
The Domino Effect:

How the Shale Revolution Is Transforming Energy Markets, Industries and Economies

By E. Russell Braziel

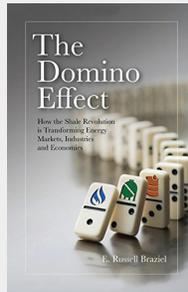
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Because of the U.S.' long history as an oil importer, its economy has suffered for many years due to oil price hikes stemming from oil supply shocks. The "shale revolution" promoted enormous oil and gas production and its development has increased the production of oil and natural gas resources abundantly in the U.S. The discovery of domestic energy resources has reduced U.S. dependence on imported energy and has made the U.S. an export country. Taking into consideration the latest developments, the U.S., which has begun to export energy resources, is expected to cause major changes in global energy markets.

The Domino Effect, How the Shale Revolution is Transforming Energy Markets, Industries and Economies describes the emergence of the shale revolution, provides a framework for understanding what will happen next, and offers an explanation of how shale will continue to drive the energy industry in the coming decades in the U.S. and throughout the world. Russell Braziel provides a simple and concise definition of the domino effect when considered within the context of the shale revolution. According to him, the domino effect shows how energy industries are being shaped by, and how they are in turn shaping, the shale revolution.

The Domino Effect is a valuable book that contributes a better understanding of shale



energy markets: prices, flows, infrastructure, value, and economics. It provides a critical examination of the response of those markets since the beginning of the shale revolution. It also proposes a framework for understanding what will happen after the revolution, and an elucidation of how shale will continue to

drive the energy industry in the coming decades in the U.S. and throughout the world.

A best-seller on Amazon, *The Domino Effect* examines the transformative effects of the shale revolution. Having shaped the world energy market for many years, the shale gas discovered in the U.S. in the recent years has enhanced the market. The U.S., long the world's most important importer of natural resources, has turned into an exporting country in recent years. Within this context, the book focuses on the shale revolution in the U.S. as it highlights a different perspective on shale gas.

The theme of this book is based upon a simple concept, intended to help the reader understand the reasons behind the approach to market analysis of the newly developed unconventional shale boom in North America. The author reveals what has happened over the past five years to oil and gas production, infrastructure and prices. Then, by making use of the Domino Effect concept, the author lays out what is likely to happen next.

To this end, the author structures his book into five parts that include twenty one chapters. In the first part, he explains the foundation of the domino effect as it has been playing out in the oil and gas industry, starting in the late 1990s.

Part two examines the energy commodity markets to provide an understanding of the current and future dominoes, and prepares the reader for learning how to use the energy market tools. The three chapters of this part provide an in-depth examination of how the three markets (Natural Gas, NGLs, and Crude Oil) developed and how each transacts business.

Braziel devotes part three to exploring how energy markets work. In the first two chapters he provides a foundation in production economics, detailing why drilling for shale and gas has become so much more productive in recent times. The following chapters examine how these production economics impact markets and why shale has changed everything about the interrelationship between energy commodities. The last three chapters include the ‘secrets of energy market behavior’: how supply, demand, and infrastructure interact to drive prices and how prices drive infrastructure investment.

In the fourth part, while explaining the dominoes that have dropped since the “Sweet Sixteen,” described as a framework and historical perspective for understanding the events in energy market novice, Braziel also looks forward to the dominoes likely to fall in the future. The Sweet Sixteen took the domino count through the end of 2012. In the sub-

sequent two years from December 2012 through 2014, the shale revolution continued to accelerate for all three of the Drill-Bit Hydrocarbons (DBHs). With all this increased production, prices continued to decrease.

The last part examines how the shale revolution will play out in the future, and how the domino effect can help make sense of upcoming market developments. To understand these dynamics, it is important to start with the reasons why the shale revolution has been confined to the U.S. The following chapters examine how the effects of the shale revolution are playing out on the world stage, and which dominoes can be expected to fall next and why. Finally, the last chapter of this part explains how the domino effect will drive energy markets for decades – if not centuries – to come.

In *The Domino Effect*, first of all, while the content of the book is consistent with its title, the author uses too many disparate concepts to describe the subject. Secondly, while describing these concepts, he uses a variety of different terms, making his argument at times difficult to follow. Despite all these shortcomings, Russell Braziel provides the reader with detailed information about the U.S. shale gas development. He has enriched the content of the book with examples, graphics, figures and concepts, while successfully describing the impacts of the domino effect, which is caused by shale gas, on today’s energy market. In this context, 30 dominoes have gained importance for the global energy market. In brief, I recommend this book to all readers who are interested in learning more about the history of shale gas in the U.S. and its future.