

CONSEQUENCES (INTENDED AND UNINTENDED) OF FALLING OIL PRICES

Will pollution levels spike as consumers use more? Will low prices hurt or help Keystone XL?

We all know about the prices at the gas pump. But what are some of the other consequences of falling oil prices? It may be threatening long-standing emissions and pollutions targets. Lower gasoline prices spurs consumption and leads to more cars and trucks on the road and thus, [more pollution](#). "Reduced national income from energy taxes and 'a [low-growth economic environment](#)' might spur countries to curtail their emissions-curbing pledges for after 2020" noted Zoe Knight, head of HSBC Holdings Inc.'s climate change center.

How does it impact infrastructure spend such as the [Keystone XL pipeline](#)? Some are saying that with oil prices below USD 49 per barrel, they are doubting the rationale behind a USD 8B project. Although many major oil sands projects are already underway, they are still sensitive to oil prices to cover running costs. However, when prices go up, it impacts transportation costs of oil sands, which could in turn impact production levels.

There are two schools of thought on the impact of falling oil prices on renewables. Some say it will [not impact renewables](#) because renewables are not in direct competition with oil, but rather with natural gas. Others say oil prices will [hurt renewables](#) because it will encourage consumers to continue their gas guzzling ways.

THIS WEEK IN NUMBERS

5.8%

EPA proposed a rule this week that would give states that keep nuclear plants open a credit of 5.8% toward its carbon reduction goal.

48

All 48 of Japan's nuclear reactors were gradually taken offline after the meltdowns at the Fukushima Daiichi plant in 2011, and as many as two-thirds may never return to operation.

83

The number of speeches on climate change Rhode Island Democrat Sheldon Whitehouse has given on the Senate floor (no two are the same!)

COMMITTING TO RENEWABLES

Renewable use and commitments up around the globe

The promise of renewables is making headlines around the world... and not just because of falling oil prices.

Nearly 26 percent of [Germany's power](#) was generated from renewables in 2014, according to Agora Energiewende, a Berlin think-tank.

Meanwhile, [Pakistan](#) has approved the use of grid-connected solar energy, a move aimed at bringing down the cost of installing solar panels.

California also vows to source [half of the state's power](#) from renewables by 2030. In his inaugural speech, Governor Brown also promised to seek to double the energy efficiency of existing buildings.

"I envision a wide range of initiatives: more distributed power, expanded rooftop solar, micro-grids, an energy imbalance market, battery storage, the full integration of information technology and electrical distribution and millions of electric and low-carbon vehicles."

-- Governor Jerry Brown

GOOD NEWS FOR ANTIOTBIOTICS?

Still cautiously optimistic especially as flu becomes widespread in US

Scientists have discovered a [new antibiotic](#)—teixobactin— which may be capable of fighting infections that kill hundreds of thousands of people each year. This is exciting news for a field that has not had a major new drug discovery in more than a quarter-century. Some have called this discovery a “[game changer](#)”.

This comes at a good time as the [flu is widespread](#) across most of the U.S. The [CDC](#) is reporting that total flu deaths have reached 21 this year. The CDC closely watches flu cases to determine the level of severity of the spread of the disease. It also monitors the statistics for determining when it becomes an epidemic, not just a widespread outbreak.

UCL STUDY: FOSSIL FUELS MUST STAY UNBURT TO LIMIT CLIMATE CHANGE

University College London study in *Nature* gives stark warning

In a study published in the journal [Nature](#), researchers said that 80 percent of coal reserves, half of the known gas reserves, as well as more than 260,000 million barrels of oil reserves in the Middle East, equivalent to all of Saudi Arabia’s oil reserves, must remain in the ground before 2050 to limit temperature increases of 2 degrees Celsius.

“Policy makers must realize that their instincts to completely use the fossil fuels within their countries are wholly incompatible with their commitments to the 2 degrees-C goal,” said Christophe McGlade, who led the study at University College London’s Institute for Sustainable Resources.

The research will heighten the debate about so-called [stranded assets](#). Some institutional investors urge divestment, others say invest and engage.

WHILE YOU WERE AWAY..

Three things you may have missed over the holidays

Keep an eye on... [US Carbon Tax](#). Former US Treasury Secretary Lawrence Summers has become the latest high-profile figure to call for the widespread adoption of carbon taxes.

[Australian Super](#), one of the country’s largest investors, has asked the chairmen of the nation’s biggest banks how they are responding to carbon exposure risk.

NBIM, [Norway’s sovereign wealth fund](#) will begin publishing its voting intentions where it feels the intervention can help illustrate an important principle.

BELIEVE IT OR NOT

Environmentalists typically save the trees *from* the logging companies... not the logging companies themselves... Right? Not anymore.

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