

PickensPlan

T. Boone Pickens Media Coverage 7.27.10

Total of 8 Placements

- Print: 4
- Blog/Online: 4

Coverage Summary:

Senator Reid is expected to unveil the energy bill this afternoon. The *Reuters* article mentions Pickens' endorsement of natural gas legislation. The *Bloomberg* piece looks at what has been stripped from the energy bill with an analyst saying the bill appears to be structured to make it hard from centrist Democrats and Republicans to vote against it. The *Associated Press* piece notes that President Obama has come out and said he still supports broad climate legislation despite setbacks.

Highlighted Placements (Full Articles Below)

- **Update 2-Us Senate Democrats Battling For Viable Energy Bill** – *Reuters* – 7/27/10

Notable Energy Bill Coverage (Full Articles Below)

- **BP Gulf Spill Moves Congress to Revamp Offshore Drilling Rules** – *Bloomberg* – 7/27/10
- **Update: Obama says he still supports US climate bill** – *Associated Press* – 7/27/10

Print Placements (Full Articles Below)

- **Community Briefs** – *Aspen Daily News* – 7/27/10

Blog/Online Placements (Full Articles Below)

- **With Cap and Trade Dead, What's Left of the Energy Bill?** – *Hybrid Cars* – 7/26/10
- **GOP Stalls Legislation in the Senate, Democrats Concede Energy Defeat** – *The California Majority Report* – 7/26/10
- **Climate Bill is Dead; EPA Now Best Hope for U.S. Climate Solution** – *About.com's Environmental Issues Blog* – 7/27/10
- **Why The “Spill Bill” Could Benefit Natural Gas** – *iStockAnalyst* – 7/27/10

HIGHLIGHTED COVERAGE

Update 2-Us Senate Democrats Battling For Viable Energy Bill – Reuters – 7/27/10

- * Bill to contain reforms on offshore drilling

- * May have \$4.1 billion in natural gas incentives

- * Electric car measure expected to be included

- * Republicans have alternative bill

(Adds details on Republicans, renewable energy standard)

By Timothy Gardner and Richard Cowan

WASHINGTON (Reuters) - Senate Majority Leader Harry Reid hopes to unveil his pared-back energy bill Tuesday that focuses on reforming offshore oil drilling but Republicans were quick to dismiss its chances of passing.

The bill would aim to hold BP Plc accountable for its Gulf of Mexico oil spill and boost investment in vehicles fueled by natural gas and electricity.

Democrats, who last week abandoned a key Obama administration effort to forge a broad climate bill because of a lack of votes, are hoping to get the narrowly focused bill passed by next week.

"Tomorrow afternoon, we expect to release the text of this plan," said Reid's spokesman Jim Manley.

Among its provisions, the bill will likely force companies to spend more money to cover the costs of oil spills, raising the liability cap to \$10 billion or more from \$75 million.

But partisan conflicts could delay the bill's passage and, as Republican aides warn, there might not be enough time to pass it ahead of the congressional recess starting Aug. 6.

Some expect Reid to not allow any amendments to the bill once it is brought to the Senate floor. But such a move could provoke an uproar from Republicans.

"I would think so," said Matt Dempsey, a spokesman for Republican senators on the Senate Environment and Public Works Committee when asked whether they would boycott the energy bill if they are not allowed to offer amendments.

Some Senate Republican leadership aides speculated that Democrats might opt to return to work on a bill stimulating investment in small business rather than the energy bill in the days leading up to the recess in early August.

Republicans released an energy bill of their own Friday that would lift a moratorium on deepwater drilling pushed by the Obama administration after requirements were met and inspections were completed. It would also allow for royalty revenue sharing with states.

Last week, Reid said Congress could revisit climate legislation in September but lawmakers and analysts doubt there will be much appetite ahead of congressional elections in November.

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

ALTERNATIVE FUELS, EFFICIENCY

Reid's bill will also contain incentives to convert trucks to run on natural gas and for cars to run on electricity.

It will outline \$900 million a year for land and water conservation and increase energy efficiency in homes, according to one Senate source.

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 incentives for trucks could cost the government \$4.1 billion, compared with 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 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 in Alaska in 1989, helps pay claims for financial or property losses caused by oil spills.

Environmentalists worry they are not winning a battle to get a renewable energy standard in the bill, requiring utilities to produce some power from wind and solar sources. The greens and some utilities warn that without such measures, China would surpass the United States in alternative energy.

Lew Hay, chief executive of the utility NextEra Energy, told reporters in a teleconference that such a measure would allow his company to create more than 40,000 jobs over five years.

Republican Senator Sam Brownback joined the push for a renewable mandate on Monday, calling for bipartisan support of the "moderate" target approved by the Senate Energy and Natural Resources committee last year.

NOTABLE ENERGY BILL COVERAGE

BP Gulf Spill Moves Congress to Revamp Offshore Drilling Rules – *Bloomberg* – 7/27/10

By Jim Efstathiou Jr. and Simon Lomax

July 27 (Bloomberg) -- Oil companies with poor safety records would be blocked from new U.S. offshore leases under a proposal by House Democrats to rewrite drilling rules after BP Plc's Gulf of Mexico oil spill.

A 238-page bill that lawmakers will present this morning calls for tougher safety standards for drillers operating on federal leases in the Outer Continental Shelf, and gives Congress direct oversight of offshore energy production. BP's spill, the worst in U.S. history, exposed lapses by regulators charged with enforcing safety and environmental rules.

Majority Leader Harry Reid, a Nevada Democrat, is expected to release the Senate's spill response bill today. The Senate bill has been stripped of disputed energy provisions aimed at curbing climate change in a bid to draw support from moderate Democrats and Republicans, according to Kevin Book, a managing director at ClearView Energy Partners LLC, a Washington-based policy analysis firm.

The Senate bill "would not price carbon, mandate renewable electricity, provide debt financing to clean energy or subsidize electric vehicles, and it certainly will not open up new areas of the nation's coast to offshore drilling," Book said in research note. "If anything, the Reid bill appears to be structured to make it hard for centrist Democrats and Republicans to vote against it."

Update: Obama says he still supports US climate bill – *Associated Press* – 7/27/10

WASHINGTON (AP) — Despite setbacks in Congress, President Barack Obama said Monday he still supports the need for broad climate legislation.

Speaking in the White House Rose Garden after a meeting of Democratic and Republican congressional leaders, Obama said the energy bill making its way through Congress now is "an important step in the right direction." But, he said, "I want to emphasize that it's only the first step." He pledged to keep pushing for passage of a comprehensive energy policy overhaul that addresses climate change.

"Our current energy policy is unsustainable," Obama said.

Last week, Senate Democrats abandoned plans for a sweeping measure that would cap greenhouse gases blamed for global warming. Senate Majority Leader Harry Reid said no Republican senators were willing to vote for the bill, leaving Democrats shy of the 60 votes needed to overcome Republican delaying tactics in the 100-member chamber.

Instead Democrats hope to pass a more narrow bill that responds to the oil spill in the Gulf of Mexico and takes steps to improve energy efficiency.

Obama announced during his State of the Union address earlier this year that he planned to hold monthly bipartisan meetings with congressional leaders at the White House. Among those present was House Minority Leader John Boehner, who has ratcheted up his criticism of Obama in recent weeks, accusing the president of stooping to partisan attacks and saying Obama cannot sell his economic plan.

Obama has argued that Boehner and Republicans are trying to advance the same agenda that led the country into the recession.

PRINT COVERAGE

Community Briefs – *Aspen Daily News* – 7/27/10

Avatar director at AREDAY

Ted Turner, T. Boone Pickens and Oscar-nominated film producer James Cameron will present their views about non-fossil fuels and bridging the gap to complete usage of clean energy at the seventh annual AREDAY (American Renewable Energy Day) in Aspen.

The four-day forum on finding solutions to the myriad environmental problems of the planet takes place Aug. 19-22 at venues throughout Aspen.

A highlight of this year's AREDAY will be an armchair conversation between Ted Turner and T. Boone Pickens, addressing the United States' capability of replacing greenhouse gas-intensive coal and oil — first with natural gas and then with clean energy sources.

Turner — the largest private land owner in the United States — will receive the AREDAY Green Leadership Award during the conference for the conservation of his land.

A major theme of this year's event is how pop culture can change the mindset of the public at large, influencing public awareness of environmental problems and solutions. An example of that idea is James Cameron's Oscar-winning 2009 film, *Avatar*, the highest-grossing film in history.

This year's AREDAY also includes talks by Department of Energy Under Secretary Dr. Kristina M. Johnson and Assistant Secretary Cathy Zoi of the Office of Energy Efficiency and Renewable Energy. Sunday's lineup of events include the AREDAY Expo on the Cooper Avenue Mall, which is free and open to the public, including displays, educational presentations, live music and family activities.

A limited number of Locals Appreciation Passes are available on a first-come, first-served basis for \$300 for the full weekend (an 80 percent discount off the full pass price). A driver's license with a Roaring Fork Valley address is required for those purchasing local's passes. Early bird passes are on sale through Aug. 2 and cost \$995. The price for a full pass goes up to \$1,295 from Aug. 3-18, and to \$1,500 on the day of the event. Day passes are available for the Turner/Pickens armchair event and screening of Climate Refugees on Aug. 21 for \$125, and for the James Cameron talk and screening of Avatar on Aug. 22 for \$300. To purchase tickets, visit www.areday.net and click "Register Now," or call Aspen Show Tickets at the Wheeler Opera House at 920-5770.

BLOG/ONLINE COVERAGE

With Cap and Trade Dead, What's Left of the Energy Bill? – *Hybrid Cars* – 7/26/10

The White House and leading Democrats in the Senate have abandoned all efforts to pass comprehensive climate legislation this year. Senate leaders are said to be drafting a pared down energy bill that would create a handful of new incentives and programs but do nothing to cap greenhouse gas emissions.

Highlights of the limited bill include \$5 billion dollars for energy-saving home retrofitting incentives, \$4.1 billion in compressed natural gas vehicle incentives, expanded land and water conservation measures, and new reforms aimed at fixing the Department of the Interior's shameful record on offshore drilling oversight. The legislation would also increase the cap on oil spill liability from \$75 million to \$10 billion.

No Mention of Electric Vehicles or Biofuels

What's more notable about the legislation is what's missing. In addition to cap and trade, there is no mention of hybrid or electric vehicle incentives, clean energy financing or renewable energy targets. Also absent is an extension of the ethanol subsidies that are scheduled to expire at the end of this year.

Both EVs and ethanol could be addressed in separate measures or could be folded into the bill at a later date. The Promoting Electric Vehicles Act of 2010—which would allocate \$6 billion for plug-in cars—was passed out of committee last week, while the House Ways and Means Committee is considering extending ethanol subsidies, but cutting them from \$0.45 to \$0.36 per gallon.

Both electric vehicles and biofuels have key moderate allies in the Senate, which vastly increases the likelihood that future versions of the bill will be expanded to include them. Republican Sen.

Chuck Grassley of Iowa and Democrat Sen. Ben Nelson of Nebraska could both be potentially coaxed to vote for a bill that funds the ethanol industry, while Republican Sen. Byron Dorgan is one of the Senate's leading EV advocates.

Pickens Plan Gets a Much-Needed Victory

More than two years and hundreds of millions of dollars later, it appears that T. Boone Pickens may have finally won government support for compressed natural gas vehicles. Natural gas is a central component of the billionaire former-oil-man's Pickens Plan for energy independence, and the energy bill is said to include \$4.1 billion to encourage the trucking industry to purchase CNG-powered trucks. In addition to putting more natural gas vehicles on the road, the money could help to encourage the construction of natural gas fueling stations along key trucking corridors. The federal government already offers a variety of incentives for using and selling natural gas for transportation, but fears about its long-term viability thus far have kept CNG from making significant progress as a commercial fuel.

White House Support Called Into Question

A recent Rolling Stone article contends that top White House advisors, Rahm Emanuel and David Axelrod, gave up on capping emissions last summer and had to be coaxed back into any action on the legislation by a series of pleas from congressional Democrats and a meeting with former Vice President Al Gore. Even after action on the proposed Kerry-Lieberman climate bill started up again—this time with a lucrative offshore drilling expansion aimed at luring the support of the oil industry and its more sympathetic supporters in Congress—the article says that the Obama administration has been reluctant to advocate for it.

Rather than using the recent Gulf oil disaster as a rallying cry for comprehensive energy reform, the administration is said to have actually decided that the spill made any further action untenable. With the drilling expansion no longer politically feasible, the White House reportedly decided that it no longer had the bargaining chips it needed to bring Republicans to the table.

GOP Stalls Legislation in the Senate, Democrats Concede Energy Defeat – *The California Majority Report* – 7/26/10

By Bob Reid

Stubborn GOP, the party of NO, stalls meaningful energy legislation in the Senate. This is not the headline we wanted to see. We want the Congress to pass a comprehensive energy bill that will seek to limit greenhouse gas emissions. Instead the Democrats are going to introduce a more limited bill that increases liability costs that oil companies would pay following spills like the one we are currently experiencing in the Gulf of Mexico.

What a sad day when the majority party in both Houses of Congress can't fulfill a campaign promise. If the Democrats lose the House and the Senate this year, then energy regulation and efforts to reduce the level of greenhouse emissions will be over for two to four years. If we lose the Congress, you can forget any serious efforts to get America off its addiction to fossil fuels and seriously cut our dependence on foreign oil. There are proposals out there that the President and Congress should seriously look at. The T Boone Pickens proposal is one of them.

"The Pickens Plan" reduces U.S. reliance on foreign oil, and helps secure our energy future, while reducing air pollution and the emission of gases that cause global warming. Pickens says that we can reduce our oil dependence by 30% or more within 10 years if we start using clean, abundant and American natural gas to fuel our trucks, buses and fleets. T Boone proposes that we begin to convert all the Federal govt. vehicles immediately to natural gas.

What are the benefits of natural gas? It is domestic and it's clean. It produces less green house gas emissions than diesel or gasoline-powered vehicles; and it works. The point here is American natural gas is abundant. We have enough domestic natural gas to fuel our trucks and fleet vehicles and produce power to our homes.

I recall when I was working in the Legislature and especially working on energy and utility issues, the conventional wisdom was that natural gas is really expensive when used to run energy plants instead of oil. The Pickens proposal advocates the use of natural gas as a bridge between our dependence upon fossil fuels to our development of wind, solar , and other forms of renewable energy.

In 1970, we imported 24% of our oil. Today, it's more than 65% and growing. Anyone who lived through the OPEC oil embargo remembers the havoc it caused our economy and foreign policy. Nearly 70% of the oil we consume today is produced elsewhere and much of it from nations unfriendly to the US. This is a matter of national security and economic stability. Note: green energy will produce green jobs.

The Congress should pass the NAT GAS Act, H.R. 1835 and S. 1408. This bill provides the incentives and long-term stability to make the move from imported oil, diesel and gasoline to domestic natural gas. I must offer this aside to the discussion. T. Boone Pickens owns most of the rights to available natural gas sites in the country and parts of Canada. He does have a vested interest but the message is still valid.

This leads me to the effort to repeal Proposition 23 which will roll back the regulations in AB 32 until the economy improves. That is like saying we will roll back the laws regulating murder until we have more cops on the street. Proposition 23, funded by the oil industry to roll back the regulations placed into law by efforts of the Democratic majority and Governor Schwarzenegger. In fact Schwarzenegger thinks of this bill as his major legacy. It is ironic that many of the big funders of the repeal of AB 32 were and are major donors of the Governor. A repeal of AB 32 will set the state back to the beginning in efforts to control greenhouse emissions. These folks if they succeed in rolling back progress will some day be standing on the edge of what was San Francisco as global warming raises the level of water on our coasts and watching San Francisco and the rest of the coastline slowly sink into the ocean just like the Titanic.

The majority party in Congress needs to pass legislation that will limit greenhouse emissions. The Congress under the leadership of the Democratic majority must pass a strong energy bill this year. If the Reeps take over, forget it. In California we must stop this dark and conniving effort by the oil companies that are based out of the state as well as some of the oil and energy companies right here in our Golden State. I must give PG&E credit for deciding not to contribute to or support Prop 23. Pacific Gas & Electric officials said last July 6th that the company won't support Proposition 23.

Get to work with your democratic members of congress for energy legislation now more than ever. Get out and work hard to defeat Proposition 23. That is your summer assignment. Take a deep breath of clean air and rock and roll.

Climate Bill is Dead; EPA Now Best Hope for U.S. Climate Solution – *About.com's Environmental Issues Blog* – 7/27/10

By Larry West

Senate Democrats late last week abandoned any attempt to win approval for comprehensive climate and energy legislation this year, after Senate Majority Leader Harry Reid conceded that he didn't have the 60 votes needed to pass the bill over the inevitable Republican filibuster.

Instead, Senate leaders are putting their shoulders into passing a quickly assembled substitute bill that weaves together a collection of sure-to-pass programs and provisions into a patchwork piece of legislation that is guaranteed to agitate no one--except the people who actually want to do something about reducing greenhouse gas emissions and shifting American energy dependence from fossil fuels to clean, renewable energy. And there's no telling whether the U.S. House of Representatives will accept this watered-down bill even if the Senate passes it.

The new bill, which Reid wants to pass before the August recess, does not put a price or a cap on carbon emissions, does not subsidize electric vehicles, provides no debt financing for clean energy, and includes no renewable energy standard (RES) to mandate that a certain percentage of the nation's electricity come from green energy sources (although a handful of moderate Democrats and at least one Republican senator who firmly oppose any kind of carbon cap or tax have said they might be open to including an RES in the new bill). On the other hand, the substitute bill doesn't open new areas to offshore oil drilling nor does it include billions of dollars in loan guarantees for nuclear energy.

Here's what the new bill does include:

- Tighter restrictions on offshore oil drilling, plus a provision raising the liability cap for oil companies under the Oil Pollution Act from the current \$75 million to \$10 billion.

- About \$4.1 billion in incentives for natural gas vehicles (which is good news for billionaire T. Boone Pickens, who has invested heavily in a plan to make natural gas a mainstream fuel for vehicles).

- \$5 billion for expanded land and water conservation.

- \$5 billion in funding for the HomeStar program, which provides economic incentives to encourage homeowners to make their homes more energy efficient.

There's plenty of blame to go around here. Obama and Senate leaders were too ready to compromise, too passive about pushing comprehensive legislation, and too ineffectual to challenge Republicans and bring rebellious Democrats into line. But the bulk of responsibility for leaving the American people with no legislative path toward a clean-energy future rests with Senate Republicans and a few centrist Democrats who refused to vote for any climate-and-energy bill with teeth.

It's not unusual for House or Senate leaders to hold back legislation if they know they don't have the votes, but there are times when the process is as important as the ultimate outcome. This was one of those times. Reid should have brought to the floor the best climate and energy bill the Democrats could create, forcing every U.S. senator to take a clear and unequivocal position on the issue. Politics may be the art of compromise, but the heart of politics is rigorous debate on critical issues.

With an effective legislative solution fading to little more than a green mist, at least for this year, the next best option for a U.S. climate strategy is for the EPA to exercise its authority to regulate greenhouse gas emissions--authority granted to the agency by the Clean Air Act and confirmed by the U.S. Supreme Court. Senators Murkowski and Rockefeller are poised to introduce legislation that would block or limit EPA authority over greenhouse gas emissions, and President Obama has promised to veto all such attempts.

There is no question that smart climate and energy legislation would have been more comprehensive, economical and efficient--and an all-around better solution--than agency

regulation. But when elected officials fail to serve the best interests of their constituents, regulators sometimes have to fill the gap.

Why The “Spill Bill” Could Benefit Natural Gas – *iStockAnalyst* – 7/27/10

By Brian Kelly

With little fanfare, Harry Reid tabled the Cap and Trade bill in favor of a watered down version that has been dubbed "The Spill Bill". While most of the attention will be focused on punishing BP: 37.89, -0.76, there is one part of the bill that could prove to be an investable catalyst.

The bill provides incentives to convert the nation's 18-wheel trucks from diesel fuel to natural gas. This provision has been heralded by T. Boone Pickens, but the current version falls short of his preferred design. Nonetheless, it should provide an excuse for the "risk-on" crowd to look toward natural gas as the next transportation fuel.

Not only has the sweltering heat across the country contributed to higher use of A/C (powered by nat gas) but the price of coal has begun to rise. As a substitute for coal, nat gas tends to be the beneficiary of rising coal prices.

Technically our target for natural gas is a range between \$5.40 and \$6. Our preferred way to play this market is to buy the Natural Gas ETF (UNG).

Disclosures: long UNG
