The Week That Was: 2012-11-10 (November 10, 2012)
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The Science and Environmental Policy Project

Quote of the Week: If you thought before science was certain—well, that is just an error on your part. -Richard Feynman, The Character of Physical Law (1994 p. 71) [From Abstract by Markonis and Koutsoianis]

Number of the Week: 18 Years

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

US Elections: Following the re-election of President Obama, TWTW is comfortable in making one bold prediction – SEPP and TWTW will not run out of topics in the next four years. Some political commentators are predicting a regulatory avalanche to begin shortly. These regulations will come primarily from the EPA but other agencies, such as Interior, will contribute significantly.

One major objective will be to shutdown coal as a major source of electricity. “Beyond Coal” is a major program for the Sierra Club and other environmental organizations, and the EPA appears determined to implement it. Some coal-fired plants are approaching retirement age, and in some locations natural gas is more economical than coal, at least temporarily. However, many commentators expect the administration will make new coal-fired plants, even though they are far less polluting than old plants, too expensive to build and operate, eliminating coal as an alternative to natural gas. President Obama promised as much prior to his first election.

Another regulatory initiative will be to extend Federal control over drilling for oil and natural gas in dense shale by using deep underground directional drilling and hydraulic fracturing. The various states have been doing a good job regulating such drilling and thus far the claims of groundwater contamination of have proved to be false. But state regulations do not satisfy ambitious regulators in Washington.

Other areas of energy regulation are likely to be intensifying regulations on deep water drilling in the Gulf of Mexico and further limiting oil gas development in Alaska and its surrounding waters.

Some may wonder why, at this time, government agencies would propose regulations making energy more expensive to US consumers, reducing economic activity, and reducing royalty income to governments. As measured by per capita gross domestic product, adjusted for inflation, the nation had the worst four-year economic period since the Great Depression. http://www.tradingeconomics.com/united-states/gdp-per-capita. The Federal government has run a trillion dollar deficit for the past four years, and government borrowing for the just completed fiscal year 2012 was about 30% of the budget (revenues about 2.45 Trillion and Expenditures at $3.5 Trillion) http://www.nytimes.com/2012/10/13/business/federal-deficit-for-2012-fiscal-year-falls-to-1-1-trillion.html
Very simply, Washington regulatory bureaucracies do not face the economic consequences of their actions. Please see links under The Political Games Continue and EPA and other Regulators on the March.

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Wind Power: Congress will reconvene shortly to take up business it dropped before the election. It is doubtful the Senate will consider a budget, since it as not voted on one in three years. The wind industry is anxious to have a continuation of its major, unique subsidy, the production tax credit. As discussed in prior TWTWs, it is becoming ever more apparent that wind power is an unreliable supplier of electricity, thus should be considered a secondary supplier rather than a primary supplier. As a secondary supplier of electricity, wind power is justified only if it reduces total electricity cost to the consumer, which it does not. No doubt, its political supporters will invoke green jobs and other somewhat illusionary issues. Please see link under Subsidies and Mandates Forever.

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Uncertain Science: As stated in prior TWTWs, the EPA claims 90 to 99% certainty in the science behind its finding that carbon dioxide (CO2) emissions endanger human health and welfare. The certainty comes from the UN Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) and following reports from other government-supported entities. It is more a result of a poll rather than the result of rigorous science. This week, several published studies were discussed in the blogs demonstrating the great uncertainties in climate science. Not all these studies are consistent with one another.

In no particular order, one controversial study is by Markonis and Koutsovannis who, in a long and detailed paper, assert that the general warming in the past 160 years is the result of a natural rebound from the Little Ice Age and the cause is imperfections in the earth’s orbit, rotation, and tilt. The authors also assert that the statistical techniques used by the IPCC cannot pick-up these systematic fluctuations. If the research withstands the expected severe criticism, then the entire IPCC apparatus is subject to significant revision. The study has been linked in TWTW before, but the blog of Doug Hoffman is linked because his technical explanation was rather clear.

Another study by Graeme Stephens et al, linked in the Judith Curry blog, addresses the great uncertainty in the measurement of the greenhouse effects of CO2 and the cooling effects of increased precipitation. This study suggests that the enhanced greenhouse effect from CO2 emissions is underestimated in the IPCC models, but it is largely offset by an increase in precipitation. If so, certainty in these models is not justified.

Joseph D’Aleu juxtaposed two contrasting studies. One study is by Russian scientist Habibullo Abdussamatov who asserts that the sun is entering a period of low activity which will result in a deep cooling. The study appeared in February. [Abdussamatov apparently does not believe in a natural greenhouse effect, making him target for the climate establishment.] But the important issue here is the activity of the sun, which the IPCC considers to be minor, not the natural greenhouse effect.

The second study is by John Fasullo and Kevin Trenberth of US National Center for Atmospheric Research who examined ten-year measurements of relative humidity and compared these with the various models. They concluded that the more extreme models are consistent with the observed
relative humidity. They stated the other models should be discounted and we should expect a warming of 8 deg F (more than 4 deg C) by the end of the century.

In his comments, on Fasullo and Trenberth, John Christy of the University of Alabama, Huntsville, who publishes the UAH temperature data from satellites, pointed out that the more extreme models are diverging significantly from observations, as are most models – a fact that Fasullo and Trenberth failed to mention.

Adding to the controversy, Franzén et al, published a study of peat lands in Sweden and their relationship with ice ages. Professor Franzén stated that we are probably entering an ice age now, but its effects are being mitigated by CO2 emissions.

No doubt, some of these studies will not hold up to the strong scrutiny they deserve, but they do illustrate difficulties with the findings of the IPCC and the EPA.

Now, if someone could only explain to Federal judges that EPA science is neither certain or sacrosanct. Please see links under Challenging the Orthodoxy, Seeking a Common Ground, and A New Ice Age?

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Younger Dryas: One of the perplexing issues in climate history is why there was a sudden cooling about 12,900 years ago, called the Younger Dryas, when it appeared that the earth was coming out of the ice age. The Younger Dryas appears to be more pronounced in the Northern Hemisphere. One hypothesis is that that the cooling was the result of a sudden inflow of cold fresh water into the Atlantic Ocean that stopped the thermohaline circulation, which brings warm waters from the tropics towards the Arctic. Using high-resolution global ocean circulation models, a new analysis supports a hypothesis that the melt waters of the Laurentide Ice Sheet, in central Canada, went north along the Mackenzie River into the Arctic Ocean, rather than east-northeast along the St. Lawrence into the North Atlantic. The article states that the analysis is conclusive, but it provided no empirical evidence of a sudden flood along the Mackenzie River, thus cannot be considered conclusive. The claim that this is relevant to the melting of the Greenland and Antarctic is doubtful. Also please note that the paper by Markonis and Koutsoyiannis states that the Younger Dryas was not a single event, but a part of the earth’s natural variability. Please see links under Changing Climate and Challenging the Orthodoxy.

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Storming Sandy: New York City was significantly damaged by the storm Sandy. For decades it has been clear that the New York area is vulnerable to hurricanes. The geography and the underwater New York Bight act as a funnel for a storm surge, concentrating it. The human suffering from the flooding and the following cold is extremely unfortunate. But in a blatant effort of special pleading, Mayor Bloomberg has called Sandy the result of global warming / climate change hoping for Federal funds to help build flood defenses to protect the City, something the City should have done decades ago. In a rather long article with significant background, Walter Russell Mead asks what many may consider unthinkable – should elaborate defenses be built to protect the city? In reading this, one may recall that in the early 1970s environmental organizations successfully blocked the building of a barrier system that would have protected New Orleans from the storm surge of Katrina. Please see links under Storming Sandy.

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**Number of the Week: 18 Years:** In a paper translated by P. Gosselin, Frank Bosse calculates that the lower troposphere temperature data (from satellites) and sea surface data show no appreciable warming for 18 years, with a 95% confidence level. TWTW does not necessarily agree with the assertions, but they illustrate there are significant issues with the IPCC models as well as the definition of the length of time needed to conclude a human impact on global warming. The paper quotes Ben Santer, et al: “Our results show that temperature records of at least 17 years in length are required for identifying human effects on global-mean tropospheric temperature.” Please see link under Challenging the Orthodoxy and [http://www.agu.org/pubs/crossref/2011/2011JD016263.shtml](http://www.agu.org/pubs/crossref/2011/2011JD016263.shtml).

**ARTICLES:**
For the numbered articles below please see this week’s TWTW at: [www.sepp.org](http://www.sepp.org). The articles are at the end of the pdf.

1. **You Can't Fix a Hurricane With Climate Policy**
   Politicians avoid the hard questions of where to build and what to protect.
   By Holman Jenkins, Jr, WSJ, Nov 2, 2012
   [http://online.wsj.com/article/SB10001424052970204712904578093281955820410.html?mod=ITP_opinion_0](http://online.wsj.com/article/SB10001424052970204712904578093281955820410.html?mod=ITP_opinion_0)

2. **After Sandy, No One Lined Up for Wind Turbines**
   The greens want to go 'beyond oil,' but without it we'd freeze in the dark.
   By Robert Bryce, WSJ, Nov 7, 2012

3. **The Coming Oil Glut**
   The real forces shaping the market point to a significant downturn of oil prices.
   By Leonardo Maugeri, WSJ, Nov 6, 2012
   [SEPP Comment: A view contrary to the conventional wisdom.]

4. **Mining Canada's Oil Sands: Suddenly, Not a Sure Thing**
   By Chip Cummins, WSJ, Nov 2, 2012

**NEWS YOU CAN USE:**

**Climategate Continued**
**ClimateGate - Hacker or leaker?**
Anonymous, Climate Sceptics Party, Oct 30, 2012
[SEPP Comment: Arguments why the person who released the Climategate emails was a inside whistleblower and not a hacker, and why it is important in a court of law. This goes to the EPA]
finding that carbon dioxide emissions endanger human health and welfare and its dismissal of the scientific importance of the Climategate emails.]

FOIA judges: Secret 28 who made the BBC Green will not be named
Lay beaks have interesting histories on FOI, ‘deniers’
By Andrew Orlowski, The Register, Nov 9, 2012 [H/t Bishop Hill]
http://www.theregister.co.uk/2012/11/09/bbc_beats_blogger/
[SEPP Comment: The convoluted reasoning and questionable objectivity of the judges to protect BBC from Freedom of Information (FOI) claims.]

Challenging the Orthodoxy
Troposphere And Sea Surface Temperature: 18 Years With No Trend! Natural Factors Dominate
By Frank Bosse, Translated by P. Gosselin, No Tricks Zone, Nov 9, 2012

RSS AMSU: 2012 seems to be 11th warmest on record
By Lubos Motl, Reference Frame, Nov 7, 2012
http://motls.blogspot.com/2012/11/rss-amsu-2012-seems-to-be-11th-warmest.html#more
[SEPP Comment: Since satellite measurements started. Predicting no warming trend for 15 years.]

Orbital Climate Cycles Reaffirmed, Classical Statistics Denied
By Doug Hoffman, The Resilient Earth, GWPF, Nov 6, 2012
Instrument data from the last 160 years indicate a general warming trend during that span of time. However, when this period is examined in the light of palaeoclimate reconstructions, the recent warming appears to be a part of more systematic fluctuations. Specifically, it is an expected warming period following the 200-year “Little Ice Age” cold period.

New paper from Markonis and Koutsoyiannis shows orbital forcings signal in proxy and instrumental records
By Anthony Watts, WUWT, Nov 4, 2012

Current Climate Changes Are Normal: It’s Time The Media Got the Story Correct.
By Tim Ball, A Different Perspective, Nov 7, 2012

Defending the Orthodoxy
Former UN official says climate report will shock nations into action
By Peter Hannam, Brisbane Times, Nov 7, 2012 [H/t WUWT]
What Can Obama Do About Climate Change?
The President faces a divided Congress, but has some powerful tools to limit carbon emissions.
By Kevin Bullis, MIT Technology Review, Nov 7, 2012

Many experts believe the U.S. needs to spend far more on energy research than it does now.
[SEPP Comment: Seldom does one find an expert in an R & D field that thinks the government is spending too much. The main issue is not spending on basic research but on deploying technology with great promises when the technology is clearly not ready for prime time.]

American Determination and Climate Change
By Robert Redford, Huffington Post, Nov 11, 2012 [H/t Timothy Wise]
http://www.huffingtonpost.com/robert-redford/america-climate-change_b_2067545.html
[SEPP Comment: Hollywood stars are climate experts?]

Questioning the Orthodoxy
Do we still need the IPCC?
Hans Schellnhuber thinks we don’t
By Sebastian Lüning / Fritz Vahrenholt, Translated, No Tricks Zone, Nov 2, 2012
[SEPP Comment: The IPCC has blurred the distinction between a political organization and a scientific one.]

Losing Their Religion as Evidence Cools Off
By Maurice Newman, The Australian, via GWPF, Nov 5, 2012
http://www.thegwpf.org/maurice-newman-losing-religion-evidence-cools/

New Evidence that Plants Are Slowing the Growth of Greenhouse Gases
By Chip Knappenberger, Cato @ Liberty, Nov 6, 2012 [H/t William Westmiller]
[SEPP Comment: According to the reported research, as plants increase intake of carbon dioxide they consume increasing amounts of methane.]

Climate Course Correction
The world has spent two decades developing policies to combat global warming -- and we have little to show for it.
By Bjørn Lomborg, Foreign Policy, Nov 5, 2012 [H/t GWPF]
http://www.foreignpolicy.com/articles/2012/11/05/climate_course_correction?page=full

Cosmic GDP drops 97% since peak star
By Lubos Motl, Reference Frame, Nov 7, 2012
New paper in GRL shows that a 60-year oscillation in the global tide gauge sea level record has been discovered
By Anthony Watts, WUWT, Nov 5, 2012

Questioning European Green
Green Energy Policy Is Threatening Europe’s Industrial Base
By Gerrit Wiesmann, Financial Times, via GWPF, Nov 11, 2012
http://www.thegwpf.org/green-energy-policy-threatening-europes-industrial-base/

Wind Farms Will Add £410 to Your Power Bill
By Stephen Wilkie, Express, UK, Nov 5, 2012 [H/t Bishop Hill]
http://www.express.co.uk/posts/view/356179
[SEPP Comment: Green foolishness knows no political boundaries.]

Expanding the Orthodoxy
Are ARC grants for science or a form of government advertising disguised as research?
By Jo Nova, Her Blog, Nov 8, 2012
[SEPP Comment: ARC is Australian Research Council. Her list of steps for obtaining grants is amusing – and sad. Apparently, ALP is the Australian Labor Party.]

Early Christmas for the ARC crew
By Philippa Martyr, Quadrant, Nov 6, 2012

Trouble in the Orthodoxy
Spiegel On Doha Climate Conference: “Little Hope Of A Global Treaty…Negotiations At A Dead-End”
By P. Gosselin, No Tricks Zone, Nov 5, 2012

Seeking a Common Ground
Uncertainty in observations of the Earth’s energy balance
By Judith Curry, Climate Etc, Nov 5, 2012
http://judithcurry.com/2012/11/05/uncertainty-in-observations-of-the-earths-energy-balance/#more-10428

Global Climate Change Impacts in the United States
By Staff Writers, NCPA, Nov 9, 2012
[SEPP Comment: A brief summary of the CATO report by Patrick Michaels, et al.]

Q&A From A Group Of Retired NASA Personnel And Associates
By Roger Pielke Sr, Climate Science, Nov 9, 2012
[SEPP Comment: Pielke answers questions from the Right Climate Stuff team.]

The Importance of Land Use/Land Practices On Climate – A Perspective From Jon Foley
By Roger Pielke Sr, Climate Science, Nov 8, 2012
Clearly, climate assessments that focus primarily on CO2 and a few other greenhouse gases are inappropriately too narrow.

The Real Lessons of Ozone Depletion
By Roger Pielke Jr, His Blog, Nov 6, 2012
[SEPP Comment: Before the Montreal Protocol banning Freon was signed, there was a technologically available alternative. Other than nuclear, there is no technologically available alternative for reliable, affordable electricity. And the Greens will bitterly fight nuclear.]

Communicating Better to the Public – Exaggerate, or be Vague?
Drifting word clouds may change perceptions of climate science
By Staff Writers, Bristol UK (SPX), Nov 09, 2012
http://www.terradaily.com/reports/Drifting_word_clouds_may_change_perceptions_of_climate_sience_999.html

Liability for False Prophets
By Dirk Maxeiner and Michael Miersch, Die Welt via GWPF, Nov 9, 2012
http://www.thegwpf.org/liability-false-prophets/

Communicating Better to the Public – Make things up.
Report: Fossil fuels could raise global temperatures 10 degrees by century's end
By Zack Colman, The Hill, Nov 5, 2012

Oops Climate Commission graph: Queensland warmed nearly 3 degrees in 50 years?
By Jo Nova, Her Blog, Nov 4, 2012
[SEPP Comment: More number inflation from data adjustments in Australia.]

Lake Aibi shrinks as desertification rises
By Staff Writers, Beijing (UPI), Nov 5, 2012
http://www.terradaily.com/reports/Lake_Aibi_shrinks_as_desertification_rises_999.html

[SEPP Comment: As if climate change has never occurred to this region before!]

Models v. Observations

Opening the can of worms
By Andrew Montford, Bishop Hill, Nov 8, 2012

[SEPP Comment: More systematic error in the IPCC models?]

Storming Sandy

An Inconvenient Truth: Sea Surface Temperature Anomalies along Sandy’s Track Haven’t Warmed in 70+ Years
By Bob Tisdale, WUWT, Nov 5, 2012

Was Hurricane Sandy A Sign Of The “New Normal”?  
By Art Horn, Energy Tribune, Nov 2, 2012
http://www.energytribune.com/64549/hurricane-sandy

The hybridization of hurricane Sandy

How a Superstorm Came to Be
By Bob Henson, NCAR Nov 2, 2012 [H/t WUWT]
http://www2.ucar.edu/atmosnews/opinion/8243/hybridization-sandy

Cometh the storm, cometh the climate lies

Hurricane Sandy was not due to global warming, and the Climate Commission is wrong to claim otherwise.
By William Kininmonth and Bob Carter, The Age, AU, Nov 8, 2012

Climate alarmism: Using our fear of hurricanes
By Steve Goreham, Politico, Nov 4, 2012

Engineers’ Warnings in 2009 Detailed Storm Surge Threat to the Region
By James Glanz and Mireya Navarro, NYT, Nov 4, 2012

After Sandy: Can New York Be Made Safe From The Sea? Should We Care?
By Walter Russell Mead, Via Meadia, Nov 3, 2012 [H/t GWPF]
Coastal cities seek protections against superstorms
By Darryl Fears and Juliet Eilperin, Washington Post, Nov 4, 2012 [H/t Conrad Potemra]

Changing Weather
Winter Hits Early On Three Continents…Cold, Snow And Blizzard Conditions Hit China, New York And The UK
By P. Gosselin, No Tricks Zone, Nov 8, 2012

Extreme heat in 1896: Panic stricken people fled the outback on special trains as hundreds die.
[SEPP Comment: Contradicting claims of climate alarmists, extreme weather events have been occurring long before significant emissions of carbon dioxide.]

A New Ice Age?
Two Schools of ‘thought’ - one scientific and the other science fiction
By Joseph D’Aleo, ICECAP, Nov 9, 2012
http://icecap.us/index.php/go/joes-blog/two_schools_of_thought_one_scientific_and_the_other_science_fiction/

Carbon Dioxide – Saviour of Mankind
By David Whitehouse, GWPF, Nov 11, 2012
http://www.thegwpf.org/carbon-dioxide-saviour-mankind/
[SEPP Comment: See link immediately below.]

Carbon dioxide - our salvation from a future ice age?
By Staff Writers, Gothenburg, Sweden (SPX), Nov 09, 2012
http://www.terradaily.com/reports/Carbon_dioxide__our_salvation_from_a_future_ice_age_999.html

Changing Climate
Climate Modeler Identifies Trigger for Earth’s Last Big Freeze
By Staff Writers, Science Daily, Nov 5, 2012
http://www.sciencedaily.com/releases/2012/11/121105151332.htm

Changing Seas
The Ocean Warms: Not Very Much and at the Wrong Time
By David Whitehouse, GWPF, Nov 11, 2012
http://www.thegwpf.org/ocean-warms-vey-wrong-time/
[SEPP Comment: The inconsistency of ocean warming is not consistent with carbon dioxide emissions as the cause.]
New paper in GRL shows that a 60-year oscillation in the global tide gauge sea level record has been discovered
By Anthony Watts, WUWT, Nov 5, 2012

Changing Earth
Massive volcanic eruption puts past climate and people in perspective
By Staff Writers, Copenhagen, Denmark (SPX) Nov 08, 2012
http://www.terradaily.com/reports/Massive_volcanic_eruption_puts_past_climate_and_people_in_perspective_999.html
[SEPP Comment: The article states “The largest volcanic eruption on Earth in the past millions of years took place in Indonesia 74,000 years ago” The abstract states that the eruption “…is among the largest volcanic events on Earth over the last 2 million years.” http://www.clim-past-discuss.net/8/5389/2012/cpd-8-5389-2012.html]

Acidic Waters
Earth on acid: The present and future of global acidification
By Staff Writers, Phys Org, Nov 6, 2012 [H/t WUWT]
[SEPP Comment: There is no issue that the poor management practices at coal mines in the past have resulted in lowering the pH of some streams to below 7.0. The article and the abstract are so vague that rational discourse is not possible.]

Agriculture Issues & Fear of Famine
Agriculture and food production contribute up to 29 percent of global greenhouse gas emissions
By Staff Writers, Copenhagen, Denmark (SPX), Nov 06, 2012
http://www.seeddaily.com/reports/Agriculture_and_food_production_contribute_up_to_29_percent_of_global_greenhouse_gas_emissions_999.html

Review of Recent Scientific Articles by NIPCC
For a full list of articles see www.NIPCCreport.org
Testing Version 4 of the Community Climate System Model
http://www.nipccreport.org/articles/2012/nov/6nov2012a1.html
Meet the new model. Same as the old model. And don't get fooled again.

The Late Medieval Warm Period at Switzerland's Seebergsee
http://www.nipccreport.org/articles/2012/nov/6nov2012a3.html
[SEPP Comment: Today is not warmer than the Medieval Warm Period.]
Baltic Sea Barnacles: Preparing Themselves for the Future
http://www.nipccreport.org/articles/2012/nov/6nov2012a4.html

[SEPP Comment: Increased dissolved carbon dioxide and warming are not the twin killers as others claim. Note the inappropriate use of ocean acidification for the reduction of pH in alkaline solution.]

A Millennial-Scale Climatic Oscillation in Southern Chile
Reference: Fletcher, M.-S. and Moreno, P.I. 2012. Vegetation, climate and fire regime changes in the Andean region of southern Chile (38°S) covaried with centennial-scale climate anomalies in the tropical Pacific over the last 1500 years. *Quaternary Science Reviews* 46: 46-56. 
http://www.nipccreport.org/articles/2012/nov/7nov2012a2.html

[SEPP Comment: The IPCC claimed that the Medieval Warm Period and Little Ice Age were confined largely to Europe. Southern Chile is in southern South America not Europe.]

Three Decades of Near-Surface and Lower-Troposphere Temperature Measurements
http://www.nipccreport.org/articles/2012/nov/7nov2012a4.html

[SEPP Comment: Review of an important study frequently mentioned in links appearing in TWTW: "differences between surface and satellite data sets tend to be largest over land areas." Instrument contamination of the surface record is a likely cause of these differences.]

The Political Games Continue
What can we expect now from Obama on energy and climate?
By Lisa Hymas, Grist, Nov 7, 2012 [H/t Timothy Wise] 
http://grist.org/climate-energy/what-can-we-expect-now-from-obama-on-energy-and-climate/

Obama could put heat on drillers but stall gas exports
http://www.reuters.com/article/2012/11/07/usa-campaign-energy-idUSL1E8M5BXP20121107

Obama May Levy Carbon Tax to Cut U.S. Deficit, HSBC Says
By Mathew Carr, Bloomberg, Nov 7, 2012 [H/t Catherine French]

Obama to continue efforts to curb greenhouse gases, push energy efficiency

Subsidies and Mandates Forever
Wind’s Production Tax Credit: Time to End (new LSU study adds intellectual nails to crony coffin)
By David Dismukes, Master Resource, Nov 2, 2012
http://www.masterresource.org/2012/11/wind-ptc-lsu-study/

EPA and other Regulators on the March
EPA’s Insanely Ambitious Agenda If Obama Is Reelected
By Larry Bell, Forbes, Nov 4, 2012

New Interior proposal would block oil shale development on federal lands in West
By Zack Colman, The Hill, Nov 9, 2012
[SEPP Comment: As immediately after the election.]

Waging War on Coal
EPA haze plans designed to circumvent court rulings
BY: Bill McMorris, Free Beacon, Nov 6, 2012 [H/t Timothy Wise]
http://freebeacon.com/waging-war-on-coal/

EPA witch hunts on taxpayer dime
Aggressive second term agenda
http://www.washingtontimes.com/news/2012/nov/7/epa-witch-hunts-on-taxpayer-dime/

Energy Issues – Non-US
OPEC acknowledges shale oil supply may be significant
Shale oil will contribute to lower demand for OPEC crude
* OPEC cuts medium, long-term global oil demand estimates
* Assumes oil price will average $100 in medium term
By Alex Lawler, Reuters, Nov 8, 2012 [H/t GWPF]
http://www.reuters.com/article/2012/11/08/opec-oil-idUSL9E8GF05720121108

UK needs 330 billion pounds energy investments by 2030 – LSE
By Karolin Schaps, Reuters, Nov 8, 2012
http://uk.reuters.com/article/2012/11/08/uk-britain-lse-power-idUKBRE8A700720121108
[SEPP Comment: How to attract pension funds to invest in schemes to solve foolish carbon emission targets? LSE is the London School of Economics]

The Myth of the Resource Curse
By Kori Schake, Hoover Institution, Oct 25, 2012
http://www.hoover.org/publications/defining-ideas/article/132126

The Paradox of Energy Efficiency
Why greener technology doesn’t translate into reduced energy consumption
By Ronald Bailey, Reason, Nov, 2012  

**Australia launches energy white paper**  
By Staff Writers, Brisbane, Australia (UPI), Nov 8, 2012  
[http://www.energy-daily.com/reports/Australia_launches_energy_white_paper_999.html](http://www.energy-daily.com/reports/Australia_launches_energy_white_paper_999.html)

*Energy Issues -- US*  
**Bloviating About Grid Outages**  
By Donn Dears, Power For USA, Nov 9, 2012  

**Beware Snake Oil Salesmen**  
By Donn Dears, Power For USA, Nov 6, 2012  

[SEPP Comment: If the smart grid is desirable, why don’t the utilities pay for it?]

**Oil and Natural Gas – the Future or the Past?**  
**Federal data: US petroleum imports headed below 40 percent**  
By Ben Geman, The Hill, Nov 6, 2012  

**Hydro-Fracking: Fact vs. Fiction**  
By Staff Writers, Boulder, CO (SPX), Nov 07, 2012  
[http://www.energy-daily.com/reports/Hydro_Fracking_Fact_vs_Fiction_999.html](http://www.energy-daily.com/reports/Hydro_Fracking_Fact_vs_Fiction_999.html)

[SEPP Comment: An effort to be more precise in the terminology in order to differentiate between operations – something that regulators often ignore in order to broaden regulations.]

**Shale Gas Production in U.K. Will Take Up to 5 Years to Start**  
By Roxana Zega, Bloomberg, Nov 8, 2012 [H/t GWPF]  

**Washington’s Control of Oil and Gas**  
**Harsher energy regulations seen in Obama's second term**  
By Nichola Groom and Braden Reddall, Reuters, Nov 7, 2012  

**New Interior proposal would block oil shale development on federal lands in West**  
By Zack Colman, The Hill, Nov 9, 2012  

[SEPP Comment: The article correctly points out that the proposal does not apply to deep underground extraction of oil and gas from dense shale by horizontal drilling and hydraulic fracturing. Visitors to the area may question the illusion to its beauty.]
Return of King Coal?
Coal Boom Fires Up ‘Green’ Europe
By Sylvia Pfeiffer, Financial Times, via GWPF, Nov 6, 2012
http://www.thegwpf.org/coal-boom-fires-green-europe/

Nuclear Energy and Fears
TEPCO says Fukushima clean up, compensation may hit $125 bn
By Staff Writers, Tokyo (AFP), Nov 7, 2012
http://www.nuclearpowerdaily.com/reports/TEPCO_says_Fukushima_clean_up_compensation_may_hit_125_bn_999.html

Waste not, want not
By Martin Livermore, Scientific Alliance, Nov 9, 2012
http://www.scientific-alliance.org/scientific-alliance-newsletter/waste-not-want-not
[SEPP Comment: Burying valuable nuclear waste is a waste.]

EU to raise nuclear research spending
By Robert Stokes, WNN, Nov 1, 2012
http://www.world-nuclear-news.org/NP-EU_to_raise_nuclear_research_spending-0111124.html
Average annual funding for nuclear research is expected to grow almost 15% under the European Union's (EU’s) planned Horizon 2020 program. Fusion programs account for nine-tenths of the budget. [Boldface added]
[SEPP Comment: In a quick search, TWTW was only able to confirm that for the Euratom program about 40% was going to fusion research, a similar percentage to the Joint Research Centre and the remainder to fission research.

Alternative, Green (“Clean”) Solar and Wind
$14 Billion in Stimulus Spending Generates Just 1.2 Percent of Electricity
By Michael Sandoval, The Foundry, Nov 2, 2012 [H/t Timothy Wise]

European companies announce 10,000 job losses
Wind turbine manufacturer Vestas says 2,000 jobs will be cut with some of the losses coming from the UK
By Terry Macalister, Guardian, UK, Nov 7, 2012 [H/t GWPF]
http://www.guardian.co.uk/business/2012/nov/07/european-companies-job-losses
The green energy sector has been hit by increasing uncertainty over government subsidy levels globally while facing a drop in prices caused by new competition from low-cost countries such as China.
[SEPP Comment: That does not justify subsidizing a secondary product.]

Health, Energy, and Climate
Wind farm noise does harm sleep and health, say scientists
Wind farm noise causes “clear and significant” damage to people’s sleep and mental health, according to the first full peer-reviewed scientific study of the problem.
By Andrew Gilligan, Telegraph, UK, Nov 3, 2012
[SEPP Comment: No opinion as to the rigor of the study – but a dose-response relationship is important and something usually missing from EPA’s shoddy science.]

The Sorry State of Food-Related Public-Health Research and Journalism
Bad research. Bad reporting on bad research. What's the deal with food-related public-health research and reporting?
By Baylen Linnekin, Reason, Nov 3, 2012 [H/t ACSH]
[SEPP Comment: The poor standards of journalism are too common in many fields.]

Shoddy science journalism exposed
By Staff Writers, ASCH, Nov 5, 2012
http://www.acsh.org/shoddy-science-journalism-exposed/
[SEPP Comment: References the link immediately above.]

Environmental Industry
The coming environmental battlegrounds
Green agenda threatens economic future
By Paul Driessen, Washington Times, Nov 8, 2012

Green groups tout election results as victory for clean energy
By Zack Colman. The Hill, Nov 7, 2012
http://thehill.com/blogs/e2-wire/e2-wire/266537-green-groups-best-fossil-fuel-industry-in-down-ballot-races

Other Scientific News
Strange diet for methane consuming microorganisms
By Staff Writers, Bremen, Germany (SPX), Nov 07, 2012
http://www.spacedaily.com/reports/Strange_diet_for_methane_consuming_microorganisms_999.html

Other News that May Be of Interest
World's rarest whale seen for the first time
By Staff Writers, London, UK (SPX), Nov 08, 2012
http://www.terradaily.com/reports/Worlds_rarest_whale_seen_for_the_first_time_999.html
[SEPP Comment: How rare is it?]

Moments in Climatism –the quotes you’ve been looking for
By Jo Nova, Her Blog, Nov 10, 2012
[SEPP Comment: Listing some of the delightful quotes compiled by Steve Goreham in his two books on Climatism.]
Below the Bottom Line:

Warming temperatures cause aquatic animals to shrink the most
By Staff Writers, London, UK (SPX), Nov 09, 2012
http://www.terradaily.com/reports/Warming_temperatures_cause_aquatic_animals_to_shrink_the_most_999.html
[SEPP Comment: Tell that to the fishermen who prize largemouth bass and know the bigger bass grow in the warmer waters of the southern US as compared with cooler waters of the north.]

More Tabloid Climatology – now ‘extreme weather’ killed the Mayans
By Anthony Watts, WUWT, Nov 8, 2012
http://wattsupwiththat.com/2012/11/08/more-tabloid-climatology-now-extreme-weather-killed-the-mayans/#more-73932
[SEPP Comment: It could have not been climate change because that would mean that climate changed before human emissions of CO2. Unfortunately, climate change unrelated to CO2 emissions may have been a significant contributor to the demise of the Mayans.]

ARTICLES:

1. You Can't Fix a Hurricane With Climate Policy
Politicians avoid the hard questions of where to build and what to protect.
By Holman Jenkins, Jr, WSJ, Nov 2, 2012
http://online.wsj.com/article/SB10001424052970204712904578093281955820410.html?mod=ITP_opinion_0

Hurricane Sandy barely qualified as a Category 1 storm when it made landfall in the New York area. Irene, which landed a year earlier, had been downgraded to a tropical storm by the time it touched the city.

For comparison, the 1821 Norfolk and Long Island hurricane was a Category 3 by current metrics when it laid waste to Lower Manhattan. The 1938 New England hurricane was a Category 3 when it flooded parts of the city and battered Long Island. Hurricane Donna in 1960 was considered a strong Category 1 when it produced an 11-foot storm surge in New York harbor.

Those, like New York Gov. Andrew Cuomo, Mayor Mike Bloomberg and certain local news anchors, who insist on an apocalyptic explanation for the city's recent weather-related mishaps might want to rein in their shamanizing. The apparent increase in the storms' destructiveness is not due to climate change but to the simple fact of more people and stuff in the paths of not especially unprecedented bouts of severe weather.

"It's not prudent to sit here and say it's not going to happen again," intoned Mr. Cuomo this week. "I believe it is going to happen again."

Duh. Seventy-five hurricanes have hit or passed near New York since 1800. The governor hardly needs his Nostradamus hat to predict more.

When the high tide of political enthusiasm for climate action began to recede around the time of Al Gore's Nobel, it receded for good reason, and not because of Republican intransigence, or any
"climategate" email scandal, or even because of the inconvenient absence of warming from the temperature record after 1998.

The moment passed because even a political system as prodigal as ours could not bridge the chasm between costs and benefits. Even many Democrats were stopped in their tracks by the question: How much should we spend on climate change in order to have no effect on climate change? By the identical token, whatever the truth of man's role in global warming, whatever the merits of regulating CO2, making climate policy the answer to hurricanes can't be anything but a fraud on the public. Doing so, literally, is like proposing to spend trillions to reduce by an inch or two an 11-foot storm surge that might occur sometime in the next century.

James Hansen, the NASA alarmist, inadvertently illustrates the problem of scale confronting anybody who wants to change the Earth's climate by regulating CO2. He recently claimed it would be "game over" for Earth's climate if Canada were allowed to develop its oil sands.

Canada, never mind its energy industry, accounts for just 1.7% of global CO2 output. You could ban Canada and the effect would be outweighed by a single year's Chinese growth. And that's the real problem for climate warriors: Nothing as dinky as Canada's oil sands, a target we could actually get our hands around, would make the slightest difference.

Meanwhile, wasn't the subject hurricanes?

Way back in 1968—when, by the way, scientists were worried about global cooling—Congress was already at wit's end over the recurrent bailouts demanded by flood-prone communities. As the Congressional Research Service explains, the solution was a national flood-insurance program that "would greatly reduce the reliance on federal disaster relief assistance. Property and business owners would in effect pre-fund their own flood-related property losses."

It didn't turn out that way. Flood insurance was sold at subsidized prices, and disaster aid continued to flow anyway, so the end result was even greater incentive to build and rebuild on exposed flood plains.

Congress has been trying to untangle its cross-purposes ever since. With its latest efforts, owners of "repetitive loss properties" are encouraged to invest in flood-proofing or move. Just this summer Washington began rolling back long-standing subsidies for grandfathered sites.

Never mind the silliness on display in New York this week, with Mayor Bloomberg, like a man bursting with newfound resolve, endorsing President Obama because his climate mojo will somehow save the city from future floods. The post-Sandy political action will not be focused on climate politics, and Mr. Bloomberg knows it. Not only is the flood insurance program broke; it has blown through $18 billion of its $21 billion in borrowing authority to pay post-Katrina claims, meaning the legislature will have to act in order to provide money for Sandy-related claims.

Will Congress throw its hard-won insurance reforms to the winds? Will it engage in another disaster-aid blowout of the type that in the past has always guaranteed that the next storm will be more destructive than the last? History is not encouraging. Bob Sheets, then-head of the National Hurricane Center, told the media after 1979's Hurricane Frederic: "It was like an urban renewal
program out there. And that kind of thing takes place almost any place you've had a big hurricane strike."

Messrs. Bloomberg and Cuomo understandably want to shake off any blame for the disruption caused by the kind of storm that has regularly disrupted the city for two centuries. Not happy are the questions raised by Sandy, and by every hurricane: Where should we build? How should we protect what we build? Those are especially hard questions when the logical answer (as in many shore communities) is the politically toxic one of asking people not to rebuild what was just knocked down unless they're prepared to forgo taxpayer assistance next time it gets knocked down.

No wonder politicians prefer to engage in magical talk about climate change as they wait for the federal checks to roll in.

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2. After Sandy, No One Lined Up for Wind Turbines
The greens want to go 'beyond oil,' but without it we'd freeze in the dark.
By Robert Bryce, WSJ, Nov 7, 2012
http://online.wsj.com/article/SB10001424052970204349404578099360759535602.html?mod=WSJ_Opinion_LEFTTopOpinion

Last year, New York Mayor Michael Bloomberg pledged $50 million to the Sierra Club for its "beyond coal" campaign. But the mayor hasn't—and won't—be directing any cash to the club's parallel "beyond oil" campaign.

That is because oil—and, more specifically, diesel fuel and gasoline—are proving to be the most important commodities in the wake of the huge storm that recently pummeled the East Coast.

In the wake of Hurricane Sandy, all of the critical pieces of equipment were burning gasoline or diesel fuel: the pumps removing water from flooded basements and subway tunnels, the generators providing electricity to hospitals and businesses, and the cars, trucks and aircraft providing mobility.

The Sierra Club and its allies on the green left will doubtless continue their decades-long war on the oil and gas industry, but the Sandy disaster-response efforts are showing again that there is no substitute for oil. One of the first things that New Jersey Gov. Chris Christie requested from the federal government after the storm was quick delivery of motor-fuel supplies. The Department of Defense responded with 250,000 gallons of gasoline and 500,000 gallons of diesel.

Petroleum is essential to modern society not because of some conspiracy cooked up by Exxon Mobil -0.94% and its brethren. Instead, it is due to simple physics and basic math.

If oil didn't exist, we would have to invent it. No other substance comes close when it comes to energy density (the amount of energy contained in a given unit of volume or mass), ease of handling or flexibility. A single kilogram of diesel fuel contains about 13,000 watt-hours of energy. That is about twice the energy density of coal, six times that of wood, and about 300 times that of lead-acid batteries. (And those batteries are useful only if they have been charged by some other energy source.)
Combine diesel fuel’s miraculous energy density with the power density and durability of a modern diesel engine—which can run for weeks at a time with little or no maintenance—and the size, speed, and cost advantages become apparent.

The Sierra Club, Greenpeace and other groups claim that we can run our economies solely on renewable-energy sources such as wind. But if you are trying to pump water out of your rapidly molding basement, would you prefer a wind turbine that operates at full power about one-third of the time, or a greasy, diesel-fueled V-8?

Let’s consider what a wind-powered hospital in New York might look like. NYU’s Langone Medical Center lost power shortly after Sandy hit. The hospital had diesel-fired emergency generators, but basement flooding caused them to fail. That required the evacuation of hundreds of patients.

Assume the hospital needs one megawatt of emergency electricity-generation capacity. Lives are at stake. It needs power immediately. That capability could easily be provided by a single, trailer-mounted diesel generator, which would occupy a small corner of the hospital's garage (and be safely removed from any flooding threat). By contrast, providing that much wind-generation capacity would require about 5.6 million square feet of land—an area of nearly 100 football fields. And all of that assumes that the land is available, the wind is blowing, and there are enough transmission lines to carry those wind-generated electrons from the countryside into Lower Manhattan.

This year, some 222 million engines will be manufactured around the world, according to Dennis Huibregtse of Power Systems Research. Those engines will power everything from hedge trimmers to supertankers, water pumps to generators. Every one of them will run on refined oil products.

Sandy left millions of East Coast residents in the cold and dark. If any of them have been demanding "green" energy, I haven't heard about it. In the storm's aftermath, the most hopeful sound of recovery is the joyous racket that comes from an internal-combustion engine burning fossil fuels.

Mr. Bryce, a senior fellow at the Manhattan Institute, is the author, most recently, of "Power Hungry: The Myths of ‘Green’ Energy and the Real Fuels of the Future" (PublicAffairs, 2010).

3. The Coming Oil Glut
The real forces shaping the market point to a significant downturn of oil prices.
By Leonardo Maugeri, WSJ, Nov 6, 2012
[SEPP Comment: A view contrary to the conventional wisdom.]

The price of oil continues to be set by fear, not by supply and demand. World-wide oil production is growing quickly. By the end of the year, it will probably surpass 92 million barrels per day, with additional spare capacity of more than 3.5 million barrels. Thanks to the shale oil revolution,
U.S. crude production could exceed 6.5 million barrels per day by the end of the year: around one million more barrels than the U.S. Energy Information Administration predicted in January.

Meanwhile, oil demand is growing sluggishly, a consequence of the troubled global economic situation. China's slowdown, the unsolved problems of the euro zone and energy-efficiency legislation in the U.S., Europe and some Asian countries will probably prevent demand this year from exceeding 89 million barrels per day.

At the same time, the exploration and production spending spree of the oil and gas industry continues, and in 2012, it will set a new record: more than $600 billion. High oil prices and the need of most companies to replace their reserves are the major factors driving this unprecedented investment, which will have particularly strong consequences on new production in the next few years.

Once again, Saudi Arabia has shown its huge potential by increasing and decreasing its own oil supply to meet market needs and political ends. Contrary to the expectations of most analysts, the Kingdom has the power to make up even bigger reductions in Iranian oil exports.

Yet most observers and expert continue to point to dire scenarios shaped by fear. By far the most important source of fear is the unfolding Iranian situation and the dire prospect of some kind of military escalation in the Persian Gulf, along with recurring violence in several Arab countries, which threatens the stability of the entire Middle East.

Another factor that tends to put a floor under current oil prices is a distorted perception of the current and future availability of oil. Perhaps fearing that we will soon reach "peak oil," most analysts seem convinced that oil will remain in tight supply in the future, and that new supplies will be too expensive to allow for a decline of oil prices.

To make matters worse, articles and comments about any oil issue often tend to be negative, betraying a mind-set trapped by Murphy's Law—if something may go wrong, surely it will go wrong. This mind-set exaggerates and thus misrepresents reality. Thus, we see countless analyses about future Saudi oil exports drying up, the probable implosion of the Libyan oil sector, the impossibility of Iraq achieving its ambitious oil targets, the impending decline of Russian oil output and so on. The same is true for the U.S. shale oil boom, which several observers continue to label a "temporary bubble"—as they did for shale gas years before.

With these negative blinders on, no one anticipated the very fast recovery of Libyan oil production, the limited impact of falling Iranian oil exports, the astonishing growth of U.S. shale and tight oil production, or the new records of Russian and Iraqi oil production. In other words, while most focused on the problems and presented only the negative possibilities, only a few looked at the reality.

Even fewer observers ask why global oil production continues to grow while pundits tell us that there is no room for such growth, because of the rapid depletion of oil resources. Nor do they ask how all this is possible even as Iranian exports decline?
In this context, short of a real crisis—open war in the Persian Gulf, for instance, or simultaneous disruption of oil supplies from several producing countries—the real forces shaping the oil market point to a significant downturn of oil prices. Yet market psychology may not recognize these forces and may continue to act as if oil prices are apodictically bound to increase. This could support oil prices into the future.

Clearly, the foundations of this psychologically based price support are questionable, which leaves the oil market prey to volatility and masks the risk of an oil price downturn hiding silently around the corner.

Mr. Maugeri is a Roi Family fellow at the Harvard Kennedy School. He previously served as a top executive at the Italian energy company Eni.

4. Mining Canada's Oil Sands: Suddenly, Not a Sure Thing
By Chip Cummins, WSJ, Nov 2, 2012
http://online.wsj.com/article/SB100014240529702040004578080733669452700.html?mod=WSJ_Energy_leftHeadlines

FORT MCMURRAY, Alberta—Amid rising costs, gyrating prices and a burst of supply competition down south, Canadian oil companies are rethinking investment in one of North America's earliest and fastest-growing "unconventional" oil frontiers—Alberta's oil sands.

On Thursday, executives at Suncor Energy Inc., SU.T +0.44% Canada's largest oil sands producer by output, said they were reviewing three multibillion-dollar mining and upgrading projects that it and its partners have been considering, and that they would delay a final decision about going ahead with any of them. The move will help Suncor slash capital spending this year by 11%, the company said.

Enlarge Image

The slowdown so far is limited, affecting only the industry's most expensive segment, which mines and upgrades bitumen into a low-sulphur, synthetic crude. Still, it underscores the extent to which today's booming North American energy-production growth remains at the mercy of market forces, which often reward higher output with lower prices. That dynamic can sap fresh investment incentives, especially in the case of the capital-intensive energy industry.

North American natural-gas producers brought on a glut of gas using new drilling and extraction technology to tap hard-to-reach reserves more easily. That has sent prices crashing, forcing some big producers to shut down some of their output and focus investment away from finding gas reserves and toward oil exploration.

More recently, big energy companies have scrambled to propose liquefied-natural-gas export terminals to ship some of that cheap gas to Asia, where prices are still high. Amid all the new plans, however, some executives and analysts now say price expectations among possible buyers have fallen, threatening the economics of some of the multibillion-dollar projects.
The new caution concerning oil sands in Canada comes amid sharply rising costs for everything from labor to construction material and contracting. These days, even the most cost-efficient oil sands producers need U.S. benchmark prices of at least $50 a barrel to justify investment in new projects, executives and analysts figure. Many of those projects—with newer technology using steam to coax bitumen to the surface—are going ahead or forecast to grow quickly.

But for operators who mine bitumen and produce synthetic crude from it, the break-even threshold can exceed $100 a barrel. U.S. crude is currently trading well under $90 a barrel.

"The economics are challenging today," said James Burkhard, head of oil-market research for oil consultancy IHS Cera.

Meanwhile, prices for synthetic crude have been buffeted by a flood of new production in the middle of the continent, especially in North Dakota. Producers there are using the same sort of drilling technology that gas producers have used to unlock fresh supplies of oil. The crude is similar in grade to Canada's synthetic oil, putting the two blends in competition with each other to find refinery buyers. At the same time, limited pipeline capacity has bottled up Canadian supplies, exacerbating price swings and threatening lower prices to come.

This is putting some big expansion plans up north on the back burner. On Thursday, Suncor Chief Executive Steven Williams told investors the company is reviewing three mining-related projects it has proposed with Total FP.FR +0.45% SA. Two of those projects—the Joslyn and Fort Hills mining projects—still seem economically viable at some point, Mr. Williams said. But a third—an upgrader—now looks "challenged" because of the new oil production in the U.S., he said.

"There is an increased volume of, effectively, light sweet crude…and so it squeezes the margin on an upgrader," he said on a conference call. Total executives declined to comment.

Earlier this year, Syncrude Canada Ltd., a joint venture between several oil companies, officially delayed plans to significantly expand its giant mining and upgrading complex north of Fort McMurray. A spokeswoman for Canadian Oil Sands Ltd., COS.T +0.52% Syncrude's largest owner by stake, said the expansion plans were always "early stage" and not yet "fully engineered."

Fort McMurray, the heart of the Canadian oil sands industry, has enjoyed years of frenzied growth interrupted only briefly by the global recession. At that time, many companies shelved big projects after crude prices plunged, but prices quickly rebounded.

Oil companies are expected to spend $25 billion in capital outlays this year, up from $15 billion in 2009, according to Wood Mackenzie analyst Mark Oberstoetter. By 2020, oil sands output should more than double from 2011’s 1.6 million barrels a day, according to the Canadian Association of Petroleum Producers. About half of that production now comes from the more expensive mining operations.

The boom has sent companies scrambling for qualified labor and raw materials to build, run and expand remote mining and manufacturing facilities. At Syncrude's Mildred Lake mine, about 18
miles north of Fort McMurray, a fleet of one of the world's largest trucks—the Caterpillar Inc. CAT +1.51% 797—rumbles across an excavated mine pit some five miles wide.

The 400-ton capacity trucks carry loads of excavated bitumen, mixed with quartz sand, to processing facilities that use hot water to separate out the bitumen. It's then treated and upgraded into a blend of low-sulphur oil prized by many U.S. refineries.

Pay for engineers and technicians who work in the industry and related fields has been rising quickly. The average senior geoscientist here saw his base salary rise 14.5%, to as much as $231,000, this year from last, according to the Association of Professional Engineers and Geoscientists of Alberta.

Starting pay for 797 truck drivers ranges between $36 and $39 an hour, with some drivers able to make as much as $170,000 a year with overtime, according to estimates by Keyano College, a local trade school that trains drivers.

In addition to paying higher salaries, companies compete fiercely to lure and keep employees in Fort McMurray, a sprawling town surrounded by new residential communities, where the cost of living has soared. The average single-family home here hit 758,500 Canadian dollars ($766,000) in July, according to municipal figures.

Many oil companies help employees with mortgages and offer "northern allowances" to cope with the high costs and remote location. Firms have also built in amenities—including hockey rinks, baseball diamonds, gyms and full-service cafeterias—at barracks-style workers' "camps" outside town, closer to the oil operations scattered across the surrounding boreal forests.

But as costs ratchet up, prices for synthetic crudes have recently gyrated wildly because of pipeline bottlenecks and rising production of similar grades of crude, especially in North Dakota's Bakken oil fields.

In 2011, Canadian Oil Sands, the Syncrude owner, got an average annual premium for its synthetic crude of some $7 a barrel over the U.S. benchmark, says Ryan Kubik, the company's chief financial officer. This year, monthly prices have fluctuated from a $15 discount to a $15 premium, he said.

"With that incremental light oil production coming on" from Bakken producers, he says, "pipeline space coming from Canada into the U.S.…has become much more tight."

More pipeline capacity is on the drawing board, including TransCanada Corp.'s TRP.T +0.51% Keystone XL expansion. That project was rejected by the Obama administration this year, but it's expected to be reviewed by the White House next year, regardless of who wins the election.

Until those new outlets get built, Canadian crude prices will "come under extreme downward pressure" next year and in 2014, with synthetic crude prices expected to drop to their lowest levels in years, according to a market analysis this year by consultancy Bentek Energy LLP. "This could cause a slowdown in oil sands development," the report warned.