

Volume 345 July 16, 2013

There are growing indications that the United States is moving steadily toward gaining independence from a different kind of foreign oppressor: Middle East oil. This new American revolution is being fueled in no small part by a technology that, while more than six decades old, has emerged as a centerpiece of the global energy debate.

Last week, the Energy Information Administration (EIA) announced that U.S. oil production hit its highest level since January 1992. Daily crude output was 7.401 million barrels – an increase of 134,000, or 8 percent – in the week that ended July 5.

Additionally, EIA noted that the country met 89 percent of its own energy requirements in March; that was the highest monthly rate since April 1986. And the agency further said that net imports of crude and petroleum products would drop to 5.7 million barrels a day by 2014, down more than half from the 2005 figure of 12.5 million.

What's behind those numbers? Hydraulic fracturing, the process by which oil and natural gas is extracted from shale formations. Not only has it spurred the growth of domestic development, Bloomberg said, but "rising crude supplies from oilfields including North Dakota's Bakken shale and the Eagle Ford in Texas have helped the U.S. become the world's largest exporter of refined fuels including gasoline and diesel."

EIA hasn't been alone in drawing a line that connects "fracking," which was first used in 1947 to stimulate natural gas development in Kansas, to the surge in North American crude oil production.

DBRS, a Canadian credit rating agency, said North America could see "oil independence" within 15 years – five years earlier than previously forecast – and cited hydraulic fracturing as a major reason. "This continued shift from conventional to unconventional (shale) resources has enabled North America to achieve its largest one-year oil production increase ever," it concluded. A report in May from the International Energy Agency (IEA) said increased output from shale will be a "game changer" and predicted that "U.S. shale oil will help meet most of the world's new oil needs in the next five years." According to Citigroup, fracking could increase domestic oil production by a third between now and 2015, and USA TODAY has reported that a team of analysts and economists at the global bank "argues that the U.S., or at least North America, can achieve energy independence by 2020."

Electricity Pricing – July 16, 2013 Com Ed Average LMP Electric Price

Time Period	Average per Kwh
July, 2012	\$.04303
Aug, 2012	\$.03112
Sep, 2012	\$.03034
Oct, 2012	\$.02829
Nov, 2012	\$.03327
Dec, 2012	\$.03081
Jan, 2013	\$.03111
Feb, 2013	\$.03219
Mar, 2013	\$.03665
April, 2013	\$.03821
May, 2013	\$.03501
June, 2013	\$.03215
Jul 1 – Jul 15	\$.03038

Extended Temperature Forecast: Chicago Area

	Tue	Wed	Thu	Fri	Sat
High	89	91	91	94	80
Low	77	78	77	74	60

