

Natural Gas Scam and Folly Again

Contributed by Jan Lundberg
11 August 2009

Top Inside-the-Beltway Democrats are trying to serve up a two-decades old fiasco again: touting natural gas as the "bridge fuel" for a renewable energy utopia.

Fossil Fuels Policy Action looked at this in 1988 and rejected the idea's environmental and energy-security premise as well as its ethics. Basically, this new "agenda," as they call it, is the same scam as the late '80s -- it had its way, ran its course, and look where we are now. Natural gas in its easily recoverable state was exploited past the comfort level, causing a resurgence of coal and a near-resurgence of nuke power.

The Center for American Progress (who could be against that notion?!) and partner Energy Future Coalition have produced a "memo," dated August 10, as if they have hit upon something grand and valid. In "Natural Gas: The Bridge Fuel to the 21st Century," and the companion memo/report "Rebuilding America," the claim is made that newly available supplies of gas will meet major energy needs and provide many jobs. This "agenda" could "save consumers up to \$1200 per month on energy bills" -- wow, sign me up. But what if I don't need the energy nor the cars included in the agenda? It promises to "produce cleaner transportation and electricity, and produce natural gas without harming the environment." Sure, and nuclear power was supposed to be perfectly safe, clean and too cheap to meter.

How much natural gas is "out there"? Recent optimism changes nothing when the modern world's infrastructure is based on liquid crude oil. Don't be distracted by the glowing gas industry reports of many more decades of gas supply than thought a few years ago. After all, the same technological-progress arguments for unlimited oil extraction are being applied to the natural gas sector.

Natural gas is the least polluting fossil fuel, but this is the only thing positive to say about it. First we must step back and ask what we really need all this energy for. The answer is to maintain the wasteful consumer economy. Persisting in the warming of the globe is supposedly okay when there would be a slight reduction in the rate of greenhouse gases still accumulating in the atmosphere (and CO2 in the oceans for acidification). Boys, this is not the 1970s.

Culture Change has maintained for two decades that there is no overwhelming need to cater to economic growth and damaging urban sprawl and other consequences of energy profligacy. I founded Fossil Fuels Policy Action in Washington DC in 1988 as a "global warming center" (according to trade press). Setting out to become a clearinghouse for energy data and policy, we had a tendency to go along with the buzzword "natural gas as a bridge fuel" -- especially when my previous clients serving the petroleum industry until 1988 included natural gas utilities. They were and are represented by the American Gas Association, where I knew a few friendly executives. Upon starting a nonprofit group for the environment with an energy focus, I met with the AGA right away. I was anticipating one of their generous grants they were giving large environmental groups who were trumpeting the "natural gas is a bridge fuel" mantra.

I slept on it and decided that I would not participate in this corrupt conspiracy. Instead, I had fun writing one of Fossil Fuels Policy Action's first newsletters about this "bridge" argument and the background story that the gas industry was really competing with fuel oil for heating. I brought up the AGA's funding for enviros and said I was rejecting it. I was crazy, I admit, for I was starting a new career with almost no savings and no guarantees. So I was not surprised when my main contact at AGA called me up and snarled, "Jan, are you on acid?!"

I had just learned about peak oil. Upon my press conference announcing the formation of Fossil Fuels Policy Action, USA Today's headline was "Lundberg Lines up with Nature." My picture with the story looked like I was a corporate fascist, not an acid-tripping hippie. The USA Today story led to an invitation to review *Beyond Oil: The Threat to Food and Fuel in the Coming Decades*, for the quarterly *Population and Environment* journal. In learning for the first time

about peak oil (although I had questioned long-term growth in petroleum supplies), I was awakened to the bigger picture as never before. Natural gas was no answer. And I already knew that the supply crisis to come -- I had helped predict the 1970s oil shocks -- was to be a liquid fuels crisis.

Petrocollapse is part of our petroleum history playing out, something for our leaders to deny until there is suddenly no more U.S. of A. Is this off the top of an alarmist's head, or is it based on solid analysis of petroleum dependency?

Oil peaks in extraction, in theory, as part of a bell curve. A fairly steep drop off has proven to be more the case than a drawn out decline in countries that have peaked. But natural gas reaches a cliff and drops off very steeply, having to do with sudden lack of pressure. Julian Darley wrote the book *High Noon for Natural Gas*, in 2004, showing that natural gas extraction had peaked in North America. So for us to now hear some energy utopians, John Podesta (a Clinton Chief of Staff) and Tim Wirth (former Senator), of Center of American Progress and Energy Future Coalition, respectively, trumpeting the re-fried natural gas agenda as some answer to the country's energy predicament and climate disaster-in-the-making, someone may be on a crazy trip.

Ironically, there is a bit more feasibility in perpetuating the petroleum-based economy via natural gas than in going renewable right now -- renewable energy is just not ready or scalable for consumerism as we know it for the current population size, to be "bridged" to now or in the near future. One reason for this is that petroleum is required for solar and wind energy systems, such as plastics and the delivery of the units. Another reason is the low energy-profit ratio for renewables compared to the very efficiently extracted and refined cheap oil of yesteryear. As it happens, today's petroleum extraction (conventional and otherwise) --and coal's net energy as well -- don't compare favorably with cheap oil that used to yield 100 barrels for each barrel applied to extraction.

The justification for this new solution of gas? Shale! Gas trapped in rock! This is not a new idea, nor is the notion that harder to access/process fossil supplies are made wonderfully available when prices for conventional fuels rise high enough and technology gets more sophisticated. But we can suffice to say that when unconventional supplies for fossil fuels are somehow attractive and need to be tapped to keep the house-of-cards economy going, we are clearly witnessing the sunset for U.S. fossil foolery and U.S. full-spectrum supremacy of the world.

If there is much more gas on tap than previously imagined, perhaps it can go toward the vulnerable agribusiness sector for feeding more people for a while. This is an iffy prospect for several reasons. The main thing to remember when a numbers game is unleashed for more gas to burn -- for a length of time that the companion petroleum known as oil is still flowing constant -- the climate is the victim.

Twenty-one years after my anti-natural gas newsletter, I am writing the same thing trying to expose the petroleum-energy policy scams. What the country has learned over these years is too little to let us say Culture Change (Fossil Fuels Policy Action) has succeeded in its mission and can fold and now go home; there's no where to go -- the entire world, our common home, is threatened by the fossil fuels industries and the mindset of market economics for mega-profits. Will the global economy's implosion be the best humanity can manage for a fresh start in harmony with nature? Maybe so, but some of us are still trying to call attention to low-tech, decentralized models and tools for sustainability.

For Immediate Release

August 10, 2009

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Natural Gas: The Bridge Fuel to the 21st Century

John Podesta and Senator Tim Wirth release a memo on the benefits of natural gas as well as a report detailing the jobs created by retrofitting homes and commercial buildings in the United States.

LAS VEGAS, NV - Newly available supplies of American unconventional shale gas can reduce foreign oil use and global warming pollution according to a policy agenda released today by the Center for American Progress and the Energy Future Coalition. Technological advancements make it possible to produce trillions of cubic feet of natural gas trapped in shale. CAP and EFC propose a policy agenda to increase gas use to produce cleaner electricity, augment intermittent renewable electricity, and power motor vehicles. The proposal includes safeguards to protect air, water, and climate from gas production.

CAP and EFC today also released "Rebuilding America." The report determined that retrofitting 40% of our homes and commercial buildings would save consumers up to \$1200 per month on energy bills. This program would create 625,000 new jobs in construction, manufacturing and other fields. Improved financing options and more efficient building codes would drive \$500 million in public and private investments in retrofitting.

"Natural gas can be a global warming game changer," said John Podesta, President and CEO of the Center for American Progress. "This home grown American fuel can replace millions of barrels of oil we would import from other nations, and instead keep these dollars here while enhancing our national security."

"The evidence of global warming grows every day," said Timothy E. Wirth, President of the U.N. Foundation. "We must take action now to break down barriers to investment in energy efficiency, to accelerate our deployment of renewable energy, and to make greater use of newly abundant domestic natural gas - the cleanest fossil fuel."

"Energy efficiency should be the first source we turn toward to meet energy demand and reduce consumers' bills" said Senator Harry Reid. "It creates more jobs than nearly every other energy investment and the cheapest, cleanest, safest energy is the energy we never have to use."

The recent, dramatic increases in unconventional gas production and the enormous expansion of the producible resource base could fundamentally alter the U.S. energy mix. This gas could play a larger role in helping to more rapidly

and cost-effectively speed the transition to a low-carbon economy and reduce global warming pollution.

The Energy Information Administration estimates that the United States has approximately 1,770 trillion cubic feet (tcf) of technically recoverable gas, including 238 tcf of proven reserves. At the current production rates, there is enough natural gas to supply the U.S. for the next 90 years. These newly characterized gas resources gas findings are in Arkansas, Louisiana, Michigan, New York, North Dakota, Ohio, Pennsylvania, Texas, and elsewhere.

The CAP and EFC agenda include the following recommendations to produce cleaner transportation and electricity, and produce natural gas without harming the environment.

- Expand the market for natural gas as a heavy-duty transportation fuel by increasing incentives for gas-powered buses and heavy trucks.
- Create incentives for communities to develop bus rapid transit systems that employ buses fueled by natural gas.
- Establish incentives to retire aging, inefficient, dirty coal-fired power plants, and replace them with renewable and low-carbon electricity.
- Establish a dedicated incentive for development and deployment of "dispatchable" renewable energy to build markets for electricity storage technology.
- Conduct a comprehensive analysis of the impact of natural gas production on air, water, land, and global warming. Include a compilation of best practices and recommendations for new state safeguards.
- Support public disclosure requirements on the release of toxic chemicals used during the production of natural gas.

[Download the full memo \(pdf\)](#)

[Download a map of shale natural gas plays in the lower 48 states. \(pdf\)](#)

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The Energy Future Coalition is a nonpartisan public policy initiative that seeks to speed the transition to a new energy economy. Combining expertise and advocacy, the Coalition brings together business, labor, and environmental groups to identify new directions in energy policy with broad political support.

The Energy Future Coalition works closely with the United Nations Foundation on energy and climate policy, especially energy efficiency and bioenergy issues. The UN Foundation provides financial and in-kind support to the Coalition.

Further Reading:

Lessons from the Barnett Shale suggest caution in other shale plays

By ASPO-USA • August 10, 2009

"The Potential Gas Committee announced in late June that shale gas has increased the US resource base to more than 1,800 Tcf. Shale players are now more confident than ever that they are in the right business. The miracle of low risk and high reward must be working. The executives of these companies and the investment analysts that promote their stock have proclaimed a new miracle in which high capital costs combined with low gas prices somehow result in profit."

Whole story at aspousa.org.

According to peak petroleum authority Jean Laherrere (not an activist! - as Jan Lundberg is dismissed by a commenter on the above Culture Change article in LifeAfterTheOilCrash.net), things look grim:

TheOilDrum (From Feb, 2008):

"The natural gas industry has clearly been mounting a heroic effort to keep natural gas production on plateau in North America. This effort has raised costs dramatically. The EROI of Canadian production shows a rapid decline. Drilling statistics suggest a similar EROI decline is happening in the US. The falling EROI makes it impossible for natural gas production to maintain both low costs and current levels of production. It is clear that most of the reserves in the official forecast will never be developed. Jean Laherrere's predictions are more likely to be correct. And if EROI continues to fall at the current rapid rate, he will be remembered as an optimist."