

## **Myth Buster: FINALLY, A FRACKING SOLUTION TO FUEL POVERTY...NOT!**

*'We've done an analysis and it's a very small...at the most it's a very small percentage...basically insignificant.'* - Mark Linder, Cuadrilla, in response to the question of whether shale gas could bring down UK energy bills<sup>i</sup>

*'Shale will not be a 'cheap' source of gas and there is unlikely to be a repeat of the US experience.'* - The Energy Contract Company, international consultants to the oil and gas industry.<sup>ii</sup>

*'Until we have more certainty about the potential scale and costs of shale gas production in the UK it is unwise to assume it will be some kind of silver bullet.'* - Ed Davey, Secretary of State for Energy and Climate Change.<sup>iii</sup>

*'...it [shale gas] is not the silver bullet many claim it is. It is unlikely to have a major impact on energy prices. A general over-reliance on gas will render the UK a hostage to volatile energy markets, with or without UK shale gas.'* - Institute of Mechanical Engineers.<sup>iv</sup>

*'...we do not expect the impact of shale gas production on EU gas prices to be anywhere near as great as has been the case with US shale gas production...'*  
- Deutsche Bank.<sup>v</sup>

### **UK shale gas would largely be for export**

The UK is connected to a European market. Much of any shale gas extracted in the UK would be sold off to the highest European bidder, reducing the impact on UK gas prices.

## **The cost of extraction will be higher in the UK than the US**

UK shale deposits are deeper and geologically complex than in the US, meaning you have to drill deeper. In Poland, deeper deposits meant costs three times higher than the US. Also, the US already has a well-developed drilling industry that the UK lacks. Finally, UK costs are increased by higher labour costs, health and safety regulations and stricter environmental requirements.<sup>vi</sup>

## **No-one knows how much shale gas is commercially available**

Current estimates on the size of the UK's shale gas reserves vary widely and are generally based on an analogy with the US. While pro-fracking arguments tend to assume that between 10 – 20% of the shale gas in the ground could be extracted, a recent US Energy Information Agency report puts this figure at just 4%.<sup>vii</sup>

## **Lower gas prices doesn't mean lower bills**

Even if there is a decrease in gas prices, it is unlikely our privatized energy companies will pass on the savings and will instead of pocket the profits, as we have witnessed with the recent drop in wholesale gas prices.

*In all, there's no good reason to think that fracking will significantly reduce UK energy bills. But there is a whole body of good evidence to suggest that renewable energy would bring down our bills by hundreds of pounds over coming decades.*

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<sup>i</sup> <http://www.independent.co.uk/environment/green-living/cuadrilla-pr-man-admits-george-osbornes-shale-gas-revolution-wont-cut-energy-bills-8656246.html>

<sup>ii</sup> <http://www.ft.com/cms/s/0/287378ee-0708-11e2-92ef-00144feabdc0.html#axzz2bkfQlIij>

<sup>iii</sup> <http://blogs.ft.com/westminster/2012/09/lord-browne-versus-ed-davey-fracking-row-hots-up/#ixzz27fOeFMRS>

<sup>iv</sup> <http://bit.ly/Qif3hI>

<sup>v</sup> [http://www.longfinance.net/images/reports/pdf/db\\_shale\\_2011.pdf](http://www.longfinance.net/images/reports/pdf/db_shale_2011.pdf)

<sup>vi</sup> [http://www.longfinance.net/images/reports/pdf/db\\_shale\\_2011.pdf](http://www.longfinance.net/images/reports/pdf/db_shale_2011.pdf)

<sup>vii</sup> <http://www.eia.gov/analysis/studies/worldshalegas/>