

THE Energy Council Quarterly

WINTER

2020

Governor Ivey Appoints Senator Cam Ward as Director of the Alabama Bureau of Pardons and Paroles



Cam Ward
Alabama

Governor Kay Ivey appointed Senator Cam Ward to serve as Director of the Alabama Bureau of Pardons and Paroles.

Prior to this appointment, Senator Ward was unanimously elected Chairman of The Energy Council for the 2020-2021 term. Before resigning his senate seat, Ward was in his third term in the Alabama State Senate, where he served as the chairman of the Senate Judiciary Committee and spearheaded bills related to criminal justice and prison reform. As a practicing attorney, he has focused much of his private career in economic development.

Prior to his tenure in the Alabama Senate, Ward was elected to the Alabama House of Representatives in 2002 where he served two terms. He previously worked as a deputy attorney general for Alabama Attorney General Bill Pryor and was assigned to the Alabama State Auditor's office where he served as legal counsel.

"I'm honored that Governor Ivey had the confidence to appoint me to this position," Cam Ward said. "I have committed my career in the Senate to improving our criminal justice system in Alabama, and I look forward to working with Governor Ivey going forward in this effort."

Ward earned his bachelor's degree from Troy State University in 1993. Upon earning his law degree from Cumberland School of Law, he was admitted to the Alabama Bar Association in 1996. He is active in various community boards such as the Glenwood Autism Center, the YMCA of Alabaster, Leadership Shelby County and Prison Fellowship.

Ward's appointment was effective December 7, 2020.

The Energy Council Pivots to Fall Lunch and Learn Sessions

Due to in person meeting limitations in Bexar County, Texas, The Energy Council's 2020 Annual Meeting was converted into a series of virtual "Lunch and Learn" sessions that began on Friday, September 18.

On Friday, September 18, the first presentation entitled "The U.S. Energy Picture After COVID" was delivered by Mr. Robert Bryce, author of *A Question of Power: Electricity and the Wealth of Nations*. Mr. Bryce is a Texas-based author, journalist,

film producer, and speaker. As part of his presentation, Mr. Bryce provided data from the U.S. Energy Information Administration (EIA) projecting that coal production is down 26 percent; CO₂ emissions are down 11.5 percent; gasoline is down 11 percent; distillate is down 10 percent; natural gas is down 3 percent and electricity is down 3.6 percent.

The next presenter was Ms. Barbara Walz, Senior Vice President of Policy

& Compliance and CCO for Tri-State Generation and Transmission Association, Inc. Ms. Walz explained that Tri-State is a not-for-profit cooperative power supplier and their mission is to provide member systems a reliable, affordable and responsible supply of electricity in accordance with cooperative principles.

She stated that Tri-State is leading

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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

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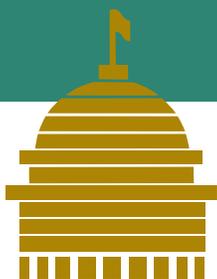
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Tell us what you think!

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



Global Energy and Environmental Issues Conference Returned to Alabama

The Energy Council returned to Point Clear for the 2020 Global Energy and Environmental Issues Conference and used the occasion to also celebrate the Council's 45th anniversary. The conference was held December 3-6 and Alabama Governor, the Honorable Kay Ivey, gave the Opening Address and welcomed attendees to the state.

Leading the conference was Alabama Senator Cam Ward, The Energy Council Chairman and Colorado Senator Chris Hansen, Chairman of the Center for Legislative Energy and Environmental Research (CLEER).

The meeting began Thursday evening, December 3, with a Welcome Reception and conclude on Sunday morning, December 6, with a planning session for the State and Provincial Trends in Energy and the Environment Conference, which is scheduled to take place June 17-20 in Santa Fe, New Mexico.

Discussion topics at the 2020 Global Energy and Environmental Issues Conference included:

- The Energy Impacts of COVID-19
- Energy Export Opportunities
- North American Energy Outlook
- Breakfast Presentation: Federal Energy Outlook
- Global Energy Demand
- Advances in Shale Gas Production
- NEPA Modernization
- Renewable Natural Gas
- Uranium Production and Procurement
- UAB Seminar: Renewable Energy Incentives
- Working Breakfast: The CLEER Program Advisory Board Meeting

More information is available at www.theenergycouncil.org.

Hansen to Chair CLEER in 2020-2021

Colorado Senator Chris Hansen was unanimously elected as 2020-2021 Chairman of the Center for Legislative Energy and Environmental Research (CLEER) during the CLEER Annual Meeting on September 17.

Chairman Hansen will oversee the work of CLEER's two advisory boards, the private sector Program Advisory Board (PAB) and the technical advisory arm, the University Advisory Board (UAB). He will also lead CLEER's legislative Board of Directors.

Senator Hansen has served in the Colorado Legislature since 2017. He serves as a member on the Senate State, Veteran & Military Affairs; Senate Appropriations; and Senate Finance Committees.

Chairman Hansen, his wife Ulcca, and their sons make their home in Denver.



Chris Hansen
Colorado
Senator

Energy Council Fall Lunch & Learn Sessions

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a clean energy transition. Together with their electric cooperatives and public power district members, they are expanding renewable energy generation and reducing emissions while ensuring reliable, affordable and responsible electricity for the communities they power.

The next session on September 25 featured Wes Jickling, Chief Executive Officer for Canada's Oil Sands Innovation Alliance (COSIA). Mr. Jickling explained that COSIA is a unique alliance of oil sands producers focused on accelerating environmental performance in Canada's oil sands. He stated that COSIA brings together leading thinkers from around the world to:

- Significantly reduce greenhouse gas emissions
- Improve how we use and manage water
- Minimize land disturbances
- Reclaim land faster

Mr. Jickling noted that COSIA is about sharing expertise, resources, technologies and even intellectual property to go farther and faster in environmental performance. The open collaboration is a unique made-

in-Canada way of advancing game-changing technology solutions.

The second presentation was entitled "The State of Affairs for the Electricity Industry." Mr. Chris Eisenbrey, who is the Senior Director, Preparedness & Recovery Policy at the Edison Electric Institute (EEI), explained that the Electric Subsector Coordinating Council (ESCC) serves as the principal liaison between the federal government and the electric power industry. Its mission is coordinating efforts to prepare for, and respond to, national-level disasters or threats to critical infrastructure. The ESCC created eight "tiger teams" to identify and help address major issues and challenges during the pandemic response. The teams are comprised of representatives from all segments of the electric power industry, and include participation from the natural gas industry and independent power producers.

"The Impacts of *McGirt v. Oklahoma*" session was delivered on October 2 by the Honorable Mike Hunter, Oklahoma Attorney General. Mr. Hunter has held numerous positions within state government, including secretary of state for two governors, secretary of the Commissioners of the Land Office, general counsel at the Oklahoma Corporation Commission and the Oklahoma House of

Representatives. The Attorney General spoke to members about how the U.S. Supreme Court decision impacts tribal communities and Oklahomans living in the eastern part of the state, including what the decision could mean for property rights.

The second presentation on October 2 was entitled "Capturing and Transporting Carbon Dioxide." Mr. Ryan Edwards, Low Carbon Ventures Advisor at Occidental Petroleum presented. Mr. Edwards is a former member of the Subsurface Hydrology Research Group and investigated questions related to carbon capture and storage and unconventional oil and gas development, with a focus on hydraulic fracturing and shale gas in the United States. He stated that the Importance of CO2 Transport Infrastructure is:

- Enabling capture of more CO2 from more regions;
- Realizing economies of scale; and,
- Connectivity—creating a market and lowering risk.

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“Permitting, Siting, and Other Challenges” was the topic of a panelist discussion by the Honorable DeAnn Walker and the Honorable Wayne Christian on October 9. Ms. Walker is the Chairman of the Public Utility Commission of Texas (PUCT) and Mr. Christian is the Chairman of the Texas Railroad Commission. Chairman Walker covered the processes for gaining permits for Certificate of Convenience and Necessity (CCN) to build new transmission lines by an electric utility. The PUCT must consider the following:

- The adequacy of existing service;
- The need for additional service;
- The effect of granting the certificate on the recipient of the certificate and any electric utility serving the proximate area; and other factors, such as:
 - Community values;
 - Recreational and park areas;
 - Historical and aesthetic values;
 - Environmental integrity;
 - The probable improvement of service or lowering of cost to consumers in the area if the certificate is granted; and,
 - To the extent applicable, the effect of granting the certificate on the ability of Texas to meet the renewable energy goals established by statute.

Chairman Christian spoke about the over supply of crude oil in the spring and how that, combined with reduced demand as a result of COVID-19, hurt the oil and gas industry and the economy.

The first October 16 presenter was Mr. Peter Mandelstam, Chief Operating Officer of Enchant Energy. He covered the topic “Consumer Preferences.” Mr. Mandelstam has 28 years of experience as an entrepreneurial renewable energy developer and policy advocate. Mr. Mandelstam stated that the overarching preference of American consumers is to keep the lights on. The challenge for energy developers and power marketers is that consumers do not want to be bothered. According to Mr. Mandelstam, vertically integrated utilities like some in New Mexico offer little meaningful consumer choice. Consumers also want jobs and economic development in their communities.

The next presenter was Mr. Tyler Gray, President & General Counsel for the Louisiana Mid-Continent Oil & Gas Association. Mr. Gray spoke about Gulf Coast production and covered some of the key findings of a Louisiana Economic Impact Study, such as:

- Louisiana’s economy receives significant contributions from oil and gas industry activity in the state.
- In 2019, the oil and gas industry:
 - Generated \$62.6 billion dollars in revenue from onshore and Gulf of Mexico oil and gas production and LNG export free on board value.
 - Provided \$73.0 billion dollars of state income through all supply chain links of oil and gas activities within the state, representing approximately 26 percent of total state GDP.
 - For every direct employee in the oil and gas industry in the

state, there are 1.43 additional employees supporting the state economy through indirect and induced effects.

- Supported a total of 249,800 jobs, or 11 percent of the non-farm private employee state total. The industry also provided \$14.5 billion dollars in wages to in-state workers.
- Accounted for \$4.5 billion of state and local tax revenue from related companies and workers.

A panel discussion on “LNG Exports” was presented on October 23 by Omar Khayum, CEO of Annova, LNG and Chris Smith, Senior Vice President of Policy, Government and Public Affairs at Cheniere. According to Mr. Khayum, Annova, LNG will be the most sustainable and reliable provider of liquefied natural gas from the United States. The company’s disciplined, utility-grade focus on structure, strategy and sustainability differentiates Annova, LNG from competitors and creates long-term value for customers, investors and the Brownsville, Texas community. At Annova, LNG, equity owners include the very same experts who will design, build, operate and maintain the state-of-the-art facility throughout its lifecycle. This unique structure de-risks the project for Annova and its buyers.

Annova, LNG’s facility intends to be the most sustainable LNG plant in the industry and achieve the lowest carbon footprint per pound of production among all U.S. LNG providers. The company plans to utilize 100 percent carbon-free renewables to power all-electric, compression-driven LNG trains.

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In Memoriam – Senator Tommy Moffatt

Thomas Oliver “Tommy” Moffatt, Sr., of Gautier, Mississippi passed away on November 12, 2020, with his loving family by his side at the age of 85.

Senator Moffatt graduated with his degree in Petroleum Engineering in 1958. He served as a member of the Mississippi Army National Guard from 1953-1961. After graduation, he worked at Ingalls Shipbuilding in the nuclear department and in his over 35 years of employment he served in various positions.

In retirement, he was elected as Senator of District 52 in the Mississippi Legislature for 4 terms and faithfully served the residents of District 52 from 1996 to 2012. In the Senate, Senator Moffatt served on various committees including but not limited to Appropriations, Environmental Protection, Conservation and Water Resources, Investigate State Offices, Judiciary - Division A, Oil, Gas and Other Minerals, Ports and Marine Resources and Public Utilities.

He was committed to energy and the environment, serving as Chairman of The Energy Council, and he also was a long-time member and active in the Center for Legislative Energy and Environmental Research (CLEER).

On behalf of his friends and colleagues at The Energy Council, we extend our heartfelt condolences to his devoted wife of 60 years, Bess, and his son, daughter and grandchildren along with a host of cherished family and friends.



Mississippi Senator

Energy Council Fall Lunch & Learn Sessions

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Mr. Smith added that Cheniere is also working in Texas to increase production capacity at its LNG terminal in Corpus Christi. Cheniere’s Corpus Christi liquification facility currently has two fully operational liquification units, and a third is expected to be completed in 2021.

On October 30, the scheduled Lunch and Learn Sessions concluded. First, Mr. Daniel Sullivan, CEO of Grand River Dam Authority (GRDA) presented on “Hydropower Solutions.” GRDA was created in 1935 by the Oklahoma legislature. It is defined as a conservation and reclamation district for the waters of the Grand River and is authorized to build dams for the purposes of hydroelectricity production and flood control.

Mr. Sullivan stated that hydropower is a climate-friendly energy source, generating power without producing air pollution or toxic by-products. Using hydropower avoids

approximately 200 million metric tons of carbon pollution in the U.S. each year—equal to the output of over 38 million passenger cars. Mr. Sullivan noted the following advantages of traditional hydropower:

- Water fueled making it more environmentally clean;
- Domestic energy source – local resources to meet local needs;
- Renewable energy source, relying on the water cycle; and,
- Ability to sync quickly to the power grid from offline to maximum capacity.

“Maintaining Reliability with Variable Energy Resources,” was covered by Ms. Natasha Henderson, Director of Compliance, Regulatory and Market Affairs at Golden Spread Cooperative.

Golden Spread is located in West Texas and serves approximately 24 percent of the geographic area of

Texas. Golden Spread participates in two markets. As is usual in the case of policy and markets, who pays and who gets paid absolutely matters, Ms. Henderson said. Generation and transmission are 40-year assets with high capital cost. Who pays for the transmission is important, as is what the generator is paid for its investment. Variable Energy Resources (VER), transmission, demand response and flexible generation will all need to work together to achieve the most reliable and efficient outcome. Ms. Henderson explained that as VER penetration amounts increase, it is likely that the others will need to as well, though demand response has the ability to decrease the amount of transmission.

“We want to get the policy correct so that we can avoid some very negative consequences such as stranded cost, death spiral, inefficient outcome, and lights out,” Ms. Henderson concluded.

THE ENERGY COUNCIL'S EXECUTIVE COMMITTEE UPDATE

NEW MEXICO Senator Gay Kernan

Senator Gay Kernan has served in the New Mexico Senate since 2002.

Senator Kernan serves as a Member on the Senate Finance Standing Committee and the Revenue Stabilization & Tax Policy; Investments & Pensions Oversight; Radioactive & Hazardous Materials; Legislative Education Study; and Public School Capital Outlay Oversight Task Force Committees.

Senator Kernan and her husband, John, make their home in Hobbs.



Gay Kernan
New Mexico Senator



Julie Daniels
Oklahoma Senator

OKLAHOMA Senator Julie Daniels

Senator Julie Daniels was elected to the Oklahoma Senate in 2016.

Senator Daniels presently serves as Chair of the Judiciary Committee. She also serves as a member of the Energy; Appropriations; Rules; and Health and Human Services Committees.

Senator Daniels and her husband, Charlie, make their home in Bartlesville.

THE ENERGY COUNCIL'S 2021 CONFERENCE SCHEDULE SAVE-THE-DATES

State and Provincial Trends in Energy and the Environment Conference

Thursday, June 17 – Sunday, June 20, 2021

La Fonda on the Plaza

100 East San Francisco Street

Santa Fe, New Mexico 87501

Reservations: (800) 523-5002 (opt 1)

Annual Meeting

Thursday, September 16 – Sunday, September 19, 2021

Northern Hotel

19 North Broadway

Billings, MT 59101

Reservations: 406-867-6767

Global Energy and Environmental Issues Conference

Thursday, December 9 – Sunday, December 12, 2021

Hotel Monteleone

214 Royal Street

New Orleans, Louisiana 70130

Reservations: 800-217-2033 or 504-523-3341

CLEER UNIVERSITY ADVISORY BOARD (UAB) UPDATES

Colorado School of Mines



**Dr. Morgan
Bazilian, Ph.D.**

Director, Payne Institute &
Professor, Public Policy

Dr. Morgan Bazilian is the Director of the Payne Institute and Professor of Public Policy at the Colorado School of Mines. Previously, he was Lead Energy Specialist at the World Bank. He has over two decades of experience in the energy sector and is regarded as a leading expert in international affairs, policy and investment.

Dr. Bazilian holds two Master's degrees and a Ph.D. in areas related to energy systems and markets, and has been a Fulbright fellow. He holds, or has held, several affiliations including at Columbia University, Cambridge University, The Royal Institute of Technology of Sweden, the Center for Strategic and International Studies, and the International Institute for Applied Systems Analysis. He is on the editorial boards of Environmental Research Letters, Energy Strategy Reviews, and Energy Research and Social Science. He has published over 140 articles in learned journals. His book, Analytical Methods for Energy Diversity and Security is considered a seminal piece in the area of energy finance and security. His work has been published in Science, Nature, Foreign Affairs, Foreign Policy, and Proceedings of the National Academy of Science.

Dr. Bazilian was a member of the World Economic Forum's Global Advisory Council on Energy, and on the Global Advisory Council of the Sustainable Finance Programme at Oxford University. Previously he was a Deputy Director at the U.S. National Renewable Energy Laboratory (NREL) and a senior diplomat at the United Nations. Earlier in his career, he worked in the Irish Government as Principal Advisor to the Energy Minister, and was the Deputy CEO of the Irish National Energy Agency. He was the European Union's lead negotiator on low-carbon technology at the United Nations climate negotiations. He is also a Member of the Council on Foreign Relations.

Address: 816 15th St.
Payne Institute
Golden, CO 80401

Business Phone: 720-220-0868
E-Mail: mbazilian@mines.edu

University of Wyoming



**Dr. Holly Krutka,
Ph.D.**

Executive Director

Dr. Holly Krutka is the Executive Director of the School of Energy Resources at the University of Wyoming. She came to the university after serving as the Vice President for coal generation and emissions technologies at Peabody, the world's largest private-sector coal producer. Dr. Krutka has spent much of her career focusing on technology and policy pathways to advance carbon capture as well as identifying nontraditional coal-consumption opportunities. Before joining Peabody, she worked as a senior research and development analyst for Tri-State Generation and Transmission, an electric generation and transmission cooperative based in Westminster, Colorado; as executive editor of Cornerstone, The Official Journal of the World Coal Industry, employed by the Chinese state-owned energy company Shenhua Group; and as a research scientist and senior research engineer with ADA Environmental Solutions in Highlands Ranch, Colo., where she was tasked with launching a carbon capture research program.

In her various roles, Dr. Krutka holds three patents, has served in leadership positions in the National Coal Council and the Carbon Utilization Research Council, has participated in the Carbon Capture Coalition and as a judge on the NRG COSIA Carbon XPRIZE competition.

Dr. Krutka holds a bachelor's degree, graduating magna cum laude, and a Ph.D. from the University of Oklahoma, both in chemical engineering.

Address: 1000 E. University Avenue
Energy Innovation Center 345
Laramie, WY 82071

Business Phone: 307-766-4184
E-Mail: hkrutka@uwyo.edu

Of Special Interest

All our best to Tom Sellers with ConocoPhillips. Tom is retiring after 40 years with the company. As a Program Advisory Board (PAB) member for the Center for Legislative Energy and Environmental Research (CLEER), Tom has been a long-time supporter of The Energy Council and CLEER.

A big thank you to Dr. Mark Northam, School of Energy Resources, University of Wyoming. Dr. Northam was a founding director of the School of Energy Resources at the University and served as the Director since 2007 after 25 years of domestic and international experience in the upstream oil and gas industry. He was a University Advisory Board (UAB) member for the Center for Legislative Energy and Environmental Research (CLEER) in 2017. The Energy Council has long appreciated Dr. Northam's involvement through CLEER.



*Happy Holidays
from The
Energy Council*