

The Week That Was: 2012-03-31 (March 31, 2012)
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The Science and Environmental Policy Project

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Quote of the Week:

EPA is proposing to take common-sense steps under the Clean Air Act to limit carbon pollution from new power plants. ... Power plants are the largest individual sources of carbon pollution in the United States and currently there are no uniform national limits on the amount of carbon pollution that future power plants will be able to emit. Consistent with the US Supreme Court's decision, in 2009, EPA determined that greenhouse gas pollution threatens Americans' health and welfare by leading to long lasting changes in our climate that can have a range of negative effects on human health and the environment. [EPA Press Release]

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Number of the Week: 1000 pounds per megawatt hour

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THIS WEEK:

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

Skinning the Cat: When the cap-and-trade bill on carbon dioxide (CO₂) emissions failed in the US Senate, President Obama famously announced that there is more than one way to skin the cat. Through the EPA, the administration is skinning the cat – live. The EPA has proposed limits on carbon dioxide emissions from fossil fuel power plants to 1,000 pounds of CO₂ per megawatt hour to take effect in 12 months. Effectively, the proposed rule prevents the future construction any coal fired power plants larger than 25 megawatts unless the plant incorporates carbon capture and storage, an unproven technology with unknown costs.

The EPA announcement speaks of carbon pollution, as if diamonds are a pollutant; or humans who contain large amounts of carbon and produce carbon dioxide are, in themselves, a pollutant.

According to the latest statistics from the Energy Information Administration, in 2011 coal produced 42 percent of the electricity generated in the US and natural gas was second with 25 percent. This represents a dramatic shift since 2005 when coal generated almost 50% and natural gas was third with 19%, just behind nuclear. This shift reflects the availability and the low price of natural gas as well as the efforts of the environmental industry to stop the construction of new coal fired plants by citing unsubstantiated public health claims as well as global warming.

Accordingly to the Wall Street Journal, on March 22 the contract futures price for natural gas in the US was \$2.27 per million BTUs. For Western Europe, the Mideast, west India, Australia the price was between \$10 and \$15 per million BTUs. For Japan and Korea the price was above \$15 per million BTUs. There is no reason to assume that the price in the US will remain so extraordinarily low. In July 2008, the price in the US hit \$13 per million BTUs and some were questioning if natural gas fired power plants were economically feasible.

The current low prices in the US, was brought on by a number of circumstances the most important was the development of deep underground hydraulic fracturing (fracking) of dense shale to produce natural gas, combined with horizontal drilling of the shale seams. The newly discovered techniques have produced an economic boon, not expected by Washington's economic planners. This was coupled with a very mild winter, and now the natural gas storage facilities are approaching maximum capacity.

Many defenders of the EPA's action state that the low price of natural gas justifies EPA's action of preventing a coal fired power plant being built in the future. However, there are no assurances that natural

gas prices will remain low. For over a year, the low gas prices have been forcing energy companies to drill for oil or other liquids rather than natural gas. In addition, increased consumption by industry and, possibly, transportation vehicles result in rising prices. Also, the production life of the expensive wells is not yet established. Further, there is no reason to assume that the EPA will not arbitrarily announce new rules on hydraulic fracturing that will significantly drive up the cost of natural gas.

EPA's finding that carbon dioxide endangers public health and welfare is still being litigated. Among the issues are: 1) science does not support the finding; 2) EPA failed to make an independent analysis of the science; and 3) EPA failed to consult its Science Advisory Board. In a separate review, the Inspector General of the EPA concluded the EPA failed to meet the last two criteria and did not address the first.

No doubt, the new proposed rule will be litigated. However, it demonstrates how potentially destructive the 2007 Supreme Court decision that CO₂ is a pollutant that can be regulated by the EPA can become when such power is given to an aggressive, controlling agency. Please see Article # 6 and links under "EPA and other Regulators on the March."

Australian Elections: Last weekend the states of Queensland and Victoria held elections that went against the party of Prime Minister Julia Gillard, who broke her campaign promise that she would not institute a tax on carbon dioxide emissions. Perhaps this is a warning to politicians who take their campaign promises lightly, and seek to control energy producing industries. Please see links under "Subsidies and Mandates Forever."

Senate Vote on Tax Subsidies: In a symbolic gesture, the Senate failed to pass a bill, strongly supported by the President, to strip oil and gas companies of any tax subsidies they may receive. Washington is obsessed with the idea the increasing costs to oil and gas companies will reduce the price of gasoline. As reported last week, the Congressional Budget Office estimates these subsidies amount to about \$2.5 Billion per year. A major one is the depletion allowance which exists for all extraction industries. Companies, such as Mitchell Energy, which developed the innovative techniques of extracting oil and natural gas from dense shale no doubt, take advantage of this allowance; but, contrary to political claims, it is not available to major integrated oil companies such as Exxon-Mobil. Please see links under "The Political Games Continue."

Corrections and Amplifications: The link to the article in *Oceanus* describing a newly discovered current in the Ocean Conveyor in the North Atlantic became distorted. It is:

<http://www.whoi.edu/oceanus/viewArticle.do?id=132749§ionid=1021>

Professor Cliff Ollier of the University of Western Australia gave two references to the existence of the Medieval Warm Period and the Little Ice Age in the Pacific. Nunn, P.D. 2007. **Climate, Environment and Society in the Pacific during the Last Millennium**. Elsevier, Amsterdam. *This includes a specific chapter* and Nunn, P.ED. 2007. The AD 1300 event in the Pacific Basin. *The Geographical Review*, 97, 1-23

The article, Solar Activity and Svalbard Temperatures, was linked in the December 17, 2011 TWTW not a February 2012 TWTW as previously stated. Svalbard is between about 74 to 81 deg North Latitude, well within the Arctic Circle. <http://arxiv.org/abs/1112.3256>

April Fools Award: Many nations have an informal holiday falling on, or about, April 1, which in some nations is called April Fools' Day. The holiday is marked by pranks and tricks played upon others. Some of these tricks may be in merriment, others may be quite serious.

In recognizing that day, Science and Environmental Policy Project (SEPP) plans give an Annual April Fools' Award to the government official or political leader, who, in the determination of a special SEPP panel is the most deserving. The criteria are as follows:

- The official has advanced, or proposes to advance, significant expansion of governmental power, regulation, or control over the public or significant sections of the general economy.
- The official does so by declaring such measures are necessary to protect public health, welfare, or the environment.
- The official declared that physical science supports such measures.
- The physical science supporting the measures is flimsy at best, and possibly non-existent.

All readers of TWTW are invited to nominate a government official in their country as possible recipients of the award, provided that country is generally recognized as having a democratic system of government with protection of individual freedom of speech. Please send the nomination to Ken@sepp.org with a one to two sentence explanation why that official is most deserving. The winning nominee will be announced in TWTW at the end of April.

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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. The Gas Price Kerfuffle: Obama's Achilles Heel?

By S. Fred Singer, American Thinker, Mar 28, 2012

http://www.americanthinker.com/2012/03/the_gas_price_kerfuffle_obamas_achilles_heel.html

2 Global Warming Models Are Wrong Again

The observed response of the climate to more CO2 is not in good agreement with predictions.

By William Happer, WSJ, Mar 26, 2012

http://online.wsj.com/article/SB10001424052702304636404577291352882984274.html?mod=WSJ_Opinion_LEADTop

3. The Anti-Energy President

He really meant it when he said prices would "skyrocket."

By Pete Du Pont, WSJ, Mar 29, 2012

http://online.wsj.com/article/SB10001424052702303816504577309660763228238.html?mod=WSJ_Opinion_BelowLEFTSecond

4. Perry Beats Obama

A federal court slams the EPA's clean-air war on Texas.

Editorial, WSJ, Mar 29, 2012

http://online.wsj.com/article/SB10001424052702303404704577311782025040926.html?mod=WSJ_Opinion_AboveLEFTTop

5. Planned Pipelines to Rival Keystone XL

By Tom Fowler, WSJ, Mar 26, 2012

http://online.wsj.com/article/SB10001424052702304177104577305980790538586.html?mod=WSJ_hp_LEFTTopStories

[SEPP Comment: Forget the Administration and Nebraska]

6. Steel Finds Sweet Spot in the Shale

Natural-Gas Boom Begets Low Prices for Fuel, Strong Demand for Piping—a Double Boon for Mills
By John Miller, WSJ, Mar 26, 2012

http://online.wsj.com/article/SB10001424052702304177104577305611784871178.html?mod=WSJ_hp_LEFTTopStories

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NEWS YOU CAN USE:

Suppressing Scientific Inquiry

Funding Agency Bias – A Short Summary

By Roger Pielke Sr, Climate Science, Mar 27, 2012

<http://pielkeclimatesci.wordpress.com/2012/03/27/funding-agency-bias-a-short-example/>

Challenging the Orthodoxy

McKittrick & Michaels Were Right: More Evidence of Spurious Warming in the IPCC Surface Temperature Dataset

By Roy Spencer, His Blog, Mar 30, 2012

<http://www.drroyspencer.com/2012/03/mckittrick-michaels-were-right-more-evidence-of-spurious-warming-in-the-ipcc-surface-temperature-dataset/>

[SEPP Comment: Spencer also brings up his frustration with getting significant articles published in scientific journals.]

CSIRO alarmism more dangerous than CO2

By Cliff Ollier, ICECAP, Mar 28, 2012

http://icecap.us/index.php/go/joes-blog/csiro_alarmism_more_dangerous_than_co2/

[SEPP Comment: Views from a distinguished scientist who boldly stated that IPCC projections of Himalayan ice melt were not substantiated by the empirical evidence.]

Defending the Orthodoxy

Rising concern on climate change

Editorial, Washington Post, Mar 24, 2012 [H/t David Manuta]

http://www.washingtonpost.com/opinions/rising-concern-on-climate-change/2012/03/20/gIQAC73UYS_story.html?wpisrc=emailtoafriend

[SEPP Comment: The US must lead the world in economic destruction?]

Questioning the Orthodoxy

Climate Obstinate Refuses to Cooperate with Global Warming Alarmists

By Larry Bell, Forbes, Mar 27, 2012

<http://www.forbes.com/sites/larrybell/2012/03/27/climate-obstinate-refuses-to-cooperate-with-global-warming-alarmists/>

Amazing Disconnect From The Scientific Process

By Roger Pielke Sr, Climate Science, Mar 28, 2012

<http://pielkeclimatesci.wordpress.com/2012/03/28/amazing-disconnect-from-the-scientific-process/>

[SEPP Comment: Pielke cites a convoluted statement in a paper, inviting anyone to defend it. “A global climate model that does not simulate current climate accurately does not necessarily imply that it cannot produce accurate projections.”]

IPCC, CRU Climate Science Product of Public Relations and Peer Review

By Tim Ball, Different Perspective, Mar 30, 2012

<http://drtimball.com/2012/ipcc-cru-climate-science-product-of-public-relations-and-peer-review/>

“Earth Hour’s” global Propaganda Campaign

By Alan Caruba, Warning Signs, Mar 29, 2012

<http://factsnotfantasy.blogspot.com/>

Questioning European Green

Britain faces power shortfall that could affect 5m homes after German energy giants pull plug on £10bn nuclear deal

By Peter Campbell, Daily Mail, Mar 29, 2012

<http://www.dailymail.co.uk/money/news/article-2122355/CITY-FOCUS-Britains-energy-gap-needs-plugging.html>

Dash For Gas Would End Recession Almost At A Stroke

By Alan Jones, 3000 Quads, Mar 30, 2012

<http://thegwpf.org/opinion-pros-a-cons/5337-alan-jones-dash-for-gas-would-end-recession-almost-at-a-stroke.html>

[SEPP Comment: Perhaps overly optimistic, but gives a brief overview of the history of coal gas and methane in Britain.]

Green debate in Europe has reached 'deadlock'

It is almost inevitable that we will see the evolution of a more pragmatic and less zealous approach to tackling climate change and energy policies - claims think-tank

By Benny Peiser, Public Service Europe, Mar 28, 2012 [H/t GWPF]

<http://www.publicserviceeurope.com/article/1723/green-debate-in-europe-has-reached-deadlock>

Questioning Green Elsewhere

Greening science

By Garth Paltridge, Quadrant, Mar 29, 2012

<http://www.quadrant.org.au/blogs/doomed-planet/2012/03/greening-science>

Expanding the Orthodoxy

The Royal Society’s Blatherfest

By Donna Laframboise, NFC, Mar 24, 2012

<http://nofrackingconsensus.com/2012/03/24/the-royal-societys-blatherfest/>

Obama Requests \$770 Million to Fight Global Warming Overseas

By Matt Cover, CNSNews, Mar 26, 2012 [H/t Timothy Wise]

<http://cnsnews.com/news/article/obama-requests-770-million-fight-global-warming-overseas>

Climate Fund Seeks UN-Style Diplomatic Immunity

By Staff Writers, Fox News, Mar 22, 2012 [H/t Catherine French]

http://www.myfoxphoenix.com/dpps/news/climate-fund-seeks-un-style-diplomatic-immunity-dpgonc-km-20120322_18755189

[SEPP Comment: Why should those who hope to distribute \$100 Billion from developed countries to others be held accountable for their actions? They demand to be more protected than Wall Street firms selling sub-prime securities.]

Problems within the Orthodoxy

Official IPCC Words: We Do Not Know If The Climate Is Becoming More Extreme

By Maurizio Morabito, Omnologos, Mar 28, 2012

<http://omnologos.com/official-ipcc-words-we-do-not-know-if-the-climate-is-becoming-more-extreme/>

After Durban it's back to the trenches

By Sonja van Renssen, European Energy Review, Mar 26, 2012

http://www.europeanenergyreview.eu/site/pagina.php?id_mailing=261&toegang=b1a59b315fc9a3002ce38bbe070ec3f5&id=3603

Rio +20 – More Demands

Where Freedom and Energy Intersect

By Donn Dears, Power for USA, Mar 30, 2012

<http://dddusmma.wordpress.com/2012/03/30/where-freedom-and-energy-intersect/>

2C warming target 'out of reach' - ex UN climate chief

By Staff Writers, London (AFP), March 27, 2012

http://www.terradaily.com/reports/2C_warming_target_out_of_reach_ex_UN_climate_chief_999.html

[SEPP Comment: Governments can stop global temperature change! More reason why the US to pull out of the UNFCCC, or, at least, stop financing it.]

Upcoming United Nations Summit Repackages Global Warming Agenda Under the Guise of “Sustainability”

By Kevin Mooney, Net Right Daily, Mar 22, 2012

<http://netrightdaily.com/2012/03/upcoming-united-nations-summit-repackages-global-warming-agenda-under-the-guise-of-sustainability/>

Shadow of 'Anthropocene' falls over Rio Summit

By Staff Writers, London (AFP), March 26, 2012

http://www.terradaily.com/reports/Shadow_of_Anthropocene_falls_over_Rio_Summit_999.html

"We've invented a new geological era: the Anthropocene," he said referring to an epoch shaped by Man, not nature.

Cities on front line of climate change

By Staff Writers, London (AFP), March 27, 2012

http://www.terradaily.com/reports/Cities_on_front_line_of_climate_change_999.html

Cultural inertia is slowing effective action to address climate-change

By Staff Writers, London OR (SPX), Mar 29, 2012

http://www.terradaily.com/reports/Cultural_inertia_is_slowing_effective_action_to_address_climate_change_999.html

Seeking a Common Ground

A science-policy research agenda

By Judith Curry, Climate, Etc, Mar 26, 2012

<http://judithcurry.com/2012/03/26/a-science-policy-research-agenda/#more-7855>

[SEPP Comment: Addressing a much needed issue for discussion. Those scientists, who exaggerate certainty, in order to be effective, may be damaging the credibility of others.]

U.S. weather prediction: falling behind

By Judith Curry, Climate Etc, Mar 30, 2012

<http://judithcurry.com/2012/03/30/u-s-weather-prediction-falling-behind/#more-7896>

[SEPP Comment: A rather long post describing what is wrong with the US weather prediction.]

JC's recommendation: Get NOAA out of the climate modeling business, and put DOE in charge of GFDL and their climate modeling activities. The U.S. needs to get serious about weather and seasonal

climate forecasting. The problems at NOAA/NCEP are so overwhelming I don't even know where to start. In the mean time, I will keep purchasing the ECMWF weather forecast data.

Manufacturing and Industrial R&D

By Roger Pielke, Jr, His Blog, Mar 25, 2012

<http://rogerpielkejr.blogspot.com/2012/03/manufacturing-and-industrial-r.html>

[SEPP Comment: The claims that private industry is reducing support of research and development is not supported by the evidence.]

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

State of the planet

By Staff Writers, Stockholm, Sweden (SPX), Mar 28, 2012

http://www.terraviva.com/reports/State_of_the_planet_999.html

IPCC now too moderate for professional scaremongers

By Andrew Bolt, Herald Sun, AU, Mar 31, 2012 [H/t WUWT]

http://blogs.news.com.au/heraldsun/andrewbolt/index.php/heraldsun/comments/ipcc_now_too_moderate_for_professional_scaremongers/

[SEPP Comment: The science has long been irrelevant to the scaremongers.]

Communicating Better to the Public – Make things up.

Global Warming Close to Becoming Irreversible

The world is close to reaching tipping points that will make it irreversibly hotter, making this decade critical in efforts to contain global warming, scientists warned on Monday.

By Nina Chestney, Scientific American, Mar 26, 2012

<http://www.scientificamerican.com/article.cfm?id=global-warming-close-to-becoming-ir>

Link builds between weather extremes and warming

By Nina Chestney, Reuters, Mar 25, 2012

<http://www.reuters.com/article/2012/03/25/us-weather-climate-change-idUSBRE8200EA20120325>

US wind generation increases by 27 percent

By Staff Writers, Washington (IANS), Mar 13, 2012

http://www.winddaily.com/reports/US_wind_generation_increases_by_27_percent_999.html

In its Annual Energy outlook 2012, the agency estimates that increased generation from renewable energy resources in the power sector will account for 33 percent of total electricity generation between 2010 and 2035.

[SEPP Comment: No such statement appears in the preliminary annual report. Full report has not been released.]

Simultaneous action needed to break cultural inertia in climate-change response

Press Release, University of Oregon, Mar 26, 2012

<http://uonews.uoregon.edu/archive/news-release/2012/3/simultaneous-action-needed-break-cultural-inertia-climate-change-respons>

Models v. Observations

Multi-Decadal Climate Model Testing Requirements – A Summary

By Roger Pielke, Sr, Climate Science, Mar 30, 2012

<http://pielkeclimatesci.wordpress.com/2012/03/30/multi-decadal-climate-model-testing-requirements-a-summary/>

[SEPP Comment: Sensible prerequisites before climate models are used for additional research.]

Changing Weather

RSS global and US temperatures have some surprises

By Joseph D'Aleo, Weatherbell, Mar 30, 2012

http://icecap.us/index.php/go/joes-blog/rss_global_and_us_temperatures_have_some_surprises/

Another blow to warmist hysteria over weather is not climate unless we say it is: “2011 damage is qualitatively indistinguishable from 1974”

By Anthony Watts, WUWT, Mar 28, 2012

<http://wattsupwiththat.com/2012/03/28/another-blow-to-warmist-hysteria-over-weather-is-not-climate-unless-we-say-it-is-2011-damage-is-qualitatively-indistinguishable-from-1974/#more-60292>

Weather is climate, or loaded dice, or something

By Anthony Watts, WUWT, Mar 25, 2012

<http://wattsupwiththat.com/2012/03/25/weather-is-climate-or-loaded-dice-or-something/#more-60148>

[SEPP Comment: Refuting the latest alarmism from the Potsdam Institute for Climate Impact Research (PIK)]

Weather Runs Hot and Cold, So Scientists Look to the Ice

By Justin Gillis and Joanna Foster, NYT, Mar 28, 2012

http://www.nytimes.com/2012/03/29/science/earth/arctic-sea-ice-eyed-for-clues-to-weather-extremes.html?_r=1&nl=todaysheadlines&emc=edit_th_20120329

[SEPP Comment: Global warming has changed to regional warming. Carbon dioxide emissions do not explain regional warming.]

Changing Climate

Cherry Pie or Baloney sandwich?

By Joe Bastardi, ICECAP, Mar 25, 2012

http://icecap.us/index.php/go/new-and-cool/cherry_pie_or_baloney_sandwich/

[SEPP Comment: Producing data falsifying a hypothesis is not cherry picking.]

Medieval Warming Period Cools Climate Change Alarmism

Editorial, IBD, Mar 27, 2012

<http://news.investors.com/article/605815/201203271858/medieval-warming-period-is-no-myth.htm>

Changing Seas

In ice-ages, CO2 hides in the oceans (yes we knew that)

By Jo Nova, Her Blog, Mar 30, 2012

<http://joannenova.com.au/2012/03/in-ice-ages-co2-hides-in-the-oceans-yes-we-knew-that/#more-21122>

[SEPP Comment: Cold oceans absorb more CO2, were they more acidic (less alkaline) than current oceans?]

Changing Sea Ice

West Antarctic Ice Shelves Tearing Apart at the Seams

By Staff Writers, Austin TX (SPX), Mar 29, 2012

http://www.spacedaily.com/reports/West_Antarctic_Ice_Shelves_Tearing_Apart_at_the_Seams_999.html

[SEPP Comment: See contradiction to this alarmist article immediately below.]

Crack in the Antarctic!

By Anthony Watts, WUWT, Mar 28, 2012

<http://wattsupwiththat.com/2012/03/28/crack-in-the-antarctic/#more-60272>

[SEPP Comment: Countering the alarmist press release of a new crack in ice shelves in Antarctic Peninsula, while Antarctic sea ice is growing.]

Changing Earth

Signs of thawing permafrost revealed from space

By Staff Writers, Paris (ESA), Mar 29, 2012

http://www.spacedaily.com/reports/Signs_of_thawing_permafrost_revealed_from_space_999.html

[SEPP Comment: No surprise here. Five to eight thousand years ago tree lines were much further north than today. Yet, the Arctic did not explode with methane.]

The Political Games Continue

House Panel Says Obama 'Hides Ball' On Energy Truth

Editorial, IBD, Mar 29, 2012

<http://news.investors.com/article/606065/201203291839/house-subpoenas-obama-energy-records-.htm>

[SEPP Comment: Revising reports after they have been agreed upon by the authors – shades of the IPCC.]

House Oversight Committee Reports \$14.5B DOE Green Loan Program Train Wreck

By Larry Bell, Forbes, Mar 29, 2012

<http://www.forbes.com/sites/larrybell/2012/03/29/house-oversight-committee-reports-14-5b-doe-green-loan-program-train-wreck/>

Western States Tell Washington To Get Off Their Lawns

Editorial, IBD, Mar 29, 2012

<http://news.investors.com/article/606068/201203291839/new-sagebrush-rebellion-brews-in-western-states.htm?>

Senate defeats Democrats' measure to kill off 'Big Oil' tax breaks, 51-47

By Ben Geman and Andrew Restuccia, The Hill, Mar 29, 2012

<http://thehill.com/blogs/e2-wire/e2-wire/219015-draft-draft-senate-again-blocks-dems-bid-to-nix-big-oil-tax-breaks>

Litigation Issues

ECJ says Commission cannot dictate emissions ceilings

By Dave Keating, European Voice, Mar 29, 2012 [H/t GWPF]

<http://www.europeanvoice.com/article/2012/march/ecj/74035.aspx>

[SEPP Comment: The European Commission can approve emissions plans but not dictate them.]

Subsidies and Mandates Forever

There go those gravy trains in Queensland & Victoria

Australia is stepping back from the cliff

By Jo Nova, Her Blog, Mar 28, 2012

<http://joannenova.com.au/2012/03/there-go-those-gravy-trains-in-queensland-victoria/#more-21108>

[SEPP Comment: The state elections in Australia may produce significant changes to the current global warming programs.]

EPA and other Regulators on the March

Carbon Pollution Standard for New Power Plants

Press Release, EPA, Accessed Mar 27, 2012

<http://epa.gov/carbonpollutionstandard/>

All Cost No Benefit: EPA Proposes Carbon Dioxide Regulation for Power Plants

By Todd Wynn, American Legislator, Mar 27, 2012 [H/t Gordon Fulks]

<http://www.americanlegislator.org/2012/03/all-cost-no-benefit-epa-proposes-carbon-dioxide-regulation-for-power-plants/>

The EPA Wrecking Ball

By Alan Caruba, Warning Signs, Mar 28, 2012

<http://factsnotfantasy.blogspot.com/>

The EPA's Unreliable Science

By John Dale Dunn & Steve Milloy, American Thinker, Mar 29, 2012 [H/t Kris Allen]

http://www.americanthinker.com/2012/03/the_epas_unreliable_science.html

Lisa P. Jackson – US EPA Administrator: Fulfilling the UN Mission

By Dennis Ambler, SPPI, Mar 22, 2012

http://scienceandpublicpolicy.org/images/stories/papers/originals/epa_un_mission.pdf

[SEPP Comment: Questioning the goals of the administrator of the EPA.]

Energy Issues – Non-US

Alberta to reap big royalties from second oil sands ‘boom’, study show

By Claudia Cattaneo, Financial Post, Mar 26, 2012

http://business.financialpost.com/2012/03/26/alberta-to-reap-big-royalties-from-second-oil-sands-boom-study-show/?_lsa=5dd535ed

The government of Alberta is expected to pocket \$1.2-trillion in royalties from the oil sands in the next 35 years, as oil production rises to 5.4 million barrels a day from today's 1.6 million b/d,

Ottawa to ease pipeline rules in bid to boost oil exports to Asia

By Claudia Cattaneo and Peter Koven, Financial Post, Mar 30, 2012

http://business.financialpost.com/2012/03/29/ottawa-eases-pipeline-rules-in-bid-to-boost-oil-exports-to-asia/?_lsa=5dd535ed

[SEPP Comment: Unlike Washington, the Canadian government is promoting the development of natural resources to enhance national prosperity.]

PetroChina bids to help build \$5.5-billion Northern Gateway pipeline

By Claudia Cattaneo, Financial Post, Mar 28, 2012

<http://business.financialpost.com/2012/03/28/petrochina-bids-to-help-build-5-5-billion-northern-gateway-pipeline/>

Energy Issues -- US

Rising Gas Prices Take Toll On American Families

By Jack Rafuse, IBD, Mar 27, 2012

<http://news.investors.com/article/605754/201203271822/scapegoating-big-oil-no-solution.htm>

Oil and Natural Gas – the Future or the Past?

Assessing Transportation Fuels

By Donn Dears, Power for USA, Mar 23, 2012

<http://dddusmma.wordpress.com/2012/03/23/assessing-transportation-fuels/>

[SEPP Comment: Compressed natural gas may be a winner for fleet use and taxis.]

North America's Rich Energy Potential Could Change The World

By Victor Davis Hanson, IBD, Mar 29, 2012

<http://news.investors.com/article/606070/201203291839/north-american-energy-potential-could-change-world.htm>

Return of King Coal?

OPEC'S Growing Stranglehold: Only Coal Can Break the Noose

By Frank Clemente, Energy Facts, Mar 29, 2012

<http://us1.campaign-archive2.com/?u=29bc7d5d85828d574f86c157a&id=499ec9bd23&e=>

Oil Spills & Consequences

Study by Haverford College professor reveals unprecedented impact of Deepwater Horizon on deep ocean

By Staff Writers Haverford PA (SPX), Mar 28, 2012

[http://www.energy-](http://www.energy-daily.com/reports/Study_by_Haverford_College_professor_reveals_unprecedented_impact_of_Deepwater_Horizon_on_deep_ocean_999.html)

[daily.com/reports/Study_by_Haverford_College_professor_reveals_unprecedented_impact_of_Deepwater_Horizon_on_deep_ocean_999.html](http://www.energy-daily.com/reports/Study_by_Haverford_College_professor_reveals_unprecedented_impact_of_Deepwater_Horizon_on_deep_ocean_999.html)

[SEPP Comment: What may be solid research is buried by an alarmist headline. There should be no reason not to expect deep water coral affected by the BP oil spill; but, oil seeps are common in the Gulf.]

Nuclear Energy and Fears

UK energy plans in 'tatters' after Npower and E. ON nuclear plant withdrawal

Britain's long-term energy policy lay "in tatters" on Thursday after two of the "big six" energy companies pulled out of multi-billion pound plans to develop new nuclear plants.

By Staff Writers, Telegraph, UK, Mar 29, 2012 [H/t GWPF]

<http://www.telegraph.co.uk/earth/energy/nuclearpower/9173253/UK-energy-plans-in-tatters-after-Npower-and-E.-ON-nuclear-plant-withdrawal.html>

What next for energy in the UK?

By Martin Livermore, Scientific Alliance, Mar 30, 2012

<http://www.scientific-alliance.org/scientific-alliance-newsletter/what-next-energy-uk>

[SEPP Comment: Britain's officials do not have a back-up plant to replace the expected nuclear plants.]

Alternative, Green ("Clean") Solar and Wind

Engineers enlist weather model to optimize offshore wind plan

By Andrew Myers, Stanford CA (SPX), Mar 23, 2012

http://www.winddaily.com/reports/Engineers_enlist_weather_model_to_optimize_offshore_wind_plan_99.html

Politics aside, most energy experts agree that cheap, clean, renewable wind energy holds great potential to help the world satisfy energy needs while reducing harmful greenhouse gases.

[SEPP Comment: Bunk!]

California Dreaming

Brown administration, bullet train board seek to ease environmental reviews of the project

Environmental groups that have joined discussions on relaxing reviews say they'll support small-scale concessions but not wholesale exemptions.

By Ralph Vartabedian and Dan Weikel, Los Angeles Times March 29, 2012

<http://www.latimes.com/news/local/la-me-0328-bullet-exemption-20120329,0,882981.story>

[SEPP Comment: Quick environmental reviews are more important than careful financial reviews.]

Review of Recent Scientific Articles by NIPCC

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

Extreme Temperature Occurrences in China: 1961-2008

Reference: Zhou, Y. and Ren, G. 2011. Change in extreme temperature event frequency over mainland China, 1961-2008. *Climate Research* 50: 125-139.

<http://www.nipccreport.org/articles/2012/mar/27mar2012a1.html>

[SEPP Comment: Urban Heat Island effect cannot be dismissed in temperature measurements.]

Rainfall Extremes Over India, 1951-2003

Reference: Ghosh, S., Das, D., Kao, S.-C. and Ganguly, A.R. 2012. Lack of uniform trends but increasing spatial variability in observed Indian rainfall extremes. *Nature Climate Change* 2: 86-91, doi:10.1038/NCLIMATE1327.

<http://www.nipccreport.org/articles/2012/mar/27mar2012a5.html>

Extreme Snow Events Throughout Central and Southern China

Reference: Hao, Z., Zheng, J., Ge, Q. and Wang, W.-C. 2011. Historical analogues of the 2008 extreme snow event over Central and Southern China. *Climate Research* 50: 161-170.

<http://www.nipccreport.org/articles/2012/mar/27mar2012a4.html>

A Century of Global Sea Level Change

Reference: Wöppelmann, G., Letetrel, C., Santamaria, A., Bouin, M.-N., Collilieux, X., Altamimi, Z., Williams, S.D.P. and Miguez, B.M. 2009. Rates of sea-level change over the past century in a geocentric reference frame. *Geophysical Research Letters* 36: 10.1029/2009GL038720.

<http://www.nipccreport.org/articles/2012/mar/28mar2012a4.html>

Oh Mann!

UVa keeps digging in email dispute

A new legal novelty aside, Virginia's Freedom of Information Act is clear: UVa should release climate emails.

Editorial, Roanoke Times, Mar 28, 2012 [H/t Lars Hagen]

<http://www.roanoke.com/editorials/wb/306703>

Climate scientists and smear campaigns

By Michael Mann, CNN, Mar 28, 2012

http://www.cnn.com/2012/03/28/opinion/mann-climate-change-email-attacks/index.html?hpt=op_t1

Environmental Industry

Pesticide fear-mongering is the real pest

By Staff Writers, ACSH, Mar 28, 2012

http://www.acsh.org/factsfears/newsID.3498/news_detail.asp

The Enormous CEO Salaries Behind Earth Hour

By Donna Laframboise, NFC, Mar 28, 2012

<http://nofrackingconsensus.com/2012/03/28/the-enormous-ceo-salaries-behind-earth-hour/>

Earth Hour Organizers Prey on Mexico

Mexico is crippled by corruption, violence, and poverty. But the World Wildlife Fund wants it to show leadership on climate change

By Donna Laframboise, NFC, Mar 29, 2012

<http://nofrackingconsensus.com/2012/03/29/earth-hour-organizers-prey-on-mexico/>

Lights out for Earth Hour

By Peter Foster, Financial Post, Mar 29, 2012

<http://opinion.financialpost.com/2012/03/29/peter-foster-lights-out-for-earth-hour/>

Other News that May Be of Interest

Mountaintop blasting to mine the sky with the Giant Magellan Telescope

By Staff Writers, Pasadena, CA (SPX), Mar 28, 2012

http://www.spacedaily.com/reports/Mountaintop_blasting_to_mine_the_sky_with_the_Giant_Magellan_Telescope_999.html

[SEPP Comment: Don't try this in the US.]

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BELOW THE BOTTOM LINE:

Climate-change skepticism must be 'treated', says envior-sociologist

Dubious on warming peril? You're the kind who'd own slaves

By Lewis Page, The Register, Mar 30, 2012 [H/t ICECAP]

http://www.theregister.co.uk/2012/03/30/climate_scepticism_racism_slavery_treatment/

VIMS professor helps lead international study of ocean value

By David Malmquist, Gloucester Point VA (SPX), Mar 26, 2012

http://www.terradaily.com/reports/VIMS_professor_helps_lead_international_study_of_ocean_value_999.html

[SEPP Comment: The ocean is a victim?]

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ARTICLES:

1. The Gas Price Kerfuffle: Obama's Achilles Heel?

By S. Fred Singer, American Thinker, Mar 28, 2012

http://www.americanthinker.com/2012/03/the_gas_price_kerfuffle_obamas_achilles_heel.html

Newt Gingrich seemed to be shooting from the hip when he promised, if elected, to bring us gasoline at \$2.50 a gallon. Yet cheaper gas is not out of question once the price of crude oil is brought down to about \$60 a barrel. And I readily agree with Gingrich's policy prescriptions -- primarily among them increasing domestic production of oil. But it may also take conservation (or substitution) to cut, by 40%, the world price of the raw material for motor fuels. As gas prices rise to \$5 during the summer driving season, Obama is feeling the heat but has not produced new ideas. On the contrary; all his policies tend to make gas more costly -- opening the door for GOP initiatives.

We have to be on guard, however, against populists who claim we could have one-dollar gas if not for speculators, world-government-Trilateralists, and Big-Oil conspiracies. They make rational discourse difficult and devalue valid criticism of current White-House policies.

From crude to the pump

Let's start by parsing this gas price of \$2.50 -- which really requires \$1.50/gal crude oil. But at 42 gallons in every barrel, we already passed that threshold. The world price of crude, now at \$106 a barrel, is likely to rise further as the dollar falls, and as demand increases and low-cost oil fields become depleted -- in spite of likely advances in extraction technology.

Of course, to the basic cost of crude one has to add the costs of refining, transportation, and distribution, which make for approximately 50 cents per gallon. Among the factors increasing the price of gas at the pump are complex EPA mandates that require up to 18 "boutique" formulations for gasoline, which depend on the region and time of year; they also complicate the logistical problems tremendously and can lead to local shortages.

Then there are federal and state taxes, which are now averaging about 50 cents a gallon: 18.4 cents for the federal tax, plus state taxes that vary greatly from state to state. In truth, gas taxes, advertised as highway

user fees, also serve as consumption taxes -- in many ways better than the much-debated value-added tax (VAT). Note that gas taxes do not use up resources -- unlike refining and distribution, which are resource-intensive but essential. By contrast, additives like ethanol not only consume large amounts of energy, but also constitute essentially a waste of resources.

Gas tax revenues go into the Highway Trust Fund, to be used to repair highways and bridges -- but they are often also spent on political pet projects. They may have been adequate at one time, but they are no longer so; gas taxes are not indexed to the price of crude oil or to inflation, and increased use of electric cars and hybrids reduces revenues further. President Reagan doubled the federal tax, but we may need to raise it further -- a "third rail" that politicians do not want to touch. One alternative is to pay for transportation infrastructure from general treasury funds -- which means from all taxpayers. Another method is to expand greatly existing road mileage charges, highway and bridge tolls.

Another factor raising the cost of transportation is the congressional mandate for adding ethanol, which has not yet been canceled. It is doubtful even whether modern cars with electronic fuel injection need an additive like ethanol, which also reduces car mileage (since it has only 61% of the energy content of gasoline) -- thereby adds a hidden cost to posted price at the pump -- does not cut CO₂ emissions, and has sharply raised food prices globally. As much as 40% of the U.S. corn crop now goes into ethanol production -- and the Obama White House wants to raise the mandate from 10% to 15%!

Further, the EPA's 2012 Renewable Fuel Standard (RFS) causes refineries to pay millions of dollars for cellulosic ethanol waivers -- with the cost passed on to motorists. But there is no commercial production of cellulosic biofuels. The American Petroleum Institute has sued the EPA over such unachievable use requirements, filing a petition for review on March 12 in the U.S. Appeals Court for the District of Columbia. "EPA's standard is divorced from reality and forces refiners to purchase credits for cellulosic fuels that do not exist," said API.

World price of crude oil: Supply and demand

But the major factor in gas prices is still the price of crude oil on the world market, set by supply and demand -- with supply controlled by the OPEC cartel. More than half of our trade deficit -- \$330 billion out of \$560 billion -- is used to buy imported crude. While increasing U.S. production does increase security and improve dollar outflow and trade balances, it may have little effect on the world oil situation. We are talking about relatively minor increases in U.S. oil production compared to a global supply of nearly 90 million barrels per day. By the time our production ramps up to a higher value, global demand will have increased, particularly in East and South Asia.

Also, as pointed out recently in the Wall Street Journal by former National Security Council director Robert McFarlane, the OPEC cartel, and especially its Saudi Arab "core," can always reduce oil production to achieve a world price that would maximize its profit stream over the long run.

By the same token, release of oil from the U.S. Strategic Petroleum Reserve, an election-year maneuver under consideration by the increasingly desperate White House, would accomplish little. It might produce a temporary dip in the world price of crude -- for the benefit of all oil consumers, including our commercial competitors in China and elsewhere. But again, it can be easily offset by Saudi Arabia if the Saudis so choose.

There is, however, a scenario that could reduce the world price and lower gas prices at the pump. In modeling the "optimum price path for world oil" (i.e., one that would maximize the profit stream for Saudi Arabia), I found that the most sensitive parameter is discount rate -- not its normal value, but the one viewed by Saudi decision-makers. Put more colloquially, if Saudis fear loss of control over oil revenues in the near future (for a variety of political reasons), they will be tempted to increase their

production to a maximum (even though it would lower the world price) -- in order to maximize immediate profits.

It is important to stress that oil conservation can achieve similar results as increasing production; either method will reduce oil imports, with attendant benefits. One especially promising method of oil conservation is substitution -- using our plentiful supply of natural gas. With present prices around \$2.30 per mcf (1,000 cubic feet), natural gas has only about 15% of the energy (BTU) cost of oil -- a huge differential. And in fact, we are already seeing increasing efforts to transform trucks, buses, and other heavy-duty vehicles from oil to natural gas -- in the form of compressed natural gas (CNG), or even as liquefied natural gas (LNG).

The use of natural gas is particularly attractive when fuel is a major fraction of the cost of operation, and thus has a direct influence on profitability. Conceivably, even long-distance aircraft might benefit from the use of CNG or LNG, if the technical and safety problems can be solved. Finally, gas-to-liquid (GTL) conversion looms on the horizon; methanol is often mentioned. Several chemical processes are available, and pilot plants exist -- but so far there has been no investment in large-scale production.

The politics of gas prices

Politicians may not believe that low gasoline prices are technically and economically feasible -- and some may not actually want them -- but that is what almost all will promise voters. The Obama administration has shown little interest in lowering gas prices. In congressional testimony, Energy Secretary Steve Chu said his department is working to lower energy prices in the long term. "But is the overall goal to get our price" of gasoline down? asked Rep. Alan Nunnelee (R-Miss.). "No, the overall goal is to decrease our dependency on oil, to build and strengthen our economy," Chu replied. No wonder that the latest Washington Post-ABC poll shows that nearly two-thirds of Americans disapprove of the way the president is handling the situation at the pump, where rising prices have already hit low-income groups hard.

Even traditional Democrat supporters, like labor unions (but not the powerful public-sector unions), are raising their voices as they see "shovel-ready" jobs disappearing -- thanks to Obama's veto of the Keystone XL pipeline. It has also been noted that most of the increases in oil and gas production have been on private land, not on federal leases. It is all part of the White House general opposition to fossil fuels, expressed so well by Obama during his 2008 campaign: promises to "bankrupt the coal industry" and to make "electricity prices skyrocket." And all of this seems to be driven by a pathological fear of imagined climate catastrophes.

As we approach the presidential election of November 2012, we will be hearing much more about rising gas prices and the cost of energy generally. These circumstances will present an important opportunity for the GOP candidate to challenge Obama's performance and talk about the essential steps to rationalize the domestic oil market.

2 Global Warming Models Are Wrong Again

The observed response of the climate to more CO2 is not in good agreement with predictions.

By William Happer, WSJ, Mar 26, 2012

http://online.wsj.com/article/SB10001424052702304636404577291352882984274.html?mod=WSJ_Opinion_LEADTop

During a fundraiser in Atlanta earlier this month, President Obama is reported to have said: "It gets you a little nervous about what is happening to global temperatures. When it is 75 degrees in Chicago in the beginning of March, you start thinking. On the other hand, I really have enjoyed nice weather."

What is happening to global temperatures in reality? The answer is: almost nothing for more than 10 years. Monthly values of the global temperature anomaly of the lower atmosphere, compiled at the University of Alabama from NASA satellite data, can be found at the website <http://www.drroyspencer.com/latest-global-temperatures/>. The latest (February 2012) monthly global temperature anomaly for the lower atmosphere was minus 0.12 degrees Celsius, slightly less than the average since the satellite record of temperatures began in 1979.

The lack of any statistically significant warming for over a decade has made it more difficult for the United Nations Intergovernmental Panel on Climate Change (IPCC) and its supporters to demonize the atmospheric gas CO₂ which is released when fossil fuels are burned. The burning of fossil fuels has been one reason for an increase of CO₂ levels in the atmosphere to around 395 ppm (or parts per million), up from preindustrial levels of about 280 ppm.

CO₂ is not a pollutant. Life on earth flourished for hundreds of millions of years at much higher CO₂ levels than we see today. Increasing CO₂ levels will be a net benefit because cultivated plants grow better and are more resistant to drought at higher CO₂ levels, and because warming and other supposedly harmful effects of CO₂ have been greatly exaggerated. Nations with affordable energy from fossil fuels are more prosperous and healthy than those without.

The direct warming due to doubling CO₂ levels in the atmosphere can be calculated to cause a warming of about one degree Celsius. The IPCC computer models predict a much larger warming, three degrees Celsius or even more, because they assume changes in water vapor or clouds that supposedly amplify the direct warming from CO₂. Many lines of observational evidence suggest that this "positive feedback" also has been greatly exaggerated.

There has indeed been some warming, perhaps about 0.8 degrees Celsius, since the end of the so-called Little Ice Age in the early 1800s. Some of that warming has probably come from increased amounts of CO₂, but the timing of the warming—much of it before CO₂ levels had increased appreciably—suggests that a substantial fraction of the warming is from natural causes that have nothing to do with mankind.

Frustrated by the lack of computer-predicted warming over the past decade, some IPCC supporters have been claiming that "extreme weather" has become more common because of more CO₂. But there is no hard evidence this is true. After an unusually cold winter in 2011 (December 2010-February 2011) the winter of 2012 was unusually warm in the continental United States. But the winter of 2012 was bitter in Europe, Asia and Alaska.

Weather conditions similar to 2012 occurred in the winter of 1942, when the U.S. Midwest was unusually warm, and when the Wehrmacht encountered the formidable forces of "General Frost" in a Russian winter not unlike the one Russians just had.

Large fluctuations from warm to cold winters have been the rule for the U.S., as one can see from records kept by the National Ocean and Atmospheric Administration, NOAA. For example, the winters of 1932 and 1934 were as warm as or warmer than the 2011-2012 one and the winter of 1936 was much colder.

Nightly television pictures of the tragic destruction from tornadoes over the past months might make one wonder if the frequency of tornadoes is increasing, perhaps due to the increasing levels of CO₂ in the atmosphere. But as one can read at Andrew Revkin's New York Times blog, dot earth, "There is no evidence of any trend in the number of potent tornadoes (category F2 and up) over the past 50 years in the United States, even as global temperatures have risen markedly."

Like winter temperatures, the numbers, severity and geographical locations of tornadoes fluctuate from year-to-year in ways that are correlated with the complicated fluid flow patterns of the oceans and atmosphere, the location of the jet stream, El Niño or La Niña conditions of the tropical Pacific Oceans, etc.

As long as the laws of nature exist, we will have tornadoes. But we can save many more lives by addressing the threat of tornadoes directly—for example, with improved and more widely dispersed weather radars, and with better means for warning the people of endangered areas—than by credulous support of schemes to reduce "carbon footprints," or by funding even more computer centers to predict global warming.

It is easy to be confused about climate, because we are constantly being warned about the horrible things that will happen or are already happening as a result of mankind's use of fossil fuels. But these ominous predictions are based on computer models. It is important to distinguish between what the climate is actually doing and what computer models predict. The observed response of the climate to more CO2 is not in good agreement with model predictions.

We need high-quality climate science because of the importance of climate to mankind. But we should also remember the description of how science works by the late, great physicist, Richard Feynman:

"In general we look for a new law by the following process. First we guess it. Then we compute the consequences of the guess to see what would be implied if this law that we guessed is right. Then we compare the result of the computation to nature, with experiment or experience; compare it directly with observation, to see if it works. If it disagrees with experiment it is wrong."

The most important component of climate science is careful, long-term observations of climate-related phenomena, from space, from land, and in the oceans. If observations do not support code predictions—like more extreme weather, or rapidly rising global temperatures—Feynman has told us what conclusions to draw about the theory.

Mr. Happer is a professor of physics at Princeton.

3. The Anti-Energy President

He really meant it when he said prices would "skyrocket."

By Pete Du Pont, WSJ, Mar 29, 2012

http://online.wsj.com/article/SB10001424052702303816504577309660763228238.html?mod=WSJ_Opinion_BelowLEFTSecond

Our America today is very different from the America of some years ago. Government spending is greatly increased, as is the regulation of our economy. The growing size and reach of our government is sapping our nation's strength and independence. And our current president's policies have been quite different from our leaders of some years ago.

One of the best examples of these public policy changes is the huge increase in government regulation in how we generate and use energy, with its negative impact on supply, its focus on financing new and inefficient energy industries, and the resulting higher costs.

The policy of the Obama administration has been not to increase the energy supplies that are so critical to our nation's economic health, but to limit them, to increase energy prices, and to make energy more expensive.

Eliminating tax deductions for the oil and gas industries is at the top of the President's list, which would increase the price of gasoline and home heating oil for everyone. But this fits in with the Obama administration's overall inclination to hamper domestic production, whether through slowness in granting new permits or refusal to open new areas for exploration. In fact oil, production on federal lands was flat between 2009 to 2011, while production on nonfederal lands increased almost 7%.

And it is not just petroleum. Mr. Obama's Environmental Protection Agency wants to increase regulation of coal-fueled electricity plants, which produce almost half of our electricity, so as to drive up the price of electricity and force plants to close. None of this should be surprising, for as we know, Obama's energy secretary, Steven Chu, told The Wall Street Journal in 2008 that we must "figure out how to boost the price of gasoline to the levels in Europe."

The president admitted that his cap-and-trade energy proposals, had they come to pass, would cause energy prices to "skyrocket" and bankrupt coal companies. In the Mr. Obama's words, coal fired plants can be built, but if they are, "it will bankrupt them because they're going to be charged a huge sum" for emitting the greenhouse gases.

On the other hand, the current administration is throwing money at "green" energy companies, exemplified by the failed \$535 million federal loan guarantee in Solyndra. Alternative energy sources do need to be developed, but it is clear that the federal government is not a wise allocator of taxpayer dollars in this effort. These sources will never be developed to the point of affordability unless the free market is allowed to sort good technologies from bad without the skewing of investment that comes from government trying to pick winners and losers. America badly needs very different national energy policies that will increase our energy supplies, reduce the cost of energy, and get America positively moving again.

Approving the Keystone pipeline so that more energy comes into America is an important first step. The president has twice rejected congressional efforts to approve it.

We must encourage hydraulic "fracking," of underground reserves in shale. Already there are many fracking gas efforts underway, and the government's latest estimates of the gas available from shale are about 500 trillion cubic feet. We currently use about 24 trillion cubic feet per year, so shale gas can add around 20 years to our supply.

The Obama administration must open up more areas for exploration and production, from drilling in the Alaska National Wildlife Refuge to reducing the number of prohibited areas offshore. It simply must do what it can to speed up the permit granting process. And it must recognize that now is not the time, if there ever is a good time, to raise taxes on energy producers.

Finally, a look at the George W. Bush's and Mr. Obama's efforts to increase government regulation—not just in energy, but across the economy—shows the difference between the two presidents. In his first three years in office Mr. Bush put into place 28 major regulations. Mr. Obama's three years have seen 106 major regulations. In dollar terms the Bush regulations cost \$8.1 billion and Obama's \$46 billion.

So where America is and what it is doing in energy policies has changed a great deal in the past three years, mostly in a regressive direction. Energy is essential for a strong America, but the current administration seems to be doing all it can to keep us from tapping the reliable energy supplies we have right here in our country—coal, oil, and gas—and from our neighbor to the north. Instead we are being pushed towards other energy sources that are inefficient, expensive and will only provide a fraction of the energy a strong America needs.

4. Perry Beats Obama

A federal court slams the EPA's clean-air war on Texas.

Editorial, WSJ, Mar 29, 2012

http://online.wsj.com/article/SB10001424052702303404704577311782025040926.html?mod=WSJ_Opinion_AboveLEFTTop

Texas Governor Rick Perry may not have been able to recall if he wanted to shut down the U.S. Environmental Protection Agency, but all Americans should remember the public service that he and his fellow Texans have done by challenging EPA's overreaching regulation. This week the federal Fifth Circuit Court of Appeals obliterated a 2010 EPA ruling that disapproved Texas's program to meet national air-quality standards.

These standards are set by the EPA, but it's up to individual states to figure out how to meet them under the Clean Air Act. EPA has the authority to reject such plans, but only with cause. Such cooperative federalism is rooted in the constitutional balance of state and federal power that was so much on display this week in the Supreme Court's consideration of ObamaCare.

This week the appellate court found that the EPA "failed to identify a single provision of the Act that Texas's program violated, let alone explain its reasons for reaching its conclusion." The court noted that the EPA had missed the statutory deadline for issuing a rejection by more than three years. It's hard to find a clearer example of Washington-created uncertainty than fact-free rulings that an agency lacks the authority even to issue.

The feds wanted to use their approval power to dictate the details of clean-air plans, a job that has always fallen to the states. That was especially true in this case, which focused on permitting for pollution-control efforts under "minor New Source Review." The rules cover plants that aren't expected to be major sources of pollution, so they traditionally had a (relatively) light touch from Washington.

You might expect that when a federal agency bigfoots into areas traditionally reserved to the states, it would cite some kind of authority. Perhaps the Constitution, or maybe a law passed by Congress? The Fifth Circuit reports that "authorities" cited by the EPA in this case included "several internal memoranda and guidance documents." Are emails among agency staff now authorization for the exercise of power in the Obama era?

Instead the EPA resorted to claiming that the plan somehow violated Texas law. The Fifth Circuit drop-kicked this argument and called it "arbitrary and capricious" because even the EPA itself has recognized that the Clean Air Act gives the EPA zero authority to judge whether such plans comply with state laws. The appeals court examined other EPA justifications and concluded in one instance that the agency's argument had "no legal basis" and in another that the EPA was applying criteria "created out of whole cloth." This is not a compliment.

Across a range of rule-makings, EPA administrator Lisa Jackson has made it clear that she intends to use laws passed by Congress to restrict so-called greenhouse gas emissions, even if Congress never intended such use. In this case the Obama-Jackson EPA sought to transfer power from the states to the federal government, even if Congress never intended that either.

Team Obama erred in messing with Texas. Americans still struggling with a weak economy should be grateful for the Lone Star State's feisty defense of its authority.

5. Planned Pipelines to Rival Keystone XL

By Tom Fowler, WSJ, Mar 26, 2012

http://online.wsj.com/article/SB10001424052702304177104577305980790538586.html?mod=WSJ_hp_LEFTTopStories

[SEPP Comment: Forget the Administration and Nebraska]

Two major energy companies are planning to build new pipelines that will move as much as 850,000 barrels of crude oil a day from Canada to refineries along the Gulf Coast by mid-2014, in the latest effort to cope with a surge of oil production in North America.

The separate projects, planned by Houston-based Enterprise Products Partners LP and Enbridge Inc. of Calgary, will compete with TransCanada Corp.'s proposed Keystone XL pipeline, a massive project to move crude from the oil sands of Alberta to U.S. refineries. The Keystone project was delayed late last year after pressure from environmental groups and has become a hot-button topic in the U.S. presidential campaign, with critics of the Obama administration contending that the delay will contribute to high gasoline prices in the future.

Enbridge and Enterprise already operate the Seaway Pipeline, which used to move oil north—from Freeport, Texas, near Houston, to the massive oil storage hub in Cushing, Okla. Last year the companies said they would reverse the flow of that pipeline because a recent surge in Canadian and U.S. oil production has created an overabundance at that location. The reversal will let Seaway move as much as 150,000 barrels a day south to refiners by June 1 and 400,000 barrels a day by early next year by adding new pumping stations.

The companies said Monday they now have enough long-term commitments from new customers to also build a new 30-inch pipeline along the same right-of-way, which will add up to 450,000 barrels per day in capacity by the middle of 2014. Two smaller pipeline projects will connect the Seaway pipeline to Enterprise's storage hub along the Houston Ship Channel and to refineries near Port Arthur, Texas.

Enbridge, which is one of the largest shippers of Canadian crude oil to the U.S. with a capacity of 2.5 million barrels a day, is also going to start work on a pipeline to move oil from its existing Flanagan, Ill., pipeline hub to Cushing. The pipeline, which will run alongside an existing conduit, will have an initial capacity of 585,000 barrels per day.

The Enterprise and Enbridge projects don't face the same hurdles as Keystone XL, like a U.S. State Department review, because the cross-border portions of their pipelines are already built, experts say. But the new pipelines will require approval from the U.S. Federal Energy Regulatory Commission, which oversees how much pipeline owners can charge for moving products, and the U.S. Army Corps of Engineers, which must review the engineering and environmental plans.

While environmental groups have focused most of their efforts on blocking Keystone, they still have concerns about the Flanagan and Seaway projects, said Anthony Swift, a lawyer for the Natural Resources Defense Council.

Crude from oil sands may be more corrosive than other oils and thus make pipelines more likely to leak, Mr. Swift said. An oil-sands crude leak from an Enbridge pipeline near the Kalamazoo River in Michigan in July 2010 proved to be particularly costly to clean up, he said.

"The NRDC does not oppose pipelines, but we do oppose tar sands pipelines," Mr. Swift said. "It makes sense to know how to build a pipeline safely before you proceed with this kind of infrastructure."

The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration is studying whether Canadian oil sands are more corrosive than other crude oils, with the results expected by July 2013.

The Enterprise and Enbridge projects don't negate the need for the Keystone XL, analysts said. Canadian oil-sands production is expected to double to 3 million barrels a day between 2010 and 2020, while total Canadian crude production is expected to increase 50% to 4.2 million barrels a day over that period, according to the Canadian Association of Petroleum Producers.

In the U.S., the Energy Information Administration expects oil production to increase by as much as 20% by 2020 as drillers tap into large oil shale formations that were considered uneconomical before the industry successfully paired the techniques of hydraulic fracturing and horizontal drilling.

Keystone and Seaway's combined capacity to move oil south from Cushing may be more than is needed in 2014 when they start up, said Rusty Braziel, an energy infrastructure analyst, but both will likely be running at full capacity soon after.



6. Steel Finds Sweet Spot in the Shale

Natural-Gas Boom Begets Low Prices for Fuel, Strong Demand for Piping—a Double Boon for Mills
By John Miller, WSJ, Mar 26, 2012

http://online.wsj.com/article/SB10001424052702304177104577305611784871178.html?mod=WSJ_hp_LEFTTopStories

WEST MIFFLIN, PA.—The rising fortunes of a massive U.S. Steel Corp. X -0.67% plant here has much to do with what sits below: massive deposits of cheap natural gas.

Shiny coils roll off the line destined for energy companies drilling in the Marcellus Shale natural-gas formations that rest below much of southwestern Pennsylvania. Production for so-called tubular goods used for pipes, tubes and joints in gas drilling has doubled in two years, says Scott Bucksio, the general manager of the plant in the sprawling Mon Valley Works, as drillers have raced to extract ever-larger amounts of gas from the shale deposits.

U.S. Steel's stock is up 25% this month, fueled by the natural gas boom, which is cutting energy costs dramatically, while also driving demand up for drilling pipe and steel intensive equipment. John Miller has details on The News Hub. Photo: AP

As significant, or more so for energy-intensive steelmakers, is that newly plentiful natural gas "is also keeping costs down" said Mr. Bucksio of U.S. Steel.

With prices of natural gas down more than 35% to \$2.21 per million British thermal units from a year ago due to abundant supply, the company has begun replacing coal with natural gas to power its blast furnaces.

Industrywide, a ton of steel costs around \$600 to produce. Using natural gas instead of coal to run the furnaces cuts the costs by \$8 to \$10 per ton. Based on those figures, U.S. Steel could save \$133 million this year alone, according to a recent report by UBS AG, which also said the Pittsburgh-based company could save another \$80 million in 2012 energy costs for non-blast furnace operations.

The gas boom is coming just in time for U.S. Steel, the country's largest and the world's eighth-largest steelmaker, with 37,400 workers world-wide.

After posting losses in the last three years, the company's stock price, which traded at a low of \$20.19 last year, closed at \$29.54 Monday and is up 13% in the past three weeks. The company expects a significant improvement in financial results for the first quarter, due in large part to the dual benefits of the natural-gas boom.

U.S. Steel shipped about 1.8 million tons of tubular goods used in drilling and transporting natural gas and oil in 2011, a 17% increase from year-earlier levels. Prices for those higher-premium products increased 7.9% to \$1,612 per ton from \$1,494, boosting the company's profit outlook.

"Shale resource development has the potential to make significant, positive contributions to U.S. Steel," Chief Executive John Surma said in a recent speech.

And for other industries: Low natural-gas prices, if they can be sustained, represent a competitive advantage across the U.S. manufacturing base. The price of natural gas is \$11.35 per million BTUs in northwest Europe and \$15.9 in Japan, according to researcher Platts, compared with U.S. levels of \$2.27.

"Companies that had left the U.S. in sectors like chemicals and fertilizers are talking about coming back to take advantage of the low cost of gas," said Don Norman, an economist for the Manufacturers Alliance for Productivity and Innovation.

In January, Methanex Corp. of Vancouver said it would relocate a plant to manufacture methanol, used in making plastics and other materials, to Louisiana from Chile. At the time, Bruce Aitken, the company's chief executive, cited "the outlook for low North American natural-gas prices" as key reason for the move.

And low natural-gas costs were a factor in the decision by Brazil's Santana Textiles LLC to build a \$180 million denim plant now under construction in Edinburg, Texas, rather than Mexico.

Steelmakers other than U.S. Steel have also seen strong demand from gas drilling. Total tubular-good shipments increased to 7.3 million tons last year from 3.9 million tons in 2009, according to the American Iron and Steel Institute. The steel sector has outperformed the market over the last three weeks, with U.S.

Steel, and other big steel stocks climbing more than 5%, while the Dow Jones Industrial Average rose 2.2%.

"The gas boom is also putting downward pressure on coal prices," said IHS Inc. gas analyst Robert Ineson, another benefit for steelmakers' bottom line.

But the boost in natural-gas production could be short-lived. Natural-gas prices have fallen so low—they are down from about \$9 per million BTUs four years ago—that some companies such as Oklahoma City's Chesapeake Energy Corp. are reducing investment and gas drilling.

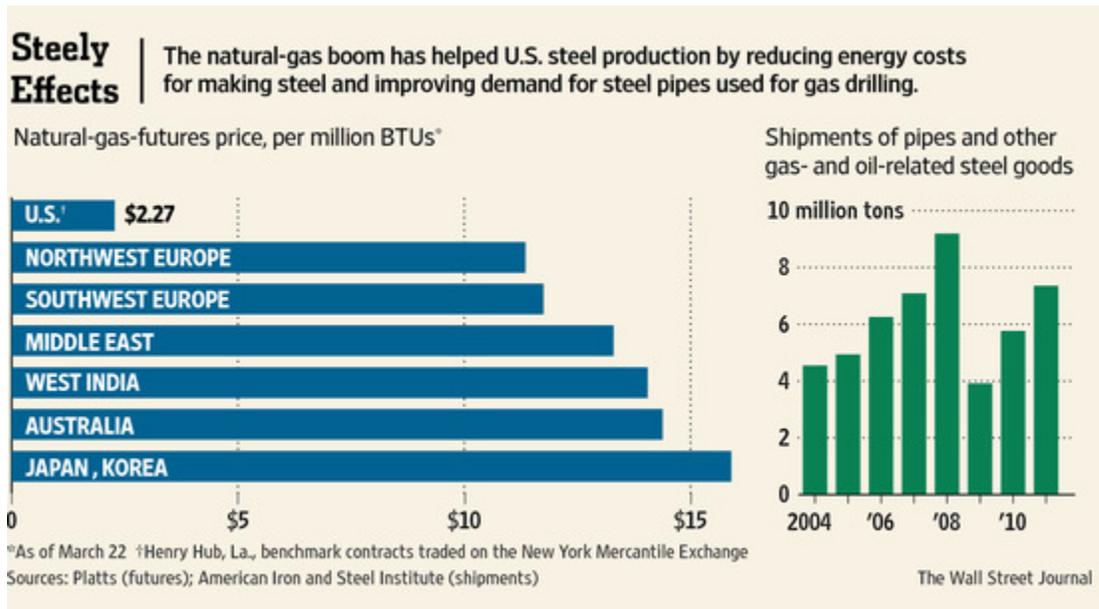
At this point, however, in the eastern part of the U.S., brisk natural-gas drilling continues, although companies are starting to focus on shale deposits containing liquids like butane and propane that command higher prices than so-called dry natural gas used for electricity generation.

"We're going to continue to increase our production because much of that is in the liquids portion," said Matt Pitzarella, a spokesman for Range Resources Corp. which does much of its drilling in Pennsylvania.

That is good news for the U.S. Steel plant in the Mon Valley Works south of Pittsburgh, where 800 unionized workers take steel slabs made at the company's Edgar Thomson Mill in Braddock, founded by Andrew Carnegie in 1875, and roll them into thin coils that are turned into pipes at another nearby company location.

PGT Trucking, a Pennsylvania trucking company, said revenue related to transporting steel tubular goods like those made at the Mon Valley Works plant soared to \$10 million in 2011 from \$1 million in 2010.

CEO Patrick Gallagher has 500 employees and wants to add another 50 to 100 over the year. "And we're investigating a new fleet of trucks that run on liquid natural gas for 2013 and beyond," he said. "We're on a paradigm shift with natural gas becoming our main energy source."



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