

# PickensPlan

## T. Boone Pickens Media Coverage 7.24.10-7.26.10

### Total of 26 Placements

- Print: 10
- Blog/Online: 7
- Broadcast: 9

### Coverage Summary:

*The Portland Press Herald* in Maine ran a positive editorial as a result of a recent ed board call with Pickens. The piece highlights the Pickens Plan and says he has done us a great favor by spurring us to greater efforts to create a comprehensive energy plan focused on domestic resources.

*Reuters* mentioned Pickens' endorsement of natural gas legislation in its piece on the energy bill, previewing the potential timeline for the Senate's consideration.

*The Hill* reported that Senator Reid does not have enough support to move a renewable electricity production mandate in the energy bill.

*The Republican* in Springfield, MA published an editorial on the energy bill, pointing out that China is taking the lead in the clean energy arena, which could put America's dominance as a world power in jeopardy.

Senator Jeff Bingaman wrote an op-ed for *Roll Call* calling on Congress to make energy legislation a high priority, citing our economic, environmental and national security. The piece details legislation that was introduced as a result of the Gulf oil spill.

### **Highlighted Placements** (Full Articles Below)

- **Our View: Oil Baron Has Vision To Halt OPEC In Its Tracks** – *The Portland Press Herald* – 7/25/10
- **Senate Democrats To Introduce Energy Bill** – *Reuters* – 7/26/10
  - *CNBC*

### **Notable Energy Bill Coverage** (Full Articles Below)

- **Reid Says Renewable Electricity Mandate Lacks 60 Votes** – *The Hill Blog* – 7/24/10
- **Editorial: Energy Bill Failure A Big Disappointment** – *The Republican (Springfield, MA)* – 7/26/10
- **Bingaman: How to Prevent the Next Disaster** – *Roll Call* – 7/26/10

### **Print Placements** (Full Articles Below)

- **Natural Gas, Unnatural Risk: Hydrofracking Endangers Our Water** – *New York Daily News* – 7/25/10
- **Week Ahead-The View from Reuters Editors in the Americas** – *Reuters* – 7/23/10
- **Senate Candidates Sound Off With Divided Views On Energy Bill's Death** – *Denver Post* – 7/26/10
- **Cap-And-Trade Fears Not Valid** – *The Bismarck Tribune* – 7/26/10
- **Supporting Green Technology Replaces Global Warming As Motive For Cap And Trade** – *Kiowa County Signal* – 7/26/10
- **Propel Capital Seen To Resurrect Paulson & Co.-Linked Fund** – *Dow Jones* – 7/26/10
  - *WSJ.com*

**Blog/Online Placements** (Full Articles Below)

- **In U.S. Senate, Climate Change Bill Dies With a Whimper** – *Popular Science* – 7/23/10
- **Pickens Plan, the Sequel** – *The Energy Collective* – 7/23/10
- **Pared-Down GM Likes Niches, Including Natural Gas Vans** – *BNET* – 7/26/10
- **Beyond Carbon Legislation: Energy Transition** – *Get Real List* – 7/23/10

## HIGHLIGHTED COVERAGE

**Our View: Oil Baron Has Vision To Halt OPEC In Its Tracks** – *The Portland Press Herald* – 7/25/10

T. Boone Pickens is a man with a plan, but can we afford it? Or, can we afford to ignore it?

A Texas oilman has decided the United States needs a plan to end our dependence on oil imports from nations such as Saudi Arabia and Venezuela, which use the hundreds of billions of dollars we pay them to fight against our best interests abroad.

Billionaire T. Boone Pickens, who is 82, discussed the details of his plan with members of the editorial board in a telephone interview last week.

He said his comprehensive "Pickens Plan" ([www.pickensplan.com](http://www.pickensplan.com)) will use fuel and clean-energy options available within the United States and some of its closest allies to generate electricity and keep trucks and cars moving along our highways.

Pickens says our "addiction to foreign oil" threatens our economy, environment and national security, and he also claims he has commitments from political leaders to include his ideas in any energy plan Congress creates.

It's hard to argue with his diagnosis about some of the OPEC countries. The Saudis support Wahhabi extremists and Venezuela's Hugo Chavez stirs up trouble with his neighbors while crushing dissent at home.

Pickens' problem is in the details of his plan. Each of its points is defensible, but it's not at all obvious that we can remake large segments of the national infrastructure and economy without spending so much money that it would take decades to repay the investments his plan requires.

But if his claims of support in Washington are valid, it's important to understand what he has in mind.

What got Pickens going was the rise in the use of imported oil since the Carter-era OPEC oil embargo. In the 1970s, he says, we imported 24 percent of our oil, and now we import nearly 70 percent of a much larger total, spending a whopping \$475 billion on petroleum imports in 2008.

Every day 85 million barrels of oil are pumped out of the ground around the globe, and the United States uses 21 million. That's a full 25 percent of production being used by just 4 percent of the world's population, he notes.

That, however, is where his analysis hits its first bump -- the U.S. GDP that oil allows us to produce tops 20 percent of the globe's economic output. The U.S. economy, at \$14.3 trillion in 2009, is second in total value only to the entire European Union.

Along with Europe, the United States is thus a principal driver of many other nations' economic well-being. Thus, it would be hard to maintain our standard of living and lift up other nations while using less energy.

Of course, growth will require using more. Pickens is not opposed to that, but he wants us to redirect our economy both in the types of fuel we use and the ways in which we use them to focus on reducing imports from unfriendly nations. Thus, he wants the government to support:

- Creating "millions of new jobs" by building enough wind turbines to generate 22 percent of our power from that source, which currently supplies only about 3 percent of the total.
- Building a "21st-century backbone electrical grid" to get that power across transcontinental distances, which the regionalized grid we now have cannot support.

- Giving incentives to homeowners and businesses to upgrade insulation and other energy-saving improvements to keep demand down.

- And converting the nation's 8 million commercial trucks from gas and diesel fuel to run on natural gas, which is in plentiful supply in this country.

Although he doesn't mention them in his plan, Pickens is not opposed to major expansions of solar and nuclear power, more drilling for domestic oil and the use of "cleaner coal."

All those sources are domestic, not foreign, and thus meet his goal of someday turning off the OPEC spigot.

But he opposes cap-and-trade, seeing it as a tax that would depress the economy instead of boosting it.

His plan contains many defensible positions, even wise ones, and he's right that everything done or even suggested to date falls short of making this nation truly energy-independent in any reasonable period of time.

He has done us a great favor by using his vast resources to point that out and spur us to greater efforts toward creating a comprehensive energy plan focused on domestic resources.

However, he has also shown us how huge the problem is, and how much we will have to do to solve it. True, he makes it all sound easy, and it's not.

But he has given us his vision as a starting place -- and reminded us that unless we do start somewhere, we will never accomplish anything.

\*\*\*

## **Senate Democrats To Introduce Energy Bill – Reuters – 7/26/10**

By Timothy Gardner and Ayesha Roscoe

(Reuters) - U.S. Senate Majority Leader Harry Reid will unveil as early as Monday a slimmed-down energy bill seeking to make offshore drilling safer and convert trucks to run on domestic natural gas.

The full Senate could begin consideration of Reid's bill on Tuesday and Democrats would like to pass it by the early part of the following week.

With time running short ahead of a month-long recess starting Aug 6, Democrats abandoned efforts last week to put climate-control measures in the bill. Reid said then that he had no Republican votes for items such as carbon caps and mandates requiring utilities to generate some of their power from alternatives sources such as wind and solar.

Reid said Congress could revisit climate legislation in September but lawmakers and analysts doubt there will be much appetite ahead of the mid-term elections in November.

And if Republicans pick up seats, as expected, the effort to put a price on carbon and cut emissions could be stalled for years, which would also hamper the Obama Administration's efforts to take a lead role at the world climate talks.

The narrowed-down bill would hold BP Plc accountable for the oil spill in the Gulf of Mexico and seek to prevent similar disasters, Reid said last week.

It will very likely include provisions to force companies to dole out more money to cover the costs of oil spills. The liability cap, which is currently \$75 million, will likely be raised to \$10 billion or more. One Senate committee passed a bill last month to lift all caps on liabilities.

The bill will also contain incentives to convert trucks to run on natural gas and to increase energy efficiency.

Analyst Kevin Book of ClearView Energy Partners LLC, said he expects the energy efficiency measure known as Home Star to include \$5 billion in incentives for plugging window leaks and insulating attics.

The natural gas trucks incentives could cost the government \$4.1 billion, compared to the \$19 billion price tag for an earlier bill that had been endorsed by energy tycoon T. Boone Pickens, Book said.

To pay for these measures, lawmakers may consider raising taxes on the oil and gas industry.

"One possibility would be to raise the Oil Spill Liability Trust Fund tax from 8 cents per barrel to 49 cents per barrel, which would raise approximately \$18 billion," said analyst Whitney Stanco of the Washington Research Group.

This fund, created in the aftermath of the Exxon-Valdez accident, helps pay claims for financial or property losses caused by oil spills.

Many expect the bill to pass as lawmakers may be eager to take action on the oil spill ahead of the elections.

Interest groups are lobbying to get measures boosting various energy sources attached to the bill. Environmentalists and clean energy advocates, in particular, are pushing to add a renewable

power mandate, saying that without such measures, China would surpass the United States in alternative energy. But it's unclear whether the groups have the support to accomplish this.

\*\*\*

## NOTABLE ENERGY BILL COVERAGE

### **Reid Says Renewable Electricity Mandate Lacks 60 Votes** – *The Hill Blog* – 7/24/10

By Darren Goode

Senate Majority Leader Harry Reid (D-Nev.) Saturday said he does not have enough support now to move a renewable electricity production mandate promoting sources like solar and geothermal that are important businesses in his state.

“I don’t think I have 60 votes to get that done,” Reid said at the progressive Netroots Nation conference in Las Vegas.

Reid’s assessment is a further disappointment to green groups still stinging from his decision to shelve a broader climate and energy strategy that would install a first-time carbon-pricing plan for power plants and that also is short of the needed filibuster-proof margin.

A coalition of 15 environmental, labor and renewable energy groups and businesses Friday sent Reid a letter urging him to at least include a renewable electricity production mandate as part of an evolving oil spill response and energy provisions he will introduce in the coming days and expects to move on the floor this week.

“Without immediate passage, hundreds of thousands of jobs will be lost and surrendered to other countries forever,” according to the letter from the Blue Green Alliance, United Steelworkers, Sierra Club, American Wind Energy Association, Xcel Energy and 10 others. A mandate “would provide a down-payment on carbon reduction goals, save and create jobs, and keep America competitive,” they wrote.

The Senate Energy and Natural Resources Committee gave bipartisan support last year to a mandate requiring electric utilities to produce 15 percent of their electricity from sources like

wind, solar, and geothermal by 2021. Utilities are allowed to meet a fourth of that requirement through energy efficiency measures.

But while Reid has long advocated a mandate that would boost such key renewable industries in his state, he also faces pressure to get something through the Senate addressing the Gulf of Mexico oil spill in the remaining couple of weeks before senators head home for the summer.

Many Republicans are insisting on approving a “clean energy” mandate that includes new and existing nuclear production, a controversial request that would turn off liberals. Southeastern lawmakers in both parties have also argued that their region does not have the renewable resources to meet a national mandate.

Reid is instead coupling spill provisions with relatively non-controversial energy and conservation items -- including boosting residential energy efficiency and converting large trucks to natural gas -- and has predicted he will get 60 votes for what he will bring to the floor.

\*\*\*

**Editorial: Energy Bill Failure A Big Disappointment** – *The Republican (Springfield, MA)* – 7/26/10

After pushing health care and financial reform bills across the finish line, the White House was hoping for a trifecta with passage of a comprehensive energy bill.

But those hopes were dashed last week when Senate Democrats gave up plans to attempt to pass an energy bill that caps greenhouse gases blamed for global warming.

President Barack Obama wanted to add the energy bill to his other wins, but it looks as if he'll have to settle for a bill that will likely focus on holding oil giant BP PLC responsible for the Gulf

spill, as well as ways to improve energy efficiency, boost incentives for natural gas vehicles and increase spending on land and water conservation.

While we support the requirements of the watered-down bill, we're disappointed that Democrats failed to garner the 60 votes needed to advance the cap-and-trade bill in the 100-member Senate.

Democrats have been working for more than a year to pass a proposal that charges power plants, manufactures and other large polluters for their heat-trapping carbon emissions. Republicans have vehemently opposed the measure, calling it a "national energy tax" that would raise consumers' energy bills and cause job losses at manufacturing plants.

We disagree with the Republicans about the cost of passing an energy bill. America's dependence on fossil fuels has gone on way too long and further delay not only puts the planet at risk, it puts America's dominance as a world power in jeopardy.

China is taking the lead in the clean energy arena – a strategic move that will only strengthen its position as a dominant force in the global economy.

Senate Majority Leader Harry Reid called the fact that no Republican was willing to back a comprehensive energy bill "terribly disappointing."

David Hawkins, director of climate programs at the Natural Resources Defense Council, urged Congress to address the climate crisis after the August recess. "Don't fail us," Hawkins said, addressing his remarks to lawmakers. "Don't fail our children."

So far, they have.

As the clock continues to tick on global warming, we hope that Capitol Hill will come to its senses soon and pass a comprehensive energy bill.

\*\*\*

**Bingaman: How to Prevent the Next Disaster – Roll Call – 7/26/10**

By Senator Jeff Bingaman

Our economic, environmental and national security all demand new directions in our country's energy policy. Energy legislation embodying these changes deserves high priority in this Congress.

A critical part of such legislation should be reforms to ensure that energy exploration and production on our nation's Outer Continental Shelf is managed to ensure the safety and protection of the environment.

Many Congressional committees have responded to the ongoing catastrophe in the Gulf of Mexico. We have all recognized the deep losses experienced not only by the families of those who perished on the Deepwater Horizon rig, but also by the Gulf residents who are suffering the loss of livelihood and places and wildlife that they care deeply about.

The Senate Energy and Natural Resources Committee has had a special responsibility, not only to understand the root causes of the Deepwater Horizon explosion, but also to look to the future and to create a better system for the management of resources on the Outer Continental Shelf.

Last month, the committee voted unanimously in favor of bipartisan legislation, the Outer Continental Shelf Reform Act, that I introduced with ranking member Lisa Murkowski (R-Alaska) and Sens. Byron Dorgan (D-N.D.) and Debbie Stabenow (D-Mich.). This legislation takes important steps to reform the organizations and the principles governing offshore energy production. From more stringent safety requirements to more balanced management of ocean resources, to better research and analysis, to an improved system for inspecting offshore rigs, the

bill implements the key changes necessary to manage the Outer Continental Shelf in a responsible way.

A key goal of the bill was, of course, to prevent future disasters. But the committee sought to do more than just that. We wanted to establish both structures and requirements to create a culture of excellence for both the agency and the industry entrusted with our irreplaceable ocean resources. It is not a matter of just avoiding a future cascade of failures, like those that led to the Deepwater Horizon disaster. The committee wanted energy operations in the Gulf of Mexico to be of the highest caliber, in keeping with the extraordinary value to our country of the Outer Continental Shelf. The Outer Continental Shelf Reform Act clarifies that the Department of the Interior has multiple responsibilities in managing these resources, including appropriate energy and other economic development as well as the protection of human health and safety and the marine and coastal environment. It reforms the structure of the department consistent with these responsibilities.

The bill increases the safety requirements for wells, focusing on use of the best available technology, systems analysis, risk assessment, evidence-based safety cases and a full engineering review. It requires a demonstration of a realistic capacity to control wild wells and to respond to oil discharges. To help develop both new standards and better technology, the bill requires new research programs within the Department of the Interior, independent of the leasing program, whose data must be considered by the regulators. It provides dedicated funding for the highest-priority research, including the areas of well control and spill response, and an independent science advisory board outside the agency to provide oversight.

The Outer Continental Shelf Reform Act establishes new requirements for the investigation of all accidents and the public sharing of data from those reviews, so that all can learn from mistakes before they become major problems. It allows the National Transportation Safety Board to provide an independent and highly skilled investigation of any accident at the request of the secretary of the Interior.

In order to fully enforce the safety requirements, the bill imposes an inspection fee on industry participants to fully fund enough well-trained inspectors to perform meaningful inspections more often. It also increases sanctions on poor operators, keeping the bad actors from bidding on new leases and increasing civil and criminal penalties applicable to those who violate the law. The bill provides the Department of the Interior with adequate time to carry out necessary reviews, clarifies the issues that need to be addressed and makes the input of other federal agencies occur in a transparent way. The result should be better decisions that can be implemented with greater certainty.

I believe these principles and resources can set us on a better path toward managing the incredible natural resources of the Outer Continental Shelf. The people of the Gulf, and all Americans who collectively own our incomparable Outer Continental Shelf resources, deserve no less.

*Sen. Jeff Bingaman (D-N.M.) is chairman of the Energy and Natural Resources Committee.*

\*\*\*

## **PRINT COVERAGE**

**Natural Gas, Unnatural Risk: Hydrofracking Endangers Our Water** – *New York Daily News* – 7/25/10

By Errol Louis

There is no higher priority for New York's state and federal legislators than to put the brakes on the idea of opening areas upstate to the controversial form of natural gas drilling called hydraulic fracturing - "fracking," for short.

While the technique has been around for 60 years, critics say the modern version of fracking is unsound, leaving broad swaths of land poisoned and polluted.

"Gasland," an award-winning documentary that airs tonight on HBO ([gaslandthemovie.com](http://gaslandthemovie.com)), shows communities in Pennsylvania, Colorado and elsewhere rife with sick people, animals that have lost their fur, and water so polluted that it actually ignites when a match is held near a kitchen tap.

The problem is a byproduct of modern fracking, which involves shooting millions of gallons of water and a cocktail of extraction chemicals deep underground - on average, 8,000 feet below the surface. The pressurized water and chemicals shake loose natural gas that is then captured and piped away.

Remnants of the chemicals and half of the millions of gallons of water, however, stay behind and begin rising. The tainted water can end up polluting fresh drinking water, which tends to be only 1,000 feet below the surface.

Worst of all, a mysterious process called methane migration can leak combustible gas into the water table as well. That gives some residents in fracking areas tap water that explodes on contact with an open flame.

"It's really quite shocking and strange and, and weirdly kind of thrilling when you see it," the director of "Gasland," Josh Fox, told me when describing the polluted water that turns to fire. "And then all of a sudden it hits: It's really a huge problem."

The film shows people assembling complicated 500-gallon bottled water systems, bemoaning lost property values and complaining of brain lesions, exhaustion and other health issues.

Fox blames the problem on the so-called Halliburton loophole of 2005, provisions in that year's Energy Policy Act that exempted gas drilling companies from the Safe Water Drinking Act of 1974 and allowed them to not disclose the 500-plus chemicals that get shot underground during fracking.

Passage of the law set off a wave of fracking that has reached 34 states. Fox himself became aware of the trend when a gas company offered him \$4,000 per acre to let them frack on land he owns near Delaware - an offer that would have brought him \$100,000. After studying the process and its effects around the country, Fox rejected the money outright.

His land, like all of upstate New York, sits atop a vast underground deposit of natural gas, the Marcellus Shale, that stretches from New York to West Virginia and could be a veritable Saudi Arabia of natural gas.

Hopes of exploiting these and other major gas reserves are the reason energy magnate T. Boone Pickens made TV ads advocating more extraction of "clean, natural gas" to wean America off of foreign oil. Pickens was persuasive, patriotic and profit-driven. I just hope he plans more commercials to explain the potential of frack-induced pollution.

A growing number of people are already saying: Not so fast. The New York City Department of Environmental Protection has warned that fracking near the upstate watershed could pollute the drinking water for the 16 million people who live in or near our city.

Environmental groups are calling for a moratorium on leasing any land in New York for fracking, and Albany is considering a law imposing a one-year moratorium on fracking. A federal bill would give the federal Environmental Protection Agency the power to regulate fracking.

These are all good starts at what must be a top priority for elected officials: saving New York from environmental horrors that have already shown much of America the false promise of fracking.

\*\*\*

#### **Week Ahead-The View from Reuters Editors in the Americas – Reuters – 7/23/10**

For video commentary on the week ahead in the Americas, click on [link.reuters.com/haq39m](http://link.reuters.com/haq39m)

**U.S. ECONOMY** - If there is still any doubt that the U.S. economic recovery is losing steam, Friday's GDP number should put that to rest. A Reuters poll shows economists are expecting growth at a 2.5 percent annual rate for the second quarter, a slowdown from the 2.7 percent pace in the first quarter, and well below the 5.6 percent clip at the end of last year. Watch out for the annual revisions, which may take some shine off those earlier GDP figures. Although economists still put a low probability on a double-dip recession, the slackening pace of growth is cause for concern, particularly as government stimulus spending winds down. At the start of the week, we also have data on home sales and the Case/Shiller home price index.

[emily.kaiser@thomsonreuters.com](mailto:emily.kaiser@thomsonreuters.com)

**MARKETS** - The tug-of-war between U.S. macro data and earnings will continue next week. Companies are winning right now after a spate of strong earnings from industrials. Another full slate awaits, including Cummins, DuPont, US Steel and Boeing. The Treasury is auctioning \$104

billion in short-term debt next week and that's likely to pressure yields. We'll be on watch for intervention if the dollar continues to weaken against the yen as safety concerns drive action to the yen; for the moment, the trend is in favor of the euro as the risk-on play; a rise to \$1.31 would likely find resistance. [david.gaffen@thomsonreuters.com](mailto:david.gaffen@thomsonreuters.com)

U.S. CORPORATE RESULTS - With 35 percent of S&P 500 companies having reported, 78 percent have exceeded estimates, and the blended growth rate, which combines estimates and those that have reported, stands at 33.7 percent for the second quarter. For a preview on big oil companies, including spill-challenged BP, see [ID:nN22187480] and for gold miners see [ID:nN22125838]. We will preview aerospace on Monday and media companies on Tuesday. [SP500/WK] [ted.kerr@thomsonreuters.com](mailto:ted.kerr@thomsonreuters.com)

OIL SPILL - Tropical Storm Bonnie has cast doubt on BP Plc's (BP.L) (BP.N) prospects for putting the final plug on the Gulf of Mexico oil spill by mid-August. The blown-out well remains capped. Away from the Gulf, BP's results on Tuesday may give more details of its plans to sell off assets to finance the cleanup. On Thursday, a U.S. Senate committee wants to hear from BP CEO Tony Hayward on BP's role in the release of the Libyan man convicted of the 1988 Lockerbie bombing. In Idaho, a court will hear arguments about where to try the civil suits brought against BP -- in Houston, its headquarters city, or New Orleans. Preview coming Monday. For full spill coverage see [link.reuters.com/hed87k](http://link.reuters.com/hed87k)  
[howard.goller@thomsonreuters.com](mailto:howard.goller@thomsonreuters.com)

ENVIRONMENT - Having ruled out legislation to tackle climate change before September, Senate Majority Leader Reid plans to unveil a bill that would revamp offshore oil drilling rules in light of Gulf oil spill and give incentives for cleaner domestic sources of energy. With few details about which parts of an estimated three-dozen proposals may be included in Reid's bill, we're waiting to see how much new regulations could add to costs in the energy sector, eroding profits and potentially tightening future oil supplies. For natural gas proponents like T. Boone Pickens this could be their moment in the sun if the bill puts a real push on automobiles that rely on abundant U.S. gas reserves. [russ.blinch@thomsonreuters.com](mailto:russ.blinch@thomsonreuters.com)

U.S. ELECTION - In the coming week, we're running the first Reuters/Ipsos national poll before the Nov. 2 U.S. congressional elections, including an analysis of what lies behind Obama's slipping approval ratings. We'll also have a story from David Morgan on Wall Street distancing itself from Democrats over Obama's financial reform and other issues. Obama goes to New York on Wednesday to raise money for Democratic candidates -- an important test of his relations with Wall Street. [alistair.bell@thomsonreuters.com](mailto:alistair.bell@thomsonreuters.com)

\*\*\*

**Senate Candidates Sound Off With Divided Views On Energy Bill's Death** – *Denver Post* –  
7/26/10

By Michael Booth

Hot weather, oil blowouts and a wiped-clean agenda in Congress gave all four U.S. Senate candidates the chance to showcase their climate and energy policies in the past week.

Party differences played out starkly in Colorado, with Republicans Jane Norton and Ken Buck celebrating the death of a proposed comprehensive energy bill, and Democrats Andrew Romanoff and Sen. Michael Bennet calling for redoubled efforts in 2011.

Romanoff, meanwhile, used his outsider status in the Democratic primary to attack the Senate for "business as usual" at a time when Americans are "heartbroken and angry" over the Gulf of Mexico and the nation's energy addiction.

The U.S. House had already passed a bill "to reduce our reliance on fossil fuel and accelerate our transition to renewable energy," Romanoff said.

"The Senate shot down a proposal to invest in energy efficiency and energy conservation," he said after Senate leaders said last week they would not try for comprehensive climate and energy legislation this year. "I will take up that cause and make climate-change legislation a top priority."

Romanoff favors high government minimums for energy produced from renewable sources, as well as a revenue-neutral carbon tax to be used to educate American citizens and industries about emissions and steer them toward cleaner sources.

Republicans say they are against another major piece of legislation involving new taxes and heavy regulation, in the wake of expensive, complex bills reforming health care and Wall Street. Both Norton and Buck said in a debate Friday that they oppose government trying to pick one source of energy over another by setting renewable standards.

Both Republicans have also emphasized continued oil and gas drilling in the United States, including Colorado. Norton said during the latest debate people shouldn't demand a stronger economy and more jobs while attacking companies such as oil and gas firms that are creating high-paying Colorado jobs.

Bennet said Sunday, while touring an efficient-window manufacturer in downtown Denver, that he's afraid a major energy and climate bill is off the table for now. Bennet said he thought Congress might still agree on smaller pieces, including a T. Boone Pickens strategy to boost domestic sources of fuel by supporting natural-gas use in vehicles. One proposal would attempt to get the American 18-wheel trucking industry to switch to domestic natural-gas for fuel.

"We can't give up; we've got to keep working on it," Bennet said of a larger energy and climate-change strategy. He said it might help if Congress agreed on a "shared understanding of the facts" to avoid the partisan rancor of health care and Wall Street reform.

\*\*\*

**Cap-And-Trade Fears Not Valid** – *The Bismarck Tribune* – 7/26/10

By Andy Erickson

Public Service Commissioner Brian Kalk's recent letter ("Cap-and-trade bill aimed here," July 12) is so full of fearmongering it's hard to know where to begin. Perhaps his craziest claim is that if Congress passes a comprehensive energy and climate bill, it will "destroy our fossil fuel industry."

The dire and exaggerated tone of that statement should be the first red flag. A look at the facts reveals just how unsubstantiated Kalk's wild claims are.

Fact: The energy and climate bills before Congress offer billions in incentives and protections for fossil fuels, particularly coal.

The comprehensive energy bill that passed the House last summer included dedicated funding to help coal transition to the low carbon era.

In fact, when the Pew Center on Global Climate Change looked at what the bill does for the coal sector, it found that the coal provisions "provide an estimated \$100 billion in incentives for coal use with carbon capture and storage (CCS) through 2030 and nearly \$240 billion through 2050."

The Kerry-Lieberman bill being considered in the Senate includes even greater incentives for coal. For instance, funding for CCS research is doubled from what it was in the House bill.

Kalk is way out on the fringe. The largest users of coal in the U.S., like utilities American Electric Power and Duke Energy, support energy and climate legislation. So does oilman T. Boone Pickens. So does Rio Tinto, world's third largest mining company. The list goes on.

If we listen to Kalk's uninformed and hyper-partisan ranting, we will be importing the next generation of coal technologies from China.

By supporting a comprehensive energy and climate plan, our senators will provide companies with the regulatory certainty they want and help spur investment in 21st century coal plants.

\*\*\*

**Supporting Green Technology Replaces Global Warming As Motive For Cap And Trade –**  
*Kiowa County Signal – 7/26/10*

By Kevin Mooney

Washington — With the Senate’s Democratic leadership now poised to introduce a “compromise bill” on energy policy to the floor this week, lawmakers are talking up the merits of renewable technology. Key concessions are being made to placate wavering Republicans who oppose the sweeping industry restrictions included in the Waxman-Markey bill that passed the House last year.

But, there has been very little discussion of global warming concerns that have been invoked in the past as a rationale for “cap and trade” policies. Instead, the political class now says the legislation is needed to help spur green technology and alleviate American dependence on foreign oil.

Unfortunately, The New York Times and other compliant media outlets have allowed key U.S. Senators to shift away from global warming alarmism in the direction of new marketing techniques without any critical examination.

Sen. Lindsey Graham of South Carolina, who has been a key Republican player, openly acknowledges that the pending legislation has no correlation with any genuine climate concerns. Moreover, the “climategate” scandal involving leaked emails from the University of East Anglia’s Climate Research Unit (CRU) in Great Britain demonstrates that the science underpinning man-made global warming theories should be called into question. In any event, they are less politically useful.

Sen. Majority Leader Harry Reid (D-Nev.) and other top Democrats who have deliberately sidestepped any discussion of the environment should be asked about the “climategate” scandal and the junk science they have all invoked in the past to advance industry restrictions. This time around the discussion revolves around the economy where there is also room for informative articles that measure rhetoric against reality.

“Several senators, including John Kerry, Democrat of Massachusetts, and Joseph I. Lieberman, independent of Connecticut, are trying to create specific plans to draw enough votes across the aisle,” the Times reports. “Mr. Reid outlined four main elements: responding to the Gulf of Mexico oil spill, promoting greater energy efficiency, developing more clean-energy production and curbing power plant emissions.”

“He [Reid] said he was prepared to incorporate a plan championed by T. Boone Pickens, the oil and gas executive, to sharply expand the use of natural gas as a transportation fuel in large vehicle fleets,” the report continues. “The proposal, supported by Senators Orrin G. Hatch, Republican of Utah, and Robert Menendez, Democrat of New Jersey, would provide tax breaks for natural-gas-powered vehicles and fueling stations.”

Not everything in the bill should be seen as a sop to the Sierra Club and other green groups, Reid told The Times. The overarching purpose is to expand renewable energy. But is this approach feasible, affordable and economically sound? These questions have thus far gone missing not only in the New York Times but in other major publications. The Institute for Energy Research (IER) has published detailed reports on state level energy policy that should help to instruct federal lawmakers.

States that already have renewable electricity mandates of some kind have electricity prices that are 40 percent higher than those that do not, Dan Simmons, IER’s director of state affairs noted in a recent conference call.

“Where states get their electricity is the key to the price of electricity as in the sources of electricity generation,” he said. “13 of the 15 states that have the cheapest electricity in this nation either get a majority of electricity from coal or get a majority of their electricity from hydro-electric power –and the problem here is that we’re not building new coal or new hydro electric power – at least large hydroelectric power in the U.S. and that is a problem for electricity prices going forward.”

Another point that should be explored in subsequent coverage concerns the migration patterns the IER has pulled together. It would seem lead sponsors of “cap and trade” schemes tend to be concentrated in areas of the country where electricity prices are already high. Instead of working to alleviate the fiscal burdens on their constituents, congressional figures appear more inclined to drag down neighboring states.

“People are moving to areas of the country where they have a better chance at economic opportunity and the remaining states who have saddled themselves with different layers of regulations are starting to recognize the negative implications of that in the form of fewer jobs, fewer opportunities,” Tom Pyle, president of IER said in an interview. “There’s a manufacturing flight and quite frankly I don’t think it’s a coincidence that the leading proponents of cap and trade bills include a senator from California and a senator from Massachusetts.”

By raising energy prices in other parts of the country like the South and the Midwest, political figures intend to spread the pain and boost living expenses elsewhere so there is less of a flight from their home states.

That’s what you call selfish.

Kevin Mooney is a contributing editor to Americans for Limited Government (ALG) News Bureau and the Executive Editor of TimesCheck.com.

\*\*\*

**Propel Capital Seen To Resurrect Paulson & Co.-Linked Fund – Dow Jones – 7/26/10**

By Ben Dummett

TORONTO (Dow Jones)--Canadian retail investors may get a second chance to tap the trading expertise of New York-based hedge fund manager Paulson & Co., which made billions from the U.S. housing crisis.

Propel Capital Corp. is working to resurrect the initial public offering of its Propel Multi-Strategy Fund, said people familiar with the matter. Holders of the fund's units would get indirect access to Paulson's trading strategies. Exact timing couldn't be confirmed, but the relaunch could take place later this summer or sometime in the fall.

Paulson & Co., headed by John Paulson, manages over US\$30 billion in assets.

Spokesmen for Propel and Paulson were not immediately available for comment.

In April, Propel delayed launch of the Propel Multi-Strategy Fund after the U.S. Securities and Exchange Commission filed civil charges against Goldman Sachs Inc. (GS) in connection with the sale of mortgage-related securities that it alleged Paulson helped create. The SEC alleged Goldman didn't disclose Paulson's involvement in creating the securities. Paulson was not charged with any wrongdoing.

Earlier this month, Goldman Sachs agreed to pay a US\$550 million penalty to settle the civil charges.

In a brief release in April, Propel attributed the delay of the launch of the Propel Multi-Strategy Fund to "recent events in the market place." At the time, sources said some investors who were interested in the fund got nervous about committing money following news of the SEC's pursuit of Goldman. In turn, Propel decided to place the offering on hold until the fallout from the charges against Goldman were clarified.

In April, Propel said it had planned to re-introduce the fund at a later date but many observers questioned that prospect because of the uncertainty surrounding Goldman and the length of time it might take to settle the SEC case.

Investors had definitely shown interest in Propel's closed-end offering ahead of the SEC's action against Goldman. Underwriters had commitments for around C\$40 million at the time it was pulled, according to people familiar with the matter.

By comparison, earlier this year, T. Boone Pickens, another well-known U.S. hedge-fund manager, launched the T. Boone Pickens Energy Fund (TBP.UN.T) to give Canadian retail investors exposure to Picken's investment acumen. The fund raised C\$28.1 million from its IPO. The units were priced at C\$10 each. In Toronto Monday, the units are at C\$7.26.

Polar's IPO, assuming it goes ahead in the coming months, will have to contend with the mixed performance of IPOs in Canada so far this year amid continued volatile economic and stock market conditions.

\*\*\*

## **BLOG/ONLINE COVERAGE**

**In U.S. Senate, Climate Change Bill Dies With a Whimper** – *Popular Science* – 7/23/10

By Rebecca Boyle

A major effort to push a climate change bill through Congress this summer died quietly Thursday evening, as Senate leaders said they would instead focus on legislation aimed at cleaning up the oil spill.

Senate Majority Leader Harry Reid, who is seeking re-election this fall in Nevada, said, “We know that we don’t have the votes,” the New York Times reports.

The announcement is in stark contrast to senatorial optimism from a month ago, after Reid, Sen. John Kerry, D-Mass., and other senators met with President Obama at the White House. Back then, members of both parties expressed hope that they would reach a compromise sometime this summer.

But noticeably absent from that June meeting was Sen. Lindsey Graham, R-S.C., who had been working with Democrats on climate legislation. With their announcement Thursday, Democratic leaders seem to have abandoned hope of reaching a bipartisan compromise.

Democratic legislation called for a cap-and-trade system, in which a price is set for greenhouse gas emissions and polluters can pay for emissions credits. The House of Representatives passed a cap-and-trade bill last year, but Democrats who voted for it have faced a backlash, especially from utilities and energy firms.

Republicans backed their own climate change bill that included reductions in foreign oil imports and national energy consumption, but without cap-and-trade.

Now, the only legislation limping forward would raise fuel efficiency standards and ensure that BP pays for the spill in the Gulf of Mexico. The Times reports that the bill will also promote further production of natural gas and the manufacturing of natural gas vehicles, especially big trucks, a la T. Boone Pickens' plan. Pickens, a former oil magnate, advocates building wind farms across the U.S. to replace natural gas power plants, and using the natural gas to power the nation's long-haul trucks.

The bill would also tighten household energy efficiency requirements and increase financing of the Land and Water Conservation Fund.

Conservation groups are upset, lawmakers are unhappy and even utility executives are griping, because they'd hoped to see clear rules governing their companies' practices. In a rare feat, Congress seems to have frustrated everyone.

\*\*\*

### **Pickens Plan, the Sequel** – *The Energy Collective* – 7/23/10

By Geoffrey Styles

How can you not love T. Boone Pickens? Here's someone who made his fortune in oil, and now he's advising us to switch major parts of the US economy to wind and natural gas. And unlike some of the other concepts for taking a big bite out of our oil consumption, his current idea actually stands a chance of making a significant difference on a timescale of years, rather than decades. At the same time, however, Mr. Pickens has sometimes been a tad bit less than accurate with the numbers he uses to make his points. Remember [those ads](#) about the \$700 billion per year we were sending overseas to buy oil? Even at its absolute peak in July 2008, reality was more like \$500 billion, and the total for 2008 ended up around \$385 billion, based on [net imports](#) and the average [refiner acquisition cost](#) for the year. That's hardly peanuts, but it's roughly half his cited figure. So let's take a look at the key numbers behind his proposal to convert long-distance trucking to natural gas. It's a great idea, though not quite as much of an economic slam-dunk as it might seem when he describes it.

I just finished reading the interview with Mr. Pickens in [The American Spectator](#), published yesterday. The big shift in the Pickens Plan since the first time I [examined](#) it in detail is that he has switched his emphasis from using wind to free up natural gas to replace gasoline in cars, to using the abundant natural gas from our enormous shale gas reserves, which are already transforming the US gas and power markets, to replace diesel fuel in big-rig trucks. He is also in the process of lining up the legislative support to nudge this along much faster than market forces alone would. But does it make as much sense as he suggests when he talks about using \$4.50 worth of natural gas to replace 7 gallons of diesel fuel at \$3 per gallon?

Strictly in energy terms, that 7 gallons might even be a bit low. A million BTUs of gas (roughly 1,000 cubic feet or one MCF) would deliver [as much energy](#) to a truck as 7.8 gallons of diesel. And fundamentally, he's right that the recent price relationship between [natural gas](#) and [crude oil](#) makes gas a tremendous bargain, BTU for BTU. However, the prices he mentions in the Spectator interview constitute an apples vs. oranges comparison from both sides. Even if natural gas remained at a steady \$4.50/MCF at the wellhead for the next 20 years, which seems unlikely despite the bounties of shale, that's not what you'd pay at the natural gas pump.

Start with the fact that it costs something to transport gas from the wellhead, wherever that might be, to market. Based on current [pricing relationships](#), if gas starts out at \$4.50, then by the time it's sold to a commercial account, which is probably how filling stations would be classified, it could cost as much as \$9. And someone has to invest in the [equipment](#) to compress it to 3,000 or 3,600 psi and pump it into an 18-wheeler's tanks. Even with tax credits to help, a station owner will need to make a return on that investment, and some profit, too. Add another buck an MCF to cover that, and we're up to \$10/MCF, which equates to \$1.28/gal. of diesel. For a reality check on this, I took a look at [cngprices.com](#), which shows the locations and pricing for stations selling compressed natural gas (CNG) for vehicles around the country, expressed in dollars per gasoline-equivalent-gallon (GGE). Prices range from roughly \$1.25 to around \$2, with a few outliers over \$3. Since a GGE contains about 10% less energy than a gallon of diesel, you'd have to bump these prices up by about 10% to get the equivalent for a fair comparison.

Under \$2 is still pretty cheap, but you shouldn't compare that to the \$2.90/gal average retail price of diesel [this week](#). The latter [includes](#) federal excise tax of \$0.244/gal. and state excise and sales taxes that range from \$0.08-0.49/gal. and average \$0.281/gal. As best I can tell, CNG is taxed at the federal gasoline tax rate of \$0.183/gal., while states seem to tax it to a much lesser extent than gasoline and diesel, as for example the \$0.085/gal rate [in Utah](#), compared to their state fuels tax of \$0.245/gal. However, this is only viable as long as demand for CNG is tiny, relative to other fuels. If Mr. Pickens succeeds in displacing large quantities of diesel with CNG, then it will either need to carry a similar tax burden, or the lost revenues must be collected in some other fashion. If you strip out the taxes to get to an apples-to-apples price to compare diesel to CNG, it works out to around \$2.50, give or take a dime or two, depending on location. So while CNG is still clearly cheaper than diesel, it's rarely \$1/gal. cheaper on a truly comparable basis. This, together with conversion costs as high as the \$65,000 per truck that Mr. Pickens cited, might explain why market forces alone haven't led to a rapid switch to CNG-fueled transport.

I've looked at the [House bill](#) containing the natural gas vehicle tax credits mentioned in the

interview. It would cover as much as 80% of the incremental cost (over the diesel version) of a truck that can only burn CNG or LNG, up to \$80,000, depending on weight. It would also extend the \$0.50/GGE tax credit for CNG and LNG through 2027. These changes would drastically shorten the payout of an investment in a natural gas-powered truck, even if the per-gallon advantage of CNG appears to be somewhat less than Mr. Pickens suggests. That could move CNG into the truck-fuel market pretty quickly.

The remaining question is what the \$7 billion investment Mr. Pickens wants the government to make in this proposition would buy us. He believes that converting the US heavy truck fleet to CNG would save 2.5 million bbl/day of diesel, or about [two-thirds](#) of the diesel and heating oil now sold in the US. That would have a much bigger impact on our oil imports than ethanol, although it's hardly an either/or proposition. I'm surprised that Mr. Pickens didn't go on to suggest that this benefit could be leveraged further by utilizing the resulting surplus diesel in [diesel automobiles](#). Given their approximately 30% improvement in fuel economy vs. comparable gasoline vehicles, that could save an additional 750,000 bbl/day of gasoline, while reducing greenhouse gas emissions on those cars by about 20%. If you play all this out, then just under 5 trillion cubic feet per year of natural gas, or less than a quarter of current [gas production](#), could save more than 3 million bbl/day of gasoline and diesel, or nearly a third of our [net petroleum imports](#).

That sounds like a pretty good deal for \$7 billion, though it could be made even better if the vehicle tax credits involved were converted into low-interest loans and loan guarantees, instead. If the main impediment to switching to gas is the up-front cost of natural gas conversions and the time involved in recouping that cost, then let's make it much easier for truckers to borrow the money for this purpose, and for banks to lend to them. Giving everyone taxpayer money to induce them to do what we want makes a lot more sense when the government has plenty of money to spend. With the US running large deficits and the private sector holding [lots of cash](#) earning next to nothing, we should use our tax dollars as efficiently as possible to achieve the same outcome. Otherwise, Mr. Pickens seems to be on to a sensible idea, and I wish him luck selling it.

*Geoffrey Styles is Managing Director of GSW Strategy Group, LLC and an award-winning blogger.*

\*\*\*

**Pared-Down GM Likes Niches, Including Natural Gas Vans – BNET – 7/26/10**

By Jim Motavalli

In the wake of its bankruptcy, General Motors has radically pared down to just four brands, but that hasn't stopped it from exploring some potentially lucrative niche markets. Commercial compressed natural gas (CNG) vehicles are one such niche, and GM has just announced it's close to reentering a field it left in 2006. CNG is good business for GM, because there is a ready-made market in utility and corporate fleets.

CNG vehicles are not likely to go mainstream anytime soon, but the business can be low overhead and steady, the kind of revenue stream that GM shouldn't — and won't — ignore as it might have done when car sales and truck were through the roof.

In some ways, conversions like this are less of a risk than much more high-profile programs like the “range extender” Chevrolet Volt (now with an eight-year battery warranty). The Volt's volume will be larger than for the company's CNG converted vans, but (at least initially) not hugely so. And because they represent a very small R&D investment, the CNG vans could without much fanfare be more of a profit center.

Conversion is also relatively simple and can be farmed out with little effect on existing production lines. The vehicles are full-sized Chevrolet Express and GMC Savana cargo vans with six-liter Vortec V-8s, and after being readied for CNG with hardened valve seats at GM's Wentzville plant, they'll be shipped to Indiana's Productive Concepts International (PCI) for installation of fuel delivery and storage hardware.

There's a reason GM is converting commercial vans, not cars. The scarcity of public stations has long been a barrier to expanding natural gas into the car market. Natural gas cars are big business in Europe, but only Honda offers a natural gas car in the U.S., though private companies (including an operation owned by natural gas owner (and tireless advocate) T. Boone Pickens) do conversions. But large U.S. fleets have their own natural gas pumping stations, as well as centralized garages where the vehicles can be serviced and refueled.

According to Mike McGarry, a marketing manager for alternative fuels at GM fleet operations, “We had some fleet operators come to us, so this is answering their requests.” He identified potential customers as gas utilities, gas producers and other operators that simply want to operate

more environmentally friendly fleets. The strongest regions, he said, are in the northeast, southwest, south central, Texas, California and, oddly enough, Salt Lake City, which happens to have very cheap CNG.

The first converted vans will be available in the fall, but you won't see them in Chevy showrooms. These are special order products, available through dealers but contracted through fleet executives. McGarry declined to estimate the annual size of the market, or put a price on the converted vans.

Why farm out the conversion rather than do it at a GM facility? "PCI can get the vans to market quicker, because they have the expertise," McGarry said.

Brian Small, general manager of GM fleet and commercial operations, said the company went ahead with the vans because both CNG and liquefied petroleum gas (LPG) are becoming more widely available. "The industry commitment to expand the CNG and LPG infrastructure in key fleet markets was an enabler to allowing us to introduce these options now," he said.

The natural gas industry has long sought more natural gas vehicles with OEM backing, rather than simply conversions of varying quality. Richard Kolodziej, president of trade group NGVAmerica, says it's "exceptional" that the U.S. fleet market has been demanding natural gas vehicles, "and GM is responding."

GM has 17 E85 ethanol capable and five hybrid models in its fleet and commercial lineup, but that work is done in-house. PCI says it's motivated to work with GM by the need to "do our part to reduce our nation's dependency on foreign oil." I imagine a lucrative contract from GM counts as a motivator, too.

\*\*\*

**Beyond Carbon Legislation: Energy Transition – *Get Real List* – 7/23/10**

By Chris Nelder

The death of the climate bill yesterday struck the Climateers like a wet, oil-soaked dead dolphin to the face.

Their wails of despair and cries for retribution swamped my Twitter stream, as carbon cap champions learned the Democratic leadership had given up on mustering the 60 Senate votes needed to pass the bill. The political realities of Washington had stymied them once again. Nothing had changed.

The news release a few hours later that China had unveiled a \$740 billion, 10-year energy plan—including all forms of energy—only rubbed salt into their wounds. There was China once again, charging ahead, doing what we should be doing, and here we were “back to Bush.”

Then, true to their fundamentally political nature, the Climateers set about attacking Obama, Republicans, and the Blue Dog Democrats, trying to pin the blame for the bill’s failure. The notion that there might be something inherently unworkable about carbon legislation remained taboo.

As for me, I was pleased. Perhaps, I thought, we’d now have a chance to get the policy right.

There was a time when I would have joined the mourning of my environmentally minded brothers and sisters. I supported a carbon pricing approach two decades ago. We could have had a society that was a quarter of the way down the path toward energy transition if we had done it then, instead of starting from near zero today. In fact, I supported the carbon tax approach (but not cap and trade, or cap and tax, or carbon capture and sequestration) right through the final months of 2009.

But then Copenhagen and cap-and-trade failed as I expected, and I read *Empire of Illusion*...and a few key insights into the problem of carbon control finally sunk in.

One, the energy business moves at glacial speed. It's the biggest business in the world and has the most powerful lobby in Washington, and it generally gets what it wants. Add in the agriculture and automobile lobbies, and it's essentially an unstoppable force. Comparatively, the lobby for alternative energy, permaculture, rail, and other solutions is a tiny speck. Call me cynical, but a few decades of watching reform fail in energy, transportation, and the environment will knock a lot of magical thinking out of your head.

Two, nearly everything that gets done in this country gets done by business, not via politics. As long as we're agreeing to play by the rules of capitalism and relying on business lobbyists to craft policy, then you have to harness that beast in order to rebuild your energy infrastructure. You have to incentivize, not penalize.

It almost seems too elementary to bother saying, but elected officials find it far easier to vote for initiatives that bring money into their districts than for anything that takes money away. Carbon capping is a penalty approach, and predictably it aroused enough resistance to sink it.

As I said last November: "It's a whole lot easier to find the financing and business support to roll out millions of little solar systems and insulation upgrades and more efficient vehicles, and so on, than it is to get a world full of politicians to agree on anything. Even after you get that agreement, you still have to build the solar systems and cars and install the insulation."

Focusing on carbon emissions is simply looking at the wrong end of the problem. Instead of trying to control what comes out of the tailpipe, we should be thinking about what we put into the engine. Even if carbon emissions legislation succeeded, it would do little about the even more pressing problem of peak oil (and peak fossil fuels in general).

If we put all our efforts into incentivizing efficiency and renewable energy, and slowly phase out the much larger incentives we put into fossil fuels, we can solve the emissions problem...only we'll wind up with more energy supply, not less, and it will be more sustainable.

All is not lost, my Green friends. We're hardly back to Bush. In fact, there is finally significant momentum going in the right direction. Lest they be lost amid the Climateers' moaning, consider these news releases from the very same day the climate bill died:

- A stripped-down remnant of the climate bill will likely pass, and will include some important, if incremental, incentives: \$5 billion for transitioning the truck fleet to natural gas (a big win for the Pickens Plan and companies like Clean Energy Fuels, a stock I own), and \$5 billion for the HomeStar program.

- Sen. Frank Lautenberg (D-NJ) announced the FREIGHT Act. Aiming to “Create A 21st Century Freight Transportation System,” the bill would support rail-based freight transport. It’s not yet clear what kind of teeth it will have, but moving freight off tractor-trailers and onto rail is a key pathway to actually reducing our petroleum consumption.

- The Department of Energy announced a \$122 million award for a joint research project led by Cal Tech and the Lawrence Berkeley Lab to try to create chemical fuels using photosynthesis. It’s a bold concept, and precisely the kind of appropriate federal R&D investment that might yield breakthrough discoveries.

Meanwhile, momentum is building toward a slow phase-out of fossil fuel subsidies, and toward longer-range investments in renewable energy and efficiency.

China is still going to run circles around us. Policymaking by the political process is no match for a command economy. To cite just a few examples: The U.S. has committed a total of \$13 billion to rail development, while China is already building a \$556 billion high speed rail system that will link all of their major cities in five years. The U.S. has no energy plan, while China is embarking on a \$740 billion comprehensive energy plan to see them into the future, with vigorous support for renewables. China is on track to do more about its future emissions than the U.S., even while it has just surpassed the U.S. as the world’s largest consumer of energy.

It’s time to rethink our strategy. We would do well to follow China’s model. Instead of taking a political approach, circling the wagons around the eco-warrior camp and battling the fossil fuel industry, we should be developing a serious energy plan based on science, encompassing all forms of energy, to unite all parties in an unreserved commitment to the great task of energy transition. Because oil depletion is relentless, time is running out, competition for fuels is only increasing, and we’re the most vulnerable player at the table.

Never mind carbon emissions. That game cannot be won. What we can do—and what will engender bipartisan support—is work steadily toward replacing fossil fuels with renewables, transitioning from liquid fuels to electricity, and making the most of every last BTU. If we get that right, our carbon emissions problem will take care of itself.

\*\*\*

## **BROADCAST COVERAGE**

### **1. Washington Journal**

**CSPAN 1, National | DMA: 0**

**07/23/2010, 07:00 AM - 10:00 AM**

[CC] 01:18:54 Host: Senate Majority Leader Harry Reid laid out what could be or what will likely be and as energy legislation that will come to the floor soon. It would remove \$75 billion cap on liability of oil spill retroactively to include April when the rate exploded, energy efficiency will provide rebates of the cash register for energy-saving investments for homes. He says that could create 350,000 to 400,000 jobs. Promote conversion from diesel **fuel** to **naturalgas** for transportation, and adds money to the water conservation fund which give money to federal, state, and local government to buy land, water, and what land for preservation. Then I ask you about the **naturalgas** component for that? What does that mean? Guest: I believe that Mr. **Pickens** is one again attempting to get subsidies --And these are subsidies --Not tax provisions but direct subsidies --For conversion of diesel powered trucks that move goods across the country very efficiently, and convert those to **naturalgas** by saying that -... off of foreign crude **oil**. Unfortunately again this is one of the things that the American taxpayer --And ielieve he was asking for something like \$65,000 per trucker as a subsidy so they can go out and get a new truck --That wld cost more than that, to use **naturalgas**. This is, in our opinion, fraught with both technical and economic consequences. Host: would that hurt the refinery industry? Guest: well, we sell a lot of diesel to trucks. But the pblem is, not to worry about it hurting the refing industry but what will it do to the American consumer? What is that going to do for the taxpayer? What is it going to do to the cost of goods and services? Is it efficient, is an affordable and reliable? Yes, **naturalgas** is reliable. No question about that. Buts its best intended use in the engine of a semi? It could only be marginally economic if there is a \$65,000 per truck tax subsidies but I do believe natural gas is a vital component. We should be using it in the most efficient manner possible, and putting it in trucks, I don't believe, is the most efficient manner possible. Host: Florida. Sandy, republican line. Caller: thank you. Mr. Drevna, why isn't your industry pushing the energy bill includes safety measures like your partners in Canada do? ...01:24:25

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

### **2. The Hays Advantage**

**WBBR-AM (BLOOM) Freq. 1130, New York | DMA: 1**

**07/23/2010, 02:00 PM - 03:00 PM**

00:20:00 Last week we spoke **Boone Pickens, noted oil investor** .He is all about clean energy and moving to natural gas.etc...now all of a sudden he has seen the light...no...Pickens Plan, I think is a pipe dream. 00:21:59

**Audience:** 21,250 **Spot Cost:** \$215

### 3. KCBS News

**KCBS-AM (CBS) Freq. 740, San Francisco | DMA: 6**

**07/25/2010, 06:00 PM - 07:00 PM**

00:26:00 T Boone Pickens has been a billionaire investor ,corporate raider , hedge fund manager and proselytize or for **gas** and **wind energy** . In an interview with Fortune.com, he talks about the political uncertainty around the **energy** space after the BP **oil** spill and says stock prices will come down creating a buying opportunity for investors . **Pickens** also points out that oil and renewables do different things. **Wind** and solar power are for power generation he says and don't replace **oil** seventy percent of which is used for transportation **fuel** ... But he thinks **natural gas** will replace oil. It's clean , abundant and available in the US and will eventually be used for transportation **fuel** and power generation ... This crucial change in **energy** use will happen over time says **Pickens** --not overnight .. 00:27:59

**Audience:** 22,925 **Spot Cost:** \$270

### 4. KCBS News

**KCBS-AM (CBS) Freq. 740, San Francisco | DMA: 6**

**07/25/2010, 03:00 PM - 04:00 PM**

00:24:00 T Boone Pickens has been a billionaire investor ,corporate raider , hedge fund manager and proselytize or for **gas** and **wind energy** . In an interview with Fortune.com, he talks about the political uncertainty around the **energy** space after the BP **oil** spill and says stock prices will come down creating a buying opportunity for investors . **Pickens** also points out that oil and renewables do different things. **Wind** and solar power are for power generation he says and don't replace **oil** seventy percent of which is used for transportation **fuel** ... But he thinks **natural gas** will replace oil. It's clean , abundant and available in the US and will eventually be used for transportation **fuel** and power generation ... This crucial change in **energy** use will happen over time says **Pickens** --not overnight .. 00:25:59

**Audience:** 22,925 **Spot Cost:** \$270

## 5. KCBS News

**KCBS-AM (CBS) Freq. 740, San Francisco | DMA: 6**

**07/25/2010, 12:00 PM - 01:00 PM**

00:24:00 T Boone Pickens has been a billionaire investor ,corporate raider , hedge fund manager and proselytize or for **gas** and **windenergy** . In an interview with Fortune.com, he talks about the political uncertainty around the **energy** space after the BP **oil** spill and sats stock prices will come down creating a buying opportunity for investors . **Pickens** also points out that oil and renewables do different things. **Wind** and solar power are for power generation he says and don't replace **oil** seventy percent of which is used for transportation **fuel** ... But he thinks **naturalgas** will replace oil. It's clean , abundant and available in the US and will eventually be used for transportation **fuel** and power generation ... This crucial change in **energy** use will happen over time says **Pickens** --not overnight .. 00:25:59

**Audience: 30,600 Spot Cost: \$333**

## 6. KCBS News

**KCBS-AM (CBS) Freq. 740, San Francisco | DMA: 6**

**07/24/2010, 06:00 PM - 07:00 PM**

00:54:00 Some of the big **oil** stocks are beaten down because after the BP **oil** spill ... investors are worried about new government restrictions on drilling ... **Pickens** thinks that could be a buying opportunity . In fact he says his fund is a long term buyer of exploration and production stocks including Anadarko Petroleum . even though it owns twenty five percent of the BP rigged to blow up ... he also owns Devon **Energy** which had the recent good fortune of selling its offshore assets to BP ... **Pickens** is a big fan of **naturalgas**. He points out that alternative **energy** sources like **wind** and solar can't directly replace **oil** because seventy percent of **oil** is used for transportation **fuel** but he believes **naturalgas** will replace **oil** saying it's cleaner, cheaper, abundant in America and it can be used as transportation **fuel** ... **Pickens** advises against **naturalgas** as a short term investment-- the price is too volatile... 00:55:59

**Audience: 28,975 Spot Cost: \$338**

## 7. KCBS News

**KCBS-AM (CBS) Freq. 740, San Francisco | DMA: 6**

**07/24/2010, 10:00 AM - 11:00 AM**

00:54:00 .. 00:57:59

**Audience:** 42,775 **Spot Cost:** \$470

## **8. SqueezePlay**

**Business News Network, National Canada | DMA: 950**

**07/25/2010, 08:00 PM - 09:00 PM**

[CC] 00:50:49 So you really have to look at both sides. Frances: hurricane season so far has been pretty tame. How important is it? Guest: well, it's there but so far until it comes to fruition you know, we're just watching the weather pattern. It really hasn't been much of a factor this year. Frances: when you look at the energy complex what are you buying, what are you selling. Do you like gas here? Natural gas, or gasoline, or oil which of the three do you prefer? Guest: I think with natural gas what you have to look at is domestic product. If you have strong weather pattern or even storms. We haven't had a good storm season in a couple years. For natural gas you could see it weakening. If we can get down to the \$360, \$370 which we had a couple months ago that's very good buy. Right around that \$4. 50 It's just middle ground. Long-term yeah you got to buy natural gas any time you dip below \$4. Frances: any time you dip below. A lot of people think you dip below \$4 you go straight to \$2? Guest: it happened. You saw what happened from there. **BoonePickens** was saying you will never see \$2 we actually saw right around that \$2. 50 level...00:53:31

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

## **9. SqueezePlay**

**Business News Network, National Canada | DMA: 950**

**07/24/2010, 06:00 AM - 07:00 AM**

[CC] 00:50:46 So you really have to look at both sides. Frances: hurricane season so far has been pretty tame. How important is it? Guest: well, it's there but so far until it comes to fruition you know, we're just watching the weather pattern. It really hasn't been much of a factor this year. Frances: when you look at the energy complex what are you buying, what are you selling. Do you like gas here? Natural gas, or gasoline, or oil which of the three do you prefer? Guest: I think with natural gas what you have to look at is domestic product. If you have strong weather pattern or even storms. We haven't had a good storm season in a couple years. For natural gas you could see it weakening. If we can get down to the \$360, \$370 which we had a couple months ago that's

very good buy. Right around that \$4. 50 It's just middle ground. Long-term yeah you got to buy natural gas any time you dip below \$4. Frances: any type you dip below. A lot of people think you dip below \$4 you go straight to \$2? Guest: it happened. You saw what happened from there. **BoonePickens** was saying you will never see \$2 we actually saw right around that \$2. 50 level...00:52:00

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