JunkScience.com

All the Junk That's Fit to Debunk

Pickens Gives New Meaning to 'Self-Government'

Posted on July 31, 2008 | Comments Off

By Steven Milloy July 31, 2008, <u>FoxNews.com</u>

The more you learn about T. Boone Pickens' plan to switch America to wind power, the more you realize that he seems willing to say and do just about anything to make another billion or two.

This column previously discussed the plan's technical and economic shortcomings and marketing ruses. Today, we'll look into the diabolical machinations behind it.

Simply put, Pickens' pitch is "embrace wind power to help break our 'addiction' to foreign oil." There is, however, another intriguing component to Pickens' plan that goes unmentioned in his TV commercials, media interviews and web site — water rights, which he owns more of than any other American.

Pickens hopes that his recent \$100 million investment in 200,000 acres worth of groundwater rights in Roberts County, Texas, located over the Ogallala Aquifer, will earn him \$1 billion. But there's more to earning such a profit than simply acquiring the water. Rights-of-way must be purchased to install pipelines, and opposition from anti-development environmental groups must be overcome. Here's where it gets interesting, according to information compiled by the Water Research Group, a small grassroots group focusing on local water issues in Texas.

Purchasing rights-of-way is often expensive and time-consuming — and what if landowners won't sell? While private entities may be frustrated, governments can exercise eminent domain to compel sales. This is Pickens' route of choice. But wait, you say, Pickens is not a government entity. How can he use eminent domain? Are you sitting down?

At Pickens' behest, the Texas legislature changed state law to allow the two residents of an 8-acre parcel of land in Roberts County to vote to create a municipal water district, a government agency with eminent domain powers. Who were the voters? They were Pickens' wife and the manager of Pickens' nearby ranch. And who sits on the board of directors of this water district? They are the parcel's three other non-resident landowners, all Pickens' employees.

A member of a local water conservation board told Bloomberg News that, "[Pickens has] obtained the right of eminent domain like he was a big city. It's supposed to be for the public good, not a private company."

What's this got to do with Pickens' wind-power plan? Just as he needs pipelines to sell his water, he also needs transmission lines to sell his wind-generated power. Rights of way for transmission lines are also acquired through eminent domain — and, once again, the Texas legislature has come to Pickens' aid.

Earlier this year, Texas changed its law to allow renewable energy projects (like Pickens' wind farm) to obtain rights-of-way by piggybacking on a water district's eminent domain power. So Pickens can now use his water district's authority to also condemn land for his future wind farm's transmission lines.

Who will pay for the rights-of-way and the transmission lines and pipelines? Thanks to another gift from Texas politicians, Pickens' water district can sell tax-free, taxpayer-guaranteed municipal bonds to finance the \$2.2 billion cost of the water pipeline. And then earlier this month, the Texas legislature voted to spend \$4.93 billion for wind farm transmission lines. While Pickens has denied that this money is earmarked for him, he nevertheless is building the largest wind farm in the world.

Despite this legislative largesse, a fly in the ointment remains.

Although Pickens hopes to sell as much as \$165 million worth of water annually to Dallas alone, no city in Texas has signed up yet — partly because they don't yet need the water and partly because of resentment against water profiteering.

Enter the Sierra Club.

While Green groups support wind power, "the privatization of water is an entirely different thing," says the Sierra Club. Moreover, the activist group has long opposed further exploitation of the very groundwater Pickens wants to use — the Ogallala Aquifer.

"The source of drinking water and irrigation for Plains residents from Nebraska to Texas, the Ogallala Aquifer is one of the world's largest — as well as one of the most rapidly dissipating... If current irrigation practices continue, agribusiness will deplete the Ogallala Aquifer in the next century," says the Sierra Club.

In March 2002, the Sierra Club opposed the construction of a slaughterhouse in Pampa, Texas, because it would require a mere 275 million gallons per year from the Ogallala Aquifer. Yet Pickens wants to sell 65 billion gallons of water per year — to Dallas alone. In a 2004 lamentation about local government facilitation of Pickens' plan for the Ogallala, the Sierra Club slammed Pickens as a "junk bond dealer" who wanted to make "Blue Gold" from the Ogallala.

But while the Sierra Club can't seem to do anything about Pickens' influence with state legislators, they do have enough influence to make his water politically unpotable. This opposition may soon abate, however, now that Pickens has buddied up with Sierra Club president Carl Pope.

As noted last week, Pope now flies in Pickens' private jet and publicly lauds him. The two are newlyminted "friends," since Pope needs the famous Republican oilman to lend propaganda value to the Sierra Club's anti-oil agenda and Pickens needs Pope to ease up on the Ogallala water opposition.

This alliance isn't sitting well with everyone on the Left.

A TreeHugger.com writer recently observed, "... I am left asking myself why the green media have neglected [the water] aspect of Pickens' wind-farm plans? Have we been so distracted by the prospect of Texas' renewable energy portfolio growing by 4000 megawatts that we are willing to overlook some potentially dodgy aspects to the project?"

It shouldn't sit well with the rest of us either. Pickens has gamed Texas for his own ends, and now he's trying to game the rest of us, too. Worse, his gamesmanship includes lending his billionaire resources, prominent stature and feudal powers bestowed upon him by the Texas legislature to help the Greens gain control over the U.S. energy supply.

Steven Milloy publishes JunkScience.com and DemandDebate.com. He is a junk science expert, and advocate of free enterprise and an adjunct scholar at the Competitive Enterprise Institute.

This entry was posted in <u>Clean energy</u>, <u>Oil and gas</u>. Bookmark the <u>permalink</u>.

Comments are closed	•		
	Theme: Coraline by Automattic.	Blog at WordPress.com.	