

PickensPlan

T. Boone Pickens Media Coverage 7.29.10

Total of 15 Placements

- Print: 7
- Blog/Online: 5
- Broadcast: 3

Coverage Summary:

Andrew Littlefair appeared on CNBC's Mad Money yesterday to discuss natural gas and the energy bill. The interview can be viewed here:

<http://www.cnbc.com/id/15840232/?video=1554214530&play=1>.

John Larson also appeared on the show, crediting Pickens with leading this crusade. He quoted Pickens (around the 4:05 mark) saying natural gas is abundant, accessible and it's ours. His interview can be viewed here: <http://www.cnbc.com/id/15840232/?video=1554212868&play=1>

Jim Cramer wrote a blog after the show that says the natural gas move is real, looking at stocks that should benefit from this legislation.

Bloomberg called Pickens a winner in the energy legislation, highlighting comments he has made about the abundance of natural gas and its ability to be used as a transportation fuel.

Senator Reid announced plans for a 3rd Energy Summit in Las Vegas in September, which Pickens is scheduled to participate in.

Dow Jones reported on opposition to the energy bill's surprise addition of a measure that would force companies to disclose the chemicals used at each well being drilled in huge gas fields located across the U.S. A statement from ANGA is quoted in the piece. *Politico* also reported on the hydraulic fracturing component of the bill.

Highlighted Placements (Full Articles Below)

- **The Nat Gas Move Is Real** – *The Street's Real Money* 7/29/10
- **Pickens, Home Depot Beat Wind-Turbine Makers in Energy Measure** – *Bloomberg* – 7/28/10
- **US Sen. Reid Hosting 3rd Energy Summit In Vegas** – *Associated Press* – 7/28/10

Notable Energy Bill Coverage (Full Articles Below)

- **A Congressional Catalyst for Clean Energy** – *CNBC* – 7/28/10
- **Senate Energy Bill Draws New Opponents In Gas Industry** – *Dow Jones* – 7/28/10
- **Hydro-Fracking Fight Hijacks Spill Bill** – *Politico* – 7/28/10

Print Placements (Full Articles Below)

- **Reid Touts Third Clean-Energy Summit** – *Las Vegas Review Journal* – 7/29/10
- **Some Win, Some Lose Under Energy Bills** – *Fort Worth Star Telegram* – 7/29/10
- **Challenged - GOP Hopefuls Take A Tilt At Senator Murkowski And Congressman Young** – *Anchorage Press* – 7/28/10

Blog/Online Placements (Full Articles Below)

- **EIA: Natural Gas ETFs to Get a Late-Summer Boost** – *ETF Trends* – 7/28/10
- **Senate Bill: More Than \$4 Billion For Natural Gas -- What About Environmental Protections?** – *Natural Resources Defense Council Blog* – 7/28/10

- **Winner In Proposed Energy Bill – Natural Gas Fuel Stocks CLNE, FSYS, WPRT –**
Greenstocks Central – 7/28/10
- **Senate Warms Up To Pickens’ Push (HMC, CLNE, BP, APC, HAL, BHI, RIG, MMR) –**
TickerSpy – 7/29/10
- **The Natural Gas as Bridge Idea –** *Renewable Energy World – 7/29/10*

HIGHLIGHTED COVERAGE

The Nat Gas Move Is Real – *The Street's Real Money* 7/29/10

By Jim Cramer

The natural gas act is about to go through, and nobody really believes it.

Last night, I had John Larson, congressman from Connecticut, on "Mad Money" and he's the man behind the House's thrust into natural-gas powered trucks, the ones that use 25% of all of our gasoline in the form of noxious diesel. Larson's been heavily influenced by Boone Pickens on this one, with Boone shrewdly pushing for use of all domestic fuels, only of which nat gas is in abundance.

With strong support in the Senate from Harry Reid and this push by Larson, it is pretty impossible to stop a large rebate or tax credit for fleets to buy trucks that use cleaner, cheaper natural gas. And when I say "impossible to stop" I mean neither the coal lobby nor its president in the White House can seem to buck this one.

So why aren't the natural gas stocks rallying? There are a couple of reasons. The main reason why this one's passing is that Congress finally understands that the fuel is in such abundance that it is reliable. But to be reliable that means it can't run out or be subject to big spikes. This summer's heat wave cinched that issue. If inventories didn't burn off with all of this peak load use (which is nat gas, not coal) it isn't going to go up much at all.

That's why I have been focused on Westport Innovations (WPRT - commentary - Trade Now), which makes the conversion parts for truck engines to use nat gas, and Clean Energy (CLNE - commentary - Trade Now), which will be the national filling station play -- Boone owns a huge stake in that one, but I truly believe at 83 he's pushing nat gas as his legacy, not his piggy bank.

Both these stocks are highly speculative. Both have a couple of analysts behind them and both are plays that only a few believe in.

I think that this whole issue's not on the radar screen for a couple of issues worth outlining:

1. The investing public doesn't seem to understand how much energy heavy duty trucks use.
2. When Exxon (XOM - commentary - Trade Now) bought XTO it specifically didn't believe in this market and is focused on the utility market.
3. The president doesn't believe in the fuel and favors renewable or clean coal, which doesn't exist but he's given billions in subsidies for.

I say that WPRT and CLNE are great specs and can be terrific niche companies that do better when nat gas is low. It's kind of like how the ethanol companies do better when corn is low.

The move is real. It is so real I do not understand why Cummins (CMI - commentary - Trade Now), a great truck engine company in its own right, doesn't buy out WPRT, which is its partner in this technology. I am heartened that CMI said it was going to use its cash flow for M&A.

Hmmm, maybe WPRT is what it is going to use it for?

Lots of ways to win in WPRT and CLNE now that it looks like Boone Pickens has won the first battle to supplant foreign oil with this cleaner domestic fuel that is in abundance and can create millions of jobs if it is ultimately adopted as the bridge to an all renewable society.

At the time of publication, Cramer was long Cummins.

Pickens, Home Depot Beat Wind-Turbine Makers in Energy Measure – Bloomberg –
7/28/10

By Jim Efstathiou Jr.

T. Boone Pickens, the billionaire energy hedge-fund manager, and Home Depot Inc., the largest U.S. home-improvement retailer, are winners in energy legislation that fails to help solar-panel and wind-turbine makers.

The measure proposed yesterday by Senate Democrats would give Pickens victory in his lobbying campaign for more use of natural gas, providing \$3.8 billion in rebates for cars and trucks powered by the fuel. Home Depot would benefit from provisions to channel \$5 billion in rebates to homeowners who upgrade to more efficient appliances or add insulation that reduces energy use.

The provisions were the main survivors among proposals to reshape U.S. energy use under the measure that would also set tougher rules for offshore drilling after BP Plc's Gulf of Mexico oil spill, the worst in U.S. history. Absent from the measure were limits on carbon dioxide or requirements that utilities add solar and wind power to their portfolios.

“Boone’s been in the natural-gas business all his life,” Monty Humble, former senior vice president for Mesa Power LLP, a company founded by Pickens in 2007 to build wind farms, said in an interview. “As early as 1988, he advocated the use of natural gas in vehicles. This is consistent with what he was advocating.”

Pickens couldn’t immediately be reached for comment. In April, Humble joined Alston & Bird LLP’s legislative and public policy group in Washington.

Awash in Gas

The U.S. is “awash” in natural gas, thanks to new drilling techniques that make gas locked in shale formations cheaper to recover, Pickens told the House Ways and Means Committee on April 14.

“We are going to look like fools if we don’t use natural gas for transportation,” Pickens told the panel. “The only way we can solve the OPEC oil threat is by replacing their expensive, dirty fuel with cleaner, cheaper American natural gas.”

In October 2009, Senate Majority Leader Harry Reid, a Nevada Democrat who drafted the Senate oil-spill response bill, called Pickens “a good friend and a real visionary.”

The Senate bill would offer rebates to people who buy gas- powered cars or trucks or convert conventional vehicles to gas. It also would give grants of as much as \$50,000 to companies that put natural gas refueling stations into service between 2011 and 2015.

A House version of the bill doesn’t include the natural gas or energy efficiency provisions. Both measures could be brought to the floor as soon as this week.

Rebates for Insulation

The Senate bill would offer rebates of as much as \$8,000 to homeowners who retrofit with energy-efficient insulation, windows and heating and cooling equipment. The Home Star program to cut energy use from appliances and air conditioners would create as many as 168,000 jobs over the next two years, according to the Alliance to Save Energy, a Washington-based group the promotes energy efficiency.

“While we are disappointed at the limited scope of the overall bill introduced today, Home Star is a creative solution to the energy and economic problems facing our country,” alliance president Kateri Callahan said in a statement.

The Home Star program would extend federal tax credits from last year's stimulus bill that expire at the end of 2010, according to Stephen Holmes, a spokesman for Atlanta-based Home Depot.

Popular at Home Depot

"The previous incentive programs have been extremely popular with our customers," Holmes said in an interview. "Homeowners get cost savings on energy bills, tax rebates and environmental benefits, and it would create more jobs for contractors."

Pleas from environmental groups and renewable energy manufacturers that the Senate bill include limits on emissions that contribute to global warming or a renewable energy requirement for utilities were rejected after Reid said there weren't enough votes for the climate provisions.

"The U.S. wind industry is in distress," Denise Bode, chief executive officer of the Washington-based American Wind Energy Association, said in a statement. A renewable standard "is a critical component to ensure the U.S. wind industry thrives."

U.S. wind-power additions in the first six months of 2010 fell 70 percent from a year earlier, according to Bode. Developers added 1,239 megawatts in the first half, down from 4,000 megawatts in the same period of 2009.

US Sen. Reid Hosting 3rd Energy Summit In Vegas – *Associated Press* – 7/28/10

LAS VEGAS -- U.S. Senate Majority Leader Harry Reid plans to host a third summit to talk about clean energy with policymakers and industry leaders in Las Vegas.

Reid said Wednesday that the Sept. 7 meeting will include White House Economic Council adviser Christina Romer, U.S. Chamber of Commerce President Thomas Donahue and Texas oilman T. Boone Pickens.

Reid says leaders will discuss how to create 177,000 renewable energy jobs nationwide and consider new ideas for energy legislation.

The Democrat's latest draft of energy and oil spill legislation is far less sweeping than the bill he hoped for. It includes no cap on carbon emissions.

The event is co-hosted by the Center for American Progress Action Fund and will be held at the University of Nevada, Las Vegas.

NOTABLE ENERGY BILL COVERAGE

A Congressional Catalyst for Clean Energy – *CNBC* – 7/28/10

The Senate's new energy bill, if it passes, should help to catalyze the transition from crude oil to natural gas, Cramer said Wednesday, and plenty of companies should benefit.

There's Westport Innovations [WPRT 18.63 -2.36 (-11.24%)] and its partner, Cummins [CMI 79.76 0.33 (+0.42%)], which make engines that run on cleaner fuels like compressed and liquefied natural gas. Fuel Systems Solutions [FSYS 28.67 0.86 (+3.09%)] makes all kinds of parts for nat-gas vehicles. And Clean Energy Fuels [CLNE 17.20 -0.43 (-2.44%)] designs, builds and operates nat-gas fueling stations, especially for the kind of heavy vehicles that this legislation will subsidize.

Clean Energy, in particular, is a Cramer favorite. In the third year after the legislation takes effect, there could be another 100,000 heavy-duty trucks, fueled by natural gas, on the road, in addition to an extra 100,000 medium-duty vehicles to boot. That's because the bill offers a rebate of between \$15,000 and \$20,000 on each truck per year, giving truck buyers an incentive to choose nat gas over other fuels. And that's without taking into account the dollar per gallon they will save just for using compressed or liquefied nat gas instead of diesel.

Cramer said the bill could translate into over 1 billion gallons of additional demand for natural-gas fuels annually – and maybe as much as 1.5 billion by that third year after passage. Compare that to the 101-million-gallon market that Clean Energy served in 2009.

Think of the bill as annuity for Clean Energy, Cramer said. More nat-gas trucks on the road, plus an increase in the manufacture of these vehicles, give rise to an ever-growing fleet that constantly needs to return to Clean Energy's stations to refuel.

The Senate could vote on the bill as soon as next week, and Cramer thinks that would be a major catalyst for CLNE. To drill down on the finer details, and find out what this means for the company going forward, Cramer invited CEO Andrew Littlefair to the show.

Senate Energy Bill Draws New Opponents In Gas Industry – Dow Jones – 7/28/10

By Siobhan Hughes

WASHINGTON (Dow Jones)--A U.S. Senate energy bill drew opposition from natural-gas companies on Wednesday after the surprise addition of a measure that would force companies to disclose the chemicals used at each well being drilled in huge gas fields located across the U.S.

The opposition, from the groups Energy In Depth and America's Natural Gas Alliance, poses a new hurdle for the energy bill just days before it is due for a vote on the Senate floor.

It also suggests the difficulties facing Senate Majority Leader Harry Reid (D, Nev.), who had also sought to benefit natural gas by including incentives for natural-gas powered vehicles.

The battle over drilling-fluid disclosure pits environmentalists and some local activists against a production technique that has allowed access to vast new natural gas supplies. Environmentalists fear that the chemicals used in the drilling procedure, known as hydraulic fracturing, will contaminate drinking water. Companies say no evidence exists that the practice is unsafe. Companies also say that while the chemicals aren't publicly disclosed because they are commercially sensitive, the information is shared with local regulators.

"The entire universe of additives used in the fracturing process is known to regulators and the public," Lee Fuller, the executive director of Energy In Depth, a group that represents oil and gas producers, said in a prepared statement.

The Senate measure "has the potential to create a series of legal responsibilities that operators, and even service companies, might not be able to fulfill, especially under a scenario where folks are asked to post information that doesn't even belong to them."

America's Natural Gas Alliance said in a statement that "we fundamentally believe that regulation of hydraulic fracturing is best addressed at the state level and we have been unable to reach a consensus with congressional advocates on how this program would be overseen by the federal government. Therefore, we cannot support this language. ANGA does however remain committed to improving transparency, whether through state or individual company action, and will continue to work toward that goal."

Hydraulic fracturing involves pumping water, sand and chemicals under pressure into underground rock formations known as shale. The technique cracks open the shale, releasing the gas locked inside. The procedure has contributed to drilling booms in northeastern Pennsylvania and in Texas and Louisiana.

The federal government is taking a growing interest in the technique amid concern about water contamination. The U.S. Environmental Protection Agency is next month completing the last in a series of public hearings on the issue before it initiates a study into the potential effects on drinking water, human health, and the environment. The EPA has said the study, urged by the U.S. Congress, will begin in January, with initial results expected to be available by late 2012.

Hydro-Fracking Fight Hijacks Spill Bill – *Politico* – 7/28/10

By Coral Davenport

The fight over the Senate offshore drilling "spill bill" shifted Wednesday from the Gulf of Mexico to the mountains of western Pennsylvania, as Republicans slammed the last-minute inclusion of language to regulate a controversial technique to extract onshore natural gas.

Senate Majority Leader Harry Reid (D-Nev.) added the language Tuesday requiring natural gas drillers to disclose the chemicals they pump into the ground as part of the hydraulic fracturing, or hydrofracking, process.

Republicans are wary of the addition, which comes on Page 404 of the 409-page spill response bill that Reid wants the Senate to take up before the recess. The language is not in the bill the House will vote on by Friday.

GOP objections to any portion of the larger bill could stall Senate progress, since senior Democratic staff indicated that Reid will not allow amendments.

Sen. Jim Inhofe of Oklahoma said the new requirements could effectively end onshore natural gas production. He noted that some states already have hydrofracking safety and disclosure regulations but that making the requirements national would freeze the industry.

“This has been done at the state level successfully,” said Inhofe, the top Republican on the Senate Environment and Public Works Committee. “There’s not a problem with hydraulic fracturing, and there are a lot of people who want to kill the system because they don’t like fossil fuels,” Inhofe said. He noted, however, that he had not closely read the language in the bill.

Reid dismissed the GOP criticism, saying the new language simply requires companies to disclose the mix of their chemical blends, not to stop extracting gas.

“I’m disappointed that the Republicans are still looking for an excuse to say no,” said Reid. “Right now, we have more natural gas than any country in the world. Is there anything wrong with taking a look at how that’s extracted? I guess if you’re looking for an excuse to say no, there is.”

Several observers suggested that Reid’s last-minute inclusion of the hydrofracking language was intended as a consolation prize to soothe the ruffled feathers — and win the grudging support —

of environmentalists still smarting from Reid's decision last week to abandon a comprehensive climate change and renewable energy bill.

The language was not in a draft outline circulated early Tuesday afternoon but was added to a final version of the bill sent out at 10 p.m. Tuesday.

"We'd been talking to Sen. Reid about this for a long time. This is Sen. Reid doing something we've been asking for," said Daniel Weiss, a climate policy expert at the Center for American Progress, which was active in lobbying on the climate bill and signed a letter Tuesday from 10 environmental groups, asking Reid to include the language.

The hydrofracking disclosure provision comes from a bill Sens. Chuck Schumer (D-N.Y.) and Bob Casey (D-Pa.) circulated this year. Democrats in both chambers have sought for months to find a vehicle for new regulations on hydrofracking, which has come under intense scrutiny over the past year as lawmakers celebrated vast new discoveries of domestic natural gas.

The abundant supply of the clean-burning fuel has promised to change the nation's energy landscape — but it comes with potential peril. Extracting the gas, which is mostly in unconventional shale formations, involves fracturing the ground surface above the deposit and injecting a cocktail of sand and liquid chemicals.

But now there is fear that the process could pollute local water supplies. That phenomenon came under the spotlight earlier this summer with the documentary film "Gaslands," in which people living near hydrofracking projects showed their tap water running dark and murky and sometimes even igniting on fire.

Fracking is exempt from many of the federal regulations that govern other forms of energy extraction under the 1974 Safe Drinking Water Act, including a requirement that companies disclose what chemicals they inject into the ground. (That's thanks to a provision inserted in a 2005 energy law by then-Vice President Dick Cheney, known as the "Halliburton loophole" — Halliburton is one of the nation's leading providers of hydrofracking services.)

Industry reaction has been mixed. There has been growing support among some gas producers and fracking companies for new disclosure regulations, and the bill would not require the Environmental Protection Agency to permit hydrofracking.

But Jason Hutt, an analyst for Bracewell and Giuliani, which lobbies for several major energy interests, including the Gas Processors Association, said there will be pushback on the provision. Some gas producers said that being forced to reveal the chemical combinations in energy extraction is akin to companies like Coca-Cola being forced to reveal their recipes. "A lot of folks in the industry have a problem with protecting their intellectual property on this," he said.

PRINT COVERAGE

Reid Touts Third Clean-Energy Summit – *Las Vegas Review Journal* – 7/29/10

By John G. Edwards

Senate Majority Leader Harry Reid, D-Nev., said Wednesday that he wants bipartisan participation in his third clean energy summit in Las Vegas. However, the conference opens Sept. 7 during a contentious election campaign.

Reid's election battle with Republican senatorial nominee Sharron Angle will be approaching peak intensity when the conference convenes at the University of Nevada, Las Vegas.

The most vulnerable issue for Reid probably is not the energy industry, but rather Nevada's 14.2 percent unemployment rate, the highest in the nation.

However, the National Clean Energy Summit 3.0 has taken "investing in American jobs" as its theme.

Speakers also will discuss the need for developers of solar, wind and other clean energy resources to obtain financing for projects and thus create jobs.

In a teleconference with reporters Wednesday, Reid and other conference sponsors acknowledged the difficulties in getting energy legislation enacted this year.

John Podesta, chief executive officer of the Center for American Progress Action Fund, said that "a solid wall of Republican opposition" has stalled bills designed to reduce greenhouse gases, which are said to lead to climate change.

"It just means that we have to rekindle our efforts to bring about a clean energy future," Podesta said.

Late Tuesday, Reid unveiled the proposed Clean Energy Jobs and Accountability Act, which would lift the \$75 million cap on oil company liability for offshore wells. It would make BP and others in the oil industry responsible for the total cost of the damages they caused in the gulf oil spill, according to Reid.

The bill also includes a section creating the Home Star Retrofit Act, which would enable homeowners to get rebates on energy and water conservation programs. Reid said it would create 150,000 jobs.

Some analysts are skeptical that Clean Energy bill will pass.

"Expert Congress-watchers are wondering aloud if there is enough time to do anything now, especially something that will be controversial, such as forcing unlimited liability for offshore oil and gas offshore development," the law firm Bracewell & Guiliani said in an e-mail. The firm includes former New York Mayor Rudolph Guiliani as a partner.

Reid said he wanted the bill to establish a national renewable portfolio standard. The senate majority leader, however, said he decided to exclude the renewable provision so that he can get necessary votes to pass the bill.

A renewable energy portfolio standard would require utilities to increase their use of solar, wind and other renewable energy sources, much like Nevada and other states do now.

"Right now, we can't count to 60 (votes for a national renewable standard). So you can't put that in this bill," Reid said.

The senate leader said he also hopes Congress will pass a bill that extends incentives that give renewable energy developers a 30 percent grant in lieu of an investment tax credit. Without new legislation, the grants would end this year.

"By the end of the year, we need to do that," Reid said.

Speakers at the Clean Energy conference will include Christina Romer, chairwoman of the President's Council of Economic Advisors; U.S. Chamber of Commerce CEO Thomas Donohue; and energy executive T. Boone Pickens.

Some Win, Some Lose Under Energy Bills – *Fort Worth Star Telegram* – 7/29/10

Boone Pickens, the billionaire energy hedge-fund manager, and Home Depot, the largest U.S. home-improvement retailer, would be winners in energy legislation that doesn't help solar-panel and wind-turbine makers.

It would also force companies to reveal details about the chemicals used in hydraulic fracturing.

Senate Democrats proposed the broad 409-page bill Tuesday as a response to the Deepwater Horizon oil spill in the Gulf of Mexico. Although the measure has been cast as a response to the disaster, it also contains dozens of unrelated proposals on everything from energy efficiency to electric cars.

One provision would give Pickens a win in his lobbying campaign for more use of natural gas, providing \$3.8 billion in rebates for cars and trucks powered by it. Home Depot would benefit

from provisions to channel \$5 billion in rebates to homeowners who upgrade to more efficient appliances or add insulation that reduces energy use.

A similar scenario is playing out in the House. That bill doesn't include the provisions for natural gas or energy efficiency.

But it is being used to push a plan for forcing companies to give up federal royalty relief when crude prices rise above certain levels. The House would also require offshore drilling vessels to be built in the United States and would impose new taxes on oil and natural gas.

Both measures could be brought to the floor as soon as this week.

Each measure contains initiatives that respond to the oil spill, for instance by getting rid of liability limits for similar disasters and overhauling the federal agency that polices offshore drilling.

But industry officials and their allies on Capitol Hill complain that the legislation is becoming a grab bag for initiatives that go far beyond what happened at BP's doomed deep-water well.

Democratic lawmakers who have championed parts of the spill-inspired legislation in the House and Senate say the proposals aim to tighten vulnerabilities revealed by the Deepwater Horizon disaster while curbing the nation's thirst for oil.

"The BP disaster is one of the most visible consequences of our dangerous addiction to oil," said Senate Majority Leader Harry Reid, D-Nev. "This lessens our dependence on foreign oil" while creating a "stunning" number of jobs, he said.

Awash in gas

Pickens, who couldn't immediately be reached for comment, told a House committee in April that the U.S. is "awash" in natural gas, thanks to hydraulic fracturing and horizontal drilling.

"We are going to look like fools if we don't use natural gas for transportation," Pickens told the panel. "The only way we can solve the OPEC oil threat is by replacing their expensive, dirty fuel with cleaner, cheaper American natural gas."

In October, Reid called Pickens "a good friend and a real visionary." Reid drafted the Senate bill.

Fracturing disclosures

Environmental advocates seek disclosure of fracturing chemicals, which they worry could harm water supplies. The process, which is now regulated at the state level, involves injecting a chemical-water mix deep underground under high pressure to break up shale rock and release gas locked within it.

Lee Fuller, executive director of Energy In Depth, which represents independent gas companies, said the proposal could create unachievable legal hurdles, especially in cases where energy companies are asked "to post information that doesn't even belong to them."

Reid rejected those arguments and suggested that Republicans were "looking for an excuse to oppose" the bill.

Industry officials and Republican lawmakers have also objected to the House Democrats' plan to levy a new fee of \$2 per barrel of oil or 20 cents per million Btu of natural gas produced on all new and existing U.S. leases. That would translate to an estimated \$22 billion over 10 years, according to the Congressional Budget Office.

The new measure includes a provision that would bar companies from getting new federal drilling leases unless they renegotiate oil and gas leases that were signed in the late 1990s. Federal law allowed the waiver of royalty payments to the federal government whenever energy prices fell below certain thresholds. But in some leases issued from 1996 through 2000, the government did not stipulate that it could suspend the royalty waivers if prices jumped.

Renewables left out

Absent from the Senate measure are limits on carbon dioxide or requirements that utilities add solar and wind power to their portfolios.

Pleas from environmental groups and renewable-energy manufacturers that the bill include limits on emissions that contribute to global warming or a renewable-energy requirement for utilities were rejected after Reid said there weren't enough votes for the climate provisions.

"The U.S. wind industry is in distress," Denise Bode, CEO of the Washington-based American Wind Energy Association, said in a statement. A renewable standard "is a critical component to ensure the U.S. wind industry thrives."

U.S. wind-power additions in the first six months of 2010 fell 70 percent from a year earlier, according to Bode. Developers added 1,239 megawatts in the first half, down from 4,000 megawatts in the same period of 2009.

Rebates for insulation

The Senate bill would offer rebates as high as \$8,000 to homeowners who retrofit with energy-efficient insulation, windows, and heating and cooling equipment. The Home Star program to cut energy use from appliances and air conditioners would create as many as 168,000 jobs over the next two years, according to the Alliance to Save Energy, a Washington-based group that promotes energy efficiency.

The Home Star program would extend federal tax credits from last year's stimulus bill that expire at the end of 2010, according to Stephen Holmes, a spokesman for Atlanta-based Home Depot.

This report includes material from Bloomberg News and the Hearst News Service.

Challenged - GOP Hopefuls Take A Tilt At Senator Murkowski And Congressman Young
– *Anchorage Press* – 7/28/10

By Brendan Joel Kelley

In Alaska's congressional races, challengers to the incumbents are common, particularly because incumbents' tenures have traditionally been extraordinarily long.

Former Senator Ted Stevens served for 40 years before Mark Begich beat him after his (later overturned) criminal conviction in 2008. And he faced prominent Anchorage banker Dave Cuddy, among others, in that year's primary election. In 2008, now-Governor (then-Lieutenant Governor) Sean Parnell, with then-Governor Sarah Palin's backing, challenged Congressman Don Young, who barely fended Parnell off. Young's now in his 37th year in congress.

In the August 24 Republican primary, Young faces a mostly unknown challenger, businessman Sheldon Fisher, while Senator Lisa Murkowski is being challenged by Fairbanks attorney Joe Miller, who's garnered the endorsements of Sarah and Todd Palin as well as the financial support of the California-based Tea Party Express. The Young/Fisher race has been mostly low-key, in stark contrast to the Murkowski/Miller race, which has drawn national attention because of the Tea Party Express's promise to spend hundreds of thousands of dollars to defeat Murkowski (and because of a controversial blog post by that organization's spokesman, Mark Williams, addressed to Abraham Lincoln on behalf of "colored people" asking for a return to slavery; though the Tea Party Express didn't remove Williams as spokesman, he cut his ties with the organization a little over a week later).

Both challengers believe they have a good chance against the incumbent—Fisher is banking on Congressman Young’s being stripped of committee chairmanships and falling out with the Republican Party over his rebellion against the GOP’s earmark ban; Miller paints Murkowski as a RINO (Republican in name only) who believes in big government, and believes the momentum of the tea party, with its philosophy of limited government, will catapult him into the general race.

The challenger – Sheldon Fisher

Sheldon Fisher came to Alaska six and a half years ago to work as an executive for Alaska Communications Systems, after working for Sprint in the Lower 48. He says he was “very disturbed” that there was no serious challenger to Young in the Republican primary (although former legislator and gubernatorial candidate Andrew Halcro at one time announced his intention to run for the seat). “We need a different type of politician in Washington,” Fisher says. “Part of the problem is the professional politician. I’m confronting it—it’s hard as a newcomer to build support, name recognition, volunteer awareness... But I view it as a chance to be of service and make a difference.”

Fisher’s prime issue is fiscal discipline. He says projections show that within 12 years interest on the national debt will be the largest line item in the federal budget, eclipsing defense, social security and health care. “Every category of the federal budget has to be discussed,” he says. With social security, he believes citizens should be able to invest their payments in the marketplace, and also thinks social security should grow at the rate of inflation rather than the rate of wage increases.

He also believes health care should be more subject to market forces. “The crisis is really about cost,” he says. “We spend twice as much more per person for health care than any industrialized country in the world. We don’t see tremendous market forces in health care; we’re becoming insulated from the price.”

On the issue of defense spending, he believes the United States should continue to be a force for change in the world, but says we need a dialogue with our allies so they contribute their fair share of the costs.

“We can’t solve this deficit without touching all of these areas,” he says. “It’s everything. We have to be willing to take on every sacred cow out there and make some hard decisions.”

Incumbent Congressman Young proudly boasts about the earmarks he brings home to Alaska, and Fisher concurs that earmarks are an appropriate tool for Congress, but believes the process should be more stringent. “When we spend money, a congressman should be able to go to his peers and advocate for the money as if they were a bank or a business. This is what we need, this is why we need it, this is what it’ll do for us—a business case.”

Fisher believes in energy independence for America—particularly in reducing the trade deficit by becoming self-sufficient when it comes to energy. He advocates for responsible development of Alaska’s resources, but also subscribes to T. Boone Pickens’ plan to shift our transportation fuel from oil to natural gas.

As a Mormon, Fisher is socially conservative, and is advocating for a “family friendly” internet, free of pornography. “I respect an adult’s ability to make choices for themselves,” he says, but he thinks there is a “huge market” for content providers to offer a PG rated version of the internet.

As to why he thinks Alaskans should elect him to replace the long-serving Congressman Young, he says Young has been “neutered in some respects, diminished in his influence. In this election I believe you’ll have a freshman class, probably 40 or 50 Republicans, and if we wait two or four years, that freshman class is going to be grabbing up all the committee assignments as they grow up in congress. I believe the seniority argument cuts in favor of making a change in this election.”

The incumbent – Congressman Don Young

When asked why Alaskans should return Don Young to congress for a 20th term, his answer is simple. “One is experience; two is passion; three is love of the state,” he says.

Young points out that, in contrast to his opponent, he's been to every corner of the state of Alaska during his time in congress. "Each area has a problem; water in Seward and the rural areas, congestion in the urban areas, natural resource development—all that has to be taken care of, as well as trying to make sure the federal government doesn't interfere, which they've been doing quite enthusiastically since Obama's been elected, and before then, too."

He says his priority has been looking at regulatory reform, essentially laws that the congress has never voted on. "We have 160,000 pages of regulatory law; that doesn't include the health bill or the energy bill or the financial reform bill. That adds up to about 1,500,000 regulatory laws that were never voted on. Congress hasn't done their job. We keep transferring the power to the bureaucracy, the executive branch, instead of keeping it with ourselves, and we need to start reviewing those regulatory laws or this country is not going to recover from this recession."

He calls the Obama administration's offshore drilling moratorium "the dumbest thing the administration's done," and says he wouldn't be surprised if Shell abandoned its investments in the Chukchi and Beaufort Seas. "The promotion to use no fossil fuels is dead wrong," he says. "I recognize the president and the speaker and quite a few people don't think we need fossil fuels, but it's what runs our commerce, it's what moves our trucks, our planes, our automobiles and our ships. To say we're going to use something else is ridiculous."

When the Republican leadership in congress announced a ban on earmarks, Young proudly defied it, and defends that decision. "The dustup is I'm right and they're wrong," he says. "Just because they're the leaders doesn't mean they're right and I'm wrong. They were leading us in the wrong direction, and most people don't have the courage to stand up. I do have that courage, and when it's wrong, I'm going to let them know."

Though he doesn't have the backing of any prominent tea party groups, Young believes the movement is good for the nation. "People are starting to realize they're losing their freedoms, their money's being taken from them—it goes back to the regulatory law; they're being told what to do all the time."

Young says his proudest accomplishments aren't legislation, but representing Alaskans. He talks about thousands of letters he's received, requests for help he's been able to supply (sometimes in the form of earmarks). "Constituent work is what this is all about; that to me is the proudest thing I've been able to do."

“I’m their voice in Congress,” he says. “And there’s nobody running I’ve seen that wants to be that voice; they just want to get elected. They don’t understand, the job is so doggone important for the state, they at least ought to have experience not only legislatively, but outside the metropolitan areas of Alaska.”

The challenger – Joe Miller

Not many people had heard of Joe Miller, a one-time candidate for the state house, when he declared his candidacy for Senator Murkowski’s seat in April. But that changed quickly with the endorsement of former Governor Sarah Palin and the subsequent support of the Tea Party Express.

“What motivated me in this is the point to which this nation’s fallen,” Miller says. “Every week additional troubling economic indicators are disclosed—this is a country in decline, at least on the economic front, because of a crisis of leadership in D.C.” Miller blames both parties, and says our representatives are looking to government for all the answers. “I’m convinced that if we continue to reelect these incumbents, there’s no hope for our country.”

Miller describes himself as a constitutional conservative, and believes the federal government should be limited to only what the constitution specifies. “The founders specified a number of enumerated rights; those enumerated rights included defense, border control; all the things we aren’t doing well are enumerated rights, but those other things that are not included within the constitution we’re spending money hand over foot on and that’s detracting from our ability to do those things that our founders originally intended us to do.”

He points to the president’s health care bill as an example. “Obamacare mandates I have to go buy private insurance. It’s taken away my right to choose not to have health insurance. I now get penalized, fined, if I don’t have it.”

Miller doesn’t believe in man-made global warming and opposes cap and trade legislation that’s likely to be in an upcoming comprehensive energy reform bill. He’s also concerned about what we pay other countries for hydrocarbon fuels. “We have extraordinary resources in this nation

untapped,” he says. “From a regulatory perspective, we need to loosen things so we can extract more of the resources we have.” To accomplish this, he believes states should be fully in control of what they do with their land—and he thinks the nearly two-thirds of Alaska under federal title should be turned over to the state. “The endgame for limited constitutional government is extraordinary for the state of Alaska,” he says. “Alaska regaining title of its lands would mean exceptional wealth.”

Miller says he doesn’t hold membership in any tea party organization, but says the movement reflects a “high degree of diversity.”

“The one central thing that seems to unify the tea party movements is the concept that government needs to come back to the model that our founders intended it to follow,” he says. “Limited constitutional government, that seems to be the one unifying theme.”

In November’s election, Miller believes the congress will shift towards control by constitutional conservatives who hold the same ideals he does. “This country may have one election left to turn the fiscal boat around,” he says. “The attitude of incumbency will result in more business as usual, irresponsible spending, and a complete lack of leadership in D.C.”

The incumbent – Senator Lisa Murkowski

Though there was a strong degree of resentment towards Lisa Murkowski when her father, as governor, appointed her to the senate seat he once held, that sentiment seems to have faded over her nearly eight years in office. A poll in April of this year (the same month Joe Miller announced his primary challenge) by Dittman Research showed 49 percent of Democrats thought she should retain her seat, along with 75 percent of Republicans.

Miller and his supporters on the far right call Murkowski a liberal, while those on the left say she entered the senate as a moderate but has become more conservative as she gained leadership positions within the senate—she’s currently the ranking GOP member on the Committee on Energy and Natural Resources, and was elected to the senate Republican leadership team last year as vice chairwoman of the senate GOP conference.

“I’m starting to feel a little like Goldilocks,” Murkowski says. “The conservatives say I’m too liberal, the liberals say I’m too conservative, so I have to figure that this is just about right.” She attributes the perception to the President Obama’s election and decisions his administration subsequently made. “The issues I’ve been dealing with during the past 18 months coming out of an administration that doesn’t really favor resource production and extraction like we have in Alaska, and my efforts to push back and say no on so much of what we’re seeing in terms of government outreach, this is not a change in political perspective at all. I am fighting a very different front coming out of this Obama administration and it has required saying no about a lot more things when it comes to policies.”

Murkowski believes the role of representing Alaska in the senate is as important now as it has been at any time since statehood, with the federal government putting policies in place that limit the state’s resource development.

She also supports using oil and gas revenue to develop renewable energy resources, and has proposed a deployment fund to invest in those. “You think about the ocean energy, you think about the miles of coastland we have, the tidal energy we can tap into, the hydrokinetic energy on our rivers—it’s practically limitless. Our geothermal potential is something I find quite exciting,” she says.

On the matter of the tea party movement, Murkowski says she thinks Alaskans relate because of our independent streak. “A lot of people are concerned about debt and spending and ensuring we’re sticking to our constitutional principles, and I agree with all that,” she says. She is critical of the Tea Party Express’s spokesman’s racist satire though, as well as the fact her opponent, Miller, never condemned his statements.

Like Congressman Young, Murkowski says her proudest moments as a senator haven’t been legislative, but working to help her constituents in Alaska. She tells the story of a veteran with pancreatic cancer who came to her a month or so ago and told her he couldn’t receive his chemotherapy in Alaska, where his friends and family are. “We went to bat for him,” she says, and now he’s receiving all of his treatment at home in Alaska.

“I have an incredible passion for this state,” Murkowski says, “and I would not be giving up my summers in Alaska being out on the river or out on the ocean and fishing or out on the hills hiking around, I would not give that up, as I have, if I did not believe the work I have to do here is so important not only for my family but for Alaskans and the state.”

BLOG/ONLINE COVERAGE

EIA: Natural Gas ETFs to Get a Late-Summer Boost – *ETF Trends* – 7/28/10

Natural gas exchange traded funds (ETFs), down and out for a good part of this year, may soon put their troubled days behind them – if the experts' prognostications prove to be right on.

What's in the forecast?

- Hotter-than-usual weather is on the horizon and natural gas demand is expected to pick up. Moming Zhou and Noah Buhayar for BusinessWeek report that gas-fired demand for electric cooling systems is leading to higher demand for the commodity. Temperatures will be above normal across much of the Midwest and East from Aug. 1- 5, according to the National Weather Service.
- Hurricane season is still in effect, too: it runs until Nov. 30, and we're not even in the most active part of it yet. The gulf is home to about 12% of U.S. natural gas production, so if one of these centers were to be struck, it could have a swift impact on prices. [Hurricane Season's Affect on Natural Gas Prices.]
- Also supporting the sentiment is house lawmakers who are expected to vote on their version of the legislation concerning subsidies for natural gas vehicles before Congress breaks for recess in August. According to Reuters, an energy bill that contains almost \$4 billion in subsidies for natural gas-burning cars is part of a long-term plan championed by American financier T. Boone Pickens. [7 Commodity ETFs You Should Understand.]

Senate Bill: More Than \$4 Billion For Natural Gas -- What About Environmental Protections? – *Natural Resources Defense Council Blog* – 7/28/10

The U.S. Senate has set aside any action on comprehensive legislation to promote clean energy and address global warming. NRDC's Executive Director Peter Lehner called this predicament "an abject failure" in the middle of the hottest year on record, leaving Americans with fewer jobs and more pollution.

U.S. Senate Majority Leader Harry Reid has stated that he is disappointed but moving ahead with narrower legislation so that the Senate accomplishes at least some goals. His legislation will increase liability caps for offshore oil spills, provide incentives for energy efficiency retrofits, authorize funding for the Land and Water Conservation Fund and, the topics of my post today, create incentives for vehicles that run on natural gas and require the disclosure of the chemicals used in hydraulic fracturing fluids.

An article in the Christian Science Monitor reports that the Senate proposal will provide more than \$4 billion in incentives for natural gas vehicles.

T. Boone Pickens, author of one plan to transition trucks in our country from diesel to natural gas, estimates that such a switch would lead to natural gas replacing 2.5 million barrels of oil per day, based on the usage of 8 million 19-wheelers.

Replacing 2.5 million barrels of oil per day to run heavy-duty trucks, or approximately 900 million barrels per year, would require approximately 5.1 trillion cubic feet of natural gas per year.

How many new natural gas wells that would mean? It is hard to say for certain, because each well can produce a different amount of natural gas. We've calculated it will be thousands of new wells, perhaps anywhere from roughly 3,000 to 7,000 large shale gas wells. But most of the production from these large shale gas wells come in the first few years; it has been estimated that about 85 per cent of the value of shale wells in the Barnett shale will be produced in the first 10 years. Incentives for natural gas may lead to equipment and infrastructure that perpetuate the demand over the long term, requiring more and more wells to be drilled.

NRDC believes that natural gas can play an important role as we transition to a clean energy future based on maximum energy efficiency and development of renewable energy sources. But each new well comes with significant environmental threats to our air, water, land, and health, as I have blogged about extensively. It's unacceptable to promote an industry with such harmful impacts while not ensuring that appropriate, up-to-date health and safety protections accompany any incentives.

That brings us to a promising component of this Senate bill when it comes to onshore oil and gas development—requiring disclosure of hydraulic fracturing chemicals to the public.

NRDC applauds Senator Reid for acknowledging the concerns of Americans across the country who are worried about the dangerous chemicals being used in their neighborhoods, and for his support of the public's right to know the identity of these chemicals to help protect their drinking water. We greatly appreciate the work of Senators who support inclusion of disclosure provisions in this bill. Disclosure of hydraulic fracturing chemicals is an important step to get communities information they need to help protect their drinking water. Passage of the FRAC Act is the essential next step to ensure protection of drinking water sources in communities that have become sacrifice zones, and we will work to ensure that Congress passes the strongest legislation possible.

NRDC is opposed to any new natural gas development in the most sensitive places that should be off limits, such as watersheds, backyards, and wilderness quality lands. Elsewhere we support requirements for the most protective environmental techniques-- across the board, not just for hydraulic fracturing. Importantly, we think the industry has the technical and financial ability to conduct its operations in much safer and cleaner ways. Congress's work is not done until the public is protected from all the harmful aspects of oil and gas development.

Winner In Proposed Energy Bill – Natural Gas Fuel Stocks CLNE, FSYS, WPRT –
Greenstocks Central – 7/28/10

By Tate Dwinell

In proposed legislation introduced by Senator Harry Reid yesterday, it was clear that the natural gas fuel providers and parts suppliers may be big beneficiaries. Along with establishing a Nat Gas Vehicle and Infrastructure Development Program within the DOE, nearly \$4 billion in rebates would be provided to purchasers of nat gas vehicles as well as another \$2.5 billion for grants for infrastructure and R&D.

Andrew J. Littlefair, Clean Energy President and CEO, said, “We applaud our congressional leaders in the Senate and the House for bringing this vital legislation to the forefront. It will help fund natural gas vehicle purchases, particularly heavy-duty trucks, support growth in natural gas fueling infrastructure nationwide, and provide loans to support domestic manufacturing of alternative fuel vehicles.”

So how to play this legislation? I’m a big fan of the two most well known natural gas fuel stocks here – both Clean Energy Fuels (CLNE) and Fuel Systems Solutions (FSYS). T Boone Pickens’ CLNE is probably the best play and it recently broke out of a double bottom base with good volume on Monday, presenting a nice entry point after pulling back in the last two days. One that many maybe aren’t familiar with is Westport Innovations (WPRT)

Another good play is Fuel Systems Solutions (FSYS) which makes natural gas fuel conversion kits. No word on whether conversion kits would be eligible for a rebate. If any readers know the answer to this please let us know in the comments. Not quite the pure play that CLNE is, but it’s mighty attractive down at these levels, having corrected 50% since the beginning of the year and finding significant support around the \$25 level.

The third play is Westport Innovations (WPRT) which makes the engines and fuel injectors that go into nat gas vehicles. This may be a huge beneficiary as more car and truck manufacturers look to manufacture nat gas vehicles. WPRT currently has a partnership with Volvo. It’s no coincidence that the stock broke out to a new all time high on Monday, but sold off hard today after a torrid run in the past month. It may provide another attractive entry point soon.

Senate Warms Up To Pickens' Push (HMC, CLNE, BP, APC, HAL, BHI, RIG, MMR) – TickerSpy – 7/29/10

By Owen Vater

Billionaire hedge fund manager and former oilman T. Boone Pickens is an outspoken proponent of natural gas-powered vehicles, and according to Bloomberg, his plan to save America from foreign oil dependence is one step closer to fruition. Senate Democrats proposed a bill that could grant \$3.8 billion in government rebates to buyers of natural gas-powered vehicles and those willing to convert existing cars and trucks to run on the fuel. While Pickens is said to drive a natural gas-powered Honda (HMC) Civic-GX, he's aimed most of his lobbying at the trucking sector, where diesel-thirsty big rigs could be converted to run on "cleaner, cheaper American natural gas."

A look at BP Capital Management's top-15 U.S.-listed equity positions from the end of Q1 shows that Pickens and his investors have a lot riding on the energy sector. Since natural gas is a byproduct of oil drilling, exploration firms often maintain exposure to both segments, but Clean Energy Fuels (CLNE), where Pickens is a cofounder and major investor but his hedge fund is not invested, is a pure-play on natural gas vehicle proliferation.

Clean Energy Fuels could also be a direct recipient of taxpayer dollars should the Senate proposal be passed into legislation. According to Bloomberg, the bill would grant up to \$50,000 to companies that open natural gas refueling stations between 2011 and 2015.

Pickens' hedge fund saw a number of its largest end-of-Q1 holdings slide sharply in the wake of BP's (BP) disaster in the Gulf of Mexico. However, Anadarko Petroleum (APC), Halliburton (HAL), and Baker Hughes (BHI) have all rebounded by 20% or more over the last month. Meanwhile, Transocean (RIG) and McMoRan Exploration (MMR), where Pickens was adding to positions in the first quarter, have both slipped farther into the red for the period.

It will be interesting to see where Pickens was making moves in the second quarter. Investors will be privy to BP Capital's end-of-Q2 holdings next month, when the latest batch of 13F filings are due with the SEC. In the meantime, you can see where you stack up against Pickens, and view more stocks his hedge fund has invested in at tickerspy.com.

The Natural Gas as Bridge Idea – *Renewable Energy World* – 7/29/10

Two crucial things to know about natural gas right now are that (1) a lot of people who live near it hate it and (2) a lot of people who live far away from it think it is the bridge to the New Energy future.

Natural gas can be used to generate electricity, to supply heat or as a transportation fuel. With the discovery of methods to obtain it from previously inaccessible shale deposits, it has become domestically abundant. And, because burning it creates roughly half the greenhouse gas emissions (GhGs) as burning coal and significantly fewer than burning oil, transitioning to it could mean replacing both the financial black hole of oil imports and the environmental degradations of coal mining with an energy source that would double the time the nation has to cope with the onslaught of global climate change.

In *The Future Of Natural Gas; An Interdisciplinary MIT Study (Interim Report)*, scientists who previously studied the practicality of “clean” coal and “safe” nuclear as means to face the coming “carbon-constrained” world say that in the next forty years (to the middle of this century) natural gas may be the best choice there is and a "bridge" to a New Energy economy. This suggests three possibilities.

First, they may be right about the idea of using natural gas as a bridge. Or they may be underestimating what the New Energies are capable of right now. Or they may know what the New Energies are capable of but are choosing the inevitability of natural gas because they anticipated what the U.S. Senate is flagrantly displaying this week for all the world to see: U.S. fossil foolishness will only die hard, no matter how bad it is for the people of this great nation and this good earth.

The paper’s “big picture” conclusions about natural gas:

(1) The new-found abundance of international natural gas supplies will drive much more extensive use, especially in electricity generation.

(2) The U.S. shale gas reserves will drive increased domestic use.

(3) The increasing pressure to reduce GhGs will force a longer-term reduction of natural gas reliance unless the capture and sequestration of fossil fuel emissions miraculously becomes both technically feasible and price-competitive with the ever-renewable, emissions-free wind, solar, geothermal and hydrokinetic energies.

(4) The domestic and international natural gas markets are so volatile that things could change before this sentence ends.

One of the biggest reasons there is so much talk about natural gas as the bridge to a New Energy future is that the present New Energy supply and infrastructure is inadequate to take over from coal. This is quite ironic. If the nation had not dallied with the volatilities of natural gas and sharply cut back on the research, development and deployment of New Energy in the 1980s, it might now be ready to throw off its fossil foolhardiness for good.

Yet here are the big brains at MIT urging the nation to make a similar mistake yet again by turning to natural gas. It's formulation is nuanced: Technological advance (of New Energy and Energy Efficiency, "safe" nuclear and "clean" coal) should not be crowded out while natural gas rises in demand but development of natural gas, especially the shale reserves, should not be impeded by over-investment in technological advance before the technologies are mature.

If there weren't this small matter of global climate change, it might be fine to leave all this to the so-called invisible hand of the marketplace, though the invisibility of the oil & gas industries' phantom lobbyists is probably not what Adam Smith had in mind when he coined the construction. Given the urgency of an all too rapidly rising global average temperature, it is patently obvious that all barriers to the development and implementation of New Energy and Energy Efficiency must be eliminated.

One of those barriers is wasting time on developing any Old Energy infrastructure. That includes the cleaner fossil fuel (and “clean” coal and “safe” nuclear). When there is enough solar energy in the Southwest and enough wind off the Atlantic coast to power the Eastern Seaboard, what is the point of building natural gas pipelines?

The use of compressed natural gas (CNG) as a heavy transport fuel may be the exception that proves the rule. Limiting its use to buses and trucks minimizes the need for a delivery infrastructure and maximizes its effectiveness as a replacement for oil. Especially as subsidized in the “no-energy” bill currently being considered by the Senate, there is merit in this limited application of the resource.

The MIT report did not take much notice CNG as a heavy transport fuel because the authors do not expect it to be a large part of the potential market. It is true that it will not be a large part of the market but it could be a significant part. Just as [Boone Pickens](#).

MIT will deliver its full and final report on natural gas later this year but this interim paper could not be more timely

Footnote: New research from Cornell university suggests that natural gas derived from shale by hydrofracturing could generate more life-cycle GhGs than coal. (See [THE GHGS FROM NATURAL GAS](#)) The process is certainly becoming controversial. (See [MUST SEE TV - HBO'S GASLAND](#))

BROADCAST COVERAGE

1. Mad Money (Rebroadcast)

CNBC, National | DMA: 0

07/28/2010, 11:00 PM - 12:00 AM

[CC] 00:17:45 ...These are critical for reducing our dependence on foreign oil and shifting to cleaner fuels, and they could have a major impact on job creation. Not to mention many stocks. We're sitting down with Congressman Larson and get a better understanding of the legislation. Welcome for the first time to "Mad Money." How are you, sir? I'm doing great, jim. Thank you for your advocacy. A lot of people all over America listen to you, and they also listen to **Boone Pickens** who's led this crusade. We're happy to have sponsored the act including many pieces of legislation, but, you're correct. I think in the senate, as you know, there's more than 300 bills that have passed the house, and not much has moved over there, and this news from harry reid's office that we've been working with closely is just terrific news to get an energy bill. Obviously, we prefer an expanded version, but this matter will be reconced, but I think for natul gas, this is great news. As you point out, this is great news for America. It's not often that you get to embrace an issue that incorporates both the environment, energy, the economy, and foreign policy. Weaning ourselves off of dependency on foreign oil ought to be our number one priority. I know you have spoken to this. Oh, yeah. As does **Boone**. The statistics and evidence are overwhelming, and to produce, you know, heavy duty trucks, 18-wheelers, for every truck that we produce and manufacture --And let's make that clear, manufacture here in America --It's the equivalent of taking 382 cars that pollute off the road. That's an amazing statistic, but it goes to the potency of **natural gas** and how quick we can wean ourselves off the dependency in foreign **oil**. If you had to explain like mr. Smith goes to Washington, you have a bill in the house, and there's a credit, there's a rebate in the senate. What comes out in the wash? What occurs now so that you can knock heads and come up with the best bill? Well, what's that old saying, jim, that two things shoul't be observed. Sausage being made and a bill becoming law. It seems confounding and mystifying to the public. That's why I love to hear **Boone Pickens** say --He says, look, it's abundant, it's accessible, it's available, and it's ours. It's in abundance across this country. There's been a number of companion bills. There have been issues, as you know, after the gulf with issues around drilling and especially as it relates to fracturing, et cetera. Those are all going to be answered by the epa. New york state is going through a current study as well. The potential that exists having just been out in ohi the potential for **energy** independence, so in plain, simple language, the congress will come together and conference and pass a bill that certainly will incorporate **natural gas** as a cornerstone to making us **energy**-independent. Sir, this is a very big shift for our government. Even as rently as three or four years ago we thought the **fuel** was unreliable. We tught it wasn't plentiful. We felt it was one of those **fuels** that could go from 13 to 3 and then bk to 8. Are you sufficiently confident in natural gas to know that it is now the cheaper and most reliable fuel we have? Well, not only is it cheaper, but I think as you

have pointed out in the --At the outset, we are essentially, the Saudi Arabia of natural gas. We have more now that we've been able to locate in this country through the shale deposits that would amount to about a 200 year supply. That's pretty incredible, and we know that we have the drilling techniques and we'll apply the epa safeguards in terms of doing this. We have a natural gas caucus that's all in favor of this, but the appropriate safeguards, and we have a country that's desiring us to invest in America, make it here in America as we say all around the world, but, you know, as **Boone** points out, too, we're going to need all hands on deck. Not only will we need the existing natural gas that we have, but we're going to need all the alternative forms of energy as well, and that includes nuclear. I know you now this as well and have talked about this, but this is a break-through for us. Am I going --Is this going to happen soon? Am I going to, like, by the end of the summer get it, or are we going to get it next week? I'm trying to tell people to invest wisely. I don't want t they invest based on what could happen in this bill if it's not going to come -- it's an attempt to take it out this week, whether or not they can get beyond the frustrating even more and getting beyond cloture votes, people that have put roadblocks up. I think harry has struck the appropriate compromise. What we need to do is unleash **t.Boone** 's two million people out there and with your continued efforts and advocacy, I think the American people are desirous of a quick change, but, certainly, I would say natural gas is in everybody's future.
....00:23:01

[CC] 00:27:52And my favorite speculation that we've been behind from the single digits, Clean **Energy**, symbol cln which provides bills and operates **fueling** stations for **natural gas** especially for the heavy-duty vehicles like trucks, that this legislation will subsidize. How big is this for clean **energy**? Okay. In the third year after the legislation will go into effect, can you see an additional 100,000 heavy duty trucks that run on **natural gasfuels** in the road. Another 100,000 medium duty vehicles, because the truck guys will save an additional \$15,000 to \$20,000 each truck per year with the rebates. Not to mention the dollar per gallon they save on **fuel**. Just for using compressed liquified **natural gas** rather than diesel. That adds up. What's this mean for clean **energy**? There could be one billion gallons of additional demand. One billion. Maybe 1.5 billion gallons in the third year after the bill's passage. Now, what are they doing right now? How about 101 million gallons. That was an m. Not b. This bill may not transform the industry overnight, but itould move 100,000 trucks. While encouraging the truck manufacturers to make more **nat gas** trucks, and that's significant for clean **energy**. It's basically an annuity for them. Once the trucks are on the road, they have to keep coming back to the **fueling** stations to refuel. The **energy** bill will be brought to the senate floor with the vote potentially coming as early as next week. We want to hear from andrew littlefair, the co-founder and ceo of clean **energyfuels**, which, by the way, **Boone Pickens** has invested in. To learn more about the deals in and what the future looks like for his company, Mr. Littlefair, welcome back to "Mad Money." Jim, thanks for having me on. I feel like since we started this show there was going to be this day where the government was going to get wise and pass some legislation that makes us so that we can be a **natural gas**-based **fuel**, clean air jobs. It's happening, isn't it? Well, it is happening. You know, we've talked about it for a while, and, you know, it's been a long road, but, jim, this is the first time our congress has really done something to reduce our dependence on foreign **oil**. I think it's a big --It's big news. This one bill won't change it overnight, but it sets the ball in motion, and it's --One day we'll look back, and this will be the beginning to move our trucks and our transport of our goods to **natural gas**. Why is it, andrew, that sometimes it just feels like you, me, and **Boone Pickens** talking about it. Why is this so unknown to people that we're about

to have this transition? Well, you know, we've had --Let's face it, we've been using gasoline and diesel for 100 years, and we've gotten used to it. I think up until recently, jim, and you have done a good job talking about it, people didn't realize we had as much **natural gas** in the country as we do. Certainly, you know, on the hell now and, you know, just you have 140 members from both parties that are supporting this **natural gas** --One of the **natural gas** vehicle bills, and they're getting the message. You know, there's a disconnect often between fleet vehicles and the trucking segment and the couple 200 million passenger vehicles.00:30:57

Audience: 137,375 **Spot Cost:** \$1,442

2. Mad Money

CNBC, National | DMA: 0

07/28/2010, 06:00 PM - 07:00 PM

[EC] 00:15:34 ...These are critical for reducing our dependence on foreign oil and shifting to cleaner fuels, and they could have a major impact on job creation. Not to mention many stocks. We're sitting down with Congressman Larson and get a better understanding of the legislation. Welcome for the first time to "Mad Money." How are you, sir? I'm doing great, jim. Thank you for your advocacy. A lot of people all over America listen to you, and they also listen to **Boone Pickens** who's led this crusade. We're happy to have sponsored the act including many pieces of legislation, but, you're correct. I think in the senate, as you know, there's more than 300 bills that have passed the house, and not much has moved over there, and this news from harry reid's office that we've been working with closely is just terrific news to get an energy bill. Obviously, we prefer an expanded version, but this matter will be reconced, but I think for natul gas, this is great news. As you point out, this is great news for America. It's not often that you get to embrace an issue that incorporates both the environment, energy, the economy, and foreign policy. Weaning ourselves off of dependency on foreign oil ought to be our number one priority. I know you have spoken to this. Oh, yeah. As does **Boone**. The statistics and evidence are overwhelming, and to produce, you know, heavy duty trucks, 18-wheelers, for every truck that we produce and manufacture --And let's make that clear, manufacture here in America --It's the equivalent of taking 382 cars that pollute off the road. That's an amazing statistic, but it goes to the potency of **natural gas** and how quick we can wean ourselves off the dependency in foreign **oil**. If you had to explain like mr. Smith goes to Washington, you have a bill in the house, and there's a credit, there's a rebate in the senate. What comes out in the wash? What occurs now so that you can knock heads and come up with the best bill? Well, what's that old saying, jim, that two things shouldn't be observed. Sausage being made and a bill becoming law. It seems confounding and mystifying to the public. That's why I love to hear **Boone Pickens** say --He says, look, it's abundant, it's accessible, it's available, and it's ours. It's in abundance across this country. There's been a number of companion bills. There have been issues, as you know, after the gulf with issues around drilling and especially as it relates to fracturing, et cetera. Those are all going to be answered by the EPA. New York State is going through a current study as well. The potential that exists having just been out in ohi the potential for **energy** independence, so in

plain, simple language, the congress will come together and conference and pass a bill that certainly will incorporate **natural gas** as a cornerstone to making us **energy**-independent. Sir, this is a very big shift for our government. Even as recently as three or four years ago we thought the **fuel** was unreliable. We thought it wasn't plentiful. We felt it was one of those **fuels** that could go from 13 to 3 and then back to 8. Are you sufficiently confident in natural gas to know that it is now the cheaper and most reliable fuel we have? Well, not only is it cheaper, but I think as you have pointed out in the --At the outset, we are essentially, the Saudi Arabia of natural gas. We have more now that we've been able to locate in this country through the shale deposits that would amount to about a 200 year supply. That's pretty incredible, and we know that we have the drilling techniques and we'll apply the EPA safeguards in terms of doing this. We have a natural gas caucus that's all in favor of this, but the appropriate safeguards, and we have a country that's desiring us to invest in America, make it here in America as we say all around the world, but, you know, as **Boone** points out, too, we're going to need all hands on deck. Not only will we need the existing natural gas that we have, but we're going to need all the alternative forms of energy as well, and that includes nuclear. I know you know this as well and have talked about this, but this is a break-through for us. Am I going --Is this going to happen soon? Am I going to, like, by the end of the summer get it, or are we going to get it next week? I'm trying to tell people to invest wisely. I don't want them to invest based on what could happen in this bill if it's not going to come -- it's an attempt to take it out this week, whether or not they can get beyond the frustrating even more and getting beyond cloture votes, people that have put roadblocks up. I think Harry has struck the appropriate compromise. What we need to do is unleash **t.Boone**'s two million people out there and with your continued efforts and advocacy, I think the American people are desirous of a quick change, but, certainly, I would say natural gas is in everybody's future.
00:23:10

Keywords:TZ; Rep: **Energy** Bill; Cap and Trade; Anti-Climate Change Version of **Energy** Bill; **Nat Gas** Act; **Energy** Bill; House Version of **Nat Gas** Act; Powerful Ways and Means Committee; Domestic Manufacturing and **Energy** Jobs Act; **Boone Pickens**; Harry Reid; Mr. Smith Goes to Washington; EPA; NY State; OH; Saudi Arabia of **Natural Gas**;

Visuals:Natural Gas;

Speakers:Rep. John Larson, D - CT;

[EC] 00:26:36 There could be one billion gallons of original demand. One billion. Maybe 1.5 billion gallons in the third year after the bill's passage. Now, what are they doing right now? How about 101 million gallons. That was an m. Not b. This bill may not transform the industry overnight, but it could move 100,000 trucks. While encouraging the truck manufacturers to make more **nat gas** trucks, and that's significant for Clean **Energy**. It's basically an annuity for them. Once the trucks are on the road, they have to keep coming back to the **fueling** stations to refuel. The **energy** bill will be brought to the senate floor with the vote potentially coming as early as next week. We want to hear from Andrew Littlefair, the co-founder and ceo of Clean **EnergyFuels**, which, by the way, **Boone Pickens** has invested in. To learn more about the details of the legislation and what the future looks like for his company, Mr. Littlefair, welcome

back to "Mad Money." Jim, thanks for having me on. I feel like since we started this show there was going to be this day where the government was going to get wise and pass some legislation that makes us so that we can be a **natural gas**-based **fuelled**, clean air jobs. It's happening, isn't it? Well, it is happening. You know, we've talked about it for a while, and, you know, it's been a long road, but, Jim, this is the first ti our congress has really done something to reduce our dependence on foreign **oil**. I think it's a big --It's big news. This one bill won't change it overnight, but it sets the ball in motion, and it's --One day we'll look back, and this will be the beginning to move our trucks and our transport of our goods to **natural gas**. Why is it, Andrew, that sometimes it just feels like you, me, and **Boone Pickens** talking about it. Why is this so unknown to people that we're about to have this transition? Well, you know, we've had --Let's face it, we have been using gasoline and diesel for 100 years, and we've gotten used to it. I think up until recently, Jim, and you have done a good job talking about it, people didn't realize we had as much **natural gas** as a country as we do. Certainly, you know, on the hill now and, you know, just you have 140 members from both parties that are supporting this **natural gas** --One of the **natural gas** vehicle bills, and they're getting the message. .. 00:34:47

Keywords:TZ; Executive Decision: Rep. John Larson; **Energy Bill**; ActionAlertsPlus.com; **Boone Pickens**;

Visuals:Westport Innovations; Cummings; **Fuel Systems Solutions**; Clean **Energy**, CLNE;

Speakers:Andrew Littlefair, Clean **EnergyFuels** Pres. and CEO;

Audience: 375,270 **Spot Cost:** \$3,612

3. India Business Hour

CNBC World, National | DMA: 0

07/29/2010, 07:00 AM - 07:30 AM

[CC] 00:15:27 (the show is Mad Money)...The sausage being made in the bill becoming law. So it does seem confounding the mystifying to the public. Right. That's why I love to hear from **Boone Pickens** talk about symbolic of the way he says that I think it's the best he says what. It's abundant. It's excess of all it's available. And it's our skin is in abundance across this country has been the number of companion bills there have been issues is you know after the golf with the issues around thrilling to be an especially especially as relates to fracturing of cetera are going to be answered by the epa New York state is going to occur and study as well. But the potential that exists you're having just been out in Ohio. The potential for **energy** independence so in plain simple language. The congress will come together in conference and pass the bill that certainly will incorporate **natural gas** is the cornerstone to making its **energy** independent...00:17:23

[CC] 00:24:35 ... It's happening is that. Well it is happening you know we've talked about for awhile and and you know it's been all along rode the gym this the first time our congress has really done something to reduce our dependence on foreign also I think it's the big it's big news this one bill won't change overnight but it's it's it's the ball rolling in motion and done it's it will one day will look back and this'll be the beginning that to move our trucks are transporter more goods to **natural gas**. Why is it and today it's that sometimes it just feels like you me include talk of from **Pickens** talked about it. Why. Why is this so are known to people that were about to have this transition. Well you know we've had. Let's face it we've been using gasoline and diesel for honored years we got used to it....00:26:20

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