|    | Acknowledgements<br>Preface |         | xiii<br>xv                                  |    |
|----|-----------------------------|---------|---|----|
| In | trodu                       | duction |   | 1  |
|    | 0.1                         | Requi   | irements of a Sustainable Energy            |    |
|    |                             | Pricir  | ng Model                                    | 9  |
|    |                             | 0.1.1   | Some General Issues                         | 9  |
|    |                             | 0.1.2   | Sustainability Criteria and Economic Theory | 15 |
|    |                             |         | 0.1.2.1 Sustainability for whom?            | 17 |
|    |                             | 0.1.3   | The Basis of Change and the Conditions      |    |
|    |                             |         | of Change                                   | 19 |
|    |                             | 0.1.4   | Linearities that Fail to Straighten         |    |
|    |                             |         | Anything Out                                | 22 |
|    |                             | 0.1.5   | The Information/Disinformation Nexus        | 24 |
|    |                             | 0.1.6   | Perception, Truth and Aphenomenality        | 27 |
|    | 0.2                         | Outli   | ne of the Contents of this Volume           | 30 |
| 1  | Fun                         | damer   | ntal Notions                                | 37 |
|    | 1.1                         | "Ener   | rgy Crunch" or: The Problems and Issues of  |    |
|    |                             | Mode    | eling an Energy Price                       | 39 |
|    |                             | 1.1.1   | Commodification: The General                |    |
|    |                             |         | Capital-centred Theory                      | 44 |
|    |                             | 1.1.2   | -   | 48 |
|    |                             | 1.1.3   | Cultural Bias and Energy Price Modeling     | 53 |
|    |                             | 1.1.4   | Commodification: The Special Theory of      |    |
|    |                             |         | Modern-day Time Compression                 | 61 |
|    | 1.2                         | Matte   | er, Energy, and Efficiency from Scientific  |    |
|    |                             | Stand   | dpoint                                      | 66 |

|    | 1.3  | Truth as a Scientific Frame of Reference              | 69  |
|----|------|---|-----|
|    |      | 1.3.1 Eurocentric Distortion of Scientific Truth as a |     |
|    |      | Frame of Reference                                    | 74  |
|    | 1.4  | Phenomenally-based Sustainability:                    |     |
|    |      | The Nature-science Criterion                          | 80  |
|    | 1.5  | Value Assessment, Value Addition and                  |     |
|    |      | Phenomenally-based Energy Pricing                     | 94  |
|    |      | 1.5.1 The Role of Value Assessment and                |     |
|    |      | Value Addition  | 95  |
|    | 1.6  | Newtonian 'Mechanism' and Mystification               |     |
|    |      | of How Value is Transformed into Price                | 104 |
|    | 1.7  | Risk Assessment & Management and                      |     |
|    |      | Aphenomenal Energy Pricing                            | 107 |
|    |      | 1.7.1 Energy Pricing based on Fictions:               |     |
|    |      | The Case of Enron                                     | 110 |
|    | 1.8  | The Temporal Criterion of Long-term                   |     |
|    |      | Sustainability and its Implications                   | 116 |
| Do | ocum | nents   | 118 |
|    | A.   | Timeline of Critical Events for Enron in the          |     |
|    |      | Period August 2001 to December 2001                   | 118 |
|    | B.   | Enron Segment and Stock Market                        |     |
|    |      | Performance 1993–2000                                 | 119 |
|    | C.   | The Temporal Horizon In Which Diligence               |     |
|    |      | Can Become Undue                                      | 119 |
|    | D.   | Darwinian Pessimism and the Foreshortening            |     |
|    |      | of Temporal Horizons                                  | 123 |
|    | E.   | Enron and the Foreshortening of                       |     |
|    |      | Temporal Horizons                                     | 125 |
| 2  | Nev  | wtonian Mechanism and The Deconstruction              |     |
|    |      | Scientific Disinformation                             | 137 |
|    | 2.1  | Introduction  | 139 |
|    |      | 2.1.1 What is the Issue?                              | 139 |
|    | 2.2  | Einstein's Relativity and Newton's                    |     |
|    |      | Mechanism Compared                                    | 140 |
|    | 2.3  | Newton's First Assumption                             | 142 |
|    |      | 2.3.1 First Level of Rectification of                 |     |
|    |      | Newton's First Assumption                             | 148 |
|    |      |   |     |

#### **CONTENTS**

|   |     | 2.3.2   | Second Level of Rectification of           |         |
|---|-----|---------|--|---------|
|   |     |         | Newton's First Assumption                  | 150     |
|   |     |         | 2.3.2.1 Can We Take for Granted            |         |
|   |     |         | that Masswill Remain Constant?             | 150     |
|   | 2.4 | Funda   | amental Assumptions of                     |         |
|   |     |         | omagnetic Theory                           | 153     |
|   |     | 2.4.1   | Can Energy Propagate Throughout            |         |
|   |     |         | Space in the Absence of Mass?              | 153     |
|   | 2.5 | The E   | ngineering Approach and Its Significance   | 175     |
|   | 2.6 |         | Conclusions                                | 180     |
|   | 2.7 |         | nuity and Linearity                        | 182     |
|   |     | 2.7.1   | Confusion Twice Confounded                 | 182     |
|   |     |         | It's Really About Time                     | 187     |
|   |     | 2.7.3   | •  |         |
|   |     |         | Questions of Mutability                    | 197     |
| 3 | Off | shore N | Networks of Control: Providing             |         |
| 3 |     |         | n Multi-Entity International Oil and       |         |
|   |     |         | with a Guarantee                           | 209     |
| _ |     | •       |  | 202     |
| 4 |     |         | nergy Pricing Models: Origins & Problems   | 223     |
|   | 4.1 |         | umption without Production                 | 226     |
|   |     | 4.1.1   | Description of the Problem and             | 226     |
|   |     |         | its Visible Impacts                        | 226     |
|   |     | 4.1.2   | Disinforming Impacts of                    | 0.40    |
|   |     |         | Consumption without Production             | 242     |
|   | 4.2 | _       | sed Energy Pricing                         | 246     |
|   | 4.3 |         | ent Features of the Current Energy-Pricing |         |
|   |     |         | el: Matters Affecting Individuals'         | <b></b> |
|   |     | -       | Existence                                  | 256     |
|   |     |         | Introducing the R-D-R´ Cycle               | 266     |
|   | 4.4 |         | tal Implications of the Current            |         |
|   |     |         | gy-Pricing Model for the Long Term         | 269     |
|   |     | 4.4.1   | Why Does the Writ of the "Competitive      |         |
|   |     |         | Advantage of Nations" Seem To Stop         |         |
|   |     |         | At the Shores of OPEC Member-States?       | 272     |
|   |     | 4.4.2   | Disappearing the Source of Energy          |         |
|   |     |         | Commodities' Value Behind Scientifically   |         |
|   |     |         | Meaningless Discourses about "Rent"        | 281     |

|   |   | 4.4.3   | How Comparative Pricing Theory &               |     |  |
|---|---|---------|--|-----|--|
|   |   |         | Cost-accounting Practices of the Oil &         |     |  |
|   |   |         | Gas Sector Further Confound Resource rent      | 289 |  |
|   | 4.5   | Long-   | term vs Short-term Returns-on-investment       |     |  |
|   |   | [ROI]   | From Energy Exploration & Development          | 296 |  |
|   |   | 4.5.1   | An Oil-Sands Boom without Bust?                | 299 |  |
|   | 4.6   | Resou   | rce "Renewability" and 'Sustainable            |     |  |
|   |   |         | tive Rent'                                     | 304 |  |
| 5 | The Role of Coal in the Modern Evolution of |         |  |     |  |
|   | Ene   | rgy Pri | cing   | 309 |  |
|   | 5.1   | Introd  | luction  | 309 |  |
|   | 5.2   | Signif  | icance of Commodifying Labor-time &            |     |  |
|   |   | All M   | aterial Production — Including its             |     |  |
|   |   | Energ   | y Source                                       | 313 |  |
|   |   |         | Significance of the Napoleonic Wars            | 318 |  |
|   |   | 5.2.2   | The Reform Act of 1832                         | 321 |  |
|   |   | 5.2.3   | Britain & France Compared                      | 323 |  |
|   |   | 5.2.4   | Jevons as Ideologue of Coal &                  |     |  |
|   |   |         | "Marginal Utility"                             | 329 |  |
|   | 5.3   | From    | "Law of Supply & Demand" (at the margin)       |     |  |
|   |   | to "Co  | onsumption without Production"                 | 335 |  |
| D | ocum  | ent     |  | 338 |  |
|   | A.  | Histor  | y of U.S. Coal Use [extract]                   | 338 |  |
| 6 | Carbon Emission Credits — Theory & Practice |         |  | 341 |  |
|   | 6.1   | Introd  | duction  | 341 |  |
|   |   |         | THEORY — Regime                                | 342 |  |
|   |   | 6.1.2   | THEORY — "Additionality"                       | 346 |  |
|   |   | 6.1.3   | THEORY — Sustainability and a                  |     |  |
|   |   |         | "Universal Equivalent"                         | 348 |  |
|   |   | 6.1.4   | THEORY — Market                                | 351 |  |
|   |   | 6.1.5   | PRACTICE — Real-world Carbon                   |     |  |
|   |   |         | Trading Mechanisms                             | 354 |  |
|   |   | 6.1.6   | PRACTICE — Some Real-world                     |     |  |
|   |   |         | <b>Emission-Reduction Scenarios Considered</b> | 362 |  |
|   |   | 6.1.7   | PRACTICE — Criticisms and Shortcomings         |     |  |
|   |   |         | of Practical Carbon Credit Regimes             | 365 |  |

|          |     | 6.1.8 PRACTICE — Emissions Reduction               |     |
|----------|-----|--|-----|
|          |     | Currency Systems                                   | 366 |
| Do       | cum | ents   | 371 |
|          | A.  | The Kyoto Clean Development Mechanism              |     |
|          |     | Gold Standard                                      | 371 |
|          | B.  | Thoughts on the Relative Merits of                 |     |
|          |     | Cap-and-Trade Versus Emission                      |     |
|          |     | Taxes for Controlling Carbon Emissions             | 372 |
|          | C.  | U.S. House Passes Repeal of EPA                    |     |
|          |     | Carbon Rules Over White House Objections           | 378 |
|          | D.  | Carbon Trading: A Method for Preserving            |     |
|          |     | the Environment and Reducing Poverty               | 380 |
|          | E.  | Canadian Law with Regard to Carbon                 |     |
|          |     | Emission Regulation                                | 387 |
|          | F.  | Carbon Capture and Storage - Identified challenges |     |
|          |     | to implementation                                  | 392 |
|          | G.  | North America Bets on "Carbon Capture and          |     |
|          |     | Storage" (CCS)                                     | 400 |
|          | H.  | Canadian Implications of U.S. Climate Change       |     |
|          |     | Regulation   | 406 |
|          | I.  | The Taxation of Tradable Permits                   | 411 |
|          | J.  | Ottawa Unveils Carbon-offset System                | 416 |
|          | K.  | Ontario Introduces Cap-and-trade Legislation       | 419 |
|          | L.  | Canada Moves Forward on Domestic                   |     |
|          |     | Emissions Trading Market                           | 421 |
|          | M.  | Carbonmail?  | 424 |
|          |     |  |     |
| 7        | "Pe | ak Oil" and Other Fits of Pique Among              |     |
|          | Res | ource Economists                                   | 435 |
|          | 7.1 | Introduction                                       | 435 |
|          | 7.2 | Human Factor Social Consciousness &                |     |
|          |     | "Abstracting Absence"                              | 453 |
| Document |     | 460  |     |
|          | A.  | The Achnacarry Agreement and the "As Is" System    | 465 |
|          | В.  | The Entry of Kuwait onto the World Market          | 467 |
|          | C.  | Aramco and the Containment of Saudi                |     |
|          |     | Arabian Expansion                                  | 471 |
|          | D.  | Notes  | 473 |

#### **CONTENTS**

| Bibliography |  | 477 |  |
|--------------|--|-----|--|
| Int          | Introductory Note                              |     |  |
| I.           | Bibliography                                   | 478 |  |
| II.          | Websites                                       | 518 |  |
| Apper        | dix -Disinformation in the Social & Historical |     |  |
|              | Sciences: Concerning Time Functions and        |     |  |
|              | Sustainability of Resource Development         | 521 |  |
| A.1          | Introduction                                   | 521 |  |
| A.2          | Detaching Canada's East Coast Fishery          |     |  |
|              | From Its History: Causes and Consequences      | 523 |  |
| <b>A</b> .3  |  |     |  |
|              | Analysed as a Problem of Method                | 529 |  |
| A.4          | Social Science and The Problem of              |     |  |
|              | Linearised Time                                | 536 |  |
| <b>A</b> .5  | Placing t <sub>UNEAR</sub> on Life Support     | 543 |  |
| $A.\epsilon$ |  |     |  |
|              | of The East Coast Fishery                      | 555 |  |
| A.7          |  | 563 |  |
| Index        |  | 575 |  |