

THE Energy Council Quarterly

SPRING

2020

The Energy Council Meets amid the Mountains of West Virginia

Legislators and energy experts from several of the energy-producing states and provinces gathered in West Virginia December 5 - 8 for the Energy Council's 2019 Global Energy and Environmental Issues Conference.

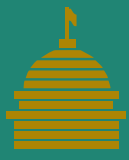
Global themed discussions ranged from increasing crude oil pipeline capacity between Canada and the U.S., international coal demand, and U.S./Mexico natural gas pipeline expansion. The first Energy Council meeting ever held in West Virginia began as Chairman and New Mexico Senator Steve Neville welcomed attendees to the state. Assisting in leadership duties during the conference were Alabama Senator Cam Ward, former Chairman of the Center for Legislative Energy and Environmental Research (CLEER) the Council Vice Chairman for the Global Energy and Environmental Issues Conference, West Virginia Delegate Bill Anderson.

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Photo credit: Dr. Glenn Juday

West Virginia Delegate Bill Anderson, Vice President of the Global Meeting; Alabama Senator Cam Ward, Acting Chairman of the Center for Legislative Energy and Environmental Research; Dr. Rachel McCormick, Consul General at Global Affairs Canada; and New Mexico Senator Steve Neville, Chairman of The Energy Council greet conference attendees before Dr. McCormick gave the Breakfast Address on Saturday, December 7.



The Energy Council

The Energy Council Quarterly is the official publication of the Energy Council, a legislative organization comprised of 14 states and two international affiliates, drawn from the major energy producing regions of the United States and Canada. The Energy Council provides a forum for discussing government policies regarding energy and the environment.

For information regarding the *Energy Council Quarterly* or the Energy Council, please contact:

The Energy Council

13760 Noel Road, Suite 1160

Dallas, Texas 75240

Phone: (972) 243-7788

Fax: (972) 243-7722

E-mail: energy@theenergycouncil.org

OFFICERS

Senator Steve Neville

New Mexico

Chairman

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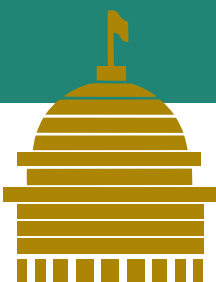
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Isela Vera

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Tell us what you think!

We welcome your suggestions and feedback. Please email erichards@theenergycouncil.org



The Energy Council welcomed back to Washington D.C. for the Federal Energy and Environmental Matters Conference

The Energy Council's 2020 Federal Energy and Environmental Matters Conference was held in Washington, D.C. March 12-15, 2020.

On Friday morning, March 13, The Opening Address was delivered by U.S. House of Representatives member Kelly Armstrong of North Dakota.

Some of the specific topics discussed at the 2020 Federal Energy and Environmental Matters Conference included:

- **Autonomous Vehicles' Impact on the Energy Industry**
- **The Status of the USMCA**
- **An Overview of the Affordable Clean Energy Rule**
- **States' Response to ACE**
- **How Federal Energy Regulations Impact the States**
- **The Future of the Strategic Petroleum Reserves**
- **Federal Energy Policy Trends**
- **Challenges Associated with Natural Gas Transmission Line Projects**

More information is available at www.theenergycouncil.org.

Meeting in West Virginia

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The Honorable Jim Justice, Governor of West Virginia, gave the Opening Address and warmly welcomed attendees to his state and to the conference. "For those who may be in West Virginia for the first time, you will find a state that is really moving," Governor Justice said. "West Virginia is the natural resource state and we are really proud of that fact." According to the Governor, whatever the demand is coal, oil and gas, timber or water, his state is abounding in natural resources beyond belief.

Governor Justice also took an opportunity to briefly discuss some key initiatives for West Virginia, such as the petrochemical and downstream manufacturing industries. The petrochemical industry would utilize the state's abundant oil and gas reserves to create a wide variety of commercial and industrial products and components, and is expected to create more than 100,000 jobs and bring in billions to the state's economy, according to Governor Justice.

In his closing, the governor maintained that from his standpoint, whether the discussion is coal or gas, no one should turn their back on any energy solutions; all forms of energy should be embraced.

Following the breakfast, attendees assembled for the conference general session. Mr. John Staub, Director of the Office of Petroleum, Natural Gas and Biofuels Analysis at the U.S. Energy Information Administration, began the first general session of the conference with a discussion on "Past Energy Trends and World Energy Outlook." Mr. Staub predicted that the United States will become a net energy exporter in 2020 for the first time since 1952. This change has been driven by strong shale gas and tight oil production growth over the past

decade, removal of crude oil export restrictions in 2015, and development of natural gas pipeline and liquefied natural gas (LNG) export capacity. He estimated that U.S. shale gas production was 72.5 billion cubic feet per day (Bcf/d) in October 2019, about 73 percent of total U.S. dry production (95 Bcf/d). He also estimated U.S. tight oil production was 8.1 one million barrels of oil per day (MMbbl/d) in October 2019, about 63 percent of total U.S. oil production (12.9 MMbbl/d).

Friday morning's panelists reported on "Increasing Crude Oil Pipeline Capacity between Canada and the U.S." Mr. Phillip Anderson, Senior Vice President of Business Development at Enbridge Liquid Pipelines, spoke first and stated that the United States is Canada's largest and most valued market for crude oil. In discussing the Canadian production outlook, he feels that the supply will grow sustainably with deployment of new technology that lowers costs and emissions. Mr. Anderson believes Canadian heavy



Photo credit: Dr. Glenn Juday

West Virginia Governor Jim Justice welcomed a conference attendee to The Energy Council's 2019 Global Energy and Environmental Issues Conference.

A "Grid Edge Technologies" update was given by Mr. Todd Hillman, Senior Vice President and Chief Customer Officer, MISO Energy. Mr. Hillman explained that the electricity industry is facing profound change, and with change comes opportunity. As the paradigm shifts towards the need for well-positioned markets, regional transmission and resource planning and footprint diversity, new partnerships and collaboration are paramount, Mr. Hillman concluded.

crude market share at the U.S. Gulf Coast, which accounts for half of the country's total refining capacity, is poised to grow.

Before closing out his presentation, Mr. Anderson gave attendees a status

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of some of Enbridge's key pipeline projects, such as Enbridge Line 3 Replacement – Canada; Enbridge Line 3 Replacement U.S.; Trans Mountain Pipeline; and Keystone XL.

The next speaker on this topic, Dr. Dean Foreman, Chief Economist at the American Petroleum Institute provided market perspectives on the topic. According to Dr. Foreman, U.S. household energy spending has fallen thanks to the energy revolution, and Canadian energy trade has remained vital. Decreased energy prices and spending have enabled households to cope with increased food, education and healthcare spending needs. Dr. Foreman feels that despite economic uncertainties, the global economy has needed more energy, and U.S. supply has stepped up.

U.S. refiners have needed Canadian heavy oil, and discounts widened in the fourth quarter of 2019 despite Alberta's production curtailments, Dr. Foreman reported. In closing, Dr. Foreman affirmed how strong the U.S. energy revolution has remained, but also addressed the importance of U.S.-Canada energy trade and specifically the market for Canadian heavy oil.

"Environmental, Social, and Governance Decision Making" was covered by Ms. Katie Sarro, Director of Policy at Business Roundtable. According to Ms. Sarro, there is no more challenging issue for the United States than how to preserve the free market system while ensuring the benefits of capitalism flow to every American. She shared with attendees that in August 2019, Business Roundtable announced the release of a new Statement on the Purpose of a Corporation. Signed by 182 CEOs who

committed to lead their companies for the benefit of all stakeholders – customers, employees, suppliers, communities and shareholders—the new Statement outlines a modern standard for corporate responsibility, Ms. Sarro stated.

Following the conclusion of Friday's General Session, the CLEER Program Advisory Board Planning Session, which gathered input for the 2020 Federal Energy and Environmental Issues Conference was held.

Saturday morning's Breakfast Address began with a topic entitled "North American Energy Innovation Partnerships." Dr. Rachel McCormick, Consul General for Canada to Arkansas, Louisiana, New Mexico, Oklahoma and Texas presented.

According to Dr. McCormick, Canada and the United States agreed to develop a joint action plan on critical minerals collaboration to improve mineral security and future competitiveness of our mineral industries, and to ensure secure and reliable supply chain, while diversifying from state-owned enterprise sourcing. Dr. McCormick stated that the Government of Canada has also launched a Small Modular Reactor Roadmap to guide development of a new generation of reactors at smaller scale with lower up-front capital costs and enhanced safety features.

The Boundary Dam in Saskatchewan continues to advance learning on carbon sequestration, while new technology is being deployed in West Texas to capture CO₂ directly from the atmosphere, Dr. McCormick said. LNG export facilities are under construction on Canada's West Coast, and there are opportunities for LNG

on Canada's East Coast.

Following the Breakfast Address, a panel discussion on "Innovations in Carbon Capture" was covered first by Mr. Jason Begger, Executive Director of the Wyoming Infrastructure Authority

Mr. Begger described how in 2014, the State of Wyoming invested in a one-of-a-kind carbon research facility at a coal-fired power plant. He said that in less than five years, researchers are working on carbon management technologies. Wyoming's multi-faceted approach, centered on technology, is now advancing how carbon can be captured and used.

Speaking next on the topic was Mr. William Swetra, Low Carbon Strategy Analyst for Occidental Petroleum. Mr. Swetra told attendees that in 2018, Occidental brought together innovative and diverse leaders from across the organization to form Oxy Low Carbon Ventures (OLCV), a wholly owned subsidiary, dedicated to pursuing low carbon opportunities. He recounted that the OLCV team has a dual objective – to enhance profitability and sustainability while meeting the challenge of reducing atmospheric greenhouse gas concentrations. In his closing, he said that Occidental continues to pursue a portfolio of development opportunities over multiple time horizons to advance Carbon Capture Utilization and Storage.

Mr. Greg Barnett, Oversight Manager for Nuclear Power Development at Georgia Power Company briefed meeting attendees on "Nuclear Power Innovations and Advancements." Mr. Barnett began the discussion by telling attendees that nuclear energy

is a secure, dependable source of power for the United States. Nuclear energy is not subject to unpredictable weather or climate conditions, and consumers benefit greatly from the fact that nuclear fuel costs fluctuate less often than other fuel sources, according to Mr. Barnett.

Mr. Barnett reported on Vogtle 3 and 4, the first new nuclear units built in the United States in the last three decades. As construction continues, Georgia Power remains focused on completing Vogtle units 3 and 4 with safety and quality as top priorities. Vogtle 3 and 4 is currently the largest jobs-producing construction project in the state of Georgia, with more than 8,000 workers currently on site and more than 800 permanent jobs available once the units begin operating. Once complete, the Vogtle site will produce enough safe, reliable, affordable electricity to power one-million Georgia homes and businesses, Mr. Barnett said in closing.

“International Coal Demand” was the subject presented by Chris Hamilton, Senior Vice President of the West Virginia Coal Association. According to Mr. Hamilton, coal accounts for 25 percent of U.S. electricity generation and world energy demand is growing. He noted that U.S. coal exports are booming; domestic generation is easing; and global coal demand is strong. He acknowledged that American natural gas and renewables are tough competitors. But new coal plants continue to be built in large numbers. In closing, Mr. Hamilton said that coal remains an essential part of our global energy mix and a key ingredient in steelmaking, and opportunities abound in the coal industry.

Addressing the “U.S./Mexico Natural Gas Pipeline Expansion” was Mr.

J.C. Thomas, Director of External Affairs, Semptra Energy. Mr. Thomas explained in his presentation that Semptra’s energy platforms are key facilitators of the energy transition. He highlighted a few of the Semptra Energy’s platform companies such as SoCalGas; Semptra LNG & Midstream; IEnova; and ONCOR.

In addition, IEnova develops, builds and operates energy infrastructure in Mexico and was one of the first private companies in the country to invest in the energy sector following the reforms that opened the market for energy infrastructure development. IEnova’s assets are divided in two segments: The natural gas segment includes pipelines, natural gas distribution and LNG; and the power generation segment includes wind and solar facilities. “Semptra Energy utility and infrastructure companies are on a collective mission to build North America’s premier energy infrastructure company,” Mr. Thomas said. “Semptra companies are working to develop new ideas, solve problems and reliably meet the needs of our employees, customers and the communities it serves.”

The topic of “Interconnection and Electricity Exports and Imports” was covered by Mr. Jacob Irving, President of the Energy Council of Canada.

Mr. Irving explained that Canada and the United States have an integrated and mutually beneficial electricity system. He also described how Canada is different but complimentary to the United States. More electricity cooperation between Canada and the United States is in the shared interest of both countries, he said.

Saturday afternoon’s CLEER University Advisory Board (UAB) Seminar was entitled “Fossil Energy Research and Development.” Dr. Brian Anderson,

Director of the U.S. Department of Energy’s National Energy Technology Laboratory, presented the seminar.

The National Energy Technology Laboratory (NETL) is one of the 17 U.S. Department of Energy (DOE) national laboratories, developing technological solutions to America’s energy challenges. In his lecture, Dr. Anderson highlighted the state-of-the-art carbon capture R&D and discussed crosscutting scientific and technological initiatives to meet some of the Nation’s most important energy challenges – delivering reliable, clean, low-cost, and low-carbon energy.

On US & Canada shared interest:
“More electricity cooperation between Canada and the U.S. is in the shared interest of both countries.”

Jacob Irving
President, Energy Council of Canada

For more than 100 years, NETL has been recognized for innovation, discovery, development, and deployment of fossil fuel technologies. Dr. Anderson recounted how forward-looking research and technology development as well as the laboratory’s multidisciplinary teams of talented researchers, post-graduate scientists, and promising interns, are consistently driving fossil energy innovation.

NEW MEMBER JOINS THE ENERGY COUNCIL'S EXECUTIVE COMMITTEE

ALBERTA

Member of Legislative Assembly Whitney Issik

MLA Whitney Issik was elected as the Member of the Legislative Assembly for Calgary-Glenmore in 2019.

She currently serves on the Standing Committee on Privileges and Elections, Standing Orders and Printing and also on the Standing Committee on Alberta's Economic Future.

She resides in Calgary with her husband of 30 years and has two grown children.



Whitney Issik
Member of Legislative
Assembly



Members of The Energy Council visited the Blue Knob Surface Mine in West Virginia as part of the 2019 Global Energy Environmental Matters Conference.

Photo credit: Dr. Glenn Juday

CLEER WELCOMES NEW PROGRAM ADVISORY BOARD MEMBERS

SPIRE ENERGY

Spire is the fifth largest publicly traded natural gas company in the country, serving more than 1.7 million customers every day. Spire's gas utilities in Alabama, Mississippi and Missouri help families and business owners by delivering natural gas to fuel their daily lives. Other natural gas-related businesses operated by Spire include Spire Marketing (TX), Spire Storage (WY) and STL Pipeline, a 65-mile natural gas supply pipeline which will provide St. Louis with access to lower-cost shale gas from the Marcellus and Utica producing regions.



Chase Wright
Governmental Affairs

Chase Wright has over 10 years of experience in the natural gas distribution industry working in GIS/Engineering, Operations, and M&A Integrations. In his current role, Chase assists in Spire's regulatory and legislative advocacy in the states of Alabama and Mississippi. He functions as a liaison and lobbyist for Spire by developing and maintaining positive working relationships and communication with state legislators, state regulators, and local governments.

Chase holds undergraduate and graduate degrees from the University of North Alabama in Florence, Alabama.

2101 6th Ave North
Birmingham, AL 35203
Cell: 205-383-8165
E-Mail: chase.wright@spireenergy.com

Kyle Rogers joined Spire in 2018 as Vice President of External Affairs. In his role, Rogers leads Spire's regulatory and legislative advocacy in the states of Alabama and Mississippi, while also representing the company before Congress and various federal agencies.

Prior to joining Spire, Rogers spent nearly twenty years at the American Gas Association in Washington, DC, serving as Vice President of Government Affairs. Prior to joining AGA, Rogers held the position of Director of Government Relations for the Travel Industry Association and worked on numerous education and immigration related issues.

Kyle is a graduate of Erskine College in Due West, South Carolina.

2101 6th Ave North
Birmingham, AL 35203
Cell: 205-645-7722
E-Mail: kyle.rogers@spireenergy.com



Kyle Rogers
Vice President, External
Affairs



The Energy Council's 2019 Global Energy and Environmental Issues Conference

December 5-7, 2019

White Sulphur Springs, West Virginia

Welcome Remarks and Opening Address

The Honorable Steve Neville
New Mexico Senate and
Chairman, The Energy Council

The Honorable Cam Ward
Alabama Senate and
Past Chairman, CLEER

The Honorable Bill Anderson
West Virginia House of Delegates
and Vice President, Global Energy &
Environmental Issues Conference

Opening Address

The Honorable Jim Justice
West Virginia Governor

Past Energy Trends and World Energy Outlook

Mr. John Staub, Director
Office of Petroleum, Natural Gas
and Biofuels Analysis
U.S. Energy Information
Administration

Grid Edge Technologies

Mr. Todd Hillman
Senior Vice President and Chief
Customer Officer
MISO Energy

Increasing Crude Oil Pipeline Capacity between Canada and the U.S.

Mr. Phillip Anderson
Senior Vice President of Business
Development
Enbridge Liquid Pipelines

Mr. Dean Foreman
Chief Economist
American Petroleum Institute

Environmental, Social, and Governance Decision Making

Ms. Katie Sarro
Director, Policy
Business Roundtable

Breakfast Address: North American Energy Innovation Partnerships

Dr. Rachel McCormick, Consul
General for Arkansas, Louisiana,
New Mexico, Oklahoma and Texas
Canada

Innovations in Carbon Capture

Mr. Jason Begger
Executive Director
Wyoming Infrastructure Authority

Mr. William Swetra
Low Carbon Strategy Analyst
Occidental Petroleum

Nuclear Power Innovations and Advancements

Mr. Greg Barnett
Oversight Manager
for Nuclear Power Development
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International Coal Demand

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UAB Seminar: Fossil Energy Research and Development

Dr. Brian Anderson, Director
U.S. Department of Energy's
National Energy Technology
Laboratory