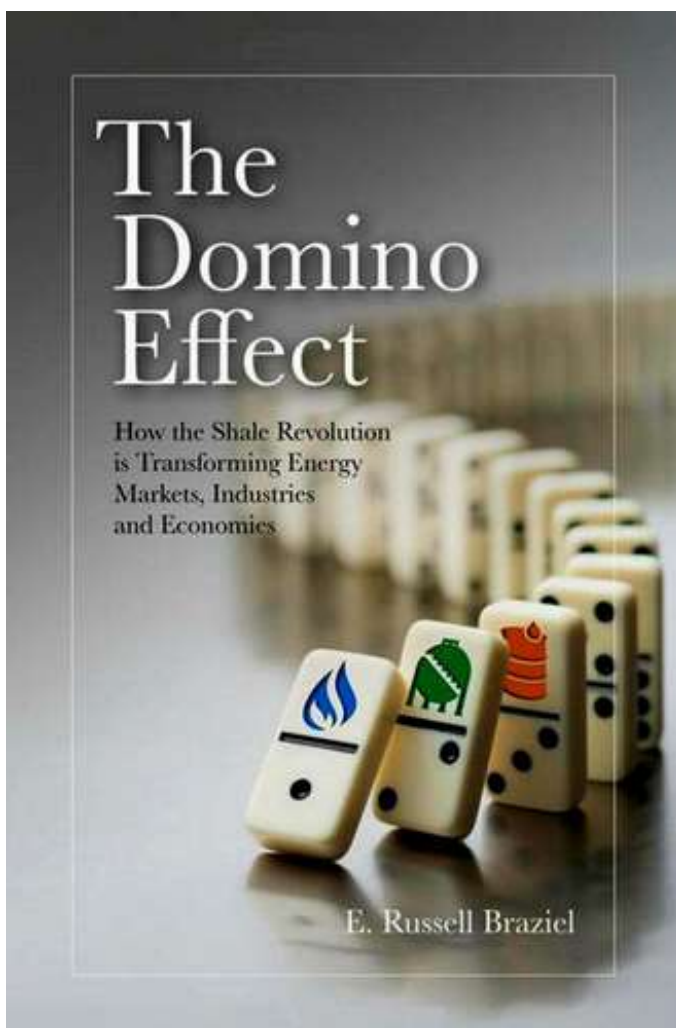


'Domino Effect' focuses on energy markets

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"The Domino Effect: How the Shale Revolution is Transforming Energy Markets, Industries and Economies" by E. Russell Braziel. Madison, Wis.: CWL Publishing Enterprises, 2016, 332 pages, \$19.95.



"The shale revolution has run roughshod over U.S. energy markets, transforming an era characterized by shortage into one of abundance," E. Russell Braziel explains near the beginning of *"The Domino Effect: How the Shale Revolution is Transforming Energy Markets, Industries and Economies,"* his treatise on the fundamental changes redefining our way of life. "It came first to natural gas – then to markets for natural gas liquids. And finally, it landed like a ton of bricks on crude oil."

"The revolution has spurred billions of dollars in infrastructure investment, reversed the direction of pipeline flows and radically disrupted energy prices," he continues. "It has been said that this is just another cycle in an industry with a long history of boom-bust cycles. But could something completely new be reshaping the dynamics of energy markets?"

"The Domino Effect" is comprised of 21 chapters arranged in five major parts: "The Times They Are A Changin': The Domino Effect," "The Three Amigos: Natural Gas, NGLs and Crude Oil," "Takin' Care of Business: How Things Work in the Energy

Markets," "What's Goin' On: How the Energy Markets Are Changing and Why" and "Break on Through to the Other Side: The New World of Energy Abundance."

The main reason I wanted to share the names of these sections is to see if you picked up on the musical themes that tend to permeate this intriguing volume. This is a unique and purposeful feature of the book; before he began his career in the energy business, Braziel spent 20 years playing in a number of rock and country groups in East Texas, Tulsa, Okla., and Los Angeles.

The author's background and expertise make him ideally suited to explore the major themes found in *"The Domino Effect."* He approaches the subject matter from a variety of viewpoints and on multiple levels; his technical expertise regarding the inner workings of the industry is on display on virtually every page, as is his intimate knowledge of the intricate interplay between finance and economics as they relate to energy production and consumption. He masterfully weaves these

considerations into a complex tapestry that sheds some much-needed light on what we are experiencing in this country (and worldwide) at the moment and, more important, what we can expect to encounter in the not-too-distant future. Nowhere in the book is this integrated perspective more evident than in “Crude Oil: The Big Dog of Energy Markets,” the seventh chapter and one of my favorites.

“There are many ways crude oils can vary in quality, but the most important criteria are ‘gravity’ and ‘sulfur content.’ Gravity is a measure of the viscosity of crude oil or, more accurately, its density. ... The other important quality criterion is sulfur content. A crude with low sulfur content is said to be ‘sweet,’ while a high sulfur content is said to be ‘sour.’ The more sulfur in the crude, the more it must be processed to remove that sulfur to make gasoline, diesel, jet fuel and most other petroleum products, thus increasing the cost of procession.”

Admit it: You have heard the term “sweet” applied to crude oil for years, but you were never really sure what it actually meant until you read the preceding paragraph. But don’t feel bad, the significance of the designation has eluded most of those who have heard it endless times on the nightly business shows.

Later in the same chapter, Braziel addresses the business side of the industry and, as such, helps explain the dramatic price fluctuations we all have experienced at the pump in recent years: “Three primary market mechanisms are used to sell and purchase physical crude in the U.S. domestic market: postings, futures-related contracts and outright price deals. All three structures evolved to meet specific market needs for crude transactions along the way from the point of production to a refinery.”

If you are unclear as to how these mechanisms affect our individual and collective prospects over the coming decades, you would probably find “The Domino Effect” to be an intriguing read.

The president and CEO of RBN Energy, a global consulting group, Braziel spent 20 years as a vice president at Texaco (now Chevron). He has a bachelor’s degree as well as an MBA from Stephen F. Austin University, where he was named a Distinguished Alumni in 2014. Before assuming his present role, Braziel also served as a vice president for The Williams Companies and was president of Altra Energy Technologies.” This is his first book.

The only real criticism I have of “The Domino Effect,” and this is a nontrivial concern, involves Braziel’s underlying and mostly unquestioned assumption that our continued dependence on fossil fuels as a primary source of energy is in the best interest of the environment or society in general. Whereas deciding the most prudent course of action is never easy or straightforward, Braziel should have spent a little more time, and a few more pages, exploring the viable alternatives emerging on the periphery of the industry. In the long run, it is imperative we develop other sources of energy; regardless of how inexpensive and plentiful petroleum and natural gas products are at the moment, the planetary reserves are not infinite. Eventually, we will be forced to rely on something else to meet our insatiable and escalating need for more energy.

“Technology has transformed energy markets,” Braziel concludes. “Production growth has been astronomical. The U.S. will become a major energy supplier to the world. Opportunities to build huge value are abundant. It is a great time to be involved in the energy industry.”

Even though I wouldn’t necessarily recommend you go out and invest your life savings into Shell Oil, Braziel does give us all something to think about. I recommend this one highly.

Reviewed by Aaron W. Hughey, Department of Counseling and Student Affairs, Western Kentucky University.