



The Round-Up: Oct 23rd 2006

Posted by [Stoneleigh](#) on October 23, 2006 - 1:18pm in [The Oil Drum: Canada](#)

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[Provinces looking for federal money to back clean-air efforts](#)

Ontario had a \$538 million agreement with the federal government to help close the province's dirty coal-fired power plants. Closing the plants would cut greenhouse emissions by 30 megatonnes annually, said Broten.

"We've committed to close coal. That's the single largest greenhouse gas reduction initiative in North America."

Broten said Ontario has a written federal commitment and the Conservatives promised to respect the deal, but haven't done so.

"What concerns me is the former government had put in place \$10 billion to assist in climate change initiatives. This government has reduced the available funding to \$2 billion."

Other provinces were also looking for money from the now-defunct \$10-billion fund, and hope the current government has not said the last word on funding for clean air.

Manitoba had been seeking support for an east-west power grid, which would provide emissions-free hydro power to its neighbours, while Alberta wanted money for carbon sequestration in the oil patch.

[Lovins Q&A in The Star](#)

About three-quarters of all electricity we use in North America can be saved cheaper than just running a coal or nuclear plant and delivering its power, even if the capital costs of the plant were zero. It's interesting that California, the single biggest market in North America, has held its per capita use of electricity flat for 30 years. And some places closer to Ontario, like Vermont, are actually sending that number downwards, because they're saving electricity faster than their economy and population are growing.

The variability of sun, wind and so on, turns out to be a non-problem if you do several sensible things. One is to diversify your renewables by technology, so that weather conditions bad for one kind are good for another. Second, you diversify by site so they're not all subject to the same weather pattern at the same time because they're in the same place. Third, you use standard weather forecasting techniques to forecast wind, sun and rain, and of course hydro operators do this right now. Fourth, you integrate all your resources -- supply side and demand side -- so for example, in the Pacific

Northwest, where we're rich in hydropower, for 0.6 cents (U.S.) per kilowatt-hour the Bonneville Power Administration will firm your wind power. That is, they combine your wind with their hydro and open and close the valves on the dams so that whenever the wind is not blowing and you need the power you can dispatch hydro instead on a firm contractual basis.

In places that don't have surplus or adequate hydropower, it's becoming equally straightforward and much cheaper to back up your wind from a virtual peaker drawn from load management. Like, for example, turning off your water heater for 15 minutes -- you won't even know it's happening. That's done automatically, and the power that was going to go into your water heat instead backs up the wind. You can do other kinds of storage as well. For less than 1 cent (U.S.) per kilowatt-hour, you can store bulk electricity as compressed air in a salt cavern. Typically it's much cheaper to manage loads on the demand side than to store electricity on the supply side. But in a grid that is hydro rich, and with an end-use structure that is as inefficient and has as much space in water heating with electricity as you have in Ontario, it's really very straightforward to have large amounts of variable renewables without in any way comprising reliability. It's also worth bearing in mind that although wind and photovoltaics are quite variable, geothermal, biomass and small hydro are not. So you can't even apply this issue to a lot of renewables that are big in the marketplace.

[Alberta crowd embraces Layton's Clean Air critique](#)

Layton, who called for a moratorium on oilsands development after a recent trip to Fort McMurray, said Ambrose's Clean Air Act will leave Canada's air even dirtier.

"Right now, Canada is playing a negative role on the fight against climate change," Layton told delegates at the Alberta New Democratic Party's 41st annual convention. "We've thrown the car into reverse and we've put the foot full on the gas. And we're going backwards."

[Only the Rich Survive](#)

In the next five years, the United States and the world will go through some of the most financially disturbing times in the history of the world. Once again, the rich will become very, very, rich, and the unsuspecting will be left like the passengers on the S.S. Titanic, heading straight for an economic iceberg.

Oil nationalism makes life difficult for multinationals (sorry, no link)

Russia's hard-nosed approach to foreign energy investors, Ecuador's threatening noises on oil contracts and Iran's reduction of Japan's share in a huge oil project reveal the weakness of multinationals faced with producing countries that want to dictate their own terms.

"There has been a very significant change in the balance of power between international oil companies, and it's clear today that it is the national companies that have the upper hand," said Olivier Appert, president of the French Oil Institute, or IFP.

Examples are legion.

In Russia, Shell is under pressure from the authorities over the Sakhalin oil and gas

field, while France's Total is having difficulties with the Khariaga field. Even more ominously for foreign companies, Russia's state-controlled Gazprom has decided to go it alone in exploiting the giant Shtokman field.

Tehran this month slashed a Japanese company's share in developing the Azadegan oil field, Iran's largest onshore oil field.

In Latin America, Venezuela's firebrand leader, President Hugo Chavez, happily wields the energy weapon, and Bolivian President Evo Morales is applying "nationalisation" policies.

"Everywhere there is a return to oil nationalism," said Jean-Marie Chevalier, director of the energy geopolitics centre at Paris-Dauphine university.

Rafael Correa, who has got through to the second round of Ecuador's presidential election, has said he will renegotiate his country's contracts with the big oil companies if he wins.

"Many of them were a hold-up," he said.

Jean-Marie Chevalier said: "All of Latin America has entered Chavez's dance: Venezuela, Bolivia, Ecuador have all become hyper-sensitive."

In 1928 the "seven sisters," the top oil multinationals of the time, established oligopolistic control over the price and the production of oil when they met in the Scottish castle of Achnacarry.

But that era has long gone.

"The producing countries must explain to their populations why oil is not bringing in more money, they have to face up to their financial needs and are tempted to milk the cash cow a little more," said Colette Lewiner from the Capgemini Group consultancy.

But the experts point out the limits of this nationalism, noting that the producing countries, guided by short-term vision, risk not investing enough to ensure long-term benefits.

"We have seen that after these phases of oil nationalism, production drops," said Chevalier.

"In Russia, President Vladimir Putin, who is in a pre-election period, wants to show the people that they don't need foreign investment, but that is false," he said, noting the risk that insufficient investment could lead to falling production.

To the problems outlined above can be added the Chinese drive to gain access to producing countries, where they finance development in return for supply guarantees.

"A little like France and Italy did forty years ago," said Chevalier.

[Capitalism's Environmental Crisis -- Is Technology the Answer?](#)

This is an older article discussing Jevons' paradox.

It is this singleminded obsession with capital accumulation that distinguishes capitalism from all other social systems, explaining why it can never stand still. A "stationary

capitalism," as Joseph Schumpeter observed, is a "contradictio in adjecto" (Essays, p. 29). Competition, of the sort that forces upon capital continual trans-formations in the means of production in order to maintain and enhance profitability, provides the essential motor behind this drive to accumulate. This is what Schumpeter, in Capitalism, Socialism and Democracy, called capitalism's tendency toward "creative destruction;" its creation through innovation of new and more efficient forms of production and distribution, and at the same time its destruction of previous forms of production and distribution. Caught up in this unrelenting process of accumulation and creative destruction, the system runs roughshod over each and every thing that stands in its path: all human and natural requirements that interfere with the accumulation of capital are considered barriers to be overcome.



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