NEWSLETTER-FALL 2001

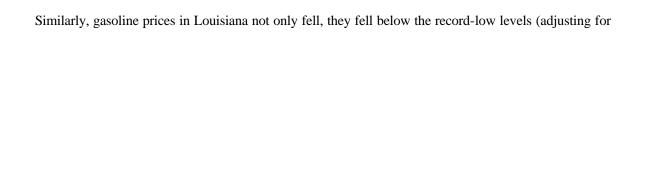
CENTER FOR ENERGY STUDIES ** LOUISIANA STATE UNIVERSITY One East Fraternity Circle ** Baton Rouge LA 70803 ** (225) 578-4400 ** www.enrg.lsu.edu

ECONOMIC CONSEQUENCES OF MORE MERCHANT POWER PLANTS IN LOUISIANA

There has been considerable talk, both at the professional and barbershop levels, about the consequences of new, non-utility power generation in Louisiana. David Dismukes, who recently rejoined the Center after a year in Houston, provides some hard numbers for these conversations in a soon-to-be-released report *Moving to the Front of the Lines: The Economic Opportunities for Independent Power Plant Development in Louisiana.* The report is more comprehensive, current and consistent than any analysis s in -70.5 -13.5 TD/F0 9.72Tf 0 Tc()wTj 0-13.5 TD/F2 10.5 Tf 0.0575 66 (-) T1 T85(The report is mo51.75 0D -0.050).

Regional Competition and Electricity Industry Restructuring—Independent power plant entrepreneurs are making plans to build new facilities in a great many states. The phenomena is not focused on nor limited to either Louisiana, to the South, or to Southwest. Because of access to natural gas, pipelines, and transmission lines, Louisiana is an attractive candidate-location for new generating facilities. Contiguous states, especially Texas and Mississippi, share many of Louisiana's advantages and also provide potential access to those interested in serving the Louisiana market. Legislative or regulatory moratoria, delays or costs, by Louisiana, will make its competitors more attractive to prospective investors. Further, an argument for not implementing restructuring or retail competition is the fear that there are not enough producers in the State's electricity grid to rely on competition rather than regulation to achieve efficiency and rates as low as possible. It seems clear that merchant plants and independent producers are the way that competition will intensify enough to make sure consumers get the benefits that restructuring and new technology make possible.

MERCHANT P



- November 14, 2001, Baton Rouge: Louisiana Energy and the Environment
- January 23, 2002, Lafayette: Essentials of Subsurface Mapping
- February 6, 2002, Tyler, TX: Stripper Well Project Results Jointly sponsored by the CGR/Texas Regions
- March 19 & 20, 2002, New Orleans: *Optimized Horizontal Well Technology* Jointly sponsored by the CGR/Eastern Gulf Regions
- April 2002, Shreveport Reservoir Characterization Technology
- June 2002, Lafayette: Casing Drilling, An Emerging Technology

Don Goddard is involved in the geological phase of an integrated reservoir research study that is being performed in Livingston Field, Livingston Parish, Louisiana, for TMR Exploration, Inc. This phase has been completed, and the engineering phase, including numerical simulation of the reservoir, will be completed at the end of October. Based on the results of the study, horizontal infill drilling or secondary recovery projects may be recommended for increased recovery of remaining reserves.

Bob Baumann was one of the featured presenters at the Governor's Coastal Summit 2001 held on August 15 in Baton Rouge. Bob's presentation centered on future natural gas demand in the U.S. and the role of coastal Louisiana and the Gulf of Mexico in supplying the projected demand. A portion of the presentation was published as an editorial in the September issue of *LIOGA News*.

Bob's tenure on the Governor's Oil Centennial Commission came to an end with the celebration of Louisiana's Oil Centennial on September 21-23 in Jennings, Louisiana, the site of Louisiana's first oil well.

ROBERT BROOKSHER, LMOGA SCHOLARSHIP

The University has awarded \$400 per semester each for the academic year to James Alfred Nobles, Jr., a senior in the College of Basic Sciences and Bilal Ghosn, a senior in the College of Engineering. Both students have maintained a perfect 4.0 grade point average, are candidates for a university medal upon graduation, and are Louisiana residents.

- Dismukes, D. E. Do deepwater activities create different impacts to communities surrounding the Gulf OCS?. *Proceedings of the International Association for Energy Economics: 2001, An Energy Odyssey?* Philadelphia, April.
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- Dismukes, D. E. (with K. E. Hughes II). A is for access: a definitional tour through today's energy vocabulary. *Oil, Gas & Energy Quarterly* (in press).
- Dismukes, D. E. (with K. E. Hughes II) Energy policy by crisis: proposed Federal changes for the electric power industry. *Oil, Gas & Energy Quarterly* (in press).
- Dismukes, D. E. (with M. Collette and R. D. Priddy). Distributed energy must be watched as opportunity for gas companies. *Natural Gas Magazine*. January: 9-16.
- Dismukes, D. E. (with S. A. Ostrover). A comment on the integration of price cap and yardstick competition schemes in electrical distribution regulation. *IEEE Transactions on Power Systems* (in press).
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- Goddard, D. A. (with R. K. Zimmerman). A North Louisiana gas-prone Hosston Slope-Basin sand trend. *Transactions of the 51th Annual Convention*, Shreveport, Louisiana, October 17-19, 2001. Gulf Coast Association of Geological Societies and Gulf Coast Section SEPM (in press).
- Iledare, O. O. Petroleum economics for professionals: petroleum evaluations and decision economics: a short course for petroleum engineers and geologists. SPE Nigeria Annual International Conference & Exhibition, Abuja, Nigeria, August 4, 2001.
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- Iledare, O. O. (with S. Inikori and K. M. Kumar). The responsiveness of the global E&P activity to changes in petroleum prices: evidence from 1960-1999. *Proceedings of the Society of Petroleum Engineers Hydrocarbon Economics and Evaluation Symposium*, SPE Paper #68587, Dallas, April 2-3.
- Iledare, O. O., A. G. Pulsipher and R. E. Pincomb. *Crude oil production trends in the U.S. Gulf of Mexico OCS: how important are economic and policy incentives?* Paper presented at the International Association of Energy Economics 24th Annual International Conference, Houston, April 25-27.

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Iledare, O. O. and A. G. Pulsipher. Forecasting the ultimate oil recovery and its rate of depletion in Nigeria's Niger Delta Basin. *Pacific and Asian Journal of Energy* 10(2): 185-200.

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