

PickensPlan

T. Boone Pickens Media Coverage 3.12.10

Total of 13 Placements

Print: 7
Blog/Online: 5
Broadcast: 1

Coverage Summary:

The *Dallas Morning News* posted a story on Rex Tillerson's comments on natural gas as a transportation fuel. This appeared both as a blog and in the print edition. *NGI's Daily Gas Price Index* also reported on Tillerson's comments.

Dow Jones reported on the feasibility of using natural gas to fuel vehicles, mentioning Pickens' push to run fleet vehicles on natural gas.

On Charlie Rose's program on *PBS*, Ning CEO Gina Bianchini highlighted the Pickens Plan for its use of social media in addition to the traditional tactics.

Highlighted Placements (Full Articles Below)

Exxon Chief Doubts Natural Gas In Cars Is Viable Move – *Dallas Morning News* – 3/12/10

- *Houston Chronicle*
- *Denton Record Chronicle*

Exxon CEO Hasn't Joined The Pickens Army – *Dallas Morning News Blog* – 3/11/10

- *Energy Tribune*

ExxonMobil: No Future for Natgas as Transportation Fuel – *NGI's Daily Gas Price Index* – 3/12/10

Emission Critical: Natural Gas Cos Pushing Use In Vehicles – *Dow Jones* – 3/11/10

Notable Natural Gas Coverage (Full Articles Below)

2nd UPDATE: Natural-Gas Group Comes Out Against EPA Rules – *Dow Jones* – 3/11/10

Print Placements (Full Articles Below)

An Unconventional Glut – *The Economist* – 3/11/10

Clean Energy Jumps After Results – *Orange County Business Journal* – 3/11/10

Blog/Online Placements (Full Articles Below)

Is City's New Cab Rule Fair To Drivers? – *Dallas Morning News* – 3/11/10

"Fleet Day" a Major Feature of AF&V 2010 – *NGV Global News* – 3/12/10

HIGHLIGHTED COVERAGE

Exxon Chief Doubts Natural Gas In Cars Is Viable Move – *Dallas Morning News* – 3/12/10

By Elizabeth Souder

Exxon Mobil Corp. chief executive Rex Tillerson, it seems, has not joined the T. Boone Pickens army.

Pickens has been stumping for the past two years for Americans to shift to natural gas as a vehicle fuel, particularly for heavy duty trucks. He says the move would help wean the U.S. off of foreign oil, support domestic natural gas, cut energy costs and reduce pollution.

Tillerson said he doubts natural gas would accomplish all of that. And he isn't just promoting his own petroleum products – he's investing billions of dollars to boost Exxon's natural gas production. He just thinks we'll need more natural gas for power generation, not for cars and trucks.

For one thing, refueling stations are costly, as much as \$1 million, he said.

"If you're a mom-and-pop retailer, that's almost impossible to do without a lot of help," Tillerson said.

For long-haul trucks, "I can't make the math work on why anybody would do that," he said, since the trucking industry relies on service stations across the country.

He conceded that vehicle fleets that use one central refueling station might make sense.

Still, Tillerson said, converting an existing vehicle to natural gas is costly.

And while a conversion can cut a vehicle's carbon dioxide emissions by as much as 20 percent, Tillerson said the internal combustion gasoline engine has a lot of room to improve on greenhouse gas emissions.

Tillerson shares Pickens' view that natural gas will become more important for Americans. Exxon predicts the U.S. will shift more power generation to natural gas in coming decades.

That's why Exxon has offered to buy Fort Worth natural gas producer XTO Energy for \$41 billion, including debt assumption. The deal gives Exxon a large stake in natural gas production in North Texas' Barnett Shale and similar shale fields around the country.

Exxon executives said Thursday they plan to invest \$28 billion in capital spending this year, and to continue investing between \$25 billion and \$30 billion each year through 2014. Exxon invested \$27.1 billion in 2009.

Tillerson also said at the analyst meeting he expects Exxon's investment in Iraq to yield double-digit returns, if the company manages the project properly.

The company recently signed an agreement to drill for oil in Iraq, and has begun holding planning meetings with its Iraqi counterparts.

"They have been more enthusiastic about our joint work than perhaps we even anticipated," Tillerson said, adding that even though security is improving, it will continue to be a challenge.

Exxon CEO Hasn't Joined The Pickens Army – *Dallas Morning News Blog* – 3/11/10

By Elizabeth Souder

Exxon Mobil chief executive Rex Tillerson, it seems, has not joined the Boone Pickens army.

Tillerson doubts natural gas will become a popular transportation fuel, while oilman and hedge-fund billionaire Pickens has staked his reputation on promoting the use of natural gas in vehicles.

And Tillerson isn't just promoting his own petroleum products -- he's investing billions of dollars to boost Exxon's natural gas production. He just thinks we'll need more natural gas for power generation, not for cars and trucks.

"Natural gas as a transportation fuel will probably never be particularly attractive and it's due to basic physics," Tillerson said Thursday at Exxon's annual analyst conference in New York. "To get more comparable energy on board means you've got to either pump it up to higher pressures or you've got to put larger storage tanks."

Pickens has been stumping for the past two years for Americans to shift to natural gas as a vehicle fuel, particularly for heavy duty trucks. He is working to convince the City of Dallas to invest in more natural gas vehicles.

Pickens says the move would help wean the U.S. off of foreign oil, support domestic natural gas, cut energy costs and reduce pollution.

Tillerson said he doubts natural gas cars would accomplish all of that.

Refueling stations are costly, as much as \$1 million, he said.

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Tillerson said again on Thursday he plans to use XTO as a global unit to produce natural gas from so-called unconventional formations, such as shale. But he has said Exxon isn't shifting away from oil or changing its strategy.

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ExxonMobil: No Future for Natgas as Transportation Fuel – NGI's Daily Gas Price Index – 3/12/10

Don't look for ExxonMobil Corp. to place any big bets on using natural gas as a transportation fuel. "We think gas as a transportation fuel has a lot of limitations," CEO Rex Tillerson told financial analysts Thursday.

Speaking at the company's annual investor meeting, Tillerson was asked to comment about whether a viable market exists to use natural gas as a widespread transportation fuel. If the questioner was looking for a positive reply, he was wrong.

"We've done studies," Tillerson said, and he noted that the Energy Information Administration also completed a study in 2009, "with which we concur, that natural gas as a transportation fuel has never been particularly attractive."

The problem is physics, he explained.

"The density of fuel aboard a vehicle has limitations that can't compete with gasoline or biofuels...Density is a problem...To get more compressed energy on board, you have to pump to higher pressures or add bigger storage tanks...And there are limitations there with respect to the range of the vehicle, opportunities in terms of size, limitations on fueling -- not just the fact that there aren't enough refueling stations -- but to build a refueling station would cost about a million bucks."

The high cost to add compressed natural gas (CNG) stations to "mom and pop stations" wouldn't be feasible for many, Tillerson noted. "Then when you pull up, it takes a little longer than when you are putting on board a liquid fuel."

Some in the industry want CNG to be more widely used by the trucking industry. "For all the reasons I just described, you can't make the math work," said Tillerson. "I don't see why anybody would want to do that."

The American Trucking Associations last year said natural gas currently was not a viable option for most long-haul operations (see Daily GPI, Nov. 19, 2009). However, oilman and natural gas promoter T. Boone Pickens is pushing for more CNG use, part of his "Pickens Plan" to reduce U.S. dependence on foreign oil (see Daily GPI, July 9, 2008).

"CNG vehicles have been around a long time, 30-40 years," said Tillerson. "The technology itself is nothing new...There's not much to do to the basic dynamics. Where there are fleet operations -- municipal buses, taxicabs -- where the vehicles all come back to one central location in the evening and you can afford the cost and the time for refueling stations, and then there's enough fuel on board to make daily rounds, that could make sense for someone."

But there's still another hurdle, said the CEO. "The cost of converting vehicles is not insignificant..

"For all of those reasons, I don't see natural gas as a viable transportation fuel. The consumer won't be pleased with what they have to do, from an economic standpoint, there's not enough of a gain there than what people think...In the best case...there might be a 20% reduction in CO₂ [carbon dioxide] emissions versus an internal combustion engine. And there's a lot of room for the internal combustion engine to get better."

Emission Critical: Natural Gas Cos Pushing Use In Vehicles – Dow Jones – 3/11/10

By Angel Gonzalez

HOUSTON (Dow Jones)--Some U.S. energy producers say that there is nothing wrong with having your car running on fumes.

Independent natural-gas companies, unexpectedly blessed with a flood of natural gas supplies, have been touting the fuel's virtues, mostly targeting reluctant power providers and Washington officials suspicious of the energy industry. They say natural gas burns more cleanly than coal and that the recent exploitation of vast reserves trapped in tight rock formations known as shales guarantee an ample, cheap supply for years to come.

Now, increasingly, U.S. energy executives are saying that putting natural gas directly in the tanks of vehicles is a good idea to reduce greenhouse-gas emissions and to move toward energy independence. Apache Corp. (APA) Chief Executive Steve Farris told energy executives from around the world at the IHS Cambridge Energy Research Associates conference here that the U.S. lags behind other countries in adopting natural gas as a transportation fuel. He added that if 25% of the vehicle fleet was powered by compressed natural gas, 8% of the country's greenhouse gas emissions would be eliminated.

"I truly believe we're going to use more natural gas," said Farris, who drives a Chevy Avalanche truck that can run on the fuel. "I believe it as an American." He added that Houston-based Apache intends to convert its entire U.S. fleet to natural gas.

Major U.S. gas producer Chesapeake Energy Inc (CHK) is also banging on the transportation drum, showing off at energy conferences a motorcycle that can run on gas. And energy magnate T. Boone Pickens is promoting a plan to make the U.S. energy independent that would festoon the center of the country with windmills and convert a large part of the vehicle fleet to natural gas.

The comments come at a time when the natural-gas industry, a victim of its own success, is scrambling to create new markets for the commodity amid booming production and weak demand.

Countries such as Iran, Argentina and Brazil have fielded millions of natural gas-powered vehicles, but U.S. drivers, long accustomed to cheap gasoline, have never been very receptive to the idea, except in some companies and municipalities. Besides, the vehicles are costly: about \$10,000 more than a gasoline vehicle. Energy Information Administration head Richard Newell said that a greater penetration of natural gas in the transportation sector is "difficult to achieve without subsidies."

Exxon Mobil Corp. (XOM) Chief Executive Rex Tillerson said Thursday at the company's analyst meeting that natural gas wouldn't be a viable transportation fuel.

IHS analyst Julius Pretterebner says that there's enough fuel in the U.S. to make a case for more natural gas vehicles--but building enough infrastructure to serve mainstream consumers would be a "huge financial burden." Stations that deliver compressed natural gas are four times as expensive as gasoline and diesel stations, he said.

Apache's effort to convert its fleet to natural gas began last year. The company has built three functioning fueling stations and will have completed an additional four "within about a month," said Britt Dearman, the company's manager of special projects, in an interview.

Out of Apache's U.S. fleet of 600 vehicles, about 50 run on natural gas, a number that is soon expected to grow to 150 as old gasoline-powered vehicles are phased out. The lower fuel cost--about \$1 dollar less per gallon-equivalent than gasoline--helps the vehicles pay for themselves after two years, Dearman said.

A typical Apache vehicle used in its operations would burn about 10 gallons of gasoline a day, equivalent to a thousand cubic feet of natural gas. At the company's Elk City, Oklahoma operations, Apache vehicles burn natural gas produced in the company's own fields, Dearman said.

"We're using the product we produce," Dearman said.

NOTABLE NATURAL GAS COVERAGE

2nd UPDATE: Natural-Gas Group Comes Out Against EPA Rules – *Dow Jones* – 3/11/10

By Siobhan Hughes

WASHINGTON (Dow Jones)--Natural-gas providers are lining up against planned Environmental Protection Agency rules to curb greenhouse-gas emissions, citing concerns that the regulations could make it harder to obtain permits needed to boost supplies.

The Natural Gas Supply Association announced its opposition on Thursday and said it supports a "disapproval resolution" sponsored by Sen. Lisa Murkowski (R., Alaska) that would overturn the EPA's rules. The opposition adds irony to the debate, since natural-gas providers would, in theory, benefit from greenhouse-gas rules, since the fuel emits less carbon dioxide than coal, the dominant source of electricity in the U.S.

"Natural gas producers have significant practical concerns raised by EPA's proposed rule," Skip Horvath, the CEO of the trade group, said in a statement. "For example, the rule would burden many natural gas projects with a time-consuming permitting process that would interfere with bringing more natural gas to market, despite its proven ability to serve as an environmental solution."

"EPA has laid out a common-sense, phased in approach to addressing greenhouse gases that gives industry plenty of time to prepare for new permitting--and gives Congress plenty of time to pass comprehensive clean energy legislation," EPA spokesman Brendan Gilfillan said in a statement.

He added that Sen. Murkowski's resolution would "deny the overwhelming scientific evidence" about climate change and threaten the EPA's first step of regulating greenhouse gases from motor vehicles.

The EPA has been subject to increased public criticism in recent days as it prepares to finalize rules limiting greenhouse-gas emissions from motor vehicles and from sources such as power plants. On Wednesday, 18 state governors, mostly Republicans, wrote Congress urging it to stop the EPA's regulations.

The EPA has said that it is acting on evidence that climate change is a real and growing threat. Many scientists have said that rising concentrations of carbon dioxide in the atmosphere will heat the atmosphere and lead to rising sea levels and more extreme weather events such as drought, though factual errors in a report by a United Nations panel on climate change have given critics ammunition to argue that the science is questionable.

A spokesman for Murkowski's office on Wednesday estimated that the disapproval resolution likely wouldn't come up for a vote until after the Easter recess, which ends in early April. So far, the resolution has 40 co-sponsors, less than the 51 majority needed to pass but enough to pose a serious threat to the EPA. Another alternative is a measure offered by Sen. Jay Rockefeller (D., W. Va.) to delay the EPA rules for two years.

Rockefeller has said that he won't support Murkowski's resolution.

PRINT COVERAGE

An Unconventional Glut – *The Economist* – 3/11/10

Newly economic, widely distributed sources are shifting the balance of power in the world's gas markets

SOME time in 2014 natural gas will be condensed into liquid and loaded onto a tanker docked in Kitimat, on Canada's Pacific coast, about 650km (400 miles) north-west of Vancouver. The ship will probably take its cargo to Asia. This proposed liquefied natural gas (LNG) plant, to be built by Apache Corporation, an American energy company, will not be North America's first. Gas has been shipped from Alaska to Japan since 1969. But if it makes it past the planning stages, Kitimat LNG will be one of the continent's most significant energy developments in decades.

Five years ago Kitimat was intended to be a point of import, not export, one of many terminals that would dot the coast of North America. There was good economic sense behind the rush. Local production of natural gas was waning, prices were surging and an energy-hungry America was worried about the lights going out.

Now North America has an unforeseen surfeit of natural gas. The United States' purchases of LNG have dwindled. It has enough gas under its soil to inspire dreams of self-sufficiency. Other parts of the world may also be sitting on lots of gas. Those in the vanguard of this global gas revolution say it will transform the battle against carbon, threaten coal's domination of electricity generation and, by dramatically reducing the power of exporters of oil and conventional gas, turn the geopolitics of energy on its head.

Deep in the heart of Texas

The source of America's transformation lies in the Barnett Shale, an underground geological structure near Fort Worth, Texas. It was there that a small firm of wildcat drillers, Mitchell Energy, pioneered the application of two oilfield techniques, hydraulic fracturing ("fracing", pronounced "fracking") and horizontal drilling, to release natural gas trapped in hardy shale-rock formations. Fracing involves blasting a cocktail of chemicals and other materials into the rock to shatter it into thousands of pieces, creating cracks that allow the gas to seep to the well for extraction. A "proppant", such as sand, stops the gas from escaping. Horizontal drilling allows the drill bit to penetrate the earth vertically before moving sideways for hundreds or thousands of metres.

These techniques have unlocked vast tracts of gas-bearing shale in America. Geologists had always known of it, and Mitchell had been working on exploiting it since the early 1990s. But only as prices surged in recent years did such drilling become commercially viable. Since then, economies of scale and improvements in techniques have halved the production costs of shale gas, making it cheaper even than some conventional sources.

The Barnett Shale alone accounts for 7% of American gas supplies. Shale and other reservoirs once considered unexploitable (coal-bed methane and "tight gas") now meet half the country's demand. New shale prospects are sprinkled across North America, from Texas to British Columbia. One authority says supplies will last 100 years; many think that is conservative. In 2008 Russia was the world's biggest gas producer (see chart 1); last year, with output of more than 600 billion cubic metres, America probably overhauled it. North American gas prices have slumped from more than \$13 per million British thermal units in mid-2008 to less than \$5. The "unconventional"—tricky and expensive, in the language of the oil industry—has become conventional.

The availability of abundant reserves in North America contrasts with the narrowing of Western firms' oil opportunities elsewhere in recent years. Politics was largely to blame, as surging commodity prices emboldened resource-rich countries such as Russia and Venezuela to restrict foreign access to their hydrocarbons. "Everyone would like to find more oil," says Richard Herbert, an executive at Talisman

Energy, a Canadian firm using a conventional North Sea oil business to finance heavy investment in North American shale. “The problem is, where do you go? It’s either in deep water or in countries that aren’t accessible.” This is forcing big oil companies to get gassier.

The oil majors watched from the sidelines as more entrepreneurial drillers proved shale’s viability. Now they want to join in. In December Exxon Mobil paid \$41 billion for XTO, a “pure-play” gas firm with a large shale business. BP, Statoil, Total and others are sniffing around the North American gas patch, signing joint ventures with producers such as Chesapeake Energy. A wave of consolidation is likely in the coming months, as gas prices remain low, the drillers seek capital and the majors hunt for the choicest acreage.

Shale is almost ubiquitous, so in theory North America’s success can be repeated elsewhere. How plentiful unconventional resources might be in other regions, however, is far from established. The International Energy Agency (IEA) estimates the global total to be 921 trillion cubic metres (see chart 2), more than five times proven conventional reserves. Some think there is far more. No one will really know until companies explore and drill.

The drillers are already arriving in Europe and China, which are both expected to import increasing amounts of gas—and are therefore keen to produce their own. China has set its companies a target of producing 30 billion cubic metres a year from shale, equivalent to almost half the country’s demand in 2008. Several foreign firms, including Shell, are already scouring Chinese shales. After a meeting between the American and Chinese presidents last November, the White House announced a “US-China shale gas initiative”: American knowledge in exchange for investment opportunities. The IEA says China and India could have “large” reserves, far greater than the conventional resource.

Exploration is also under way in Austria, Germany, Hungary, Poland and other European countries. The oil industry’s minnows led this scramble, but now the big firms are arriving too. Austria’s OMV is working on a promising basin near Vienna. Exxon Mobil is drilling in Germany. Talisman recently signed a deal to explore for shale in Poland. ConocoPhillips is already there. The first results from wells being drilled in Poland, in what some analysts believe is a shale formation similar to Barnett, should be released this year.

No one expects production of shale gas in Europe to make a material difference to the continent’s supply for at least a decade. But the explorers in China and Europe present a long-term worry for those who have bet on exporting to these markets. Gazprom, Russia’s gas giant, is the company most exposed to this threat, because its strategy relies on developing large—and costly—gasfields in inhospitable places. But Australia, Qatar and other exporters also face a shift in the basics of their business.

Choked

These producers are already getting a taste of the global gas glut. Almost in tandem with the surge in American production, recession brought a slump in world demand. The IEA says consumption in 2009 fell by 3%. In Europe, the drop was 7%. Consumption in the European Union will grow marginally if at all this year and will not be sufficient to clear an overhang of supplies, contracted through take-or-pay agreements signed in the dash for gas of the past decade. IHS Global Insight, a consultancy, reckons that the excess could amount to 110 billion cubic metres this year, almost a quarter of the EU’s demand in 2008.

The glut has been exacerbated by the suddenly greater availability of LNG. Importers with the infrastructure to receive and regasify LNG can now easily tap the global market for spot cargoes. This is partly a product of the recession, which dampened demand from Japan and South Korea, the leading LNG buyers. But another cause is that many exporters, not least Qatar, the world’s LNG powerhouse, spent the past decade ramping up supplies aimed at the American market. That now looks like a blunder.

America is still taking some of this LNG, but the exporters’ bonanza is over before it ever really began. “You’ll always find a buyer in North America,” says Frank Harris, an analyst at Wood Mackenzie, a consultancy, “but you might not like the price.” And LNG will grow increasingly abundant as new projects

due to come on stream this year add another 80m tonnes to annual supply, almost 50% more than in 2008.

Qatar's low production costs mean it can still make money, even in North America. Others cannot. In February, for example, Gazprom postponed its Shtokman gasfield project by three years because of the change in the market. Some of the gas from that field, in the Barents Sea, was to be exported to America. But Shtokman's gas will be costly, because the field is complex and its location makes it one of the world's most difficult energy projects to execute. Some analysts now wonder whether gas will ever flow from Shtokman.

China offers some hope for ambitious exporters, but even there the outlook has become cloudier. The Chinese authorities want natural gas to account for at least 10% of the country's energy mix by 2020 and are building LNG import terminals. With that target in mind, Australia, which has its own burgeoning conventional and unconventional gas supplies, has been busily building an LNG export business. But warning lights are coming on. In January, PetroChina let a deal to buy gas from Australia's Browse LNG project expire. The original agreement was made in 2007, when LNG prices were soaring in Asia, but China can afford to be picky now. "Too many Australian LNG plants are chasing too little demand," says Mr Harris.

The shift in the global market has left China well-placed to dictate prices. This will be another blow to Gazprom, which has long talked of exporting gas to the country. Indeed, while the Chinese and the Russians have squabbled over the terms, Turkmenistan has quietly built its own export route to China. Even if Beijing's shale-gas plans come to nothing, supplies from Central Asia and new regasification terminals along its coast may allow China to reach its natural-gas consumption targets without pricey Siberian supplies.

The glut has weakened Gazprom's position in Europe, too. It has been losing market share to cheaper Norwegian and spot-market supplies. In 2007 Gazprom talked of increasing its annual exports to the EU to 250 billion cubic metres. Now, says Jonathan Stern, of the Oxford Institute for Energy Studies, Gazprom will probably only ever supply the EU with 200 billion cubic metres a year (it shipped about 130 billion in 2008). The company forecast in 2008 that its gas prices in Europe would triple, to around \$1,500 per 1,000 cubic metres, on the back of rising oil prices, which help set prices in long-term contracts. But the price dropped to about \$350 last year and is expected to fall again in 2010. The weak market could last for another five years, believes Wood Mackenzie. Gazprom has been renegotiating with leading customers, injecting elements of spot pricing into contracts to make them more attractive.

Shtokman shtymied

Moreover, Europe's need for new pipelines to guarantee supplies suddenly looks less pressing. Construction of Nord Stream, Gazprom's flagship project to export gas directly to Germany through the Baltic Sea, will begin next month. It is due to come on stream in 2011. The scheduled doubling of its capacity to 55 billion cubic metres a year is in doubt, says Mr Stern, because Shtokman was to have supplied the gas for it.

Demand is a bigger problem. Even without recession or European shale, the assumption that Europe's consumption will keep growing is looking shaky, because the EU's efforts to boost efficiency and reduce carbon emissions are making gradual headway. Edward Christie, an economist at the Vienna Institute for International Economic Studies, says the EU could be importing a third less natural gas in 2030 than the European Commission forecast in 2005. That makes the case for additional supply lines much less compelling. The IEA expects rich European countries' demand to grow by only 0.8% a year in the next two decades, against 1.5% for the world as a whole (see chart 3).

An age of plenty for gas consumers and of worry for conventional-gas producers thus seems to be dawning. But two factors could reverse the picture again. The first surrounds the uncertainty about how fruitful shale exploration will be outside North America. A clearer understanding of the geology will emerge from pilot wells in the coming months. Second, there are reasons for caution above ground, too.

Despite natural gas's greener credentials than oil's or coal's, shale drilling has critics among environmentalists, who worry that water sources will be poisoned and landscapes despoiled.

The industry says cement casing of wells and the depth to which they are drilled make the practice safe and relatively unobtrusive. But so far it has been drilling mainly in North America, where land is plentiful and people are accustomed to the sight of oilmen's detritus. In densely populated Europe, the rapacious rate at which shale plays must be drilled to sustain production is less likely to be tolerated.

Even in America, opposition to shale gas is rising. New York state has imposed a moratorium on drilling in its portion of the Marcellus Shale, which it shares with Pennsylvania. Lawmakers in Congress want to study the ecological impact of fracking. The Environmental Protection Agency, a federal body, also raised concerns about "potential risks" to the watershed.

The path of demand in gas's new age is hard to predict, but abundant new sources could bring about profound change in patterns of energy consumption. Some of the downward pressure on price will ease: despite sedate growth, the LNG glut should dissipate, probably by 2014, says Mr Harris; and low prices will kill more projects, clearing the inventory. France's Total thinks global demand will recover strongly enough to require another 100m tonnes a year of LNG by 2020, on top of plants already planned. However, the Energy Information Administration, the statistical arm of America's Department of Energy, predicts decades of relatively weak prices.

If this is correct, it makes sense, for both environmental and economic reasons, for the country to gasify its power generation, half of which comes from coal-fired plants. This could be done cheaply and quickly, because America's total gas-fired capacity (as opposed to production) already exceeds that for coal. Put a price of only \$30 a tonne on carbon, say supporters, and natural gas would quickly displace coal, because gas-fired power stations emit about half as much carbon as the cleanest coal plants. The IEA agrees that penalising carbon emissions would benefit natural gas at the expense of dirtier fuels.

There would be political obstacles. The coal lobby remains strong in Washington, DC. Climate legislation struggling through Congress even includes provisions to protect "clean coal", a term covering an array of measures, so far uncommercial, to reduce emissions from burning the black stuff. Ironically, oil companies that were once suspicious of proposals to control carbon now regard a carbon price or even a carbon tax as a potential boon to their new gas businesses.

A more radical idea, and one that would have ramifications for the global oil sector, is to gasify transport. T. Boone Pickens, a corporate raider turned energy speculator, has launched a campaign to promote this, and has support from the gas industry. By converting North America's fleet of 18-wheeled trucks to natural gas, says Randy Eresman, boss of EnCana, a Canadian gas company, America could halve its imports of Middle Eastern oil. EnCana is promoting "natural gas transportation corridors": highways served by filling stations offering natural gas.

All this is some way off. The coal industry will not surrender the power sector without a fight. The gasification of transport, if it happens, could also take a less direct form, with cars fuelled by electricity generated from gas.

A gasified American economy would have profound effects on both international politics and the battle against climate change. Displacement of oil by natural gas would strengthen a trend away from crude in rich countries, where the IEA believes demand has already peaked as a result of the recent spike in oil prices. Another consequence of the energy market's bull run, the unearthing of vast new supplies of gas, could bring further upheaval. If the past decade was characterised by the energy-security concerns of consumers, the coming years could give even the world's powerful oil producers reason to worry, as a subterranean revolution shifts the geopolitics of global energy supply again.

By Michael Lyster

Shares of Seal Beach-based Clean Energy Fuels Corp., which runs natural gas fueling stations for fleets of taxis, buses and other vehicles, rose Thursday a day after the company reported a smaller than expected quarterly loss.

Clean Energy's shares closed up more than 15%. The company, about 40% owned by Texas billionaire T. Boone Pickens, has a market value of \$1.3 billion.

On Wednesday, Clean Energy reported a fourth-quarter loss of \$1.9 million, narrowed from \$23.7 million a year earlier and better than the \$2.4 million anticipated by Wall Street analysts.

Revenue rose 49% from a year earlier to \$42.2 million. That topped the \$40.3 million analysts were looking for.

Higher natural gas sales and lower costs boosted Clean Energy's results.

The company sold 9.5 million gasoline gallon equivalents of natural gas in the quarter, up 58% from a year earlier.

Operating expenses fell 15% from a year earlier to \$44 million.

Clean Energy develops and runs natural gas stations near airports, utility companies, universities, city yards and other places they're likely to see a lot of use.

The company runs 196 stations across the country. It plans to add another 40 this year.

Clean Energy didn't offer a first-quarter or 2010 outlook but said "we are well positioned to continue to grow our business in 2010."

Legendary oilman and corporate raider Pickens started Clean Energy as a tiny part of his Dallas-based Mesa Petroleum in the late 1980s. He split it off in the late 1990s.

The company is part of Pickens' push toward alternative sources of energy.

In 2008, he called for \$1 trillion in government and private investment in windmills to cut dependence on foreign oil.

BLOG/ONLINE COVERAGE

Is City's New Cab Rule Fair To Drivers? – *Dallas Morning News* – 3/11/10

By Rodger Jones

I think it stinks. It takes food off the table of working people -- the cab drivers. The rule in question allows drivers of compressed natural gas taxis to cut to the front of the taxi line at Love Field, which can cause the other drivers to lose fares. Converting their cabs would cost thousands of dollars.

One of the cabbies who jammed council chambers yesterday called the rule unfair, immoral and un-American. Others, at the airport, explained to Channel 5 the realities of working the terminal.

Here's what I don't get: how Mayor Tom Leppert and other city leaders maintain that this new rule will make any measurable difference -- will move the needle -- in the quality of our air. The arithmetic doesn't make sense.

There are 2 million vehicles in Dallas County, and millions more in the region. There are about 2,000 taxis working the area. I couldn't justify targeting people in this occupation for the sake of bragging rights that the city is dedicated to green causes.

Now the city can put up signs and showcase its CNG policy for visitors to Dallas. The cabbies pay the cost for the city's PR.

It's no coincidence that this comes during billionaire T. Boone Pickens' hard push to get people to buy natural gas -- the business he's in. He and the mayor teamed up to pressure the DART board to scrap plans to buy clean diesel buses and switch to CNG.

There's virtually no difference in the emissions put out by the two types of buses, so supporters had to argue it's in our national interest to use domestic fossil fuels instead of imported fossil fuels. DART being a public agency, you could argue that DART should play a role. I couldn't extend that argument to 2,000 cabbies.

If the city were really intent on being a game-changer, why doesn't it target the real enemy of air pollution -- the 79 percent of people who drive alone to work? Why not dock the pay of city workers who do that? Why not ding their pay unless they carpool or buy DART passes? That would be consistent with what the city is doing in the taxi matter.

Or, if the city wants to target only businesses, it should give preference to vendors that run CNG fleets.

The D/FW Airport board was persuaded to adopt a CNG policy for cabs last year, but cabbies went to court, and a judge put a freeze on it.

Two years ago, the North Central Texas Council of Governments was working to develop its taxi programs and laid out options that make better sense where people's livelihoods are concerned. Here are two lists from one report:

- Economic incentives
- Capital Funds (\$1.625 Million In Capital Funds)
- Revolving Loan Funds
- Grant Funds
- Cooperative Purchasing
- Discounted Permits
- Reduced Tollway Fees
- Tax Credit Incentive

Non-economic incentives
Longer Service Allowances
Green Taxi Only Queuing Areas
Front of Line Privileges
Marketing Campaign

Many of these ideas seem fairer, in that they help nudge cabbies toward greener vehicles without hurting the others financially. (The front-of-the-line item is listed as non-economic, something that the workers dispute.)

Footnote: Members of the NCTCOG's policy-making Regional Transportation Council are being briefed this afternoon on what could be a farther-reaching program to put all cabs in the metro area under one umbrella and a central dispatching service. One goal would be to cut down on "dead-heading" taxis -- the ones that drop off a fare and then drive empty to try to get another one.

“Fleet Day” a Major Feature of AF&V 2010 – NGV Global News – 3/12/10

Program focuses on Public and Private Fleet Managers – Las Vegas, May 9-12

Program highlights have been announced for the 16th AFVi Alternative Fuels & Vehicles National Conference and Expo (AF&V 2010), to be held in Las Vegas from May 9-12. AF&V 2010 attendee focus is on public and private fleet managers, with a “Fleet Day” added to the program for the first time. Keynote speakers include T. Boone Pickens, creator of The Pickens Plan, and John Davis, Executive Producer and creator of MotorWeek, US television’s longest running automotive series.

Keynote speakers will be joined by 150 experts presenting topics in thirty-two concurrent sessions. The program features many of the leading decision-makers in alternative fuels and technologies, representing truck manufacturers, fuel suppliers, government agencies and parts manufacturers. The national Conference is a fuel and technology neutral meeting place for policy and/or purchasing decision-makers.

A Technology Showcase, a Vehicle Technology Parade and a Ride-n-Drive will provide opportunity to explore natural gas and other vehicle technology options.

More information on the conference is available by going to <http://www.afv2010.com>.

BROADCAST COVERAGE

1. Charlie Rose

PBS, National | DMA: 0

03/11/2010, 11:00 PM - 12:00 AM

[EC] 00:30:11 ...Charlie: tick off some of those kind of interest groups that exist on Ning. Yesterday alone, we checked this right before we came on. We had Ning networks that were created for Humboldt County surfers, for U.S. Rowing, for Milwaukee's Best, which was for restaurant reviews and events and nightlife, and as far as we can tell, a Ning network that the Bolivian government was creating for Bolivian history. And I think that just represents in one small snapshot just how interesting people are, how many different things that make us who we are and make us unique in this world. Charlie: what is the largest of them all? Well it is interesting, I would say we have probably about ten or 20 Ning networks that are just pushing out towards 800,000 or a million registered members. Charlie: what is an example of that. An example of that would be the **PickensPlan**, which is. The **BoonePickens**. Charlie: for **windmills**. **Windenergy**. And **naturalgas**. Exactly. And that is just for the organizers, so what T. **BoonePickens** and his team did is they created a presence on a facebook fan page, they have a twitter stream, they have a youtube channel, they had a traditional media or radio, television, blitz, and what they did is they actually pushed people into a Ning network, the **Pickens Plan**. com to organize the organizers, so they basically found who were the people that were most passionate about **windenergy**, and organized them by congressional district, and within six months they were actually able to create in person meetings with members, 91 percent of Congress, in terms of their offices, by congressional district. Charlie: how do you go about forming a Ning network? The most important thing to creating a successful, thriving Ning network. Is? Is a hook. Is something that when somebody gets to the Ning network they know immediately what it is about, why they should be there, and probably more importantly, who shouldn't be there. So I will give you an example. There is a Ning network that was created by a writer here in New York city, named Tammy Wycomm and she has for six years with another writer named Diane Middlebrook and she had New York women's salon for women writers and would attract a couple hundred people to it. They and she launched it as a Ning network ... 00:55:19

Keywords:Gina Bianchini; Stanford Univ.; Ning; Facebook; Twitter; LinkedIn; US Rowing; Milwaukee's Best; **T. BoonePickens**; Youtube; **Windenergy**; Diane Middlebrook; Kim Wyckoff; NYC; Habitat For Humanity; Coke; Pepsi; Washington; Myspace; AOL; Ebay; Craigslist; Farmville; Haiti; Boston; CA; Social technologies; Kansas City; Buzz; Breast cancer; Carolinas;

Visuals:Ning.com; **The Pickensplan.com**; Shewrites.com; Gina Bianchini on the cover of Fast Company Magazine;

Speakers:Gina Bianchini, CEO and co-founder Ning.com;

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