Climate Denial Crock of the Week
with Peter Sinclair
http://climatecrocks.com/2016/02/17/as-oil-crashes-renewables-soar/

As Oil Crashes, Renewables Soar

February 17, 2016

Bloomberg:

The slump in oil prices that's brought upheaval and cost-cutting to the traditional energy industry spared renewables such as solar and wind, which raked in a record $329.3 billion of investment last year.

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The 4 percent increase in clean energy technology spending from 2014 reflected tumbling prices for photovoltaics and wind turbines as well as a few big financings for offshore wind farms on the drawing board for years, according to research from Bloomberg New Energy Finance released on Thursday.

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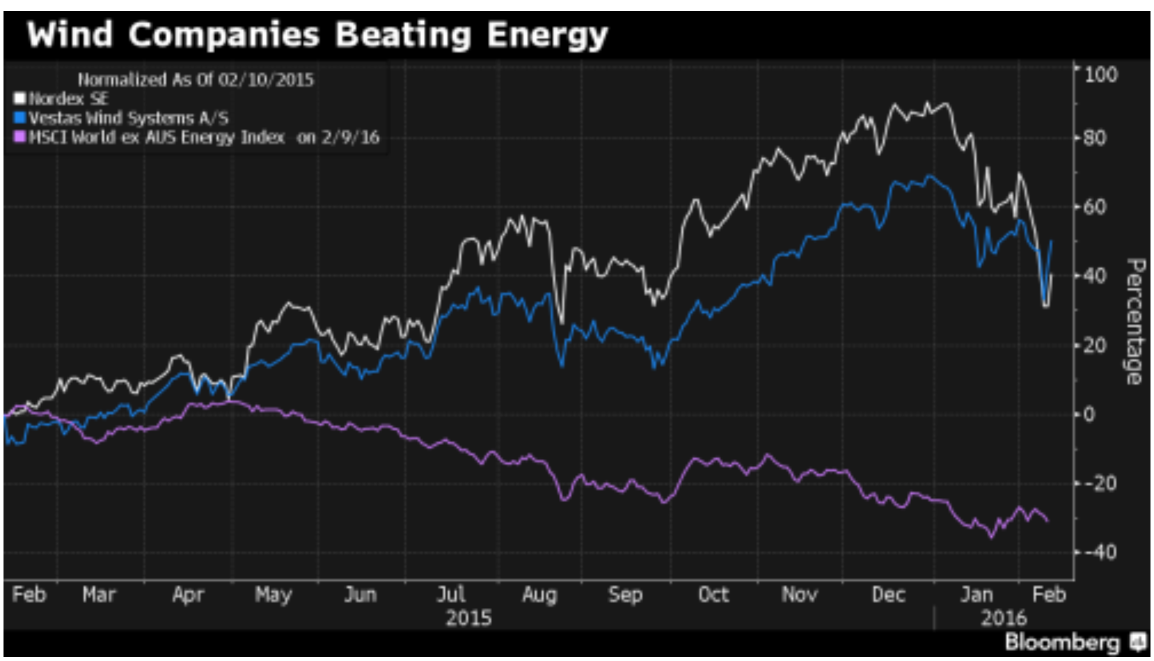
While oil companies eliminate jobs and curb capital spending to cope with prices that have fallen two-thirds in 18 months, renewables are enjoying a renaissance underpinned by rules designed to curb fossil-fuel emissions damaging the atmosphere.

Fears that low oil prices will continue into 2016 have knocked confidence among oil companies, delaying $380 billion worth of investment in upstream projects, according to analysis by industry consultant Wood Mackenzie Ltd. on Jan. 12. Companies are “going into survival mode” this year with more projects delayed and budgets cut, said Angus Rodger, one of the report’s authors.

Brent crude oil has traded near $30 a barrel this month, down from more than $110 in 2014 as exporters led by Saudi Arabia battled for market share. Coal and natural gas prices have followed, already pushing a handful of producers into bankruptcy. While BNEF has said lower prices may hurt funding for efficiency projects and the spread of electric cars, the main clean energy technologies enjoyed record installations in 2015.

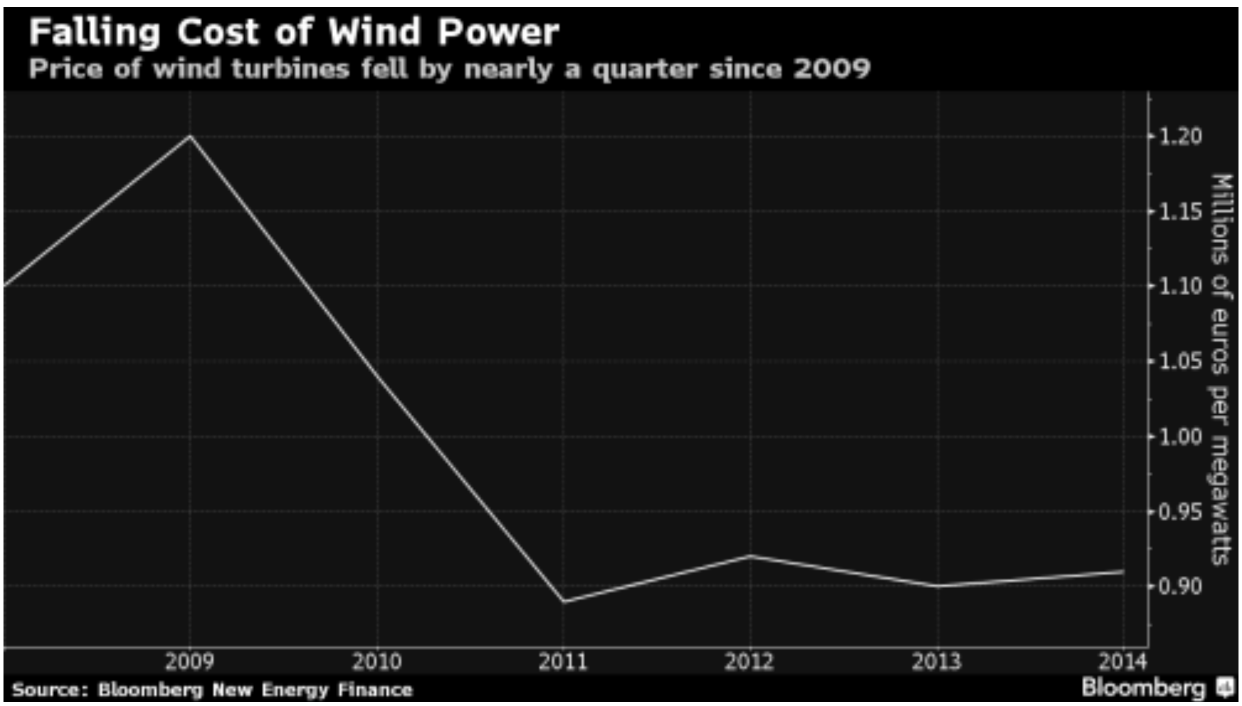


Bloomberg:

A glut in crude isn't affecting new demand for wind-energy. Even as falling prices made oil more affordable last year, investors directed a record $329 billion to install new wind- and other clean-energy technologies, said Bloomberg New Energy Finance.

Record installations helped Europe's three publicly traded wind-turbine makers — Vestas Wind Systems A/S, Gamesa Corp. and Nordex SE– to double their market value in 2015.

Even as oil companies tamp down earnings and investment expectations, wind companies are eyeing records again this year. Vestas, the world's biggest wind-turbine maker, last week predicted another sales record in 2016. Siemens AG meanwhile is close to a deal with Spain's Gamesa Corp. Tecnologica SA that would create the world's largest turbine producer.



Meanwhile, in Oil-ville:

Reuters:

Roughly a third of oil producers are at high risk of slipping into bankruptcy this year as low commodity prices crimp their access to cash and ability to cut debt, according to a study by Deloitte, the auditing and consulting firm.
The report, based on a review of more than 500 publicly traded oil and natural gas exploration and production companies across the globe, highlights the deep unease

permeating the energy sector as crude prices sit near their lowest levels in more than a decade, eroding margins, forcing budget cuts and thousands of layoffs.

The roughly 175 companies at risk of bankruptcy have more than $150 billion in debt, with the slipping value of secondary stock offerings and asset sales further hindering their ability to generate cash, Deloitte said in the report, released Tuesday.

Peter Sinclair:

Just so this sinks in – as oil, buoyed by fantastically successful shale technology, produces a glut of product on the world market, prices fall, and plans for exploiting more exotic deposits are put on hold.

If the oil industry is successful in cutting surpluses, and prices go up, drillers will go back to work, but price shocks will move even more of their customers into more investment in efficiency and alternative energy.

Meanwhile, as inevitable technological improvement and mass production keep pushing renewable prices down, – further volatility in oil/gas markets just makes guaranteed steady renewable costs more attractive. Death spiral/life spiral.