Gov. Perry Addresses the Clean Carbon Policy Summit

All-of-the-above approach essential to reducing our dependence on foreign energy.

*Note - Gov. Perry frequently departs from prepared remarks.

Thursday, October 09, 2008

Thank you, [Rep] Dennis [Bonnen, District 25] for that kind introduction. You lead a district that is not only a key energy-producing area, but was also hit hard by Hurricane Ike. As a state, we are doing everything we can to help that area recover.

I also want to thank everyone for being here at this conference today. Your pursuit of new production methods and technologies are an essential part of an effort to attain energy independence and keep Texas competitive in the global marketplace.

Among the major issues facing our country today, the rising cost of energy and our dependence on foreign oil only complicate the challenges posed by the struggles in our nation’s financial sector.

As if government bailouts aren’t cause enough for concern, rising energy costs are causing our citizens to pay more for life’s necessities, from putting gas in their cars, to heating and cooling their homes and businesses.

America’s national security and economic stability are seriously threatened by the fact that we rely on other nations for 70 percent of our oil supply. As a matter of foreign and economic policy, our nation must reduce our dependence on foreign oil by building a deeper, more diverse energy portfolio…and that effort starts in Texas.

Texas needs to lead the charge on energy independence because we’re better at producing energy than anyone else in the U.S.

I am proud to say that Texas leads the nation...
in crude oil production, and Texas refineries account for more than a quarter of our country’s refining capacity. Texas refineries feed a pipeline network that radiates outward to virtually every major consumption market east of the Rocky Mountains.

We also lead the nation in natural gas production, contributing nearly one third of the nation’s supply, which ends up in homes, businesses and factories, ranging from California to New England and everywhere in between.

Texas has also led the charge to develop new domestic sources of production, including pioneering technology to extract natural gas from shale formations.

Not only do we produce more natural gas, but we can store more of it than anyone else, which is helpful because we also consume more natural gas than any other state. More than 60% of our state’s electrical generation capacity comes from natural gas, which means our electricity prices can be held captive by fluctuations in the pricing of just one commodity.

I think we need to take a long look at the Texas law that requires 50% of all new generating capacity utilize natural gas. Government should not be in the business of picking winners and losers, and that is precisely what this law does.

That is also why we need to continue pressing for more diverse energy sources. Fortunately, Texas is making progress toward an all-of-the-above approach. For example, our installed wind energy capacity leads the nation, but we still need to overcome some transmission bottlenecks between West Texas and the rest of the state. Fortunately, our utility experts have chosen a plan that will fund the build-out of that infrastructure.

We are also making big strides in solar energy, both in terms of possible large-scale generation facilities, and in Texas semiconductor companies that are pioneering new products from their existing production facilities.

However, even in Texas, the sun goes down once a day and the wind dies down from time to time. Texas companies are making serious headway on storing that energy, but we need to continue pressing forward with other sources, like nuclear and clean coal technology.

Right now, there are four proposed nuclear sites, more than any other state, representing 9,000 megawatts of electricity, making their way through the permitting process.

On the clean coal side, our state is already the leader in CO2 sequestration expertise, developed by years of enhanced oil recovery, and we made a legitimate run at the FutureGen site that ended up in Illinois. Of course our friends in DC pulled the plug on the project all together…no pun intended.

Texas also has an abundant supply of lignite coal right here in our backyard.

I have every reason to believe that Texas will end up as the leader in this area as it has in so many other energy sectors.

We need to keep pressing forward in this and other “clean” energy technologies because the threat of CO2-related federal legislation looms larger every day. As our representatives in DC debate such regulations, they need to remember that the size of our energy industry will cause new regulations to have a disproportionate impact on our state.

Other states that lack an energy industry are more than happy to discuss new energy taxes or cap-and-trade arrangements, but we oppose them because they would decimate our economy.

Let’s face it: we fuel the nation. Products drawn from the earth under our feet and refined by hard-working Texans are
distributed all across the nation to power homes, cars, businesses and more.

If the federal government prematurely passes legislation regulating carbon, without considering its impact on our state, they must include provisions that allow Texas to pass increased costs onto the states that rely on us for energy, goods and services.

Otherwise, their unwise policies could cripple a vital Texas industry, and cause a ripple effect that could hamstring our state’s robust economy, and cause our nation to grind to a halt.

If you think I’m kidding, consider what happened to the gasoline supply in the Southeast after Hurricane Ike briefly shut down Texas refineries.

Producing energy is hard work, but it is essential to our statewide and national economies. I am proud of our state’s position as a leader and have every confidence that we will continue to be the nation’s power provider.

The threats to our leadership position are real, but they’re well identified, as are the remarkable opportunities offered by new and improved technologies. I look forward to working with you and your peers in the energy industry to keep Texas out in front.

Together, we’ll keep the lights burning, the air conditioning blowing and the conveyor belts moving in factories all over the world. Thank you for your innovation, dedication and hard work. May God bless you and, through you, may He continue to bless the great state of Texas.