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Industry groups shrug off Interior chief's criticism

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Interior chief slams industry groups' 'election-year politics'

Greenwire, November 24, 2009; <http://www.eenews.net/Greenwire/2009/11/24/1>

John Felmy: Oil and gas drilling is the right solution for Florida right now

The News-Press, November 24, 2009; http://www.news-press.com/article/20091124/FLORIDA_OIL_DRILLING/91123048/-1/NATION/John-Felmy--Oil-and-gas-drilling-is-the-right-solution-for-Florida-right-now

Democrat wants ag commissioner race to address oil drilling

The Tampa Tribune, November 23, 2009; <http://www2.tbo.com/content/2009/nov/23/democrat-wants-ag-commissioner-race-address-oil-dr/news-breaking/>

Obama preparing GHG limits, financing figures for Copenhagen

Greenwire, November 23, 2009; <http://www.eenews.net/Greenwire/2009/11/23/2/>

Energy industry recovery will be 'slow and bumpy'

Ft. Worth Business Press, November 23, 2009; <http://www.fwbusinesspress.com/display.php?id=11431>

Southwest Florida's tourism industry OK with rigs, just not close to beach

The News-Press, November 23, 2009; http://www.news-press.com/article/20091123/FLORIDA_OIL_DRILLING/91122034/1075/Southwest-Florida-s-tourism-industry-OK-with-rigs-just-not-close-to-beach

Graham's energy compromise recognizes imminent EPA threat

The Post and Courier, November 28, 2009; <http://www.postandcourier.com/news/2009/nov/28/28odum/>

By MARVIN ODUM, president of Shell Oil Company

Graham's energy compromise recognizes imminent EPA threat

It is decision time. Energy demand is rapidly increasing, and we have an urgent need for CO2 solutions.

Sen. Lindsey Graham recognizes there are two clear paths for America as it addresses the climate crisis: Let the government regulate greenhouse gas emissions by command-and-control fiat, or let the private sector reduce emissions by unleashing entrepreneurial innovation.

Sen. Graham clearly understands the grim consequences should the EPA take control using the authority of the Clean Air Act. But, Congress can pass a well-crafted, market-based energy and environment bill to reduce greenhouse gases and benefit South Carolina businesses. Those businesses will then create jobs.

EPA regulation under the Clean Air Act could have devastating consequences for businesses across our nation. It will cost jobs that South Carolina workers can't afford to lose. We could face similar consequences in my home state of Texas. I believe regulation under the Clean Air Act will delay important projects of all kinds around the country and might stall an economic recovery.

Sen. Graham is trying to change the debate in Washington in an effort to avert this disaster. The right energy and climate legislation can create jobs while setting America on a path to a cleaner environment. It's ironic that a

misguided EPA effort to reduce greenhouse gas emissions could discourage the very technologies we need to reduce those emissions while strengthening our economy.

America will need oil and gas for decades to come. A smart energy and climate policy can include environmentally responsible production of oil and gas on the Outer Continental Shelf while also encouraging clean energies like nuclear, solar, and wind. A misguided climate policy will seek to punish the production and use of fossil fuel to raise energy prices for businesses and consumers.

The government estimates our nation has a 100-115 year supply of natural gas at current consumption levels. The greatly reduced CO2 footprint of natural gas makes it a vital energy source for power generation now and for transportation on the road ahead. And, if we look offshore to U.S. waters, the government estimates more than 86 billion barrels of oil are yet to be tapped.

The U.S. oil and gas industry has developed a remarkable track record for the safe and clean production of oil and gas in recent years, as proven by the arrival of Hurricanes Katrina and Rita. Despite damage to several offshore platforms, modern technology prevented significant oil and gas spills. Science and technology have brought our industry to a place of accomplishment that was unimaginable even a few years ago.

Those who oppose the notion of a common sense energy and climate policy don't understand that regulation by the EPA will prompt delays and lawsuits that will take years to resolve.

Meanwhile, as federal and state agencies wait on the courts to tell them what's what, those agencies will likely be reluctant to issue permits. Such permit delays will delay projects and the new jobs they would have created. Existing projects with greenhouse gas emissions may be forced to spend tens and hundreds of millions of dollars to comply with the new regulations. Well-crafted legislation, which allows for phased-in progress, will allow businesses to absorb changes in an orderly manner.

Twenty years ago, a bipartisan effort in Congress led to the overwhelming passage of the acid rain program promoted by a Republican president, George H.W. Bush. I hope Sen. Graham can help forge a similar bipartisan initiative again. South Carolina businesses and South Carolina jobs are at stake.

Obama announces 2020 emissions target, Dec. 9 Copenhagen visit

Greenwire, November 25, 2009; <http://www.eenews.net/Greenwire/2009/11/25/1>

Darren Samuelsohn and Lisa Friedman

President Obama today unveiled key details of the U.S. negotiation position headed into next month's global warming talks in Copenhagen, including a provisional greenhouse gas emissions target for 2020 "in the range of 17 percent below 2005 levels" and a new itinerary that includes a personal appearance during the opening days of the U.N. conference.

The White House said Obama will put the 2020 target on the bargaining table "in the context of an overall deal in Copenhagen that includes robust mitigation contributions from China and the other emerging economies." Obama's emission goals closely parallel action on Capitol Hill, including the House-passed climate bill and a Senate measure that Democratic leaders hope can reach the floor with enough votes by next spring.

"This provisional target is in line with current legislation in both chambers of Congress and demonstrates a significant contribution to a problem that the U.S. has neglected for too long," the White House said in a press release, adding that Obama was "working closely with Congress to pass energy and climate legislation as soon as possible."

Obama also spelled out his own plans to speak in Copenhagen on Dec. 9, the first visit to the annual U.N. conference by a sitting U.S. president since George H.W. Bush's 1992 trip to Rio de Janeiro, where diplomats launched the underlying global warming treaty that started the whole process. Obama's speech is likely to be the focal point for the first week of the U.N. conference, with the president expected to nudge negotiators toward a new, legally binding international treaty that can be completed between June and December of 2010.

"This could be one hell of a global game changer with big reverberations here at home," said Senate Foreign Relations Chairman John Kerry (D-Mass.). "For the first time, an American administration has proposed an

emissions reduction target, and when President Obama lands in Copenhagen, it will emphasize that the United States is in it to win it. This announcement matches words with action."

Kerry, the Democrats' lead legislator on the Senate global warming bill, stressed that Obama's provision target is "contingent on the support of Congress" but still outlines a politically important path for both developed and developing nations to follow as they outline their own plans for reducing emissions.

"It lays the groundwork for a broad political consensus at Copenhagen that will strip climate obstructionists here at home of their most persistent charge, that the United States shouldn't act if other countries won't join with us," Kerry said. "It is an enormous shot in the arm for those of us working overtime to get a comprehensive bill passed in the Senate. And the fact that the president will attend the Copenhagen talks underscores that the administration is putting its money where its mouth is, putting the president's prestige on the line."

Obama's move comes as sources in Beijing confirm that Chinese officials will announce on Friday their own carbon intensity target. Last month, Chinese President Hu Jintao declared China would reduce greenhouse gas intensity per unit of gross domestic product by "a notable margin," but he did not name a number.

Analysts familiar with Chinese leadership discussions say the government may commit to reducing carbon intensity between 40 and 45 percent. That has the potential to backfire with U.S. lawmakers, though, since energy experts consider that goal to be in line with China's business-as-usual emissions trajectory.

John Watson, a research professor in the division of atmospheric sciences at the Desert Research Institute in Reno, Nev., praised the work China is doing on energy intensity, renewable energy and a number of other fronts to address climate change. But he also called carbon intensity targets a "diversion" from where nations' attention needs to be: reducing absolute emissions.

"The atmosphere doesn't care how much money we make," Watson said. "We really have to get serious about reducing the absolute amounts."

Members of Congress were notably underwhelmed when President Hu made his initial announcement about a carbon intensity plan. It remains to be seen how they will react to China's newest numbers, but activists in China said they are prepared for America to voice disappointment.

"I think the United States will welcome the Chinese figure but say it's not enough," said Ailun Yang, Greenpeace China's climate director in Beijing. "It's what every big player will do to one another."

Others experts cautioned that scientists and economists in China are still doing last-minute calculations. "I think there's huge uncertainty," said Deborah Seligsohn, a senior fellow based in Beijing for the World Resources Institute think tank. "I think there's a wider range" than 40 to 45 percent, she said.

To go to Copenhagen, or not to go

The Obama administration today also said that many key officials on energy and environment are scheduled to be in Copenhagen for the Dec. 7-18 conference, including Interior Secretary Ken Salazar, Agriculture Secretary Tom Vilsack, Commerce Secretary Gary Locke, Energy Secretary Steven Chu, U.S. EPA Administrator Lisa Jackson, Council on Environmental Quality Chairwoman Nancy Sutley and Carol Browner, Obama's top aide on energy and climate.

Following the European Union's example, U.S. officials have booked their own pavilion at the Copenhagen conference center that the White House said will provide "a unique and interactive forum to share our story with the world." That includes touting action in Congress to pass climate legislation, as well as \$80 billion approved earlier this year through the economic stimulus package that Obama officials say will double renewable energy generation within three years.

The timing of Obama's appearance in Copenhagen is linked to an already-scheduled trip to the region: a Dec. 10 visit to Oslo to accept the Nobel Peace Prize.

The White House did not say if Obama would return to Copenhagen at the end of the negotiations, when the Danish hosts are expecting at least 65 world leaders to help hammer out a final political agreement that gives the contours of next year's negotiation plan. Among other things, U.N. officials are weighing a new deadline to

complete talks on an international accord that could replace the 1997 Kyoto Protocol, including either June 2010 or at the next annual summit scheduled for Mexico City in December.

Greenpeace USA climate policy adviser Kyle Ash urged Obama to return to Denmark for the end of the negotiations. "This is when he is needed to get the right agreement," Ash said, who also chided Obama for making a stop in Copenhagen earlier this fall as part of Chicago's unsuccessful bid to host the 2016 Summer Olympics.

"Again the right city, again the wrong date," Ash said. "It seems that he's just not taking this issue seriously."

Obama's decision to even stop in Copenhagen wasn't easy. The Senate is expected to be in the midst of a fierce floor debate over health care legislation throughout December, and the president's role in Washington is expected to be critical, given the narrow margins of success to move the administration's signature domestic priority.

Regarding Copenhagen, many prominent observers of the climate debate warned in recent weeks that an Obama visit could be seen as catering to demands from Europe, a move that could anger some U.S. lawmakers. Former State Department negotiators, including the Clinton administration's Frank Loy, cautioned against Obama stopping in Copenhagen, saying the risks were too high.

Several noted that with the climate talks at such an uncertain stage, Obama would run the risk of coming home empty-handed.

"There's no guarantee that he wouldn't get egg on his face in some manner," one analyst said. "That's not good for anybody. It's not good for the climate debate, and it's not good for the president."

Reactions

Several skeptics on global warming science pounced on Obama's trip.

"It's well known that President Obama likes photo ops, and I guess he likes Copenhagen, too," said Myron Ebell of the Competitive Enterprise Institute. "I wonder, however, whether he should want to be associated with another failure like his appearance on behalf of Chicago's Olympic bid."

Ebell also recalled the recent history on U.N. climate negotiations and predicted Obama would run into trouble on Capitol Hill as he tries to bring back an international accord that doesn't have sufficient support.

"Making a commitment to reduce emissions when there is little chance that the Congress will ever pass legislation to meet that commitment is repeating the same mistake that then-Vice President Gore made in Kyoto in 1997," he said. "Any such commitment by President Obama is close to dead on arrival. The president should stay home and try to deal with some real issues, such as our economic slump."

Senate Environment and Public Works Committee ranking member Jim Inhofe (R-Okla.) linked Obama's visit to the recent controversy over the illegal release of thousands of private e-mails from well-known climate scientists that he says justify skeptics' long-standing objections to the mainstream idea that humans are driving global warming.

"Given all of the recent revelations about global warming and Climategate, I suspect President Obama is making the trip to Copenhagen in order to 'save' the climate conference," Inhofe said in a statement. "Yet rather than rush to a United Nations global warming conference, I suspect most Americans would rather our president focus on our American economy and help put Americans back to work. The fact remains that international UN climate treaties would severely undermine our economy, ship jobs overseas, and raise energy prices."

Obama's moves on emission targets and visiting Copenhagen also won accolades from Democrats, environmentalists and even a former top adviser to President George W. Bush.

"By putting a serious number for U.S. emission reductions on the table, the president just called the world's bet and then raised it for our negotiating partners," said Rep. Ed Markey (D-Mass.), a lead co-sponsor on the House-passed climate and energy bill. "The president's attendance in Copenhagen demonstrates his personal commitment to getting a deal that is good for the U.S. and good for our clean energy future. It's a powerful statement that the U.S. is back, ready to lead the world."

"In the effort to protect the planet from climate change, these are the most significant travel reservations ever made," Markey added. "With one trip to Copenhagen, President Obama will bring the United States to the climate table, putting U.S. leadership back on the map in the effort to fight carbon pollution."

David Waskow, climate change program director at Oxfam America, said Obama's decision helps to revive expectations about the prospects in Denmark.

"I think this is a really important step," he said. "It flies in the face of all the predictions that Copenhagen wouldn't amount to much."

Waskow praised the 2020 emissions target but added, "We think even more needs to be done on emissions and it's very clear that the United States needs to bring long-term funding to the table in the negotiations for Copenhagen to be a success."

"It's a clear signal to the world and the Congress that he's committed to solving global warming," said Jake Schmidt, international climate policy director at the Natural Resources Defense Council.

Jim Connaughton, the former White House environmental adviser to President George W. Bush now working for Baltimore-based Constellation Energy Inc., said, "The president's goals are both ambitious and reasonably achievable. If other major countries pursue comparably constructive goals, we can cut a lot of emissions while sustaining economic growth. The U.S. is already well on its way toward the president's 2020 goal, and new cap-and-trade legislation and financial incentives, done right, can ensure that we make the transition to a cleaner energy system in the most cost-effective way."

Industry groups shrug off Interior chief's criticism

E&E News PM, November 24, 2009; <http://www.eenews.net/eenewspm/2009/11/24/3>

Noelle Straub

Oil and gas industry groups largely sidestepped Interior Secretary Ken Salazar's accusations about them telling "untruths" and playing politics and touted their ability to produce jobs and energy.

Saying he was not surprised by Salazar's comments, Erik Milito, managing counsel for the American Petroleum Institute (API), said his group is focusing on creating jobs by expanding production.

"We don't know what the thinking is behind Secretary Salazar's statements about oil and gas industry associations," Milito said. "We just want to be a partner in working with the Department of Interior and coming up with a solution to turning around the economy and contributing to job creation through oil and gas development."

The Independent Petroleum Association of Mountain States (IPAMS) said the development of clean energy requires a partnership with government and community stakeholders.

"We are all accountable to the American public to ensure that responsible development occurs," the group said in a statement. "As such, we don't believe it's unreasonable to ask the Department of Interior to explain the rationale for its decisions and express concern when trends are not headed in the right direction."

Both groups said they looked forward to meeting with Salazar to discuss responsibly developing resources.

Announcing today that his department has scheduled 38 onshore oil and gas lease sales for 2010, Salazar fired back at recent criticisms from industry groups.

"We believe that our oil and gas leasing program is robust, but it is also a program we have brought back into balance," Salazar said in a call with reporters. "But you wouldn't know it if you listened to the untruths coming out of" oil and gas industry groups.

Salazar said repeated attacks have "all the flavor and deception of election-year politics" and that oil and gas trade groups need to understand that they do not own the public lands; taxpayers do. He added that companies' shareholders do not want industry trade groups to behave like an arm of a political party and said companies should choose a better path, to engage constructively and honestly with federal agencies (Greenwire, Nov. 24).

Salazar declined to name the groups, but both API and IPAMS have stepped up criticism of the administration recently.

Since January, Interior has held 32 onshore lease sales, offering more than 2.7 million acres in the West and generating more than \$126 million in revenue for U.S. taxpayers, Salazar said. The Bureau of Land Management will hold four more lease sales this year. The department has also held two offshore lease sales.

The Institute for Energy Research estimated that to date, the Obama administration has offered 2.9 million onshore acres for lease, of which slightly more than 1 million have been leased. The group said if it counts the 77,000 acres that the administration deferred in Utah earlier this year, fewer onshore acres were leased in 2009 than in any other year on record.

"The Obama administration can take credit for leasing the smallest amount of taxpayer-owned lands in recent history, bringing in less than one-tenth of the \$10 billion in revenue generated from lease sales last year, and vastly reducing the opportunities to put Americans to work producing American energy," the IER said. "If the goal is less energy, less revenue, and fewer American jobs, the administration is well on its way to fulfilling its mission."

The IER noted that in 2008, companies paid more than \$10 billion in bonus bids to lease tracts for offshore energy exploration. The Interior Department said that since January it has offered more than 55 million acres for oil and gas development, generating more than \$931 million in revenues.

But Dave Alberswerth of the Wilderness Society said the decrease in revenue was due to lower energy prices. "That's because of the downturn in oil and gas prices and the international economy," he said. "Period. It has nothing to do with Interior Department policies."

He said oil and gas companies hold leases on "vast amounts" of acres that are not producing yet and are making "specious arguments" about wanting more land to lease.

"What they're really quite concerned about [is] they're no longer going to be running the show," Alberswerth said. "They're right about that. They won't be, and they shouldn't be."

According to the Wilderness Society, more than 88 million acres of federal onshore and offshore lands are under lease, but about 65 million acres are not producing oil and gas.

Interior chief slams industry groups' 'election-year politics'

Greenwire, November 24, 2009; <http://www.eenews.net/Greenwire/2009/11/24/1>

Noelle Straub

Firing back at recent industry charges that the Obama administration is not promoting domestic energy development, Interior Secretary Ken Salazar today announced that his department has scheduled 38 onshore oil and gas lease sales for 2010.

"We believe that our oil and gas leasing program is robust, but it is also a program we have brought back into balance," Salazar said in a call with reporters. "But you wouldn't know it if you listened to the untruths coming out of" oil and gas industry groups.

Salazar said repeated attacks have "all the flavor and deception of election-year politics" and that oil and gas trade groups need to understand that they do not own the public lands; taxpayers do. He added that companies' shareholders do not want industry trade groups to behave like an arm of a political party and said companies should choose a better path, to engage constructively and honestly with federal agencies.

Salazar also said too many federal leases get tied up in protest and litigation, which costs taxpayers and companies money, and that Interior is undertaking a comprehensive review of onshore programs to make them more efficient and more rational.

The plans for next year include a sale for two tracts in the northern reaches of the the National Petroleum Reserve-Alaska, Salazar said. After the department addresses deficiencies found by a federal court in the 2007-2012

offshore drilling plan, Salazar added, he expects also to soon be announcing upcoming lease sales in the outer continental shelf.

During the past year, Interior has held 32 onshore lease sales, offering more than 2.7 million acres in the West and generating more than \$126 million in revenue for American taxpayers, Salazar said. The Bureau of Land Management will hold four more lease sales this year. The department has also held two offshore lease sales.

Salazar declined to name the groups, but the American Petroleum Institute (API) and the Independent Petroleum Association of Mountain States (IPAMS) both have stepped up criticism of the administration recently.

IPAMS released a paper last week highlighting a number of "irregularities" in the federal onshore natural gas and oil program, charging that there are many situations where Interior is slowing down the natural gas and oil program (Land Letter, Nov. 19). The group also released an analysis last week disputing the administration's reasons for continuing to defer some of the 77 Utah leases it put on hold in February (Greenwire, Nov. 20).

API sent a letter to Salazar this month pressing him to act faster on allowing domestic exploration projects, saying the department's "extreme caution" often leads to delays (Greenwire, Nov. 12).

But Salazar said the department has leased a significant number of properties and noted that there are "huge undeveloped oil and gas acreages" that are under lease but not producing oil and gas.

"Large parts of the public domain have been made available," Salazar said. "Those places are not being developed, yet we continue to make more of our public domain available for oil and gas development."

The Wilderness Society defended Salazar's record, saying there is no need to force more federal oil and gas development. The oil and gas industry "has more leases on our federal lands and waters -- tens of millions of acres -- than they know what to do with" and those acres are currently not producing oil or gas, the group said in a statement.

BLM's 37 quarterly oil and natural gas lease sales next year will offer thousands of parcels in a dozen states, most in the West. BLM's Alaska State Office oil and gas lease sale, scheduled for Aug. 11, 2010, will offer available tracts in the northeast and a portion of the northwest areas of the National Petroleum Reserve-Alaska.

John Felmy: Oil and gas drilling is the right solution for Florida right now

The News-Press, November 24, 2009; http://www.news-press.com/article/20091124/FLORIDA_OIL_DRILLING/91123048/-1/NATION/John-Felmy--Oil-and-gas-drilling-is-the-right-solution-for-Florida-right-now

John Felmy - Guest Opinion

We stand on the cusp of 2010, and technology reigns supreme.

The promise of safe, clean, efficient energy exploration is no longer a myth, but a reality. Cutting-edge technologies can work for Florida, bringing economic relief to a state in pain.

The dirty days of industry are over.

Today, rigs and operations are clean, green and safe. The oil and natural gas industry has reduced its environmental footprint and minimized any lasting impact on ecosystems or surrounding wildlife.

Offshore rigs are located far from the horizon, and advanced technologies enable nearly pristine development and delivery of natural resources.

With the right measures in place, development in federal waters off Florida's Gulf Coast can play a major role in securing America's energy future cleanly and safely.

The Destin Dome, one of the largest natural gas fields in the Gulf of Mexico, is located 30 miles south of Pensacola. Believed to hold 2.6 trillion cubic feet of clean-burning natural gas, the area contains enough natural

gas to generate the electricity needed to power a city the size of Tallahassee for more than 140 years. And those estimates could be on the low side.

After decades of investment and billions of dollars spent on research, companies can now access previously unreachable depths.

Exploration and development of the state's offshore resources would create jobs and revenue, two critical stepping stones as both America and Florida climb from the trenches of recession.

Florida stands to gain 13,142 jobs if the previously off-limit federal areas are developed, according to an ICF International study.

This is the type of solution the state needs to overcome its nearly 11 percent unemployment rate.

Offshore development in Florida also could generate \$429 billion in federal, state and local revenues, which could help pay for public schools, policy departments and local hospitals.

ICF International estimates Florida's production from the Outer Continental Shelf could total 19.7 billion barrels of oil and 56.5 trillion cubic feet of clean-burning natural gas.

These are much-needed resources as our nation attempts to stay competitive in the face of increased globalization. Natural gas, in particular, can act as a lasting bridge between the fuels of today and the energy promises of tomorrow.

Here in Florida, support for offshore energy development continues to gain steam with each passing day.

Certain lawmakers, such as Senator George LeMieux, see the promise of Florida's offshore resources.

But Senator Bill Nelson, on the other hand, has said he would filibuster any drilling bill that comes his way.

In Tallahassee, meanwhile, Governor Charlie Crist has yet to take a stance on this critical issue.

Delaying development only wastes valuable time for those Floridians in search of jobs and puts an even greater strain on a state budget in need of relief.

It's time that Senator Nelson and Governor Crist listen to the Floridians who support clean development of the Gulf region's oil and natural gas.

Over the past year, Floridians have struggled with a fragile economy, foreclosures and widespread unemployment. But now, thanks to the touch of advanced technology, Florida's economic solution is safely within its grasp.

Informed lawmakers and pro-drilling advocates have it right.

Let's protect our economy — and our shores — through safe, clean energy exploration.

Democrat wants ag commissioner race to address oil drilling

The Tampa Tribune, November 23, 2009; <http://www2.tbo.com/content/2009/nov/23/democrat-wants-ag-commissioner-race-address-oil-dr/news-breaking/>

By CATHERINE DOLINSKI

TALLAHASSEE - Democrat Scott Maddox said today that he wants to make the debate over offshore oil drilling a major issue in his 2010 race for the office of state agriculture commissioner.

That shouldn't be hard, since the next commissioner may have a key vote on drilling. It's also an issue that sharply divides Maddox from both GOP candidates: U.S. Rep. Adam Putnam and state Sen. Carey Baker.

Maddox, a lawyer in Tallahassee and former chairman of the state Democratic Party, is one of four Democrats running for commissioner of agriculture and consumer services. Maddox is leading the pack comfortably, having

raised more than \$170,000 by the end of September, or nearly \$150,000 than all of the other Democratic contenders combined.

Monday, he told reporters that he is taking an aggressive stance against offshore oil drilling, which leading Republicans in the state House and Senate are proposing to allow as close as three miles to Florida's Gulf coast.

Proponents say the state could rake in hundreds of millions, even billions of dollars per year from leases and royalties. But Maddox called that view shortsighted, in light of potential risks to the state's environment and tourism industry.

The legislative proposal would lift the state's longstanding ban on drilling in state waters, which extend 10 miles from the coast. The state Cabinet, which includes the agriculture commissioner, would decide whether to grant applications for drilling leases.

The prospect of oil drilling should not make it that far, Maddox said. "I'm here to say, don't give me the chance to make this decision. It's a bad idea; it should stop now. It should stop at the Florida Legislature."

He argues that oil rigs are not "spill-proof." Hurricanes Rita and Katrina knocked down 115 platforms, he added, "resulting in a spillage of eight to 10 million gallons -- and that's not even taking into account everyday pollution from drilling."

The U.S. Department of Homeland Security and Minerals Management Service confirm those figures, although it also concluded that "there was no loss of life and no major oil spills attributed to either storm."

Putnam, of Bartow faulted Maddox for having a "knee-jerk" reaction to drilling.

"We have to move forward with a comprehensive energy strategy. I'm not opposed to the Legislature considering taking control over state waters and setting up a process that would allow bids to be reviewed. I certainly wouldn't dismiss it before we gather any information whatsoever."

Putnam, who led in fundraising over his only primary rival at the end of September, said he could foresee voting as a Cabinet member to approve well-planned applications for drilling leases.

"You clearly want a higher standard for exploration near shore than for 150 miles offshore," he said. "You'd have to review each bid on a case-by-case basis."

He added: "Unlike Mr. Maddox, I am open to listening to the facts and weighing the science."

Putnam has been a key player in Congress in the debate over drilling in federal waters. In 2006, the conservative congressman brokered a House plan that could have permitted rigs as close as 50 miles from the coast. Angry environmentalists responded by staging a faux oil spill outside Putnam's district office.

That plan gave way to a compromise that opened up 8.3 million acres of federal waters for oil exploration but kept it more than 200 miles from Tampa Bay.

Such protections are likely to evaporate if Florida approves drilling in its own waters, Maddox said. "I think the next step obviously is for the federal government to say, 'OK, if Florida wants it, then they're going to get it -- and get it in federal waters.'"

Oil drilling could indeed play a key role in the general election, but it is largely a non-issue in the GOP primary for agriculture commissioner, since Putnam and Baker are in agreement.

As a state senator, Baker, of Eustis, may get to vote in 2010 on whether and how to let oil and gas companies to seek drilling leases.

"I see the tremendous deficits that face us, and no other funding source available that wouldn't hurt our economy or struggling Floridians or Florida businesses," said Baker, a gun shop owner who had raised \$458,000 at the end of September. "This idea is sort-of a win-win; it's new revenue, plus it would generate economic growth."

Even proponents acknowledge that money might not reach state coffers for years, but Baker said that doesn't diminish his interest. "Unfortunately in politics, we're so shortsighted much of the time. We need to plan for the future, and take care of Floridians in the next generation."

Obama preparing GHG limits, financing figures for Copenhagen

Greenwire, November 23, 2009; <http://www.eenews.net/Greenwire/2009/11/23/2/>

Darren Samuelsohn

President Obama will soon outline key parameters to the U.S. negotiation position headed into next month's global warming negotiations in Copenhagen, Denmark, including a near-term greenhouse gas emissions target and a small financial commitment to help developing countries deal with the immediate affects of climate change, two senior administration officials said today.

In a background briefing with reporters in the Old Executive Office Building, the Obama advisers said the president will soon propose a U.S. emissions target for 2020 that hews closely to the ongoing legislative efforts on Capitol Hill -- currently between 17 percent and 20 percent below 2005 levels.

"Obviously, a bill has passed the House," one administration official said. "It has a number in it that will be a data point. And we're in close consultation, bipartisan consultation, with members of Congress to determine what we can put on the table that would be consistent with the legislative process."

Asked if Obama would propose a single figure for curbing emissions, rather than a range that encompasses both the House and Senate bills, the administration official replied, "It's possible."

The United States also will pitch a small financing figure that developing countries can expect will go toward helping them obtain low-carbon energy technologies to reduce their own greenhouse gas emissions, as well as for adaptation efforts.

Without giving a firm number, the administration official explained that Obama will cull from funding sources already moving through the congressional appropriations process, rather than relying on the larger numbers still at play in the Capitol Hill climate and energy bills.

"Obviously, over the long run, legislation may include other mechanisms, other financing mechanisms that provide for medium-term financing, but in the short run, it'll have to be through the budgetary process," the official said.

"There's money in FY '10 on climate," the aide added. "My guess is there will be money for climate in each of the subsequent budgets. The question will be the scaling up of that money to be consistent with the overall agreement."

Jake Werksman, a program director at the World Resources Institute, told reporters Friday that he expects the United States and other developed countries to propose a "two digit"-billion-dollar financing figure at the Copenhagen negotiations, which run Dec. 7-18 -- with considerable debate still ahead over what institutions will be in charge of distributing the funds, as well as the ground rules. Werksman added that the U.S. alone could contribute about \$1 billion.

The release of both a U.S. emission target and the short-term financing figures are seen as critical in the diplomatic dance for major developing countries who are weighing what to propose headed into Copenhagen. Leaders from Brazil, Indonesia, Mexico and South Korea in recent weeks have already outlined what many observers say are surprisingly aggressive emission targets. But China still has not articulated specifics for how it plans to reduce greenhouse gases over the next several decades.

Obama also will be making a decision "in the coming days" about whether he will stop off in Copenhagen to participate directly in the climate negotiations. As many as 65 other world leaders are expected during the high-level segments that take place in the closing days of the talks, and Obama already will be in the region to accept his Nobel Peace Prize in Oslo.

"What the president has always said is that if it looks as though the negotiations have proceeded sufficiently, that going to Copenhagen would give a final impetus or push to the process, that he'd be willing to go," the administration official said. "Each of these steps along the way, progress being made bilaterally, multilaterally, and

cooperation and coordination with the Danes. ... We're making that judgment. He's making that judgment on whether it makes sense to go."

"One way or another, we'll be making a decision before the meeting starts," the administration official added.

Obama officials have come under fire on the world stage headed into Copenhagen for not taking a more aggressive stance on the climate issue, including pushing more forcefully to pass U.S. climate legislation ahead of the negotiations.

"U.S. President Barack Obama came to office promising hope and change," Christian Schwägerl, an editor at the German magazine Der Spiegel, wrote last week in a widely circulated editorial. "But on climate change, he had followed in the footsteps of his predecessor, George W. Bush. Now, should the climate summit in Copenhagen fail, the blame will lie squarely with Obama."

Mindful of the potential for more criticism, the Obama aides countered by citing the legislative progress on Capitol Hill, as well as a series of administrative and regulatory moves on energy and climate. And they also made several backhand slaps at the George W. Bush administration.

"He was turning around an ocean liner," one aide said.

Energy industry recovery will be 'slow and bumpy'

Ft. Worth Business Press, November 23, 2009; <http://www.fwbusinesspress.com/display.php?id=11431>

BY JOHN-LAURENT TRONCHE

An EnCana Oil & Gas (USA) Inc. executive said at present there are more oil and gas operations-related legislative initiatives that could impact the industry than any time during his three-decade tenure in energy.

In Congress there are proposed bills concerning hydraulic fracturing, air emissions, climate change, low-carbon fuel standards, federal land access and more, in addition to lesser-known concerns at the federal level about over-the-counter derivatives and incremental drilling cost taxes.

"In my 30-plus years that I've been associated with this (industry), I've never seen such a collection of such impactful headwinds from a political, legislative or regulatory perspective than what we've seen today," said Don McClure, vice president of government and stakeholder relations and legal. During a Nov. 18 speech in downtown Fort Worth, he described the "collective weight" of the impact that could result from these political headwinds as "extreme."

When asked about his stance on the Kerry-Boxer bill, the U.S. Senate's answer to the House of Representatives' Waxman-Markey bill, McClure deferred any endorsement or denouncement (similar to America's Natural Gas Alliance's stance), instead saying EnCana and other gas producers are eager to work with the Senators to fill placeholders with meaningful natural gas-friendly legislation.

Denver-based EnCana Oil & Gas (USA), itself a subsidiary of Calgary, Alberta, Canada-based EnCana Corp., was the No. 5 producer in the Barnett Shale during 2008. The parent company, EnCana Corp., is North America's largest gas producer.

In the next few weeks, EnCana is expected to complete its previously announced split into two companies: EnCana, the gas company, and Cenovus Energy, the oil producer. (The split originally had been announced in spring 2008, but the company opted to suspend the plans months later due to "too much uncertainty" in markets.)

The gas industry's recovery will be "slow and bumpy" due to a number of factors, primarily the much-deflated price of natural gas. Gas reached toward \$14 per million British thermal units in summer 2008, but now is closer to \$4.25 per MMBtu.

Demand for gas is weak, too.

"We've got all-time storage highs," said McClure, adding, "I don't know where the upper end really is. People say it's at 3.8 (trillion cubic feet) but we're already there. People also say that technically it could get up to 4.1."

As of Nov. 6, working gas storage was 3,813 billion cubic feet, 10 percent higher than the same time last year and 12 percent higher than the five-year average of 3,404 Bcf, according to estimates from the Energy Information Administration, a division of the U.S. Department of Energy.

Furthermore, the Barnett Shale rig count, which peaked in September 2008 at 188 rigs, now is down to about 70 rigs.

"The activity has dramatically dropped relative to the pricing we've had," McClure said.

Despite the reduction in activity, McClure stressed that unconventional gas is the new conventional, and the potential for shale gas is worldwide. The North American abundance of natural gas gives the U.S. and Canadian economies options for independence from "off-continent oil."

"Think back to 2002 ... people thought [natural gas reserves were] peaking. Now we have over 100 years of supply," he said. "That is profound and it is material."

Southwest Florida's tourism industry OK with rigs, just not close to beach

The News-Press, November 23, 2009; http://www.news-press.com/article/20091123/FLORIDA_OIL_DRILLING/91122034/1075/Southwest-Florida-s-tourism-industry-OK-with-rigs-just-not-close-to-beach

LAURA RUANE

Southwest Florida's lifeblood tourism industry, which promotes itself as the "Beaches of Fort Myers & Sanibel," has mixed views about offshore drilling.

No one has come out with, "Drill, baby, drill." However, opposition is less vehement in some circles, following oil companies' explanations of current drilling and spill prevention technology, and industry fears that \$4-a-gallon gas could return.

"I'm sort of on the fence," said Rob Wells, who runs family owned Tarpon Lodge overlooking Pine Island Sound.

"For us, our environment is everything; it's all we sell. But also, I rely on people who come by boat. They need affordable fuel," Wells said.

Wells isn't alone in his ambivalence. About a year ago, the Florida Association of Convention & Visitors Bureaus adopted its first pro-drilling policy that supports increased oil and natural gas production in the Gulf of Mexico along Florida's coast, citing the cost of fuel as a key reason.

However, the association backs drilling only at least 30 miles offshore, meaning the platforms would be out of sight from shore, said Robert Skrob, FACVB executive director.

"This year's (legislative) proposals are for drilling within 10 miles of shore," Skrob said Thursday. "We are not supportive of that."

At stake in Lee County: an industry with \$2.9 billion in economic impact, drawing 5 million visitors a year, and supporting one out of five jobs, according to Lee County Visitor & Convention Bureau.

Statewide, tourism generated \$65.2 billion in revenues from 84.2 million visitors in 2008, and was responsible for directly employing more than 1 million Floridians, according to Visit Florida, the state's tourism promotion arm.

On Captiva Island, Paul McCarthy, owner of McCarthy's Marina and the Captiva Cruises excursion business, is "strictly opposed" to drilling off Florida's shores.

"The economy and quality of life in Florida are based on a sound ecology," McCarthy said, adding people should consider previous oil spill pollution in this country and other parts of the world.

Lee County's Tourist Development Council adopted a resolution in 2005 stating its opposition "to any new oil and gas leases in the (Outer Continental Shelf) and supporting "a permanent moratorium on offshore drilling." The

tourism council hasn't adopted a resolution on the issue since then, said Suya Davenport, executive director for the county Visitor & Convention Bureau.

In September, Lee County commissioners approved a resolution opposing offshore oil drilling in the Gulf of Mexico within 25 miles of Lee County's coastline. The resolution mentions a part of the Florida House Bill 1219 that would allow near-shore oil drilling three miles off the Florida coast.

Davenport thinks people need more information before taking a stand on whether any offshore drilling is an acceptable risk to take. She added: "If there is one chance of something happening that could be devastating to the beaches, it's a chance we don't want realized."
