

The Green Machine Revisited

By Joel Laykin – Secretary General, Independent Power Producers Forum (IPPF)

A profuse apology is owed to one and all, especially to our readers who are financially, institutionally and/or emotionally committed to the idea of the “Era of New Energy”, which by the latter half of 2009 means just about everyone connected in any way, shape, or form with the energy and power industry.

In January of 2008, I wrote in these pages a critique of the “Green Stampede” and the resulting renewable/sustainable/alternative bubble popping in the near future due to major high tech breakthroughs in coal and/or hydrogen applications – boy, was I wrong!

With the onslaught of the global financial nose-dive, indications of which were peeping through the pages of the FT and the WSJ in early 2008, the continued development of “big iron” started to stall. When the dominoes really started to topple (Lehman, Merrill Lynch, AIG, etc.), the impact was incredible. At one point, simply shipping coal via bulk vessels became almost impossible by November of 2008, due to requiring “cash on the barrel”; C.O.D. wasn’t even accepted.

Against the Tide

Meanwhile, while everything from GM to Iceland seemed to be tanking simultaneously, several key industry sectors held steady or managed to swim upstream against the downward tide sweeping into the Abyss. “Entertainment” (example # 1 – Disney posts big profit growth in 2009 and casually blows US\$4 billion on a comic

book company) “Booze” (table wine sales and imports into China up 50% in 2009 over 2008) and “New Energy”. Not only are renewables and alternatives a major factor, it’s the only factor that seems to be propping up the power industry at this writing. This industry bubble isn’t going to pop.

While hydrogen offers a promising solution for major reductions in GHG, replacing consumption of fossil fuels, it still remains a distant promise. Bush’s US\$1.7billion hydrogen initiative has gone almost nowhere. His “FutureGen” boondoggle of US\$2 billion hangs slowly twisting in the wind. This brings us to the “here and now” tangibles. The rush to wind, wave, solar, bio-fuel, thermal and run-of-river micro-hydro is now an absolute stampede because it “is” the industry. Within a decade you won’t hear the word “Green” anymore because everything will be green automatically or it won’t get built. Apology accepted?

**LET’S HOPE
FOR THE BEST,
EXPECT THE
WORST**

Climate Change Congress Capers

On June 30th, economist Paul Krugman thunders in the IHT about “Betraying the Planet”. The United States Congress had just passed the “Waxman-Markey Climate Change Bill”, so where was the betrayal? According to Mr. Krugman, the betrayers are the 212 congressmen that voted against the bill along with a hole phalanx of “climate change deniers” who managed to manipulate a major watering down of this vital legislation.

A leading member of the climate change Hoax Cabal, Republican (naturally) Congressman Paul Braun of Georgia maintained that the “Waxman

Markey Bill” was “simply a part of the Obama “Socialist” agenda” with other remarks so off the wall that even Senator Saxby Chambliss of Georgia (and fellow Republican) joked about Congressman Braun being a leading light in the “Earth is Flat” club. Amazing!

Krugman charges “Climate Change Deniers” with “Committing Treason” against humanity and the planet. To add to his irritation, a few of the opposing votes came from congressmen of a strong environmentalist bent who felt that “Waxman Markey” wasn’t strong enough. By the time you read this, the bill might have been passed by the senate and maybe some of its bite will have been restored in to what some concerned citizens are referring to as a “toothless wonder”.

Meanwhile, average global temperatures are rising faster than originally projected.

Six people say you’re drunk, you’re drunk! The overwhelming body of scientific research and resulting evidence is absolutely and overwhelmingly consistent on the core issues of global warming and climate change. If the climate change bill dies in the Senate, Obama’s team will look pretty silly in Copenhagen.

The Copenhagen Carousel

When the IPPF was first conjured up as a trade organization focusing only on the trials and tribulations of international IPP’s in China, the world was such a simple place ---and so was the energy / power industry. Back in the late nineties it was all about and only about big iron, smoke-stack, pipeline, big big power plant production.

Pull together a gathering on environmental issues and it was door-to-door pony tailed backpackers. After the recent turn of the century from about 2002, we noticed a shift from sandals and jeans towards pin-striped sartorial splendor. It was the lawyers and bankers who first sniffed the air and smelled “money”. Dragging clients with them into a mix of respectable academics, consultants, government guys, plus the initial group of movers and shakers interested in renewables, GHG trading, etc. This embryonic environment mob has grown into a thundering herd.

Suddenly, “COP 15” (AKA United Nations Climate Change Conference, Dec 7th – Dec 18th) has become a major mile-stone where a U.S./China “deal” might get wrapped. The UN Climate chief, Mr. You de Boer, hopes to achieve the following:

1. Industrialized countries’ reduction of GHG
2. China, India finally agree on proposed limits
3. Financing emission reductions
4. Managing the money

Mr. Boer and his team will press for the new climate treaty to include all of the above and more, replacing the Kyoto Protocol, which was adopted in December of 1997 and finally activated on February 16th, 2005. He’s optimistic about the U.S. Senate passing the big bill needed for America to really get on board this time. Let’s hope for the best, expect the worst, wear a smile.and if you’re from Tuvalu, wear a life jacket too!

