

# THE Energy Council Quarterly

FALL

2019

## The 2019 State and Provincial Trends in Energy and the Environment Conference Convenes on the Gulf Coast

The 2019 State and Provincial Trends in Energy and the Environment Conference took place in Biloxi, Mississippi on June 13-16. Discussion topics ranged from State Oil and Gas Regulatory Programs to The Gulf Coast's Role in U.S. Energy Exports. Additionally, meeting participants had a unique opportunity to tour Chevron's Pascagoula Refinery.

Chairman of the Energy Council, Kansas Representative Kyle

Hoffman, and Chairman for the Center for Legislative Energy and Environmental Research (CLEER), Arkansas Representative Ken Bragg, presided over the meeting. Mississippi Senator Briggs Hopson and Representative Jim Beckett served as Co-Vice Presidents for the Conference, assisting with leadership duties for the conference.

The Opening Address on "State Oil and Gas Regulatory Programs – Adoptions to Evolving

Technology" was given by Mr. Ryan Hoffman, Director, Kansas Oil & Gas Conservation Division. "Technological advances in the oil and gas industry present unique challenges to State Oil and Gas regulatory programs," Mr. Hoffman said. He told participants that one of these challenges is induced seismic activity associated with horizontal well production and large volume disposal operations. To effectively address prior trends and mitigate future risks, State Oil and Gas regulatory programs must communicate with the regulated industry, regulatory programs from other jurisdictions, and national organizations to adapt their programs to issues associated with technological advances, Mr. Hoffman concluded.

Next on the agenda was Mr. Chuck Caisley, Senior Vice President of Marketing, Public Affairs & Chief Customer Officer, Evergy, Inc. He reported on "Preparing States for a Higher Electric Vehicle Market Share."

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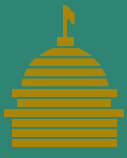


Participants at the 2019 State and Provincial Trends Conference visited the Chevron Refinery in Pascagoula, MS. Operations began at the refinery in 1963 and 351,000 barrels of crude oil are processed at the refinery each day.

## The Energy Council Quarterly Goes Digital

We are excited to announce that future editions of The Energy Council Quarterly will be emailed to members and available on the home page of [www.theenergycouncil.org](http://www.theenergycouncil.org)!

If you would like to continue receiving The Energy Council Quarterly in the mail, please email the Council at [energy@theenergycouncil.org](mailto:energy@theenergycouncil.org) or call 972-243-7788.



## The Energy Council

The Energy Council Quarterly is the official publication of the Energy Council, a legislative organization comprised of 13 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:

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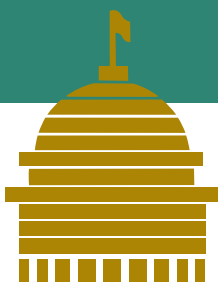
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We welcome your suggestions and feedback. Please email [erichards@theenergycouncil.org](mailto:erichards@theenergycouncil.org)



# The Energy Council Returns to Alaska

The Energy Council's 2019 Annual Meeting takes place in Anchorage, Alaska September 19-21, for the first time since 2011.

Welcoming attendees to the conference will be Kansas Representative Kyle Hoffman, The Energy Council Chairman; Arkansas Representative Ken Bragg, Chairman of the Center for Legislative Energy and Environmental Research (CLEER); Alaska Senate President Cathy Giessel; and Alaska Senator Bert Stedman, who will both serve as Co-Vice Presidents for the 2019 Annual Meeting.

The meeting begins on Thursday evening, with a Welcome Reception. It will conclude on Saturday evening, which will allow for a travel day on Sunday.

Among discussion topics to be considered at the 2019 Annual Meeting are:

- **Unconventional Unconventionals**
- **The Challenges of a 100 Percent Renewable Energy Future**
- **Domestic Impacts of Alaska's Role in Global Energy Trade**
- **Integrating the Next Generation of Transportation and Energy Infrastructure**
- **Community Distributive Generation**
- **The Potential for Large Pump Hydroelectric Capacity in the West**
- **The International Maritime Organization's 2020 Sulfur Limit Regulations**
- **Grid Modernization with Equity in Mind**
- **Work Force Challenges for the Energy Sector**
- **Post Clean Water Plan – What's Next?**
- **North America Energy Security – the U.S. and Canada and Continental Trade**
- **CLEER UAB Seminar: Water Issues Associated with Energy Production**

More information is available at [www.theenergycouncil.org](http://www.theenergycouncil.org).

# State and Provincial Trends

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Standing (left to right): Arkansas Representative Ken Bragg, Chairman of CLEER; Mississippi Senator Briggs Hopson; Kansas Representative Kyle Hoffman, Chairman of The Energy Council; Kansas Corporation Commission Director Ryan Hoffman; and Mississippi Representative Jim Beckett opened the 2019 State and Provincial Trends General Session in Biloxi.

According to Mr. Caisley data shows that states must be prepared by providing the following to consumers:

- Smart electrification;
- Proactive policymaking;
- Economic development;
- Customer programs;
- Utility cost and infrastructure advantages; and,
- Improved environment.

A “Canadian Oil Pipeline Update” was given by Mr. Jonathan Timlin, Vice President of Projects, National Energy Board (NEB). According to Mr. Timlin, the sphere in which energy regulators operate in the 21st century is in constant flux and unpredictable. Canadians count on the National Energy Board, Canada’s federal energy regulator, to keep them safe and protect the environment, and to help achieve reconciliation with Indigenous peoples. “The NEB will continue to focus on the activities that improve the services of Canadian’s regulatory framework, requirements and performance,” Mr. Timlin said in his conclusion.

Friday morning’s panelists reported on “Tribal and First Nations Law and Energy Law in North America.” The Honorable Affie Ellis, Chairman,

Select Committee on Tribal Relations, Wyoming Senate and Professor Lindsay Robertson, Chickasaw Nation Endowed Chair in Native Law, University of Oklahoma College of Law presented.

Senator Ellis began the discussion explaining that there are more than 570 federally recognized Indian tribes in the U.S. “It is really important when dealing with an Indian nation to recognize that, and to recognize there is not one set story or document you can read, each tribe has their own unique history with the government,” Senator Ellis said.

She briefly discussed the Dakota Access Pipeline (DAPL), the Standing Rock Indian Reservation, and the associated mass protests. Senator Ellis encouraged proponents of similar energy projects to bear the lessons of DAPL in mind, and encouraged robust tribal consultation to ensure the project’s success.

In Wyoming, Senator Ellis said, an example of the energy industry’s effective use of tribal consultation is the Ruby Pipeline Project (Ruby), a 700-mile interstate pipeline completed in 2011 that delivers

natural gas produced in the Rockies Basin to the West Coast. As with DAPL, Ruby does not cross any Indian reservation lands but passes through former treaty and aboriginal lands of various tribes. The Council of Energy Resource Tribes, a tribal advocacy organization, assisted Ruby’s owner in strengthening tribes’ ability to participate in tribal consultation.

The next speaker on this topic, Professor Lindsay Robertson, stated that tribes and First Nations, states and the private sector could together achieve economic development goals unattainable by any two of these operating without the other. A broader knowledge of the rules governing the legal relations among the three, however, is essential to successful cooperation. Professor Robertson spoke about aspects of this relationship that can materially affect business relations and explored avenues to education.

Addressing “Trends in Refining” was Ms. Susan Grissom, Director and Chief Industry Analyst, American Fuel & Petrochemical Manufacturers. Ms. Grissom gave attendees an overview of the refining industry, the refining process and a discussion of current issues and trends in refining. She also took an opportunity to detail the upcoming change in the sulfur specification for marine fuel mandated by the International Maritime Organization, and the impact of sanctions on the global crude supply and crude supply to U.S. refineries.

On Friday afternoon following the last general session, Chevron’s Pascagoula Refinery hosted The Energy Council for a tour of its facilities. Since beginning operation in 1963, Chevron’s Pascagoula

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# State and Provincial Trends

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Refinery has grown to be the corporation's largest U.S. refinery and one of the top petroleum refineries in the United States. The refinery's success is built upon Chevron's business and community partnerships with the people of Jackson County, Mississippi, as well as the production of quality products in ways that are compatible with the community and the environment.

Saturday morning's "Breakfast Address: Distribution System Planning & Electric Grid Reliability & Resiliency," was given by Mr. Anthony Wilson, Chairman, President and CEO, Mississippi Power. "One of the many advantages of being a Mississippi Power customer is being a part of much larger system. This makes a significant difference when you are talking about restoration efforts, innovation initiatives and technological advances," Mr. Wilson said.

Mississippi Power is part of Southern Company, the second largest energy company in the United States. With the company's power delivery system of transmission and distribution, there are about 172-thousand miles of power lines strewn across the system. Considering Southern Company's footprint, we have to be ready in this part of the country to respond to threats to our customers' livelihood and our electric infrastructure, Mr. Wilson said.

Mississippi Power has collaborated with the Navy's Seabee Base to install solar energy to help ensure their resilience; collaborated with local communities to install lighting and surveillance cameras to make neighborhoods safer; and has electrified critical assets at the Port of Gulfport to power Mississippi's growth as a state.

"The Gulf Coast's Role in U.S. Energy Exports" was covered by Mr. Robert McDonald, Senior Analyst, Value Chain Optimization-U.S. East & Latin America, Chevron Corporation.

Mr. McDonald stated that the U.S. Gulf Coast Products Export market is dynamic and highly liquid with export volumes fluctuating over time, primarily driven by supply and demand fundamentals. He noted that additional factors that influence actual export levels include refinery design, degree of refining and marketing integration and location of markets, government policies, logistical constraints, and other elements, such as shipping freight rates that affect the economics of export opportunities. In his conclusion, he said that Chevron would explore these issues using Chevron's US Gulf Coast refineries as specific examples of how to apply the Products Export framework.

A panel discussion entitled "Policy Integration & Innovation: Approaches, Challenges, Solutions and Success Stories in Clean Energy," was next on the agenda. The two panelists were Dr. Sumesh Arora, Energy Director, Mississippi Development Authority and Mr. Patrick Sullivan, President, Mississippi Energy Institute.

Dr. Arora spoke first on the topic and noted that Mississippi's energy economy contributes over 15 percent to the state's GDP and generates \$1.1 billion annually in state and local taxes. The mission of the Energy and Natural Resources Division at the Mississippi Development Authority is to strengthen the state's energy economy by promoting its vast natural resources, encouraging energy efficiency, supporting energy workforce development and enhancing energy security. According to Dr. Arora, Mississippi presents several exciting opportunities for the

growth of clean energy businesses based on available policy mechanisms and advanced research conducted by the state universities.

Mr. Sullivan spoke next on the panel. He stated that for some time now there has not been a coherent federal energy policy. He added that energy policy is not a partisan issue, but a regional issue. "States that are like-minded and have the same goals see the value of having affordable, available, reliable, and sustainable energy for their communities," Sullivan said.

Sullivan noted that energy demand is expected to increase 30 to 40 percent by 2040. That is tantamount to adding two more USA-sized consumers to the globe. He estimated the growth will require an additional 14.3 billion barrels of oil each year; 200 new nuclear power plants; 850 new natural gas plants; 524 new coal plants; and other additional energy infrastructure support. In complex, expensive energy systems, planning now will be essential in order to maintain the level of comfort we expect.

"Stranded Assets Tools" was the subject presented by the Honorable Steve Neville, Ranking Member, Senate Finance Committee, New Mexico Senate. Senator Neville explained that stranded assets are assets that have suffered from unanticipated or premature write-downs, devaluations or conversions to liabilities. According to the Senator, in Farmington, New Mexico they are taking a proactive approach to address a power plant that risks being stranded.

PNM Resources, an energy holding company based in New Mexico, is moving toward eliminating coal from its energy mix and closing down its

# In Memoriam – Senator John Pinto

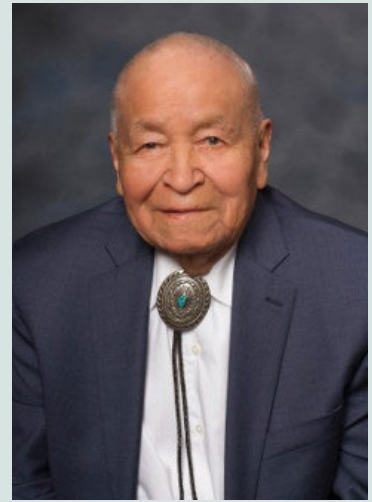
The Honorable John Pinto, New Mexico State Senator, passed away on May 24, 2019 in Gallup, New Mexico. He was 94.

He was elected to the New Mexico Senate in 1977; he was the longest-serving member of the New Mexico Senate and one of the longest-serving members of The Energy Council.

Senator Pinto was a Marine Corps veteran and a member of the elite group of Navajo men who used the Navajo language to develop an unbreakable code to transmit military messages in the Pacific Theater during World War II. He was among the Code Talkers who received Congressional Silver Medals in 2001.

Senator Pinto was renowned as a gentleman, a gracious collaborator and selfless public servant who steadfastly pursued his vision to the betterment of the residents of New Mexico, the Navajo people, and The Energy Council.

On behalf of his friends and colleagues at The Energy Council, we extend our heartfelt condolences to Senator Pinto's family and to the Navajo Nation.



**John Pinto**

New Mexico Senator

San Juan Generating Station by 2022. This move will impact the power plant, investors, employees, and the nearby San Juan Mine, Senator Neville said. New Mexico officials passed an Energy Transition Act, which includes workforce-training provisions and provides transition assistance for affected communities. This law allows PNM Resources to recoup some of its stranded assets costs by issuing bonds at lower interest rates to pay off its debts.

Senator Neville told attendees that the City of Farmington also signed a letter of intent with Enchant Energy that gives the city the option to sell the plant to Enchant Energy. The company has commissioned a study to determine the feasibility of installing carbon capture technology at the plant. In closing, he said officials are hopeful such technology will help the power plant meet the Energy Transition Act's carbon-free goal and keep the current, good paying jobs in San Juan County.

"Are Shale Plays Overshadowing Additional Opportunities for Increased

Production?" was covered by Mr. Randall Luthi, President, National Ocean Industries Association.

"The offshore energy industry is not dead, nor is it irrelevant, but it could be doing a lot better than it is," Mr. Luthi said. He believes rising global energy demand will spur trillions of dollars of energy investment in the coming decades, and as onshore shale investments have slowed down, there has been a rise in offshore investment. However, Mr. Luthi noted, the offshore recovery has been uneven, with the Gulf of Mexico still lagging behind other basins. Luthi said that through a new Five-Year Program, royalty reform and other policy changes, U.S. Policymakers have a chance to make U.S. offshore energy competitive again.

Saturday afternoon's CLEER University Advisory Board (UAB) Seminar was on the topic of "Global Advances in Battery Storage Technology." Dr. Brian Ingram, Materials Engineer, Chemical Sciences & Engineering Division, Argonne National Laboratory briefed meeting participants. Dr. Ingram

noted that society functions with a diverse set of applications with energy storage with a diverse set of battery technologies.

Dr. Ingram feels that the fundamental limit to developing new technologies is the current lack of available transformative materials, which will support the ever-increasing energy demands of society. Dr. Ingram also reported on The Joint Center for Energy Storage Research (JCESR), a U.S. Department of Energy's Energy Innovation Hub, which is tasked with discovering, developing, and evaluating such transformative materials. The outlook is to be able to provide the fundamental science enabling commercialization of next-generation batteries ahead of the typical product development cycle, Dr. Ingram concluded.

On Sunday morning, The Energy Council and CLEER Business meetings were held. The CLEER Program Advisory Board Planning Session, which gathered input for the 2019 Annual Meeting, followed the Business Sessions.

# NEW MEMBERS JOIN THE ENERGY

## ALASKA

### Representative DeLena Johnson

Representative DeLena Johnson has served in the Alaska House of Representatives since 2016. She serves as Minority Whip. She is a member on the Education; Legislative Council; and Legislative Ethics Committees.

Representative Johnson, and her husband Steven, have five children and two grandchildren. They reside in Wasilla.



**DeLena Johnson**  
Alaska Representative



### Representative Chris Tuck

Representative Chris Tuck has served in the Alaska House of Representatives since 2009. He currently serves as the Chair for the Legislative Budget and Audit Committee and Vice Chair for House Military & Veterans' Affairs Committee. He serves as a member of the Resources; Education; Arctic Policy, Economic Development & Tourism; and Joint Armed Services Committees.

Representative Tuck, and his wife Devon, have one child and call Anchorage home.

**Chris Tuck**

Alaska Representative

## ARKANSAS

### Representative Justin Gonzales

Representative Justin Gonzales is serving his third term in the Arkansas House of Representatives. He serves as Vice-Chair for the House State Agencies & Governmental Affairs Committee. For the 92nd General Assembly, he also serves on the House Public Health, Welfare, and Labor Committee, the Joint Energy Committee, and the Legislative Joint Auditing Committee.

Representative Gonzales is a father of two and currently lives in Okolona with his wife, Cassie.



**Justin Gonzales**  
Arkansas Representative



## COLORADO

### Representative Dominique Jackson

Representative Dominique Jackson was elected to the Colorado House of Representatives in 2016. She currently serves as Chair for the Energy & Environment Committee. She serves as a member of the Health & Health Insurance; Legislative Council; and Energy Legislative Review Committees.

Representative Jackson, and her husband Wade Hansen, reside in Denver.

**Dominique Jackson**

Colorado Representative

## NEW MEXICO

### Representative Micaela Cadena

Representative Micaela Cadena was elected to the New Mexico House of Representatives in 2018. She currently serves as a member of the Judiciary and the Agriculture & Water Committees. She also serves as a member of the following Interim Committees: New Mexico Finance Authority, Economic and Rural Development, and Legislative Health & Human Services.

Representative Cadena makes her home in Mesilla.



**Micaela Cadena**  
New Mexico Representative

# COUNCIL'S EXECUTIVE COMMITTEE



## NEW MEXICO Representative Greg Nibert

Representative Greg Nibert has been serving in the New Mexico House of Representatives since 2017. He serves as a member on the Judiciary and State Government, Elections and Indian Affairs Committees. He also serves as a member on the Legislative Ethics and Water & Natural Resources Interim Committees.

Representative Nibert, and his wife Carolyn have two children and currently live in Roswell.

**Greg Nibert**  
New Mexico Representative

## OKLAHOMA Senate President Pro Tempore Greg Treat

Senate President Pro Tempore Greg Treat was elected to the Oklahoma Senate in 2011. He serves as Ex Officio voting member of all Committees.

Senator Treat, and his wife Maressa, reside in Oklahoma City with their three children.



**Greg Treat**  
Senate President Pro Tempore



## Representative Kevin McDugle

Representative Kevin McDugle was elected to the Oklahoma House of Representatives in 2016. He serves as the Chair of the Wildlife Committee. He also serves as a member on the Veterans & Military; and Energy & Natural Resources Committees; and the Appropriations Subcommittee on Non-Appropriated Agencies.

Representative McDugle, and his wife Tracy Rogers, make their home in Broken Arrow.

**Kevin McDugle**  
Oklahoma Representative

## TEXAS Representative Chris Paddie

Representative Chris Paddie was elected to the Texas House of Representatives in 2012. Representative Paddie serves as the Chair of the Energy Resources Committee. He also serves as Vice-Chair of the Sunset Advisory Commission. He is a member on the Licensing and Administrative Procedures and Redistricting Committees.

Representative Paddie, and his wife Brooke, have two children and make their home in Carthage.



**Chris Paddie**  
Texas Representative



## SASKATCHEWAN Member of Legislative Assembly Doug Steele

MLA Doug Steele has served the Cypress Hills Constituency since 2016. He serves as the Legislative Secretary to the Minister of Energy and Resources.

MLA Steele, and his wife Phyllis, have three children and make their home in Gull Lake.

**Doug Steele**  
Member of Legislative Assembly

# The Energy Council's 2019 State and Provincial Trends in Energy and the Environment Conference

**June 13-16, 2019**

*Biloxi, Mississippi*

## **Opening Breakfast and Welcome Remarks**

The Honorable Kyle Hoffman  
Kansas House of Representatives  
and Chairman, The Energy Council

The Honorable Ken Bragg  
Arkansas House of Representatives  
and Chairman, CLEER

The Honorable Briggs Hopson  
Mississippi Senate and Co-Vice  
President for State and Provincial  
Trends

The Honorable Jim Beckett  
Mississippi House of Representatives  
and Co-Vice President for State and  
Provincial Trends

## **State Oil and Gas Regulatory Programs – Adoptions to Evolving Technology**

Mr. Ryan Hoffman, Director  
Kansas Corporation Commission  
Oil & Gas Conservation Division

## **Preparing States for a Higher Electric Vehicle Market Share**

Mr. Chuck Caisley, Senior Vice  
President of Marketing, Public  
Affairs & Chief Customer Officer  
Everg, Inc.

## **Canadian Oil Pipeline Update**

Mr. Jonathan Timlin  
Vice President, Projects  
National Energy Board

## **Tribal and First Nations Law and Energy Law in North America**

The Honorable Affie Ellis  
Chairman, Select Committee on  
Tribal Relations

Wyoming Senate  
Professor Lindsay Robertson  
Chickasaw Nation Endowed Chair  
in Native American Law  
University of Oklahoma College of  
Law

## **Trends in Refining**

Ms. Susan Grissom  
Director/Chief Industry Analyst  
American Fuel & Petrochemical  
Manufacturers

## **Breakfast Address: Distribution System Planning & Electric Grid Reliability & Resiliency**

Mr. Anthony Wilson  
Chairman, President and CEO  
Mississippi Power

## **The Gulf Coast's Role in U.S. Energy Exports**

Mr. Robert McDonald,  
Senior Analyst  
Value Chain Optimization-U.S. East  
& Latin America  
Chevron Corporation

## **Policy Integration & Innovation: Approaches, Challenges, Solutions and Success Stories in Clean Energy**

Dr. Sumesh Arora  
Energy Director  
Mississippi Development Authority

Mr. Patrick Sullivan  
President  
Mississippi Energy Institute

## **Stranded Assets Tools**

The Honorable Steve Neville  
Ranking Member, Senate Finance  
Committee  
New Mexico Senate

## **Are Shale Plays Overshadowing Additional Opportunities for Increased Production?**

Mr. Randall Luthi  
President  
National Ocean Industries  
Association (NOIA)

## **CLEER University Advisory Board Seminar: Global Advances in Battery Storage Technology**

Dr. Brian Ingram  
Materials Engineer, Chemical  
Sciences & Engineering Division  
Argonne National Laboratory

## **Working Breakfast: Energy Council and CLEER Business Sessions**