



Sustainable Finance

Market Performance - Selected Markets for the Week Ended April 30, 2010					Selected Rates (Institutional)	
Market	Dec 31, 2009	Apr 30, 2010	YTD Change	YTD % Change	Description	Price/Rate Apr 30, 2010
S&P TSX	11,746.11	12,210.70	464.59	3.96%	CDN/USF	1.0116
Dow Jones	10,428.05	11,008.61	580.56	5.57%	CDN/EURO	1.3456
S&P 500	1,115.10	1,186.68	71.58	6.42%	CDN/CHF	0.9392
Nasdaq	2,269.15	2,461.19	192.04	8.46%	CDN/YEN	0.0107
Nikkei 225	10,546.44	11,057.40	510.96	4.84%	Total CPI -Canada TTM (03/10)	1.40%
FTSE 100	5,412.88	5,553.29	140.41	2.59%	Total CPI - USA TTM (03/10)	2.30%
Dax	5,957.43	6,135.70	178.27	2.99%	Total CPI - Euro TTM (03/10)	1.40%
Hang Seng	21,872.50	21,108.59	-763.91	-3.49%	GOC 1 Yr T-Bill	1.29%
Shanghai	3,277.14	2,870.61	-406.53	-12.40%	GOC 5 Year	3.08%
DJSI World TR	1,286.40	1,288.98	2.58	0.20%	GOC 10 Year	3.72%
DJSI North America TR	120.14	129.98	9.84	8.19%	GOC 30 Year	4.05%
Jantzi Social Index TR	173.67	181.60	7.93	4.57%	Gold USF/Oz	1,168.40
FTSE 4Good Global 100	4,256.14	4,177.31	-78.83	-1.85%	Oil USF/BBL WTI Cushing Spot	86.15

Week in Review

I am sure that everyone reading this remembers the Exxon Valdez oil spill that occurred in Alaska in 1989.

What everyone reading this may not know is that there have been 33 spills that were even greater with respect to the total amount of oil spilled during each event.

On April 20, 2010 a British Petroleum owned offshore drilling rig experienced a pressure surge that resulted in

an explosion and fire. Two days later the rig sank. What was left was a badly damaged cut off valve and well head one mile below the surface leaking at the rate of 1,000 barrels of crude oil a day.

Or at least it was initially estimated to be 1,000 barrels per day. All efforts to shut the valve off have been futile and now it has been learned that it may take up to 90 days to stop the oil. That estimate is just that...an estimate.

Now to make matters a little more dire, it has now been disclosed that the oil may be leaking at 5,000 barrels per day although no one knows for sure. Should the well head break, that rate could jump to 100,000 barrels per day.

At the current rate of 5,000 barrels per day it will surpass the Exxon Valdez disaster in 50 days while BP has estimated it will take 90 days to drill a relief well.

While the company

will attempt to cover the leaking well head with a steel and concrete box that will allow it to siphon off the oil, the process has never been attempted at this depth and it will take at least 10 days to put one together and make the attempt to place it.

It is hard to say how this will affect the markets. With an estimated clean up cost of about 15 billion one thing is for sure and that is British Petroleum will be

on the brink of bankruptcy.

Looking down the road this spill is going to have the effect of making oil MORE expensive than ever to drill for offshore. We expect that not one government will allow single hole offshore wells that do not have a secondary relief well drilled at the same time or shortly thereafter.

Many of the firms that have been looking at offshore drilling leases in Canada and the new leases

that were to be opened in the US have been lobbying to have this requirement set aside because the possibility of an oil spill was so remote.

While a spill may be remote, and this is a disputed claim, when they do happen they are disastrous and their effects are felt for generations.

The Exxon Valdez is a perfect example. Despite billions spent in clean up operations, to this day you can go to the affected area and turn over

any large rock on the beach and find oil remains underneath. That spill was 21 years ago.

While I cannot estimate what the eventual cost to consumers will be you can rest assured that as we go further to find oil that is more scarce it is going to cost far more. To bad we did not learn from whale oil 100 years ago.

What voters weren't told about Clean Energy Act

The next time you hear the Campbell government call something "green," know that means the colour of U.S. currency, rather than meaning environmentally friendly. With the introduction of Bill 17 (2010), the *Clean Energy Act*, (a more appropriate name would be the Flood Valleys for Power for Export Act) the Campbell government finally came clean with its plans.

For decades British Columbia rejected the development of power for export. The province participates in, and makes a lot of money, from the electrical market, but it does that by

importing when power is cheap and exporting when it is expensive. The storage capacity of B.C.'s dams makes that electrical trade possible. Until the Campbell government encouraged the run-of-river projects, generating capacity was not developed in excess of BC Hydro's projected provincial demand.

Section 2 of the act lists B.C.'s energy objectives, and item "n" states:

"...to be a net exporter of electricity from clean or renewable resources with the intention of benefiting all British Columbians and reducing greenhouse gas emissions in regions in which British Co-

lumbia trades electricity while protecting the interests of persons who receive or may receive service in British Columbia."

Gutting the BC Utilities Commission's authority

Last summer the British Columbia Utilities Commission rejected BC Hydro's 2008 long term acquisition plan (LTAP). Its July 27, 2009, decision rejected or found deficient a number of material parts of B.C. Hydro's plan. On April 27, 2010, the Campbell government put BCUC in its place by stripping the regulatory authority of any powers with respect to 11 projects, including Site C. In

addition to putting specific projects beyond the authority of the commission, the act states that one of British Columbia's energy objectives is: "to ensure the commission, under the Utilities Commission Act, continues to regulate the authority with respect to domestic rates but not with respect to expenditures for export, except as provided by this Act."

No longer will BCUC be able to reject a proposed power project on the grounds that the power is for export and not needed in B.C.

B.C.'s rivers are being destroyed and valley's flooded so Californians can crank up their air conditioners.

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Again, the voters bamboozled

Ironically, the Bill also reverses the separation of BC Hydro and the British Columbia Transmission Corporation. It is amusing to go back to Hansard for 2003 and read the government's speeches in which they proclaimed why breaking up Hydro was vital to B.C.'s economic interests. Reversing that decision is not because the government has changed its mind with respect to helping its independent power producing (IPP) friends; it's just that having Hydro act as an agent for the IPPs allows them to make even more money

while the public bears the risk.

Like the HST, the announcement of a shift in the development of power for export, is something an election should have been fought on.

British Columbians did not give the Campbell government a mandate to change Hydro's reason for being.

The Tyee
April 29, 2010
By David Schreck

April 30, 2010 Volume 2 Issue 17

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Selected News Articles

Oil spill expected to hit U.S. coast soon

Louisiana Gov. Bobby Jindal says a massive and growing oil leak in the Gulf of Mexico could begin hitting his state's coastline on Thursday.

The oil spill is expected to begin moving into a wildlife reserve at the mouth of the Mississippi River on Thursday, before coming ashore on Friday, Jindal said.

The governor said southeast winds are expected in the area through Tuesday, combined with higher-than-normal tides.

"Neither one of those are good factors for Louisiana's coast," he said.

Oil company BP said it is considering using a chemical to break up the oil underwater, a technique that has never been tried before at these depths. The leaking wellhead is 1,500 metres below the water's surface.

Jindal's declaration

of a state of emergency paves the way for federal intervention and assistance, including additional booms from the U.S. Coast Guard that will help protect coasts and fisheries.

U.S. President Barack Obama said earlier his administration will use "every single available resource at our disposal" to deal with the spill. Obama said that could include using the military in the response.

The president said BP, which was operating the Deepwater Horizon oil rig when it exploded and sank last week triggering the leak, will ultimately carry the cost of the cleanup.

U.S. Secretary of Homeland Security Janet Napolitano, Secretary of the Interior Ken Salazar and the Environmental Protection Agency's administrator, Lisa Jackson, will travel to the Gulf Coast on Friday to look at cleanup operations.

Napolitano declared

Thursday the spill was "of national significance."

"This means we can draw down assets from across the country" and centralize communications, Napolitano said, making a rare appearance at a White House news briefing Thursday afternoon.

"We are being very aggressive and we are prepared for the worst case," coast guard Rear Adm. Sally Brice-O'Hara said at the White House.

Federal officials announced inspections would begin immediately of all oil rigs in the Gulf and subpoena powers would be used in the gathering investigation. But the priority was to support the oil company BP in employing booms, skimmers, chemical dispersants and controlled burns to fight the oil surging from the seabed.

Spill more massive than thought

BP officials acknowledged Thursday

morning that the spill may be five times larger than originally believed.

The leak began after the deepwater rig operated by BP exploded and burned on April 20.

Early estimates said 1,000 barrels a day were leaking from the drilling site of the coast of Louisiana.

But on Wednesday, the U.S. National Oceanic and Atmospheric Administration revised that to 5,000 barrels, a number BP's chief operating officer, Doug Suttles denied vehemently at a news conference late Wednesday night.

By Thursday morning, Suttles had reversed his stance.

"We can now say it's probably more than 1,000," Suttles told Matt Lauer on NBC's Today. "It's within the range. I would say the range is from one to 5,000 barrels a day.

"That 1,000 barrels a day ... was the best

estimate at the time."

Fishing industry mobilized

BP has not said if or when it can stop the leak and keep the oil from washing up onshore.

"We continue to focus on ensuring that [the oil] doesn't [reach the coast]," BP CEO Tony Hayward told CNN on Wednesday.

"I can tell you we'll do everything, absolutely everything to [stop the leak] as soon as possible," Suttles said Thursday.

"We'll take help from anyone."

The spill has put Louisiana's seafood industry on high alert. With \$1.8 billion in sales annually, it is the largest industry of its kind in the lower 48 states.

"We're all concerned," Harlon Pierce, the chair of the Louisiana Seafood Promotion and Marketing Board, told CBC News from New Orleans. "If it

was a 10-gallon spill we would be equally concerned and equally as motivated to solve the problem.

"One-third of the growing area for seafood in the entire United States is off the coast of Louisiana. So protection of this area to me is ... as important or more important than anything else."

Time of the essence

Pierce said fishing fleets have been mobilized to help the cleanup effort.

BP crews on Wednesday conducted a controlled burn on parts of the oil spill — a technique designed to remove large amounts of oil from open water.

As of Wednesday, it had also deployed 16 large skimming vessels to remove oil from the water's surface and 288,000 litres of dispersants, BP said on its website, and had recovered 16,311 barrels of oil-water mix.

BP was to set more

fires after the test, but as night fell, there were no more burns.

Crews planned to use hand-held flares to set fire to sections of the spill. They turned to the idea after failing to stop the leak at the spot where the oil drilling platform exploded on April 20 and later sank.

Eleven workers are missing and presumed dead and more than 100 escaped the blast, the cause of which has not been determined.

If the well cannot be closed, almost 100,000 barrels of oil, or 15.9 million litres, could spill into the Gulf before crews can drill a relief well to alleviate the pressure. By comparison, the Exxon Valdez, the worst oil spill in U.S. history, leaked 41.6 million litres into Alaska's Prince William Sound in 1989.

Associated Press
April 29, 2010
By CBC News

Suzlon Explores Bulgarian Wind Market

Suzlon Wind Energy A/S will penetrate the Bulgarian wind energy market through a joint venture with Volkwind Bulgaria G.m.b.H.

Volkwind Bulgaria, a subsidiary of Germany's Volkwind G.m.b.H., will operate through the company DIV Wind OO.

The joint venture will develop wind projects in Bulgaria exclusively using Suzlon wind turbines, combining Volkwind knowledge of the local wind sector with Suzlon's expertise in utility-scale development.

Suzlon Wind Energy already has a 13-megawatt project under construction in the country, and the deal will help hasten its growth in

the Bulgarian wind market, said Erik Winther Pedersen, chief executive of Suzlon.

"Suzlon's existing infrastructure and experience from already erected turbines in Bulgaria will be beneficial for the development process. We are looking forward to building successful projects with Suzlon," added Malte Huchzermeier, director of Volkwind Bulgaria.

Bulgaria is expected to gain 500 MW of wind capacity by the end of this year, with a target of more than 3,000 MW by 2020.

According to a study by the Bulgarian Ministry of Economy, Bulgaria has enormous potential for wind power generation, especially in

wind farms along the coastal line and at places with altitude of 1,000 meters or more.

The study identified areas between the regions of Montana, Sofia and Lovech as ideal wind farm sites, along with the coastal areas near Burgas and Varna and the area south of Gabrovo. These areas are supposedly capable of sustaining wind between 4 meters to 7 meters per second.

The country's promising wind sector is ably supported by the government through competitive feed-in tariffs of approximately 0.096 euros (\$0.127) for the first 2,250 hours per year and 0.088 euros per kilowatt-hour for the following hours, guaranteed for 15 years.

Suzlon Wind is the European division of Indian wind turbine giant Suzlon Energy Limited, the world's third leading wind turbine maker. Suzlon accounts for 12.3 percent of global market share.

Volkwind is one of the leading independent power producers in Europe, with over 40 wind farms installed. The company is also one of the largest operators of wind power facilities in Germany.

World's Green
April 29, 2010
By Jen Balboa

