

PickensPlan

T. Boone Pickens Media Coverage 5.11.10

Total of 7 Placements

Print: 1

Blog/Online: 5

Broadcast: 1

Coverage Summary:

Pickens responded to a question on the National Journal's Energy & Environment Expert Blog discussing the impact of the oil spill in the gulf. Pickens discusses America's reliance on OPEC oil and the benefits of using natural gas to fuel heavy trucks and fleets. Other respondents to the question include Carl Pope from the Sierra Club and Denise Bode from AWEA.

A blog on the Huffington Post by the President of Mainland Resources discusses the abundance of natural gas and its ability to serve as a bridge fuel. The piece quotes Pickens and the \$475 billion that was spent on foreign oil in 2008 alone.

Highlighted Placements (Full Articles Below)

- How Can The U.S. Wean Itself Off Oil? – National Journal's Energy & Environment Expert Blog – [5/10/10](#)
- Will Natural Gas Save Us? – Huffington Post – [5/10/10](#)

Print Placements (Full Articles Below)

- Let Us Be Wise As We Satisfy Energy Needs – The Wilkes-Barre Times Leader – [5/11/10](#)

Blog/Online Placements (Full Articles Below)

- Transmission Lines: The Missing Link In Energy Evolution – The Daily Caller – [5/11/10](#)
 - Drill, Baby, Drill? Or Not – NewUniversity.org – [5/10/10](#)
 - How Fast a Transition from Oil? – The Energy Collective – [5/10/10](#)

HIGHLIGHTED COVERAGE

How Can The U.S. Wean Itself Off Oil? – National Journal's Energy & Environment Expert Blog
– [5/10/10](#)

By Amy Harder

How can the U.S. reduce its dependency on oil -- both foreign and domestic?

The Gulf of Mexico oil spill has spotlighted the risks that accompany offshore drilling, and environmental groups have responded by demanding a ban. Advocates of drilling in U.S. coastal waters counter that this country needs to become less reliant on imports from the Middle East. Forty percent of the energy consumed in the U.S. comes from oil. And 70 percent of that oil is imported.

Will the massive oil spill in the gulf have any impact on the U.S. relationship to oil? Will it spur more investment in so-called clean energy? Will it improve the prospects of climate and energy legislation?

Responses:

U.S. Will Need Oil In Future

By William O'Keefe, CEO, George C. Marshall Institute

Initial responses to tragic events like the recent Gulf spill too often involve overreacting. The best response, however, requires forbearance until emotions are settled and hard facts are in hand. In that light, officials can consider policy options more clearly.

In order to avoid considerable unintended consequences, policy decisions must be determined by context and perspective rather than emotional rejoinders.

While the magnitude of the Gulf spill and its short term impacts should not be underestimated, they also should not be judged out of context. Before this incident, more than 40 years had passed since the last offshore production accident. And it's been two decades since the Prince William Sound tanker accident. The safety record of offshore exploration and production is excellent; industry has safely drilled thousands of wells in the Gulf of Mexico.

Usually, accidents that have large impacts lead to improvements in technology and operations. This will be one of the consequences of this accident as well. Before jumping to policy conclusions, we need to know what went wrong and what can be done to reduce risks in the future. I stress "reduce" risks, because we cannot eliminate them. Pursuit of absolute safety is a fool's errand.

The Energy Information Administration forecast for 2030 shows that the US will be consuming about slightly more oil than we do now—roughly 20 million barrels per day. Given population and economic growth that estimate reflects very significant improvements in energy efficiency and technology. But, there are limits to how much we can reduce our reliance on oil and still have a healthy economy and a mobile society.

The benefits of oil go beyond filling our tanks.

Diesel fuels trucks that move products from coast to coast. Jet fuel enables us to fly where ever we want. We rely heavily on oil for transportation, because it's abundant, energy dense, and less costly than alternatives. Turning over the almost 250 million vehicles on the road today will take several decades and would require the availability of alternatives that are reasonably priced and meet consumers need for size, comfort and range.

Today, hybrids are the only viable alternative. But they are more costly than their gasoline versions. Plug-in hybrid technology is nowhere near commercial because of the constraints of battery technology and an electric power system not well suited for plug-ins. Advances in biofuels are taking place but we are decades away from cellulosic technology that can produce the volume of liquid fuels to satisfy the mobility needs of the American public.

Decades-worth of technological advances are necessary before alternatives to petroleum powered vehicles become ready for primetime in large numbers.

So, the hard fact is that we are going to need large volumes of oil for decades to come. Either we produce it here -- and reap the benefits that stem from domestic production, as well as its potential risks -- or we import even more fuel and accept the risks associated with that.

Climate policy should stand or fall on its own merits. It would be very unfortunate if the reaction to this spill was legislation that could not produce 60 votes on its own merits.

There are two problems with all current climate proposals, including the House passed bill last year. The first is that the deals that are cobbled together to get enough votes for passage invariably have consequences that likely will do more harm than good. Second, all proposals include emission reduction mandates with no basis in reality. The current version of Kerry-Lieberman would require a reduction of about 1 gigaton of carbon in a decade. No supporter of that goal can explain how it can be achieved without serious damage to the economy and

without creating conditions that make the trading system more vulnerable to fraud and abuse.

Americans have already had enough synthetic CDOs and other such risky financial instruments and we certainly don't need congressionally imposed shortages.

Energy Efficiency Should be America's First Fuel

By Kateri Callahan, President, Alliance to Save Energy

With or without April's devastating oil spill, we simply will never be able to drill our way toward energy independence. Instead, the first step in weaning ourselves off of oil and petroleum fuel sources should be to prioritize our nation's first fuel, energy efficiency.

The United States currently consumes around 20 percent of the world's oil despite having only 2 percent of the world's oil reserves, while offshore drilling is projected to produce less than a two-month supply of fuel between now and 2030. The math simply does not add up. Our national energy policy is at a crossroads. Our neighbors are well on their way to realizing a new clean energy economy is emerging, while we remain wedded to the outmoded energy policies of the past.

By emphasizing policies like improvements in U.S. building codes, development of new appliance standards, residential retrofit programs for consumers, placing a price on carbon, and the creation of a national Energy Efficiency Resource Standard (EERS), the United States would lower our energy demand, lower the price of electricity, reduce pollution, and create jobs. These policies are straightforward, quick, cost-effective, and will generate substantial energy and cost savings for every single American.

At the moment, the effects of the Gulf oil spill on policymaker's efforts to move toward enactment of energy and climate legislation are not yet evident. Various bills and solutions exist and it's possible that this week's release of the Kerry-Lieberman climate bill could spur a serious bipartisan effort to address these issues. However, without putting a clear focus on the need to fully deploy energy efficiency, any such efforts will fall short.

America's first fuel, energy efficiency, is a huge resource waiting to be unleashed. We can lead on the new clean energy economy in the United States, but only if we have the political will and discipline to see it through.

FREEDOM FROM OIL

By Carl Pope, Chairman, Sierra Club

Since Richard Nixon was President, every Chief Executive, frequently in response to an international or environmental crisis, has promised to kick America's addiction to oil and achieve genuine energy independence. And as soon as a President made that statement, the energy high priests promptly filled the opinion pages and journals with explanations of why it couldn't be done.

Well now it can. For the first time we have an adequate menu of oil-free transportation options to make freedom from oil a practical, low-cost energy future for America

<http://www.epa.gov/otaq/climate/kerry-analysis-02-18-2010.pdf> -- not next year, but over the next decade. It's going to take a wide variety of solutions and innovations -- no silver bullet, but lots of silver buck-shot.

It's not rocket science. It's electrifying our passenger vehicle fleet, converting heavy trucks to natural gas, moving more of our freight on rail and boats and less on trucks, electrifying our railroads to reduce diesel consumption, and investing in the overall efficiency of our transportation system by eliminating bottlenecks and improving infrastructure.

It works -- by 2030, combining these strategies, we could cut our use of oil by 7 million barrels a day or so. Everyone ought to look at the US EPA study done for Senator John Kerry

<http://www.epa.gov/otaq/climate/kerry-analysis-02-18-2010.pdf> that gives us our first road map to energy independence (without harvesting natural gas in the heavy duty sector, so its understates the possible.)

This road-map effectively frees us from non-OPEC oil imports. It leaves Canadian tar sands and deep US offshore oil as highly dubious if North American oil sources -- so we need to look further and deeper. (One intriguing question -- we use about 30% of our oil as a feedstock for various chemicals. Could a creative combination of green, plant based chemical feedstock and domestic natural gas make a major cut in demand for petroleum in this sector?)

But let's be real, and let's be serious. It is quite obvious that in describing BP's efforts to capture leaking oil as "open heart surgery in the dark" BP America was speaking about more than the disaster recovery -- no one in the oil industry has a clue what happened, whether it can reliably be prevented, or whether this is an unavoidable risk of deep drilling. No one in the oil industry ever seriously modelled a mini-Spindletop at the bottom of the Gulf of Mexico. And no one can actually predict how much it would cost to produce oil under these conditions in a way we could tolerate economically and ecologically.

We do know that the multinational oil industry -- Exxon-Mobil, Chevron, Royal Dutch Shell, BP, et. al. -- has bet its future on heavy oils and deep offshore plays. They didn't do this by choice, but because they no longer have access to light, on-shore elephant fields -- even in Iraq, while multinationals got leases, they didn't get much of a margin.

So it is not unlikely that the long history in which oil companies represented America's source of transportation fuels is coming to an end -- they won't like it, but we shouldn't listen to them in setting our course.

Off oil, it seems to me, is not easy, and risky, but far safer than counting on another thirty years of black goo to get me to work.

Disaster adds urgency to climate bill

By Rodger Schlickeisen, President and CEO, Defenders of Wildlife

The tragedy now unfolding in the Gulf of Mexico has spurred calls for a rapid shift away from fossil fuels and towards clean, renewable energy – and that's exactly the right response. America's voracious appetite for oil must be curbed before our nation can move away from dirty, damaging – and sometimes, as the current crisis shows – disastrous drilling for oil in our lands and waters.

The events of the past two weeks have shown once again that oil companies cannot effectively eliminate the threats that drilling off of U.S. shores pose to the health of marine wildlife, fisheries and coastal economies. It's unconscionable that we should expand this threat by increasing our offshore oil exploration. In fact, we should be looking for ways to reduce our use of oil, to ease the continuing pressure to find more stores of oil, whether here in the United States or abroad.

There are a number of steps the United States should be taking to reduce our dependence on oil. In April, the Obama administration announced new fuel economy standards for automobiles that will, when they take effect, start to dramatically reduce the amount of gasoline burned in our cars and trucks each year, cutting oil use, global warming pollution and other types of air

pollution. But much more will be needed, particularly as our nation's fleet of electric cars expands and draws energy from our electricity grid, which is largely fueled by coal-burning power plants that also contribute to global climate change.

To truly move beyond dirty, climate-changing fossil fuels like oil and coal, we must rapidly expand our investments in clean renewable energy sources such as wind and solar. Renewable power from large-scale solar and wind farms can help to speed up the transition to a clean-energy future, as long as we also make sure that renewable development is done right, in the places that it makes the most sense. Siting renewable energy facilities should be done in the most sustainable way possible – near existing transmission lines, on fallowed farmland or on the plentiful former industrial sites and abandoned mines – before we raze pristine lands and destroy additional wildlife habitat. Poorly located clean energy projects aren't really clean.

This week, we'll see long-awaited comprehensive climate and energy legislation from Senators Kerry and Lieberman. The primary goal of this legislation must be to move our nation away from fossil fuels and towards clean, safe renewable power. This bill should certainly not include an expansion of offshore drilling, one of the most environmentally dangerous sources of fuel. America's coastal communities, fisheries and wildlife are just too valuable for offshore drilling that we cannot control.

Logically, a climate and energy bill that rejects expansion of dangerous fossil fuels and embraces our clean energy future should win broad support from the public and the Senate. We're hoping that logic, not political gamesmanship, will win the day.

Natural Gas Best Alternative Now

By T. Boone Pickens, Founder and Chairman, BP Capital Management

Centuries from now, mankind is going to look back at a curious time in history when fossil fuels - chiefly oil -- were a central element of our energy needs. For me, we're about midway through what I call the Petroleum Era. The world's oil reserves are declining, but oil will remain a major energy commodity for decades to come.

The issue for me isn't oil use, but America's continuing dependence on foreign oil -- in particular OPEC oil -- which is a critical threat to our economic and national security. We must do what every president since Richard Nixon has pledged to do: reduce our dependence on foreign oil, particularly oil from nations that, well, range from those who don't have our best interests at heart, to those who downright hate us.

You can't have a sensible conversation about reducing OPEC oil use without focusing on transportation. It accounts for two-thirds of our oil imports.

Seventy percent of the oil we use is refined into transportation fuel: as gasoline to power out 250 million cars, light trucks, and SUVs, and as diesel to power our eight million heavy trucks.

Trucks running on diesel are the target. If we can change over our national fleet of refuse and recycling trucks, school and municipal buses, and over-the-road trucks from imported diesel to domestic natural gas, we can say "goodbye" to OPEC oil within seven years.

Since the Pickens Plan began I have said I'm for anything American. Oil is a very minor player in the production of electricity, so we can still grow our use of solar, wind, hydro, geo, nuclear, and natural gas -- all of which would be better for the environment and would create long-term, high-paying, non-exportable jobs -- without having any effect on our oil requirements.

We have about 4,000 trillion cubic feet (Tcf) of recoverable natural gas -- that's a 200-year supply. Natural gas is the most widely distributed natural resource in America. Gas lines run up every street and down every alley in just about every city and town in the nation. By focusing on heavy trucks and fleets the issue of a refueling infrastructure comes off the table. Trash, recycling, and express delivery trucks as well as school and municipal buses go home to the barn every night where they can be refueled at a central location. Eighteen-wheelers tend to run

the same routes on a regular schedule so natural gas refueling facilities can be easily sighted and installed by private industry.

There is no perfect fuel. Solar and wind take large amounts of land. Nuclear is expensive to build, more expensive to dismantle presents a major problem of disposing of spent fuel. Oil and gas must be extracted from beneath the surface of the Earth which, in the case of the BP well was about a mile beneath the surface of the Gulf.

Until the perfect is discovered, developed and deployed, we have to make the highest and best use of the fuels we have available here and available now. If we want to take pressure our need to use imported oil, the best possible fuel is clean, cheap, abundant, domestic natural gas.

This is a critical mission, and we cannot let the tragic oil spill in the Gulf of Mexico divert our attention.

Let's Start with a Realistic Discussion

By David Holt, President, Consumer Energy Alliance

We can only start this discussion with an honest, realistic approach of our needs as a country -- those who would argue that oil is the only way forward, as well as those who protest all oil production (yet continue to drive cars, fly on airplanes) need to look at this not through the lens of the recent catastrophic spill, but through the lens of what we can do to address ALL of our needs: our energy requirements, our economic security, our environmental needs and safety concerns.

Let's at least try to unite all sides of this debate and find a reasonable and realistic starting point from which we consider ALL the consequences of ALL the different options for energy

production -- from supply and cost to environmental impact and geopolitical impact -- and weigh the risks and benefits of all.

At the Consumer Energy Alliance we recognize that there are NO EASY ANSWERS to the country's energy demands and that all of our options have consequences. This is not to say that we cannot -- or should not -- strive to move toward a better future where more of our energy is derived from renewable sources But we also need to recognize that condemning all domestic oil production, without offering a viable alternative on the scale that is needed, helps no one.

Offshore Wind, Not Offshore Oil

By Janet Larsen, Director of Research, Earth Policy Institute

The enormously devastating oil spill in the Gulf of Mexico is just one reminder that stretching out an addiction to a polluting and planet-warming fossil fuel poses risks to our health, our environment, and our economy.

U.S. oil production peaked in 1970 at 9.6 billion barrels per day. Since then production has dropped by almost half and now supplies less than 30 percent of domestic consumption. In 2009, the United States spent nearly \$200 billion on oil imports to make up the difference.

With oil wells on land getting tapped out, U.S. oil production would have fallen off even more precipitously if not for offshore oil. Offshore oil production now comprises about a third of the U.S. total. The remaining "technically recoverable" offshore oil resource (most of which has not yet been discovered), is estimated by the U.S. Department of Energy at 93 million barrels, equivalent to about 5 years of current U.S. oil consumption. Offshore oil can't sustain us forever. Nor can we grow our way out of the problem, as some ethanol proponents have implied. Converting the entire U.S. grain harvest into fuel, leaving none for food for people or for

animals, would satisfy at most 18 percent of our current gasoline demand.

As Fatih Birol, chief economist of the International Energy Agency, recommends for the world, “we should not cling to crude down to the last drop – we should leave oil before it leaves us.”

Fortunately there are alternatives. Much of the United States’ nearly 20-million-barrel-a-day oil habit goes to run vehicles, the same vehicles that in 2007 got city commuters stuck in traffic for a cumulative 4.2 billion hours, costing society some \$87 billion, according to the Texas Transportation Institute. To get off oil, transportation options can be expanded beyond single-passenger vehicles to bus rapid transit, light rail, high speed rail, and space for bicycles and pedestrians.

Even though the U.S automobile fleet shrank by 4 million vehicles last year, cars will not disappear completely any time soon. However, the fleet can be cleaned up by marrying the electric and plug-in electric vehicles now starting to come to market to renewably-produced electricity. The U.S. Pacific Northwest National Laboratory estimates that over 80 percent of the U.S. car fleet could be powered by the current electrical infrastructure. Tapping into the country’s enormous wind, solar, and geothermal resources could green that grid.

While oil resources are limited, wind resources are abundant and inexhaustible. A recent study published in the Proceedings of the National Academy of Sciences found that the world’s top carbon emitters had enough wind energy potential to meet their current electricity consumption many times over. The United States’ total wind potential was estimated at 22 times current electricity use. Much of the country’s readily-developable wind resource is on land, but even the offshore potential is 4 times the current electricity use.

To date almost all the offshore wind action has been in Europe, but that may soon be changing. China and Japan have just begun developing offshore wind. With the recent approval of the Cape Wind project off the coast of Massachusetts, along with projects being studied off the coasts of New Jersey and Delaware, the United States may join the game as well.

Unlike oil, wind is widely-distributed, clean, and non-climate disrupting, and becoming

increasingly cheap. With wind, we have a well that will not run dry.

Breaking The Addiction

By Marvin Fertel, President and CEO, Nuclear Energy Institute

In response to the two Mideast oil embargoes in the 1970s, the energy industry backed oil out of the electric generation sector due to increasing costs and uncertainty of supply. Oil generation was primarily replaced by electricity from the dozens of nuclear energy facilities that were built and put into service during the 1970s and 80s. During that same period, nations poor in natural resources, such as France and Japan, responded by transitioning to nuclear energy-dominated electric portfolios that have proven to be reliable, affordable and low in carbon emissions.

Today, oil is used to generate just one percent of U.S. electricity. But its use for transportation has skyrocketed to more than 21 million barrels per day. Although Americans' driving has recently declined, the cost of oil remains high because it is set in a world market that is experiencing tremendous growth as developing nations grow and industrialize. The threats that our overreliance on foreign oil present to our nation's economy and energy security, coupled with future restrictions on carbon emissions, requires action to break this dangerous addiction.

Oil will continue to play a significant role in our transportation sector, but we have an opportunity now to begin reducing our use of oil for automobiles and fleet transportation. The advancement of plug-in all-electric and hybrid vehicles can reduce oil consumption. But this move requires more electricity, especially low-carbon electricity, if we are to take advantage of the carbon emission reductions that could be realized across the board. A typical nuclear plant could charge more than 5 million all-electric cars in a single day, and even more hybrids. This would reduce our need for foreign oil and prevent millions of tons of carbon dioxide from entering the air.

We need all energy sources to meet our nation's energy needs, particularly those that are available to us domestically. No single energy supply can break our oil addiction and it can't happen overnight. This is a frequent, but necessary refrain: We must expand a balanced portfolio of energy supplies, including a continued role for oil that necessitates the development of domestic sources. Congress must enact legislation that establishes a sensible long-term energy policy that focuses on a transition to low-carbon, domestic sources that enhance America's energy security, environment and balance of trade. Energy could be the base from which we launch the next economic expansion for both U.S. and global markets. But we must act now.

Follow The Money

By Bill Snape, Senior Counsel, Center For Biological Diversity

The United States has no choice but to wean itself off oil. Refusal to do so will result in more disastrous spills, accelerated global warming, and the loss of new and secure job opportunities. The amount of money the U.S. has invested in clean energy over the past five years (not to mention decades) pales in comparison to the massive subsidies (in the trillions overall) we continue to give fossil fuels. If, as predicted, the Kerry-Lieberman led effort gives multiple billions in dollars of hand outs to the oil, coal and nuclear industries while at the same time giving only a fraction of that to solar, wind and geothermal, then that proposed legislation is dead in the water. This is why, despite its imperfection, the Cantwell-Collins bill is superior to the rumored Kerry-Lieberman approach. Cantwell-Collins at least creates a level playing field and it works off the successful Clean Air Act instead of waiving it. Oh, and Cantwell-Collins is actually a bill with a number, S.2877 (Kerry-Lieberman is not yet such a real bill) and Cantwell-Collins is bipartisan (Kerry-Lieberman is not, though we'd maybe give them brownie points if Bernie Sanders jumped on board).

Wind Can Spur Electric Car Industry

By Denise Bode, CEO, American Wind Energy Association

Electrification of the transportation sector could allow pure, clean, domestic sources of energy like wind power to directly power our vehicles. While wind energy is already significantly reducing the carbon emissions and fossil fuel dependence of our economy, those savings would be expanded even further if wind energy could directly reduce the use of oil in the transportation sector.

Wind works to produce manufacturing and construction jobs, so using our nation's abundant, domestic wind energy to power vehicles would be a win-win for our economy and the environment. We look forward to exploring technological options that will expand wind's capability to reduce our current dependence on fossil fuels. Plug-in hybrid autos can be manufactured with technology available today, and will soon be introduced to the market. They'll get 80 or so mpg, and will allow wind energy to help reduce oil imports. Growth in their adoption would bring thousands of new manufacturing jobs both in wind and in the hard-pressed automobile industry.

Estimates of the U.S. wind resource have consistently found it to be abundant. That conclusion was underlined early this year when the National Renewable Energy Laboratory (NREL) released a new assessment finding that U.S. winds over land (not including offshore) could generate 37 trillion kilowatt-hours of electricity annually, or nearly nine times the nation's total electricity use. Clearly, there is substantial potential to put that resource to work in the transportation sector. Many states and utilities offer wind-powered electrical service where power is purchased from wind farms across the region, so as soon as people buy their new electric cars, fully wind-powered transportation will be available to many drivers, and in other cases, the cars will be powered by the electricity mix of the utility which often includes significant amounts of renewable energy.

A Real Oil Savings Plan

By Kevin Knobloch, President, Union of Concerned Scientists

Now more than ever, our country needs a smart, effective plan to cut our dependence on oil and launch a clean energy economy. The disaster in the Gulf is yet another reminder of the damage that oil drilling – both on and offshore – can cause to local communities, wildlife and the environment. No matter which way you look at it, it's time to stop talking about cutting America's oil dependence and start taking action.

We need to make every effort we can to protect the communities and ecosystems of the Gulf Coast by capping the well and cleaning up the spill. But we can't stop there. Congress needs to send comprehensive climate and clean energy legislation to President Obama this year. The House has already taken action. It's now time for the Senate to come up with a plan that launches a clean energy economy, cuts America's oil dependence and curbs global warming.

A real oil savings plan would include several key measures. First, we need to continue raising the fuel economy of passenger vehicles and start boosting the fuel economy of heavy-duty trucks. Second, we need to expand production of clean and sustainable advanced cellulosic biofuels. Third, we need to provide more transportation choices that reduce the need to drive. Finally, we need to begin developing the next generation of advanced vehicles that run on electricity, instead of oil. Taken together, these policies would cut U.S. oil consumption by approximately 3.7 million barrels a day by 2020 and 7.3 million barrels a day by 2030. That's nearly three times as much oil as we currently import from the entire Persian Gulf.

These are powerful solutions. According to researchers at my organization, boosting the fuel economy of new cars and light trucks to 42 miles per gallon by 2020 would save 40 times as much oil every day as the Coast Guard initially estimated has been spilled into the Gulf so far. Not only would more stringent standards save oil, they would also save people money. With gas at \$4 a gallon, those standards would save drivers more than \$60 billion in 2020, even after factoring in the extra cost drivers would pay for clean car technology when they buy new vehicles.

In our history, the United States is at its best when we respond to crisis by taking steps to ensure that we will never face the same danger again. The solutions are at hand. We have the technology. Now we need to move forward.

A Silver Lining in the Oil Spill

By Gary Fazzino, Vice President of Government Affairs, Applied Materials, Inc.

If there's a silver lining to be found in the oil spill tragedy in the Gulf of Mexico, it's that the spotlight is now back on the need for America to finally transition to an economy that emphasizes clean and renewable energy sources, preferably those that can be produced right here at home. Solar is a shining example of one such source that can help galvanize the move towards a clean energy future.

For starters, the solar resources in this country – unlike those of oil – are abundant. The southwestern United States is one of the world's best regions for sunlight. In fact, this region has nearly two thousand hours of peak sunlight each year.

Second, because solar is not demand-driven, it is perfectly suited to provide the peak power we need in late afternoon and early evenings, when demand for electricity and air conditioning is at its highest. In fact, this period of the day is the most expensive and fastest growing segment of our energy market.

Additionally, solar has the potential to create jobs while reducing greenhouse gases. A single factory producing solar panels for a particular region's electricity needs would create more than 2,500 permanent jobs, 850 construction jobs, avoid 170 thousand tons of CO2 — and create \$2

billion in local economic development over 5 years. All of this for less than a \$1 increase in monthly household energy bills.

And finally, and most importantly, solar pricing follows a predictable learning curve. Each doubling of installed capacity drives a 20-percent reduction in cost. At that rate, solar will have the underlying infrastructure to make it a mainstream, affordable, free-market and self-sustaining industry. This is in stark contrast to fossil fuels, which have enjoyed subsidies for nearly a century and where costs over time will surely continue to increase and, with them, gasoline and electricity prices, too. The sun, in contrast, does not run low on supply or raise its prices.

Despite Sen. Graham's (hopefully temporary) departure from the effort, it appears that Sens. Kerry and Lieberman will move forward with introducing a climate measure as early as this week. We hope that in light of the economic and environmental consequences of the Gulf oil spill, the rest of the upper chamber will recognize that our addiction to oil – both foreign and domestic – is an unsustainable energy approach and will need to be addressed with a sustainable energy solution.

Clean Diesel Provides Alternative

By Jeffrey Breneman, Executive Director, U.S. Coalition for Advanced Diesel Cars

The recent oil spill in the Gulf has, once again, elevated conversation on weaning the U.S. off of its oil dependency. As two-thirds of the oil in the U.S. goes to transportation, putting more fuel efficient vehicles on the road today should be a top priority for lawmakers when developing climate and energy legislation.

As some vehicle technologies move from demonstration phase to the market, we must not lose

sight of the innovation that has already taken place to improve existing vehicle technology, including advanced diesel cars. Today's advanced diesel engines are ultra clean, meeting the nation's toughest air quality standards. Advanced clean diesel-powered vehicles average 30 percent better fuel economy and 20 percent lower CO2 emissions than traditional gasoline engines, which benefit both consumers and the environment. All of these benefits come without sacrificing the power Americans need or want in their vehicles. Advanced diesel technology provides an average of 50 percent more power (torque) than a traditional gasoline engine.

It's important to recognize, however, that effective regulation on light-duty vehicles can only be achieved through technology neutral policies – refraining from picking and choosing specific vehicle technologies that will ultimately limit consumer choices. Policies should empower the consumer to decide which vehicle technology best meets their “real world” driving needs, today and in the future. Advanced clean diesel cars have risen in popularity with Americans since coming on the market in 2009. In fact, the percentage of consumers selecting clean diesel as an available option is surpassing the percentage of consumers selecting a hybrid electric powertrain option on available vehicles. They are finding advanced diesel provides real world fuel economy and, coupled with diesel's traditional high resale value, it provides a low-cost method for CO2 reduction while simultaneously reducing our dependence on oil. It is also important to note that advanced diesel cars, combined with the use of high-quality renewable fuels can even reduce our oil dependency even further.

While we hope that the spill will soon be resolved, we remain optimistic that the incident will encourage lawmakers to reengage in the development of effective policies that bring new energy solutions to the U.S. in the long term and support proven technologies today that can help reduce our greenhouse gas emissions and dependency on oil.

Climate Bill Is Key Step

By Jennifer Morgan, Director, Climate and Energy Program, World Resources Institute

This is a crucial moment for our country to pause and reconsider how we produce and use energy and how that energy is linked to the health of our planet.

As former President Bush said four years ago, the United States is “addicted” to oil. In addition to unsafe domestic production, we’re sending \$1 billion a day overseas for foreign oil. Furthermore, we can’t forget that the oil spill comes on the heels of another tragedy: 29 coal miners lost their lives in West Virginia less than a month ago. While 40 percent of our energy comes from oil, much of the rest comes from coal – nearly 23 percent.

The United States has relied on these outdated, dangerous sources of energy since the industrial revolution. It should not take tragedies to remind ourselves that we can do better, but they are a wake-up call to Americans who are sick of what they’re seeing. They know it is past time for clean, safe energy in the United States and past time for the U.S. to play a leadership, rather than a back seat, role in tackling climate change.

Clean energy makes economic, environmental and safety sense. In a struggling economy, we can put Americans back to work -- not just manufacturing solar panels and wind turbines, but also in related skilled scientific, engineering and service roles. Other countries are learning that clean energy generation creates more jobs than fossil fuel generation. Furthermore, making the shift to clean energy will mean we see fewer tragic environmental and social disasters that this month seem to be the norm.

Congress has punted on this issue for years. But we’re now closer than ever to making a change in the right direction. The House of Representatives acted nearly a year ago, and Senators Kerry and Lieberman will introduce a bill in the Senate soon that will give businesses the certainty and incentives they need to jump into the clean energy race. Enacting climate and energy legislation is the single most important action the United States can take to move away from the dangerous past and into the safer, cleaner future.

While people will argue what should and should not be in the Senate bill, doing nothing is irresponsible in light of the risks we are seeing play out in the Gulf right now and we know are part of a warmer world. It’s time to put politics aside and do what is right for the people and the ecosystems that have suffered enough from our dependence on unsafe energy.

Will Natural Gas Save Us? – Huffington Post – [5/10/10](#)

By Michael J. Newport, President and CEO of Mainland Resources, Inc.

As we face serious environmental and economic ramifications from the Gulf Oil spill, more people are taking a closer look at the benefits of natural gas. Obama's hotly anticipated climate change bill by Senate Majority Leader Harry Reid will include tax credits for natural gas fuels for trucks and manufacturers. Is natural gas America's savior or a transitional fuel source that will tide us over until we become a cleantech nation awash in viable wind, solar and biofuel solutions?

The development of natural gas properties in the United States ensures our country's greater energy independence from geopolitical strife and provides high paying energy sector jobs and prosperous communities. As the CEO of an energy company that is actively tapping our country's natural gas reserves, even I don't think natural gas is the answer to all our country's energy needs. I simply believe that natural gas is a great, long-term bridge energy solution that provides an important part of our country's energy equation.

America is awash in natural gas discoveries including Louisiana's Haynesville Shale and new fields in Mississippi, New Mexico and Wyoming. As we engage in fruitful drilling of our natural gas resources, we should also build up our renewable and alternative energy technologies.

Why? While our country has enough natural gas reserves to fuel Americans for many generations to come, we need to keep our eye on the ultimate prize -- creating environmentally sound energy solutions that are not tied to natural resources. Americans needs to take a leadership role in developing alternative energy solutions.

Anyone who has visited a major city in China is troubled by the quality of the air and water. Many people don't realize that a promising green technology industry has arisen in China to

improve the quality of the air and the water. With a country population of 1.3 billion people, China has daunting energy requirements. As China's global stature grows, the Chinese government has started to impose stricter environmental standards which are becoming a priority issue for industries, businesses and municipalities. The Chinese government's economic stimulus package includes over \$36 billion for environmental projects such as waste water treatment and renewable energy facilities. The benefits of China's government-backed stimulus is that a bumper crop of Chinese companies have emerged to address the country's significant environmental hazards accrued from their multi-decade role as the "world's largest factory" which was contaminated from sewage and other industrial waste products.

As a proud American and energy executive, I would like to see our country rally behind every environmentally sound energy solution that is home-grown. Let's push away from the Mideast table and the high-priced oil it puts on our plates which keeps our country tied to unstable political factions and terrorist regimes. As T. Boone Pickens says on the Pickens Plan site, "in addition to putting our security in the hands of potentially unfriendly and unstable foreign nations, we spent \$475 billion on foreign oil in 2008 alone. That's money taken out of our economy and sent to foreign nations, and it will continue to drain the life from our economy for as long as we fail to stop the bleeding."

Let's roll out our old-fashioned American gumption and national pride and keep focused on delivering energy solutions developed by Americans for Americans. Why are we allowing other nations to outpace us in passing rich economic stimulus plans that ensure a focus on renewable energy when we have the resources, the know-how and the need?

More than 70% of US imported oil is used in transportation. Of all of the domestic energy resources available (domestic oil, natural gas, nuclear, coal, wind, solar, hydro, geo-thermal and bio fuels), only natural gas is easily used as a transportation fuel today. Natural gas produces around half the greenhouse gasses for the same amount of energy used in oil.

Natural gas is more than 50 percent cleaner than coal and can serve as the foundation for power generation and the expansion of renewable energy sources. The New York Times reported that that "natural gas could emerge as a critical transition fuel that could help to battle global warming." Since about 98 percent of natural gas consumed in the United States is produced in North America, increased use results in more jobs and economic growth.

I'm an American businessman committed to ensuring a brighter future for our nation's children. I grew up hearing and believing that America is the richest and most entrepreneurial country in the world. In addition to talking the talk, we need to walk the walk toward real change.

PRINT COVERAGE

Let Us Be Wise As We Satisfy Energy Needs – The Wilkes-Barre Times Leader – [5/11/10](#)

By Mark Guydish

Let's make one thing clear: I'm a firm believer this country needs to radically reduce dependence on foreign oil, and among the options available, we have to include more drilling, more nuclear plants, more coal burning and – yes – more fracking for natural gas.

But my big concern with the “drill, baby, drill” crowd is that too many seem to think this is a single-sided equation, that if we just exploit everything we've got we get to independence faster. We need an equal effort – greater, probably – toward sensible conservation, sustainability and environmental preservation.

The current Gulf of Mexico oil gush drives home the point to any but the most paranoid

conspiracy theorist, stewing in the belief that Democrats orchestrated the disaster to further a “no offshore drilling” agenda. Please.

The great spill reinforces a lesson we keep experiencing but never quite want to accept. No matter how good the technology and how sure the fail-safes, sooner or later Murphy’s Law wins: Something that can go wrong does.

The problem is that our energy needs are so steep the potential damage from a single failure can border on cataclysmic, as the spill by BP (Bollixed Petroleum?) shows. Unable to cap the well on the ocean floor, the oil has just poured and poured, threatening coasts from Texas to Florida and beyond. The damage to wildlife is undeniable; the risk to tourist, fishing and other major industries serious.

The unexplained explosion on the drilling platform that started it all is disconcerting enough. The loss of lives is inexcusable. The abject and repeated failure to shut off the flow is ample evidence that, despite two decades of gulf drilling to hone the technology, it remains flawed. The potential impact proves the need to fix those flaws.

All energy sources involve risk

Nuke plants, of course, hold similar opportunity for epic failure. Even ignoring the potential for a Chernobyl-style radioactive leak or the partial meltdown seen at Three Mile Island, there remains the intractable issue of transporting and storing the extremely long-lived, highly toxic waste – 70,000 tons to date with 2,000 tons added each year. One mistake can damage tens of thousands of lives, the impact lasting for decades.

Natural gas? A relatively clean source of energy, in great abundance within our borders. Texas oilman T. Boone Pickens sees it as the surest way to immediately reduce dependence on foreign oil. Alas, the evidence is rapidly growing that, even if the technology is safe, the oversight of those doing the drilling is suspect. The apparent tainting of Dimock drinking water right after drilling started there should give us long and justifiable pause.

One would assume after about 200 years of burning coal we'd have a clear idea of the dangers. But last week the EPA proposed new regulations for the storage and disposal of coal ash, which contains unsavory elements like arsenic and mercury. The move came after a massive spill of ash from a Tennessee storage site in 2008.

The threat seems small compared to the vast oil spill now under way, or the enormous risk at nuclear plants. But on first blush the proposals for coal ash seem reasonable and overdue. We should also take a closer look at using fly ash in projects like the Hazleton river-dredge land reclamation

The argument for caution, regulation and conservation in these matters is as simple as it is overlooked:

We can live with a little less energy without really losing much.

We can't live with toxic water, food and air.

BLOG/ONLINE COVERAGE

Transmission Lines: The Missing Link In Energy Evolution – The Daily Caller – [5/11/10](#)

By Marita Noon

The recent accidents and subsequent deaths resulting from the extraction of traditional energy has generated buzz regarding renewables as the obvious energy evolution.

Despite the power density shortcomings of wind and solar (nuclear power: 56W Per Square Meter, solar: 6.7W PSM, Wind: 1.2W PSM) and the storage problems associated with delivering the renewable power to the grid, wind and solar are pushed as the solutions—propped up by government subsidies. T. Boone Pickens concedes he would not have an interest in wind power without the Federal backing.

Though renewables get all the good press, they have been unable to make the leap to mainstream.

Energy has evolved from wood, to whale oil, to coal, to petroleum, to nuclear. There are many who believe that renewables, particularly wind and solar, are the next step in the evolution of energy. But there is a missing link: transmission lines.

As illustrated above, wind and solar are land intensive. To be able to replace an average coal-fueled power plant with solar will require massive amounts of land—which predicates that the installation be “out,” away from the people. To get the power “in” to the people will require miles and miles of high-voltage power lines. Somehow, no one seems to think about how the energy is going to get from there to here. Unless, perhaps, it is via wi-fi.

There are five obstacles that need to be overcome before renewables can provide America with widespread, utility-scale power:

1. Cost: This is the first hurdle and one that consumers seldom think of, yet the up to \$2 million

cost per mile must be calculated into the cost of any new power plant. Acquiring rights-of-way for the lines can increase the cost considerably.

2. NIMBY: No one wants to live near an industrial-looking, coal-fueled power plant. But they have the same Not-In-My-Back-Yard attitude about renewables. The ten-year process for Massachusetts' Cape Wind Project has finally achieved federal approval, though opponents pledge a continued court battle. Additionally, no one wants transmission lines near them making the new acronym BANANA: Build-Absolutely-Nothing-Anywhere-Near-Anyone. Transmission line installation often requires the use of "eminent domain" as disputes over "fair-market value" arise over the impact of transmission lines on the remainder of the owners' property value.

3. Environment: BANANA leads to the overarching environmental attitude against disturbing the earth. Building the miles and miles of transmission lines, not to mention the land tied up with wind or solar, will require digging, lots of it. In Southern California, the Sunrise Powerlink project that would bring solar power to San Diego has been trying to build transmission lines for four years. Their biggest opponent has been environmental groups who do not want the lines to go through Federal lands.

4. Political Will: Each state's government must decide which it wants: renewable energy or the blessing of the environmental movement—which do not seem like they should be mutually exclusive. In New Mexico, Gov. Bill Richardson encouraged biomass and then has hindered it with the environmental permitting process. In Minnesota, there are myriad regulations restricting power lines, the purchase of power from older power plants, and even those that cross state lines.

5. Cancer Scare: Every couple of years a new study comes out that says that living near transmission lines causes cancer. In 2007 ABC reported on a study indicating an increased risk of blood cancers in people with prolonged exposure to high-voltage power lines. In 2005 CNN covered a British study: children who live close to high-voltage overhead power lines have an increased risk of leukemia.

Each of these five difficulties represents different groups. Getting them all to agree on a single powerline at a single time seems like an insurmountable task that is stalling renewable installations.

The American Wind Energy Association reports that 2010 had the lowest first-quarter installed generation since 2007. Wind power companies want to build in New Mexico, but are held back by the lack of transmission lines. Maine is ripe for windpower and has commercial wind farms. However, they risk losing a lot of money—and, therefore, jobs—if the state can't figure out how to actually transport the power from the turbines to the grid to the user.

Energy is a tough business. Before we allow the current spate of accidents to curtail existing energy extraction, we'd better, realize, as Obama said on March 31, "We are going to need to harness traditional sources of fuel even as we ramp up production of new sources of renewable, homegrown energy."

Marita Noon is the executive director of the Citizens Alliance for Responsible Energy (CARE), a nonprofit organization that offers facts on America's energy options so citizens are educated on the energy reality and can make decisions accordingly. She can be reached at marita@responsiblenenergy.org or www.responsiblenenergy.org

Drill, Baby, Drill? Or Not – NewUniversity.org – 5/10/10

By Nesma Tawil

If we learned anything from the horrific oil spill spreading through the Gulf of Mexico, or the other oil disasters, Santa Barbara in 1969 and Alaska's Exxon Valdez in 1989, it is the desperate need for the United States to make some drastic changes.

The U.S. needs to focus its efforts on trying to obtain alternative natural sources of fuel. These changes will increase our competitiveness in the international community and quickly help this country achieve its highest potential by attaining true oil independence.

By producing alternative sources of fuel, we can help reduce the emission of greenhouse gases, the cause of global warming. The gas that burns every time someone turns on his or her car is a major contributor to this problem.

There are many other benefits to adopting a clean energy reform policy: we can boost our economy by saving the billions of dollars that we are so used to spending on imported petroleum, we can reduce the risk of spills and accidents that arise with every gallon of gas we pump, and finally, we can help boost our gross domestic product by endorsing industries that increase the production of alternative fuels.

Currently, the U.S. spends about \$1 billion dollars per day on imported oil instead of investing that capital domestically where we need it most. One of our biggest sources of imported oil is Saudi Arabia. Therefore, if we do not reduce our demand for oil, we will continue to financially support one of the most unstable and dangerous regimes in the world. And although we do not trade with Iran, that country still benefits from our consumption of fuel from the Persian Gulf.

Currently the demand for oil is high. The global appetite for oil is expected to continue to rise substantially. Supply, on the other hand, is stagnant and ultimately limited; many experts believe that production is reaching its peak. The divergence of supply and demand will only lead to higher oil prices in the future.

Not all is lost. Even though oil is in short supply, the supply of new and promising alternative energy ideas is not. There have been many proposals for obtaining alternative fuels. The Pickens Plan, which predicts that if we reduce our demand for oil and focus on taking some steps to obtaining alternative fuels now, we can replace more than one-third of our foreign oil imports within the next 10 years, is one. All we need to do is try to change our oil dependency habits.

We can start by reducing our demand for oil. Less than three percent of electricity in the U.S. is generated by oil, while most oil is consumed for transportation. We can combat this problem by using alternative modes of transportation and investing in more energy-efficient cars and trucks like those with advanced hybrid technology. We could even start by just buying better tires. According to the Natural Resources Defense Council, if we just use the technology we have today, we can save about 2.5 million barrels of oil each day. It is all about collective action, if each one of us does our part we can help save this nation from the dangerous economic and political risks that come from our dependence on foreign oil.

However, this is not to ignore the fact that most of the power is in the hands of wealthy politicians. In addition to changing our own habits, we need to push our members of Congress to support some of the clean energy reform policies needed to establish an independent and self-sufficient state.

Nesma Tawil is a second-year political science major. She can be reached at ntawil@uci.edu.

How Fast a Transition from Oil? – The Energy Collective – [5/10/10](#)

By Geoff Styles

The Gulf Coast oil spill remains the top energy story this week, eclipsing a \$10 drop in oil prices that should soon ripple through to gas pumps near you. With BP's latest effort to contain the spill having run afoul of a slush buildup composed of methane hydrate crystals, the deepwater well continues to leak at an undetermined rate. The longer the spill continues, the greater the chances for severe environmental consequences, and the likelier that it will become a perception-altering milestone event as some environmentalists have already suggested. However, even if the spill were to galvanize public opinion in a manner similar to the 1969 Santa Barbara oil spill, what options do we have that could realistically reduce our reliance on oil produced from offshore platforms?

Last week I focused on the energy contribution of the oil we produce offshore in US waters, particularly in the deep water of the Outer Continental Shelf (OCS) of the Gulf of Mexico. It constitutes 30% of domestic crude oil production, or about 10% of our total oil consumption, and contrary to the wildly-inaccurate assertion on a widely-read environmental blog last week, essentially none of it is exported. (Anyone who doesn't know the difference between crude oil and petroleum products has no business commenting on that aspect of energy policy.) Today I'd like to go into a little more detail on the alternatives to offshore drilling that I alluded to last

Wednesday.

Gasoline, jet fuel and diesel accounted for 75% of the petroleum we consumed last year. Other than the heating oil included in the diesel tally, these are the fuels that power most transportation of people and goods. Many initiatives are under way to develop non-petroleum fuels for cars, trucks and even jet aircraft, though at this point they are all in relatively early stages of development or deployment. On paper, at least, electricity looks like the best option for replacing gasoline, by means of plug-in electric vehicles like the Chevrolet Volt and Nissan Leaf. Since less than 1% of US oil consumption is used to generate electricity, switching cars from gasoline to electric power represents a nearly total displacement of oil. It would also facilitate the direct use of renewable electricity sources to eliminate greenhouse gas emissions. This prospect has many people excited, and I've heard it mentioned frequently in reactions to the Gulf spill. Yet this is hardly a slam-dunk, for numerous reasons, topped by scale and the unproven consumer acceptance of mass-market EVs.

In one of their periodic special sections on energy, today's Wall St. Journal included an article on the development of EV recharging networks in the US. It cited a study by Pike Research forecasting 610,000 EVs by 2015. That would be a great start, though it would fall short of President Obama's goal to put a million plug-in vehicles on the road by then. Even assuming that the million-EV mark were reached that soon, and that they were driven as much as other cars and replaced vehicles averaging 25 mpg, the quantity of gasoline they would displace amounts to just 31,000 bbl/day--less than the quantity of oil the leaking Macondo field would have been producing in a couple of years, had Deepwater Horizon's exploration well been completed uneventfully. Substituting for all of the oil currently produced from offshore drilling--or for the decline in US oil production that would occur by 2020 if we stopped drilling offshore--would require up to 50 million EVs, making up roughly 40% of all the cars likely to be sold in the US this decade. I suppose that might barely be possible on a crash basis, with a World War II-style mobilization of the resources required to achieve it, but it doesn't look very likely to me. I would be impressed if the US had 10 million EVs by 2020, implying annual production of well over a million units within just a couple of years, though that would reduce our current oil demand by under 2%.

So if EVs can only take us a small part of the way to replacing our oil consumption in the near future, what about advanced biofuels? There are many promising avenues, including biofuels produced from agricultural or forestry waste or dedicated energy crops, biofuels from algae, and bio-hydrocarbons from plant sugars. All are in their infancy. The EPA recently had to reduce its mandate for advanced biofuels delivered in 2010 from 100 million gallons to just 6.5 million gallons--424 barrels per day--because no truly commercial-scale facilities will come on-stream

this year. We might get a few billion gallons per year from these sources by 2020, if numerous technical and economic hurdles can be overcome, but that would displace at most a couple of hundred thousand bbl/day of oil.

Natural gas looks like another good alternative transportation fuel. T. Boone Pickens has put forward his plan to shift long-distance trucking onto compressed or liquefied gas. There's no shortage of gas available for this purpose, thanks to the much larger supplies made possible by shale gas drilling. It starts from a very low level, however, with current natural gas used in transportation equivalent to less than 1,500 bbl/day of diesel fuel. It also competes with other uses of gas, such as generating more electricity to reduce our consumption of coal. Or, looking at it another way, there might be plenty of gas to do both, but not at today's price.

That leaves what looks like the best option for reducing our oil consumption, other than simply deciding to drive less, as some folks have apparently already done. Because the US car fleet is so large and is driven so far, increasing its fuel efficiency by just 3 miles per gallon could save nearly a million bbls/day of gasoline. That's more than the entire contribution of corn ethanol, our most significant alternative transportation fuel. In fact, the latest demand forecasts of the Energy Information Agency are already based on that kind of improvement, reflecting new regulations requiring new-car fuel economy to increase to 35 mpg before 2020. Still, only a small fraction of our fleet of 240 million cars turns over every year, so it will take a long time before average fleet fuel economy even begins to approach these levels.

Whether your preferred alternative to offshore drilling requires replacing millions of vehicles with hybrids, EVs, natural gas-powered vehicles, or highly-efficient small conventional cars like the new Ford Fiesta, or depends on a vast new infrastructure of alternative fuel production and distribution, none of these solutions can work overnight. In the meantime, every barrel of oil we consume but don't produce here must be imported, some of it from countries that don't like us very much--as we're frequently reminded--and all of it with serious implications for our national financial and trade balances. (And don't forget the inevitable oil spills from all those extra tankers.) If we don't want OPEC to be the biggest beneficiary of a new environmental mindset after the Gulf Coast spill, then we face some very tough choices, including whether we'd prefer to open up major new areas for onshore drilling, instead of some of the offshore prospects that were slated to be leased in the next few years, or to continue drilling offshore under updated procedures and with strengthened environmental protections, at the same time we pursue all of our options for reducing our overall reliance on oil.

BROADCAST COVERAGE

1. Street Signs

CNBC, National | DMA: 0

[05/10/2010](#), 02:00 PM - 03:00 PM

[EC] 00:25:32 We have a whole lot to talk about today. Let's start with the oil trade, Exxon. I've been watching the interview with Tillerson who is the statesman of the group. If you had asked me even six months ago or eight months ago what I thought of Exxon, I would say, it's just a bank. At this level, I'm getting excited. I think the XTO move is a move of brilliance. It shows that he gets that the shales are bigger than anybody realizes. He's getting into something --He may not realize how big naturalgas. He's not talking about naturalgas for vehicles. For power plants. Right. Can you imagine if we get something like BoonePickens is intimidating to me this week out of Washington which says that we are going to be much more oriented towardnatural gasfor 18 wheelers . I think Mr. Tillerson is doing things right behind the scenes. The stock right now is being most punished versus when he's finally getting the growth. I think this is an opportunity -- it's interesting. The company before this deal with XTO, where they're getting access to all the shale in Louisiana, you name it, it was 20% natural gas and the rest of it's oil. Now it's going to be 50-50. A lot of people want more oily plays --What he's saying is, we're taking a long-term view here. Natural gas is cheap and it's going to be used and it's cleaner . And because of that, he's being punished. I think that's absolutely nuts. ... 00:29:50

Keywords:TZ; Jim Cramer : Mr. Tillerson; XTO; Louisiana; Pennsylvania; Anadarko; Conoco; Chevron; Mr. Simpson; Venezuela; Saudi Arabia; Fannie; Freddie; Standard Pacific; Nevada; Florida; Lennar; Pulte;

Visuals:Stop Trading with Jim Cramer backdrop; Exxon Mobil stock; BoonePickens; NaturalGas; Chevron stock; Standard Pacific stock; Mad Money programming note;

Audience: 331,060 Spot Cost: \$2,655