

The Irrational War On Carbon: Toward The 2015 Climate Change Summit in Paris



The core stakeholders who will orchestrate the Paris 2015 Climate Change Summit are out in full force to froth the brew of anti-carbon rhetoric.

There is no better example of what will be said than what has already been said by the Carbon Tracker Initiative based in London. First, they call for a “carbon bubble deflation” where the excessive production of fossil fuel carbon will be methodically reduced to zero thanks to financial pressure and asset realignment. Comparing carbon to a financial bubble serves to create an urgent avoidance, but the analogy is deeply flawed.

According to this approach, “smart” utilities and other fossil fuel users are told that they should divest themselves of assets related to coal, oil and their derivatives. Carbon Tracker then reminds the company that if management winds up with “abandoned assets” in their portfolio, they will have failed their shareholders.

Christiana Figueres, the United Nations' climate head, loves this approach and is backing it 100 percent. She stated in May 2014,

“Governments have agreed to limit global temperature rise to less than 2 degrees Celsius. Governments have also agreed to put in place the pathways to deliver this with a new and universal agreement in Paris towards the end of 2015. In order to reach this goal, large amounts of coal and oil will have to stay in the ground, unburnt. Carbon Tracker’s new [oil and coal cost] ‘Curves’ report indicates where in respect to the oil industry some of those stranded assets and some of those red lines will lie.”

Will The Carbon Tracker Initiative have an impact at the Paris 2015 Climate Change Summit? They believe they will:

“We have the technical knowledge, connections and reach to get inside the mind-set of the global financial community and effect change on a global scale. We are a non-profit, independent organisation, free from the commercial constraints of mainstream analysts and able to set our own research agenda.”

Secondly, they have the full support of the United Nations.

The ultimate goal (by 2030) is nothing less than to completely stop all production of coal and oil.

Let’s analyze this a bit. When Carbon Tracker Initiative calls for “carbon deflation”, any rational economist would perceive that this will also cause economic deflation as well. Why? Because energy is required for all economic activity and currently carbon provides the bulk of that energy. Secondly, there are no substitutes offered to make up the difference in those deflated resources.

Will wind and solar power be sufficient to completely replace the loss of coal and oil? Hardly. According to the U.S. Energy Information Administration, 67 percent of America’s electricity is currently derived from these resources. If you add in nuclear and hydropower, the total rises to 92 percent. By comparison, all sources of renewables combined (wind, solar, biomass, geothermal) only produce 7 percent.

There is no concrete plan on the table anywhere that could begin to replace the missing energy if coal and oil are summarily eliminated. The lack of solutions is underscored by Bill Gates' recent plea for a huge increase in research funds to explore new technologies. In the end, Gates says he is hoping for a miracle.

The bottom line is that the United Nations and Carbon Tracker Initiative want to kill the only major source of energy *today*, while hoping against hope that some unforeseen miracle will bail them out later.

It doesn't take a PhD to realize that this is a formula for economic disaster.