

# THE Energy Council News

FALL

2022

## The Energy Council Welcomed Back to Texas for the 2022 Annual Meeting



*The Energy Council's leadership team for the 2022 Annual Meeting held in San Antonio, Texas were (L-R) Alaska Senator and Chairman of CLEER, Click Bishop; Texas Representative and Incoming CLEER Chairman, Drew Darby; Texas Senator Charles Schwertner; and Arkansas Representative and Energy Council Chairman, Rick Beck.*

In a setting iconic to Texas, nestled along the historic River Walk in San Antonio, The Energy Council's 2022 Annual Meeting was held September 15-18. Grid reliability, critical infrastructure, and federal energy policy were a few topics at the forefront of discussions.

Presiding over the meeting was Chairman of the Energy Council, Arkansas Representative Rick Beck, and Chairman of the Center for Legislative Energy and Environmental Research (CLEER), Alaska Senator Click Bishop. Texas Representative

Drew Darby and Senator Charles Schwertner served as Co-Vice Presidents for the Annual Meeting, assisting with leadership duties for the conference.

Texas Speaker of the House Dade Phelan welcomed attendees to the state. The Speaker took an opportunity to boast about Texas revenue numbers that he feels are elevated by the oil and gas industry. "It is pretty phenomenal what we are seeing here in Texas in regards to our general revenue," Speaker Phelan said. He added that Texas'

general revenue increased to nearly \$16 billion over the past two years and tax collections increased to \$77 billion, which is an increase of 25 percent. It is good for the state; however, the Speaker noted that the consumer is paying more for goods and services due to price increases due to inflation.

Oil and gas production revenue increased to \$6.36 billion and natural gas production totaled \$4.47 billion. "We are on track to add approximately 637,000 new jobs in the state. These are all phenomenal numbers for our state and we know that the oil and gas industry is a big driver that has vaulted Texas' economy," Phelan concluded.

"New Technologies" was reported on by Mr. Asa Carre-Burritt, Business Development Director for Bridger Photonics. Mr. Carre-Burritt explained that Bridger Photonics enables the oil and gas industry to manage their methane emissions by supplying data from Gas Mapping LiDAR, which is a next-generation methane emissions detection and quantification technology. This technology leverages unique laser-based remote sensing to sensitively detect, accurately quantify, and precisely locate the important methane emissions from natural gas

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## The Energy Council

The Energy Council News 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 News* 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](mailto:energy@theenergycouncil.org)

### OFFICERS

*Representative Rick Beck*  
Arkansas  
Chairman

*Tara Shaw*  
Secretary, Treasurer and Executive Director

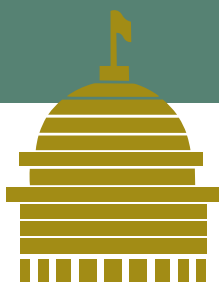
### STAFF

*Evy Richards, CMP*  
Manager - Meeting Planning/Publications

*Isela Vera*  
Manager - Administrative

### *Tell us what you think!*

We welcome your suggestions and feedback. Please email [erichards@theenergycouncil.org](mailto:erichards@theenergycouncil.org)



## The Energy Council Unanimously Adopts “North American Energy Security” Policy Statement

The United States had 38.2 billion barrels of proved crude oil reserves, 473.3 trillion cubic feet of proved natural gas reserves, and 472 billion short tons of coal in the demonstrated reserve base in 2020. Canada has 166.7 billion barrels of proven oil reserves and Mexico has an estimated 5.8 billion barrels of proved crude oil reserves. Additionally, the Outer Continental Shelf areas of the U.S. are estimated to contain 68.79 billion barrels of undiscovered oil and 229.03 trillion cubic feet of gas, and the National Petroleum Reserve in Alaska contains an estimated 3.6 billion barrels of undiscovered oil and an estimated 8.9 trillion cubic feet of natural gas.

Despite the abundant fossil fuels available in North America, Administration officials discussed energy security with Venezuelan President Nicolás Maduro even though the country has been under U.S. oil sanctions since 2019. At the same time, the Administration has targeted Saudi Arabia and the United Arab Emirates for increased oil production while suspending the Arctic National Wildlife Refuge lease sales called for in the Tax Cuts and Jobs Act of 2017. While acknowledging that there currently “isn’t enough supply” to meet current demand for oil and gas, the President authorized the release of 1 million barrels per day from the Strategic Petroleum Reserve with no plan to replenish the Reserve.

The Energy Council urges federal policymakers to increase federal lease sales and develop and implement a five-year plan for offshore leasing in order to increase the amount of oil and gas produced in the United States. The Council also urges federal officials to prioritize the construction of pipelines and other infrastructure to transport oil and gas across North America and to our allies abroad.

This policy statement, passed unanimously at the Energy Council meeting on June 12, 2022, was distributed to the President of the United States of America, the Secretary of the U.S. Department of Energy, the Secretary of U.S. Department of Interior, the Secretary of the U.S. Department of State, the Secretary of the U.S. Department of Transportation, the Administrator of the U.S. Environmental Protection Agency and the Energy Council’s Congressional delegations; as well as the energy ministers of the Council’s member Canadian provinces, the Prime Minister of Canada, the Minister of Natural Resources Canada, and the Minister of Environment and Climate Change of Canada.

A copy of this policy statement is available by contacting The Energy Council’s office.

# 2022 Annual Meeting in Texas

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Texas Speaker of the House Dade Phelan welcomed attendees back to the state for the 2022 Annual Meeting.

infrastructure. According to Mr. Carre-Burritt, deployment at scale provides oil and gas operators with a clear overall picture of methane emissions.

A panel discussion on “Reliability Challenges for RTOs and ISOs” was covered by Mr. Chad Allen, Regional External Affairs Director, MISO, and Mr. Warren Lasher, President, Lasher Energy Consulting, LLC. The first to speak was Mr. Allen. In his brief overview of the company, he explained that MISO is an independent, not-for-profit Regional Transmission Organization serving 15 U.S. states and one Canadian province. He then discussed Regional Transmission Organization (RTO) and Independent System Operator (ISO) reliability challenges.

He stressed there has been significant progress made, but there are still considerable hurdles for reliability, such as early-stage technology costs must come down and secure supply chains and skilled workforces must be available; siting and permitting must accelerate for large-scale

deployments; and investments must be made in a highly inflationary economy. In his conclusion, he said that the last two years have seen dynamics shift in the power sector, highlighting the need to balance decarbonization, affordability, and system reliability.

Next on the panel was Mr. Lasher, who feels that the rapid change in technologies on the electrical grid is affecting reliability in several different ways. Some of these impacts are apparent, some are less so. Although Texas is different from other regions in many respects, Mr. Lasher believes some lessons can be learned from recent events in Texas that apply to other states, including the value of flexibility in transmission capability, the need to understand the benefits and impacts of new technologies, and the need to periodically reassess gaps in responsibilities.

Mr. Todd Jonas, Senior Vice President of Operations for Tenaska, presented the topic “Critical Infrastructure.” He explained that weatherization of

generating facilities has progressed and improved over the decades, driven by extreme events in 2011 and 2021. According to Mr. Jonas, new regulations are more forward-looking at using new temperature criteria on which to base weatherization activities, but these new requirements will require additional capital expenditures. The ultimate beneficiary of these new requirements is not the generator but the end user of the energy, so Mr. Jonas believes the end user, as the recipient of the benefit of more reliable energy during extreme weather conditions, should bear the cost of these new weatherization requirements.

“ESG Effects on Financing the Energy Industry” was covered by Mr. Bud Brigham, Executive Chairman and Director for Brigham Minerals. Mr. Brigham stated that the fiduciary responsibility of managers to make decisions in the financial interests of the shareholders has generated unprecedented and sustainable human flourishing as well as clean air and water. Mr. Brigham said that ESG, stakeholder capitalism, and conscious capitalism are all veiled attacks on private property rights and economic liberty. They are attempts to co-opt or take control of commercial enterprises for special interest agendas, he concluded.

Mr. Matthew Jaramillo, Government Affairs Manager for PNM Resources, briefed attendees on “Wildfire Risks and Relief.” Mr. Jaramillo explained that 2022 was a challenging year related to wildfires. He stressed that there is a need for governments, elected officials, energy companies, and communities to come together to

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# 2022 Annual Meeting in Texas

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Co-panelists Mr. Chad Allen, Regional External Affairs Director for MISO Energy (center) and Mr. Warren Lasher, President of Lasher Energy Consulting (right) spoke on "Reliability Challenges for RTOs and ISOs." The Energy Council Chairman and Arkansas Representative Rick Beck (left) thanked both for their support of The Energy Council's 2022 Annual Meeting.

discuss fire mitigation policies, plans, and procedures on a state level that protect our communities and allow the energy companies the flexibility to develop mitigations plans that incorporate flexibility and proactive planning throughout very fluid and unpredictable situations.

A panel discussion on "Baseload Generation" was held by Mr. Casey Kelley, Director, State Government Affairs at Constellation, and Ms. Michele Richmond, Executive Director of Texas Competitive Power Advocates. Mr. Kelley stated that baseload generation provides grid reliability and resilience. It provides power that runs around the clock. Constellation has a diverse generation portfolio that serves the nation's energy needs with a mix of carbon-free and low-carbon resources, including nuclear, hydroelectric, wind, and solar facilities. Today, its fleet is more than four times cleaner than its

nearest industry peer, according to Mr. Kelley.

He noted that each resource has its attribute, and that wind and solar bring low-cost energy to Texas but are dependent on weather. Gas, coal, and nuclear can be used when needed. "Texas loves its energy, and Texas is growing. With businesses and industries coming, we will need to address the issues of baseload generation," he concluded.

Speaking next was Ms. Richmond. She discussed the need for stability in the electric market design. She said investors won't put their money into the market until they know what the rules are. She added that the reliability that ERCOT wants should be achieved through the competitive market, not through top-down regulation. For example, some of the generator units presently online are

40-70 years old and probably would be candidates for retirement, but they are being pushed harder than ever to ensure grid reliability. Requiring these units to stay online through the "reliability must run" designation is exponentially more expensive to consumers, she said.

According to Richmond, there is no revenue stability in this market, in part because reliability requirements are not being achieved through the competitive market. Companies have tried to build gas plants for 5-7 years and can't get financing. Additionally, if the market design is delayed pending legislative action in 2023, the conditions experienced throughout the present and previous years will continue and likely be exacerbated.

The Energy Council's attendees had an opportunity to visit the Guadalupe Energy Center on Friday afternoon. The walking tour gave attendees an in-depth look at two generation blocks, each consisting of two GE 7FA combustion turbines, two heat recovery steam generators, and one GE steam turbine. The Friday, September 16 visit was organized by CLEER member Ms. Michelle Richmond of Texas Competitive Power Advocates.

Dr. Scott Tinker, Director of the Texas Bureau of Economic Geology gave a breakfast address entitled "Energy Access." Dr. Tinker stated that the world faces two important and interrelated challenges: affordable and reliable energy for all and protecting the environment. The energy-environment challenge is not simple, but it is solvable if we understand and address the complex fabric of energy security, scale of energy demand, physics of

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energy density, distribution of energy resources, the interconnectedness of the land, air, water, and atmosphere, and the extreme disparity in global wealth and economic health, Dr. Tinker said. The truth, he added, is that there are no good and bad, clean and dirty, renewable and nonrenewable energy sources. They all have benefits, and they all have challenges. Climate change is an important issue, but it is not the only environmental issue. Solar and wind are important low-carbon solutions, but they are only part of the solution. Shaming is destructive. We must put our best minds to the task of addressing the dual challenge, working together to better the world, he concluded.

Mr. Benny Ethridge, Executive Vice President of Energy Supply for CPS reported on “Load Following Power Plants.” Mr. Ethridge explained the four different types of generation resources and how they are used: peaking generation to minimize capacity shortages and costs over short periods; intermediate generation to balance



Dr. Scott Tinker, Director of the Texas Bureau of Economic Geology gave Saturday morning's Breakfast Address at the 2022 Annual Meeting on the topic of “Energy Access.”



Mr. Casey Kelley, Director, State Government Affairs for Constellation Energy and Ms. Michele Richmond, Executive Director for Texas Competitive Power Advocates provided insight into the status of “Baseload Generation” in Texas.

the resource needs of the system between peak and baseload daily; renewable generation to minimize emissions and energy costs over long periods; and baseload generation to minimize fuel and energy costs over long periods. In closing, Mr. Ethridge said that load-following generation resources are key to grid reliability and heavily dependent on natural gas technology. He feels that more flexible, faster-responding, carbon-neutral resources are needed, with innovation being key to deploying large-scale, long-duration storage and economical carbon capture to support grid transformation.

“Federal Energy Policy” was the topic of discussion for Mr. Filemon B. Vela, Partner, Akin, Gump, Strauss, Hauer & Field. Mr. Vela explained that President Biden’s Federal Energy Policy should be put into context. He briefed attendees on each element of the policy as he had a front-row seat in the efforts that went into getting legislation passed through Congress. He first discussed the bipartisan infrastructure law, which includes funding for a range of transportation

needs, such as roads, bridges, public transportation, electric vehicle infrastructure, and more. He then discussed the Inflation Reduction Act, which aims to curb inflation by reducing the deficit and investing in domestic energy while promoting clean energy and permitting reform to accelerate delivery of infrastructure.

Next on the agenda was a panel discussion about “Advances in Carbon Capture.” The first to speak was Mr. Al Collins, Chief Policy Officer for Occidental Petroleum. Mr. Collins covered Oxy’s four key elements for achieving net-zero emissions before 2050. The company’s foreseeable plan is to revolutionize carbon management by applying over 50 years of leadership in CO<sub>2</sub> separation, transportation, use, recycling, and storage; reduce emissions across operations through employee-driven innovation and state-of-the-art, cost-

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effective technologies; reuse and recycle CO<sub>2</sub> with technologies and partnerships that use captured CO<sub>2</sub> to enhance existing products and produce new low-carbon or zero-emissions products; and remove existing CO<sub>2</sub> from the atmosphere for beneficial use and safe, permanent sequestration.

The second speaker was Mr. John Colyandro, Executive Director for the Carbon Neutral Coalition (CNC). Mr. Collyandro stated that the mission of CNC is to establish the legal, regulatory, and economic framework that will enable a thriving CCUS industry so that Texas can: meet energy demand; reduce carbon emissions; maintain a robust economy, save energy jobs; and provide a good standard of living, affordable energy, and new products derived from carbon capture. He also noted that in a poll conducted by an independent company in 2022 among 1001 Texas voters, 66 percent favored carbon capture utilization and storage in Texas to reduce carbon emissions in the atmosphere, and only 19 percent opposed it. Sixty-five percent of Texas voters favor the state creating the financial incentives and policies so that a marketplace can emerge that will encourage companies to capture, utilize and store the carbon dioxide that comes from fossil fuels and other industrial emissions, according to Mr. Colyandro.

“The Changing Landscape for Transportation” was covered by the Honorable Alvin New, Commissioner, Texas Department of Transportation, and Dr. Allen Parrish, Executive Director, Alabama Transportation Institute (ATI). Commissioner New spoke first and highlighted how Texas’ statewide and rural connectivity network supports the state’s key

economic sectors. Agriculture production generates approximately \$34.9 billion a year in sales statewide and \$12.6 billion in GDP; energy production in 2020 accounted for 39 percent of U.S. crude oil production and \$9 billion in state, the lumber industry contributed \$21.4 billion to the Texas economy, including \$4.3 billion in income to 68,917 workers; and Texas military bases generated over 600,000 thousand in direct and indirect employment and added \$75 billion to the State’s GDP.

Next on the panel, Dr. Parrish provided an overview of the future of the automotive industry and the impact of renewable energy technologies on that industry. He also discussed the world perspective toward electric vehicles, as well as the impact of automation and connected infrastructure. According to Dr. Parrish, the changing landscape of transportation is autonomous driving, which is the gradual introduction of assisted driving systems; the gradual introduction of infrastructure connectivity; shared mobility including ride sharing; and electric vehicles. Dr. Parrish added that with a finite supply, security challenges, and environmental consequences associated with fossil fuel consumption, the world has begun preparing for a global shift in how future transportation will be powered. Through the academic research and in partnership with a range of industry and governmental stakeholders, ATI will continue to be at the forefront of leading the research for designing the next generation of electric vehicles and the infrastructure necessary to integrate them into the transportation system, Dr. Parrish concluded.

“Non-variable Renewable Energy”

was the topic of the CLEER University Advisory Board (UAB) Seminar. The seminar was led by Dr. Peter Green, Deputy Laboratory Director of the National Renewable Energy Laboratory. Dr. Green feels that decarbonization goals can be met by electrification of end-use technologies and decarbonizing power generation sources; energy efficiency and reducing demand; use of low- to zero-carbon liquid or gas fuels: hydrogen, synthetic hydrocarbon fuels, ammonia, methanol; and the capture, sequester and/or utilization of CO<sub>2</sub> to reduce emissions from fossil fuel. In closing, he stated there are numerous pathways, based on different scenarios, to enable a future energy system that is 100 percent renewable energy. Wind and solar power capacities will increase significantly and advances in geothermal and nuclear energy by 2050 could have the added impact of eliminating the use of natural gas and coal. All communities must be part of the solution, he said.

The 2022 Annual Meeting concluded on Sunday, September 18 with The Energy Council and CLEER Business meetings at which 2022-2023 leadership elections were held.

The CLEER Program Advisory Board Planning Session, which gathered input for the 2022 Global Energy and Environmental Issues Conference, closed out the Sunday session.

# The Energy Council's 2022 Annual Meeting September 15-18, 2022 *San Antonio, Texas*

## **Welcome Breakfast and Opening Address**

The Honorable Rick Beck  
Arkansas House of Representatives  
and Chairman, The Energy Council

The Honorable Click Bishop  
Alaska Senate and Chairman, CLEER

The Honorable Drew Darby  
Texas House of Representatives and  
Vice President, Annual Meeting

The Honorable Charles Schwertner  
Texas Senate and  
Vice President, Annual Meeting

The Honorable Dade Phelan  
Speaker, Texas House of  
Representatives

## **New Technologies**

Mr. Asa Carre-Burritt  
Business Development Director  
Bridger Photonics

## **Reliability Challenges for RTOs and ISOs**

Mr. Chad Allen  
Regional External Affairs Director  
MISO

Mr. Warren Lasher  
President  
Lasher Energy Consulting, LLC

## **Critical Infrastructure Weatherization**

Mr. Todd Jonas  
Senior Vice President of Operations  
Tenaska

## **ESG Effects on Financing the Energy Industry**

Mr. Bud Brigham  
Executive Chairman and Director  
Brigham Minerals

## **Wildfire Risks and Relief**

Mr. Matthew Jaramillo  
Director for Government Affairs  
Public Service Company of New Mexico

## **Baseload Generation**

Ms. Michele Richmond  
Executive Director  
Texas Competitive Power Advocates  
(TCPA)

Mr. Casey Kelley  
Director, State Government Affairs  
Constellation

## **Breakfast Address: Energy Access**

Dr. Scott Tinker  
Director  
Texas Bureau of Economic Geology

## **Load Following Power Plants**

Mr. Benny Ethridge  
Executive Vice President of Energy Supply  
CPS

## **Federal Energy Policy**

Mr. Filemon B. Vela  
Partner  
Akin, Gump, Strauss, Hauer & Field

## **Advances in Carbon Capture**

Mr. Al Collins  
Chief Policy Officer  
Occidental Petroleum Corporation

Mr. John Colyandro  
Executive Director  
Carbon Neutral Coalition

## **The Changing Landscape for Transportation**

The Honorable Alvin New  
Commissioner  
Texas Department of Transportation

Dr. Allen Parrish  
Executive Director  
Alabama Transportation Institute

## **Global Meeting Update**

## **UAB Seminar: Non-variable Renewable Energy**

Dr. Peter Green  
Deputy Laboratory Director  
National Renewable Energy  
Laboratory Commission

## **Working Breakfast: Energy Council and CLEER Business Sessions and CLEER Program Advisory Board Meeting**