

Texas Track - The Future of Energy, Its Impact on Communities in the Lone Star State



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Texas Has Always Been an Energy State

- On January 10, 1901, the Lucas well blew in at Spindletop in Beaumont, Texas.
- At that moment, Texas was wrenched from its rural, agricultural roots and flung headlong into the petroleum and industrial age.
- Soon after Spindletop, the availability of an ocean of cheap oil encouraged its use as fuel for transportation and manufacturing.



Oil And Gas Continue To Be The Mainstay Of The Texas Economy

- Energy industry accounts for approximately 17% of the Gross State Product.
- Texas is the nation's largest producer of energy.
- Accounts for 21.3% of total oil and 27.8% of total U.S. gas production.
- Texas has approximately 24% of all U.S. oil reserves and approximately 32% of all U.S. gas reserves.
- Texas' 23 refineries account for approximately 26% of all U.S. refining capacity.



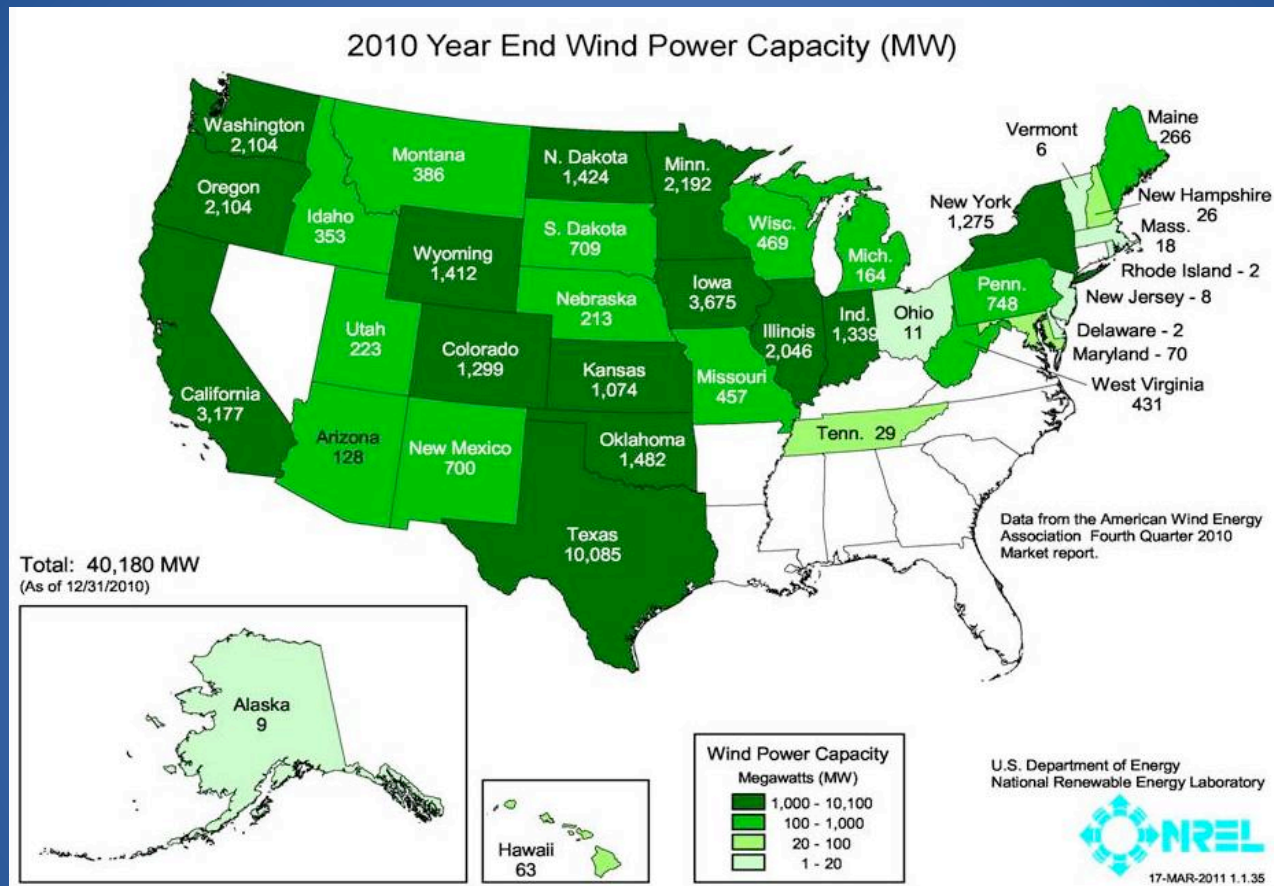
However, Texas Leads the Nation in Production of Renewable Energy (May 2011)

- Texas currently produces 27% of the national total renewable energy capacity and is number one in the U.S. in wind energy.
- Enough renewable energy to power over 1.5 million Texas homes.
- Texas leads U.S. with biomass, landfill, and plant-derived fuel production:
 - 75+ trillion BTU of biomass energy.
- Texas is the nation's largest producer of "biodiesel."
 - 187 million gallon capacity per annum
- Recent Renewable Energy Generation Statistics (Megawatt Hours):

- Wind	9,506,000	MWh
- Wood & Derived Fuels	900,888	MWh
- Hydropower	661,971	MWh
- Landfill Mass	218,813	MWh
- Biomass	43,516	MWh

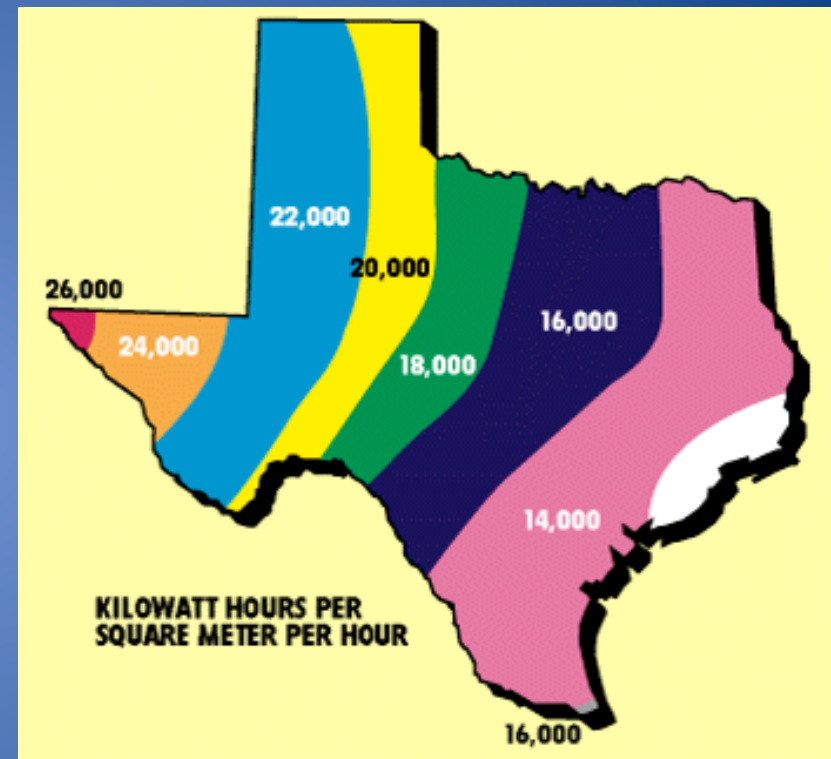


Texas Leads in Installed Wind Capacity



Solar Energy Potential in Texas

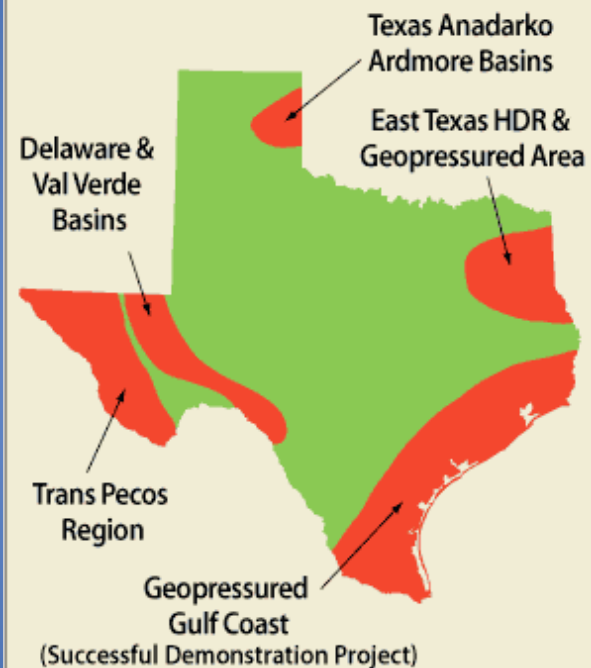
- Texas has a virtually unlimited solar energy supply .
- Texas is ranked first in the nation in solar resource potential.
- Texas is ranked by the DOE as one of seven states with the best solar resources in the U.S.



Geothermal – Energy for the Future

While geothermal energy is not being used to generate electricity in Texas at present, some of these emerging technologies hold considerable promise for the state.

Potential Geothermal Energy Production Regions



Source: University of Texas at Permian Basin Center for Energy and Economic Diversification.



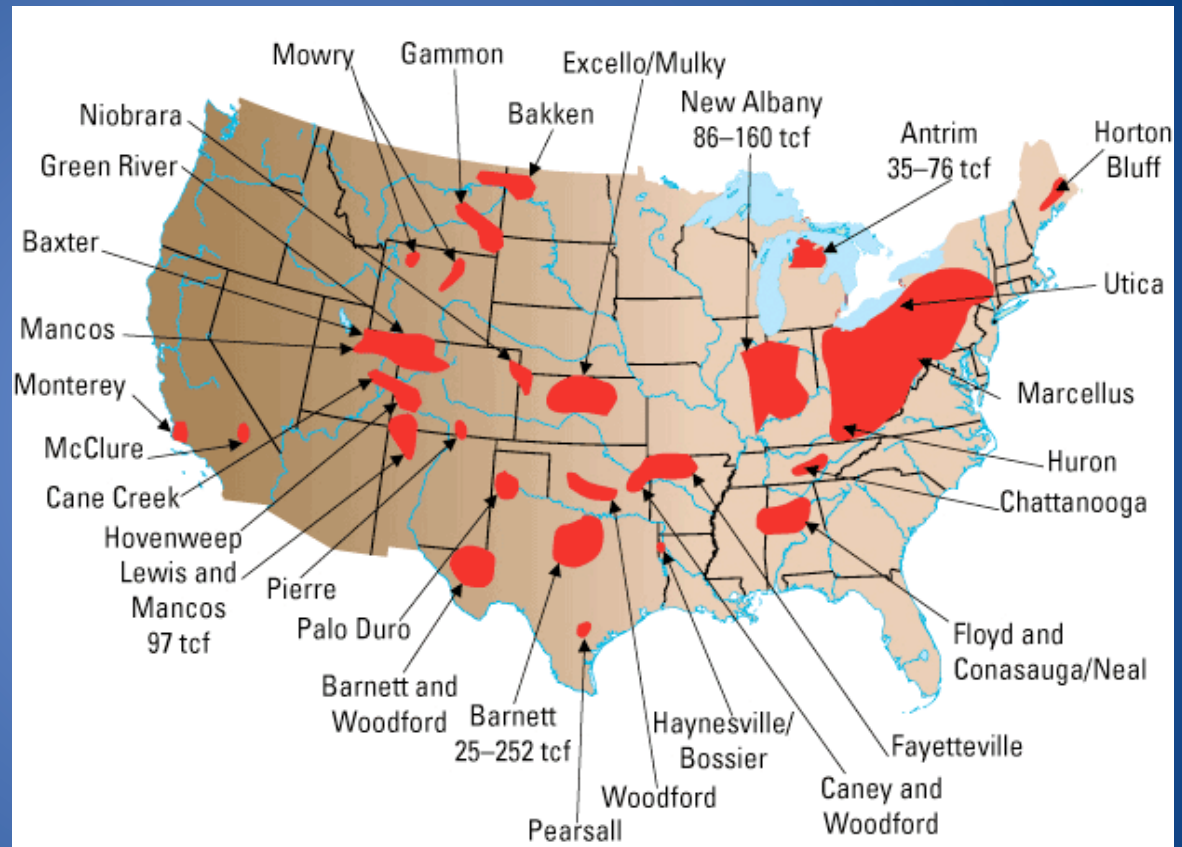
82nd Texas Legislature and Energy Legislation

- SB 385 provides grants for the construction of alternative fueling facilities, as well as a grant program for certain natural gas vehicles.
- HB 3328 requires natural gas drillers to disclose most of the chemicals used in hydraulic fracturing.
- SB 981 clarifies that third-party ownership of on-site solar is allowed in Texas, allowing both residential and commercial building owners to lease their roof-space and buy back the energy from solar companies.
- SB 943 provides that the use of energy storage to provide services in the competitive wholesale market should be characterized as generation.

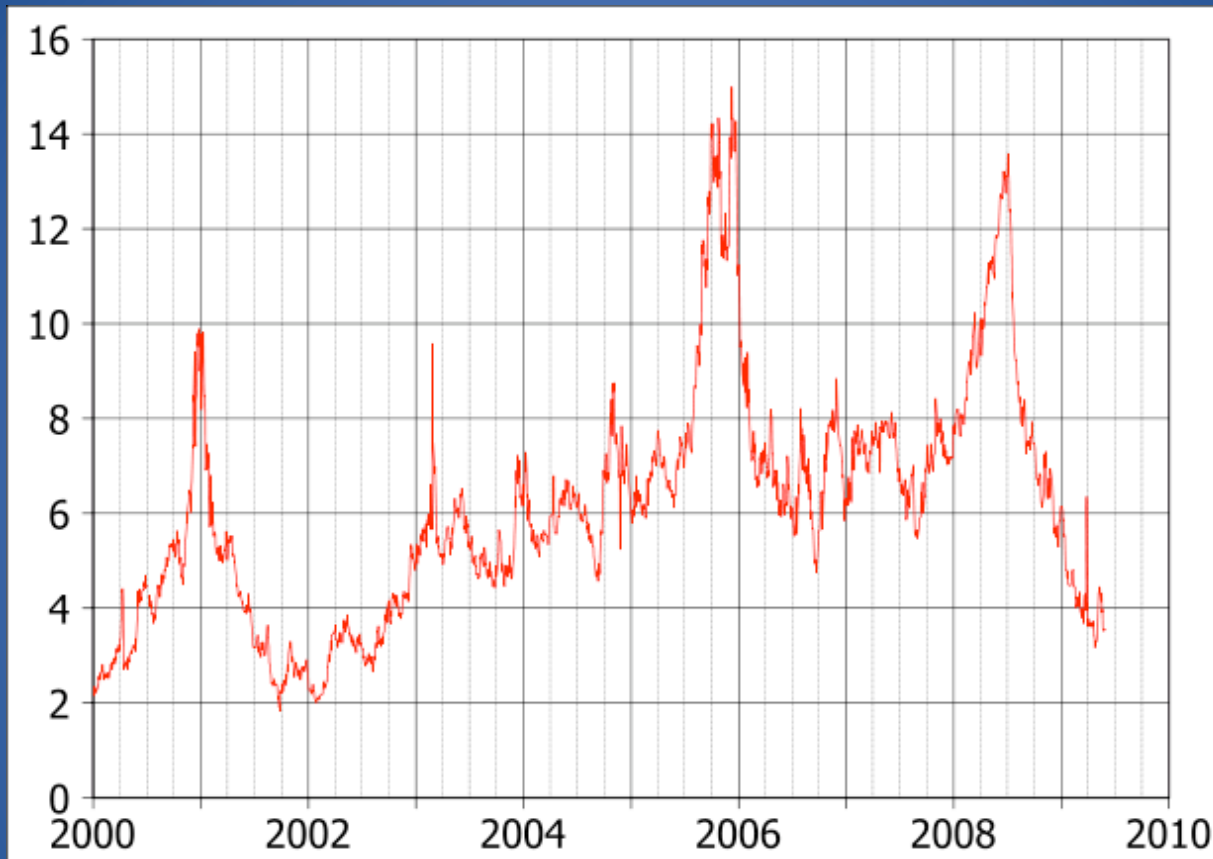


The “Game Changer” – Shale Gas

Energy experts predict that shale gas will supply as much as half the natural gas production in North America by 2020.



Natural Gas Prices Continue to Fluctuate Nationwide



Thank you!



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