

PickensPlan

T. Boone Pickens Media Coverage 4.15.10

Total of 21 Placements

Print: 4
Blog/Online: 14
Broadcast: 3

Coverage Summary:

The *Wall Street Journal* ran an op-ed by R. James Woolsey, chairman of Woolsey Partners and a former director of Central Intelligence. The op-ed focuses on reducing our dependence on OPEC by switching to domestic resources. Woolsey references Pickens in the piece saying we should pay attention to his recommendation to switch to natural gas for fleet vehicles.

Several pieces appeared on Pickens' testimony before the Ways and Means Committee, including articles in *The Oklahoman* and *Houston Chronicle* that looked at tax provisions that were discussed, with Pickens being quoted as saying now is not the time to tax the oil and gas industry. Other coverage highlights natural gas' ability to create jobs and the benefits of running heavy duty vehicles on this fuel.

Secretary of State Hillary Clinton discussed natural gas during a speech today, calling it an available source of cleaner electric power.

Highlighted Placements (Full Articles Below)

How to End America's Addiction to Oil – *Wall Street Journal* – 4/15/10

Oilman T. Boone Pickens Advises Panel Against Taxes On Energy Industry – *The Oklahoman* – 4/15/10

White House Urges Cuts On Oil Incentives – *Houston Chronicle* – 4/14/10

Additional Pickens' Testimony Coverage (Full Articles Below)

Coal Chiefs Go on Offensive as Pickens Pushes Case for Natural Gas – *ClimateWire* – 4/15/10

o *NYTimes.com*

T. Boone Pickens Touts Larson Natural Gas Bill Before Ways And Means Committee – *CTNews.com* – 4/15/10

Pickens Continues Push for NAT GAS Act – *NGI's Daily Gas Price Index* – 4/15/10

Pickens Touts Natural Gas Trucks on the Hill – *Trucking Info* – 4/15/10

Pickens Encourages Investment in American Energy – *Domestic Fuel* – 4/14/10

Picking Winners: Obama Budget Shifts Tax Incentives Toward Renewables – *Solve Climate Blog* – 4/15/10

Notable Natural Gas Coverage (Full Articles Below)

Clinton: U.S. Will Promote Shale Gas In The Western Hemisphere – *The Hill's Energy & Environment Blog* – 4/15/10

Print Placements (Full Articles Below)

Dow Corning CEO Urges U.S. To Aid Green Energy Industry – *Detroit News* – 4/14/10

Blog/Online Placements (Full Articles Below)

Obama's Chief of Staff Huddles With Enviro Leaders to Discuss Climate Bill – *Greenwire* – 4/15/10

o *NYTimes.com*

Pickens Takes Texan Turbine Dream North – *BusinessGreen.com* – 4/15/10

Pickens Still Has a Plan, Even If It Doesn't Include Wind Turbines – *Treehugger* – 4/15/10
Surprising Winners, Losers at Sustainable Mobility Conference – *NY Times Wheels Blog* – 4/15/10
Daily Sprout – *Earth2Tech* – 4/14/10
Closing Bell: Bears Losing Arguments Faster & Faster – *Blogging Stocks* – 4/14/10

HIGHLIGHTED COVERAGE

How to End America's Addiction to Oil – *Wall Street Journal* – 4/15/10

By using more electricity, natural gas and biofuels in our transportation fleet, we can quickly reduce our dependence on OPEC.

By R. James Woolsey

At the end of March, oil posted its fifth consecutive quarterly price increase: It's now solidly above \$80 per barrel. If it reaches \$125 a barrel again, as it did in 2008, then approximately half the wealth in the world—above and below ground—will be controlled by OPEC nations.

Oil dominates transportation: About 95% of transportation fuel in the U.S. is derived from petroleum. And over three-quarters of the world's reserves of conventional oil are in OPEC nations. But OPEC is pumping less than it did in the 1970s, despite a doubling in global demand, because it's a cartel maximizing its income. OPEC sets oil's price at a level that exploits our addiction but is generally not high enough for long enough that we go cold turkey.

Oil profits enhance the ability of dictators and autocrats to dominate their people. This is one reason that eight of the top nine oil exporters (Norway is the exception) are dictatorships or autocratic kingdoms, as are virtually all of the 22 states that depend on oil and gas for at least two-thirds of their exports.

Saudi Arabia's oil wealth enables it to control around 90% of the world's Islamic institutions even though it has less than 2% of the world's Muslims. So the teaching in most Islamic schools is not the tolerant form of Islam associated with the late Indonesian President Abdurrahman Wahid. These schools teach Saudi Wahhabi doctrine—fundamental hostility to Shiites, Jews, homosexuals and apostates; oppression of women; and the pursuit of a global caliphate, or theocratic dictatorship. This doctrine bears startling resemblance to the substantive teachings of the Taliban and al Qaeda (although of course they and the Wahhabis disagree passionately about who should have power). The effect is that we now are financing both sides in our war with radical Islam.

Yet so far every national policy we've tried to end our oil addiction has failed, including picking winners. Neither the Synfuels Corporation (the early 1980s drive for coal-to-liquid fuel) nor the hydrogen highway (the push early in this decade to get Americans to drive hydrogen-powered cars long before the technology was ready) had a chance of succeeding. It was too easy for OPEC to drive prices down and crush such costly competition.

Supporters of cap-and-trade legislation have argued that putting a price on carbon would help us get off oil. But the effect of this would be negligible. Twenty dollars a ton of CO₂ equates to about 20 cents a gallon at the gasoline pump.

Drill, baby, drill? Some suggest that if we replace foreign with domestic oil our problems will be solved. Domestic drilling does help reduce oil's share—a billion dollars a day—of our huge balance of payments deficit, and it adds some domestic employment.

But that's it. OPEC has very large reserves and cheap extraction costs, while domestic drilling costs for new oil will be many times that of the Saudis. We can't drill our way out of the cartel's control of the global oil market.

Shifting the way we produce electricity also has essentially nothing to do with oil dependence; less than 2% of U.S. electricity comes from burning oil. We may decide to shift from coal-fired electricity to wind or nuclear for environmental reasons, or not do so for cost reasons, but these issues are not at all central to the oil debate.

We urgently need to reduce oil dependence in the short term. This means lowering demand and utilizing substitutes as cheaply and quickly as possible. Here are four strategies we can implement beginning today:

First, we should take advantage of electronic modifications that are being developed for internal combustion engines in existing vehicles. Innovations in computer chips and valves hold an early promise of substantial improvements in mileage by regulating combustion much better than current engines can.

Second, we should pay attention to T. Boone Pickens's recommendations to switch to natural gas for fleet vehicles such as buses, and for interstate trucking. Buses and trucks are easily modified to run on natural gas and would only require new pumps at a few central locations and interstate truck stops.

Third, we should force petroleum products to compete with other fuels as soon as possible. There are many ways to do this, and we should use them all. For example, we should deploy "drop-in" fuels produced from waste and algae. These fuels can mix freely with gasoline and diesel in existing vehicles.

We should also require all new gasoline-using vehicles to be "flexible fuel, open standard." What this means is that these vehicles would use a type of plastic in their fuel lines that tolerates nongasoline fuels such as ethanol and methanol. This is a cheap and simple change: Brazil accomplished it easily several years ago. Methanol made from natural gas can be produced for around \$1.20 a gallon (of gasoline equivalent) today.

Fourth, we should move to electrify automotive transportation. Plug-in hybrids are on the road now (I drive one), and production models such as the Chevy Volt, due out this autumn, can drive electrically for roughly 40 miles before needing to plug in or to use on-board liquid fuel. Three out of four days an average car in the U.S. travels fewer than 40 miles.

All-electric vehicles now exist and their range will improve as battery technology does. Time-of-day pricing will encourage most people to charge their cars at night, when only a fraction of the electric grid is now utilized. And three major studies show that we do not need to build new power stations until well over half of cars on the road are plug-in hybrids or all-electric.

We can move quickly to strike a major blow at oil and OPEC's dominance if we'll adopt a portfolio approach and stop allowing the perfect to be the enemy of the good. We can get a long way using existing vehicles, existing technology and affordable natural gas. As other improvements become practical—like charging your electric car from solar panels on your roof—they can be adopted. In the meantime, we need Theodore Roosevelt's attitude. He decided to improve competition by taking on Standard Oil's cartel and breaking it into 30 parts.

President Obama, meet your cartel. It's called OPEC.

Mr. Woolsey is the chairman of Woolsey Partners and a former director of Central Intelligence.

Oilman T. Boone Pickens Advises Panel Against Taxes On Energy Industry – *The Oklahoman* – 4/15/10

Oilman says subsidies should be given for fuel conversion.

By Chris Casteel

WASHINGTON — A powerful House committee weighed tax policy for the energy industry on Wednesday, but the chairman declined to say whether he supports raising taxes on oil and gas companies.

The House Ways and Means Committee heard a broad range of views on how to use federal tax incentives to encourage different types of energy production. Oilman T. Boone Pickens urged members to provide subsidies for converting the nation's large trucks and buses to natural gas.

President Barack Obama has proposed repealing several tax provisions related to oil and gas exploration and extraction; the biggest changes would mean a loss of more than \$37 billion in tax breaks.

The Obama administration has used the stimulus bill and other initiatives to steer federal funding into alternative energy production, and a Treasury Department official told the committee that "tax subsidies for fossil fuels must ultimately be financed with taxes that result in underinvestment in other, potentially more productive, areas of the economy."

The oil and gas industry is lobbying hard against the administration's proposals, arguing that increasing taxes would reduce domestic production and cost jobs.

Rep. Sander Levin, D-Mich., the chairman of the committee, told reporters that the hearing was a way to air the issues of using tax incentives to shape energy policy, and he didn't answer a direct question about whether he would support repealing tax breaks for oil and gas companies.

Pickens, chairman of BP Capital in Dallas, told the committee that it shouldn't tax the oil and gas industry now.

"Do not take money from this industry at a time when we're talking about getting off foreign oil," Pickens said.

Rep. Charles Rangel, D-N.Y., asked Pickens whether the companies needed tax breaks to produce oil and gas.

Pickens said the incentives may not have increased domestic oil production but had led to a natural gas boom.

"If I was going to tax anything, I would tax foreign oil," Pickens said.

Michigan Rep. Dave Camp, the top Republican on the committee, said he was troubled by the fact that people argue oil and gas tax credits don't work but that credits for the production of other types of energy are effective.

Pickens has been pushing bipartisan legislation that would use tax incentives to spur the manufacture of heavy duty trucks and buses that run on natural gas.

"Study after study shows we are awash in natural gas," Pickens said.

"We have well over a 200-year supply by current estimates. We're going to look like fools if we don't use it in transportation."

The Center for American Progress released a study on Wednesday backing the legislation Pickens is promoting.

The study says incentives to convert the nation's heavy vehicle fleet to natural gas "would reduce oil use, invest in American energy sources, increase our energy independence and national security and slash air pollution."

White House Urges Cuts On Oil Incentives – *Houston Chronicle* – 4/14/10

By Jennifer A. Dlouhy

Existing tax preferences for fossil fuels give gas, oil and coal an advantage, while suppressing investment in clean energy technologies, Assistant Treasury Secretary Michael Mundaca said.

"We are looking to remove those provisions in the tax code that advantage one sector over another," Mundaca told the House Ways and Means Committee. The fossil fuel subsidies "lead to distortions in investment ... and prevent us from this transition we do need to make" to a clean energy economy.

President Barack Obama has asked Congress to build on the \$2.3 billion it included in last year's stimulus package for clean energy manufacturing tax credits, after fierce competition for the funding. The administration wants an additional \$5 billion for the tax credits.

The tax credits quickly revived "projects that otherwise would have been idled in the face of a great recession," said Matt Rogers, a senior Energy Department adviser. "These programs are bringing private capital off the sidelines and back into the clean energy markets."

Help to U.S. industry

Rep. Sander Levin, D-Mich., chairman of the committee, said programs to spur domestic manufacturing of renewable energy equipment would help the U.S. compete with China and other countries that are using their governments' money to build the next generation of wind turbines and photovoltaic cells.

Right now, the U.S. is "behind the curve," while "the governments of other countries ... are racing ahead to dominate in this area," Levin said. "If we are not aggressive about expanding our green manufacturing capacity, these jobs will be created overseas and the U.S. will become more reliant on goods that are produced outside our borders."

The administration's request that Congress eliminate more than \$36 billion in oil and gas industry tax incentives is similar to a proposal the White House advanced in 2009. But this year, the request has extra political weight because the U.S. last September joined 19 other nations in the "group of 20" to phase out subsidies for fossil fuels that produce heat-trapping carbon dioxide when they are burned.

Rep. Dave Camp, R-Mich., the top Republican on the panel, argued that repealing the tax incentives for oil and natural gas would only make the U.S. more dependent on foreign energy sources and curb domestic natural gas production from shale across the U.S. He noted that in 2007, 85 percent of the nation's energy demand was supplied by gas, coal and oil, with nuclear energy supplying 8 percent and the remaining 7 percent coming from hydropower, solar and other renewable sources.

"You cannot increase the cost of producing 85 percent of the energy being used today and expect consumers or employers to benefit from tax incentives that are going to less than 10 percent of the energy being used today," Camp said.

Mundaca said the targeted tax incentives represent less than 1 percent of the annual revenues generated by the oil and gas industry. As a result, he said, "we don't think it will have a significant effect on prices," and "we don't expect the job effects to be significant."

Question of fairness

Rep. Devin Nunes, R-Calif., questioned the fairness of creating subsidies for one energy sector at the expense of another: "Why is it OK to have incentives for green technologies" and not domestic oil and gas production?

And Rep. Sam Johnson, R-Texas, insisted that the government should not pick "winners and losers" by designing an uneven tax policy.

Texas billionaire T. Boone Pickens said tax increases would hurt domestic production of natural gas.

“Don't tax the industry at this point,” he implored. “It's not time to tax the domestic oil industry. If you want to tax something, tax either foreign oil or tax gasoline, but do not take away from this industry in this country at a critical time when we are trying to get off of oil and get on our own resources.”

Another witness, Joseph Romm, a senior fellow with the liberal Center for American Progress, said Congress' choice is whether to continue “propping up the technologies that are polluting the environment and have most of the market share” or to “start betting on the technology of the future, the ones that China and Europe and Asia are trying to corner the market on.”

PICKENS' TESTIMONY COVERAGE

Coal Chiefs Go on Offensive as Pickens Pushes Case for Natural Gas – *ClimateWire* – 4/15/10

By Joel Kirkland

A dramatic preamble to an upcoming climate policy fight played out yesterday on Capitol Hill, pitting the coal, oil and natural gas industries against each other as lawmakers fired up debate about powering a low-carbon U.S. economy.

In an austere House hearing room, top executives from the nation's three largest coal producers emphasized their collective role as sources of cheap electricity. The coal chiefs warned against a "dash to gas" and tried to poke holes in an emerging conventional wisdom that the North American natural gas supply is abundant enough and cheap enough to replace King Coal.

Meanwhile, in the ornate House Ways and Means Committee room, T. Boone Pickens, the Texas oil tycoon turned clean energy activist, urged Congress to promote U.S. natural gas as a fuel for trucks and to boost gas as a source of "green" jobs.

"Because of cheap oil, we keep drifting, drifting," Pickens said, reminding committee members that the United States imports two-thirds of its oil supply.

"In January 2010, our trade deficit for the month was \$37.3 billion," he said in the same gravelly voice that narrates TV commercials raising the specter of U.S. dependence on foreign energy. "\$27.5 billion of that was money we sent overseas to import oil."

For Pickens, this is where national security, development of relatively clean energy sources, a U.S. economic resurgence and global warming roll into a single argument.

"As Americans we have to look at green jobs and a green economy, not as a 'feel-good' effort, but as a global war to protect American jobs," he said.

Members of the Ways and Means Committee peppered Obama administration officials, economists and energy industry financiers on ways to adjust the U.S. tax code to promote an energy policy aimed at cutting greenhouse gas emissions and creating new jobs.

Oil refiners join the fray

Pickens, chairman of BP Capital, steered clear of a contentious debate about an Obama administration proposal to cancel \$40 billion in tax benefits for the oil and gas industry. But he pushed for passage of pending legislation that would create tax credits for natural gas vehicles. The proposal would require half of the federal government's fleet to use compressed or liquefied natural gas and authorize the Energy Department to offer financing to manufacturers of light- and heavy-duty natural gas vehicles.

Gasoline and diesel refiners blasted Pickens for his high-pitched push for gas. The National Petrochemical and Refiners Association called the idea that cars and trucks could make an easy switch to natural gas "a costly fantasy."

The move could add \$6,000 to the price of a car, NPRA asserted, "and exert upward pressures on prices consumers pay for plastics and thousands of other products they use every day made by petrochemicals derived from natural gas."

Pickens has spent millions of dollars on national ad campaigns promoting natural gas vehicles, and he has a lot more riding on a gamble that gas will ultimately end up a winner when the energy and climate policy debate shakes out. Clean Energy Fuels Inc., in which he has a substantial interest, upgrades fueling stations to accommodate natural gas. The company's stock price has nearly tripled in the past

year from about \$7 a share a year ago to \$20.77 at the market's close yesterday. In that time, Pickens has continued to press for favorable government policies and subsidies on the airwaves and to members of Congress.

After the hearing ended yesterday, Pickens met with lawmakers crafting a fresh compromise energy and climate bill, Sens. John Kerry (D-Mass.) and Lindsey Graham (R-S.C.).

In another corner of the Capitol, members of the House Select Committee on Energy Independence and Global Warming took testimony from the coal industry chiefs of Peabody Energy, Arch Coal, Rio Tinto and the Ohio Coal Association.

The executives, feeling the heat because of a deadly coal mining accident in West Virginia this month, warned against adopting policies that could hasten the erosion of coal-burning power generation and U.S. coal production. Tens of thousands of jobs are at stake, they warned.

Coal executives cast doubt on new gas finds

The coal executives talked about developing technology to capture heat-trapping carbon dioxide emissions. When asked, they denied charges by Democrats that coal producers are ginning up opposition to climate legislation by repeatedly questioning the science. They also responded to charges that the coal industry plans to lobby against any legislation aimed at making coal-burning emissions costly. That's not the plan, they said.

Instead, the coal executives took aim at natural gas, a perennial battle that is putting increasing pressure on climate bill talks in the Senate. Gas companies and industry lobbyists claim the United States has a 100-year supply, and perhaps a 200-year supply, of domestic natural gas and are pushing back against the traditional coal industry argument that coal remains the cheapest and most abundant fuel for power generation. Gas, its industry lobbyists say, is also cheap and abundant -- and cleaner than coal. Burning gas produces about half of the greenhouse gas emissions of coal.

"Much has been said lately about the promise of shale gas discoveries," said Gregory Boyce, president and CEO of Peabody. "We do not know the eventual cost, sustainability, deliverability, reliability and environmental impact of large-scale shale gas production."

Projections of domestic natural gas supply, according to both government and energy industry estimates, has increased by as much as 40 percent in the past three years. A small band of independent gas producers has been widely deploying advanced drilling technology to pull gas out of tight-sand and shale rock formations. The development has been rapid, but there remain lingering concerns in Washington and among state regulators and electric utilities that gas prices have been hard to pin down for much of the past decade.

"Natural gas prices have seesawed wildly in the past decade," Boyce said, arguing that it destabilizes consumer power prices and puts the economy at risk.

But in the past 18 months, natural gas prices have remained relatively low. The tough economy cut industrial consumption, but resilient and increasing domestic drilling in unconventional, onshore gas fields also helped keep the price down. While gas has become a more competitive fuel choice for electric utilities, the cost of using coal has increased.

Boyce and the others tried to chip away at the rosy gas supply projections.

A press for carbon capture incentives

Government and private-sector estimates about gas supplies have been all over the board, Boyce told the committee. Since 2000, he noted, optimistic projections about gas off of U.S. shores and the anticipation that large amounts of imported liquefied natural gas would drift toward American shores were

turned upside-down by the rapid development of onshore shale gas basins in Texas and Louisiana and in Appalachian country in the Northeast. Supply uncertainty goes hand-in-hand with the gas industry, he suggested.

Steven Leer, chairman and CEO of Arch Coal, warned that creating federal incentives for utilities to switch from coal to natural gas would freeze development of carbon capture and storage technology. CCS technology is the single most important technology development for the coal industry, he asserted.

"All of this brings me back to the key point," Leer continued, "which is that without robust CCS technologies, we cannot stabilize carbon dioxide concentrations in the atmosphere within the next 40 years."

Leer suggested that future gas supply projections aren't as straightforward as many would suggest. Shale gas and other unconventional gas production is projected to grow, he said, but added that the U.S. Energy Information Administration also sees conventional offshore supplies declining. The net increase in gas supplies would be offset by the decline.

"Even if all of this additional gas went to power production, which currently consumes about one-third of total U.S. natural gas consumption, it would not make a major change in coal use," Leer said in written testimony to the committee.

Just a day after returning from Easter break, House Democrats appeared girded for a showdown with the coal industry. The panel of executives attracted the theatrical, as protesters angry about the industry's reputation as a dangerous and dirty business wore yellow miner hats and marched in their direction before being escorted from the hearing room.

Rep. Edward Markey (D-Mass.), who helped craft a climate bill passed by the House last June, had one point to make to Michael Carey, president of the Ohio Coal Association, who complained that Congress has made no effort to help the coal industry adopt CCS technology as it charges ahead with environmental regulations.

The Waxman-Markey climate bill includes \$60 billion for development of clean coal technology. Without some buy-in by the coal industry on a federal climate policy, Markey said, referring to coal production in the United States, "We do believe it is an inexorable decline."

T. Boone Pickens Touts Larson Natural Gas Bill Before Ways And Means Committee – *CTNews.com – 4/15/10*

By Jonathan Kantrowitz

Yesterday, former oilman and businessman T. Boone Pickens voiced his strong support for Congressman John B. Larson's (CT-01) NAT GAS Act (H.R. 1835) that will put thousands of American workers at the forefront of a uniquely American clean energy economy, boost the production of domestic energy, and help break our addiction to foreign oil.

Congressman Larson, the Chairman of the House Democratic Caucus, said, "This legislation is about protecting America's national and economic security. Right now, like drug-users paying a dealer, we are exporting dollars overseas to feed our addiction to foreign oil. As a result, our economy and the safety of our citizens are subject to the whims of foreign, and often unfriendly, governments. By boosting our use of natural gas we are creating hundreds of thousands of American jobs building trucks, heavy equipment and infrastructure. We are also tapping into American energy resources, safe from foreign interference, to fuel cars and trucks for decades to come."

In his testimony before the House Ways and Means Committee, Pickens stressed the importance of weaning the U.S. off of foreign oil and increasing domestic energy production. He said (from prepared testimony), "Natural gas is an excellent example of how we can create green jobs – not just as a public works effort – but as a commercially viable, long-term enterprise which will reduce our dependence on foreign oil, add permanent high-paying jobs to the American roster and which will allow the United States to claim its rightful place in doing the right thing to improve the global environment."

The legislation would increase the use of natural gas in heavy duty vehicles by providing tax credits and incentives to people who buy them. It will create 600,000 American jobs and spur investment in the American energy industry.

Pickens Continues Push for NAT GAS Act – *NGI's Daily Gas Price Index* – 4/15/10

Independent oil billionaire T. Boone Pickens continued to voice his support for gas-friendly legislation Wednesday, telling members of the House Committee on Ways and Means that the NAT GAS Act (HR 1835), which seeks to establish a sustained market for natural gas vehicles (NGV) and rein in gas market volatility, would create 600,000 jobs and help wean the country off imported oil.

"Two-thirds of our foreign oil is used as a transportation fuel. Building more nuclear plants or more solar or wind farms will not make a dent in our dependence on foreign oil. The only way we can solve the OPEC oil threat is by replacing their expensive, dirty fuel with cleaner, cheaper, American natural gas," Pickens told lawmakers in Washington, DC. "Study after study shows we are awash in natural gas. We have well over a 200-year supply by current estimates. We're going to look like fools if we don't use it in transportation."

Pickens said foreign oil is responsible for approximately 75% of the U.S. trade deficit, including \$27.5 billion of the \$37.3 billion trade deficit racked up in January. Based on the price of oil in March, the country will spend \$326.4 billion on oil in 2010, nearly 25% more than in 2009, he said.

"It's time to invest as much of that as we can back in America...and create American jobs, not OPEC jobs, and not jobs which can be offshored anywhere else," Pickens said.

The NAT GAS Act may become part of a comprehensive jobs package, according to Rep. Dan Boren (D-OK), co-chair of the House Natural Gas Caucus (see Daily GPI, Nov. 20, 2009). Pickens, who has pushed for Congress to create tax incentives for gas-fueled vehicles, recently said he thinks energy legislation, with a tilt to natural gas, could be enacted before Memorial Day (see Daily GPI, March 1).

Pickens also supports S 1408, which seeks to extend and expand federal tax credits for NGV and refueling infrastructure (see Daily GPI, Jan. 14; July 9, 2009).

Some auto and energy executives are less optimistic than Pickens about how big the market might become for natural gas as a transportation fuel (see Daily GPI, March 15). ExxonMobil Corp. CEO Rex Tillerson last month said natural gas "has a lot of limitations" as a transportation fuel (see Daily GPI, March 12). And the American Trucking Associations last year said natural gas is not a viable option for most long-haul operations (see Daily GPI, Nov. 19, 2009).

In 2008 Pickens unveiled an energy plan that he said could reduce America's dependence on foreign oil by more than one-third within 10 years by shifting the national energy mix toward domestic renewable sources and using more natural gas as a transportation fuel (see Daily GPI, July 9, 2008).

Pickens Touts Natural Gas Trucks on the Hill – *Trucking Info* – 4/15/10

In testimony before Congress Wednesday, energy magnate T. Boone Pickens urged the passage of a bill that would offer incentives for the purchase of natural-gas trucks.

"The only way we can solve the OPEC oil threat is by replacing their expensive, dirty fuel with cleaner, cheaper, American natural gas," Pickens told the U.S. House of Representatives Committee On Ways and Means.

Pickens was pushing for passage of H.R. 1835, The NAT GAS Act, which was introduced in the House of Representatives on April 1, 2009 and has 138 bipartisan cosponsors. The Senate version of this bill, S. 1408, was introduced on July 8, 2009 as a bipartisan bill by Senate Majority Leader Harry Reid and Senator Robert Menendez (D-NJ) and Senator Orrin Hatch (R-UT).

The bill would offer a number of tax incentives for buyers, makers and fuelers of natural gas fueled vehicles, as well as requiring 50 percent of all new vehicles purchased or placed in service by the U.S. government by December 31, 2014, to be capable of operating on compressed or liquefied natural gas.

Last month, speaking at the National NGV (natural gas vehicle) Fleet Summit prior to the Mid-America Trucking Show in Louisville, Pickens predicted the legislation would pass by Memorial Day and said it would offer a \$65,000 tax credit for the purchase of natural gas powered trucks.

In Wednesday's testimony, Pickens predicted the legislation would Put 236,000 clean natural gas trucks on the roads, using a cheap domestic source of energy, and create 600,000 new "green" jobs.

"America has not had an energy plan for 40 years," said Pickens, who created the Pickens Plan which pushes natural gas, wind power and other domestic energy alternatives. "Every President since Richard Nixon has pledged to reduce our dependence on foreign oil. President Obama has pledged to eliminate our dependence on OPEC oil in 10 years. We can do that. And if we do, President Obama will be the only one to have made good on his promise.

"We're witnessing the greatest transfer of wealth in human history, sending more than \$1 billion a day to foreign countries for oil. Not only that, but because this committee has jurisdiction over trade, I know you will be interested in this. In January 2010 our trade deficit for the month was \$37.3 billion; \$27.5 billion of that was money we sent overseas to import oil. That means foreign oil is responsible for approximately three quarters of our trade deficit. It's time to invest as much of that as we can back in America...and create American jobs, not OPEC jobs,.

"Two-thirds of our foreign oil is used as a transportation fuel. Building more nuclear plants or more solar or wind farms will not make a dent in our dependence on foreign oil. The only way we can solve the OPEC oil threat is by replacing their expensive, dirty fuel with cleaner, cheaper, American natural gas. Study after study shows we are awash in natural gas. We have well over a 200-year supply by current estimates. We're going to look like fools if we don't use it in transportation."

Skeptics, Boone has said, point out that there's no natural gas fueling infrastructure. "Forget it," Pickens said in his remarks before Congress. "Let's look to our free enterprise system. If you create the market, the private sector will build it."

In addition, he said, "Heavy-duty trucks use approximately one-third of the oil we import as a transportation fuel. And, because heavy-duty trucks either go home to the barn every night or, if they are over-the-road 18-wheelers, they tend to run the same routes on a regular basis. Therefore, the often-cited argument against NGVs: "we don't have the refueling infrastructure" doesn't apply.

"Can you imagine what would have happened if we had told Henry Ford: 'Forget about building Model Ts. There's no place to fuel them'?"

Pickens also Wednesday reported that the U.S. spent nearly \$28 billion on imported oil in March and predicted that increasing oil prices would lead the U.S. to pay nearly 25 percent more for oil in 2010 than it did last year.

You can read Pickens' complete testimony at

<http://media.pickensplan.com/websitedata/20100414,%20TBP%20testimony.pdf>

Pickens Encourages Investment in American Energy – *Domestic Fuel* – 4/14/10

By Cindy Zimmerman

“When do we stop investing in OPEC and start investing in America?”

That’s the question that oil tycoon T. Boone Pickens asked at a House Ways and Means committee hearing Wednesday on “Energy Tax Incentives Driving the Green Job Economy.” Pickens told the panel that he’s for “anything that’s American” when it comes to energy -including wind, coal, solar, hydro, nuclear, geo-thermal, ethanol, propane, or natural gas.

The straight-talking Texan and chairman of BP Capital Management addressed those who discourage tax incentives for renewable energy on the basis of letting the free market work. “If you think OPEC is a free market, you’re a sap,” he said.

Pushing natural gas as an alternative, Pickens said that skeptics say there is no natural gas fueling infrastructure. “If you create the market, the private sector will build it,” he said. “Can you imagine what would have happened if we had told Henry Ford, forget about building the Model T, there’s no filling stations?”

Pickens strongly stressed the need for America to develop an energy plan now. “I’m running out of time, I’m 82 years old next month, and I’ve got to get an energy plan fixed for America because we cannot leave this to generations in the future,” noting his 13 children and grandchildren.

Pickens’ whole opening statement is well worth watching [here on the Ways and Means Committee website](#).

Picking Winners: Obama Budget Shifts Tax Incentives Toward Renewables – *Solve Climate Blog* – 4/15/10

By Dave Levitan

In spite of the popularity of the idea of market-driven innovation, one of the most effective tools the United States has in its arsenal to spur growth of a given sector is the tax credit or subsidy.

The energy sector is no exception. The Obama administration’s 2011 budget proposal includes a number of provisions involving taxes and credits that are designed to increase manufacturing of renewable energy technology, reduce some heavy benefits currently awarded to oil, gas and coal industries, and create much needed jobs.

In a House Ways and Means Committee hearing Wednesday, the battle lines over those proposed changes were clear: Those to the right of the Congressional aisle insist that government should not be in the business of “picking winners and losers” on the path toward the nation’s energy future, meaning that the status quo domination of coal, oil and gas would continue. Those to the left tended to aim their tax incentive ammunition toward clean energy in the hopes that a government boost would help the country catch up to China, a country currently pulling away in the race toward a low-carbon economy.

“As much as we’re doing, it seems to me we need to take a quantum leap forward ... to be able to compete with the Chinese and others that are making enormous national investments in this area,” said Rep. Chris Van Hollen (D-Md.).

Rolling Back Fossil Fuel Credits

Michael Mundaca, the Treasury Department's assistant secretary for tax policy, laid out some of the energy tax incentives in the president's budget proposal for the committee, starting with repealing existing policies that in effect already pick winners: credits and deductions for coal, oil and gas.

“These tax subsidies are not designed to correct an existing distortion or market failure and therefore lead to an over-allocation of investment resources to these industries and an under-allocation to others,” Mundaca said.

Among the proposed rollbacks of those fossil fuel handouts are an enhanced oil recovery credit, a credit for oil and gas from marginal wells, and a rule that allows companies to deduct up to 25 percent of income from some oil and gas wells. Repeal of that last deduction alone would raise \$10 billion through the 2020 fiscal year, he said.

Similar credits and deductions exist for the coal industry, and the 2011 budget proposal would cut many of those as well. For example, repealing a rule allowing 10 percent of income from a coal deposit to be deducted would raise more than \$1 billion through 2020.

The goal of removing these special interest bonuses would be to effectively even the playing field for other sources of energy, Mundaca said.

Republicans at the hearing disagreed with that approach. They insisted that by repealing tax incentives for these industries, the economy would suffer.

“It won’t just be the direct jobs in the oil and gas industry, and there are tens of thousands of those, but it will be the indirect effect on energy intensive industries that employ hundreds of thousands of Americans,” said Republican Dave Camp of Michigan.

“I think I see a problem with taxing what 85 percent of America needs to grow our economy in this way,” he said, citing Energy Information Administration data showing that 85 percent of the energy demand in the U.S. was supplied by fossil fuels in 2008.

T. Boone Pickens, the chairman of BP Capital and an energy entrepreneur, also testified before the committee and clearly advocated that the government pick a winner from that fossil fuels menu: natural gas.

Pickens' energy plan, which currently takes the form of the NAT GAS Act in the House, would provide tax incentives to develop natural gas production and to transition toward the use of the cleaner fossil fuel in vehicles, helping with Pickens' main goal of moving away from huge investments in foreign oil.

“When do we stop investing in OPEC and start investing in America?” he asked the committee. “The only way we can solve the OPEC oil threat is by replacing their expensive dirty fuel with cleaner, cheaper natural gas.”

“Let the free markets work, they say,” Pickens said. “If you think OPEC is a free market, you’re a sap.”

Biofuels and Renewables Manufacturing

The 2011 budget also proposes extending a number of other tax laws, including a \$1 per gallon credit for the production of biodiesel and a \$0.45 per gallon credit for ethanol. The former was allowed to expire at the end of 2009, while the ethanol credit is set to expire at the end of this year.

There is little question that the ethanol credit is a clear example of the government “picking a winner” in the biofuels realm, and many environmentalists have since come out against the credit amid evidence of rising food prices and little greenhouse gas reduction.

Jeffrey Sachs, director of the Earth Institute at Columbia University, told the committee that while alternative fuels should be pursued, the first generation biofuels, largely corn-based ethanol, were “a disaster” because of the shifting of farmland from food to fuel.

The government also picked winners with last year’s Recovery Act, which provided \$2.3 billion in tax credits for manufacturing facilities of clean energy such as wind turbines and solar panels.

Mundaca said that the Treasury Department and Department of Energy had no problem finding 183 projects to fund with that money, but the cap on funding resulted in two-thirds of the worthy projects being left behind. The president’s new budget proposal would add \$5 billion more to that pool, and the existing pipeline of technically feasible projects that were previously rejected could provide a quick economic and jobs boost.

Not everyone likes the idea of extending a \$5 billion line of tax credit to the renewables industry, though.

“I support having a cleaner, greener, more energy efficient economy, but it ought to be market driven, not government directed,” said Rep. Sam Johnson (R-Texas).

When Did We Not Pick Winners?

The idea that the government should not choose — and generally has not chosen — one energy source over another is misleading at best. Oil and gas tax breaks started back in 1916, and coal received subsidies in 1932.

“The United States has been in the business of picking winners and losers starting with the transcontinental railroads,” said Rep. Earl Blumenaur (D-Ore.). “And it looks like our effort at betting on a green economy is paying some dividends right now in terms of diversity of energy supply and creating jobs.”

The message of the 2011 budget proposal does seem to betray the Obama administration’s choice of winners, in that the money would move generally from the fossil fuel industry toward renewables.

Joseph Romm, a senior fellow at the Center for American Progress and former assistant secretary of the DOE in the Clinton administration, insisted such choices are crucial.

“The trick is not to pick winners and losers, the trick is just to pick the winners,” he said. “And we know what the winners are: The winners are the technologies that give us clean air and clean water, and that get us off of oil.”

“At some point, governing is about making choices. And I think we want to choose clean air, and clean water, and clean energy jobs.”

NOTABLE NATURAL GAS COVERAGE

Clinton: U.S. Will Promote Shale Gas In The Western Hemisphere – *The Hill's Energy & Environment Blog* – 4/15/10

By Ben Geman

Secretary of State Hillary Clinton said Thursday that the U.S. hopes to aid development of natural gas from shale formations in other western hemisphere countries even as she acknowledged environmental concerns about the resource.

"The United States will promote the use of shale gas. I know in some places that is controversial," Clinton said. She spoke at the Energy and Climate Ministerial of the Americas, a two-day meeting of energy ministers hosted by the U.S., the Inter-American Development Bank and the Organization of American States.

The oil-and-gas industry's increasing ability to tap gas trapped in shale rock formations has helped boost U.S. supplies, but environmentalists and some lawmakers fear that drilling methods that break through the formations will contaminate water supplies.

Clinton called natural gas an available source of cleaner electric power. Natural gas emits fewer greenhouse gases and other pollutants when burned than oil or coal. She said the U.S. Geological Survey is ready to work with other countries.

Clinton also said that "we want to do it in a way that is as environmentally respectful as possible," noting there are opportunities to ensure safeguards as countries develop regulations and laws around shale gas development.

The shale gas effort is one of a half-dozen energy initiatives Clinton announced in a speech that linked development of cleaner energy sources to alleviating poverty in the western hemisphere.

Clinton also said the U.S. will train Peace Corps volunteers to help communities they're working in develop renewable energy. Other efforts include working to replace use of open-fire cooking stoves – which emit high amounts of greenhouse gases and create health problems – with low-cost alternatives.

Clinton also said the U.S. will work to develop sustainable energy sources in Caribbean nations that currently rely heavily on imported energy.

The U.S. is seeking to bolster work on alternative energy through the Energy and Climate Partnership of the Americas that President Barack Obama launched last year.

PRINT COVERAGE

Dow Corning CEO Urges U.S. To Aid Green Energy Industry – *Detroit News* – 4/14/10

By Deb Price

Washington -- The head of Midland-based Dow Corning Corp. today urged Congress to help U.S. companies aggressively develop solar, wind and other renewable energy through tax breaks and other policies different countries are using to boost their green industries.

"It is time for America to enact policies that will essentially assure this industry grows here," said Dow president and CEO Stephanie A. Burns, who added her company is investing \$5 billion in solar technology.

At a House Ways and Means hearing on green energy, Burns called on Congress to create a tax structure that encourages investment in renewables and to promote awareness among domestic consumers to spur demand.

The hearing, chaired by Rep. Sander Levin, D-Royal Oak, featured testimony by billionaire oilman and green fuels champion T. Boone Pickens.

Levin called the hearing to gather ideas from Obama administration officials, green-energy experts and business leaders about ways Congress can help the United States move more quickly to reliance on renewable energy sources, such as solar and hydrogen fuel cells.

Already, the federal government is taking steps. The \$787 billion economic stimulus bill, for example, included \$2.3 billion in investment tax credits for manufacturers that retool and expand facilities in the United States to produce advanced energy equipment. President Barack Obama has called for \$5 billion more in such tax credits.

Witnesses urged more steps to ensure the United States can compete in the green-energy arena with China, which is furiously pursuing green technologies, and other countries.

"While jobs are created when we construct a solar facility," Levin said, "still more jobs are created when the components that are used in that facility are manufactured here in the United States.

"If we are not aggressive about expanding our green manufacturing capacity, these manufacturing jobs will be created overseas and the United States will become more reliant on products that are produced outside of our borders," Levin said.

But Rep. Dave Camp of Midland, the ranking Republican on the committee, warned against taking away favorable tax policies for the oil and gas and the coal industries, which produce most of the nation's energy.

Camp noted that in 2009, 83 percent of U.S. energy was supplied by fossil fuels, compared with 9 percent from nuclear plants and only 8 percent from solar, wind and other renewables.

"You cannot increase the cost of producing 85 percent of the energy being used today and expect consumers or employers to benefit from tax incentives that are going to less than 10 percent of the energy being used today," Camp said. "The math just doesn't add up."

BLOG/ONLINE COVERAGE

Obama's Chief of Staff Huddles With Enviro Leaders to Discuss Climate Bill – *Greenwire* – 4/15/10

By Darren Samuelsohn

President Obama's chief of staff summoned environmental leaders and other key administration allies to the White House today to discuss energy and climate legislation expected to be released in the Senate on April 26.

Rahm Emanuel met for about 30 minutes with a group that included League of Conservation Voters President Gene Karpinski, Sierra Club Chairman Carl Pope, Center for American Progress President John Podesta, Environmental Defense Fund President Fred Krupp, Natural Resources Defense Council President Frances Beinecke, National Wildlife Federation President Larry Schweiger and Sheila O'Connell of Unity '09, a Democratic umbrella group.

The environmental groups are hopeful Obama will keep pushing Congress during this election year to pass comprehensive energy and climate legislation amid several of his other top domestic agenda items, including Wall Street regulatory reform and a nominee to replace retiring Supreme Court Justice John Paul Stevens.

Speaking last week in Washington, Larry Summers, Obama's top economic adviser, signaled the issues remain atop the administration's agenda (*Greenwire*, April 12). "There's no question that going forward for the rest of this year, a bipartisan energy solution is an absolutely critical priority for the president," he said.

Details on today's West Wing meeting remain unclear. A White House spokesman referred calls to Emanuel's office, which did not return requests for comment. Several of the environmental officials declined to comment as they left the White House.

Sources on and off Capitol Hill said Sens. John Kerry (D-Mass.), Lindsey Graham (R-S.C.) and Joe Lieberman (I-Conn.) have settled on Monday, April 26, as their date for release of the climate and energy package they have been crafting for about six months. The proposal is expected to set a series of greenhouse gas emission limits for different sectors of the economy, with an overall goal of reducing U.S. emissions 17 percent below 2005 levels by 2020. It also likely will expand domestic production of oil, gas and nuclear power.

The senators and their staff have had another packed week of meetings, including closed-door talks with Interior Secretary Ken Salazar; White House energy and climate adviser Carol Browner; Reps. Henry Waxman (D-Calif.) and Ed Markey (D-Mass.); officials from Shell Oil Co., BP America and ConocoPhillips; Texas oilman T. Boone Pickens; and members of the National Association of Manufacturers.

Also today, at least nine Democratic senators with heavy industry in their states will release a letter detailing what they expect to see in the energy and climate proposal, including a border adjustment fee to limit imports from developing countries that do not have their own strict environmental requirements.

"It's just clearly laying out all the manufacturing and high-energy user issues," said Sen. Debbie Stabenow (D-Mich.), a lead organizer on the letter with Sen. Sherrod Brown (D-Ohio). Others signing onto the letter include Sens. Robert Byrd (D-W.Va.), Arlen Specter (D-Pa.), Carl Levin (D-Mich.), Evan Bayh (D-Ind.), Mark Warner (D-Va.), Robert Casey (D-Pa.) and Claire McCaskill (D-Mo.).

Pickens Takes Texan Turbine Dream North – *BusinessGreen.com* – 4/15/10

Having seen his plans struggle in the Lone Star state, oil magnate T Boone Pickens is reportedly poised to revive ambitious wind energy project in Minnesota

By Danny Bradbury

US oil magnate T Boone Pickens may have found another home for his mammoth wind farm project, following his failure to get the ambitious plans off the ground in Texas.

Pickens, who postponed his original plans for a Texas-based wind farm indefinitely in January 2009 following the market crash, is reportedly now planning a smaller project in Minnesota.

According to reports in the Minneapolis St Paul Star Tribune, spokespeople for Pickens have revealed that Goodhue, Minnesota will be the site for a proposed 78MW wind farm that is currently in the permitting phase of development.

A joint venture between General Electric and Pickens' own company, Mesa Power, is expected to finance the project, while a power purchase agreement with Minneapolis-based Xcel Energy reportedly guarantees a customer for the wind farm's electricity.

The joint venture, called American Wind Alliance, was founded last year even as Pickens' ambitious plans to develop a series of giant wind farms appeared to falter. The company has now acquired more than 500MW of wind projects, and is seeking rapid returns after setting out investment criteria that require projects to have a "reasonable ability to achieve project financial closure no later than 12 December 2012".

This falls in line with reports in the Star Tribune, which suggests that National Wind, a Minneapolis-based wind developer, is to break ground on the new project later this year. National Wind's own web site lists Goodhue as a development site that intends to begin delivering 78MW of wind energy to the grid in 2010.

The potential shift northwards of Pickens' wind energy plans will further highlight the emerging energy crisis in the south-eastern states of the US.

According to a new report from researchers based at the Georgia Institute of Technology and Duke University's Nicholas Institute, the south-eastern cluster of states have some of the worst levels of energy efficiency in the union.

The report, which was published by the Southeast Energy Efficiency Alliance, found that the South consumes 44 per cent of the nation's total energy, while containing just over one third of the nation's population.

It found that historically low electricity rates in the South, combined with significant heating and cooling loads, have led to the disparity in energy consumption. Other factors include a relatively weak energy conservation effort and a low market penetration of energy efficient products.

"Aggressive energy efficiency initiatives in the South could prevent energy consumption in the residential and commercial buildings and industry sectors from growing over the next 20 years," the study said. "In the absence of such initiatives, energy consumption in these three sectors is forecast to grow by approximately 16 per cent between 2010 and 2030".

The south-eastern states covered by the study could also retire almost 25GW of older power plants, the researchers found, by following nine energy efficiency policies outlined in the report. This would also avoid the need to construct 49GW of new plants over the next 20 years.

Pickens Still Has a Plan, Even If It Doesn't Include Wind Turbines – *Treehugger* – 4/15/10

By Matthew McDermott

T. Boone Pickens hasn't been showing up as much in these pages since the wind power part of the Pickens Plan went south during the Great Recession, but, as Greentech Media reports, he's still pushing The Plan, even if it's just focused on natural gas vehicles at the moment.

The Plan Now Rests Solely on Energy Security

What Pickens wants is the same as he always has: Conversion of the US vehicle fleet to natural gas, starting with heavy duty trucks and moving on from there.

The logic is still the same as well: The US has lots of natural gas so we won't have to get it from all those baddies overseas from places where they are pissed off at our foreign policy first and foremost, even if a culture war fronts the complaints and makes more headlines in this part of the world.

We're "awash in natural gas," Pickens says, and he wants to use HR 1835 (the Natural Gas Act) to "just get eight million trucks" converted to natural gas. Something which, let's not fool ourselves, will probably provide more financial benefits to Pickens than it will help in increasing US energy security, let alone environmental benefits of switching from diesel to natural gas.

Natural Gas Lowers Vehicles' Emissions, But Not By Much

Though Pickens likes to tout the environmental wisdom of using natural gas over petroleum, and there is some both in terms of carbon emissions and particulates, it's not nearly as great as Pickens' would have you believe.

"When burned as a transportation fuel, the 4-1 hydrogen-to-carbon ratio creates a fraction of the greenhouse gases of gasoline," Pickens wrote in this recent testimony to Congress.

That fraction? EPA data shows natural gas has 75% the emissions of gasoline. So yes, there is an improvement and not an insignificant one, but it's really enough of an improvement to be waving the green flag.

We could probably decrease emissions by that much just having more people bike to work one or two days a week. (Yes, I know the plan is for heavy duty vehicles to start, but you get the point...)

Would switching over the US vehicle fleet to natural gas be an improvement over the current situation? Probably. Though the Pickens main selling points aren't the radical changes he makes them out to be. When wind power was given equal billing alongside natural gas, it was much more so.

Pickens Plan Hardly Real Change

Want some genuine radical change? Spend as much time, money, and effort 1) seriously decreasing per capita energy demand and deploying more genuinely clean power generation for what remains, 2) rehabbing our civic infrastructure and public transportation so we don't need as many private vehicles, 3) developing the infrastructure for all electric vehicles. After all that perhaps natural gas still has a place in transport in those applications where all-electric doesn't cut it.

Surprising Winners, Losers at Sustainable Mobility Conference – *NY Times Wheels Blog* – 4/15/10

By Jerry Garrett

LA JOLLA, Calif. — A panel of scientific experts, looking into various sustainable mobility solutions for the auto industry here Tuesday, came up with some unexpected conclusions.

"There is no case for electric vehicles, scientifically," said Jan F. Kreider, an alternative-fuels specialist and professor at the University of Colorado.

Another panelist, Robert Bryce, author and editor of the Energy Tribune, was asked if he agreed. “Electric cars are ‘The Next Big Thing,’” he said, “and always will be.”

The problems associated with electric cars included lack of scientific breakthroughs on battery technology, range anxiety, and cost.

“There is no good solution to the cost, performance limitations and technical challenges with lithium ion batteries,” said Jay Whitacre, a researcher from Carnegie Mellon University. “Plus there are ‘end-of-use’ recycling and safety issues. They’re complicated beasts.”

A parade of scientists, engineers, academic researchers and energy industry analysts took turns at the day-long 2010 Toyota Sustainable Mobility Seminar, analyzing the pros and cons of various energy technologies (the seminar can be viewed at Toyota’s UStream channel). Ethanol, especially the types made from food products, such as corn, came in for almost universal scorn.

Michael Glantz, director of the Consortium for Capacity Building at the University of Colorado, said ethanol production from food crops “does not meet the definition of sustainable mobility, because sustainability is contingent upon not sacrificing other essential human or ecological requirements — today or in the future.”

Hydrogen fuel cells were described as problematic because the cells are constructed using large amounts of platinum, which is rare, very expensive and presents some health hazards. The cost and time it would take to create a refueling infrastructure — that is, a nationwide network of hydrogen service stations — will be astronomical, experts agreed. And hydrogen must be created from something, most likely natural gas, which is in and of itself a candidate as an alternative fuel. So why not just use natural gas instead, and give up on fuel cell research as a dead end?

“We’ve already spent so much money on it,” said Bill Reinert, a Toyota advanced vehicles engineer, with a shrug of his shoulders.

Panelists seemed to agree that hybrid vehicles, using some combination of either a gasoline or clean-diesel engine, were a viable improvement over non-hybrid vehicles.

But Mr. Bryce pointed out that hybrids are built using unprecedented amounts of so-called “rare earth” minerals. Each Toyota Prius needs some 23 pounds of them, he said, “The Prius is the most rare earth energy-intensive invention ever made.”

Another problem besides cost and scarcity is that most rare-earth minerals are found only in China, which controls the world market for them. “In this rush to go green,” Mr. Bryce advised, “the U.S. is just trading one foreign dependence for another.”

But the energy source that seemed to get the most compliments, and the fewest dings, was natural gas.

“It’s scandalous that so much natural gas is wasted,” said Frank Wolak, an economics professor at Stanford University. “Refineries around the world burn off as waste enough natural gas per year to power the entire state of California.”

In Utah, where compressed natural gas is readily available and has soared in popularity as an automotive fuel, vehicles are quickly, easily and cheaply converted to use it.

“But you really need to do some more things to the engine — forged rods, steel crankshafts and so forth — to ensure durability,” Mr. Reinert said. “We’ve got a lot of Tundra pickups sitting down in Texas that I know I could move like that, if I could convert them to use C.N.G. Don’t you think you would want to convert over, to a fuel that costs 60 cents a gallon?”

"It's here today," continued Mr. Reinert. "We have a lot of it. It's cheap. T. Boone Pickens, who is a big supporter of natural gas, points out the pipeline system for natural gas delivery is already pretty much in place, and in many cases parallels existing gasoline pipelines. I don't know why we don't do it. I guess it just makes too much sense."

Daily Sprout – Earth2Tech – 4/14/10

By Josie Garthwaite

Automakers Push for Electric Car Aid: Lobbyists for the auto industry have presented a list of proposals to the Obama administration "that includes tax credits for homeowners to install electrical outlets, more money to build public charging stations, and additional tax incentives for battery makers and car buyers." — Wall Street Journal

Executive Switch-up at Bright Automotive: Startup Bright Automotive, working on lightweight and aerodynamic electric vehicles, has bumped board chairman Reuben Munger into the CEO seat to help finalize a strategic partnership. Former CEO John Waters, now serving as vice chairman, will focus more on engineering. — Autoblog Green, Press Release

Coda's Plan for Smart Charging: Coda Automotive CEO Kevin Czinger says the upcoming Coda electric sedan's "on-board charging system will let consumers manage when to charge and that it could tie into home energy management software like Microsoft Hohm, which Ford is using for its electric vehicles." — CNET's Green Tech

Millennium Technology Prize for Solar Cells: Winners of this year's Millennium Technology Prize include the inventor of "a variety of solar cells that perform artificial photosynthesis using dyes," meant to be "cheaper and easier to make and use than their silicon-based counterparts." — Ars Technica

T. Boone Goes to Washington: T. Boone Pickens testified today at a Ways and Means Committee hearing on the topic of "Energy Tax Incentives Driving the Green Job Economy." He claims to have already spent \$62 million of his money on his quest to get the U.S. off imported oil and onto domestic natural gas. — Greentech Media

Closing Bell: Bears Losing Arguments Faster & Faster – Blogging Stocks – 4/14/10

By Jon Ogg

Today's Beige Book was effectively ignored because Ben Bernanke's testimony defended the low-rate or no-rate policies that left no concern of a Fed rate-hike rush any time soon. EIA weekly inventories showed a surprise for the bullish case based on draw downs and T. Boone Pickens called for \$95 oil... And earnings are so far up in most of the DJIA components.

Here were the unofficial closing bell levels:

Dow 11,123.11 +103.69 (0.94%)
Nasdaq 2,504.86 +38.87 (1.58%)
S&P 500 1,210.65 +13.35 (1.12%)

Today's most forceful analyst action came in shares of The Mosaic Company (MOS) after Goldman Sachs downgraded the stock. Shares were down 2.6% at \$55.29 right before the closing bell.

Intel Corporation (INTC) rose and stayed up all day after the processor and chip giant beat earnings and raised guidance. Shares were up 2.4% at \$23.55 right before the closing bell.

JPMorgan Chase & Co. (JPM) beat earnings this morning and noted improving credit metrics. Shares were up 4% at \$47.71 right before the closing bell.

Alcoa, Inc. (AA) has nothing to do with Intel, and the only thing in common it had with Intel is that it is a DJIA component that reported earnings this week. Its earnings and revenues were not impressive Monday night, but Intel's strength and JPMorgan's strength allowed it to recover today. Shares were up 0.85% at \$14.47 right before the close.

BROADCAST COVERAGE

1. Squawk Box

CNBC, National | DMA: 0

04/15/2010, 07:00 AM - 08:00 AM

[CC] 00:01:18 Then we have the Refiners Association not happy with **T. Boone Pickens** and his plan to cut overseas **oil**. They think that it is a pipe dream. We'll talk to them even though there's a big piece in the Journal today from the former CIA director that says **Boone's** plan is right on target.00:02:29

[CC] 00:27:55 Up next, we'll take a check on the futures and look at the stories making headlines this morning and then the National Association has a **bone to pick** with **Boone Pickens** and his plan to stop using foreign **oil**. We'll talk about that in just a bit.00:28:51

[CC] 00:33:23 We'll talk about the Refiners Association says **Pickens** Plan poses a threat to the industry. **Boone** is advocating less **oil** and more reliance on domestic **naturalgas**.00:33:52

[CC] 00:36:54 (guest is Charles Drevna)....I hoped the president would say in the state of the union message that all vehicles purchased in the future would be on domestic fuel I don't care whether it's natural gas or whether it's electric. I want it to be on our resource. That's the key to the whole thing. We have got to get it on our own resource. Not everyone is as bullish as **Boone Pickens**. You are a K Street guy to some extent. We know where you are coming from. You have some points to make about why this is not feasible, **Boone's** plan. You call it a pipe dream or fantasy? Well, yes, I did call it that. And if we were living in a parallel universe or another world and the laws of physics and thermal dynamics and economics, if we weren't bound by those laws, perhaps that plan would be appropriate. But back on earth we have to view the **energy** situation in this country for what it is. And taking that into account, Mr. **Pickens** has to transfer to a **naturalgas** based system is just not feasible. You made a lot of good points. There are costs involved to change vehicles and produce vehicles and for the infrastructure but we've done thin before as he pointed out yesterday. **Gas** stations sprout up after we started using **gas** and if we used **naturalgas**, things would follow. Mr. **Pickens** mentioned that Henry Ford didn't wait until the **gas** stations were around to make the automobile but then again Mr. Ford wasn't getting federal subsidies to be able to do this. It's so much dependent upon federal subsidies and taxpayer subsidies to create a system that's really not needed. Charles, if you take a look at how much we're importing from overseas and look at this as a security issue, is that necessary and isn't that something that we've done a lot to spend federal dollars on in the past? If you talk about a **national** security plan and you worry about continuing to take over 5 billion barrels from OPEC, does that become a problem at some point? Well, I think the problem is we don't have a **nationalenergy** plan. We have a plan that if you look at it from what we've done in the very recent past and even before that, it resembles a kids' soccer game. It's the **fuel** of the month. It's ethanol. Everyone runs over and looks at ethanol and then it's **wind** and solar and everyone looks at solar but we have to cover the whole field unlike a kids' soccer game we have to develop our own resources. We can develop our own resources but we have to use those resources to their optimum use. **Naturalgas** for home heating, for feed stocks for manufacturing, for certain applications and utility systems. We need **oil** for petroleum products for not only **gasoline** and diesel but also for -- is your point that if we use it -- For example, we have a former CIA director saying that we should pay attention to **Boone Pickens** recommendation to switch to **naturalgas** for fleet vehicles like buses and interstate trucking. They are easily modified to run on **naturalgas** and would require new pumps at a few central locations. Is your point because we use **naturalgas** for heating and all these other uses that the price would go up too much if we use it for transportation? What's the problem with doing it just in this way? If you suggest for fleets, I think there's room for that in today's economy and today's infrastructure. But that's not Mr. **Pickens'** Plan. Mr. **Pickens'** plan goes far beyond that and creates new infrastructure problems. Now, the problem being is that somebody has to pay for all of this. And where's the money going to come from? Do we give \$65,000 to truckers to buy new trucks? To transport them. I guess the question becomes is this a security problem or not? The idea that we're relying on so much from foreigners when we have **naturalgas** domestically. Mr. **Pickens** likes to use statistics that talk about imported **oil**. Well, two-thirds of our imported **oil** comes from North and South America. We can't get more from them. That's his point. The additional **oil** that we're going to need 20 years down the road has to come from OPEC because China bought a lot of South America. We have frozen our own resources by not allowing development offshore. Again -- he's in favor of that, too. He says you can't just drill your way out of this. This is a multifaceted area that you need to look around. You have to look at what the optimum use for each of these particular **energy** resources are. Now, I can agree with Mr. **Pickens** when he says that cap and trade -- He agrees

with us. When he says that cap and trade is not doable. It's an all cost no benefit situation. We shouldn't be taxing the domestic **oil** and **naturalgas** and refining industries because that's counterproductive. We disagree on the use of the product. And what I'm suggesting is that if we follow Mr. **Pickens'** plan, it would be a boom for certain investors but a total bust for the American consumer and the economy. What would you say, sir, to someone who said that you're in denial and that you're not acknowledging two basic points that **Pickens** is making. One is **national** security issue and two there's pollution and you have to address it in a dramatic way. Well, I completely disagree we're in denial. We're trying to establish --We're promoting policies to opinion leaders and elected officials that we believe will keep the country moving, get us to **energy** security and not international independence. What are those policies? Against cap and trade and against the **Pickens** Plan, what would you like to see in a national eney plan? Would like to see the opening up of domestic supplies that have been artificially put off limits for 30 to 35 years now. Didn't we jus open up a lot of those arenas in the last couple weeks? I believe if you really look at what happened last week or the week before last and the president's announcement on what we were going to be doing with our domestic reserves falls far short of what is needed and what is required and what resources we have available. So which areas were not opened up that in your view would generate the most return? You have situations or resources in Alaska. The entire west coast a most of the east coast and the eastern gulf. So there's also a lot of on land resources that are continually taken off the potential list so to speak. We appreciate your time this morning, charles. We'll keep talking about this and figure out -- we do need a national **energy** plan. The question is what that plan entails. Wetalked about your ideas. Don't put me into this. It's not feasible.00:44:56

Audience: 350,005 **Spot Cost:** \$2,685

2. Squawk Box

CNBC, National | DMA: 0

04/14/2010, 08:00 AM - 09:00 AM

[EC] 00:00:00 First up, **T. BoonePickens**. Crude, **naturalgas**, **wind**. The "Squawk" Icon and rebel on Capitol Hill to get lawmakers fired up about green **energy**. 00:01:08

Keywords:Open: Intel

Visuals:**T. BoonePickens**; Southwest Airlines planes; Gary Kelly, Southwest Airlines Chairman and CEO

Speakers:Lawrence Kellner, Former Contiental Airlines Chairman and CEO

[EC] 00:07:33 I'm listening. I'm paying attention. Very good. Now who you got? We got Boone. We got Boone. He's sitting right here. Tell him I said hi. Joe says hi. Joe, where is your orange tie? I know. I see Becky's got the scarf on. Yep. She covered for you. Right? Listen to me. I went to Colorado. Just because you're a guest doesn't mean I'm all of a sudden an Oklahoma State, like, booster, Boone. We can't all do that. I'm sorry. I'm working on it, though. You are. Yes, he is. Putting up a good fight. That's not all he's talking about. Also the House Ways and Means Committee, they are holding a hearing on **energy** tax incentives driving the green job economy. **Boone's** going to be pitching his plan for reform. Of course, Mr. **Pickens** is the founder and ceo of BP Capital, also the author of "the **Pickens** Plan." **Boone**, we know you'll be talking to congress later today. What are you going to tell them? Well, I think we've made great strides on the **Pickens** Plan. We'll be 82 years old in July. And I think we're going to get legislation, and I think it's better than a 50/50 chance and I'm going to win that bet off Cramer, that 50/50 chance that it's going to be before Memorial Day. Before memorial day. Yes, sir. I think we'll have it by the Memorial recess. If we don't, we'll get it after that. But it has to come this year. The **energy** debate was on the front burner for a long time when **oil** prices were skyrocketing. And it fell off because of everything that happened with the financial crisis. Obviously, there's been a lot of traffic in Washington. Now the White House is saying that its top priority is financial regulatory reform. What do you do to make sure energy gets the proper attention? Well, I've worked hard on it. You know, we've got two bills, hr-1835 in the house and John Larsen is the leader on that. And over in the senate, we've got senate bill 1408, and we've got Harry Reid is the leader there. Well, those are about the best leaders I know of in congress today. I think --You know, I think we're coming up on it. It's going to happen. You have bipartisan support, but who do you need to convince today? I think --I don't want to seem too confident on this because I've been surprised before. But I think we've got everything in place. I think we've got --I've got a meeting this afternoon at 5:30 with senator kerry and lieberman. And I think we're moving along good. The key points of this legislation will be to provide tax credits and incentives to the trucking industry, to try and get them

to convert to natural gas. That's exactly right. You know, when I look at this, think about it, and I spent a lot of time on it. You know, if you look at who would you want to give the mission to in America if you had a critical mission to pass out, it would be the marines. But the marines are not in this, but who are the second group? ... 00:24:45

Keywords:Energy: **Pickens**Plan.com; Rep. John Larson; Sen. Harry Reid; Sen. Kerry; Sen. Lieberman; OPEC; Henry Ford; GM; JP Morgan; Dancing with the Stars

Speakers:T. Boone**Pickens**, Founder and CEO of BP Capital; Lawrence Kellner, Former Continental Airlines Chairman and CEO

Audience: 414,368 **Spot Cost:** \$3,242

3. Monsters And Money In The Morning

WBBM-TV (CBS) CH 2, Chicago | DMA: 3

04/14/2010, 06:00 AM - 07:00 AM

[EC] 00:10:08 Evanston hopes to harness the wind to help power their city. City council approved a proposal to construct a wind farm 4 miles from shore ...the 40 turbines will stand 44 stories tall..estimated cost- 400 million dollars. Is it worth it? ..I have to introudce them to my new buddy **Boone Pickens** who has advocated this ..time to put it to good use 40,000 homes for 4 million dollars, forget about it... What happens if wind doesn't blow ? What if it's the calm day with there's no wind on that day ? Once you put that turbine up you are good to go 00:11:37

Keywords:Windmills: Evanston City Council; **BoonePickens**; Northwestern University;

Visuals:Evanston **Wind** Farm designs;

Audience: 30,605 **Spot Cost:** \$226