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Reaching a deal to extend the debt limit turned into a classic political battle. As the discussion continues to evolve, it is certain to become a clash between those who think the older but more proven energy forms should lead and those who espouse the growth of newer and cleaner fuels.

The agreement calls for \$917 billion to come from discretionary programs. A bipartisan committee will suggest the remaining cuts of \$1.5 trillion, part of which will begin in 2013. If that group is too divided to agree where the cuts are to occur, then the ax will fall on the U.S. Department of Defense; a cornerstone of the conservative philosophy, and therefore a reason for all parties to come to terms.

The conventional thinking is that some of the funds provided to wind, solar and fuel cell technologies will get sliced. To be fair, that would then need to be accompanied by a relative reduction in subsidies given to oil, coal, natural gas and nuclear, or perhaps the raising of their taxes.

Many experts agree that it is much easier to close the existing loopholes provided to the mature fossil fuel industries than to raise their taxes, especially if the only other remaining choice is to trim defense spending. According to the White House Office of Management and Budget, oil and gas companies are to get \$46 billion in subsidies during the next 10 years.

Cuts are coming. And so the big questions are whether they will be fairly distributed across all energy fields and whether the regulators will have the resources they need to do their jobs. The electorate will be the final judge, suggesting that any imprudence will be penalized.

Ken Silverstein Energy Central

Extended Temp Forecast: Chicago Area

Tue	Wed	Thu	Fri	Sat
63 - 81	64 - 80	62 - 81	67 - 84	67 - 81

Electricity Pricing Areas – On Peak Sep 2011

	Aug 16, 2011	Per kWh
PJM	West	\$0.04986
Cinergy	Peak Monthly	\$0.03812

ComEd Average Day Ahead LMP Electric Price

Time Period	Average per Kwh
Aug1–Aug 31, 2010	\$0.04628
Sep 1 - Sep 30	\$0.02934
Oct 1 - Oct 31	\$0.02702
Nov 1 - Nov 30	\$0.02778
Dec 1 - Dec 31	\$0.03545
Jan 1 –Jan 31, 2011	\$0.03871
Feb 1 - Feb 28	\$0.03581
March 1- Mar 31	\$0.03668
April 1 - April 30	\$0.03448
May1- May 31	\$0.03954
June 1 - June 30	\$0.03851
July 1 thru July 31	\$0.05170
Aug 1 - Aug 15	\$0.04531

Weather Today: Mostly sunny. High 81F. Winds SE at 5 to 10 mph. **Tonight:** Generally clear. Low 63F. Winds SSE at 5 to 10 mph. **Wed:** Showers and a few thunderstorms likely. High near 80F. Winds SSW at 10 to 15 mph. Chance of rain 60%. **Thu:** Abundant sunshine. Highs in the low 80s and lows in the low 60s. **Fri:** Times of sun and clouds. Highs in the mid 80s and lows in the upper 60s. **Sa:** A few thunderstorms possible. Highs in the low 80s and lows in the upper 60s.

