

PickensPlan

T. Boone Pickens Media Coverage 5.25.10

Total of 5 Placements

- Print: 2
- Blog/Online: 3

Coverage Summary:

The *Washington Post* published a photo and a brief on the meeting between Pickens and Senator Kerry last week.

The Financial Times reported that the oil spill in the gulf may lead to more support for shale gas. ANGA CEO Regina Hopper is quoted in the piece discussing hydraulic fracturing and the Kerry-Lieberman bill. The article also mentions that the natural gas industry insists hydraulic fracturing is key to boosting energy security. Daniel Yergin, chairman of IHS Cambridge Energy Research Associates, calls the growth of shale gas “the most significant energy innovation so far this century” in the piece.

Highlighted Placements (Full Articles Below)

- **Pickens Isn't Swift To Support Kerry** – *Washington Post* – 5/25/10

Notable Natural Gas Coverage (Full Articles Below)

- **US Energy Policy: The ‘Shale Gale’ Turns Outlook On Its Head** – *Financial Times* – 5/25/10

Blog/Online Placements (Full Articles Below)

- **Could The Age Of Oil End By 2040?** – *Seeking Alpha* – 5/24/10
 - *Before It's News*
- **Green American Road Trip Rides From Austin To Boston On CNG** – *Auto Blog Green* – 5/25/10

HIGHLIGHTED COVERAGE

Pickens Isn't Swift To Support Kerry – *Washington Post* – 5/25/10

By David A. Fahrenthold



Sen. John F. Kerry, left, wants T. Boone Pickens, right, to back a bill that would provide natural gas tax incentives. (Harry Hamburg/associated Press)

Sen. John F. Kerry (D-Mass.) and T. Boone Pickens, the oilman who helped finance the "swift boat" ads against Kerry in the 2004 presidential campaign, met the media last Wednesday to discuss one thing they do agree on: the need to end dependence on foreign oil.

In an ornate committee room at the Capitol, Kerry talked up the climate bill he introduced with Sen. Joseph I. Lieberman (I-Conn.) on May 12. Pickens talked up his plan to use compressed natural gas instead of imported oil to power trucks and other motor vehicles.

The two goals overlap, at least partially. Kerry's bill would provide tax incentives for converting vehicles to burn natural gas.

Pickens said that, if the country doesn't move to use North American natural gas in place of imported oil, "we're going to go down in history as the dumbest . . . that ever showed up."

So, a reporter asked, would Pickens call on Republican senators to ask them to support Kerry's bill?

"I hope he'll contact some," Kerry said.

"Well, uh, let me think about it," Pickens said. He paused. "I'm not sure how active I'm going to be on it."

He said he wanted to hear more about Republicans' reactions to the bill before doing any lobbying.

NOTABLE NATURAL GAS COVERAGE

US Energy Policy: The ‘Shale Gale’ Turns Outlook On Its Head – *Financial Times* – 5/25/10

By Sheila McNulty

In the wake of the oil spill in the Gulf of Mexico, offshore production of oil and gas is forecast to become more difficult and expensive, with expectations that the authorities will raise the hurdle to deepwater drilling and production to make it safer.

Scott Van Bergh, an energy expert at Bank of America Merrill Lynch, believes this might lead to more support for the onshore rush into shale gas.

“Shale gas hasn’t really caught on in Washington,” Mr Van Bergh says. But he said the negative publicity about shale seems to have slowed.

That negative publicity had been building last year. Critics increasingly questioned whether the combined horizontal drilling and hydraulic fracturing or “fracking” process used to extract gas from shale rock polluted the groundwater and created carbon emissions.

Congress is probing this issue, despite the industry’s insistence that the process is safe and has asked the US Environmental Protection Agency to complete a comprehensive examination of the safety of hydraulic fracturing.

Concerns that fracking has contaminated wells and caused livestock deaths have led regulators to consider measures to limit the scope of drilling, including buffer zones near reservoirs and aquifers.

Amy Mall, senior policy analyst at the Natural Resources Defense Council, the environmental group, believes that the problems of insufficient regulation and oversight offshore, that have come to the fore amid the leak in the Gulf, are also problems onshore.

And, as limits are put on drilling offshore and the industry increasingly shifts its focus onshore, that will increase attention on regulatory and environmental controls of shale, she says.

Extracting gas from shale involves drilling down, sometimes thousands of feet, and then sideways as much as 4,500ft.

Once a well has been drilled, water and chemicals with fine grains of sand are pumped in at high pressure. This fractures the shale and leaves behind the grains of sand, which prop open the fissures in the rock and allow the gas to escape.

“Hydraulic fracturing has been refined and improved over the past 60 years and has been used safely on more than 1m US wells,” says Regina Hopper, president and chief executive officer of America’s Natural Gas Alliance, representing 34 of the country’s independent natural gas exploration and production companies.

The industry insists the process is the key to boosting US energy security. Shale extraction could increase the country’s natural gas supply to 100 years at current usage rates, versus the 30 estimated just a few years ago.

And new shale fields are being found regularly across the US.

“It’s continued use is crucial,” says the American Petroleum Institute, the national trade association. “It is enabling access to massive new supplies of natural gas trapped in shale formations across the US.”

Indeed, Daniel Yergin, chairman of IHS Cambridge Energy Research Associates, the energy consultancy, calls the growth of shale gas “the most significant energy innovation so far this century.”

He explains that as recently as 2007, it was widely thought natural gas was in tight supply and the US was going to become a growing importer of gas.

“This outlook has been turned on its head by the shale gale,” he says.

ExxonMobil’s \$41bn deal late last year to buy XTO Energy, the shale specialist, shows that the industry recognises the potential.

Indeed, European energy companies, such as BP, Total and Statoil, have been investing in US shale for several years.

In recent months, Asian sovereign wealth funds also have moved in, as expectations grow that the US government will increasingly turn to natural gas as a way to reduce carbon emissions.

Gas is about 30 per cent less carbon-intensive than oil and about 50 per cent less than coal.

But the industry complains that the administration and Congress have yet to recognise the benefits of gas, by offering significant incentives for fuel switching from coal to gas power plants and for gas-powered vehicles.

It has been lobbying extensively in the hope that gas will be afforded a big role in climate legislation currently under development.

But Ms Hopper was disappointed with the latest energy bill to be presented in Congress – by Senators John Kerry and Joe Lieberman. “We appreciate the inclusion of language aimed at helping move toward the greater use of natural gas in merchant power generation and vehicles,” she says.

However, she quickly adds: “While a useful starting point, we believe much more could be done right now significantly to reduce greenhouse gases and other pollutants by providing clean energy transition incentives to electric utilities as well.”

With the offshore industry coming under increasing pressure amid the oil leak in the Gulf of Mexico, shale gas might finally find a way to move to the top of lawmakers’ agendas.

BLOG/ONLINE COVERAGE

Could The Age Of Oil End By 2040? – *Seeking Alpha* – 5/24/10

By Bob van der Valk

Alternative energy sources are becoming more important every day but fossil fuel will continue to play a vital role in our immediate future. More power is being produced with sunlight, wind and geothermal, but the workhorses of electrical power generation in the U.S. are the coal and natural gas plants.

For all the talk about green energy — solar, wind, geothermal — our way of life is primarily powered by burning the stuff we get out of the ground with more than two-thirds of for electrical and transportation needs is coming from coal, fossil fuels and natural gas.

The T. Boone Pickens plan includes the following recommendations:

- Create millions of new jobs by building out the capacity to generate up to 22 percent of our electricity from wind. And adding to that with additional solar generation capacity;
- Building a 21st century backbone electrical transmission grid;
- Providing incentives for homeowners and the owners of commercial buildings to upgrade their insulation and other energy saving options; and
- Using America's natural gas to replace imported oil as a transportation fuel in addition to its other uses in power generation, chemicals, etc.

Most of the fuels other than natural gas are to be viewed as complementary, and do not compete with renewables due to the economics of getting them to the market. It is natural gas on which we will have to rely upon in order to make the U.S. energy secure for the next thirty years.

Electricity cannot be stored on the scale that utilities distribute it and is used the moment it is produced. Dependency on solar and power generation can actually increase the need for backup natural gas, coal and fossil fuel plants because of the whims of the weather.

The U.S. has had a moratorium on new nuclear plants for decades and they are unlikely to approve new hydroelectric dams anytime soon. It is already illegal for utilities to build new coal plants or enter into new contracts to buy coal power.

That will increase the need for natural gas power generating plants. Expected advances in energy storage, conservation, efficiency and new ways of making power will mean Americans are about 30 years away from getting most of their power without burning fossil fuels.

Nearly 33% of every barrel of oil import into the U.S. is used by 18-wheelers moving goods around and across the country by burning diesel. An over-the-road truck cannot currently be moved using current battery technology.

Fleet vehicles like buses, taxis, express delivery trucks, and municipal and utility vehicles, any vehicle which returns to the "barn" each night where refueling is a simple matter, will have to be replaced by vehicles running on clean, cheap, domestic natural gas rather than gasoline or diesel fuel.

For owners of trucks, busses, locomotives and construction equipment, which run mainly on diesel, it also means additional costs to retrofit their existing engines to burn natural gas instead of diesel.

The current administration has indicated to the scientific and technical community that they will be given the resources to find a way to kick our fossil-fuel habit. It could be done in 30 years but have to have the political leadership to make it work.

Green American Road Trip Rides From Austin To Boston On CNG – *Auto Blog Green* – 5/25/10

By Nik Bristow

Despite proponents like [T. Boone Pickens](#) pushing for [compressed natural gas \(CNG\)](#) vehicles on America roads, the simple fact is, outside of states like California and Florida, a CNG-powered vehicle just isn't practical. Or is it?

As part of her Master's Degree thesis, Castlen Kennedy, a student at the University of Texas in Austin, is driving a CNG-powered Chevy Tahoe from Texas to Boston, MA in the hopes of spreading the word about CNG and meeting some of the people who are already involved with natural gas. She's calling it, "The Green American Road Trip." As of yesterday, Kennedy was halfway there.

Kennedy isn't some dreadlocked college student out to save the world. Oh, no, when she talks about natural gas she's speaking as someone who's been an industry insider for years. She attends UT, but she also works part time at Apache Corporation, an independent oil and natural gas producer headquartered in Houston. Before that, she worked at the Office of Fossil Energy at the United States Department of Energy as a Senior Policy Advisor on oil and natural gas issues. Before that she worked at Enron.

So far, the trip's been a big success. Castlen called ahead to all the stations at which she planned to refuel to make sure they were open to the public and the planning seems to have paid off. The trip hasn't been without its hiccups and empty-tank scares but hey, when you're an alternative fuel pioneer, you run the risk of [being stranded now and again](#). Just ask any of our readers who run their rides on stuff other than pump gas. Check out the [website](#) for blog entries and videos from the last several days. If that's not reason enough for you to visit, you can also register to win a free Apple iPad.