



Sustainable Finance

Market Performance - Selected Markets for the Week Ended March 19, 2010					Selected Rates (Institutional)	
Market	Dec 31, 2009	Mar 19, 2010	YTD Change	YTD % Change	Description	Price/Rate Mar 19, 2010
S&P TSX	11,746.11	11,947.98	201.87	1.72%	CDN/USF	1.0155
Dow Jones	10,428.05	10,741.98	313.93	3.01%	CDN/EURO	1.3740
S&P 500	1,115.10	1,159.90	44.80	4.02%	CDN/CHF	0.9567
Nasdaq	2,269.15	2,374.41	105.26	4.64%	CDN/YEN	0.0112
Nikkei 225	10,546.44	10,824.72	278.28	2.64%	Total CPI -Canada TTM (01/10)	1.90%
FTSE 100	5,412.88	5,650.13	237.25	4.38%	Total CPI - USA TTM (01/10)	2.90%
Dax	5,957.43	5,982.43	25.00	0.42%	Total CPI - Euro TTM (01/10)	1.10%
Hang Seng	21,872.50	21,370.82	-501.68	-2.29%	GOC 1 Yr T-Bill	0.70%
Shanghai	3,277.14	3,067.75	-209.39	-6.39%	GOC 5 Year	2.76%
DJSI World TR	1,286.40	1,292.65	6.25	0.49%	GOC 10 Year	3.45%
DJSI North America TR	120.14	126.24	6.10	5.08%	GOC 30 Year	4.02%
Jantzi Social Index TR	173.67	178.66	4.99	2.87%	Gold USF/Oz	1,106.64
FTSE 4Good Global 100	4,256.14	4,216.35	-39.79	-0.93%	Oil USF/BBL WTI Cushing Spot	80.68

Week in Review

You know it is almost like there is a ceiling at around 12,000 for the TSX in Canada and the market just keeps banging its head against it and then falls down again. As painful as it is I think that it is healthy. For now.

As widely expected this week the FED in the US continues to keep their rates low with no changes and with continued use of the phrase "extended period".

With capacity utilization in the US at around 73.00% and unemployment at 9.70% there is a lot of room for leaving rates low in that country.

In Canada the same rates are 8.2% for unemployment and 71.00% for capacity utilization. So any talk of rate increases is just that...talk. We too have plenty of room to leave rates low. Our inflation is going to be an export from Chindia. Simply that means as the Chinese and Indians

continue their economic growth while North American and Europe stagnate, we will see the price of our commodities increase and this will lead to higher prices in spite of slower economic activity.

What happens then? The traditional response to inflation is to raise interest rates to slow down economic activity. However, when your inflation is caused by events and demand separate from your country how do you

tame inflation and continue economic growth?

I am sure we will not be the only ones grappling with this question in the near future.

The European debt crisis continues to drag on. Progress is being made but the reality is that each country that does not meet the criteria is going to have to take some pretty drastic measures to balance books.

For instance, the

Greeks will have to start charging income tax on the majority of their citizens. I'll bet you did not know this but only 25% of Greeks pay taxes. Hmmm.

Looks like the Greek government will have to slash government worker pay, pensions, and raise taxes and broaden the tax base. Hey, its an OECD country. It should have high tax rates and indentured citizens so time to get on with it.

I'll never understand why governments figure they are not controlled by the same financial measures individuals are when it comes to financial responsibility. Guess it's not "their money".

Have you seen the price of oil? I remember when Oil was \$145.00 a barrel and a friend of mine in the oil and gas industry told me that it should be about \$55.00. Well we had the great economic implosion shortly

thereafter and the price fell to \$36.00 a barrel but now it is at almost \$81.00 and holding there fairly consistently. If there is any reason at all that people should start looking at the efficiency of oil consumption it is the price of oil.

Although it fluctuates widely due to its highly inelastic price curve, it seems to have a base now and is not likely to head much lower. Good time to get efficient.

BC Hydro selects 19 projects for first clean power purchase agreements

BC Hydro has awarded the first batch of electricity-purchase agreements in its contentious, government-driven clean-power program.

The 19 wind and run-of-river projects will generate 2,400 gigawatt hours of electricity a year - enough to power 218,000 homes.

B.C. Energy Minister Blair Lekstrom said Thursday they're a significant step toward meeting the government's goal of becoming energy self-sufficient using clean, renewable energy by 2016.

But the NDP Opposition is challenging the need for the projects at all, as well

as their potential costs to electricity ratepayers.

The 19 projects by a handful of companies include 14 run-of-river operations, where water is diverted through turbines to generate electricity, and five wind-turbine projects.

Lekstrom said in a statement that all told, the projects involve \$3 billion in capital investment and generate 3,000 person-years of employment during construction.

Hydro's acting president, Bev Van Ruyven, said more clean-power projects will be announced in the coming weeks, with the Crown-owned utility's target of acquiring up to 5,000

gigawatt hours annually of clean energy from B.C. sources.

The power purchase agreements, which will include the range of prices Hydro will pay for the electricity, must be submitted to the B.C. Utilities Commission for review.

Hydro says another 28 projects remain in its Clean Power Call and the utility expects to select more later this month.

Although most of B.C. power is generated by its network of aging hydro dams, population and economic growth has required it to import power from the United States and Alberta, some of it from fossil fuel-powered facilities.

"Over the last eight years we've imported 10 to 15 per cent of our system needs," Van Ruyven said in an interview. In all, Hydro initially received 68 proposals from 43 bidders representing more than 17,000 gigawatt hours per year of electricity.

The winners in this phase include Finavera Renewables Inc., CP Renewable Energy Limited Partnership (formerly EP-COR), Cloudworks Energy Inc., Creek Power Inc., Plutonic Power Corp. (TSXV:PCC), Selkirk Power Co., Swift Power Corp., NI Hydro Holding Corp., C-Free Power Corp. and Kwagis Power Limited Partnership.

The government has

committed the province to reducing greenhouse-gas emissions by 33 per cent by 2020, spurring an explosion of interest in renewable energy projects.

Last summer, the B.C. Utilities Commission rejected Hydro's plan -mandated by the province - to buy power from new clean-energy sources.

The commission said the plan over-estimated future electricity demand and the clean-power element would cost ratepayers too much.

It told Hydro to fall back on the gas-fired Burrard Thermal plant near Vancouver to make up any short-falls.

The government - which is committed

to closing Burrard Thermal - responded by directing the commission not to consider it in Hydro's application.

Van Ruyven said she anticipates no problems with the commission's review of these projects.

"When we file we'll clearly show them that if we were to get for example 5,000 gigawatt-hours, that just gets us to self-sufficiency by 2016," Van Ruyven said. "We're legally required to ensure that..."

Continued on page 2

March 19, 2010 Volume 2 Issue 11

Trevor Giles is Managing Director of Blue Marble Capital Management Limited, a discretionary portfolio manager located in Nelson, British Columbia that specializes in socially responsible investment using their ESGC Investing™ method.

He is a Certified Management Accountant (CMA), a Chartered Financial Analyst (CFA) and a Fellow of the Canadian Securities Institute (FCSI). He has over 20 years investment experience in public investments, venture capital, carbon finance, and socially responsible investing.

Trevor be contacted at 250.354.4422 or at trevor.giles@bluemarblecml.com. The firm's website is www.bluemarblecml.com.



Selected News Articles

Wave power projects provide world-first for Scotland

A £150M wave power project is to go ahead in waters off the north coast of Sutherland, it was announced this week.

The Armadale site, on the seabed some kilometres north of Bettyhill, is among 10 sites in northern waters to be leased out to seven power companies. The others are around the Orkney Islands and in the Pentland Firth. Up to 1700 jobs could be created as a result of the developments.

The schemes are expected to be capable of generating up to 1.2 gigawatts of power - enough for 750,000 homes and four times the peak output of the Dounreay Power Station.

Highlands and Islands SNP MSP Rob Gibson this week welcomed the news as a "great boon for the local economy." He said: "It's exciting times for the area and the wider region. This week is momentous as it

signals the start of the transformation of the Far North's economy. There is a great potential for jobs and real investment in the area."

Mr. Gibson has now called for the harbour at Scrabster to be developed as a matter of urgency.

The Crown Estate, which owns the seabed out to the 12 nautical mile territorial limit, awarded the leases after inviting bids from developers. Competition was fierce with bids received from 20 companies for 42 sites. The Crown Estate has been working with the Scottish Government, Highlands and Islands Enterprise, Highland Council and Orkney Islands Council on the project.

First Minister Alex Salmond announced the successful bidders at a ceremony on Wednesday held at Dynamic Earth in Edinburgh. Simultaneous press conferences took place at Wick and Kirkwall.

The landmark announcement marks the world's first commercial wave and tidal leasing round.

Six sites, including the Armadale site off Bettyhill, have been allocated for wave energy developments, potentially generating 600 megawatts of power, and four for tidal projects, also generating 600 megawatts.

The lease of the Armadale site has gone to Edinburgh-based Pelamis Wave Power, who have developed the Pelamis Wave Energy Converter - the world's first commercial scale offshore wave energy machine.

Wave schemes will be developed by SSE Renewables Developments off Costa Head and also jointly with Aquamarine Power off Brough Head, both on Orkney. Scottish Power Renewables have the lease for Marwich Head, Orkney. Leases for wave projects have also been

awarded to E.ON for sites designated off West Orkney South and West Orkney Middle South. Marine Current Turbines have gained the lease of the Brough Ness site on Orkney and Scottish Power Renewables will work in the Pentland Firth off Ness of Duncansby in Caithness.

The schemes are expected to cost £4bn to install and will require up to £1bn more of taxpayers' money to build new grid connections, harbours and other structural facilities in Orkney and Caithness. Engineering experts have warned that the technical difficulties of delivering electricity from wave and tidal schemes mean it is an extremely expensive source of power.

First Minister Alex Salmond said at Wednesday's ceremony that "Scotland rules the waves."

He said: "These waters have been described as the Saudi

Arabia of marine power and the wave and tidal projects unveiled today underline the rich natural resources of the waters off Scotland."

The Secretary of State for Scotland, Jim Murphy, said: "This is a welcome world-first for Scotland and I am happy to see the major steps being taken to harness Scotland's wave and tidal energy. It is an extremely exciting time for renewables in Scotland and across the rest of the UK as we use more of our natural resources to generate our power."

Highland Council convener Sandy Park, who is chairman of the advisory board to the Caithness and North Sutherland Regeneration Partnership, said: "This is an important milestone in the development of marine and tidal energy in the north and promises to play a key role in the redevelopment of the economy in Caithness and Sutherland."

Constituency MSP Jamie Stone cautioned: "Unless the Scottish Government and enterprise network show the leadership and drive, backed by proper investment to the extent necessary, an enormous opportunity could be lost."

Constituency MP John Thurso said: "This is about turning what not so long ago was a dream into a reality. We have the opportunity to be the equivalent of Silicon Valley in marine energy."

Meanwhile Highlands and Islands Enterprise is drawing up an infrastructure strategy to smooth the way for the power schemes.

HIE's head of operations in Caithness and Sutherland, Sandra MacCaughey, said: "Conservatively, we have estimated 500 direct jobs could be created in the Pentland Firth area. More optimistically, it could be as high as 1700 jobs."

Sandra Munro, chair of Bettyhill, Strathnaver and Altnaharra Community Council, says: "We have been talking about these projects at our meetings and it all sounds good, but I don't think we're looking at next year or the year after for jobs, but maybe in the future."

North West and Central Sutherland councillor Robbie Rowantree said: "Wave and tidal energy is definitely something that is going to have to play a part in the energy needs of the future and I'm glad to see these developments taking place. Hopefully they will be converted into sustainable employment. It is early days in a young industry, but anything we can do to create employment in fragile areas has got to be supported. There is enormous potential."

The Northern Times March 18, 2010
By Robbie Rowantree

If all mankind were to disappear, the world would regenerate back to the rich state of equilibrium that existed ten thousand years ago. If insects were to vanish, the environment would collapse into chaos.

~Edward O. Wilson

BC Hydro.....

Continued from page 1

....we're there so it would be hard for the commission to say that this volume isn't needed."

NDP Energy critic John Horgan was critical of the timing of the announcement, saying a broad discussion on B.C. power needs should take place before projects go ahead.

"I'm a bit concerned we're not 12 months past the utilities commission directing Hydro to go back to the drawing board and we have 19 contracts that are

in the middle of negotiations at prices that we won't know for some months," he said.

While focusing on developing renewable power sources, the government appears to have done little to move on another of its policy goals, reducing demand through conservation measures.

The policy of requiring Hydro to rely on smaller green-power projects has also been criticized by those who say electricity that depends on wind or river flows is not reliable.

Environmentalists have also warned run-of-river projects could threaten salmon-bearing waterways by diverting water through electrical turbines, especially some of the larger projects.

B.C. Environment Minister Barry Penner said Thursday all the projects will go through provincial and in some cases federal environmental assessment processes.

The Winnipeg Free Press March 15, 2010
By Steve Mertl

Africa's Largest Wind Project Advances

Kenya's Lake Turkana Wind Power project - set to become Africa's largest wind farm - looks to be back on track after securing financing through a new shareholding structure.

The London-based energy firm Aldwych International provided a little over half of the funding, with South Africa's state-owned finance institution Industrial Corporation and the Dutch wind power manufacturer KP&P providing the rest, according to Carlo Van Wageningen, the chairman of Lake Turkana Wind Power. "This is a major step

forward," Mr. Van Wageningen said.

The African Development Bank Group, which is spearheading the financing process, had earlier warned of potential difficulties in reaching closure without commitments to fully fund the project, including the necessary transmission line.

Last week news emerged that a Spanish company had stepped in to fund the cost of that line.

"A Spanish company has provided the best bid on the tender for the overhead line, and the Government of

Spain is supporting the company by providing \$150 million," Mr. Van Wageningen said.

"This is another important milestone for the project," he added.

The 300-megawatt, \$625 million project is expected to begin providing 50 megawatts of power to the Kenyan national grid by June 2011. Once in full operation, the project could provide roughly a third of Kenya's current peak demand of 1,089 megawatts. Kenya's electricity distributor has agreed to purchase power

from the wind farm at a government established rate of less than 10 cents per kilowatt-hour - the cheapest source of power in the East African country.

The Kenyan government will also take over the responsibility for the construction of the transmission lines, Mr. Van Wageningen said.

Denmark's Vestas Wind is expected to supply 360 wind turbines for the plant, each with a capacity of 850 kilowatts.

Green Inc Blog March 16, 2010
By Pete Browne