

NEWSLETTER-FALL 2001

CENTER FOR ENERGY STUDIES " LOUISIANA STATE UNIVERSITY
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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

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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

Similarly, gasoline prices in Louisiana not only fell, they fell below the record-low levels (adjusting for

- 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.

OBERT

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<http://www.enrg.lsu.edu>

