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T. Boone Pickens fueling dialogue on clean-energy efforts 📄

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In July of last year, Dallas billionaire T. Boone Pickens began a \$60 million advertising campaign and speaking tour designed to persuade Americans to stop using foreign oil.

The oilman-turned-environmentalist proposed a seemingly simple plan: Convert cars, especially big fleets operated by companies and municipalities, from gasoline to domestic natural gas. And start generating more electricity from wind.

By the end of this year, Pickens predicts, Congress will finish passing laws to implement his plan. And within two years, oil imports will drop.

"We have gotten everything we went after," he said. "I have people say it didn't go very fast. Go back and compare it to other things. I think we've moved very fast."

But oil import data don't yet show much direct impact from Pickens' campaign, and a key new natural gas law hasn't made it out of legislative committee. He's persuaded some companies and municipalities to buy natural gas-powered fleets, but the numbers remain tiny.

Still, Pickens' \$60 million bought remarkable influence. Because of Pickens, the term "foreign oil" entered the presidential campaigns, executive speeches and everyday discussions.

And he brought many of his conservative followers into the discussion about clean energy through his warning about energy security, allowing them to discuss alternative energy without stepping into the thorny debate about whether humans cause climate change.

"When you have a successful investor from Texas, someone from a state that, some people say, doesn't care about clean energy, to have him come out as the champion, caught a lot of people by surprise and brought a lot of attention to the incumbent [energy companies] in Texas being part of the solution," said Paul Dickerson, a former executive with the U.S. Department of Energy and head of Haynes and Boone's clean technology practice.

Pickens would probably also benefit from his plan. Pickens invests in companies that produce natural gas and sell natural gas vehicle fuel, and a company that builds wind farms.

His retort: "If I'd wanted to make money, I would have kept my \$60 million."

On a mission

Instead, Pickens said, he felt he was on a mission that only he could accomplish.

"I felt like it was a mission that you had to tell the American people, you now knew something that affected their lives, their future, their children and grandchildren and everybody else, generations to come. And you had properly analyzed it, you knew what the problem was, and you had a solution for the problem," he said.

Pickens has presented his plan to Republicans and Democrats, to top executives and blue collar workers, to President Barack Obama and Dallas Mayor Tom Leppert.

Rep. Joe Barton, R-Arlington, a longtime supporter of more domestic drilling, credits Pickens with persuading House Speaker Nancy Pelosi to support natural gas vehicles.

"Apparently natural gas is not a fossil fuel," Barton said, tongue in cheek. (Of course, natural gas is a fossil fuel.)

The Sierra Club doesn't oppose Pickens, a longtime Republican supporter who decorates his office with Ronald Reagan memorabilia.

"We haven't given out a wholesale endorsement of the plan, but at the same time, we think that natural gas is a good bridge fuel as we transition to a full clean-energy economy," said Josh Dorner, a spokesman for the Sierra Club.

Natural gas burns more cleanly than oil or coal. Used in a vehicle, natural gas emits 70 percent less carbon monoxide, 87 percent less nitrogen oxide and 20 percent less carbon dioxide than gasoline vehicles, according to lobby group NGV America.

Electric cars might be cleaner than natural gas, but only if the power is generated with cleaner technology, such as wind or solar. Most power in Texas comes from natural gas-fired plants.

Environmental Protection Agency administrator Lisa Jackson, appointed by Obama, said Pickens "points out some really important policy issues."

For example, Pickens rightly talks about the importance of building transmission lines to carry wind-generated power from rural areas to population centers, she said.

Drop in imports

U.S. oil imports dropped 14 percent in June from the year before, according to the government's Energy Information Administration. But that probably is due to the ailing economy rather than a shift to alternative fuels.

The number of natural gas vehicles on U.S. roads has risen in the past two years by only about 8 percent to around 120,000, according to Rich Kolodziej, president of NGV America, a natural gas vehicle lobby group. That's hardly enough vehicles to account for the oil import drop.

However, Kolodziej said, demand for natural gas vehicle fuel rose about 25 percent last year as older models, which could use either natural gas or petroleum fuels, are replaced with new, natural gas-only vehicles.

Natural gas costs less than gasoline or diesel. How much less changes constantly. But the vehicle technology can be costly, and stations to fill up aren't always convenient. With few refueling stations outside of major cities, natural gas vehicles aren't as attractive to regular drivers who expect to use their cars for road trips.

But the nation's supply of natural gas is growing rapidly.

A study released last month from the Potential Gas Committee, associated with the Colorado School of Mines, estimates that the U.S. has 2,074 trillion cubic feet of natural gas reserves, 35 percent more than in 2006. The committee said the amount grew partly because of new technology, like that developed for the Barnett Shale.

Pickens said once all of the planks of his energy policy become law, it will only take a couple of years for oil imports to decline for good.

That's only if the tax incentives are sweet enough to offset the extra costs and, in some cases, the inconvenience of using the technology.

Congress has passed the wind portion of the Pickens Plan, and wind power capacity has already risen 50 percent during the past year. The stimulus bill includes money to upgrade the power grid, and Congress has passed incentives for wind and solar energy. In Texas, new transmission lines to accommodate more wind power will cost electricity consumers around \$5 billion.

Still, Pickens is missing incentives for natural gas vehicles themselves.

In April, two representatives from Pickens' home state of Oklahoma, Dan Boren and John Sullivan, introduced legislation to extend and create tax incentives for natural gas vehicles and fuel. The bill hasn't been voted out of House committee.

The bill would extend natural gas fuel, vehicle and infrastructure tax credits for 18 years. The credits are scheduled to expire this year and next. It would also provide incentives

for auto manufacturers to produce natural gas vehicles, and require half of all new, federal government vehicles to be capable of operating on natural gas by 2014.

Pickens Army

While Pickens hasn't accomplished everything he wants in the halls of Congress, he has amassed a following of 1.6 million people, known as the Pickens Army, through his Web site. Members write letters to their legislators, encouraging them to adopt the Pickens Plan.

He is also meeting with executives, including those at Wal-Mart Stores Inc., to stump for his favorite fuel.

Last week, AT&T Inc. said it would spend \$350 million converting 8,000 of its vehicles to run on natural gas, the largest such fleet in the country. AT&T chief executive Randall Stephenson chose to include natural gas in his alternative fuel fleet after an hour long meeting with Pickens.

Pickens is indirectly connected to the company that will carry out the conversions, BAF Technologies. Pickens sits on the board of natural gas fuel supplier Clean Energy, which loaned BAF money, according to Clean Energy spokesman Bruce Russell. The loan is convertible into a 49 percent stake in BAF.

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