

HOME (/)  
ABOUT  
JOURNAL (/ABOUT)  
MASTHEAD (/NEW-PAGE)  
PROSPECTIVE MEMBERS (/PROSPECTIVE-MEMBERS)  
SUBSCRIBE (/SUBSCRIBE)  
STAFF RESOURCES (/STAFF-RESOURCES)  
PUBLICATIONS  
PUBLICATION ARCHIVE (/PUBLICATION-ARCHIVE)  
VOLUME 1 (2009) (/VOLUME-1-2008-2009)  
VOLUME 2 (2010) (/VOLUME-2-2009-2010)  
VOLUME 3 (2011) (/VOLUME-3-2010-2011)  
VOLUME 4 (2012) (/VOLUME-4-2011-2012)  
VOLUME 5 (2013) (/VOLUME-5-2012-2013)  
VOLUME 6 (2014) (/VOLUME-6-2013-2014)  
VOLUME 7 (2015) (/VOLUME-7-2014-2015)  
VOLUME 8 (2016) (/VOLUME-8-2015-2016)  
VOLUME 9 (2017) (/VOLUME-9-2016-2017)  
VOLUME 10 (2018) (/VOLUME-10-2018)  
SYMPOSIUM  
INFORMATION (/SYMPOSIUM)  
BLOG  
FULL BLOG (/FULL-BLOG)  
BLOG ARCHIVE (/BLOG-ARCHIVE-1)  
  
SUBMISSIONS (/SUBMISSIONS)

April 8, 2012 (/full-blog/2012/04/frackings-dynamic-impact-on-energy.html)

## Fracking's Dynamic Impact on the Energy Economy: Winners and Losers (/full-blog/2012/04/frackings- dynamic-impact-on-energy.html)



([http://lh6.ggpht.com/-  
gisFr9wmTcc/T4IUArN97WU/AAAAAAAAADI/nHBiQcbVsYU/s1600-h/Fracking-  
Tower%25255B2%25255D.jpg](http://lh6.ggpht.com/gisFr9wmTcc/T4IUArN97WU/AAAAAAAAADI/nHBiQcbVsYU/s1600-h/Fracking-Tower%25255B2%25255D.jpg))

*Image Source (<http://www.propane.pro/wp-content/uploads/2011/08/Fracking-Tower.jpg>)*

By: Jessica Durden, Staff Member

As hydraulic fracturing (“fracking”) gains traction in the American energy economy, the supply of American natural gas has skyrocketed, triggering a downshift of the price of gas.[1] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_edn1) Fracking has opened up vast stores of previously inaccessible gas trapped in shale rock more than a mile underground, particularly in gas-rich areas like the Marcellus Shale.[2] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_edn2) This technological boon has benefited natural gas producers, and in the current competitive economy, the new kid on the block (fracking) is edging in on the old standby’s financial territory (coal).[3] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_edn3) For the short term, that power shift has put the coal industry on its heels, as

coal prices out of central Appalachia have tanked 15.4% in the last year.[4] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_edn4) In roughly the same time frame, natural gas producers and drillers have invested more than \$4 billion dollars into the Marcellus Shale—which spans the Appalachian Basin.[5] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_edn5)

However, this dynamic swing of interest, which has prompted coal companies like Alpha Natural Resources to back off production in much of central Appalachia,[6] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_edn6) may not be a long-term economic event. Fracking has problems of its own, primarily in the form of intense Environmental Protection Agency (EPA) scrutiny. Hydraulic fracturing is currently state-regulated, but the EPA and the environmental lobby have teamed up to close the loophole that exempts fracking from federal regulation under the Safe Drinking Water Act.[7] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_edn7) If legislation like the FRAC Act (HR 1084) passes in the near future, the entire fracking industry could be subject to much harsher federal regulations that could stymie or even temporarily stop active fracking operations.[8] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_edn8) The EPA's first section of its forthcoming 2014 study on fracking's environmental impact has garnered mixed reviews.[9] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_edn9) However, the initial report emerged from Wyoming, while the major players in fracking are eastward in Texas and the Appalachian Basin, and the EPA has indicated Wyoming is not indicative of the rest of the country.[10] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_edn10) So while coal has felt the blow of a burgeoning natural gas industry, the natural gas companies face a tough road ahead to remain state regulated: coal has lost the battle, but not the war, and the long term economic effects of the fracking boom remain unclear. In an unexpected twist, an environmental crackdown could actually salvage the struggling coal industry.

[1] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_ednref1) See Liam Denning, *Coalface Cracks Under Pressure from Cheap Gas*, Wall St. J., Feb. 7, 2012, [http://online.wsj.com/article/SB10001424052970203315804577206860331660388.html?mod=WSJ\\_Energy\\_leftHeadlines](http://online.wsj.com/article/SB10001424052970203315804577206860331660388.html?mod=WSJ_Energy_leftHeadlines).

[2] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_ednref2) See America's Natural Gas Alliance, *Safe & Responsible Development: How We Produce America's New Natural Gas*, [anga.us](http://anga.us), <http://anga.us/media/206825/hydraulic%20fracturing%20101.pdf>.

[3] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_ednref3) See Denning, *supra* note 1.

[4] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_ednref4) *Id.*

[5] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_ednref5) See Marcellus Shale Coalition, *Production Processes*, MarcellusCoalition.org, 2011, <http://marcelluscoalition.org/marcellus-shale/production-processes/>.

[6] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_ednref6) See Ian Thomson & Maya Pope-Chappell, *MarketBeat: Stocks to Watch: Micron Technology, Hasbro, Alpha Natural Resources and More*, Wall St. J., Feb. 6, 2012, [http://blogs.wsj.com/marketbeat/2012/02/06/stocks-to-watch-micron-technology-hasbro-alpha-natural-resources-and-more/?mod=WSJ\\_qtnews\\_wsjlatest](http://blogs.wsj.com/marketbeat/2012/02/06/stocks-to-watch-micron-technology-hasbro-alpha-natural-resources-and-more/?mod=WSJ_qtnews_wsjlatest).

[7] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_ednref7) See Adam Orford, *Hydraulic Fracturing: Legislative and Regulatory Trends*, Marten Law, Oct. 4, 2011, <http://www.martenlaw.com/newsletter/20111004-fracking-roundup>.

[8] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_ednref8) *Id.*

[9] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_ednref9) See Mead Gruver, *Reps. scrutinize EPA frack-pollution link in Wyo.*, Washington times/Associated Press, Feb. 1, 2012, [http://www.washingtontimes.com/news/2012/feb/1/rebs-scrutinize-epa-frack-pollution-link-wyoming/#.TymnOB8wHms\\_email](http://www.washingtontimes.com/news/2012/feb/1/rebs-scrutinize-epa-frack-pollution-link-wyoming/#.TymnOB8wHms_email).

[10] (file:///C:/Users/Steve/Dropbox/Education/Law Journal/Blog/Staffer Blog Posts/2L/Durden, Jessica/2012/#\_ednref10) *Id.*

♥ 0 Likes   ↩ Share

COMMENTS (0)

Newest First   Subscribe via e-mail

Preview   POST COMMENT...

Newer Post

You're Out! Oversight of Jockey Exclusion  
(/full-blog/2012/04/youre-out-oversight-of-jockey-exclusion.html)

Older Post

PROMOTION OF URBAN  
AGRICULTURE IS IMPORTANT TO THE  
AMERICAN FOOD SUPPLY (/full-  
blog/2012/03/promotion-of-urban-agriculture-  
is.html)

631 SOUTH LIMESTONE, LEXINGTON, KY

40508 (859) 257-4747 [BLOG.KJEANRL@GMAIL.COM](mailto:BLOG.KJEANRL@GMAIL.COM) (MAILTO:BLOG.KJEANRL@GMAIL.COM)