

# MONDAY: GREY BULL

Hope you have some free time today to enjoy this short film. Grey Bull by Khoby runs 15 minutes long, but worth it. Its pace is slow, but the emotions this short musters are full and richly explored. I look forward to more from filmmaker Khoby.

## Energy escapades

NV ENERGY: Last Friday I posted a link to a story about Nevada's governor replacing a member of the Public Utilities Commission as a result of costly barriers to residential solar energy integration. Commenter jo6pac pointed out that Berkshire Hathaway-owned NV Energy (NVE) has been part of the challenge to increasing the use of individual residential solar-generated electricity in NV. I thought there was another electricity provider in Nevada besides NVE given the number of businesses switching from NVE. It's a challenge, though, if NVE has near-monopolistic position in the state's electricity market, especially since NVE has the second highest residential rates for electricity in the mountain west region.

But that's only part of NV's problem. Like much of the U.S., NV must phase out of fossil fuels like coal and gas – NVE's standard energy mix relies on 75% or more fossil fuels. As a nation we're not talking enough about exiting fossil fuels, and how to prevent economic damage while winding down an entire industry in the case of coal. The public does not owe corporations guaranteed profits, but there is a compelling reason for the state to minimize damage to the public's interests by ensuring coal does not crash.

Putting aside that rather large topic, Friday's story is really the inversion – it's not the lone PUC commissioner who might have been battling for NVE, but the largest industry in the state damaged by electricity monopoly and using its power to persuade regulatory change.

This January 2016 article explains a lot: casinos want to exit NV Energy for another provider, but they are being assessed enormous exit fees over which they are suing. More than \$100 million in fees between three casinos is a lot of pressure to remain with the status quo.

We're entering a phase where electricity attains commodification – any supplier will do, and the user should be able to freely switch – but the traditional infrastructure based on coal and other fossil fuel sources with steep and long-term sunk costs can't compete with commodified alternative energy suppliers. It's a challenge not unlike the transition from brick-and-mortar retail to e-tail, or newsprint to online news. The legacy system must give way, but it's going to hurt when there is little forethought put into the transition. Nevada's PUC is in for a very rough ride.

SOLARCITY: Tesla announced it's buying out all of the solar power systems company for a price \$200 million below its initial offer last month. While SolarCity's headquarters are in San Mateo, California, after the merger it will have battery production facilities in the Gigafactory under construction near Reno, Nevada. Last year the SolarCity sued Salt River Project (SRP) claiming SRP's increased rates for residential solar energy users violated antitrust laws since the consumers could not leave SRP's portion of the grid.

Which sounds a lot like the situation in the rest of Nevada where NVE charges higher rates for residential users who install solar panels as jobpac pointed out (more in NYT via bloopie2). Is there another antitrust suit in the offing? Or will billionaires Elon Musk of Tesla and Warren Buffett of Berkshire Hathaway have a meeting of the minds?

#### **Frightening flooding**

- MARYLAND: Patapsco River

near Elkridge at Patapsco Valley State Park rose 20 feet in a matter of minutes on Saturday evening. (Bill McKibben-Twitter) – Absolutely mindboggling how fast this flash flood happened; it's surprising there were only two deaths so far.

- INDIA: At least 32 deaths reported in eastern India due to flooding (Times of India) – Worst of the flooding occurred in Assam, Meghalaya, Bihar and West Bengal. Another 27 people were killed by lightning in Odisha. Read the comments at that article; surprising how much the remarks parallel what we see in the U.S. wrt government responsibility and pleas to deities for help.
- CHINA: Heavy flooding slowed manufacturing demand and production in July (Asia Times) – Flooding exacerbated already softer demand from abroad and may lead to layoffs.

#### Troubled Turkey

- Nigeria cooperates with Turkey, shutting down 17 schools (AllAfrica) – The

Nigerian Turkish International Colleges are allegedly tied to the Gülenist movement. Somalia has now also agreed to shut down schools believed to be pro-Gülenist.

- Kazakhstan and Kyrgyzstan have now both turned down Turkey's request to shut Turkish schools (The Diplomat) – Uzbekistan and Tajikistan had already closed Gülen-linked schools well before the attempted coup.
- More journalists detained (European Federation of Journalists) – As of today, the total number of journalists arrested is now 58.
- Academic take on Gülen's responsibility for the coup (Dani Rodrik's blog) – Long read by Ford Foundation Professor of International Political Economy at Harvard's John F. Kennedy School of Government. Interesting how weaselly everyone is with carefully worded rebuttals. See also followup post as to whether U.S. backed Fethullah Gülen.

That's it for Monday, only one more month before

Congress returns to DC. See you tomorrow!