

Questionnaire
Railroad Commission of Texas

Name: Daniel Bullock

Organization you represent: Gulf Coast Clean Energy Application Center

The Gulf Coast Clean Energy Applications Center (GC RAC) is a program of the Houston Advanced Research Center (HARC), an independent 501(c)(3) non-profit organization involved in sustainable development and commercialization of environmentally-promising technologies. The GC RAC program, which was launched in January 2005, is supported by funding from the U.S. Department of Energy. The overall goal of the program is to facilitate greater deployment of clean energy technologies such as combined heat and power (CHP), waste heat recovery, and district energy in Texas, Louisiana, and Oklahoma. The GC RAC supports regional stakeholders, policy makers, and adopters through educational outreach, project support services, and policy development initiatives. The GC RAC works with state agencies on a wide variety of regulatory initiatives relating to energy efficiency distributed generation, and renewable energy.

1. What changes should be made to the mission, functions, or name of the Railroad Commission of Texas (Commission), given today's evolving energy market? Should the Commission be continued for 12 years? Why or why not?

No comment.

2. What are the advantages or disadvantages to having one Commissioner oversee the agency instead of a three-member Commission?

No comment.

3. Are there functions within other state agencies that would be better positioned within the Commission? Likewise, are there current Commission duties that would be better housed elsewhere in state government?

No comment.

4. How effective is the Commission's permitting process? Are there changes to the process that you would recommend?

No comment.

5. How effectively does the Commission carry out its monitoring, inspection, and enforcement functions? Are there changes that you would recommend?

No comment.

6. Does the Commission effectively carry out its gas utility rate setting functions? What improvements could be made to this process? Is there a need for a gas utility consumer advocate?

No comment.

7. How effectively does the Commission monitor pipeline safety? Are there changes to this function that you would recommend?

No comment.

8. Could improvements be made to the Commission's well plugging program and remediation efforts, including oil field clean-up and abandoned mine lands? If so, what types of changes would you suggest?

No comment.

9. Is it appropriate for the Commission to play a role in the marketing and promotion of propane as an alternative fuel? Does the Commission's current role in this area take away from its other regulatory duties?

No comment.

9. From your perspective, does the Commission adequately address the needs of consumers and the public's interest in the development of natural resources?

The Commission should take a more proactive stance with regard to promoting supply-side and demand-side energy efficiency as other state agencies have. For instance, a Gas Efficiency Resource Standard (GERS) modeled after the state's successful Renewable Portfolio Standard could have greater impact with lower

costs than a centrally administered program like the Public Utility Commission's Energy Efficiency Incentive Program. A Texas GERS program could be designed to generate tradable Energy Efficiency Credits (EEC) for each million British thermal units (MMBtu) saved by an investment in allowable gas efficiency measure. For adopters of energy efficiency technologies, the sale of EECs to natural gas distribution companies would provide a project incentive equal to the market clearing price. By creating a requirement for natural gas distribution companies to seek efficiency savings, the state could incentivize natural gas conservation and efficiency while allowing the market to choose the best technologies to accomplish the goal.

The GERS program should be designed to stimulate investments in all manner of waste heat reduction and recovery technologies including high efficiency boilers, improved water heaters, heating and cooking appliances. In addition, the program should incentivize the many excellent opportunities to recover waste heat produced by large natural gas engines used at natural gas pipeline compressor stations, water pumping stations, combined heat and power installations, inefficient industrial processes, and inefficient power plants.

10. Please add any other comments or recommendations you may have on the Commission. If you suggest any changes, please provide:
- background information on how the current system works and a description of what you would like to see changed,
 - benefits of your recommendation, and
 - any potential difficulties that may arise from implementing your recommendation.

No comment.

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