

The Week That Was: 2012-04-21 (April 21, 2012)
Brought to You by SEPP (www.SEPP.org)
The Science and Environmental Policy Project

#####

Quote of the Week:

"In God we trust; all others bring data!" Motto of the Apollo space team that included lunar landings.

#####

Number of the Week: : 130,802 bbls of oil in 2008, 30,453,253 bbls of oil in 2011; 83,744 bbls of condensate in 2008, 20,297,728 bbls of condensate in 2011; and 1 bcf (billion cubic feet) of natural gas in 2008, 243 bcf of natural gas in 2011.

#####

Please Note: There will be no TWTW on May 7. It will resume on May 14.

#####

THIS WEEK:

By Ken Haapala, Executive Vice President, Science and Environmental Policy Project (SEPP)

Heartland Conference: The Heartland Institute's Seventh International Conference on Climate Change (ICCC-7) will take place in Chicago, Illinois from Monday, May 21 to Wednesday, May 23, 2012 at the Hilton Chicago Hotel, 720 South Michigan Avenue. The event will follow the NATO Summit taking place in Chicago on May 19-21. The Theme is Real Science, Real Choices. Open to the public, registration is required. <http://climateconference.heartland.org/>

The NASA 49: Last week TWTW linked to several articles reporting that 49 retired or ex-NASA scientists and astronauts of the NASA space programs sent a letter to NASA administrator requesting NASA stop advocating that human emissions of carbon dioxide (CO₂) are causing unprecedented and dangerous global warming, a claim that is not supported by the scientific data. The letter begins:

"We, the undersigned, respectfully request that NASA and the Goddard Institute for Space Studies (GISS) refrain from including unproven remarks in public releases and websites. We believe the claims by NASA and GISS, that man-made carbon dioxide is having a catastrophic impact on global climate change are not substantiated, especially when considering thousands of years of empirical data. With hundreds of well-known climate scientists and tens of thousands of other scientists publicly declaring their disbelief in the catastrophic forecasts, coming particularly from the GISS leadership, it is clear that the science is NOT settled."

The signatories include members of the Apollo, Space Shuttle, and Skylab teams. According to geologist H. Leighton Steward, who organized the effort, members of the Apollo team stated their motto was: "In God we trust; all others bring data!"

The leadership of NASA responded stating that it does not advocate any particular position on global warming. Perhaps the leadership of NASA is unaware of the existence of GISS, which is located at Columbia University in Manhattan, New York City. After all, this institute of space studies uses surface data, mostly land based, to make proclamations of dangerous global warming. It has been demonstrated by Joe D'Aleo, Anthony Watts, and others that the surface data has been manipulated to show a warming trend when it does not.

One of the strangest responses is an article in *The Guardian* claiming that these NASA scientists are not qualified to comment on the climate science because have not published articles on climate science. The foundations of acquiring scientific knowledge have been developed over thousands of years. Modern empirical science has been developed over several centuries. The techniques and procedures apply to all

scientific disciplines and are generally referred to as the Scientific Method. To claim that those well versed in the scientific method are not qualified to criticize the incorrect application of the Scientific Method in climate science is, in effect, claiming that climate science is a cult science and not a modern empirical science. It appears that in some instances, climate science is not a modern empirical science.

Please see the web site of Leighton Steward, <http://plantsneedco2.org>, the link under “NASA 49” and the links in last week’s TWTW under “Challenging the Orthodoxy,” <http://www.sepp.org/twtwfiles/2012/TWTW%20-%204-14-12.pdf>

Number of the Week: 130,802 bbls of oil in 2008, 30,453,253 bbls of oil in 2011; 83,744 bbls of condensate in 2008, 20,297,728 bbls of condensate in 2011; and 1 bcf (billion cubic feet) of natural gas in 2008, 243 bcf of natural gas in 2011.

These are the production amounts from the Eagle Ford shale formation in Texas as reported by the Railroad Commission of Texas, which regulates such oil and gas production in the state. The formation runs about 400 miles from Brazos County (includes Texas A&M University) in east-central Texas southwest to the border with Mexico. It averages roughly 50 miles wide and about 250 feet thick. This is but one formation that is being unlocked by the new techniques of oil and gas extraction.

<http://www.rrc.state.tx.us/eagleford/index.php>

The Shale Gale: Last week’s TWTW discussed a series of small panel discussions on energy and energy innovation the Center for the National Interest is holding in conjunction with the Clean Air Task Force , the first of which was titled: “America: New Energy Superpower?” As the Numbers of the Week illustrate the Shale Gale is real and is drastically changing the energy picture in the US. It is important to note that the oil extracted by deep underground hydraulic fracturing (fracking) of shale “tight oil” is significantly different from “shale oil” or kerogen. The former is light crude that flows from the wells. The latter is denser than crude oil and the rock must be heated to over 300 to 500 degrees C to extract the kerogen from it. The Green River Formation in Wyoming and Colorado is one of several large US formations that contain extensive amounts of kerogen, which, under current conditions, cannot be economically extracted.

There are no geological, technological, or economic constraints on the Shale Gale. The only constraints are political – regulatory. The EPA has proposed mild regulations on fracking, under the Clean Air Act. However, there are no assurances that these will not become onerous. Few would have believed that EPA, under the Clean Air Act, would propose prohibiting new construction of coal-fired electrical generation plants, as it has done. There is nothing prohibiting the tightening down of the regulations under spurious public-health claims. Natural gas liquids include benzene, which is identified as causing cancer.

Further, the Clean Air Act is designed to encourage third parties to sue the EPA, demanding intensification of regulations. Often the EPA does not rigorously oppose the litigation, or reaches a court-approved settlement. The litigation can be profitable to the successful third parties, such as those in the environmental industry. Under such conditions the EPA then can claim it has no choice in the matter because it is under court order.

Already, many claims have been made that deep underground fracking can contaminate drinking water; however, thus far it appears that any possible contamination has come from improperly sealing the wells at the level of the aquifers.

Other possible constraints are transporting the fuels from the new fields to users. Pipelines are the safest and most efficient means of transporting the fuels. However, as seen in the Keystone pipeline extension, they can be bitterly fought. River crossings, which are regulated by the Corps of Engineers, can be particularly vulnerable. The permitting process can be lengthy and expensive, taking much longer than the

actual construction. The EPA has identified refineries as major emitters of CO₂, and onerous regulations on them should be expected.

In addition, politicians such as Representative Markey, of cap-and-trade fame, are demanding legislation preventing the export of hydrocarbons, which will lower their value.

If the above seems particularly negative, one can look at the Alaska pipeline, which Washington is strangling by preventing additional oil development in northern Alaska. The pipeline is operating at about 600,000 barrels per day (60% of ordinary capacity) and may begin to experience significant difficulties at 550,000 bpd. Please see Articles # 1 & #2, links under “EPA and other Regulators on the March,” and <http://www.alaska-pipe.com/Inthenews/LowFlow/LowFlow.html>

Oh Mann! The Freedom of Information request for the emails of Michael Mann while he was at the University of Virginia continues to be litigated, with Mr. Mann joining in as a party. The University had no objections of turning over emails of other professors such as Patrick Michaels, but is raising significant objections to turning over the emails of Mr. Mann. The judge hearing the case is making statements that must be somewhat concerning to the University and its attorneys. For example, when the attorneys stated the process of peer review for research was “the bedrock of science,” the judge responded, “But is it the bedrock of open government? ... Why does the general public have to trust scientists? Citizens wonder about open government. Why don’t we have access to the process? ... FOIA is saying citizens have a right to see what government is doing.” Please see link under ‘Oh Mann.’

Glimmers of Hope: Another glimmer of hope for opening up the secrecy in science, particularly in climate science, occurred when a number of scientists petitioned the journal *Science* that it require that those publishing articles in the journal submit their computer source codes for review by other scientists. This requirement exists for the journal of the American Economic Association and a few others. It is necessary to assure that the results are reproducible – a principle in modern empirical science. The arguments of those objecting should be quite interesting.

Another glimmer of hope comes from the efforts to estimate the uncertainty in numerical models. The web site of Judith Curry contains a technical discussion on efforts to quantify the uncertainty in numerical models. A paper on the subject is summarized, followed up by a Fact Sheet by the Oak Ridge National Laboratory stating the enormous difficulties in evaluating the uncertainty of climate models, much less verifying and validating them. The comments by others bring up interesting points, especially the comments of David Wojick. Please see links under “Seeking a Common Ground.”

Logical Fallacies: Christopher Monckton has an excellent piece on the logical fallacies articulated by Aristotle and how they apply today. One of them, *argumentum ad populum*, is particularly timely because publications, such as the *New York Times* and several universities, are resorting to opinion polls as evidence that climate change is causing extreme weather events. For years, the *New York Times* and other publications have accompanied their articles on carbon dioxide with photos of power plants emitting what appears to be dark smoke – actually steam with the photos taken under special lighting conditions or special lenses. No doubt, if one conducted a public opinion poll asking what color is carbon dioxide, a number would respond with some dark color. It would be absurd to consider such a poll as scientific.

Corrections and Amplifications: A number of readers pointed out that TWTW misspelled the European satellite, ENVISAT, as EnvisTat. Also, Christopher Essex correctly pointed out in highlighting the comments by Richard Lindzen to his critics, TWTW should have emphasized “that the models don’t actually use known physics because of spatial (and temporal) resolution limitations. So we don’t test on observations, but at best train on them.”

Please note that the web site for EPA grant awards has been changed to http://yosemite.epa.gov/oarm/igms_egf.nsf/Reports/Non-Profit+Grants

As always, TWTW appreciates those who have taken the time to make corrections or amplifications.

April Fools' Award: Send in your nominees for the proposed SEPP April Fools' Award to the government official or political leader who has done the most to expand government power, by falsely claiming it is scientifically justified based on the flimsiest scientific evidence.

#####

ARTICLES:

For the numbered articles below please see this week's TWTW at: www.sepp.org. The articles are at the end of the pdf.

1. The EPA's Fracking Miracle

Behold, the agency shows restraint on shale gas regulation.

Editorial, WSJ, Apr 19, 2012

http://online.wsj.com/article/SB10001424052702303513404577353892948803190.html?mod=WSJ_Opinion_AboveLEFTTop

2. America's Lost Energy Decade

If we had begun exploring in the Arctic National Wildlife Refuge in 2002, its oil and gas (and jobs and revenue) would be flowing now.

By Lisa Murkowski, WSJ, Apr 17, 2012

http://online.wsj.com/article/SB10001424052702304356604577344202220512224.html?mod=ITP_opinion_0

3. TransCanada Submits Keystone Pipeline Reroute Plan

By Edward Welsch, WSJ, Apr 18, 2012

http://online.wsj.com/article/SB10001424052702303425504577352651777168314.html?grcc=1459ef8990d5c0285fa6b70f2a60f6cdZ11ZhpgeZ0Z824Z200Z111Z11&mod=WSJ_hps_sections_business

4. Chemical Makers Ride Gas Boom

By Daniel Gilbert, WSJ, Apr 18, 2012

http://online.wsj.com/article/SB10001424052702304331204577352161288275978.html?mod=WSJ_Energy_leftHeadlines

#####

NEWS YOU CAN USE:

Science: Is the Sun Rising?

Sun may soon have four poles, say researchers

By Seiji Tanaka, Asahi Shimbun, Apr 20, 2012 [H/t GWPF]

http://ajw.asahi.com/article/behind_news/social_affairs/AJ201204200075

The sun may be entering a period of reduced activity that could result in lower temperatures on Earth, according to Japanese researchers.

Suppressing Scientific Inquiry

Global Warming Dogma and the New Iron Triangle

By Norman Rogers, American Thinker, Apr 15, 2012 [H/t Joe Bast]

http://www.americanthinker.com/2012/04/global_warming_dogma_and_the_new_iron_triangle.html

NASA 49

Attacks on climate science by former NASA staff shouldn't be taken seriously

A letter from former administrators, astronauts, and engineers at NASA expressing climate change scepticism does not deserve parity with the agency's peer-reviewed climate scientists

By Dana Nuccitelli, for Skeptical Science, Guardian, UK , Apr 12, 2012 [H/t Warren Wetmore]

<http://www.guardian.co.uk/environment/2012/apr/12/attacks-climate-science-nasa-staff?newsfeed=true>

Challenging the Orthodoxy

More fatal flaws in the Shakun et al. Nature paper claiming that CO2 preceded late glacial warming [Part 2]

By Don Easterbrook, WUWT, Apr 18, 2012

<http://wattsupwiththat.com/2012/04/18/more-fatal-flaws-in-the-shakun-et-al-nature-paper-claiming-that-co2-preceded-late-glacial-warming-part-2/>

New normal? Historical context of recent global tropical cyclone inactivity

By Ryan Maue, AMS Conference abstract, Apr 16, 2012

<http://ams.confex.com/ams/30Hurricane/webprogram/Paper206164.html>

[SEPP Comment: Contrary to predictions global tropical cyclone activity (TC, called hurricanes in the Atlantic basin) has declined. The history of the past 40 years indicates TC activity is more closely associated with the El Nino Southern Oscillation and Pacific Decadal Oscillation than human influence on climate.]

Defending the Orthodoxy

Comment On The 2012 Draft AMS Statement On “Climate Change”

By Roger Pielke Sr, Climate Science, Apr 16, 2012

<http://pielkeclimatesci.wordpress.com/2012/04/16/comment-on-the-2012-draft-ams-statement-on-climate-change/>

If the Statement is accepted as written, it will not only be easy to refute significant parts of it, but it will present the American Meteorological Society as an advocacy group rather than an objective professional organization.

Sen. Franken chides GOP no-shows at hearing on impact of climate change

By Ben Geman, The Hill, Apr 19, 2012

<http://thehill.com/blogs/e2-wire/e2-wire/222543-franken-knocks-gop-over-climate-hearing-no-shows>

At the hearing Thursday, the chief scientist for the National Aeronautics and Space Administration (NASA) noted sea-level rises in past decades, and projections for the **end of this century ranging from 0.2 meters to 2 meters**. Boldface added.

Climate Change Boosts Then Quickly Stunts Plants, Decade-long Study Shows

By Staff Writers, Washington DC (SPX), Apr 18, 2012

http://www.terradaily.com/reports/Climate_Change_Boosts_Then_Quickly_Stunts_Plants_Decade_long_Study_Shows_999.html

[SEPP Comment: This study avoids the main issue that increasing carbon dioxide enhances plant growth.]

US greenhouse gases back up after decline

By Staff Writers, Washington (AFP), April 16, 2012

http://www.terradaily.com/reports/US_greenhouse_gases_back_up_after_decline_999.html

[SEPP Comment: Disappointing news, the economy is no longer declining.]

Questioning the Orthodoxy

A Heated Public Climate Change: Global Tempers Rising Over Costly CO2 Legislation

By Larry Bell, Forbes, Apr 17, 2012

<http://www.forbes.com/sites/larrybell/2012/04/17/a-heated-public-climate-change-global-tempers-rising-over-costly-co2-legislation/>

[SEPP Comment: Is the true global warming increasing public awareness that they are being misled?]

Extremes of climate, extremes of opinion

By Martin Livermore, Scientific Alliance, Apr 12, 2012

<http://www.scientific-alliance.org/scientific-alliance-newsletter/extremes-climate-extremes-opinion>

[SEPP Comment: The IPCC continues its alarmist ways. The Summary for Policy Makers for extreme weather events makes dire predictions. Yet, the scientific report, which is published well after the dire predictions, fails to substantiate them.]

In the eyes of Nature, warming can't be natural

By Christopher Booker, Telegraph, UK, Apr 16, 2012 [H/t Jeff Braswell]

<http://www.telegraph.co.uk/comment/columnists/christopherbooker/9204223/In-the-eyes-of-Nature-warming-cant-be-natural.html>

[SEPP Comment: The editors of Nature seem to reject mother nature.]

NASA GISS Director James Hansen Plays Climate Science Victimization Card.

By Tim Ball, Different Prospective, Apr 20, 2012

<http://drtimball.com/2012/nasa-giss-director-james-hansen-plays-climate-science-victimization-card/>

Global warming alarmism becoming much less alarming

By Mark Landsbaum, Orange County Register, Apr 11, 2012 [H/t SPPI]

<http://orangepunch.ocregister.com/2012/04/11/global-warming-alarmism-becoming-much-less-alarming/69067/>

[SEPP Comment: Pregnant comments.]

We Live in Nineteen Eighty Twelve

By Art Horn, Energy Tribune, Apr 13, 2012

<http://www.energytribune.com/articles.cfm/10348/We-Live-in-Nineteen-Eighty-Twelve>

[SEPP Comment: Are members of the orthodoxy engaging in Orwellian thinking?]

The Religion of Global Warming

By W.A. Beatty, American Thinker, Apr 15, 2012

http://www.americanthinker.com/2012/04/the_religion_of_global_warming.html

Europe's Climate Change Alarmism a Religious Belief?

By Dale Hurd, CBN News, Apr 17, 2012 [H/t GWPF]

<http://www.cbn.com/cbnnews/world/2012/April/Climate-Change-Alarmism-a-Religious-Belief/>

Questioning European Green

Why the debate over British shale gas extraction is for high stakes

By Bagehot [Not Really] The Economist, Apr 17, 2012 [H/t GWPF]

<http://www.economist.com/blogs/bagehot/2012/04/british-energy-security>

[SEPP Comment: An effort to invoke the thinking of a 19th century economic commentator.]

It's true: There's a real danger that fracking will cause a major boom

By Benny Peiser, City AM, UK, Apr 18, 2012 [H/t GWPF]

<http://www.cityam.com/forum/it-s-true-there-s-real-danger-fracking-will-cause-major-boom>

Rio + 20 – World Control?

Earth Day and the Great "Sustainability" Lie

By Alan Caruba, Warning Signs, Apr 17, 2012

<http://factsnotfantasy.blogspot.com/2012/04/earth-day-and-great-sustainability-lie.html>

Rio+20 Agenda: Trillions Per Year In Green Taxes, Transfers And Price Hikes

George Russell, Fox News, Apr 20, 2012

<http://thegwfpf.org/international-news/5518-rio20-agenda-trillions-per-year-in-green-taxes-transfers-and-price-hikes.html>

Problems within the Orthodoxy

The EU's Energy Roadmap 2050: targets without governance

By Severin Fischer and Oliver Geden, European Energy Review, Apr 10, 2012

http://www.europeanenergyreview.eu/site/pagina.php?id_mailing=268&toegang=8f121ce07d74717e0b1f21d122e04521&id=3636

By 2050, reduce total GHG emissions by 80% of 1990; transportation by 85%, and electricity generation by 95%!

[SEPP Comment: Sacrifice national sovereignty over energy policy for EU climate policy. The belief that climate policy should determine energy policy is eroding. The agreement reached before the failure of the 2009 Copenhagen conference may be functionally obsolete.]

Logical Fallacies

Aristotle's climate

His fallacies are exemplified by the warming hysteria

By Christopher Monckton, Financial Post, Apr 20, 2012

<http://opinion.financialpost.com/2012/04/20/aristotles-climate/>

Who Cares What the Science Says?

By Roger Pielke Jr, His Blog, Apr 18, 2012

<http://rogerpielkejr.blogspot.com/2012/04/who-cares-what-science-says.html>

Why the Yale and George Mason University poll attempt to tie “extreme weather” to global warming is rubbish

By Anthony Watts, WUWT, Apr 18, 2012

<http://wattsupwiththat.com/2012/04/18/why-the-yale-and-george-mason-university-poll-attempt-to-tie-extreme-weather-to-global-warming-is-rubbish/>

Week in review 4/13/12

By Judith Curry, Climate Etc, Apr 15, 2012

<http://judithcurry.com/2012/04/15/week-in-review-41312/#more-7937>

[SEPP Comment: Observations on the erroneous attribution of extreme weather events to human emissions of carbon dioxide.]

Seeking a Common Ground

At Last, The Right Lesson From Climategate Fiasco

By Staff Writers, GWPF, from PhysOrg, Apr 16, 2012

<http://thegwfpf.org/science-news/5474-at-last-the-right-lesson-from-climategate-fiasco-.html>

[SEPP Comment: The title of the article is appropriate: “Shining Light into Black Boxes.”

UQ

By Judith Curry, Climate Etc, Apr 17, 2012

<http://judithcurry.com/2012/04/17/uq/#more-8055>

A Sharp Rise in Retractions Prompts Calls for Reform

By Carl Zimmer, NYT, Apr 16, 2012

http://www.nytimes.com/2012/04/17/science/rise-in-scientific-journal-retractions-prompts-calls-for-reform.html?_r=3

[SEPP Comment: Retractions in medical journals indicate a symptom that may be wide spread in all scientific journals.]

Models v. Observations

John Christy's Comment On "If You Want To Roll The Climate Dice, You Should Know The Odds"

By Roger Pielke Sr, Climate Science, Apr 20, 2012

<http://pielkeclimatesci.wordpress.com/2012/04/20/john-christys-comment-on-if-you-want-to-roll-the-climate-dice-you-should-know-the-odds/>

[SEPP Comment: When adjusted for the actual CO2 emissions and the influences of volcanoes, the NASA-GISS models perform very poorly compared to observations.]

Max Planck Institute Director Admits "Physical Causes Unclear...Models Inconsistent With Observations"!

By P Gosselin, No Tricks Zone, Apr 17, 2012 [H/t GWPF]

<http://notrickszone.com/2012/04/17/max-planck-institute-director-admits-physical-causes-unclear-models-inconsistent-with-observations/>

Changing Weather

Great Lakes Have Not Been Setting Low Water Level Records

By Joe D'Aleo, WeatherBell Analytics, Apr 14, 2012

<http://www.weatherbell.com/weather-news/great-lakes-have-not-been-setting-low-water-level-records/>

Changing Climate

Reef winners and losers in a warmer world

Press Release, James Cook University, AU, Apr 13, 2012

http://www-public.jcu.edu.au/news/JCU_099903

[SEPP Comment: Some creatures adapt better to warming than others, as some adapt better to cooling than others.]

Changing Seas

Rising Pacific seas linked to climate change: study

By Staff Writers, Sydney (AFP), April 13, 2012

http://www.terradaily.com/reports/Rising_Pacific_seas_linked_to_climate_change_study_999.html

[SEPP Comment: Drastic rising as the globe rebounded from the Little Ice Age.]

No Sea Level Rise Acceleration – Study Shows "Similar Rates Could Also Be Identified Earlier In The Record"

By P. Gosselin, No Tricks Zone, Apr 11, 2012 [H/t SPPI]

<http://notrickszone.com/2012/04/11/no-sea-level-rise-acceleration-study-shows-similar-rates-could-also-be-identified-earlier-in-the-record/>

Changing Sea Ice

Sea Ice Prediction – Update To 2012

By Roger Pielke, Sr, Climate Science, Apr 20, 2012

<http://pielkeclimatesci.wordpress.com/2012/04/20/sea-ice-prediction-update-to-2012/>

[SEPP Comment: Even when the measured Arctic sea ice extent was shrinking, it was shrinking far less than what the models predicted.]

Breaking News : NSIDC Gets In The Data Tampering Act

By Steven Goddard, Real Science, Apr 18, 2012 [H/t WUWT]

<http://www.real-science.com/breaking-news-nsidc-gets-in-the-data-tampering-act>

[SEPP Comment: The difference is small, but if the “clipping” of data can be verified, it is one more, sad example of government scientific organizations manipulating the data.]

Changing Earth

New question mark over global warming: Scientists discover glaciers in Asian mountain range are actually getting BIGGER

By Ian Garland, Daily Mail, Apr 16, 2012

<http://www.dailymail.co.uk/sciencetech/article-2130184/Forget-global-warming-Scientists-discover-glaciers-Asia-getting-BIGGER.html>

No ice loss seen in major Himalayan glaciers: scientists

By Staff Writers, Paris (AFP), April 15, 2012

http://www.terradaily.com/reports/No_ice_loss_seen_in_major_Himalayan_glaciers_scientists_999.html

Agriculture Issues & Fear of Famine

For Wheat and Rice, CO2 is Nice

By Patrick Michaels, World Climate Report, Apr 20, 2012

<http://www.worldclimaterreport.com/index.php/2012/04/20/for-wheat-and-rice-co2-is-nice/#more-536>

[SEPP Comment: Chinese scientists applying western science when western scientists do not – data trumps models.]

India won't be able to store another bumper crop

By Amit Agnihotri, New Delhi (IANS) Apr 17, 2012

http://www.seeddaily.com/reports/India_wont_be_able_to_store_another_bumper_crop_999.html

[SEPP Comment: Is global warming the cause?]

Litigation Issues

Mercury and Air Toxics Standard Takes Effect amid Mounting Legal Pushback

By Staff Writers, POWERnews, Apr 19, 2012

http://www.powermag.com/POWERnews/4576.html?hq_e=el&hq_m=2427094&hq_l=4&hq_v=5e660500d0

Federal Court Panel Hears Cross-State Rule Arguments

By Staff Writers, POWERnews, Apr 19, 2012

http://www.powermag.com/POWERnews/4578.html?hq_e=el&hq_m=2427094&hq_l=5&hq_v=5e660500d0

[SEPP Comment: Litigating a set of EPA regulations that may be made obsolete by proposed new EPA regulations on carbon dioxide.]

Cap-and-Trade and Carbon Taxes

When is a free market solution *not* the answer? When it isn't free.

By Jo Nova, Her Blog, Apr 17, 2012

<http://joannenova.com.au/2012/04/when-is-a-free-market-solution-not-the-answer-when-it-isnt-free/#more-21284>

[SEPP Comment: The European cap-and-trade system is not a free market system, meaning free of government manipulation.]

The fate of the EU carbon market hangs in the balance

By Sonja van Renssen, European Energy Review, Apr 12, 2012

http://www.europeanenergyreview.eu/site/pagina.php?id_mailing=268&toegang=8f121ce07d74717e0b1f21d122e04521&id=3642

At stake in all of this is nothing less than the future of the ETS and European climate policy

[SEPP Comment: The author argues that this so-called “market based solution” is failing because governments are not intervening sufficiently in the market.]

Poland says ETS reform could bankrupt its industry

By John Acher, Reuters, Apr 19, 2012 [H/t GWPF]

<http://www.reuters.com/article/2012/04/19/us-eu-poland-carbon-idUSBRE83I14720120419>

[SEPP Comment: EU interference in the artificial cap-and-trade scheme to increase prices can have damaging effects.]

The EU’s Emissions Trading System: Trouble in Paradise

By Thomas A. Hemphill, The American, Apr 19, 2012

<http://www.american.com/archive/2012/april/the-eus-emissions-trading-system-trouble-in-paradise>

Subsidies and Mandates Forever

Parliament shoots down Commission’s energy tax plan

By Staff Writers, EurActiv, Apr 20, 2012

<http://www.euractiv.com/sustainability/parliament-shoots-commission-energy-tax-plan-news-512275>

[SEPP Comment: Keeping EU subsidies for diesel fuel.]

EPA and other Regulators on the March

How EPA Uses “Sue and Settle” Agreements To Steal Power from the States (and what the Congress is doing to stop it)

By William Yeatman, Global Warming.org, Apr 11, 2012

http://www.globalwarming.org/2012/04/11/how-epa-uses-sue-and-settle-agreements-to-steal-power-from-the-states-and-what-the-congress-is-doing-to-stop-it/?utm_source=feedburner&utm_medium=email&utm_campaign=Feed:+globalwarmingorg+%28Global+Warming.org%29

[SEPP Comment: Closing off favored litigation as a means of expanding regulatory power that bypasses the governmental bodies charged with defining regulatory power.]

EPA Finalizes First Federal Standards for Gas Fracking

By Staff Writers, POWERnews, Apr 19, 2012

http://www.powermag.com/POWERnews/4579.html?hq_e=el&hq_m=2427094&hq_l=8&hq_v=5e66050d0

Oil and Natural Gas Air Pollution Standards

By Staff Writers, Press Release, EPA, Apr 18, 2012

<http://www.epa.gov/airquality/oilandgas/>

Oil and Natural Gas Air Pollution Standards

Regulatory Actions, EPA, Apr 17, 2012

<http://www.epa.gov/airquality/oilandgas/actions.html>

The EPA's Faulty Science Can Be Stopped

By John Dale Dunn & Steve Milloy, American Thinker, Apr 19, 2012

http://www.americanthinker.com/2012/04/the_epas_faulty_science_can_be_stopped.html

[SEPP Comment: Attempting to address a legal morass.]

Coal Ash Regulation: Another Front on the 'War Against Coal'

By Lance Brown, Master Resource, Apr 16, 2012

<http://www.masterresource.org/2012/04/coal-ash-regulation/>

[SEPP Comment: The improper storage of coal ash by a government enterprise – the Tennessee Valley Authority – has lead to financially infeasible regulations on other coal fired power plants.]

Diesel Technologies Drastically Cut Emissions in Real-World Conditions

By Staff Writers, Raleigh, NC (SPX), Apr 17, 2012

[http://www.energy-](http://www.energy-daily.com/reports/Diesel_Technologies_Drastically_Cut_Emissions_in_Real_World_Conditions_999.html)

[daily.com/reports/Diesel Technologies Drastically Cut Emissions in Real World Conditions 999.html](http://www.energy-daily.com/reports/Diesel_Technologies_Drastically_Cut_Emissions_in_Real_World_Conditions_999.html)

[SEPP Comment: If supported by other studies, this shows that existing regulations on diesel trucks will significantly reduce health hazards from soot and NOx, drawing into question why does the EPA continue to ignore the health benefits of existing regulations when it proposes new regulations?]

Energy Issues – Non-US

Opposition to Shale Gas Is a Storm in a Teacup

By Matt Ridley, The Times, as posted in GWPF Apr 18, 2012

<http://thegwpf.org/opinion-pros-a-cons/5489-matt-ridley-opposition-to-shale-gas-is-a-storm-in-a-teacup.html>

Energy Issues -- US

Six Reasons Not To Ban Energy Exports*

By Marlo Lewis, Global Warming.org, Apr 19, 2012

<http://www.globalwarming.org/2012/04/19/six-reasons-not-to-ban-energy-exports/>

Exporting U.S. Oil And Gas Is Good For The Economy

By Bernard Weinstein, IBD, Apr 16, 2012

<http://news.investors.com/article/608066/201204171629/us-should-export-its-abundant-energy.htm?p=full>

America's energy job machine is heating up

Deep-sea drilling and fracking are helping to unearth abundant supplies of oil and gas. The coming energy renaissance could be just the elixir the U.S. economy needs.

By Richard Martin, Fortune, Apr 12, 2012

<http://tech.fortune.cnn.com/2012/04/12/energy-jobs-boom/>

Oil and Natural Gas – the Future or the Past?

Peak Oil Off: Great Game On

By Matthew Hulbert, Forbes, Apr 19, 2012

<http://www.forbes.com/sites/matthewhulbert/2012/04/19/peak-oil-off-great-game-on/>

Cheer up: the world has plenty of oil

Why the oil industry has buried the idea of "peak oil"

By Robin Mills, European Energy Review, Apr 17, 2012

http://www.europeanenergyreview.eu/site/pagina.php?id_mailing=268&toegang=8f121ce07d74717e0b1f21d122e04521&id=3641

Exclusive - UK has vast shale gas reserves, geologists say

By Henning Gloystein & Christopher Johnson, Reuters, Apr 17, 2012 [H/t GWPF]

<http://uk.reuters.com/article/2012/04/17/uk-britain-shale-reserves-idUKBRE83G0KS20120417>

Fuel to Burn: Now What?

By Jad Mouwad, NYT, Apr 10, 2012

http://www.nytimes.com/2012/04/11/business/energy-environment/energy-boom-in-us-upends-expectations.html?_r=2&pagewanted=1&nl=todaysheadlines&emc=edit_th_20120411&ref=businessspecial2

[SEPP Comment: Even some at the New York Times are beginning to realize the revolution in oil and gas.]

Oil Boom Could Fuel Economy if We Let It

By Marita Noon, Townhall, Apr 15, 2012

http://finance.townhall.com/columnists/maritanoon/2012/04/15/oil_boom_could_fuel_economy_if_we_let_it/page/2

Fracking Vindicated

By Gary Jason, American Thinker, Apr 14, 2012

http://www.americanthinker.com/2012/04/fracking_vindicated.html

Washington's Control of Oil and Gas

America's Lost Energy Decade

If we had begun exploring in the Arctic National Wildlife Refuge in 2002, its oil and gas (and jobs and revenue) would be flowing now.

By Lisa Murkowski, WSJ, Apr 17, 2012

http://online.wsj.com/article/SB10001424052702304356604577344202220512224.html?mod=ITP_opinion_0

Dropping Fossil Fuels For Green Energy Would Be Foolish

Editorial, IBD, Apr 16, 2012

<http://news.investors.com/article/607978/201204161828/fossil-fuels-are-cheap-abundant-reliable.htm>

The Obama Oil Embargo

By David Kreutzer, Foundry, Apr 18, 2012

<http://blog.heritage.org/2012/04/18/the-obama-oil-embargo/>

Bureaucratic Gas

To lower prices at the pump, abolish the boutique fuel regime.

By Steven Hayward, Weekly Standard, Apr 2, 2012

http://www.weeklystandard.com/articles/bureaucratic-gas_634424.html

[SEPP Comment: The US General Accountability Office cannot determine how many different blends of gasoline are mandated among the various regions of the US.]

Obama a Threat to Low Cost Gas

By Gordon Tomb, Energy Tribune, Apr 17, 2012

<http://www.energytribune.com/articles.cfm/10376/Obama-a-Threat-to-Low-Cost-Gas>

Keep American Oil Domestic

How America's Oil Melting Pot Could Shrink the trade Deficit and Boost the Declining Dollar – Without New Taxes

By Marita Noon, Energy Tribune, Apr 18, 2012

<http://www.energytribune.com/articles.cfm/10393/Keep-American-Oil-Domestic?>

[SEPP Comment: Oil refining can be considered as another form of manufacturing. Why should Washington restrict the areas in which it is sold?]

Return of King Coal?

The rising power of coal: It's not just China anymore

By Frank Clemente, Energy Facts, Apr 16, 2012

<http://us1.campaign-archive1.com/?u=29bc7d5d85828d574f86c157a&id=ee2bd8e052&e=>

Oil Spills, Gas Leaks & Consequences

The Deepwater Horizon Two Years Later

By Bruce Thompson, American Thinker, Apr 20, 2012

http://www.americanthinker.com/2012/04/the_deepwater_horizon_two_years_later.html

[SEPP Comment: The finger pointing of the problems of stopping the leak and clean-up take a different direction.]

Nuclear Energy and Fears

More action needed sooner on climate change

By Staff Writers, WNN, Apr 16, 2012

http://www.world-nuclear-news.org/EE_More_action_needed_sooner_on_climate_change_1604121.html

[SEPP Comment: A special pleading for nuclear energy. However, the writers fail to recognize that the green industry will not embrace nuclear energy.]

Japan confirms 'safe' to restart two nuclear reactors

By Staff Writers, Tokyo (AFP), April 13, 2012

http://www.nuclearpowerdaily.com/reports/Japan_confirms_safe_to_restart_two_nuclear_reactors_999.html

Alternative, Green (“Clean”) Solar and Wind

Obama's quixotic wind program

By Rebekah Rast, Net Right, Apr 13, 2012

<http://netrightdaily.com/2012/04/obamas-quixotic-wind-program/>

A Dark Day for Solar Power

"Renewable" energy subsidies have become an unaffordable feel-good luxury.

By Ross Kaminsky, American Spectator, Apr 18, 2012

<http://spectator.org/archives/2012/04/18/a-dark-day-for-solar-power>

Alternative, Green (“Clean”) Energy -- Other

DOE: 12 GW Lies Unexploited in Non-powered Dams Across U.S.

By Staff Writers, Power News, Apr 19, 2012

http://www.powermag.com/POWERnews/4582.html?hq_e=el&hq_m=2427094&hq_l=10&hq_v=5e660500d0

[SEPP Comment: Converting existing dams to generate electricity.]

Energy Beets: Who will Leap First?

North American sugar-to-ethanol strategy differs from Brazil's, Europe's

By Holly Jessen, Ethanol Producer, Apr 11, 2012 [H/t Warren Wetmore]
<http://www.ethanolproducer.com/articles/8707/energy-beets-who-will-leap-first>

Alternative, Green (“Clean”) Vehicles

Many wheels good, four wheels bad

By Martin Livermore, Scientific Alliance, Apr 19, 2012

<http://www.scientific-alliance.org/scientific-alliance-newsletter/many-wheels-good-four-wheels-bad>

Obama Fuel Economy Standards Could Price Almost 7 Million Drivers out of New Car Market – NADA

By Marlo Lewis, Global Warming.org, Apr 12, 2012

http://www.globalwarming.org/2012/04/12/obama-fuel-economy-standards-could-price-almost-7-million-drivers-out-of-new-car-market-nada/?utm_source=feedburner&utm_medium=email&utm_campaign=Feed:+globalwarmingorg+%28GlobalWarming.org%29

[SEPP Comment: *The ultimate clean vehicles – none!*]

Review of Recent Scientific Articles by NIPCC

For a full list of articles see www.NIPCCreport.org

Biodiversity and the Multi-Functionality of Ecosystems

Reference: Maestre, F.T., et al. Plant species richness and ecosystem multifunctionality in global drylands. *Science* 335: 214-218.

<http://www.nipccreport.org/articles/2012/apr/17apr2012a2.html>

[SEPP Comment: *Increased CO2 enhances biodiversity.*]

The Siberian High in a Supposedly Warming World

Reference: Jeong, J.-H., Ou, T., Linderholm, H.W., Kim, B.-M., Kim, S.-J., Kug, J.-S. and Chen, D. 2011. Recent recovery of the Siberian High intensity. *Journal of Geophysical Research* 116: 10.1029/2011JD015904.

<http://www.nipccreport.org/articles/2012/apr/17apr2012a1.html>

[SEPP Comment: *The dominant high pressure system during the winter in the Northern Hemisphere has been declining for the 1960s to the 1990s and the models predict it will continue to decline in the 21st century. For the past two decades it has been intensifying sharply – contradicting the models.*]

What is the Best Frame of Reference for Evaluating the Biological Consequences of Ocean Acidification?

Reference: Stumpp, M., Wren, J., Melzner, F., Thorndyke, M.C. and Dupont, S.T. 2011a. CO2 induced seawater acidification impacts sea urchin larval development I: Elevated metabolic rates decrease scope for growth and induce developmental delay. *Comparative Biochemistry and Physiology, Part A* 160: 331-340.

<http://www.nipccreport.org/articles/2012/apr/18apr2012a1.html>

The Response of Coastal Marshes to Global Warming

Reference: Albrecht, F., Wahl, T., Jensen, J. and Weisse, R. 2011. Determining sea level change in the German Bight. *Ocean Dynamics* 61: 2037-2050.

<http://www.nipccreport.org/articles/2012/apr/18apr2012a2.html>

Oh Mann!

Prince William climate case judge already anticipating the appeal

By Tom Jackman, Washington Post, Apr 17, 2012

http://www.washingtonpost.com/blogs/the-state-of-nova/post/prince-william-climate-case-already-anticipating-the-appeal/2012/04/17/gIQAfE1BNT_blog.html

Scientist's rebuttal of Michael Mann's "denier" and other unsavory labels in his book

By Craig Loehle, WUWT, Apr 17, 2012

<http://wattsupwiththat.com/2012/04/17/scientists-rebuttal-of-michael-manns-denierand-other-unsavory-labels-in-his-book/>

Environmental Industry

Genocidal Green Quotes

By Alan Caruba, Warning Signs, Apr 19, 2012

<http://factsnotfantasy.blogspot.com/2012/04/genocidal-green-quotes.html>

[SEPP Comment: A refresher on environmental extremism.]

Human Day

By Peter Foster, Financial Post, Apr 20, 2012

<http://opinion.financialpost.com/2012/04/20/peter-foster-human-day/>

Little Green Lies: An exposé of twelve environmental myths

By Jeff Bennett, Reviewed in Quadrant, Apr 11, 2012

<http://www.quadrant.org.au/blogs/doomed-planet/2012/04/little-green-lies>

Overthrowing Environmentalism

By Alan Caruba, Warning Signs, Apr 16, 2012

<http://factsnotfantasy.blogspot.com/2012/04/overthrowing-environmentalism.html>

Buy coal? New analysis shows purchasing fossil fuel deposits best way to fight climate change

By Staff Writers, Chicago IL (SPX), Apr 16, 2012

http://www.terradaily.com/reports/Buy_coal_New_analysis_shows_purchasing_fossil_fuel_deposits_best_way_to_fight_climate_change_999.html

[SEPP Comment: Perhaps the unproductive assets should be taxed at value.]

Next They'll Say We Have Too Many Polar Bears

Editorial, IBD, Apr 16, 2012

<http://news.investors.com/article/607976/201204161828/polar-bear-population-grows.htm?>

Other Scientific News

IceCube Neutrino Observatory provides new insights into origin of cosmic rays

Posted by Anthony Watts, WUWT, Apr 20, 2012

<http://wattsupwiththat.com/2012/04/20/icecube-neutrino-observatory-provides-new-insights-into-origin-of-cosmic-rays/>

[SEPP Comment: The findings do not invalidate one of the strong hypotheses for changing climate: the interaction between cosmic rays, modulated by the sun, and the atmosphere in causing variations in cloudiness.]

Ammonites found mini oases at ancient methane seeps

By Staff Writers, Washington DC (SPX). Apr 18, 2012

http://www.terradaily.com/reports/Ammonites_found_mini_oases_at_ancient_methane_seeps_999.html

[SEPP Comment: Methane seeps as a source for life?]

New method to prevent undersea ice clogs

By Staff Writers, Boston MA (SPX), Apr 17, 2012
http://www.energy-daily.com/reports/New_method_to_prevent_undersea_ice_clogs_999.html

Other News that May Be of Interest

The new cold war: Militaries eying Arctic resources

By Staff Writers, AP, Apr 16, 2012
<http://www.foxnews.com/scitech/2012/04/16/new-cold-war-as-ice-cap-melts-militaries-vie-for-arctic-edge/?intcmp=trending>

#####

BELOW THE BOTTOM LINE:

CU-Boulder study shows Greenland may be slip-sliding away due to surface lake melt

By Staff Writers, Boulder CO (SPX), Apr 18, 2012
http://www.terradaily.com/reports/CU_Boulder_study_shows_Greenland_may_be_slip_sliding_away_du_e_to_surface_lake_melt_999.html

[SEPP Comment: Another study that ignores shape of the bedrock under the Greenland ice. According to geologist Cliff Ollier, it is a concave, like a bowl. This article implies that gravity can force ice to slide uphill.]

#####

ARTICLES:

1. The EPA's Fracking Miracle

Behold, the agency shows restraint on shale gas regulation.
Editorial, WSJ, Apr 19, 2012
http://online.wsj.com/article/SB10001424052702303513404577353892948803190.html?mod=WSJ_Opinion_AboveLEFTTop

The Environmental Protection Agency once again invited itself to do tangible economic harm—this time to the hydraulic fracturing that is transforming American energy—and somehow . . . it didn't. In the annals of the unlikely, the EPA's new fracking rules fall somewhere between a Nobel Peace Prize for George W. Bush and a supply-side tax plan from Warren Buffett.

The first-ever federal fracking rule that the EPA released on Wednesday is also the first time the agency has shown restraint under the Clean Air Act since at least 2005 or 2006, about when the Bush Administration gave up on environmental regulatory reform. Given the agency's track record, any self-control is notable—though in particular on the unconventional oil and gas extraction that the green lobby would prefer to shut down because those fuels contain demon carbon.

After a shale well has been tapped, trace amounts of natural gas, fracking fluids or a combination of both can escape, and the EPA's standards are targeted at such traditional air pollutants as methane or volatile organic compounds. Starting in 2015, the 588-page rule requires drillers to use technologies and practices that result in so-called "green completions" that limit emissions.

The EPA is basically requiring operators to do what they're doing anyway: Most wellheads and pipelines already exceed the EPA benchmark. One reason is that methane is the largest component of natural gas, so emitting more methane means losing more of the product that companies are trying to sell. The pollution control technologies the EPA is mandating didn't exist a few years ago and were developed by the industry for economic reasons.

The reality is that as fracking booms through the Appalachian basin, the South and mountain West, the early wildcatting days are over. Operators are professional and best practices are spreading. The industry understands that the environmentalists and political class don't need much pretext to impose a moratorium, as New York state liberals have.

The EPA has a habit of abusing the Clean Air Act, a notoriously costly and flawed law to begin with, and why it didn't here is something of a mystery. Our guess is that the White House exercised adult supervision amid re-election season, knowing that another assault on the domestic oil and gas surge could be a political loser. The Obamateers already gave at the political office with their antioil campaign and killing the Keystone XL pipeline, so the greens can't really complain, though as always they will.

The main problem with the rule is precedent. The Clean Air Act is designed to encourage environmental groups to sue the EPA, and after they do the EPA then files more stringent rules that the bureaucracy favored in the first place in order to get the greens to drop their suits. Rinse and repeat. That may be the longer post-election game the EPA has in mind against fracking.

These drilling operations have also traditionally been regulated by the states, which can point with pride to a generally sound record. Try as the EPA has, the fracking pollution the agency has claimed to uncover in Wyoming and elsewhere has turned out to be either small or hyped. But with this new rule, 10 separate federal agencies on top of the EPA will add a second layer of oversight. The EPA's rules may be achievable, but they're redundant.

The agency nonetheless had the opportunity to ruin or substantially damage the most important U.S. energy breakthrough in decades. The astonishing news is that it didn't.

2. America's Lost Energy Decade

If we had begun exploring in the Arctic National Wildlife Refuge in 2002, its oil and gas (and jobs and revenue) would be flowing now.

By Lisa Murkowski, WSJ, Apr 17, 2012

http://online.wsj.com/article/SB10001424052702304356604577344202220512224.html?mod=ITP_opinion_0

Ten years ago this week, the U.S. Senate debated whether to open a small section of the Arctic National Wildlife Refuge to oil and natural gas production. Under the terms of the ANWR amendment, a maximum of 2,000 acres in the nonwilderness portion of the refuge (less than 0.01% of the whole) would have been opened to surface development. But the amendment was defeated, and we are paying the price today.

In an energy-strategy speech Tuesday, President Obama once again listed the importance of producing "more oil and gas here at home." Whether that happens depends on what the president and other policy makers have learned since the ANWR debate a decade ago.

Despite Alaska's stellar record of balancing energy production with environmental protection, opponents threw out a litany of excuses to oppose development in ANWR, none tethered to reason or reality. One senator urged her colleagues to think of the local wildlife, although wildlife has thrived on nearby state lands with oil and gas production. Another declared that there aren't enough pristine areas left in the world, ignoring the fact that the federal government alone has designated nearly 110 million acres in the U.S. as wilderness.

Some chose to claim that America was running out of oil, as if that would be a compelling reason to ignore our largest untapped field. Others alleged that the proposed drilling area only holds a six-month supply of oil—both understating the size of the resource and strangely believing it would somehow be the sole source of oil for our entire country over that period.

But the most blatant excuse is one that officially expires this week. Because oil might take up to 10 years to reach market, we were told that the nonwilderness portion of ANWR could not be part of the solution to our energy challenges. Nearly every senator who spoke against the amendment in 2002 listed this as a factor in his or her decision.

Now, 10 years later, it is plain to see that the argument was not just wrong, but backward. Instead of being a reason to oppose development in ANWR, the time it takes to develop the resource should be treated as a reason to approve it as quickly as possible.

Consider what would be different today had the Senate agreed to open those 2,000 acres a decade ago. If production were coming online right now as expected, it would be providing our nation with a number of much-needed benefits—including a lot more oil.

Oil prices would be restrained, if not reduced, as Alaskan crude made up for both actual and threatened losses around the world. Billions of dollars in new revenues would be generated for the U.S. Treasury, reducing the deficit and providing us with a means to invest in new energy technologies.

Oil imports would be reduced, keeping dollars within our economy to promote growth here at home. Thousands of ANWR-related, well-paying new jobs would be created at zero cost to taxpayers. And a looming national catastrophe—the shutdown for economic reasons of the increasingly empty trans-Alaska pipeline—would be averted.

It's a shame that we are forced to forgo these benefits at a time when all are desperately needed. But this is not just a missed opportunity; it's a cautionary tale. The shortsighted decision made 10 years ago is relevant to the current debate on energy policy.

Today, we again find ourselves at a moment when federal policy makers could dramatically increase domestic oil and gas production. But instead of embracing that possibility, many of the same members of Congress are making the same antisupply arguments. What we should realize is that these are empty excuses that hurt our nation's future prosperity.

It's time to revisit whether ANWR itself should be opened to development. Opening ANWR is not a silver bullet that will unilaterally or immediately solve our energy challenges. To demand that sets an impossibly high bar that no resource or regulation can ever reach. Instead we should see ANWR for what it can provide in terms of energy, jobs, revenue and security.

I'm particularly hopeful that President Obama will lead the way by living up to his recent promise to allow oil production "everywhere we can." If that's not just election-year rhetoric, this tiny patch of tundra in northeast Alaska would be a perfect place to start.

Ms. Murkowski is a Republican senator from Alaska.

3. TransCanada Submits Keystone Pipeline Reroute Plan

By Edward Welsch, WSJ, Apr 18, 2012

http://online.wsj.com/article/SB10001424052702303425504577352651777168314.html?grcc=1459ef8990d5c0285fa6b70f2a60f6cdZ11ZhpgeZ0Z824Z200Z111Z11&mod=WSJ_hps_sections_business

TransCanada Corp. submitted a reroute of its Keystone XL oil pipeline to the Nebraska state government Wednesday, moving a step closer to reviving the project after it was rejected by the U.S. government earlier this year.

The reroute will avoid an environmentally sensitive area in the U.S. Midwest state, and comes a day after Nebraska Gov. Dave Heineman signed a bill allowing the state's review of the pipeline to continue.

Nebraska was a hot spot for protest against Keystone XL last year because of its path across the Sand Hills and the Ogallala aquifer. Getting the reroute approved by Nebraska will help ensure that TransCanada can move ahead with reapplication to the U.S. federal government.

A TransCanada spokesman said the company is waiting for the "right time" to reapply for a federal permit from the U.S. State Department, which rejected its initial application in January.

The reroute will add a 100-mile eastern detour around the Sand Hills to the 1,700-mile pipeline from Alberta to the Texas coast of the Gulf of Mexico.

If approved, the \$7.6 billion pipeline would send up to 830,000 barrels of crude a day from Canada and the western U.S. to refineries on the Gulf Coast. TransCanada has said the pipeline could begin flowing by 2015, about a year later than it had planned before the rejection of the first application.

President Barack Obama has said the U.S. is open to reviewing Keystone XL, if TransCanada reapplied for a permit. A decision wouldn't be made before the U.S. presidential election in November.

The rejection of the first Keystone XL application came as the oil pipeline became embroiled in a political battle in Washington. Reacting in part to the protests in Nebraska, the Obama administration late last year postponed a decision on the pipeline until early 2013.

Republicans then passed legislation forcing the State Department to make a decision on the pipeline by the end of February. The White House, saying that deadline didn't give it enough time to review the project, rejected it.

4. Chemical Makers Ride Gas Boom

By Daniel Gilbert, WSJ, Apr 18, 2012

http://online.wsj.com/article/SB10001424052702304331204577352161288275978.html?mod=WSJ_Energy_leftHeadlines

FREEPORT, Texas—Dow Chemical Co. DOW +1.01% will build a multibillion-dollar plant to convert natural gas into the building blocks of plastic in this coastal city, becoming the latest chemical maker to capitalize on the abundant gas supplies that are helping spur a renaissance in U.S. manufacturing.

Over the last decade, chemical companies in search of cheap raw materials have made some of their biggest investments outside the U.S., which is the world's largest consumer of plastics.

But Dow and its peers are seeing new opportunity in huge domestic deposits of gas. Drilling innovations can now unlock the fuel from shale formations, pushing U.S. natural-gas prices to among the lowest in the world. Even as natural-gas producers cut back drilling in response to the low prices, chemical firms are increasing their manufacturing investments.

Dow's new plant here will create 2,000 jobs at the peak of construction, the company says, and is scheduled to be completed in 2017. It will be built on a vacant lot within the chemical conglomerate's Gulf Coast compound near Houston, a metal jungle of pipes and towering furnaces that sprawls over thousands of acres.

The new plant is the largest part of a previously announced \$4 billion expansion of Dow's facilities in the region, including enhancements to existing plants in Texas and Louisiana. Those projects will create about 500 long-term jobs when completed, the company said.

"The discovery of shale has really recreated the value proposition to build these facilities in what is the world's largest market," Andrew Liveris, Dow's chief executive, said in an interview.

Dow's announcement comes a month after Royal Dutch Shell RDSA.LN -1.46% PLC said it would build a similar, \$2 billion chemicals plant in Pennsylvania near Pittsburgh, above the prolific natural-gas deposits of the Marcellus Shale.

Other chemical makers are eyeing major investments along the Gulf Coast, which is near major shale-gas sources in Texas and Louisiana. Chevron Phillips Chemical Co., a joint venture of Chevron Corp. CVX -0.85% and ConocoPhillips, COP -0.55% is moving forward with plans to build a new plant at its facility outside of Houston, a spokeswoman said, part of the company's \$5 billion expansion in the region.

Formosa Plastics Corp., 1301.TW +0.71% the U.S. affiliate of the Taiwan-based chemical maker, said in February it will build a plant and ancillary facilities on the Texas Gulf Coast at a cost of about \$1.7 billion.

Meanwhile, LyondellBasell, LYB +0.50% the chemical company based in the Netherlands, and Occidental Petroleum Corp.'s OXY +0.28% chemical business are among a host of companies considering major expansions in the U.S., according to the American Chemistry Council, a trade group.

Taken together, the manufacturers' expansion plans represent a long-term bet on the abundance of natural gas in the U.S. They are also providing a positive economic jolt in gas-producing regions where energy producers are cutting back on natural-gas drilling. Natural-gas futures closed Wednesday at \$1.95 per million British thermal units, down 55% from a year ago and the lowest price in 10 years.

Energy companies are shifting their focus away from finding natural gas and toward finding more profitable oil and fuels such as ethane and propane. The greater supply of these fuels has lowered their cost, benefiting chemical makers who use them as raw materials and burn natural gas in the process.

"Exploration companies are suffering for low natural-gas prices, but the chemical companies are blowing and going," said Charlie D'Agostino, executive director of the Louisiana Business and Technology Center at Louisiana State University in Baton Rouge.

One risk for the companies planning construction projects along the Gulf Coast is cost inflation as they compete for workers and supplies, he said. Although higher costs would shrink profit margins, he said, it isn't likely to undermine the viability of major projects.

Dow's selection of Freeport for its new plant throws it into direct competition for labor with Freeport LNG Development LP. The privately held company wants to build a facility to liquefy natural gas so it can be exported abroad, where the fuel sells for much higher prices.

Dow's Mr. Liveris said he is mindful of the potential for skyrocketing labor costs but believes his company can get the jump on Freeport LNG and others.

"If there are too many facilities, LNG or otherwise, approved and being built at the same time, we will see that inflationary effect," he said. "By moving quickly, we'll get ahead of the cost curve."

#####