

**CENTER FOR ENERGY STUDIES
LOUISIANA STATE UNIVERSITY**

NEWSLETTER

November 1996

**PROACTIVE ELECTRICITY
RESTRUCTURING SEMINAR SERIES
PROVES TIMELY**

In the past six months, the Center has conducted four day-long seminars on electricity restructuring. Restructuring refers to the expected transition of the electricity industry from one featuring vertically integrated monopolies regulated by the government to a decentralized, competitive industry with prices for generation set in the market place. The expectation is that the industry will evolve in much the same way as have the telephone and natural gas industries. Acting Executive Director, Allan Pulsipher, said that getting-in at the beginning is a good experience. "Frequently we are asked to look at an issue only after many decisions have been made and sides taken. And, in retrospect, it often seems that relevant alternatives have been foreclosed as positions harden."

Restructuring proposals range from legislatively
man

are limited and seem to be driven by the desire of potential electricity suppliers to test marketing strategies and arrangements.

PTTC RECEIVES HONOR

CES manages the Central Gulf Region (CGR) of the Petroleum Technology Transfer Council, which is a national organization consisting of one national and ten regional offices. PTTC was formed as a spin off from the Independent Producers Association of America in 1994. Its goal is to improve technology and information transfer to producers, primarily independents. Funding comes from the U. S. Department of Energy and individual state matching funds. During the recently completed federal fiscal year (Oct. 95-Sept. 96) the CGR and the North Mid-continent Region were named the top performing regions. Highlights of CGR's regional efforts and progress will be presented at the Annual Meeting of the IPAA in San Antonio.

Bob Baumann, Managing Director of the CGR, was surprised, but pleased, to learn about the evaluation. Bob said, "There really isn't any one thing that you can point to that accounts for our success. It is the synergistic effect of several things."

"We have not tried to do everything in-house, but we have outsourced to other units who can do some things better," commented Baumann. The LSU Department of Petroleum Engineering has provided some key technical assistance. They have jointly developed a produced water management technique with Hunt Oil, which won a national engineering innovation award. In addition to Louisiana it is also being used in the Kern River field in California.

The Basin Research Institute (BRI) has helped CES develop niche products like the Environmental Handbook for Oil and Gas Operators. PTTC co-sponsored a 3-D seismic workshop that BRI developed. BRI has held two such workshops--one in New Orleans and one in Houston, both of which were sold out.

In-house, CES personnel have designed what has been described by others as the easiest to use of the PTTC Web pages on the Internet. CGR's usage rates run either first or second among the regions every month.

Finally, CES' long-term relationship with operators and their local trade associations gave CES a head start and provides a continual strong level of interaction. Bob stated that, "We had credibility from Day One. After all, Louisiana operators nominated us to run the regional office. We don't want to disappoint those who put their trust in us."

CHEVRON AND TEXACO JOIN INDUSTRY ASSOCIATES COUNCIL

Chevron and Texaco have joined CES' Industry Associates Council. Council members provide advice regarding new projects and thrusts and receive research results prior to publication. The Council has its origin in the original formation of CES in 1982. Such an advisory board was required by the Board of Regents and Legislature when they approved CES' management structure. Donations received from Council members are used to help support CES research projects, frequently as matching funds. The Council is comprised of 21 organizational members.

ADVISORY COUNCIL MEETING IN JANUARY IN HOUSTON

We plan to have a meeting of the Industry Associates

and environmental complex near the south entrance

restructuring and deregulation to the Louisiana Public Service Commission, the Louisiana Electric Cooperative Association, the Entergy Services-Transmission & Distribution Division, the Jennings Rotary Club, the Sunshine Rotary Club of Baton Rouge, and the Eighth Annual Economic Development Summit in Baton Rouge.

Wumi Iledare presented a paper entitled, *Technology, Resource Depletion, and Economic Incentives, and the Response of Drilling Productivity in Onshore Louisiana* at the 17th North American Conference of USAEE/IAEE in Boston, Massachusetts. Allan Pulsipher was a co-author of the paper. The paper is published in the conference proceedings. Wumi also presented a paper entitled *Empirical Modeling of the Risk of an Oil Spill During E&P Operation: A Case Study of the Gulf of Mexico OCS* at the annual meeting of Southern Economic Association in Washington, DC in November.

Dmitry Mesyanzhinov with David E. Dismukes

wrote *Spatial Perspective on the Forthcoming Deregulation in the U.S. Electric Utility Industry*. Dmitry presented this paper at the Annual Meeting of the Southwestern Division of Association of American Geographers in Norman, OK during November.

Allan Pulsipher, William Daniel, Vance Mackey of Chevron, and Jim Kiesler, a consultant, published *Explosives Remain Preferred Method for Platform Abandonment* in the May 6 Oil & Gas Journal. Pulsipher published a chapter, *Watershed, Aberration, and Hallucination: The Last Twenty Years*, in a book published by Johns Hopkins Press edited by David Feldman entitled *The Energy Crisis: Unresolved Issues and Enduring Legacies*. Pulsipher also spoke to the Energy Council meeting in Tulsa on offshore platform policy issues.

**Center for Energy Studies
Louisiana State University
1 E. Fraternity Circle
Baton Rouge LA 70803**