

The Pickens Plan Problems

T. Boone Pickens has stated that he has proposed the "only plan" that can end U.S. oil imports by shifting to wind and natural gas, and that he is not in it for the money.
The problem is none of these statements are true.

Note the following statements taken from the transcripts of a *60 Minutes* interview with T. Boone Pickens by CBS News correspondent Charlie Rose aired on October 26, 2008:

(Charlie Rose) "If you've been watching television lately, chances are you've seen a white-haired Texas oil man promising he can save America from foreign oil by using wind power, solar energy and domestic natural gas. He's T. Boone Pickens, and he's playing the role of pioneer and provocateur, in a massive national campaign warning of an energy crisis as dire as the current financial one."

According to Rose, Pickens spent \$58 million of his own money to promote what he calls the "Pickens Plan." Although Pickens likes to talk about wind power and the fact that he is not interested in making money, the essence of his plan is to reduce oil imports by 30 percent in ten years with the use of natural gas because his primary investments in recent years have been in natural gas. The energy hedge fund he runs, BP Capital, invests in natural gas securities and he is the founder and major shareholder in the largest natural gas vehicle fueling company in the country. And in order for his plan to work, Pickens wants to replace the natural gas that is now being used to generate about 20% of the nation's electricity with wind turbines so that the natural gas can then be sold at a much higher profit as a vehicular fuel.

Natural gas is the cleanest burning fossil fuel because it contains high ratios of hydrogen to carbon, but natural gas is a rapidly diminishing resource that Pickens himself admits is no more than a temporary bridge fuel, and what he fails to mention is that extracting natural gas causes profoundly serious environmental problems to the land and rapidly diminishing aquifers and other fresh water resources. For details, refer to the Natural Gas is No Solution paper on the PhoenixProjectFoundation.US website.

Pickens says he doesn't need the money!

As Rose reported, Pickens indicated he has a temporary solution for eliminating about 30% of the oil imports, which will be good for the country – but the Pickens plan will also be good for Pickens. "What's the balance for you between, I'm doing something for America and I'm doing something for Boone?" Rose asks. "Oh, you know, come on, there's no question, I'm rich enough, let's not talk about Boone," Pickens replies.

"What do you mean don't talk about Boone? Boone thinks about Boone," Rose continues.

"I sure as hell don't want to lose, I'll tell you that, but getting rich for me isn't really that big a deal . . . I don't need any more money." Pickens didn't mention that he has been battered by the current financial crisis, and that the steep drop in oil and gas prices since July of 2008 has cut the value of his natural gas hedge fund in half, causing him to lose a staggering \$2 billion. Boone acknowledged to Rose "that is serious money, and we are absolutely in a race against time. That's where I am. I've got to make it happen fast," Pickens says. "So you've got a real sense of urgency," Rose asks. Pickens responded: "Damn right I do."

So much for not needing the money, and that's not even half of Pickens' financial worries.

Pickens indicated to Rose that he also spent \$2 billion in preparation for purchasing 2,500 wind turbines for \$10 billion that were to be installed at the far edge of his 68,000-acre ranch in the Texas panhandle. But given the current financial collapse, he has had to put the project on hold because he was assuming that 80% of the cost of the project would be financed with other people's money from investors and banks. As Pickens stated, ". . . The risk is just like the risk we just experienced in the last thirty days. I mean, if the financial markets fall apart. I mean, you could be left holding the bag in that deal. And, you know, you won't be able to finish the project or something. That's the concern I have," Pickens says.

More Pickens Plan Problems

When Charlie Rose asked Pickens: "How do you know the utilities are going to take wind power as a substitute for natural gas?" Pickens responded that the government would probably have to mandate the purchase. What Pickens failed to mention is that utilities need what is called "dispatchable" power that works whenever the customer flips the electricity switch. Wind resources, by contrast, are inherently intermittent in nature; they vary from second to second and typically only provide electricity 30% of the time; and no one can predict when the wind will blow, and the electricity is often generated in the middle of the night when the power is not needed.

If that were not bad enough, virtually all of the high-voltage transmission lines in the U.S. are at capacity, so Pickens also needs the federal and state governments to spend hundreds of billions of dollars to build new transmission lines, and because private land owners will typically not allow such unsightly structures to be placed on their land, Pickens must also have the government declare a national emergency and use eminent domain in order to force landowners to allow new transmission lines to be placed on their property.

Asked if he thinks his plan is the last, best hope for America to get off its addiction to foreign oil, Pickens tells Rose, "It's the only plan" -- in spite of the fact that natural gas will never be able to temporarily displace more than 30% of oil imports for a short period of time, and it could never make the U.S. energy independent -- much less energy independent of all fossil and nuclear fuels that are highly polluting and rapidly diminishing worldwide.

The Phoenix Project Plan

Pickens and his associates apparently forgot about his meeting with Harry Braun in 2000, who gave him a copy of his 360-page Phoenix Project book, which provides a specific plan to permanently displace not just imported oil, but all fossil and nuclear fuels in just 5 years by mass-producing wind-powered hydrogen production systems that would make hydrogen from the wind and water. Braun's plan eliminates the intermittency problem of the wind because whenever the wind is blowing, hydrogen can be generated and stored, and transported to national and international markets in tanker trucks, ships and pipelines, which can also be engineered to carry electricity as well as hydrogen, which eliminates the need to place highly inefficient and unsightly transmission lines on private property. Moreover, unlike electricity, hydrogen is the only non-toxic pollution-free "universal fuel" that is completely renewable and can power any existing vehicle or power plant.

Pickens, made it clear, however, that he had already made substantial investments in natural gas, and as such, he was not interested in a technology that would make the need for natural gas and other fossil fuels unnecessary.

Pickens initially agreed to meet with Braun because he indicated that he wanted to be an investor in a \$150 million wind project that Braun's company was developing in New Mexico, which used up the remaining space on the utility transmission lines in the area. Pickens never put up any money, and every time his associates met with Braun to learn more about wind and solar technologies, the deal changed in favor Pickens. Braun finally broke off negotiations with Pickens and obtained the financing for the project from a wind subsidiary of the Vermont Public Service Company. Braun's 120 megawatt wind project was completed in 2005 and the controlling interest was subsequently sold to Edison Capital, one of the world's largest utility groups.

Royalties from the project have allowed Braun to establish the Phoenix Project Foundation and the Phoenix Project Political Action Committee to help to educate the media, elected officials and the general public about the urgent need to implement a Solar Hydrogen Economy with wartime-speed, before the exponentially worsening energy, economic, and environmental problems go critical. Details on these non-profit organizations can be found on the PhoenixProjectFoundation.US and PhoenixProjectPac.US websites. Audio tapes from Harry Braun's radio talk shows are also available on the HarryBraunShow.com website.