# Coal Counterplan

#### Counterplan solves the coal advantage---it increases funding and development of emissions mitigation technology---solves warming---that’s Dayen

#### They’ve independently conceded that the status quo solves---new EPA rules on coal crush the coal industry---here’s more evidence

#### **New coal regulations cause a total shutdown of the coal industry**

Pyle 12—Thomas J. Pyle, president of the Institute for Energy Research, 11/5/12, Obama's War on Coal Will Only Get Worse if He Is Re-Elected, <http://www.usnews.com/opinion/blogs/on-energy/2012/11/05/president-obama-is-trying-to-destroy-the-us-coal-industry>

According to data from the U.S. Energy Information Administration, U.S. coal production in the first half of 2012 is down 11 percent compared to the first half of 2007. More importantly, the war on coal is not about production alone. It is also important to consider the proposed federal regulations, which impact both the use and production of this vital energy resource. Here are just two of the regulations that affect coal: ¶ New Source Performance Standards for greenhouse gas emissions from new coal-fired power plants. These regulations ban new coal-fired power plants that do not capture carbon dioxide emissions—and none can. Existing plants don't have to comply right away under the rule, but EPA fixes them with the next regulation, MATS.¶ Mercury and Air Toxics Standards (MATS). This regulation, formerly called the Utility MACT rule, mandates a reduction in mercury and other emissions from power plants. According to EPA's own optimistic assumptions, the cost of this regulation is $10 billion a year, but the benefits from reducing mercury and air toxics is only $6 million a year (and that is likely overstating the benefits). Existing plants may be treated as "new plants" if they make these changes, and then be forced to meet the carbon dioxide emissions standards of the previous rule (EPA assures that this isn't the case, however, EPA does not have a strong legal case to make that argument). The combination of the two regulations could mean no coal plants, period.¶ These regulations alone show that the Obama administration is waging a war on coal consistent with his statement in 2008 to the San Francisco Chronicle that under his administration, "If someone wants to build a coal-powered plant, they can. It's just that it will bankrupt them."¶ One reason the Obama administration has not acted more forcefully and imposed draconian regulations on existing power plants is because Obama is waging a tactical war. It takes years to implement new regulations and if the president gets re-elected, we can surely expect him to move forward with a host of regulations that are waiting in the wings. Given the unpopularity of his war on coal, the administration is imposing the regulations it believes it can implement without too much immediate political impact.¶ In a second term, the administration will be able to dramatically limit or even halt the use of coal in the United States as confirmed by Carol Browner, his former energy and climate czar and now senior fellow at the far-left Center for American Progress.¶ The United States has the world's largest coal resources, but the Obama administration has nevertheless declared war on coal. With enough time, they can dramatically limit and possibly ban coal-fired power plants. While some people like Brown may try to ignore that Obama administration's policies, once you consider total U.S. coal production and the regulatory tidal wave arrayed against coal, it's obvious that the Obama administration's goal is to end the use and production of coal in the United States.

#### Coal’s declining now---the plan’s not key

Plummer 12—Brad Plummer, Washington Post, 10/15/12, U.S. coal industry would face decline even without Obama’s policies, http://www.washingtonpost.com/blogs/wonkblog/wp/2012/10/15/the-coal-industry-would-be-in-decline-even-without-obamas-policies/

Two things about coal are true right now. First, the U.S. coal industry really is in decline — the nation is burning far less coal to generate electricity than it did five years ago. Second, the Environmental Protection Agency under President Obama really has enacted a bunch of new rules that will require coal-fired power plants to curb their pollution. Those rules will cost money, and some utilities are now retiring their aging coal plants rather than installing expensive new scrubbers

#### NO impact to mercury---counterplan solves it anyway

#### Perm do both links to the Russia disad

#### The clean tech debate---two framing issues

#### First, their evidence is ONLY about carbon sequestration---when companies keep carbon dioxide under ground---this is not the counterplan---we fund emissions mitigation technologies---like 1NC cross-x---carbon scrubbers---technology that solves emissions ON SITE, not stores them

* + Even if that’s not true, our 1NC evidence says that CCS is successful anyway

#### Second, none of their solvency deficits assume government support---the counterplan has the government help development and installation---solves major obstacles

#### More evidence---clean tech is feasible---funding is key

Nelson 11—Gabriel Nelson, Greenwire, 4/13/11, Fate of Old Coal Plants May Hinge on New Toxic-Cutting Technology, <https://www.nytimes.com/gwire/2011/04/13/13greenwire-fate-of-old-coal-plants-may-hinge-on-new-toxic-91053.html?pagewanted=print>

With the Obama administration moving to impose tougher limits on toxic air pollution as well as emissions that lead to smog and acid rain, it's betting the private sector can add a new technology to the utility industry's arsenal.¶ It is a given that the new regulations will seal the fate of older and less efficient coal-fired power plants that are not worth enough to justify the expense of new pollution controls. But as U.S. EPA prepares to go final with its emissions rules later this year, the agency is taking flak from industry lobbyists who say the rules would be expensive enough to kill coal plants that would otherwise keep producing electricity at competitive prices.¶ People disagree on the number of coal-plant casualties to expect. EPA is predicting that coal plants with 10 gigawatts of capacity would be shuttered because of the new limits on mercury, heavy metals and acid gases that were proposed last month. Add in the upcoming Clean Air Transport Rule, which will limit soot- and smog-forming emissions that cross state lines, and the agency is expecting 25 gigawatts of retirements -- 8 percent of the U.S. coal fleet.¶ But according to a report last fall by the North American Electric Reliability Corp., a quasi-public commission that makes sure there is enough power on the electric grid, those rules and two others could lead to as much as 78 gigawatts of coal-plant retirements. Analysts at Credit Suisse predicted that EPA regulations will lead to shut downs of 60 of the nation's 340 gigawatts -- about 37 percent of the coal-fired capacity that lacks advanced pollution controls.¶ Supporters of the new rules say existing power capacity and new plants will make up for the retirements, but some analysts are predicting that the transition won't be so easy. They say the number of retirements will hinge on whether an emerging technology called dry sorbent injection (DSI) can be put to wide use by the power sector as a cheaper substitute for scrubbers.¶ EPA estimated that the new technology would achieve "full penetration of the addressable market," but if sorbent injection does not pan out, the power sector could lose more than 50 gigawatts of coal-fired capacity, according to a new report by FBR Capital Markets Corp.¶ The agency made "bullish assumptions" about dry sorbent injection, said Marc De Croisset, an energy analyst at the investment bank. The technology seems to be working for some power plants, but limited data make it hard to tell whether most plants that burn low-sulfur coal could use it and comply with proposed EPA rules, he said in an interview.¶ "I think the EPA's job here will be to find that happy medium, where the industry avoids a major upheaval and there is a gradual and realistic path to compliance," De Croisset said.¶ EPA's analysis says utilities would flock to sorbent injection systems, in which sodium- or calcium-rich minerals are ground into a chalky powder and mixed with the hot flue gas that is produced when coal is burned. The powder, also called a reagent, binds with acid gases such as hydrogen chloride and sulfur dioxide through a chemical reaction, allowing them to be filtered out before the flue gas is released from the smokestack.¶ In general, sorbent injection is mainly used to meet limits on sulfur dioxide, or SO2, which can cause breathing problems and make rain more acidic. If a power plant cannot meet the new standards with DSI alone, it would likely need a scrubber -- and in many cases, that cost would make the plant unprofitable.¶ These systems are often used to control emissions from coal-fired industrial boilers, and EPA is predicting that the technology will translate well to the larger boilers used at power plants. The agency estimated that utilities would meet the toxic pollution standards by installing DSI systems on coal plants with 56 gigawatts of electric generating capacity, which is enough to power about 28 million homes.¶ To analysts, that was a leap of faith. The analysis by NERC, for instance, did not consider the likelihood that DSI could save plants from shutting down. And while the Credit Suisse analysts heard optimism about sorbent injection from some companies, there are lingering doubts about whether the technology can cut enough emissions all the time.¶ "The practical applicability of DSI remains a debatable point due to the disposal of additional ash produced, reliability of the reagent supply chain, the lack of utility sector experience with this technology, and the potential impact on dispatch," the FBR report says.¶ Will it work?¶ For some plants, DSI systems could be more attractive than scrubbers, which are better at capturing acid gases but are prohibitively expensive for all but the largest boilers, experts say. Installing a new scrubber can cost $400 per kilowatt -- for a 500-megawatt plant, that comes to $200 million -- but EPA estimates that the upfront cost of a DSI system will range from about $30 to $150 per kilowatt.¶ Dry sorbent injection has several advantages, engineers from Solvay Chemicals Inc. said during a conference call Tuesday. Solvay is a major supplier of trona, a mineral used as a sorbent for DSI systems.¶ The systems can be installed fairly quickly and pose little risk for power companies because the capital costs are low, said Mike Wood, a business manager at Solvay. The main reason the utility sector is not already using the technology is that power plants have not been ordered to install it yet, he said.¶ "It's not new," he said. "It just hasn't been used."¶ Compared to a scrubber, however, the technology could be more expensive for certain plants because companies need a constant stock of the reagents that are used to absorb the harmful gases.¶ Some power companies are already using DSI, though. Among them is NRG Energy Inc., which wrapped up a project last year that added sorbent injection systems at its 530-megawatt power plant in Dunkirk, N.Y., and the 380-megawatt Huntley plant in Tonawanda, N.Y.¶ Reducing emissions of acid gases by about 87 percent, the "systems performed better than guaranteed on a range of fuels, as confirmed by testing," NRG spokesman David Gaier said. The company says the plants would already comply with EPA's proposed toxics rules.¶ But the argument that DSI technology is unproven is being put forth by power companies that are vigorously lobbying against the new rules. That was the point made on Capitol Hill last week by the head of the Electric Reliability Coordinating Council, a coalition that was formed by coal-heavy utilities such as Duke Energy Corp. and Southern Co.¶ Scott Segal, the group's director and an industry lobbyist at Bracewell & Giuliani LLP, said EPA was fudging the numbers when it cited a slideshow by a supplier of pollution controls that said DSI would allow power plants to meet the new standards. If a business did that in a statement to investors, it would "be in a world of trouble," Segal told a House Energy and Commerce subcommittee.¶ Faced with such claims, EPA and its supporters have argued the emerging technologies have usually ended up being cheaper than expected as companies have gotten experience working with them.¶ Power companies made similar claims when EPA started pushing them to add scrubbers and switch to low-sulfur coal. While EPA predicted that the 1990 amendments to the Clean Air Act would cost $6 billion per year, and industry groups said the cost would be much higher, the White House Office of Management and Budget found in 2007 that the actual costs were between $1.1 billion to $1.8 billion annually.¶ The mercury controls that would be ordered by the toxics rules have also proven cheaper than expected as states have moved forward with their own regulations, said Susan Tierney, a Clinton-era Department of Energy official who now tracks reliability as a consultant at the Analysis Group in Boston.¶ "The thing that these studies always underestimate is ingenuity," Tierney said. "Once people have to commit to doing something because the rules are coming down, people start being much more aggressive to figure out how they can do it as cost-effectively as possible."

#### Their restrictions bad evidence is terrible---a study funded by the American Petroleum Institute, doesn’t say natural gas will collapse, production will decrease only by 9%---cross-x proves it’s not sufficient to cause total collapse

#### Links to politics doesn’t matter

#### The methane add-on---their evidence says 1st that the US will never do it because it’s uneconomical and 2nd that Japanese extraction makes it inevitable

#### Most qualified evidence says their methane arg could not possibly be stupider

Carolyn Ruppel, Chief of the US Geological Survey Gas Hydrates Project 12, and Diane Noserale, USFGS scientist, May/June 2012, “Gas Hydrates and Climate Warming—Why a Methane Catastrophe Is Unlikely,” online: <http://soundwaves.usgs.gov/2012/06/>

News stories and Web postings have raised concerns that climate warming will release large volumes of methane from gas hydrates, kicking off a chain reaction of warming and methane releases. But recent research indicates that most of the world’s gas hydrate deposits should remain stable for the next few thousand years. Of the gas hydrates likely to become unstable, few are likely to release methane that could reach the atmosphere and intensify climate warming.

#### Be skeptical of their evidence—qualified research concludes neg

Andrew Revkin 11, Senior Fellow for Environmental Understanding at Pace University Academy for Applied Environmental Studies and Founder of the Dot Earth blog for The New York Times, "Methane Time Bomb in Arctic Seas – Apocalypse Not," December 14, The New York Times, dotearth.blogs.nytimes.com/2011/12/14/methane-time-bomb-in-arctic-seas-apocalypse-not/

A very important research effort has been under way during recent summers in the warming, increasingly ice-free shallows off Russia’s Siberian coast. There, an international array of scientists has been investigating widening areas of open water that are disgorging millions of tons of methane each year.¶ Given that methane, molecule for molecule, has at least 20 times the heat-trapping properties of carbon dioxide, it’s important to get a handle on whether these are new releases, the first foretaste of some great outburst from thawing sea-bed stores of the gas, or simply a longstanding phenomenon newly observed.¶ If you read the Independent of Britain, you’d certainly be thinking the worst. The newspaper has led the charge in fomenting worry over the gas emissions, with portentous, and remarkably similar, stories in 2008 and this week. [Dec. 29, 1:44 p.m. | Updated | Steve Connor, the writer (also science editor) at The Independent, alerted me that the article has been revised with a new headline and expanded to include content that didn't make it into the piece when first published.]¶ If you read geophysical journals and survey scientists tracking past and future methane emissions, you get an entirely different picture:¶ A paper published in Dec. 6 in the Journal of Geophysical Research appears to confirm pretty convincingly that the gas emissions seen in recent years are from a thawing process that has been under way for 8,000 years — since seas rose sufficiently to cover the near-shore seabed. Sharp warming of the sea in the region since 1985 has clearly had an influence on the seabed, according to the paper, led by Igor Dmitrenko of the Leibniz Institute of Marine Sciences in Kiel, Germany.¶ But read this summary of the paper from the American Geophysical Union, which publishes the journal, and see if you feel reassured that the “methane time bomb” there is safe for a long time to come:¶ [T]he authors found that roughly 1 meter of the subsurface permafrost thawed in the past 25 years, adding to the 25 meters of already thawed soil. Forecasting the expected future permafrost thaw, the authors found that even under the most extreme climatic scenario tested this thawed soil growth will not exceed 10 meters by 2100 or 50 meters by the turn of the next millennium. The authors note that the bulk of the methane stores in the east Siberian shelf are trapped roughly 200 meters below the seafloor… [Read the rest.]¶ Here’s the link to the paper itself: “Recent changes in shelf hydrography in the Siberian Arctic: Potential for subsea permafrost instability.”¶ To review, the authors confirm “drastic bottom layer heating over the coastal zone” that they attribute to warming of the Arctic atmosphere, but conclude that “recent climate change cannot produce an immediate response in sub-sea permafrost.” That’s the understatement of the year considering their conclusion that even under sustained heating, the brunt of the sub-sea methane won’t be affected in this millennium.¶ It’s worth considering the risks of “single-study syndrome,” given that other recent work continues to find disturbing amounts of methane emissions in Arctic shallows.¶ But scientists who track methane in the atmosphere in the Arctic and elsewhere around the planet see no big surge that can be pinned on such releases. Before I distributed the link to the new paper above to relevant scientists, I’d already heard from Ed Dlugokencky, one of the top federal researchers tracking methane trends. He sent a detailed review of atmospheric measurements from the Arctic to the Equator and concluded, quite simply:¶ [B]ased on what we see in the atmosphere, there is no evidence of substantial increases in methane emissions from the Arctic in the past 20 years.

# Russia

## UQ

#### ***Status quo oil indexed prices ensure Russia retains energy dominance – exports make global prices drop and ends reliance on Russia***

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*American unconventional gas has been a success story and a paradigm shift that has turned expectations upside-down. In essence, it has been a game changer for the emerging world gas market. The advantage of unconventional gas is that it is a domestic, national source of fuel supply enhancing the energy security of each country. Development of unconventional gas reserves brings foreign direct investment, creates new jobs and helps to diversify away from other imported fuels - or, as is the case in the US, helps the nation gain energy independence. In addition, natural gas is of growing importance to the European economies that will cause a rethink about energy security. Already, there is a growing realisation among European policy makers that natural gas in world energy markets will have wide-ranging and major geopolitical consequences. In addition, among the many policy options available, natural gas can be seen as the best transition fuel to a sustainable and renewable energy future. Therefore, gas is deemed to become one of the most important fuels of the decade. The extent of the natural gas resource base means that supplies are plentiful, the infrastructure transporting it to its consumers is in place, and it burns twice as clean as other fossil fuels – making it the cleanest of the fossil fuels and publicly accepted source of power generation. Combine this with the ever-increasing role of renewables for power generation and natural gas has the potential to become the major balancing energy source. But, the impact of the shale gas buzz is even greater. It has become the new elephant in the room, with global geopolitical implications that have caused a chain reaction. European gas prices are being renegotiated and revised. It has also caused an average of 15 per cent of Gazprom's supplies to be delinked from oil-indexation. And yet, the implications are greater still: relatively cheap and abundant gas, along with the carbon advantage of gas, makes nuclear and coal relatively more expensive than currently assumed. Switching from coal to gas means emissions can be reduced quickly at a very low cost. Indeed, making gas a major transition fuel through to 2030 - will help renewable energy efforts to reduce emissions in order to mitigate the impact of climate change. This chain of events also has the potential to remove Gazprom's European gas supply near-monopoly. In the fourth quarter of 2010, Russia's gas exports to Europe declined by 17 per cent owing to a market oversupply due to re-directed liquified natural gas cargoes and unseasonably warm weather. Unconventional gas has helped to shift the balance from a seller-dominated market to one dominated by buyers. Unconventional gas is nowadays the new policy option for European countries, giving buyers more leverage to renegotiate the high Russian oil-indexed gas price demands that are included in long-term contracts. Even without being produced in Europe, it puts a certain price cap on high Russian gas prices as it can become a potential source of diversification – particularly, if Russian gas prices are higher than the brake-even point for European unconventional gas. All this has the potential to make unconventional gas development economically feasible and, politically speaking, more appealing. Unconventional gas, and shale gas in particular, has become a negotiating tool in a changing gas market that is enhancing Europe's energy supply security by diversifying energy sources and enabling the prioritisation of a domestically located resource. Russia's options to respond are limited. Confronted with decreasing natural gas prices, Moscow's policies have become unintentionally the major enabler for unconventional gas developments in Europe. But, even if only a fraction of those unconventional gas resources become available for the European gas market, they still might be less expensive than the very high prices of the new Siberian gas fields of the Yamal Peninsula or Russia's Arctic offshore gas resources - like Shtokman - and offer another diversification source. Against this background, and the fear in Moscow of losing further markets shares in its most important export market for conventional gas and the geopolitical game - with Gazprom being the spear-point of foreign policy - it is hardly surprising that representatives of the Russian government try to downplay the importance of a shale gas. And they try to portray very negative implications of unconventional gas production in Europe - for its environment and the European Union's climate mitigation efforts.*

***Decoupling inevitable***

***De Bock et al****, IMF Global Markets Monitoring and Analysis, Monetary and Capital Markets Department,* ***11***

*(Reinout, José Gijón, June, “Will Natural Gas Prices Decouple from Oil Prices across the Pond?,” http://www.imf.org/external/pubs/ft/wp/2011/wp11143.pdf)*

*This paper assesses recent developments in natural gas markets. Econometric analysis shows that the tight link between US gas and spot oil prices has weakened. This decoupling coincided with a significant increase in the production of non-conventional gas (especially shale gas) in the US. The additional supply has discontinued plans for sizable LNG imports into the US, and some even suggest that the US could turn into a significant gas exporter. Conversely, the impact of spot oil prices on Algeria’s contracted gas price remains strong but export volumes are under pressure. Oil prices and industrial activity have a significant and important impact on Algerian natural gas prices. Although long-term contracts and pipelines to main markets ensure demand stability, recent developments in international gas markets and a slow recovery in partner countries has led to declining export volumes.*

#### Russia set to maintain energy dominance – current prices are key to maintain it

Tucker 12 Aviezer is assistant director of the Energy Institute at the University of Texas at Austin, 7/13, “Tucker: New Cold War over shale gas” http://www.washingtontimes.com/news/2012/jul/13/new-cold-war-over-shale-gas-russia-inflames-enviro/?page=1

The adversary is [Russia](http://www.washingtontimes.com/topics/russia/), a petro-state that projects power through control of the European energy market. President [Vladimir Putin](http://www.washingtontimes.com/topics/vladimir-putin/)’s regime depends on selling hydrocarbons. That pays for the Russian state and for a patronage system that keeps his supporters and backers in clover.¶ Many of [Gazprom](http://www.washingtontimes.com/topics/gazprom/)’s decisions are political. It pays for long pipelines to bypass [Ukraine](http://www.washingtontimes.com/topics/ukraine/). Political appointments and scams are costly. Analysts estimate that [Gazprom](http://www.washingtontimes.com/topics/gazprom/) needs to charge about $12 per 1,000 cubic feet of natural gas to break even. It collects about $16 per 1,000 cubic feet in Eastern Europe. In the United States, the cost is about $2.¶ The price of natural gas in America dropped because hydraulic fracturing glutted the market with cheap gas. There are no such commercial wells in Europe.

Russia will retain energy dominance

[**Tsilyurik**](http://indrus.in/author/Daria%20Tsilyurik) 11 Daria “Russia to retain dominance on the gas market” November 14, 2011, Russia Today, http://indrus.in/articles/2011/11/14/russia\_to\_retain\_dominance\_on\_the\_gas\_market\_13244.html

Over the coming decades, Russia will remain “the cornerstone of the world’s energy system”. This conclusion is contained in the International Energy Agency’s (IEA) annual report. Experts predict oil prices to rise to $150 a barrel in the near future, while the US will lose the title of the largest oil importer first to the European Union, and then China. ¶ ¶ The European Union will surpass US oil consumption by 2015, eventually yielding its leadership to China in 2020. This information is contained in the World Energy Outlook 2011, prepared by the IEA – and autonomous international body within the Organization for Economic Cooperation and Development (OECD). Over the coming years, oil imports to the US are expected to decline substantially due to the new energy efficiency standards for cars and trucks, as well as a rise of domestic oil and natural gas production. ¶ ¶ “The growing demand in the transport sector and rising spending on exploration of oil and gas deposits and extraction of raw materials confirm the end of the era of cheap oil,” argue authors of the report. They predict a barrel of crude oil will cost $120 in 2035. Moreover, investments for exploration of oil and gas deposits and extraction of raw materials in the Middle East and North Africa will decline by a third, driving the price of oil to $150 a barrel by 2015. ¶ ¶ Analysts explain the temporary decrease in market tensions by the slowdown in economic growth and the expected return of Libyan oil. At the same time, long-term trends are determined by the high demand for energy resources in China and India, as well as Indonesia, Brazil, and countries of the Middle East. In 2035, China’s energy consumption will surpass that of the United States by nearly 70%. Meanwhile, “the rise in oil demand is taking place in the transport sector of countries with rapidly developing economies”. ¶ ¶ In the report, it is noted that the highest rise in oil production will take place in Iraq, Saudi Arabia, Brazil, Kazakhstan, and Canada. The Middle East and North Africa will account for more than 90% of the global rise in oil production. ¶ ¶ Turning to the situation with natural gas, the IEA indicates that “Russia will remain a major gas producer in 2035 and become the largest contributor to the total gas supply growth; it will be followed by China, Qatar, the US, and Australia”. While predicting a “golden gas era”, the document provides a fairly optimistic assessment of “coal prospects” in the global energy demand as well. Today, almost half of the global coal production is consumed by China, which will be replaced as the largest coal importer by India in the 2020s, making the US the world’s second largest coal consumer. ¶ ¶

Russia is tightening its grip – multiple projects ensure it retains dominance – only US exports are cheap enough to threaten it

OBG 10 Oxford Business Group, The Report: Algeria 2010, “Pipeline player: Expanding LNG infrastructure could boost future exports” http://www.oxfordbusinessgroup.com/news/pipeline-player-expanding-lng-infrastructure-could-boost-future-exports

Of course, they are far from the only majors eyeing the project and, if Europe is looking to limit its dependency on Gazprom, it must move more determinedly. Gazprom has already established a foothold in Nigeria in a bid to increase its presence in Africa and improve its strategic standing in the European market. In 2009 Gazprom announced a $2.5bn agreement with the state-owned Nigerian National Petroleum Company. Inked only days before the trans-Saharan pipeline signing ceremony, the agreement will improve refining and transportation capacity in Nigeria’s gas network – including in the first phase of the trans-Saharan pipeline – through a new joint venture, Nigaz. ¶ Moscow is consolidating its grip on supplies closer to home as well. Hedging its bets, it is also looking to increase its involvement with pipelines in Eastern Europe and Central Asia. The €6.5bn Nord Stream project, which would pump Russian gas via the Baltic Sea to Germany, is one such development; the €24bn South Stream project, which would stretch from Russia to Bulgaria, is another. The new pipelines have attracted support from Western European countries, with Italy’s Eni and France’s GDF Suez and EDF taking stakes in the projects. However, while both routes open up new capacity for Europe and bypass current transit states like Poland and Ukraine, they still rely on Russian gas.

## Link

***And, regulatory certainty is key to exports.***

**Ebinger et. al ‘12**

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Energy Security Initiative @ Brookings, Liquid Markets: Assessing the Case for U.S. Exports of Liquefied Natural Gas, May, <http://www.brookings.edu/~/media/research/files/papers/2012/1/natural%20gas%20ebinger/natural_gas_ebinger.pdf>, jj

Environment, Regulations, and the Feasibility of LNG Exports While several studies are ongoing into the effects of shale gas production on the environment, there has been no conclusive evidence found to date that links the practice of fracking to ground water contamination or increased seismic activity. **As long as the current regulatory environment re- mains, shale gas development is likely to continue to produce the volumes that will make LNG exports feasible.** However, **a change in the regulatory landscape that imposes additional costs on producers could make marginal shale gas prospects uneconomic, reducing the size of the economically recoverable resource, thereby negatively affecting the feasibility of LNG exports**. Conversely, well developed regulations, possibly based on sustainable best practice, could provide benefit to the public, the environment and industry. The recent announcement by the Obama Administration— in which it allocated $45 million to an interagency research and development program between the Department of Energy, Interior, and the EPA to identify ways to reduce the environmental impact of shale gas production—suggests that the Administration supports the sustainable development of shale gas resources.

***This keeps the industry healthy long term***

**Passwaters**, 6/18/20**12** (Mark, SNL Energy Gas Utility Week, “Shell executive: LNG exports to Asia hold key to breaking production glut, LexisNexis, ts)

HIGHLIGHT: **LNG exports to Asia could provide a way out of an oversupplied market for North America**, according to the director of Royal Dutch Shell plc's upstream division. LNG exports to Asia could provide a way out of an oversupplied market for North America, the director of Royal Dutch Shell plc's upstream division said in a recent speech. Speaking June 7 to the Canadian American Business Council in Washington, D.C., Marvin Odum said **the growing global demand for energy is being paced by Asia, with China leading the way. "China has said it will more than double natural gas as a percentage share of its primary energy use by 2015. It could triple by 2020**," he said. "We at Shell see China driving 50% of the world's growth in natural gas demand over that same period of time." Odum said the **increasing Asian demand for energy could be the boost gas producers**, primarily in western Canada, **need to survive the current supply glut in the U.S.** and Canada. "**How can we create more value for that supply? By going west**," he said. "**LNG exports to Asia can open a market for North America** - and especially Canada - **worth billions of dollars**."

## AT: NO impact

**No impact to market collusion**

**Daily Finance 10-2-12**

(“The Way to Play Our Promising LNG Scene,” 10-2-12, http://www.dailyfinance.com/2012/10/02/the-way-to-play-our-promising-lng-scene-/)

Opponents contend that LNG exports could lead to an OPEC-like international natural gas cartel, which would consist of the likes of Russia, Iran, Qatar, Saudi Arabia, and the United Arab Emirates and would be formed to compete with the U.S. They also believe that LNG exports would cause U.S. gas prices to move closer to the $15-$16 range that currently prevails in Japan. I'm inclined to believe that a natural gas OPEC would have no more control over gas prices than the existing cartel now does for oil. Of equal importance, while U.S. prices likely would rise somewhat through a sort of arbitrage effect, the total volumes permitted for export from the U.S. could be maintained at a low enough level to moderate the arbitrage. At the same time, keeping a lid on volumes would permit a maintenance of the benefits that chemicals companies like Dow Chemical (NYSE: [DOW](http://caps.fool.com/Ticker/DOW.aspx) ) [are currently realizing](http://www.fool.com/investing/general/2012/05/12/dow-chemical-dividend-dynamo-or-blowup.aspx) from the increased availability of low-priced gas feedstocks.

## AT: EU

#### No European natural gas---NIMBY movements

Gros 10-5 – Dr. Daniel Gros is Director of the Centre for European Policy Studies and has a Laurea in Economics, University of Rome, PhD in Economics, University of Chicago, October 5th, 2012, Center for European Policy Studies, "Should Europe be fracking?"

The global energy community is abuzz with excitement about ‘fracking’ a new technology in hydraulic fracturing that has opened previously inaccessible reserves of natural gas trapped inside shale formations. The boom in shale gas production has allowed the US to become almost self-sufficient in gas. Development of shale gas in Europe is lagging**, with exploration proceeding only hesitantly and** production not even started**.** Many observers are lamenting that Europe is about to miss out on the next energy revolution. ¶ However, critics of Europe’s apparent lack of enthusiasm for ‘fracking’ miss two key points. ¶ First of all, the geological endowments of Europe and the US are different. There is a huge difference between potential deposits hidden somewhere in large shale formations, and recoverable reserves that can actually be extracted economically. Estimates by the International Energy Agency (IEA) suggest that the really important recoverable reserves of shale gas are in the US and China, not Europe.1 Moreover, even these estimates are really not much more than educated guesses because shale formations have been subject to intense exploration for decades only in the US. This process is starting only now in Europe. The country in Europe with the most favourable geology seems to be Poland, which might become a significant producer on a local scale in about 10 years. This is a fortunate coincidence because this would probably make it politically easier for the country’s policymakers to diminish the existing national subsidies to local coal production (and consumption), which do not make any sense from an economic or environmental point of view.¶ Secondly, licensing exploration and production of raw materials are decided at the national level and are not a competence of the European Union. Thus, the EU certainly cannot be faulted for the slow development of shale gas in Europe.¶ One has to admit, however, that **in Europe the ‘Nimby’ phenomenon (Not In My Back Yard) is much more important.** It might be true that Europeans are too sensitive to environmental concerns, but incentives also play a role. In Europe the ownership rights to natural resources belong typically to the state, not (as in the US) the individual owner of the piece of land under which it lies. **This means that** in Europe **local residents have a tendency to** oppose fracking whose environmental consequences they fear, but whose benefits they will not see because they are going to the government**.** By contrast, in the US, the local residents benefit handsomely from being able to sell their ownership rights to the gas companies, providing a strong counter-balance to any fears of environmental costs.

#### No European gas---no tech

Ottens 10-19 – Nick Ottens, historian and writer for the Asian Times Online, Elsevier, and the Seoul Times, October 19th, 2012, "European Shale Gas Threatens Russian Energy Position" atlanticsentinel.com/2012/10/european-shale-gas-threatens-russian-energy-position/

What’s keeping shale gas from revolutionizing the energy sector in Europe as it has in the United States is technology. European shale reserves are less accessible than North America’s while countries lack the necessary infrastructure and hydraulic fracturing equipment to boost domestic production.

#### **No resources**

Koven 12 – Colonel Alexander L. Koven, United States Air Force, United States Army War College, January 3rd, 2012, "Under the Yoke: Europe's Natural Gas Dependency on Russia," [www.dtic.mil/cgi-bin/GetTRDoc?Location=U2&doc=GetTRDoc.pdf&AD=ADA561551](http://www.dtic.mil/cgi-bin/GetTRDoc?Location=U2&doc=GetTRDoc.pdf&AD=ADA561551)

**As Europe's reliance on gas increases, its indigenous, conventionally-recovered natural gas resources are diminishing.** "UK and Danish North Sea gas reserves, the bulk of EU gas reserves, will be almost completely depleted by 2015."17 Eurogas reported that in 2010 European gas production declined by four percent, "mainly because of ongoing decline in the mature production basins."18 Although these forecasts do not take into account the additional gas fracking could generate, **getting the controversial fracking method approved by the EU will not be easy.** For example, "In July [2011], France became the first country to ban tapping gas from shale rock...which has led to concerns about spills, leaks and the contamination of groundwater."19¶ Europe's gas supplies come from a number of sources. According to Eurogas, "The largest source of gas supplied to the EU-27 comes from indigenous production, making up thirty-four percent of the total net supplies in 2010. [The] main external sources of supply were Russia at twenty-three percent, Norway at nineteen percent, Algeria at ten percent and Qatar at six percent."20 Although Russia's share of the European gas market is slightly less than one quarter of Europe's energy needs, it has been the least reliable supplier and caused the most disruptions.

#### No aggression solvency

Holmes 9 – Kim R. Holmes, Ph.D. & Vice President for For­eign and Defense Policy Studies and Director of the Kathryn and Shelby Cullom Davis Institute for Interna­tional Studies at The Heritage Foundation, “Time for a New International Game Plan”, 1-22-09, http://www.heritage.org/Research/InternationalOrganizations/bg2231.cfm

The time may be right for a fundamental reeval­uation of our alliances and international associa­tions. Russia's recent invasion of Georgia and its military support for blatantly anti-American coun­tries like Venezuela and Iran have been stark reminders that new threats to our freedoms can arise at any time, and our existing alliances may not be up to the task of defending them. **The EU proved feckless in the face of Russian aggression;** and NATO's involvement in Afghanistan, undermined as it was by many European members' meager combat contributions, has been unable to prevent a military success from withering away. This is exactly the opposite of what occurred in Iraq with the U.S.-led coalition of the willing.

# Derp

**2AC – Spot Pricing – Frontline**

**Decoupling inevitable**

**De Bock et al**, IMF Global Markets Monitoring and Analysis, Monetary and Capital Markets Department, **11**

(Reinout, José Gijón, June, “Will Natural Gas Prices Decouple from Oil Prices across the Pond?,” http://www.imf.org/external/pubs/ft/wp/2011/wp11143.pdf)

This paper assesses recent developments in natural gas markets. Econometric analysis shows that the tight link between US gas and spot oil prices has weakened. This decoupling coincided with a significant increase in the production of non-conventional gas (especially shale gas) in the US. The additional supply has discontinued plans for sizable LNG imports into the US, and some even suggest that the US could turn into a significant gas exporter. Conversely, the impact of spot oil prices on Algeria’s contracted gas price remains strong but export volumes are under pressure. Oil prices and industrial activity have a significant and important impact on Algerian natural gas prices. Although long-term contracts and pipelines to main markets ensure demand stability, recent developments in international gas markets and a slow recovery in partner countries has led to declining export volumes.

**European fracking takes out the impact**

**Glover, Energy Tribune, 9-25-12**

(Peter, “EU Reports Should ‘Green-light’ Shale Revolution,” <http://www.energytribune.com/articles.cfm/11745/EU-Reports-Should-Green-light-Shale-Revolution>)

Europe’s reluctance to follow the United States and pursue its own shale gas revolution is well documented. Partly it’s been down to the anti-shale, anti-fracking environmental lobbies having a much stronger political voice in Europe; partly it’s down to the fact that the U.S. had drilled more wells offering greater certainty about the potential of reserves. But a clutch of new reports should finally green-light Europe’s own shale gas revolution. Then again, the EU does have a nasty habit of shooting itself in the political foot. There is no question that an industry operating in what was believed to be the twilight era for hydrocarbon energy is, as Ed Crooks argued in a recent Financial Times special on energy, being “transformed” as a result of how America has “entered a new era of plenty”. With the oil majors leading the way, the global spread of the revolution is only a matter of time. Chevron has already bought up operating rights across a swathe of land in Eastern Europe from the shores of the Black Sea to the Baltic, in anticipation of the anti-fracking tide turning in Europe. Bucking the EU trend, Poland and the UK have already opted not to put barriers in the way of the domestic development of significant shale gas resources. The German government, after its knee-jerk reaction to Fukushima, is currently in “two-minds” over shale development. But it is currently searching for a way back-track on its commitment to total nuclear closedown; not least in the face of a looming energy ‘gap’ that its renewable energy industry won’t be able to fill. Bulgaria is also re-visiting its fracking ban. Meanwhile, French oil companies are concerned at the country’s potential dismissal of its own vast domestic shale gas resources and have [called for shale drilling experiments](http://www.businessweek.com/news/2012-09-12/french-drillers-call-for-shale-experiments-to-calm-debate) to be conducted to calm an over-heated public debate. Shale gas’s transformation of the U.S. energy scene may not translate to the same degree in Europe, but the benefits to EU economies, with few domestic energy resources and a total reliance on foreign gas imports – particularly from Russia – ought to be plain. Shale gas development is already the key bright spot in a troubled U.S. economy. By the end of 2011, 600,000 new jobs had been created in America. [A report](http://www.pwc.com/us/en/industrial-products/publications/shale-gas.jhtml) by Price Waterhouse Cooper suggests U.S. manufacturing will, by 2525, see the impact of shale gas development create a further one million jobs. [A study](http://mjperry.blogspot.co.uk/2012/06/shale-boom-to-create-15-million-new.html) by global market consultants IHS estimates that by 2035, U.S. jobs from natural gas production could peak as high as 2.4 million and generate $1.5 trillion in tax and royalty revenue. For good measure, the national switch from coal to natural gas has seen domestic gas prices halved and has, as the new EU reports acknowledge, led to a flat-lining of global (and European) gas prices. Something unheard of just a couple of years ago, energy independence is today being widely touted as a more than realistic proposition for the U.S. According to the Energy Information Administration, shale gas could increase the world’s technically recoverable gas resources by a full 40 percent – and that’s a conservative estimate. If the obvious economic benefits elsewhere don’t thaw the European anti-shale freeze-out, then perhaps a clutch of the EU’s own new reports will. UK shale advocate, Nick Grealy, takes up the case of how the latest EU reports ought to re-direct shale gas policy. [The three EU reports](http://ec.europa.eu/energy/studies/energy_en.htm), published on September 7th, are, says Grealy, “extremely significant”. He notes how the three reports – covering impact on the energy markets, climate and on local environments – while highlighting the risks (to groundwater etc.) come to the “broad conclusion they can be mitigated” and contain “no smoking guns”. Fascinatingly, the reports actually point out that domestic shale gas production would generate fewer emissions than those currently generated through importing Russian and Algerian gas. The EU reports reveal that the continent’s shale gas resources stand at around 80 percent of those in the U.S. As Grealy points out, that’s “40 years total Western European gas use”. He [goes on to highlight](http://www.nohotair.co.uk/index.php?option=com_content&view=article&id=2627:eu-shale-gas-reports-very-very-good-news&catid=183:2012&Itemid=170) other key factors in the EU reports: - Shale gas development has the potential to see natural gas claim 30 percent of the world’s total primary energy supply by 2525. That is likely to rise to 35 percent by 2040, eclipsing oil as the world’s foremost source of energy. - Analysts suggest that domestic shale gas production will largely be used within the region it is produced, with no single region producing sufficient to allow it to shift from becoming a net importer to a net exporter. - Shale gas production has the significant potential of cutting natural gas prices - Shale gas could induce a significant growth of gas in transportation. Grealy rightly observes that, above all, these EU reports should help to change “a common public perception” that “we need to take a break and study shale gas development before we can make any decision”. More than that, if Europe doesn’t green-light its own shale gas revolution and soon, it will find itself well behind the global shale gas development curve – and missing out on an early boost for many of the EU’s ailing economies.

***Russia’s not aggressive***

**de Waal ‘11** (Thomas, senior associate in the Russia and Eurasia Program at the Carnegie Endowment for International Peace, The Fletcher Forum of World Affairs, Winter, Vol. 35, Iss. 1; pg. 17, “Moving Beyond Mirages: THOMAS DE WAAL DISCUSSES A NEW PARADIGM FOR FOREIGN INTERVENTION IN THE SOUTH CAUCASUS” proquest, jj)

DE WAAL: I suppose the issue that I would like to raise again is Russia. I think Russia is clearly a very difficult neighbor, with a long colonial interest in the region, but I think **it's a mistake to see Russia as being a hegemon that wants to dominate this region**. I think **Russia has moved into a postimperialist phase, in which it does not want to dominate this region and actually does not have the capacity to do so**. Clearly, there are constituencies in Russia, such as the military, who still have an interest in this. And, of course, Russia is still in charge of Abkhazia and South Ossetia. However, I think that in **looking at the broader region- Georgia, Armenia, Azerbaijan-Russia is slowly adjusting to the new reality, where it realizes that it is one actor among many in the Caucasus**. Therefore, **framing policy to keep Russia out of the region is a waste of time and is counterproductive. I think it should be possible to look at ways of working with Russia in the region**. And that applies also to Turkey and Iran. Basically**, it's a matter of accepting that there should be some kind of Great Power truce in the Caucasus in which everyone's interest is acceptable as long as it is benign.**

***Dependence kills EU relations***

**Weitz, 11** - senior fellow at the Hudson Institute and a World Politics Review senior editor (Richard, “Can We Manage a Declining Russia?” November, <http://www.aei.org/files/2011/12/08/-can-we-manage-a-declining-russia_152701899417.pdf>, jj)

Political Dividends**: Russia likes to use its energy supplies as leverage in international crises, including the recent ones in Georgia and Ukraine. By bullying its neighbors by means of energy supplies, Moscow hopes to preserve its sphere of influence**. This does not quite gel with Paillard’s earlier assertion that the “blackmail” of previous years is no longer possible due to the importance of energy supplies to both parties — one presumes that Paillard is here referring primarily to minor Eastern European countries whose revenue streams are unimportant. Strategic Dividends: Paillard asserts that “**Russia is still looking for a way to instigate the political separation between Europe and the United States that it could not achieve during the Cold War.” European reliance on Russia’s gas could provide a means whereby Moscow may pursue that geopolitical objective**. Indeed, Paillard goes on to compare Russia’s use of gas in the competition for European markets in the 2000s to the USSR’s use of missiles in the 1980s “to disorganize NATO and to shake up the German position in the Western alliance.” Moreover, **by dividing Europe against itself. Russia strengthens its own negotiating position** in the gas trade relative to what it would be were Europe acting as a single bloc.

***Accesses every impact***

**Stivachtis 10** – Director of International Studies Program @ Virginia Polytechnic Institute [Dr. Yannis. A. Stivachtis (Professor of Poli Sci @ Virginia Polytechnic Institute & Ph.D. in Politics & International Relations from Lancaster University), THE IMPERATIVE FOR TRANSATLANTIC COOPERATION,” The Research Institute for European and American Studies, 2010, pg. <http://www.rieas.gr/research-areas/global-issues/transatlantic-studies/78.html>]

**There is no doubt that US-European relations are in a period of transition**, and that the stresses and strains of globalization are increasing both the number and the seriousness of the challenges that confront transatlantic relations. The events of 9/11 and the Iraq War have added significantly to these stresses and strains. At the same time, **international terrorism**, **the nuclearization of North Korea and especially Iran, the proliferation of** weapons of mass destruction (**WMD), the transformation of Russia** into a stable and cooperative member of the international community, **the growing power of China, the political and economic transformation and integration of the Caucasian and Central Asian states, the integration and stabilization of the Balkan countries, the promotion of peace and stability in the Middle East, poverty, climate change, AIDS and other emergent problems and situations require further cooperation** among countries at the regional, global and institutional levels. Therefore, **cooperation between the U.S. and Europe is more imperative than ever to deal effectively with these problems**. It is fair to say that **the challenges of crafting a new relationship between the U.S. and the EU as well as between the U.S. and NATO are more regional than global, but the implications of success or failure will be global.** The transatlantic relationship is still in crisis, despite efforts to improve it since the Iraq War. This is not to say that differences between the two sides of the Atlantic did not exist before the war. Actually, post-1945 relations between Europe and the U.S. were fraught with disagreements and never free of crisis since the Suez crisis of 1956. Moreover, despite trans-Atlantic proclamations of solidarity in the aftermath of 9/11, the U.S. and Europe parted ways on issues from global warming and biotechnology to peacekeeping and national missile defense. Questions such as, the future role of NATO and its relationship to the common European Security and Defense policy (ESDP), or what constitutes terrorism and what the rights of captured suspected terrorists are, have been added to the list of US-European disagreements. There are two reasons for concern regarding the transatlantic rift. First, **if European leaders conclude that Europe must become counterweight to the U.S., rather than a partner, it will be difficult to engage in the kind of open search for a common ground than an elective partnership requires**. Second, there is a risk that public opinion in both the U.S. and Europe will make it difficult even for leaders who want to forge a new relationship to make the necessary accommodations. If both sides would actively work to heal the breach, a new opportunity could be created. **A vibrant transatlantic partnership remains a real possibility, but only if both sides make the necessary political commitment.** There are strong reasons to believe that the security challenges facing the U.S. and Europe are more shared than divergent. The most dramatic case is terrorism. Closely related is the common interest in halting the spread of weapons of mass destruction and the nuclearization of Iran and North Korea. This commonality of threats is clearly perceived by publics on both sides of the Atlantic.