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The UN's sneak attack on your pension

Institutional investors being pressured to stop investing in fossil fuels and move their money into lower-return alternate energy sectors

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CALGARY, AB, May 7, 2014/ Troy Media/ - Institutional investors hold trillions of investment dollars and the future of millions of people's pensions and retirements in their hands. Most have also signed on to the UN's six Principles for Responsible Investment (PRI), which set the objectives of environmental, social and corporate governance (ESG), the stated purpose of which is to "better align investors with broader objectives of society."

Once signed, Principle 6 requires the signatories to comply with the rules – or explain why they have not to an unaccountable advisory council, which thus holds sway over trillions of investment dollars.

As part of their commitment, the signatories are also being increasingly pressured to avoid investing in enterprises that allegedly exacerbate the 'carbon risk' associated with fossil fuels.

Vocal divestment campaigns are being driven by ENGOs wild claims about carbon "pollution" (despite recent revelations of a 'pause' in global warming for more than 16 years.)

Nonetheless, institutional investors, conscious of public opinion and the PRI obligations, continue to divest from fossil fuels and into renewables. The IMF and World Bank recently demanded even greater disinvestment, claiming that two-thirds of the world's fossil fuels must be left in the ground to avoid dangerous warming. And even though warming stopped before Kyoto was even implemented, the UN Intergovernmental Panel on Climate Change (IPCC) insists that investment in renewables be trebled.

These campaigns continue in the face of a recent Bloomberg report stating that the wind industry is now 'on a respirator', while around the world governments are slashing subsidies, incentives and carbon credits, and ripping up feed-in-tariff contracts for wind and solar. The claims of 'free, clean, green' power, you see, have also turned out to be a myth.

Economists Gordon Hughes of the UK and Ross McKitrick of Canada have demonstrated that wind is nine to 10 times more expensive than fossil fuels at producing power.

These facts, however, haven't stopped the Alberta School Boards and a company financed in part by the Ontario Teachers' Pension Fund from investing in a wind energy project.

According to a 2011 power point proposal posted online by the Holy Spirit Roman Catholic School Board, the Alberta School Boards (ASB) Commodities Purchasing Consortium (CPC) is looking at entering into a long-term Power Purchasing Agreement – said to be 25 years – to build a 'purpose-built' wind farm of its very own. According to Francois Gagnon of the ASB CPC, the schools believe this project will set an example for students.

What example?

It can't be about good economics, because wind power costs many times more than conventional power to produce energy.

It can't be about good environmental management, because, as McKitrick has pointed out, wind-power does not reduce emissions but in fact often increases them because natural gas power plants must inefficiently ramp up or down to match wind's variability.

Maybe it's an example of how to exploit the helpless, for its no secret that the mining of rare earth minerals for wind turbine magnets is devastating China.

Maybe it's an example of the fragility of our democracy, if the actions of the Alberta Utilities Commission are any indication. The commission summarily overruled the concerns of a group of Alberta property owners – farmers and ranchers – vehemently opposed to the CPC project because they fear for the safety of their livestock, the devaluation of their properties, and the impact on their health.

It can't be about the efficiency of free markets, because CPC will be using taxpayers' money to compete with existing conventional power providers. To add insult to injury, the conventional power facilities are required to back-up variable wind 24/7 at no additional financial benefit, while wind gets priority access to the grid.

The PRI is skewing investment markets in favor of private investor groups and hedge funds which are NOT signatory to its principles. And while institutional investors signatory to PRI divest, private funds – most of which are not signatory – are snapping up fossil fuel resources. Ask yourself and your fund: are you more comfortable investing your retirement in reliable fossil fuels or green energy hot air?

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