“Pay No Attention ... !”

Taking a hard look at what we're not meant to see, the Post Carbon Institute reports that the shale gas “boom” may end long before we’ve been told to expect.

In Drilling Deeper, J. David Hughes challenges the US Energy Information Agency. This agency’s data and estimates are the feedstock for public policy and corporate financial projections. [The EIA is a part of the Dept. of Energy, at the head of which is Dr. Ernest Moniz, a top-tier “racademic,” and founding guru of the lucrative MIT Energy Institute.]

Drilling Deeper puts the environmental and health effects of fracking in the background, in order to focus on plain, unrelenting economics. The report notes that the EIA relies heavily on industry’s numbers (and points to past “revisions” by which the EIA cut some forecasts by up to 90%). Based on such “false premises,” Hughes says, the EIA then makes “false promises,” which in turn become imbedded in policy choices. Instead, this report analyzes actual production data and financial results. Impossibly optimistic estimates of future extraction have led to strategic blunders such as fast-track approval of gas exports, new gas-fired electric plants, and a low priority on renewable energy. On the contrary, Hughes predicts, simply maintaining the current (2014) levels of gas recovery “let alone increasing ... at rates forecast by the EIA through 2040, will be problematic.”

This sobering picture is driven by

- Diminishing returns, as drilling moves to lower-quality geologies.
- Decline curves for shale gas wells, falling by 60-90% within three years;
- Insatiable hunger for capital, simply to replace existing wells as they fail;
- “Decline curves” for shale gas wells, falling by 60-90% within three years;
- Diminishing returns, as drilling moves to lower-quality geologies.

As this report came out, news from Wall Street was pointing in the same direction. Capital spending has burned corporate cash without boosting income. Acreage and other assets are being sold and spun-off, and a shakeout looms on the horizon.

As we have to learn again in every cycle, business optimism is self-reinforcing: rising on its own wind, and falling back to earth with a thud. In the case of shale gas, the EIA’s ‘supply’ numbers have been driving planned consumption, while its ‘demand’ forecasts attract fresh capital. So it’s understandable that none of our corporate/government myth-makers want to pull back the curtain. Reality, when it breaks through, is going to be brutal. But we can’t deny it forever.

“Global Frackdown Report

Demonstrators in Paris on the 2014 Global Frackdown.

Photo credit: stopgazdeschiste.org

Whether it goes by Gaz de schiste, or Fracking, or Ffracio or some other name, the backlash against extreme gas extraction has spread around the world. This year’s Global Frackdown (organized by Food and Water Watch) featured rallies from Australia to Wales, adding up to over 400 events in 34 countries.

Locally, Frackdown day coincided with the arrival of the Climate Marchers in Butler, en route to Washington DC by way of Pittsburgh. A Frackdown rally, and dinner for the marchers, were hosted by Marcellus Outreach Butler.

Actions Against Fracking:

Harrisburg & Washington DC

NOVEMBER 1-7: The group Beyond Extreme Energy has called for a week-long action in Washington DC, with the goal of stopping business-as-usual at the Federal Energy Regulatory Commission (FERC). [See p.2 for links to details.] FERC is “where the buck [should] stop” on energy policy at the Federal level, but has been the designated push-over for the fossil fuel industry. No matter what lukewarm “findings” come from other agencies, FERC has the last word — and the pipelines and LNG exports roll on.

NOVEMBER 18: Pennsylvanians Against Fracking will hold a rally at noon on the steps of the State Capitol. Whoever wins the November 4 election races, our state government will keep on working for the gas industry, as long as we let them get away with it. This rally will deliver our first public message to the incoming Governor and Legislators. Contact Marcellus Outreach Butler to be included in the headcount for sharing transportation to Harrisburg.

Marcellus Protest is a project of the Thomas Merton Center (Pittsburgh, PA): www.thomasmertoncenter.org

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