

Excerpt from Sydney Morning Herald, November 25, 2012

<http://www.smh.com.au/business/carbon-economy/uks-omnishambles-of-an-energy-policy-20121121-29pvg.html>

UK's 'omnishambles' of an energy policy

'Omnishambles' was last week named word of the year by the Oxford English Dictionary. It could also be the word of the year so far for UK energy policy. Last week, energy minister John Hayes again contradicted his boss, secretary of state for energy and climate change Ed Davey, by casting a doubt on the future of onshore wind in the UK.

This was perhaps unsurprising given that a senior Tory was recorded saying privately that Hayes was "prepared to duff him up".

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It was a busy week in Brussels. The Commission published its "backloading" proposal to boost carbon prices by delaying the sale of 900 million allowances from 2013-15 until later in this decade. It also published options for a longer-term carbon market fix, including a more ambitious climate goal and the cancellation of permits.

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Also in Washington DC, the Environmental Protection Agency rejected a request from eight US states to waive the Renewable Fuels Standard, which requires fuel to be blended with corn-based ethanol, saying such a measure would only reduce corn prices by about 1 per cent.

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French energy giant Areva scrapped its proposed \$US1 billion Solar Dawn project in Australia after a government agency said it would not fund the 250MW plant.

There was equally bearish news for projects in India, where a government official said last week that half the \$US1.4 billion of solar thermal projects will be delayed, and some scrapped, due to supply chain difficulties.

The WilderHill New Energy Global Innovation Index, or NEX, dropped 5 per cent last week, performing twice as badly as broader market indices. The week's biggest loser was Trina, after it cut sales estimates by 20 per cent. It fell to a record low as 36 per cent was shaved off its value.

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