MANWARD *letter*

VOLUME 6, AUGUST 2022

The Energy Issue: Facing Facts on Fossil Fuels... and the No. 1 Stock to Play the Bursting Bubble

Dear Reader,

No industry has spawned more billionaires – or done so longer or more reliably – than the energy sector.

From Rockefeller and his oil to Musk and his solar power and electric cars, clearly it's not just the man who fuels the world who gets its riches... it's the fella who leads the push.

Rockefeller brought oil to the world. And now Musk is pushing it aside.

As we'll explore in the issue ahead, it's those shadowy corners of the market – where we see the transition from old to new – that drive the biggest fortunes.

I'm convinced we're on the cusp of something big.

But it's not what most folks believe. That's the power of the idea. It inspires equal parts fear and greed.

For some, it's trouble. For others... oh, what a fortuitous blessing.

Treasure in the Shadows

I don't need to tell you how oil made John Rockefeller rich. And I don't need to tell you the impact just a few wise investments at the right time have had on his family's legacy.

Nearly a century after his death, the name remains synonymous with opulence and wealth.

Elon Musk, on the other hand, is no oil baron. He's made it clear he sees another path. That's why he's spent billions on solar and battery technology. And it's why he's made it nearly impossible to talk about electric vehicles without mentioning the name Tesla.

In addition to being the richest people of their days and attaining their wealth thanks to energy... the two have something else in common. This is key.

Each was the tip of an evolutionary spear for the energy industry. Rockefeller was there as oil lit up the world. And Musk was there when electricity hit our city streets.

That's such a vital idea... especially right now.

Few times in history has the source of the world's energy been in such great flux.

Europe is reeling in pain as it realizes that its clean energy approach has cost it not only its independence... but its security too.

The political class won't like this next statistic, but the truth must be told.

The growth of energy created from renewable sources has exceeded the growth in new demand in only two years – 2019 and 2020. That's it. And those exceptions to the rule weren't because of a big growth surge in renewables.

Andy Snyder is the founder of Manward Press, the nation's premier source of unfiltered, unorthodox views on money. An American author, investor and serial entrepreneur, Andy cut his teeth at an esteemed financial firm with nearly $100 billion in assets under management.

Known for his outspoken market commentary, Andy's been a keynote speaker and panelist at events all over the world, from four-star ballrooms to Senate hearing rooms.

Today, Andy's dissident thoughts on wealth and investing can be found exclusively in *Manward Financial Digest*, as well as in the pages of *Manward Letter*. He also helms the award-winning investment advisory services *Alpha Money Flow* and *Venture Fortunes*.

No.

In 2019, it came about because of exceptionally slow economic growth. And in 2020, it was because energy demand actually went backward for the first time in decades.

Even with those dire figures, thickheaded governments across the world have regulated traditional sources off the map.

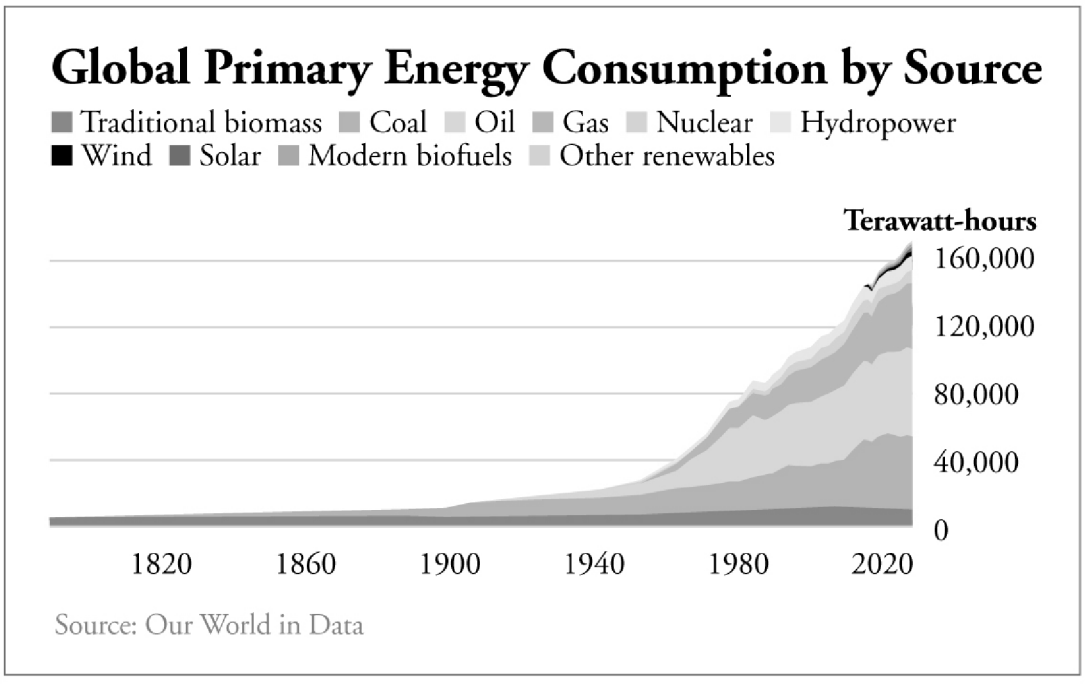
That is… until this summer.

Change!

Now we're seeing coal making a comeback, and regulators in Germany have their tails between their legs. There are talks of letting nuclear plants remain in operation beyond next year, when they had been slated to close.

It all hints at an industry in flux.

But this chart offers much more than a mere hint of the opportunity in it all.



We can see strong growth over the last few decades in things like natural gas, hydropower, solar and wind. But even with all the investments and all the hype, solar and wind hardly show up on the chart.

Meanwhile, the share of the market that goes to coal and oil continues to expand.

Put it all together, and we have some incredible disconnects in the market. That's the focus of this issue.

We look at the energy sector. But as you love us for doing… we look at things through a different lens.

We explore the trouble that's stirring in the markets and figure out where it's likely to erupt next. Then, of course, we examine the opportunity in it.

Both angles are massive.

This is very exciting. Few folks realize it, but we're at one of those transition points – the periods when great wealth has historically been made. Big things are happening behind the scenes in the energy world. Everything from global dominance to the cost of food is in flux.

The folks fortunate enough to get in on the right side of the action will be rewarded handsomely.

We're talking 6% of the nation's GDP up for grabs. That's $1.25 trillion in spending each year. Few other sectors come close.

It's no wonder this is where billionaires are made and legacies are born.

Let's explore this fast-moving opportunity.

There's money to be made.

Be well,

Andy

“Carbongeddon”… the Bursting of the Bubble Nobody Sees

The leaders of the planet are engaged in one of the most dangerous and volatile struggles for power since World War II.

It is a struggle that will have huge political and economic consequences. Many of those consequences can plainly be seen. But many others cannot.

Investors have a massive opportunity in front of them… if they dare to look for it.

The financial world loves to talk about black swans and bursting bubbles. It makes wild predictions about the latest speculative crazes. The headline writers talk about the popping of the housing bubble. They stir fear by playing up the volatility of crypto. And they self-righteously deem just about anything with an overdone valuation a dangerous threat to the world’s economy.

And yet… despite all the hype and predictions, history shows it’s the quiet monster that lies in the dark, hard-to-reach corners of the cave that is the most dangerous.

It’s the bursting of the bubble that nobody’s paying attention to that does the most damage.

Follow along and you’ll see the latest threat comes from a sector that many investors believed was doing nothing but good.

Now it’s about to show us its bad side… and few folks see it coming.

Coming Clean

Spending in the clean energy sector reached a whopping $755 billion last year. That was a 25% year-over-year increase.

It’s a huge figure. It greatly overshadows the paltry $30 billion that investors put into crypto during the same period.

On a percentage basis, it’s a greater rise than the 20% premium we saw in the housing market last year.

And yet, despite the calls for even wilder spending in the days ahead, very few folks are sounding the alarm about what would happen if all that spending suddenly slowed.

But I am.

And unless you play this situation right, what’s ahead could spell trouble.

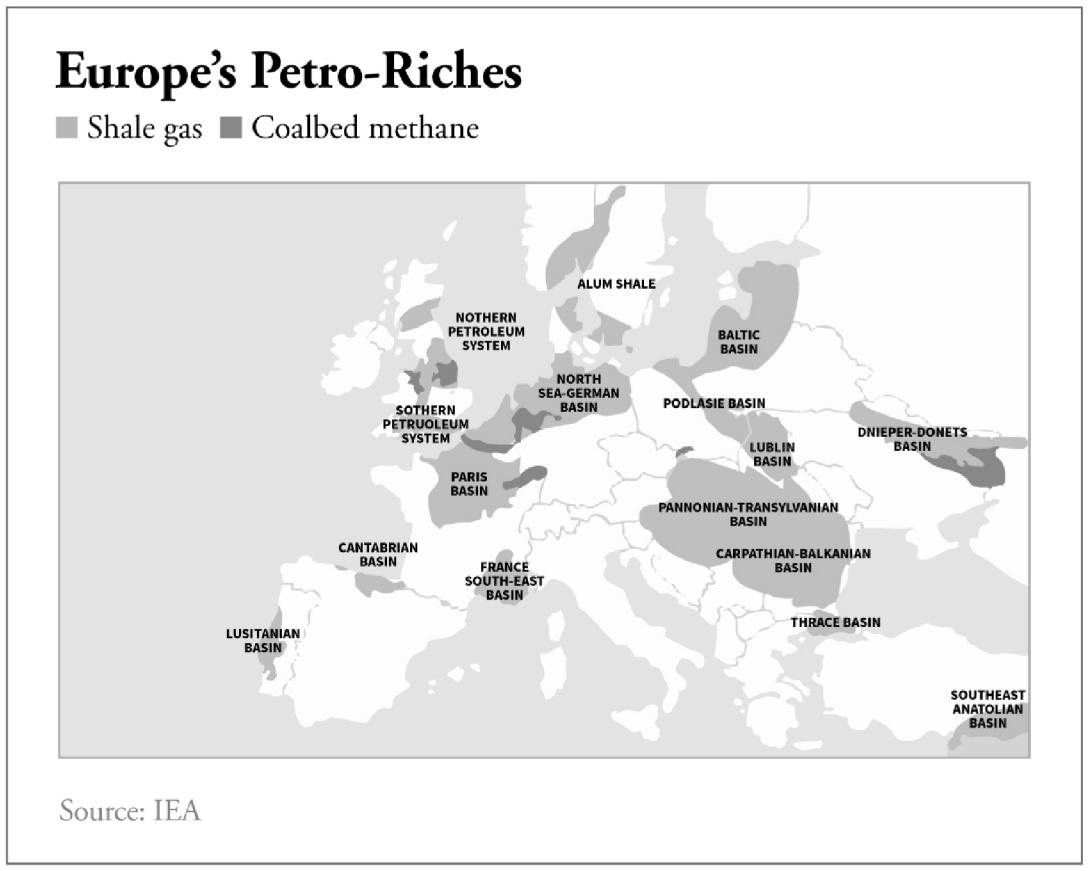
It’ll bring high prices, shortages… and economic mayhem.

A Nasty Lesson

Thanks to Vladimir Putin, the world has learned a nasty lesson. It’s finally realized that its energy comes from all the wrong places.

More precisely, the sudden and rushed plan to rid the developed world of carbon-based fuels has forced many regions to rely on foreign energy.

It doesn’t have to be that way. Europe, for example, has ample deposits of natural gas spread throughout the continent. All together, they rival the petro-riches buried beneath the soil of the United States.



View larger image

But there's a problem... a big one.

Most of Europe has banned fracking – the proven but controversial technique that is needed to get all that gas out of the ground.

Caving to the controversy, the continent's political class has opted for greener strategies. But due to a very big flaw in the idea (the fact that renewable energy sources are neither efficient nor reliable), Europe has been forced to rely on its enemies for its most vital economic lubricant.

As we've seen over the last five months... it's been a recipe for disaster. Europe has suffered from record-high prices and the kind of slowdown that often comes with them.

Worse yet, because of its addiction to Russian energy, Europe has lost the ability to truly fight Putin as he tinkers with the world's most sensitive political borders.

It's all due to one very big, very nasty miscalculation... and the bursting of a bubble that few folks even knew existed.

The Fatal Flaw

Despite all the hype and rhetoric about the explosion in green energy, the fact is that renewable fuel sources have not kept up with the growth in energy demand.

The race isn't even close.

Right now, for example, electricity created from renewable resources is expected to grow by 8% this year and 6% next year. Considering the comparatively small scale of renewable energy, those are meager figures.

To grow the world's output of coal power by 8% would be a feat. But to expand solar or wind power (from virtually nil) by 8%... that's hardly growth.

The figure looks even smaller when you realize that – despite all the rhetoric – renewable energy output grew only half as fast as energy demand during the same period.

That means, to make up the difference, traditional, carbon-based sources of energy must be not only used... but also expanded.

And these stats don't come from some right-leaning, anti-environment group. Far from it. They are unbiased, apolitical stats that, if anything, are skewed in favor of renewables. They come straight from the International Energy Agency.

In the words of Keisuke Sadamori, the agency's director of energy markets and security...

> *Renewable power is growing impressively in many parts of the world, but it still isn't where it needs to be to put us on a path to reaching net-zero emissions by midcentury. As economies rebound, we've seen a surge in electricity generation from fossil fuels. To shift to a sustainable trajectory, we need to massively step up investment in clean*

energy technologies – especially renewables and energy efficiency.

But there's a problem with that idea. "Stepping up" investments in clean energy right now looks like quite a lousy, defensive move.

In fact, spending much more on this sector could be flat-out disastrous, both economically and politically.

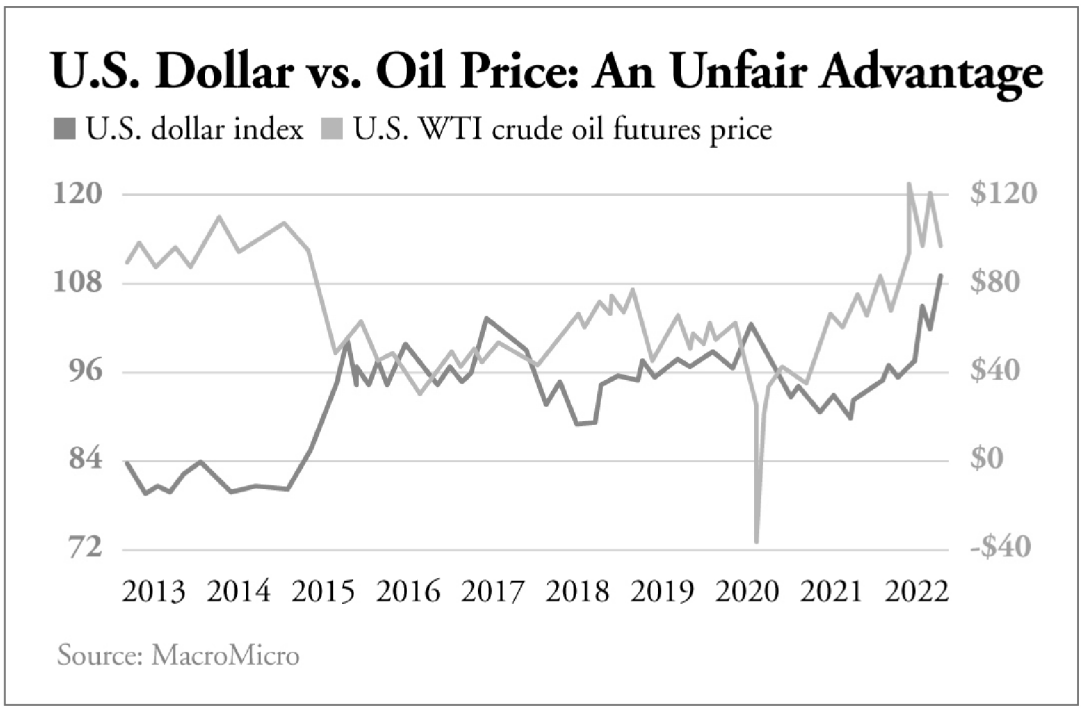
The World as We Know It

Putting all of this together leads me to a simple conclusion. I call it "Carbongeddon."

Let me explain.

We'll start with the biggest and most dangerous idea. It's the oh-so-powerful petrodollar.

It's no surprise that the value of the American dollar has been rising right alongside the price of oil over the last six months. Historically, the two had moved in opposite directions. That's because the U.S. was long a major importer of oil and, therefore, a major exporter of cash.



But that's changed. Now we're an exporter of oil. And for a country to get its hands on our oil – or anybody's oil – it needs to have dollars.

For decades, demand for crude has given the dollar an unfair advantage over other currencies. The recent surge in oil demand and corresponding jump in the value of the greenback proves that advantage hasn't subsided.

But if the world turns to renewable forms of energy that are sourced in the country where the energy will be used... oh boy. One of the most fundamental aspects of the global economy would shatter.

The U.S. would lose its hegemony. Our currency would no longer need to be the world's reserve.

That's a scary notion. It's the dollar, after all, that gives us our edge.

Without the petrodollar... the economy as we know it today would be in trouble.

Cover Up

While the political talk du jour would dare not hint at it, an all-green energy future would be very bad news for the dollar.

Mark my words... As the populist crowd figures this out, the rhetoric surrounding renewables will change.

We're already seeing it happen in Europe. With soaring prices, energy shortages and a cold winter ahead, the "not in my backyard" crowd suddenly doesn't think a bit of drilling would be all that bad.

In fact, just last month, Europe deemed natural gas and nuclear "green" sources of energy.

That's a big – and politically expedient – change of heart.

The continent's leaders know they have no other choice.

Here at home, things are a bit different. We've got oil. But we don't want to use it.

The White House wants to see the electric vehicle market go from 5% of all vehicle sales today... to 50% of such sales in seven years. It's great news for our EV plays. That market is soaring.

But, dare I say it, it's bad news for the grand rules of the global economy.

Myron Ebell is the director of the Center for Energy and Environment at the Competitive Enterprise Institute. He believes this green energy push is a huge threat to America's economy and freedom.

Earlier this year, he said...

> *The problem with greenhouse-gas emissions standards is that once you set off down that path, there is no end to it. Eliminating coal and natural gas now won't be enough. In terms of destroying the economy and limiting human freedom, this is the greatest threat the world faces.*

Sadly, few folks are seeing the big picture.

But they will soon. And when the day of reckoning comes, the boomerang in spending and political rhetoric will be not just expensive but also dangerous.

But Wait...

That's the No. 1 reason to be worried about green energy investments (and the more than half a trillion bucks that were behind them last year alone) blowing up.

But there are others...

I've already hinted at one.

Right now, Russia has all the power it needs over Europe. If the EU meddles too deeply in Putin's affairs, he'll simply close the spigots and stop sending desperately needed oil and gas to the continent.

As I write, it'd be mutually assured destruction. Russia needs Europe's money just as badly as Europe needs Russia's energy. But deals with China, India or other nonhostiles could quickly change that equation.

Someday soon, Russia could cut off Europe and not feel the economic pinch. That'd be trouble. Big trouble.

It's why the idea of a new world order is not far-fetched.

Europe thought it could achieve energy sovereignty by going green. But the numbers simply don't add up. Not yet... and maybe not for another century or more.

Until green energy output catches up to demand, the continent won't be able to maintain an all-in push toward renewables.

Blacked Out

And finally, there's the simplest side of all of this. The number of regions that have to deal with energy scarcity – even here in the greatest country on Earth – is growing by the year.

Blackouts and energy shortages are a very real threat.

In an unprecedented shift, most of the U.S. west of Ohio doesn't produce enough energy to meet demand.

It's like driving a car with very little fuel in the tank. Just a bit of extra pressure on the system – say, from a strong heatwave – could drain the fuel and shut things down.

Many will point a finger in the direction of climate change. Perhaps they should. I don't know. But they should also point a finger at decades of bad decisions, like subsidizing unpopular sources of energy... restricting the construction of new power plants... shutting down key natural gas pipelines... and forcing money into places the free market doesn't want it to go.

Whether we're talking about doing these sorts of things with houses, debt or energy... the result is always the same. The bubble bursts and the system collapses.

It will lead to one thing... Carbongeddon.

The world's carbon economy could soon collapse.

Few folks see it coming.

When it arrives, we'll run short on energy. We'll risk losing the superiority of our nation. And hundreds of billions of dollars that were shoved into all the wrong pockets of the market will be sucked into a vacuum of despair.

The only way to tackle the problems this world faces is through free markets. Anything else, history has proven, will lead to trouble... big trouble.

Folks who play this situation right will make out handsomely. Those who don't, well, they'll be left out in the cold.

This could soon be one of the biggest stories of our lifetimes.

THIS MONTH'S STOCK PICK

The No. 1 Stock to Own With Energy in Flux

There are just two things that are certain in today's energy market.

One... we have energy in all the wrong places.

And two... the companies that fix the problems that erupt from Carbongeddon are likely to do very, very well over the next 12 to 24 months.

In fact, I've got a company for you that is likely to surge by 50% or more in the coming months... no matter what happens to the broader economy.

This company will do well whether renewable sources of energy take hold or the market is forced to give in and revert to coal and other fossil fuels.

It's an acquisition machine... having bought more than 200 firms over the last 25 years. (Imagine the opportunities it will find in a down market, with a bigger cash stockpile than it's had in years.)

And, this is key, it's one of the few Fortune 500 companies that are not just bragging about profit growth these days... but putting record figures on the board.

Buying shares now isn't just a prudent play... It's the sort of move that could set you up for windfall profits over the next few years – years that will likely see most companies underperform the market's recent averages.

A Win-No-Matter-What Play

The best way to introduce you to **Quanta Services** (PWR) is to show you a few of its latest projects.

They'll show you why I'm so excited about this win-no-matter-what energy infrastructure play.

As I've shown, the world has much of its energy in the wrong places. Major population centers are not ideal places to build big hydroelectric plants, nuclear reactors, or even wind or solar operations.

Energy-rich areas are often located a long way from the folks who need that energy. North Dakota and Alaska, for example, have plenty of oil... but they certainly don't need all of it.

The same is true for electricity in Canada.

We all know where the nation's population lies – along its southern flank. But where does its energy come from? Its northern interior.

Enter Quanta.

It recently embarked on the largest engineering, procurement and construction contract ever awarded in North America, worth some $1.1 billion. The Fort McMurray West project involved building a 300-mile-long high-voltage line (the largest of its kind in Canada) across the northern fringes of Alberta.

The company used its incredible engineering and construction techniques to not just finish the job but get it done three months early (while working mostly in the winter, due to the region's marshy environment)... on budget and with an incredible safety record.

Interestingly, this deal was structured as a public-private partnership. It was partially funded by taxpayer dollars... and Quanta maintains an ownership right for at least the next 40 years.

In many instances, this is the preferred way of doing business for major infrastructure projects. It's a win-win situation... but it's doubly good for shareholders, as these large deals are quite prohibitive for smaller-scale firms. They simply can't compete on such a large scale.

That's why, as the world embarks on more and bigger infrastructure projects, Quanta will win the bulk of the projects it bids on.

Battery Power

Here's another one... It's a bit more modern.

We all know the big question with large-scale solar operations. What happens when the sun doesn't shine? Does the world shut down at night? Do we close our schools and factories when the clouds roll in?

It's an issue for power producers and for consumers, who are likely to pay more for this unreliable energy source. But it's a huge opportunity for Quanta and its Irby Construction subsidiary.

Irby just wrapped up a mammoth battery project for Florida Power & Light. The Manatee Battery Energy Storage Center is the size of three football fields and ties together more than 54,000 batteries.

It was a huge project that took many months to complete. But here's the thing: Deals like this are just getting started. This solar battery center can store enough power to light 329,000 homes for two hours. That's great... but it's nowhere near enough if we're to truly march toward using nothing but renewable energy sources.

If we want to get there... Quanta will need to build many, many more of these facilities.

That's great news for shareholders.

Going Underground

How about one more example of what Quanta is up to? This one is important.

Few folks know it, but one of the key ideas in the massive $2 trillion infrastructure bill that recently came out of Washington involves putting much more of the nation's electrical grid underground.

Burying electric lines helps prevent fires (a very important idea in California) and outages caused by storm-tossed debris taking out lines. It's also safer and more efficient.

Getting lines out of the air and underground is a big part of Quanta's business.

In another project with Florida Power & Light, Quanta is helping to bury hundreds of miles of critical power infrastructure. In an effort to prevent major outages from the region's reliably nasty storms, the grid operator is looking to spend some $4 billion to get its lines underground and protected.

No matter the source of the continent's power, Quanta will be at the center of ensuring that power gets to where it needs to go.

As long as we are using more energy and need to get it from all the wrong places to all the right places, Quanta will prosper.

Good Times Ahead

The outlook for Quanta looks strong. Carbongeddon will treat it well.

At the end of the second quarter, management offered a fairly wide range of sales and profit estimates for the year. They give us ample upside if the upper range of the outlook is hit... and room for quite a surge in share price if the economic environment continues to allow the company to exceed even its own estimates.

For the year, management expects earnings to come in somewhere between $6 and $6.50 per share. The average analyst estimate puts the figure at $6.28.

If final profits merely come in at the top end of guidance, shares should rise by 20% or more given the company's current earnings multiple.

If earnings come in above $6.50 per share, a jump of 50% or more over the next 12 to 24 months would be quite likely.

We have every reason to believe the latter scenario is in play.

After all, analysts expected earnings of $1.09 per share for the second quarter. But Quanta surprised them with a figure of $1.26.

In the month that followed, shares rose by more than 20%.

Better yet, the company's current growth trend is expected to continue for several years, with annual growth estimates coming in at about 15% for the next four years. That's great news for long-term shareholders...

Especially in a world where energy is seeing record demand and yet the industry is in a state of flux like we've never seen.

No matter what happens to oil or natural gas prices... and no matter what sources we use to generate our energy... Quanta will remain at the center of it all.

As we work to get the world's energy from all the wrong places to all the right places, Quanta's engineering and construction services will be in high demand.

It's an ideal time to grab a few shares of the company.

Their price is going nowhere but up.

Action to Take: Buy shares of **Quanta Services** (NYSE: PWR) at the market's price. We'll use a 25% trailing stop on the play and add the stock to the **Domestic Blue Chips** allocation of our Modern Asset Portfolio.

Manward contributor Joel Salatin calls himself a Christian libertarian environmentalist capitalist lunatic farmer. Others call him the most famous farmer in the world, the high priest of the pasture and the most eclectic thinker from Virginia since Thomas Jefferson. He's been featured in radio, TV and print – everything from Food, Inc. *and* The Omnivore's Dilemma *to* National Geographic *and* The Washington Post.

An "Alternative" Solution to the Energy Crisis

Joel Salatin

The energy debate, like many of the issues pressing on us these days, tends to push us into our corners before we know the rules of the fight. When we're concerned about paying for gas, taking a step back is hard. Thinking past the pump is not easy.

But that's what I want to do in this essay.

If we were frogs living on the edge of a beaver pond in 1300, what would we know about energy? (I like these exercises because they take us away from the immediacy and shortsightedness of the issue at hand.)

Civilization existed for a long time before there were gas pumps. Or even cars. From a frog's perspective, energy is localized. That's fundamental.

If the long-term viability of life depends on biomimicry – and I think it does – then it behooves us to design systems based on natural patterns.

Two Questions

On our farm, we always ask two questions. The first is, what is nature's pattern? Asking that question kept us from feeding dead cows to live cows, which the world's scientific community used to advise farmers to do.

The second question is, how small can it be? This runs counter to Wall Street, which relishes size.

Smallness has its merits... not the least of which is limiting losses when something fails. Related to this concept is the idea of scaling up through duplication. For example, supply chain issues would be far less problematic if instead of our nation being fed by 150 to 200 mega-processing facilities with 5,000 employees each, we had 150,000 to 200,000 community-oriented processing facilities with 50 employees each.

When Joel Arthur Barker wrote his iconic book *Paradigms*, which introduced that word to the world, one of his axioms was that all paradigms eventually exceed their efficiency.

That's exactly what's happening with our food supply. Efficient centralization is now breaking down under its own bureaucratic and logistical weight, creating new opportunities for small, nimble, resilient outfits.

On our farm, for example, we can use our chicken processing water as fertigation (fertilizer-irrigation) because we're surrounded by pastures that love this nutrient-laden water. A mega-processing facility spends millions operating wastewater treatment plants because it generates too much wastewater for the nearby fields – if there are any – to absorb.

We compost on-site. Mega-facilities have to truck their remainders to distant rendering facilities, incurring high energy costs.

As a frog sitting on the edge of a pond, I would observe that nature's energy comes from nearby sources. Of course, everything is solar-driven. The sun grows plants, which feed animals. Rotting biomass – carbon – stays on-site. Dragonflies buzzing about get their energy from nearby sources. Water and wind forces move things that are nearby, not far away.

If we took this pattern as a design template and reimagined our energy model, it would look fundamentally different from how it does today.

More – Not Bigger – Is Better

Rather than scaling up through centralization, nature scales up through duplication. It doesn't make a bigger deer; it makes two deer. It doesn't make a bigger tree; it grows two trees.

Imagine if, instead of using massive dams for hydroelectric projects, for example, we put small hydroelectric turbines on every cascading stream for local electricity generation. I've seen enough of these small turbines around the world to appreciate the capacity and beauty of localized microsystems. We could place turbines in thousands of locations to take advantage of the natural fall of steep terrain.

Before Prohibition, many farmers burned alcohol in their automobiles. Some historians believe John D. Rockefeller funded the Woman's Christian Temperance Union in order to get the pesky "alcohol or gasoline" button off the dashboard of early Model Ts. Imagine if everyone grew an acre of corn to fuel their cars. That would be a far cry from the government-subsidized mega-alcohol facilities now dotting the West. Each of these massive investments dominates land-use decisions across a hundred-mile radius.

Whether it's good policy or not... whether it destroys the land or not... whether it's the best fuel or not... none of this enters the discussion.

When society commits this much money and time to a thing, that thing must be fed. Even if it's obsolete, it must be fed.

This is the problem with centralized mega-anything. If instead thousands and thousands of farmers and smallholders grew a few acres of corn for their own alcohol production, it would stimulate innovation.

And by the way... cattails are far more efficient than corn when it comes to alcohol production. The tubers in these starchy aquatic plants contain more sugar than corn. I've read about efforts to combine sewage treatment with cattail ponds. Several years ago on our farm, we cleaned out a limestone-bottomed pond during a drought. The cattail tubers in it had formed a mat more than a foot thick. Using biofiltration, concrete ponds could literally generate energy for a community.

But as a culture, we don't think like this. We think centralization and mega-everything.

What If

In Austria, some 80% of all winter heating is generated from wood pellets. Every neighborhood has a railroad siding where farmers take wood. Almost every farm has a small forwarding cart with a knuckleboom loader. The woodlands are manicured and grow far better timber than our weedy U.S. forests. Rather than a fuel oil or propane truck filling your house tank, a pellet truck fills your pellet tank and sends you a bill.

Pelletizing has become extremely efficient, and processing facilities don't have to be large to be viable. Some are literally mounted onto tractor-trailer chassis so they can be moved to wherever timber-cutting projects occur. This reduces the amount of raw material that needs to be transported.

Imagine if all the trees currently burning in wildfires each year in the U.S. were pelletized for energy production. Pellets self-feed and hardly make any smoke. Their fires are clean-burning and localized.

Prior to 1950, roughly 4 million acres burned annually in Californian wildfires. From 1950 to 2020, fewer than half a million acres burned. The massive fires we're seeing today are a direct result of biomass buildup coupled with no-cut policies. Nature tends to balance things out, and we're now half a century past the tipping point. It's time to fire up the chain saws and pelletizers. Imagine the difference we'd see in insurance rates if fire risk were a quarter of what it is today.

Long-distance transmission lines carry their own costs. Woody Tasch, founder of the nonprofit Slow Money, explained to me that if every home had a Honda generator, it would be more efficient than centrally generated electricity distributed through miles-long wires.

(Interestingly, engineers disagree on the most efficient solar collection system. Some argue that solar farms have to be larger than 500 acres to be economically viable. Others argue that only small-scale rooftop systems are viable. I'm not an engineer, but my intuition is that rooftop systems are the answer.)

What if all the petroleum used to transport lettuce to northern climates in the winter were instead used to make plastic to build a solarium on every house? The trucks could stop... the highways would be less congested... and we'd all have our own passive solar gardens attached to our houses. Imagine what the building inspectors would say about such a thing.

The fact that Americans are still building stick houses without regard for the orientation of solariums (which should face south) and without regard for earth berming and other energy-saving designs borders on the immoral. Every modern house should be earth bermed (built with a wall of earth around the outside of the home) to help it warm in winter and cool in summer.

Indeed, with earth berming, you can grow fruit and vines on your house to air-condition it. And you can eat the plants as well. What's not to love?

Think about lawns. We fertilize, irrigate and then mow them, all for show. What if that energy and effort went into garden beds and edible landscaping instead?

Pat Foreman, author of *City Chicks*, estimated that if 1 in 3 American households had enough chickens to eat their kitchen scraps, the egg industry would not exist. We'd eliminate thousands of tons of waste that needs to be transported by diesel trucks to landfills or composting facilities. And there would be no more egg factories. How about reducing *salmonella*?

What if every school campus used edible landscaping? Food plots spread throughout a campus could be designated for growing certain crops, and a map of the campus could be plugged into an app. Each morning, students could wake up and check their app to see what was ready to eat and where. "Strawberries are ripe in quadrant 45." "Apples are ripe in quadrant 15." "Purple plums are ready for picking in quadrant 24."

The students could graze between classes. And all that food would not have to be trucked, air freighted, refrigerated or processed.

The Weak Link

I know a guy who crisscrosses the U.S. full time in a pickup truck that runs on firewood.

When the Arab oil embargo hit in the mid-1970s, my dad was in his mid-50s, working as an accountant at a metal fabrication shop 13 miles away. He purchased a 10-speed bike and began riding it to the office, saying, "If everyone did this, we could tell the Arabs to keep their oil in the ground. We don't need it."

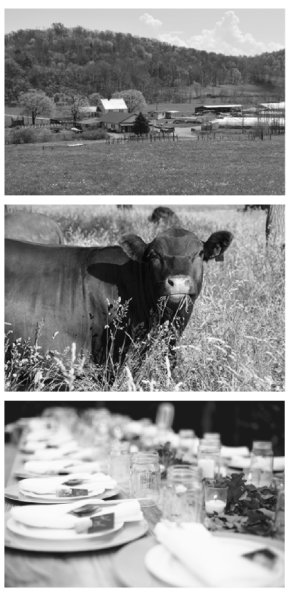
If we could ever pull ourselves away from the momentary problem of energy and imagine a different energy-scape, we would be able to see lots of possibilities.

Indeed, like in most things, the weak link in our energy-scape is not information or technology. The weak link is creativity. The more government intervenes, though, the fewer backyard mechanics there are and the rarer it is that localized ideas get implemented.

Free-flowing markets stimulate innovation and – eventually – implementation. All breakthroughs start with "break *withs*."

Breaking with the status quo unleashes real answers, and that's where we need to go. ■

Join Us at Polyface Farm for Our First-Ever "Master Class on Liberty"



You asked for it... and now you're getting it!

This September 9-10, the world's most famous farmer, Joel Salatin, is inviting ALL Manward readers to join him at his one-of-a-kind Polyface Farm for an exclusive event you won't want to miss...

This is your chance to enjoy in-depth discussions with world-famous champions of liberty... get a behind-the-scenes look at one of America's most famous farms... participate in an exclusive libertarian roundtable... celebrate life with like-minded friends... and much more!

To get all the must-know details – and to find out how you can reserve your spot – click here now.

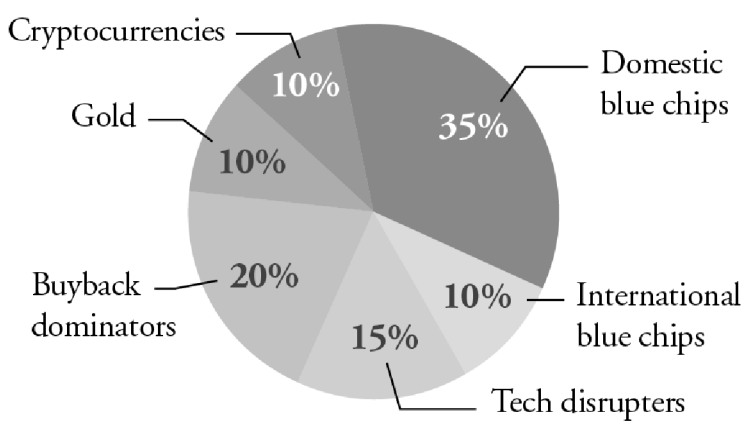
Portfolio

Note: Prices are updated daily.

COMPANY	BUY DATE	BUY PRICE	CURRENT PRICE	RATING	STOP
Modern Asset Portfolio*					
KBR (KBR)	04/07/2020	$21.45	$49.51	Buy	$42.39
Monero (XMR)	09/29/2020	$95.52	$161.51	Buy	
Ares Capital (ARCC)	03/01/2022	$21.47	$18.79	Buy	$15.60

COMPANY	BUY DATE	BUY PRICE	CURRENT PRICE	RATING	STOP
Decentraland (MANA)	04/05/2022	$2.61	$0.40	Buy	
Quanta Services (PWR)	08/02/2022	$137.89	$139.51	Buy	$114.80
Prudential Financial (PRU)	09/06/2022	$93.73	$99.35	Buy	$81.73
Extra Space Storage (EXR)	11/01/2022	$177.64	$146.48	Buy	$132.16
The Andersons (ANDE)	12/06/2022	$35.00	$34.26	Buy	$27.34
Sun Life Financial (SLF)	01/03/2023	$46.36	$46.89	Buy	$35.65

MAP Allocation



0%-1% Real Interest Rates

Interest Rate Monitor

This Month	Last Month
0.20%	**0.62%**

10-Year Real Interest Rate

*We recommend a 10% allocation to physical gold in the Modern Asset Portfolio.

Appendix

Further Reading

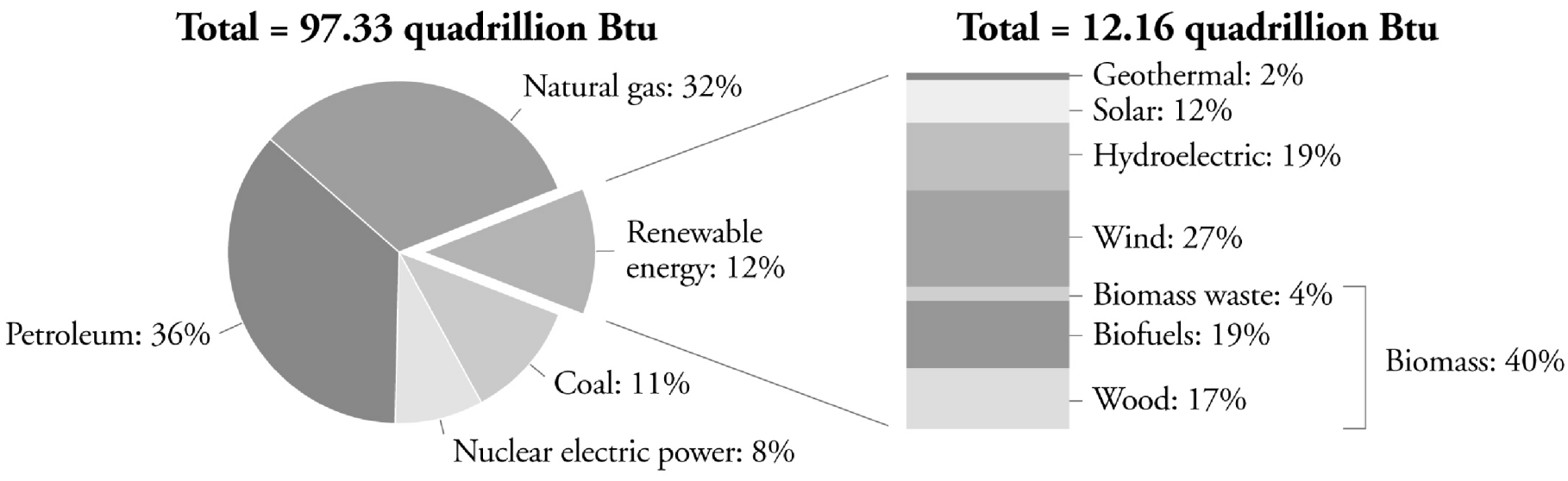
"Europe Will Count Natural Gas and Nuclear as Green Energy in Some Circumstances," CNBC: https://www.cnbc.com/2022/07/06/europe-natural-gas-nuclear-are-green-energy-in-some-circumstances-.html

"Biden, Top Automakers Aim for 50% Electric Vehicle Sales by 2030," Axios: https://www.axios.com/2021/08/05/biden-electric-vehicles-2030

"The Oil Industry Warns More Trouble Is Coming," *Manward Financial Digest*: https://manwardfinancial.com/oil-companies-trouble-coming

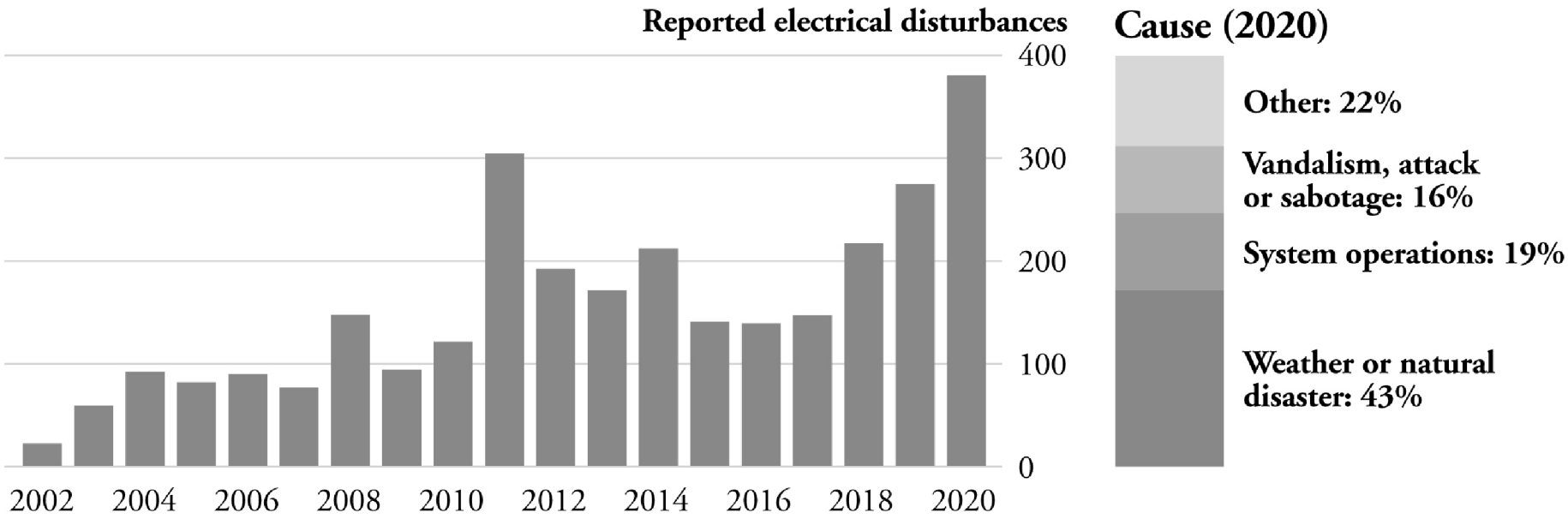
"Big Oil Is Spending Serious Money on Clean Energy," Business Insider: https://markets.businessinsider.com/news/stocks/big-oil-is-spending-serious-money-on-clean-energy-1031202671

U.S. Energy Consumption by Energy Source, 2021



Note: Sum of components may not equal 100% because of independent rounding.
Source: U.S. Energy Information Administration

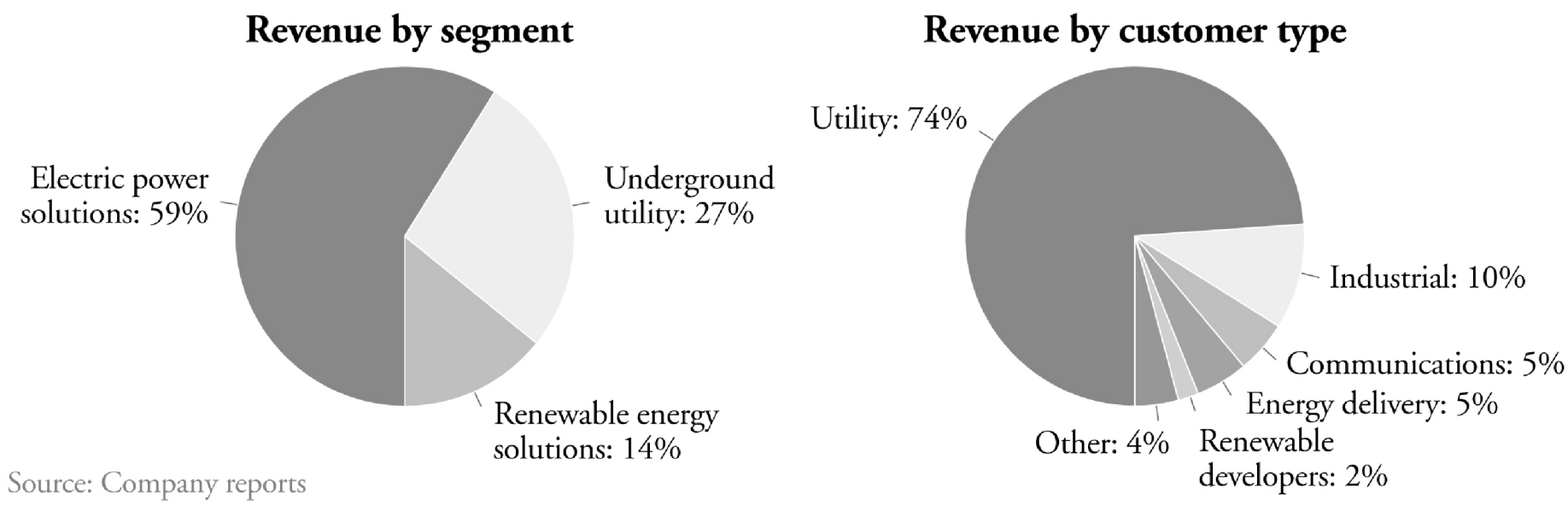
U.S. Power Outages Are Increasing



Source: Department of Energy

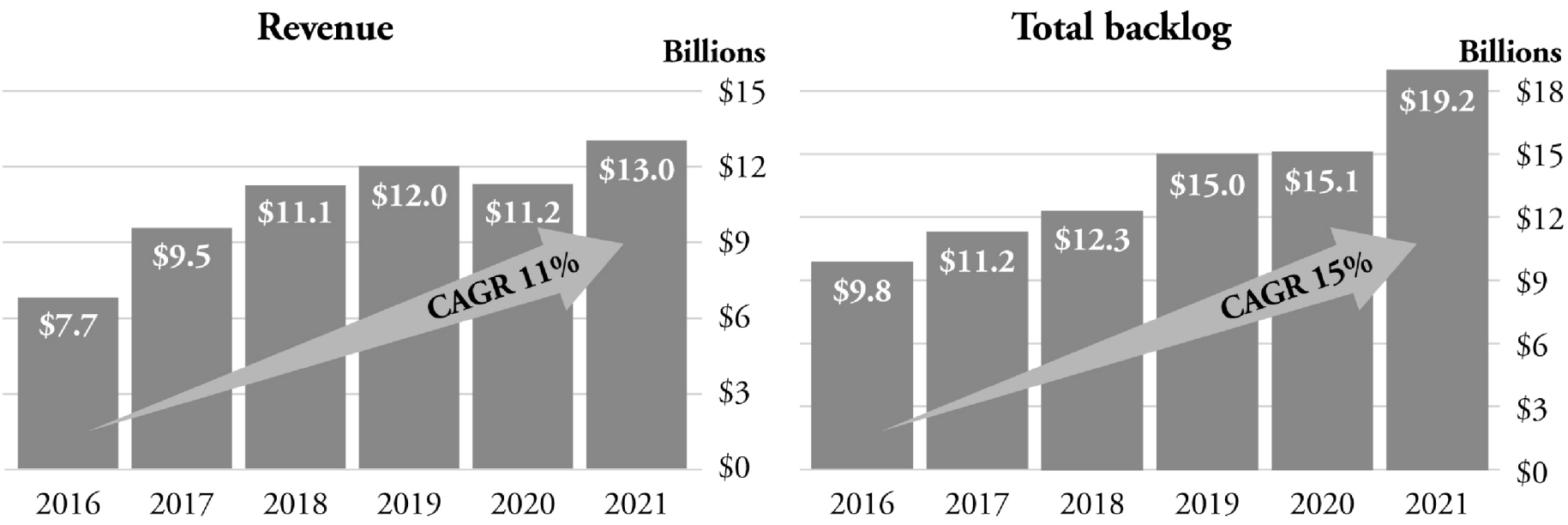
Quanta Services 2021 Revenue by Segment and Customer

$13 billion in revenue



Source: Company reports

Quanta Services Showing Strong Year-Over-Year Results



Source: Company reports