

PickensPlan

T. Boone Pickens Media Coverage 5.24.10

Total of 10 Placements

- Print: 5
- Blog/Online: 3
- Broadcast: 2

Coverage Summary:

In a Q&A with the *Atlanta Journal Constitution*, Ted Turner mentioned that he and Pickens agree that natural gas should be used as a transition fuel. He also talked about the need to develop the smart grid and work towards energy independence.

The *Fort Worth Business Press* article looks at the natural gas component in the American Power Act, quoting statements from Pickens and ANGA in the piece.

Highlighted Placements (Full Articles Below)

- **Ted Turner Talks Clean Energy, CNN And Picking Up Trash** – *Atlanta Journal Constitution* – 5/21/10
- **Natural Gas Makes Headway In Latest Proposed Energy Bill** – *Fort Worth Business Press* – 5/24/10

Print Placements (Full Articles Below)

- **K Street Files: Capitol Hill, K Street Denizens Toast Pickens** – *Roll Call* – 5/24/10

- **Poisoned Fisheries, Spoiled Beaches: Price Of Our Addiction To Petroleum** – *Atlanta Journal Constitution* – 5/21/10
- **Texas' Wind Power Industry Has Seen Huge Growth** – *Fort Worth Star Telegram* – 5/22/10

Blog/Online Placements (Full Articles Below)

- **Expert Blog Highlights: Energy & Environment** – *National Journal* – 5/21/10
- **T. Boone Pickens' Energy Plan For America** – *Spero News* – 5/21/10
- **Which Billionaires Will Benefit From Obama's Green Car Push?** – *Tickerspy* – 5/24/10

HIGHLIGHTED COVERAGE

Ted Turner Talks Clean Energy, CNN And Picking Up Trash – *Atlanta Journal Constitution*
– 5/21/10

By Tom Sabulis

CNN founder Ted Turner has had many ambitions. Buying land (he's the nation's largest landowner). Building his bison herd (he's got 55,000 head). Philanthropy (he gave \$1 billion to start the U.N. Foundation). Reducing nuclear stockpiles (he's co-chairman of the Nuclear Threat Initiative with former Senator Sam Nunn).

And now clean energy. Turner Renewable Energy recently became part owner with Southern Co. on the largest solar installations in New Mexico.

Last week, in his Atlanta office, Turner talked in his rapid, cocksure style about America's energy future, along with other topics, such as Fox News and his walks around downtown, when he sometimes picks up trash on the street.

Q: You've advocated developing a smart grid for the transmission of natural energy. You really think solar and wind power can solve our energy crisis and dependence on foreign oil?

A: Wind, solar, geothermal. Yes, I think they can. In fact, I know they can, if we use enough of it. Both wind and solar are intermittent somewhat, because on a cloudy day, they don't put out at peak velocity. And when there's no wind, the wind machines don't run. But we can use natural gas as the base-load. Or nuclear. Or geothermal, if it will work economically.

Q: But we need a new energy grid.

A: We've got a hundred-year-old grid. It's totally obsolete. It was geared for coal. We're going to create lots of new jobs and we're going to get cleaner air. We're going to get energy independence, finally, where we're not bankrupting ourselves buying all this oil from the Middle East. Boone Pickens, he and I are buddies. He's a right-wing Republican and I'm more of a moderate, but we agree on this whole energy thing and we should use natural gas as a transition fuel; we have lots of it.

Q: You're convinced our cars will change along with the energy?

A: Absolutely. We will be converting over from oil-powered automobiles to electricity. So we'll live in a clean world, energy independent, financially stable, prosperous, with lots of jobs. There's nothing except the coal industry and the oil industry standing in the way. They're big, because they hold the hill and they've got all this money. But deep down in their hearts, they all know it's wrong. They know that this other policy is the right way to go.

Q: With 2 million acres, you are the largest landowner in America. Are you involving your private land in this effort?

A: We're making our land available for wind and solar wherever it's appropriate. Do I want to see windmills on top of every hill? Not really. But I sure would rather see that than the smokestack of a coal-burning plant that's going to pour mercury all over our kids.

Q: Moving away from fossil fuel seems timely now, in light of the Gulf of Mexico oil spill.

A: Doesn't it? And right before the Gulf oil spill, the 29 coal miners that were killed in West Virginia, and then two days later, 29 more were killed in China or Russia. Coal mining is inherently very dangerous. And on top of that, we're knocking the tops off the mountains in West Virginia.

Q: You started the Nuclear Threat Initiative to reduce the world's stockpile of weapons.

A: The whole [nuclear] war-weapons-of-mass-destruction thing is an epoch we should get behind us. We have made some substantial progress. We are not doomed. I mean, we are doomed if we don't do the right things, but I'm not willing to accept that.

Q: Cable news has become increasingly factionalized with CNN, Fox and MSNBC. When you started CNN, did you envision this huge cable world with all these different angles and opinions out there?

A: Yes. [When CNN was starting out] I said, where will the greatest threat to CNN come from? And it hit me right away that it would come from a right-wing network, because CNN was going to be, under my leadership, moderate and truthful and unbiased and cover both sides of the issues. When I made a decision to go ahead with it, we had already started Headline News. So I had two news networks and I said, if somebody announces they're going to start a right-wing network, I could always turn Headline News into a right wing network, and at least make it very difficult for them. But when the time came that Rupert [Murdoch] had decided to go ahead with Fox News, we were doing so well, I couldn't do it. I just couldn't run a Rush Limbaugh network. Just couldn't do it. So I just let him have it.

Q: Are you surprised at how well Fox has done?

A: No, because you know there is a big right wing in the United States and the other three networks weren't going to cover it from that standpoint. Fox News got all the hard right viewers because there was no place else for them to go. For those looking for a moderate viewpoint, you've ABC, CBS, NBC and CNN and Bloomberg.

Q: You predicted the demise of newspapers a long time ago and they've had a rough time lately.

A: I know, I predicted it. Just because I predicted it doesn't mean I'm happy about it. I hate to see newspapers go. But I'm afraid they're gone. It's an obsolete way of ... it's like a phone booth. You don't have any investment in phone booths do you?

Q: Do you think CNN is here to stay in Atlanta?

A: I've been gone from the company for close to 10 years now. I don't know why they'd want to move it, but they've already moved a lot. A lot of the programs are generated in New York or Washington or in other places.

Q: You still have a presence in Atlanta.

A: Where are we right now?

Q: I wanted to ask how you view downtown's development since the Olympics.

A: I think it's been very encouraging.

Q: You like to get out and walk around Atlanta when you're in town?

A: I walk, that's right. I walk over there [to CNN Center] all the time. That's where I get my hair cut; my barbershop is over there.

Q: I've heard that when you're out you also stop to pick up trash.

A: Well, if we had more people picking up trash than putting it down we'd live in a clean world, wouldn't we?

Q: When people see you on the street picking up trash, don't they stop and say, "What's Ted Turner doing picking up trash?"

A: Well, what's wrong with that? I think it's good. I'm doing the right thing. If everybody picked up trash we wouldn't have any trash to pick up.

Natural Gas Makes Headway In Latest Proposed Energy Bill – *Fort Worth Business Press* – 5/24/10

By John-Laurent Tronche

It appears natural gas continues to garner attention in the minds of elected officials: the recently unveiled American Power Act, a climate change bill put forth by two U.S. senators, includes language that both promotes and provides incentives for increased use of the fuel.

Sens. John Kerry, D-Mass., and Joe Lieberman, I-Conn., were the two senators left standing of the three who began working on the bill months ago – South Carolina Republican Lindsey Graham dropped out days before its original planned debut. Nonetheless, the bill's development continued until its May 12 unveiling.

Among the most-appealing sections for natural gas proponents are incentives for fleet operators to incorporate more natural gas-fueled heavy-duty trucks, instead of diesel-powered vehicles. The bill also promotes “greater inclusion of natural gas and liquid petroleum gas powered vehicles in federal fleets,” according to the senators.

Furthermore, there are incentives for increased use of natural gas in the power sector; however, some critics argue the bill should go further to persuade electricity generators to shun coal for natural gas.

Reception

The president and CEO of America's Natural Gas Alliance, comprised of many Barnett Shale operators, Regina Hopper said the organization looks forward to ensuring legislation "capitalizes on the vast potential" gas can offer power plants, industrial plants and vehicles.

"We appreciate the inclusion of language aimed at helping move toward the greater use of natural gas in merchant power generation and vehicles," Hopper said. "While a useful starting point, we believe much more could be done right now to significantly reduce greenhouse gases and other pollutants by providing clean energy transition incentives to electric utilities as well."

Hopper added that it is "established, scientific consensus that the United States has as much natural gas as Saudi Arabia has oil. We are the envy of the world for this resource. It is time we put it to greater use for our nation's economy, environment and security," according to a statement.

Energy magnate T. Boone Pickens also offered his support for the bill in a statement in which he commended Sens. Kerry and Lieberman "for a plan that recognizes the economic and national security threat of our ever-increasing dependence on foreign oil, particularly OPEC oil.

"Achieving energy security is not easy and I applaud their focus on a broad energy package that includes replacing foreign oil/diesel/gasoline with cleaner, abundant domestic natural gas in America's heavy duty vehicle fleets," Pickens said in a statement. After making his money in oil, Pickens has turned his attention to promoting alternative, domestically produced resources, including wind power but most importantly natural gas. Pickens owns a natural gas refueling station company. Through his Pickens Plan, now almost two years old, the businessman has garnered support for moving U.S. energy policy away from dependence on foreign resources.

"Using natural gas as a transportation fuel is a non-partisan issue," he said.

Both the Independent Petroleum Association of America and the American Petroleum Institute stopped short of judgment, with the latter saying that moving "away from the House Waxman-Markey approach was imperative," and that a "sound climate and energy bill" must recognize the importance of domestic oil and gas development, the potential of natural gas to reduce emissions

and the “unsuitability of regulating greenhouse gas emissions under the Clean Air Act,” according to statements by Jack Gerard, API president.

One section that no doubt will receive much attention from natural gas exploration and production companies requires the public disclosure of chemicals used in the hydraulic fracturing process.

Currently, oilfield services companies are required to track what chemicals are used during frac jobs and keep a list of those chemicals on site in case of emergency spills or accidental exposure; however, the companies are not required to disclose to any agency what the chemicals are.

Included in the bill is a provision that would require oilfield services companies to “disclose all chemical constituents used in a hydraulic fracturing operation to the public on the Internet in order provide adequate information for the public and state and local authorities.” The statement is an amendment to Section 324 of the Emergency Planning and Community Right-To-Know Act of 1986.

Some companies have offered support for public disclosure – ExxonMobil Corp., Chesapeake Energy Corp. and Range Resources Corp., to name three – but the decision to pull back the curtain, so to speak, remains with oilfield services companies.

Citing competitive reasons for not disclosing, oilfield services firms have so far declined to reveal the chemical make-up of their formulas.

PRINT COVERAGE

K Street Files: Capitol Hill, K Street Denizens Toast Pickens – *Roll Call* – 5/24/10

By Matthew Murray, Bennett Roth and Anna Palmer

Texas oilman and alternative fuel advocate T. Boone Pickens celebrated his 82nd birthday Thursday night flanked by dozens of Members, downtown luminaries and television and newspaper types who gathered at the Smithsonian's National Museum of the American Indian.

Spotted on the museum's terrace for a cocktail reception were House Energy and Commerce Chairman Henry Waxman (D-Calif.), National Republican Senatorial Committee Chairman John Cornyn (Texas), Reps. Jan Schakowsky (D-Ill.) and Dennis Kucinich (D-Ohio), and retiring Sen. Kit Bond (R-Mo.).

According to an official list of attendees, Democratic lobbyist Heather Podesta also feted Pickens, along with Susan Axelrod, the wife of White House adviser David Axelrod, Fox News personalities Greta Van Susteren and Bret Bair, PBS' Judy Woodruff, John McLaughlin of the McLaughlin Group, the Washington Post's Jonathan Capehart and "Meet the Press" producer Betsy Fischer.

Poisoned Fisheries, Spoiled Beaches: Price Of Our Addiction To Petroleum – *Atlanta Journal Constitution* – 5/21/10

By Cynthia Tucker

WASHINGTON — It's the time of year when I start to think longingly of my favorite playground — the Florida Panhandle, with its sugary white beaches bordered by the turquoise waters of the Gulf of Mexico. By now, the weather is just right, the water warm, the breezes mild.

Oh, there's one thing I forgot to mention — tar balls. This year, beachgoers might be wading into oily gook generated by the catastrophic oil spill, which is spewing out 5,000 barrels of oil a day. Or 95,000 barrels a day. No one really knows. And no one knows how long it could take to plug the underwater well.

You'd think that a disaster unfolding as we watch, helplessly, would stir the chilly, polarized waters of Washington politics, perhaps churning up a sense of urgency over energy legislation. If anything illustrates the dangers of our addiction to petroleum, this metastasizing-by-the-minute mess does just that.

But the strange business of politics doesn't work as you might imagine. The Deepwater Horizon explosion seems to have had the opposite effect, blowing up the fragile compromise that seemed the best hope for a Senate bill this year.

John Kerry (D-Mass.), Joe Lieberman (I-Conn.) and Lindsey Graham (R-S.C.) spent several months in negotiations attempting to hammer out a proposal that would draw bi-partisan support. With a goal of reducing the gases that surround the planet and trap heat, the bill sets up a system for pricing carbon emissions. It aims to reduce greenhouse gas emissions by 17 percent by 2020 and by 83 percent by 2050 (compared to 2005 levels).

It offers significant enticements to lure the support of various industries, including loans for nuclear power plants and incentives for the use of natural gas. It also supports the development of alternative fuels, which would reduce our dependence on petroleum.

But Graham abruptly withdrew from negotiations a few weeks ago, saying the Deepwater Horizon disaster required a "time-out." He noted that the accident has made it more difficult to get Democratic votes for expanded offshore drilling, which he believes is an essential part of any comprehensive energy bill. (After the oil rig explosion, Kerry and Lieberman rewrote portions of the bill dealing with offshore drilling, sharply limiting operations in some areas.) That aside, it's

also true that Graham was not having much luck persuading his Republican colleagues to support the bill.

Despite Graham's withdrawal, Kerry insists that the energy bill, which he and Lieberman unveiled earlier this month, "has a huge amount of support. . .Everybody is uncomfortable with a little something, but that's a sign of a good bill." He pointed out that several energy company executives have signed on. So has energy investor T. Boone Pickens, a former arch-enemy who contributed to the "Swift-boat" ads that helped to sink Kerry's presidential campaign.

But Kerry's unlikely alliance with Pickens isn't enough. Without Republican votes to end a threatened filibuster, the Senate bill goes nowhere. (The House passed an energy bill last summer.)

Nor does the bill have the backing of the Deep South energy giant, the Southern Company., parent company to Georgia Power. A Southern Company spokesman called the legislation "a major improvement" over the House bill, which passed last summer, but said the company is "withholding judgment."

Kerry says he believes Graham will back the bill eventually. He also expects industry executives — many of whom see his bill as a preferred alternative to tougher regulations from the Environmental Protection Agency — to persuade Republicans to sign on. "My hope is these groups are going to reach out to their senators," Kerry told me last week.

Meanwhile, on the Florida Panhandle, restaurateurs and innkeepers brace for cancellations. The state's tourism officials are fighting back, with a public relations campaign (partly financed by BP) to persuade beachgoers that everything is normal. "We're fighting hysterical hype here as well as the spill," tourism industry spokesman Carol Dover told Time magazine.

So far, weather and wind have helped to keep the slick away from Florida's beaches, although experts say oil has already drifted into the Gulf's "loop current," which could carry it around the Keys and northward to Georgia's coast. How bad must it get for our politicians to start reducing the country's dependence on petroleum?

Texas' Wind Power Industry Has Seen Huge Growth – Fort Worth Star Telegram – 5/22/10

By Jack Smith

DALLAS -- "We've used Texas as the poster child for wind energy for the last five to six years," American Wind Energy Association official Kathy Belyeu told a group of wind industry professionals Tuesday.

"If everybody would do like Texas, the wind industry would explode," said Belyeu, the group's manager of industry information.

Texas, the nation's premier energy-producing and energy-consuming state, is no longer just the leader in oil and natural gas production. It also far outpaces the 49 other states in wind power, with 9,506 megawatts of generation capacity in place and thousands more humongous, breeze-capturing turbines expected to be erected in West Texas, the Panhandle, South Texas and perhaps even off the Gulf Coast in the coming decade.

The six largest U.S. wind farms all are in Texas. If it were a nation, it would rank sixth among the world's nearly 200 countries in wind-generation capacity.

Up to 25,000 people are expected to descend on the Dallas Convention Center today through Wednesday for the wind association's annual conference. Wind industry professionals, business leaders and government officials are expected, with featured speakers including former President George W. Bush, a onetime Midland oilman.

The U.S. has the most wind-generation capacity in the world, having surpassed Germany in 2008. But China is now second and added more new wind generation than the U.S. last year.

The U.S. installed more than 10,000 megawatts of new wind generation capacity in 2009, its largest total ever. That represented 39 percent of all electric generation capacity added in 2009, and the average annual growth rate for wind capacity for the past five years also is 39 percent, the wind association said. There are now more than 33,000 wind turbines in America and 35,064 megawatts of wind generation capacity. China is second at 25,805 megawatts.

Texas wind generation

Despite the huge growth in American wind power, it provided only 1.8 percent of U.S. electricity generation in 2009. In Texas, wind provided 6.2 percent of generation for the power grid operated by the Electric Reliability Council of Texas, which accounts for 85 percent of the state's electric load.

The U.S. wind industry is experiencing a significant slowdown in adding capacity this year, but the longer-term expectation is for continued major expansion. In 2008, the U.S. Energy Department said wind power -- which has been boosted by substantial federal, state and local tax incentives -- could generate as much as 20 percent of the nation's electricity by 2030.

All is not rosy, however, even in wind-rich Texas, where a sizable drop-off in new wind installations is expected this year, compared with the robust gain of 2,292 megawatts in 2009 -- an increase more than double that of any other state.

Growth is slowing in Texas as it awaits construction of 2,400 miles of high-voltage transmission lines that will carry wind power from the turbines in West Texas and the Panhandle to Dallas-Fort Worth and other major population centers. The \$5 billion undertaking is already under way and targeted for completion by the end of 2013.

Projected benefits

A study released Thursday by The Perryman Group, led by well-known Texas economist Ray Perryman, forecast that the construction of huge 345-kilovolt transmission lines would pave the way for a continued major expansion of wind generation. That in turn would lower typical residential electric bills by \$13-\$30 a month, generate more than 40,000 jobs, reduce emissions and save the state 17 billion gallons of water annually -- about as much water as Fort Worth residents use in a year. (Unlike nuclear and coal plants, wind farms don't require large volumes of water.) The Perryman study was funded primarily by the wind industry.

Added wind generation has been delayed somewhat by the recession, which slowed growth in power demand and made it tougher for wind developers to secure financing. Natural gas prices have also been a factor -- it's tougher for wind generation to compete on economic terms when prices are low for natural gas, the source of much of Texas' electricity. Dallas billionaire Boone Pickens has cited low gas prices as one reason for putting on hold plans to build a massive wind farm near Pampa in the Panhandle.

Wind association officials and others have estimated that Texas' wind generation capacity could roughly double after the new transmission lines are completed.

Big drop in costs

As the wind industry has developed and major technological advances achieved, costs have dropped dramatically in the past two decades. Today's wind turbines are six times larger than those of 20 years ago, and they generate 14 times as much power, Belyeu said.

Tom "Smitty" Smith, state director of Public Citizen, an environmental and consumer group, forecasts that renewable energy, led by wind power, will be the state's "major source" of electric generation a decade from now -- outstripping natural gas, coal or nuclear generation. Renewable energy also includes solar, biomass, geothermal and hydroelectric power.

Smith said wind power will make great strides in part because of new, tougher regulations to restrict emissions of carbon dioxide and air pollutants such as nitrogen oxides, mercury and particulates. Coal ash, the waste from burning coal, will also be more strongly regulated, he said.

Wind power drawback

A major rap on wind power is that in West Texas and the Panhandle, where most turbines are, the wind often blows little during peak periods for electricity consumption, such as hot summer afternoons, but blows more at night, when power demand is lower. That's a problem because it's generally difficult and costly to "store" electricity for future use.

Smith predicts, however, that the coupling of added wind generation capacity with advancements in energy-storage capabilities -- including a technology known as compressed air energy storage -- "will become the breakthrough technology" that will greatly expand Texas' reliance on renewable energy.

Wind association officials say energy storage has long-term potential, but they are wary of its high cost. They stress, however, that expanded use of plug-in hybrid and electric vehicles could significantly increase nighttime demand for wind power, as cars recharge at night.

The transmission lines being built are "going to have a huge impact on wind" by greatly advancing the movement of breeze-generated electricity to the state's population hubs, Smith said.

"The analogy is it's sort of like building a six-lane superhighway compared to dirt roads," he said in reference to the current, undersized transmission network.

Bernard Weinstein, associate director of the Maguire Energy Institute at Southern Methodist University in Dallas, isn't so optimistic about the growth rate for wind and other renewable energy.

As a clean energy source that helps diversify Texas' energy mix, "wind is great," he said. "But it's not going to be a major contributor to our energy future. I think you could say that about renewables in general ... at least for the next 30 years."

North Texas impact

Wind turbines blanket the horizon in the Abilene and Sweetwater areas of West Texas. But the wind industry is also making itself felt in North Texas, where the big turbines are virtually nonexistent.

A Trinity Structural Towers plant in Fort Worth builds huge 260-foot-high towers for wind turbines. Affiliated operations haul the towers to wind farms and build concrete foundations for them.

"In 2008, we put almost 1,000 towers in the Texas market," said Kerry Cole, president of Trinity Structural Towers, a unit of Dallas-based Trinity Industries.

Fort Worth-based Cummings Electrical, near Dallas/Fort Worth Airport, is "a turnkey electrical contractor for the large wind farms," said Jim Thompson, sales and marketing manager for its renewable-energy division. It installs wiring that links turbines to the power grid.

In Gainesville, Molded Fiberglass Cos. manufactures 131-foot, 13-ton blades that power turbines.

Dallas-based electric generator Luminant and Shell Wind Energy have signed a joint development agreement to build a big wind farm of up to 3,000 megawatts in Briscoe County at the southeast edge of the Panhandle. Project discussions are ongoing as the companies await construction of transmission lines.

Meanwhile, in Dallas, the wind association conference that kicks off today is symbolic of the enormous strides made by the wind industry.

"Wind is not a niche player like it used to be," Belyeu said. "It's becoming mainstream."

BLOG/ONLINE COVERAGE

Expert Blog Highlights: Energy & Environment – *National Journal* – 5/21/10

How Can The U.S. Wean Itself From Oil?

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. Seventy percent of the oil we use is refined into transportation fuel: as gasoline to power our 250 million cars, light trucks, and SUVs, and as diesel to power our 8 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. -- T. Boone Pickens, chairman, BP Capital Management

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. Much of the United States' nearly 20-million-barrel-a-day oil habit goes to run vehicles.

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. 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. -- Janet Larsen, research director, Earth Policy Institute

Smarter policy choices and smarter technology choices are our best path to reducing our dependence on oil in the transportation sector. Smarter policy choices are already being made -- to increase vehicle fuel-economy standards and use more renewable fuels -- but without specifying winners and losers, and letting the marketplace decide.

Wholesale switchovers from one technology to another (as has been proposed by natural-gas advocates) hardly makes sense, particularly at the multibillion-dollar level of taxpayer subsidies they are seeking. Diversifying energy choices does make sense. Government investments should be properly balanced between incentivizing development of future energy technologies while also increasing the use of currently available energy-efficient ones to gain immediate reductions in demand for oil. -- Allen Schaeffer, executive director, Diesel Technology Forum

Does The Climate Bill Pass Muster?

The United States has to pass comprehensive climate and energy legislation. The longer we wait, the more difficult it will become to address the issue. Where you stand is where you sit. And from where I sit, our country's dependence on foreign oil is a national security issue. It is costing American lives, and one could say it is costing America itself.

Comprehensive energy and climate legislation, no matter whose it is, is where we have to go as a nation. It will provide incentives for new energy solutions. It will put a price on pollution. It will address existing technologies appropriately. It will keep dollars out of the hands of extremist groups, and it will help keep America safe. -- James Marvin, retired Navy SEAL commander

The American Power Act is an agglomeration of complex regulatory measures and corporate subsidies. Erecting an ever more complex cap-and-trade scheme on an industry-by-industry basis invites corporate gamesmanship at the expense of meaningful reductions. A far better and much

simpler approach would be the adoption of an economy-wide carbon tax from which all revenues are directly rebated to American taxpayers.

While the bill is bad, the Environmental Protection Agency's plans are not much better. This week, EPA finalized rules purportedly designed to fulfill the agency's statutory obligation to regulate greenhouse gases as pollutants under the Clean Air Act. The rule EPA issued, however, is patently illegal. EPA may believe that it is not practicable to apply the express terms of the Clean Air Act to [greenhouse gases], but that is not the agency's call to make. -- Jonathan H. Adler, director, Center for Business Law and Regulation, Case Western Reserve Law School

Next Week: Health Care

"We must begin viewing obesity in the United States as a serious health condition with serious consequences rather than simply an undesirable physical attribute. We will fail miserably at improving U.S. health and productivity outcomes without an environment that promotes maintenance of healthier weight. Recent research by Ken Thorpe finds that over 40 percent of Americans will be obese by 2018, and spending attributable to obesity will more than quadruple. More than 20 percent of all U.S. health care dollars will be spent on obesity. Yes, you did read that correctly: In eight years, one out of every five health care dollars will be spent on obesity." - Christine Ferguson, research professor, George Washington University School of Public Health

T. Boone Pickens' Energy Plan For America – *Spero News* – 5/21/10

By Peter Huessy

On May 19th, T. Boone Pickens spoke at the National Defense University in the nation's Capitol about the "Pickens plan." It's simple. Use American-produced energy for America.

Now we use 20 million barrels of oil a day – 13 million of this we import; 5 million from OPEC. “There is no free market” in oil, he warned, as 70 percent of the oil in the world is owned by national governments. He warned, “Even the oil we import from Mexico and Canada will not be there forever. Mexico’s oil production declined 27 percent in its biggest oil field last year.”

What does he propose? We have thousands of trillions of cubic feet of natural gas. Once the liquids are separated out, natural gas needs no refinery to bring it to the American consumer. We have 8 million tractor trailers – big trucks that haul a lot of our nation’s freight. Over a decade we can replace them with similar trucks using natural gas. We could even make liquefied natural gas and use that.

As a result, we would cut our use of oil dramatically, by 5 million barrels a day, the exact amount we now import from OPEC. I asked Mr. Pickens whether we should adopt a flex-fuel vehicle standard, a requirement that all cars sold in America would have to be able to use methanol, ethanol, gasoline, diesel or natural gas. He said yes we should.

That bill is before Congress but some oppose it because car makers would have to add \$100 of equipment per car to comply with the bill. Mr. Pickens said at least the U.S. Government, which buys 200,000 cars, could convert all of them to natural gas.

He explained, “China has a plan.” It recently secured development rights to a 15 billion barrel oil field in Iraq. It is buying energy resources, especially oil and gas, backed by military power, around the world. It recently purchased part of a Canadian energy producer and will be transporting that key energy resource to the western coast for export to China.

But the U.S. “does not have a plan.” And while we should certainly be concerned about the Gulf oil spill, there are other considerations. First, 11 Americans died on that oil rig and we do not hear anything about them. And second, “We have had two such accidents in 40 years –this Gulf blow-out and the Santa Barbara oil spill in 1969” The record of the oil and gas industry in this area “is not bad.”

“I’m in favor of solar, wind, renewable said Mr. Pickens. And he wants to produce more coal and nuclear power. But electricity is not our problem, he explained. “We need liquid fuel to replace petroleum.” We now spend nearly \$350 billion a year on imported petroleum. The

Pickens plan could bring at least \$100 billion of that home right away and with it new jobs. "For every truck I convert to natural gas, I produce six new jobs. Now that is an American plan."

Not that Mr. Pickens doesn't have competition. MSNBC's Chris Mathews seems to want to emulate China: "Why doesn't the president go in there, nationalize an industry and get the job done for the people? ... There's a national interest in this not just a BP interest! We're letting BP fix a national problem. In China it's a more brutal society, but they execute people for this."

And Ted Turner, the CNN founder, apparently believes God has his own plan: "I'm not a real religious person, but I'm somewhat religious. And, ah, I'm just wondering if God is telling us He doesn't want us to drill offshore, because [the Gulf oil spill] sure is setting back offshore drilling. ... Could be He's sending us a message." He went on to call for no more coal mining as well. He wants solar and wind and hydropower.

Me? I'm old fashioned. Like Mr. Pickens I am in favor of a plan. Not China's. Not God's. America's.

Peter Huessy is President of GeoStrategic Analysis, a defense consulting company in Potomac, Maryland. He is a writer at FamilySecurityMatters.org

Which Billionaires Will Benefit From Obama's Green Car Push? – Tickerspy – 5/24/10

By Owen Vater

The Obama Administration wants to cut vehicle pollution in half over the next 20 years, and firms from a number of equity segments are working hard to make that a reality — and potentially pick up some subsidies along the way. On that goal, the president said, "That's only

going to happen if we are willing to do what's necessary," at the White House last week. So just what is necessary? Well, that depends on which billionaire you ask.

Oil tycoon turned wind energy and natural gas proponent T. Boone Pickens has shifted the emphasis of his "Pickens' Plan" towards natural gas recently, although his farm of General Electric (GE) wind turbines is expected to be complete this year. Pickens, who is a founder of Clean Energy Fuels (CLNE), and owns a number of gas-oriented equity plays in his hedge fund BP Capital Management's top end-of-Q1 equity holdings, has been pushing for subsidized natural gas conversions for big trucks. Despite his emphasis on big-rigs, a New York Times report notes that Pickens drives a natural gas powered Honda Motor (HMC) Civic GX for good measure.

Warren Buffett would likely say electric is the way to go if we're to slash oil consumption and pollution over the next 20 years. Berkshire Hathaway (BRK.A, BRK.B) bought a 10% stake in Chinese electric car and battery firm BYD Co (BYDDF) back in 2008, and according to a report by the Houston Chronicle, Buffett told a group of Rice University Business students that all the cars on the road will be electric by 2030. That's even more optimistic than the Electrification Coalition's call for 90% market share in the next 20 years. Since the BYD stake is listed in Hong Kong, it doesn't show in Berkshire's latest disclosed equity holdings, but the firm's stake has shot up in multiples since its initial investment of approximately \$230 million.

Microsoft (MSFT) founder Bill Gates' Cascade investment company infamously bought into Pacific Ethanol (PEIX) back in 2005, but the ill-fated investment likely left a bad taste in the billionaire's mouth as the stock plummeted from highs above the \$40 mark to penny-stock range, where it currently resides. Still, a recent push for E15 gasoline, which would include 50% more ethanol than the current legal limit has drawn some investors to components of the Ethanol and Biofuel Stocks Index, which has slipped by -16% in the last month. Gates' charitable foundation currently holds big stakes in BP (BP) and ExxonMobil (XOM), but no ethanol pure-plays were among its top positions at the end of Q1. Meanwhile, hedge fund pioneer George Soros, who was among investors to fund ethanol firm Qteros in 2008, opted for positions in Weatherford International (WFT), Suncor Energy (SU), and InterOil Corporation (IOC), among other energy names near the top of his end-of-Q1 equity portfolio.

It will be interesting to see who the winners are in the race to provide environmentally friendly and economical fuel to American vehicles. Investors can track the Pros above and a number of "green" stock Indexes for performance trends and a suite of other metrics at tickerspy.com.

BROADCAST COVERAGE

1. The Mark Davis Show

WBAP-FM Freq. 96.7, Dallas/Fort Worth | DMA: 5

05/20/2010, 10:00 AM - 11:00 AM

00:01:42 An odd alliance came together Wednesday as Dallas billionaire **TBoonePickens** endorsed a plan from a former political opponent. Six years ago, Dallas **oilmanTBoonePickens** paid millions to support TV ads attacking Democrat John Kerry's Vietnam War record. On Wednesday, **Pickens** visited Kerry to endorse a sweeping climate change bill the Massachusetts senator is pushing in the Senate. **Pickens**, who has been promoting his **PickensPlanto** boost production of **naturalgas** and domestic **energy** sources, said he was out of politics but supported the bill sponsored by Kerry and Senator Joe Lieberman of Connecticut 00:04:37

Audience: 34,433 **Spot Cost:** \$247

2. CTN Schedule

CT-N, Hartford/New Haven | DMA: 30

05/21/2010, 10:00 AM - 12:00 PM

[CC] 01:40:20 ...I want to recognize Leslie Larsen...as well as your children Caroline , Laura and Ray. As some of you might recall John brought T. **BoonePickens** to a public forum in the district **T . Boone** believes **naturalgas** is the solution to foreign **oil** dependency. He has voiced his strong support for Congressman Larsen's Natural Gas Act that will put thousands of American workers at the forefront of the clean **energy** economy, boost production of domestic **energy** and help break our addiction to foreign **oil**. John wanted to treat . **T . Boone** to lunch so we brought him to Auggie And Ray's for a soda and hamburger...01:43:01

Audience: N/A **Spot Cost:** N/A