compromise U.S. electric reliability.

Editorial, WSJ, Dec 6, 2011 [H/t Tim Wise]

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Say what you will about Obama Administration regulators, their problem has rarely been a failure to regulate. Which makes the abdication of the Federal Energy Regulatory Commission especially notable—and dangerous for the U.S. power supply.

Last week FERC convened a conference on the wave of new Environmental Protection Agency rules that are designed to force dozens of coal-fired power plants to shut down. The meeting barely fulfilled the commission's legal obligations, but despite warnings from expert after expert, including some of its own, the FERC Commissioners refuse to do anything about this looming threat to electric reliability.

The latest body to sound the EPA alarm is the North American Electric Reliability Corporation (NERC), which last Tuesday released its exhaustive annual 10-year projections. "Environmental regulations are shown to be the number one risk to reliability over the next one to five years," the report explains.

NERC's forecasts are the gold standard for the U.S. power system because they are built from the bottom up, starting with finely grained data from individual plants. NERC has been doing this work since 1967, and since 2005 it has operated under the FERC umbrella as an "electric reliability organization" similar to Finra, the securities regulator with quasi-governmental duties.

The threat is that the EPA is triggering what NERC calls "an unprecedented resource-mix change," with utilities switching to natural gas from coal. For the first time in U.S. history, net coal capacity is in decline. On top of the 38 gigawatts of generation that is already being run below normal levels or slated for early retirement, NERC predicts another 36 to 59 gigawatts will come offline by 2018, depending on the "scope and timing" of EPA demands. That could mean nearly a quarter of all coal-fired capacity.

According to the report, "the nation's power grid will be stressed in ways never before experienced" and reliability depends on building new power plants to cover the losses. But the electric industry has only three years to comply under one EPA regulation known as the utility rule that is meant to target mercury and is due to be finalized soon, while many other destructive rules are in the works.

Replacing power is not like replacing a lost cellphone. There are bottlenecks in permitting, engineering, financing and building a new plant and then tying it to the electricity network. Over this same three-year window, NERC estimates that between 576 and 677 plants will need to be temporarily shut down to install retrofits like scrubbers or baghouses.

All of this has been obvious to anyone paying attention. In its draft utility rule the EPA itself warned that "sources integral to reliable operation" may be forced to shut down, before it sanitized these concessions from the final proposal. Twenty-seven states say their regional reliability is at risk, concerns echoed by FBR Capital, Credit Suisse, Fitch, Bernstein Research and several grid operators. FERC's own Office of Electric Reliability produced an alarming study, before its work was disowned by Chairman Jon Wellinghoff, as we reported in the September 26 editorial "Inside the EPA."

Southern Co., the utility that covers states from Mississippi to Georgia, says the EPA's timeline can't be met "at any cost" and that in its region "reliability cannot be maintained without load shedding"—that is, rationing power to large industrial consumers. American Electric Power, which operates in 11 Midwest states, says that option may be a "last resort" as well. This is the kind of political overhang that harms economic growth.

Keep in mind that the EPA estimates that the benefits to society from the mercury reductions in the utility rule max out at \$6.1 million, total, while imposing \$11 billion in compliance costs annually. That is a crazy tradeoff even if it didn't endanger the electric grid.

The best option would be to kill the utility rule and put the EPA on probation, but second best is a longer phase-in to give utilities more time to comply. FERC could do some practical good by formally issuing a "215 finding" that the EPA utility rule endangers reliability. Or the White House budget and regulatory office could require the EPA to repropose the rule with more flexibility. Or President Obama could declare that the rule endangers national security. Or Congress could block the rule, though that would take more fortitude than Senate Democrats have shown so far.

None of this is likely to happen because it would interfere with the larger Administration priority to kill as much coal power as rapidly as possible to serve the global warming agenda. But when the brownouts and cost-spikes occur, don't blame the utilities. Blame their regulator.

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