

***Sitting on the world's greatest supply of gas and oil, we may face shortages because of green energy policies***

This past winter, bitterly cold weather placed massive stress on the US electrical system - and the system almost broke down. Eight of the top ten all-time winter energy demand peaks occurred in January 2014. Heroic efforts by grid operators saved large parts of the nation's heartland from blackouts during record-cold temperature days. Nicholas Akins, CEO of American Electric Power, stated in Congressional testimony, "This country did not just dodge a bullet - we dodged a cannon ball."

Environmental policies established by Congress and the Environmental Protection Agency are moving us toward electrical grid failure. This EPA crusade against global warming continues even though last winter was the coldest US winter since 1911-1912. [Winters have cooled](#) in all 9 US climate regions for the last 20 years.

EPA policies are forcing the closure of many coal-fired plants, which provided 39 percent of US electricity last year. American Electric Power, a provider of about ten percent of the electricity to eastern states, will close almost one-quarter of the firm's coal-fired generating plants in the next fourteen months. Eighty-nine percent of the power scheduled for closure was needed to meet electricity demand in January. Not all of this capacity has replacement plans.

Energy prices exploded this winter. The winter wholesale price of gas increased four-fold over 2011/2012. New England businesses and residents spent almost as much money on power this winter as in all of 2012.

The regional grid operator, ISO-New England, attributes these sharp increases to the combination of "low temperatures, high demand for natural gas and limited natural gas pipeline capacity." There are 210 natural gas pipelines over 305,000 miles in the nation but limited transmission into the northeast. The six New England governors are trying to prompt the publically funded development of new natural gas pipelines. Because natural gas runs so much of New England's power generation, the price of that fuel is closely tied to the price of electricity.

ISO said last January, when natural gas prices spiked to all time record levels, power plants that could burn oil, were able to run on oil through the 'Winter Reliability Program' which stockpiled oil as a reserve emergency supply.

Over the course of the winter, these power plants had burned through most of the 3 million stockpiled barrels. Some generators, at one point, only had two days' worth of oil left.

The oil produced in the United States has increased 38.25% since 2009, but not because the Federal government which recently delayed decision on the Keystone pipeline. The production in federal lands actually dropped 6.3%. It was a boom on private land that made the difference. Production there, where the Federal government can't control it, increased 61%. If leases were granted for more drilling on federal land and in the sea, and the Keystone Pipeline was approved, hundreds of thousands of jobs would become available. Very low cost energy would benefit the poor and middle class. We would all have more money to spend, providing a huge boost to the economy.

But the party in power is aligned with the more radical environmentalists, whose ideal world is one without fossil fuel, and far fewer people.

So ironically, while we are literally sitting on an abundance of energy, we may see major power outages and shortages and still higher prices for electricity, oil and natural gas.

ISO is worried next year could see major problems in the Granite State as non gas generators capable of producing 2.6 million MWh are scheduled to retire before next winter – Salem 3 (coal), Salem 4 (oil) and Vermont Yankee (nuclear). In New Hampshire, PSNH is under pressure from regulators to sell off its coal-fired plants in Bow and Portsmouth. Those plants were called upon to produce electricity throughout much of the winter, when their cost of operation was actually lower than the cost of electricity produced by natural gas.

We are, as we said last week, heading into an El Nino. El Ninos with the Pacific Ocean temperatures in the current pattern are very cold and snowy (think of 2002/03, 2009/10)

## CANARIES IN THE COAL MINE

The problems have been even more severe elsewhere. In January, every Canadian Province except British Columbia experienced rolling blackouts in record cold.

Though, they got a break this winter, the past 5 years were record setters in Europe and Asia. In a stunning admission by Germany's Economics Minister and Vice Chancellor to Angela Merkel, Sigmar Gabriel announced that the country's once highly ballyhooed transformation to renewable energy, the so called Energiewende, a model that has been adopted by a number of countries worldwide, is "on the verge of failure".

When electricity prices skyrocketed last year, 600,000 German users had their power turned off. Germany is rushing the building of 24 coal fired plants and renewing their nuclear program.

In the UK, Prime Minister Cameron announced that he plans the dismantling of the on-shore wind farms and the UK is busy slant drilling for coal in the North Sea and fracking for natural gas. Spain stopped the subsidization of their wind and solar when prices skyrocketed and industry moved plants overseas, forcing unemployment to increase to 27.5%. 2 real jobs were lost for every 'green job' created and only 1 in 10 green jobs were permanent. It was a similar tale in Italy where 3.4 jobs were lost for every green job created.

The Australian government recently released an issues paper finding carbon taxes have contributed to household electricity costs rising 110 per cent in the past five years, hitting the poor the hardest. Lynne Chester of the University of Sydney estimated last year that 20 per cent of households are now energy poor: "Parents are going without food, families are sitting around the kitchen table using one light, putting extra clothes on and sleeping in one room to keep warm, and this is Australia 2013."

In the US, [70 solar companies](#) benefiting from the government stimulus have gone bankrupt since 2009. Does the US learn from the failures of the green energy movement in Europe, Canada and

Australia and early ones here? No, of course not, it instead doubles down.

Friends we are not talking about just inconvenience, cold is a killer. "For the last decade, Brits have been dying from the cold at the average rate of 29,000 excess deaths each winter," [British science journalist Matt Ridley](#) wrote in the Spectator.

Excess winter deaths from cold hit the poor and elderly harder than the rich for the obvious reason: They cannot afford heating." They have to choose between heating and eating.

That could be our future if you don't take the threat seriously. Time is running out.