

Annual Report 2014 - 2015

The University of Texas at Austin

KAY BAILEY  
HUTCHISON

CENTER FOR ENERGY, LAW & BUSINESS



# DIRECTOR'S LETTER

The world today faces an energy challenge of unprecedented and unexpected dimensions. Sophisticated technological innovations in the use of horizontal drilling and hydraulic fracturing have led to an energy revolution in the United States, with new supplies of oil and gas that dramatically reposition the U.S. in the global market. This new abundance has completely changed the conversation about energy from one of peak supply to one of peak demand and has shifted the center of oil production from the Middle East to the Western Hemisphere over the last few years. One major result of this change is that the United States is set to surpass Saudi Arabia as the largest producer of oil by 2017 and could become a net exporter by 2030.



Around the globe, developed and rapidly developing nations are focused on securing sources of oil and natural gas to fuel their economies. Countries with significant petroleum reserves assert the sovereign rights of nations to self-determine the extraction of their natural resources. Disputes between sovereign nations and investors, as well as commercial arbitrations in the energy sector, are growing rapidly – both in frequency and magnitude. At the same time, developed and developing countries alike must grapple with the realities of global climate change, water and air pollution, and myriad threats to biodiversity associated with energy production. Typically, the search for new and secure sources of energy takes place against a backdrop of environmental and social concerns and challenges.

To address these challenges, the School of Law and the McCombs School of Business at The University of Texas at Austin created the Kay Bailey Hutchison Center for Energy, Law, and Business to catalyze the interdisciplinary study of energy, including the structure of the energy industry, energy transactions, dispute resolution, and environmental law, science, and policy. We are bringing together students, faculty, practitioners, and government officials from the United States and Latin America who are interested in developing and applying innovative approaches to energy, business and environmental law and policy challenges. We offer a number of innovative courses designed to prepare students to succeed in the energy sector, host distinguished lectures, conferences and symposia related to energy, and produce original research on energy problems from legal and business perspectives. This annual report summarizes our major activities and research from the past year.

The University of Texas at Austin is uniquely positioned to offer students the finest educational opportunities in the world to focus on energy. Texas is the largest oil, gas, and wind power producer in the U.S. It contains one-fourth of the nation's refining capacity, 40% of the country's chemical production capacity, and utilizes an independent electricity grid that serves 24 million people. In addition, the state has more than 13,000 megawatts of installed wind capacity. Texas' solar power potential is also among the nation's highest, representing one-fifth of the U.S. total. The energy sector is one of the most important employers in the state. The KBH Energy Center is committed to ensuring that our business and law students are prepared to make an impact in the energy sector upon graduation. Our mission is to train the next generation of energy leaders in Texas, the United States, and the world.

A handwritten signature in black ink, reading "Melinda E. Igh".

*The Kay Bailey Hutchison Center for Energy, Law, and Business is an innovative interdisciplinary joint venture of the School of Law and the McCombs School of Business at The University of Texas at Austin. The Center concentrates on training the next generation of energy leaders; producing objective analyses of business, legal, and policy questions; convening experts to promote dialogue on current energy topics; and analyzing emerging energy issues in Latin America.*



## OUR MISSION

is to provide the finest educational opportunities in the United States to students who wish to pursue careers in energy and to serve as a nexus for incisive, unbiased, and relevant research and analyses for policy makers, with a special emphasis on Latin America.

## STAFF



**Melinda E. Taylor** is the Executive Director of the Kay Bailey Hutchison Center for Energy, Law, and Business and a Senior Lecturer in the School of Law. Taylor joined the faculty of the Law School in January 2006. Prior to joining the faculty, she was the director of the Ecosystem Restoration Program at the Environmental Defense Fund where she managed a staff of attorneys, scientists, and economists engaged in projects to protect endangered species and water resources across the United States. Taylor also served as deputy general counsel of the National Audubon Society in Washington, D.C. and was an associate at Bracewell & Patterson in Washington.



**John C. Butler** is the Associate Director of Academics for the KBH Energy Center and Director of the Energy Management Program. Dr. Butler's research and consulting activities focus on the Decision Sciences: decision analysis, operations, information systems, management science, and statistics. His KBH role is focused on building an energy-specific business curriculum and contributing to practical energy research projects. He teaches undergraduate, MBA and Masters of Finance courses in finance, modeling and energy, and supervises student participation in practicums and case competitions. Dr. Butler received his B.B.A. from Texas A&M University and his Ph.D. from The University of Texas at Austin.



**Dawnyelle Addison** is the Center Administrator for the KBH Energy Center. She attended San Diego State University and received her B.S. in Business Administration with an emphasis in Management in 2007. She is a native Californian with experience working with the County of Ventura Planning Division and the County of Ventura Board of Supervisors. Addison joined the KBH Energy Center in April 2015. In addition to providing operational support for the Center, she assists with the coordination of events, such as conferences, keynote presentations, and lectures.



**Brooks Hanna** is a Program Coordinator for the KBH Energy Center and the Energy Management Program at The University of Texas at Austin. Her background consists of three years spent in marketing and development for a premier Pk-12 school in Fort Worth, Texas. Before moving to Austin in October of 2013, she spent several years working in the oil and gas industry. She is a member of the Austin Professional Landmen's Association, Young Professionals in Energy and the Austin Petroleum Exploration Society. She was on The Big Give 2014 committee. Hanna received her B.A. from Texas Christian University in 2007.



**Jessica Miller** is a Program Coordinator for the KBH Energy Center and the Energy Management Program and has worked at The University of Texas at Austin for almost 15 years. She joined the Energy Center in 2011, and added the Energy Management Program to her portfolio in 2013 when the program launched. Her role within the KBH Energy Center focuses on event coordination and center administration. Her roles with the Energy Management Program include student advising, events coordination, operations management, and program marketing. Miller received both her Bachelor of Arts in 2005 and her Master of Education in 2011 from The University of Texas at Austin.



**Mauricio Pajón** is a Program Coordinator for the KBH Energy Center. Prior to joining the Center in spring 2014, he worked in the Clinical Program at The University of Texas School of Law. Pajón holds a B.A. in Latin American History from Vassar College and an M.A. and a Ph.D in Latin American History from The University of Texas at Austin. His dissertation explores natural disaster and social change in Latin America.

# KBH Center for Energy, Law, and Business

## EXECUTIVE COUNCIL

Duke R. Ligon, Co-chair  
Sam L. Susser, Co-chair  
Linda L. Addison  
James H. Clement, Jr.  
Joseph C. Dilg  
Dan O. Dinges  
The Honorable Kay Bailey Hutchison  
Rob L. Jones  
Sylvia J. Kerrigan  
James Lloyd Loftis  
Jon P. Newton  
W. Matt Ralls  
Rad Weaver

## ADVISORY COUNCIL

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S. Jack Balagia, Jr.  
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James E. Cousar  
Richard D. Deutsch  
Harry Gee, Jr.  
Pamela M. Giblin  
R. Kinnan Goleman  
Rene Gonzalez  
Stephanie C. Hildebrandt  
Monty Humble  
The Honorable James R. Jones  
The Honorable Robert W. Jordan  
David B. Kultgen  
Diana Liebmann

The Honorable Tom G. Loeffler  
Joel H. Mack  
W. James McAnelly, III  
Michael A. McConnell  
James C. Morriss, III  
Suzanne Murray  
Larry W. Nettles  
Ashley T.K. Phillips  
James M. Rhodes  
The Honorable Arturo Sarukhán  
Jennifer M. Smith  
The Honorable Barry T. Smitherman  
James M. Spellings, Jr.  
Marcello E. Tamez  
Timothy J. Tyler  
D. Marie Wagner  
Robert C. Walters  
Dick Watt  
Roderick E. Wetsel  
John F. Wombwell  
Libin Zhang

*\*As of July 2015*

# WHAT STARTS HERE CHANGES THE WORLD

*The School of Law and the McCombs School of Business offer a number of innovative courses designed to prepare students to succeed in the energy industry. Interdisciplinary courses co-taught by professors from the Schools of Law, Business, Geosciences, Engineering, and Marine Sciences are offered every semester.*

## McCOMBS SCHOOL OF BUSINESS COURSES

### Undergraduate Courses:

- ♦ Nontechnical Exploration & Production
  - ♦ Energy Technology and Policy
  - ♦ Energy Finance Practicum
- ♦ Valuation of Energy Projects and Companies
  - ♦ Energy Financial Risk Management
  - ♦ Contracts & Real Property
  - ♦ Oil and Gas Law

### Graduate Courses:

- ♦ Energy Finance Practicum
- ♦ Energy Development and Policy
- ♦ Financial Strategies for Energy Firms
- ♦ Energy Financial Risk Management
  - ♦ Energy Law

### Executive Education Courses:

- ♦ Energy Finance
- ♦ Economics and Technology of the Crude Oil, Natural Gas and LNG Value Chains
  - ♦ Global Oil and Gas Accounting and Contracting Procedures
- ♦ Introduction to Electric Power and the Economics and Technology of the Electric Power Value Chain
  - ♦ External Stakeholders and Political Risk/Legal Risk in Emerging Energy Markets
  - ♦ Decision and Risk Analysis in Hydrocarbon Exploration and Production
  - ♦ Energy, Technology, and Policy
  - ♦ Business Valuation



THE UNIVERSITY OF TEXAS AT AUSTIN

# TEXAS ENERGY MANAGEMENT

[www.mcombs.utexas.edu/Energy-Management](http://www.mcombs.utexas.edu/Energy-Management)



In June 2013, The University of Texas at Austin launched an Undergraduate Energy Management Program within the McCombs School of Business to provide an AAPL certified program of study in Energy Management for students across all disciplines to pursue in parallel with a traditional degree. The Energy Management Program is designed to train a skilled and knowledgeable pipeline of talent to accommodate the needs of the oil and gas exploration and production industry in the United States and across the world.

The Energy Management Program elevates McCombs' reputation in energy studies and leverages the University's expertise across the Jackson, Cockrell, LBJ, and Law schools. We actively engage industry in continued partnerships to ensure program success and relevance, as well as to provide job opportunities.

### CONTACT INFORMATION:

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Director

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**BROOKS HANNA**

Program Coordinator, Industry Relations

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**JESSICA MILLER**

Program Coordinator, Student Relations

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# School of Law Courses

## Energy Law Courses:

- ♦ International Petroleum Transactions
- ♦ International Business Transactions
  - ♦ Oil and Gas
  - ♦ Oil and Gas, Advanced
  - ♦ Oil and Gas Taxation
- ♦ Oil and Gas: Current Issues
  - ♦ Energy Law
- ♦ Writing Seminar: Texas Wind Law
- ♦ Fracking and More: Environmental Issues in Unconventional Energy Development
  - ♦ International Trade
- ♦ Multiparty Conflict Resolution in Energy and the Environment
  - ♦ Energy Law and Policy
- ♦ Public Policy Issues/Climate Change/Renewable Electric Industry
- ♦ International Trade and Investment in Latin America
- ♦ Law in Latin America: Comparative View
- ♦ Environmental Impact of Energy Development and Production

## Environmental Law Courses:

- ♦ Environmental Law
  - ♦ Clinic: Environmental Law
- ♦ Environmental Law and Natural Resources
  - ♦ Environmental Policy and Law
  - ♦ Property and Governance
  - ♦ Administrative Law
  - ♦ City Planning
- ♦ Public Policy Issues/Climate Change/Renewable Electric Industry
- ♦ Multiparty Conflict Resolution in Energy and the Environment
  - ♦ International Human Rights Law
- ♦ Coastal Watersheds: Science, Law and Policy
- ♦ Writing Seminar: Environmental Litigation
  - ♦ Writing Seminar: Science and Law
  - ♦ Writing Seminar: Climate Change Law
- ♦ Fracking and More: Environmental Issues in Unconventional Energy Development
- ♦ Law in Latin America: Comparative View
  - ♦ Public International Law
- ♦ Global Challenges: Strategy, Law and Diplomacy
  - ♦ Water Law

## International Arbitration:

- ♦ Alternative Dispute Resolution
- ♦ International Commercial Arbitration
- ♦ International Investor/State Arbitration
- ♦ International Arbitration: Practical Skills
  - ♦ Writing Seminar: Arbitration
- ♦ Multiparty Conflict Resolution in Energy and the Environment
  - ♦ Mediation
  - ♦ Negotiation

## Interdisciplinary Course Offerings

- ♦ Coastal Watersheds: Science, Law, and Policy
- ♦ Dual Degree Program in Law & Graduate Business Administration
  - ♦ Energy Development and Policy
  - ♦ Energy Finance Practicum
- ♦ Graduate Portfolio Program in Dispute Resolution
  - ♦ Graduate Portfolio Program in Energy Studies
- ♦ Integrated Watershed Studies Graduate Portfolio Program
- ♦ Law, Science & Finances of Global Energy Transactions
  - ♦ Energy Law

# RESEARCH AND PUBLICATIONS

**“Arbitrators Without Powers? Disqualifying Counsel in Arbitral Proceedings”**

by Alan Scott Rau, *Arbitration International*, 2014

**“But What About Texas? Climate Disruption Regulation in Recalcitrant States”**

by Thomas O. McGarity, *Harvard Environmental Law Review*

**“The Conflict Between Endangered Species and the State Water Plan: Will New Listings Under the Endangered Species Act Thwart the State Water Planning Process?”**

by Vanessa Puig-Williams and Melinda E. Taylor, KBH Energy Center, UT Austin

**“Crossing the Threshold: Arbitral Jurisdiction after BG Group”**

by Alan Scott Rau, *Melanges en l’honneur de Pierre Mayer*

**“The Endangered Springflow Act: How the Endangered Species Act Influences Groundwater Law and Protects Springflow in Texas”**

by Vanessa Puig-Williams, KBH Energy Center, UT Austin

**“Environmental Federalism; When Numbers Matter More than Size”**

by David E. Adelman, *UCL Journal of Environmental Law & Policy*

**“EPA’s Clean Power Plan: Implementation Options”**

by Melinda E. Taylor and Romany M. Webb, KBH Energy Center, UT Austin

**“Financing Conservation: Texas’ Water Infrastructure Bank and the 20 Percent Set-Aside”**

by Jeremy Brown, KBH Energy Center, UT School of Law

**“Gap Filling’ by Arbitrators”**

by Alan Scott Rau, *International Council for Commercial Arbitration, Congress Series*

**“Habitat Conservation Plans and Climate Change: Recommendations for Policy”**

by Melinda E. Taylor, KBH Energy Center and Holly Doremus, *Environmental Law Reporter*

**“Lost But Not Forgotten: The Hidden Environmental Costs of Compensating Pipelines for Natural Gas Losses”**

by Romany Webb, KBH Energy Center, UT Austin

**“The Political Economy of Local Vetoes”**

by David B. Spence, *Texas Law Review*

**“Racing to the Top: How Regulation Can Be Used to Create Incentives for Industry to Improve Environmental Quality”**

by Wendy E. Wagner, *Journal of Land Use and Environmental Law*

**“Rethinking Judicial Review of Expert Agencies”**

by Elizabeth Fisher, Pasky Pascual, and Wendy E. Wagner, *Texas Law Review*

**“Ride Like the Wind: Selected Issues in Multi-Party Wind Lease Negotiations”**

by Roderick E. Wetsel and Steve DeWolf, *Texas A&M Journal of Real Property Law*

**“Science and Policy in Setting National Ambient Air Quality Standards: Resolving the Ozone Enigma”**

by Thomas O. McGarity, *Texas Law Review*

**“Still Free to Harm: A Response to Professor Farber”**

by Thomas O. McGarity, *Texas Law Review*

**“Unfounded Fears About Pollution Trading and Hotspots”**

by David E. Adelman, *Environmental Law Reporter*

**“What do Market-Calibrated Stochastic Processes Indicate about the Long-Term Price of Crude Oil”**

by Warren J. Hahn and James S. Dyer, The University of Texas at Austin, James A. DiLellio, Pepperdine University



# THE UNIVERSITY OF TEXAS AT AUSTIN

## ENERGY POLL

The University of Texas Energy Poll, managed by the McCombs School of Business, provides the following insights into public perspectives:

\* An “Energy Index” that reflects how energy affects consumers’ lives and the nation’s future “beginning with the second survey”.

\* Satisfaction with various groups’ handling of energy issues, including government, business, energy industry, academics, and non-governmental organizations and interest groups.

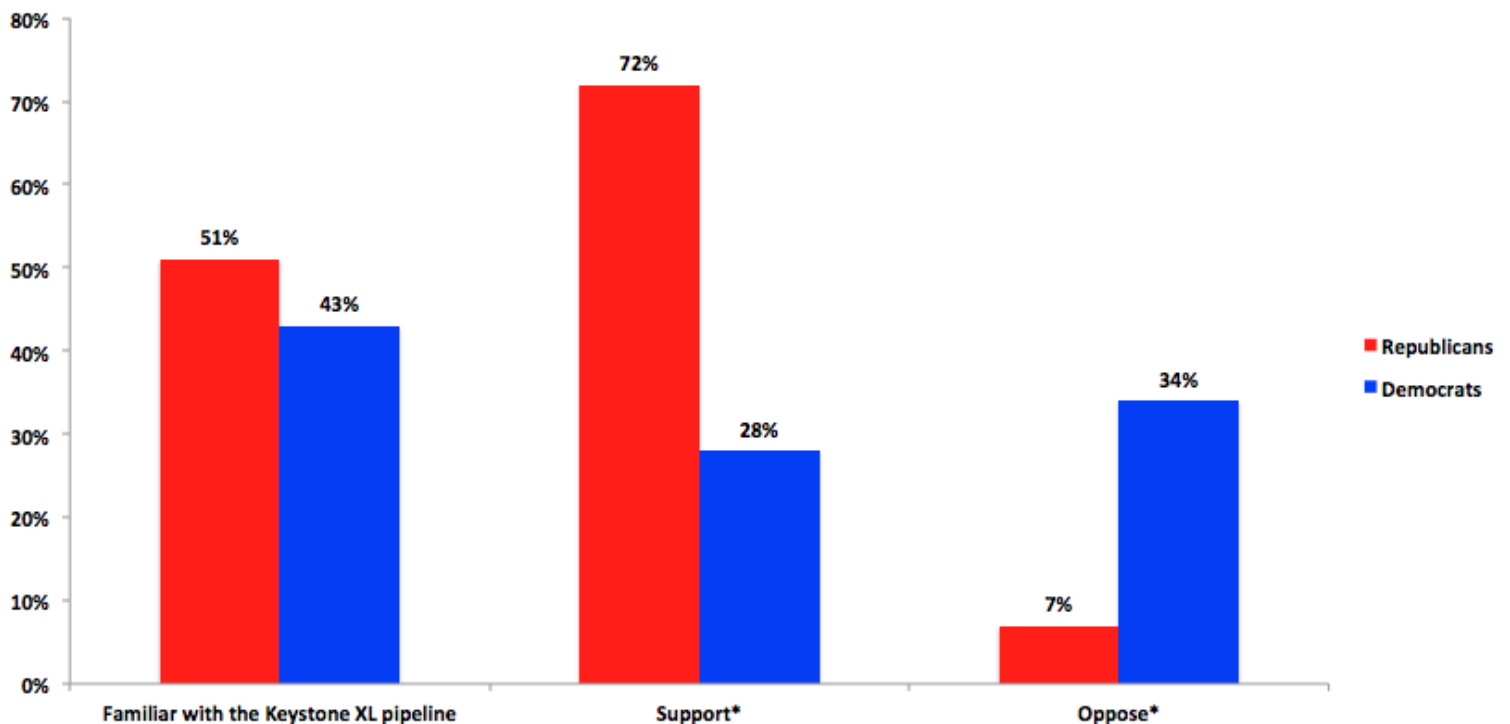
\* Tracking of knowledge and interest in energy, attitudes toward possible energy trade-offs, energy’s future, cultural influences on energy use, information sources and voting behavior.

\* Opinions on current energy issues.

“The **UT Energy Poll** provides the only regular, objective and academically rigorous poll on American attitudes on energy issues. Our data is used to inform and guide policy makers, journalists and the business community.”

**Sheril Kirshenbaum**  
*Director, UT Energy Poll*

### American Attitudes on the Keystone XL Pipeline



The eighth iteration of the Energy Poll was conducted online between March 4<sup>th</sup> and 13<sup>th</sup>, 2015, among 2,078 U.S. residents ages 18 and over.

# CONFERENCES

## KBH Energy Center Inaugural Symposium

### Experts and Leaders from Business, Government, and Academia Discuss Geopolitics of Oil & Gas in the Americas at 2015 KBH Center Symposium

The KBH Energy Center held a symposium on “The Geopolitics of Oil and Gas in the Americas” on Friday, February 20, 2015, in Austin, Texas. 200 people attended the event. In addition to being the Center’s inaugural event, the Symposium was the capstone of a week-long, university-wide Energy Week of events sponsored by academic departments and student organizations from across campus.

Experts and leaders from business, government, and academia at the KBH Symposium discussed the implications of Mexican energy reform for the United States, as well as regional transboundary-transnational issues, supply security issues, and governance in the context of energy development. Featured speakers included Mexican Under-Secretary for North American Affairs Dr. Sergio M. Alcocer, former U.S. Ambassador to Saudi Arabia Robert W. Jordan, former U.S. Senator Mel Martinez, and the Director of the Mexico Institute at the Wilson Center Dr. Duncan Wood.

The Symposium featured four keynote speakers and three panels that focused on shifting dynamics of global energy and Mexican Energy Reform. During the breakfast keynote, Dr. Alcocer, offered his perspective on how energy reform legislation is likely to affect U.S.-Mexico relations and economic cooperation. The first panel, which discussed the myriad effects of the shifting energy picture on national security, global investments, and regulatory reform, was keynoted by Ambassador Jordan, who spoke on U.S.-Saudi relations, common interests, and the U.S.’s ability to influence decisions and encourage openness. Panelists discussed their perspectives on the range of issues affecting the global energy sector, including the “shale revolution,” the energy reform initiative in Mexico, and Chinese investment in energy around the world.



Mexican Undersecretary for North American Affairs Dr. Sergio M. Alcocer gives Breakfast Keynote Presentation.

The second and third panels focused on Mexican Energy Reform in the context of the transformation of a national industry and economic expansion for Mexico and the Americas. Dr. Duncan Wood keynoted the second panel, which offered an in-depth discussion of some of the key challenges that Mexico faces as it opens its energy sector to foreign investment, including security, labor, and compliance with anti-corruption laws. Dr. Wood offered his perspective on Mexican energy policy and North American relations. Panelists offered their perspectives on the security issues and corruption challenges Mexico may face.

The third panel focused on discussion of the expected benefits to Mexico and North America of energy regulatory reform and environmental and social challenges for Mexico. Panelists discussed benefits like enhanced labor productivity, competition, and social investment, as well as challenges for the Mexican government, including the need for design of secondary legislation, enhanced efficiency among government entities, strong regulators, and embracing competition. Panelists also offered their perspectives on environmental issues that are presented by the increase of offshore drilling and shale development that is expected with foreign investment in Mexico.

The previous evening, the KBH Energy Center and Texas Journal of Oil, Gas, and Energy, Law (“TJOGL”) the only entirely student-run journal in the country devoted exclusively to promoting scholarship in the energy legal field, cohosted a Symposium Dinner Celebration honoring outstanding achievements in the field of energy. The KBH Energy Center honored James J. Mulva (former chairman and chief executive officer of ConocoPhillips) with the 2015 Kay Bailey Hutchison Center for Energy, Law, and Business Award for Outstanding Leadership in Energy. TJOGL honored Charles W. Matthews, Jr. (former vice president and general counsel of Exxon Mobil Corporation) with the 2015 Ernest E. Smith Lifetime Achievement Award.



From left to right: School of Law Dean Ward Farnsworth, KBH Energy Center Associate Director Dr. John Butler, Senator Kay Bailey Hutchison, KBH Energy Center Executive Director Professor Melinda Taylor, and former McCombs School of Business Dean Tom Gilligan.



# CONFERENCES

## 5<sup>TH</sup> Annual Austin Electricity Conference

### Experts Debate New Approaches to Supporting Clean Energy Development

Growing concern about climate change has led to a fundamental shift in national energy policy in recent years. Seeking to reduce climate-damaging greenhouse gas emissions, policymakers have pushed cleaner energy development, with increased use of natural gas and renewable energy sources in place of dirtier coal. Central to these efforts are new rules – first proposed by the U.S. Environmental Protection Agency (EPA) in June 2014 – imposing strict limits on carbon pollution emissions from fossil fuel power plants. These rules were hotly debated at the fifth annual Austin Electricity Conference, on April 9-10, 2015 at The University of Texas at Austin.

“This year’s Austin Electricity Conference brought together nearly 100 experts from government, industry, and academia to explore approaches for managing the transition to a cleaner energy mix” said Melinda Taylor, Senior Lecturer at the UT School of Law and Executive Director of the KBH Energy Center. “The result was a lively discussion of both the opportunities and challenges presented by clean energy development.”

Taylor moderated a panel titled “EPA Rules and Electric Supply / Reliability” in which five industry experts discussed the likely costs and benefits of the new federal rules. Focusing on the impact in Texas, one panelist argued that the rules could accelerate the retirement of coal-fired power plants, leading to increased electricity prices and undermining electric system reliability. Others, however, were more optimistic about Texas’ ability to adapt to changes in generation. The state, noted one panelist, has considerable wind and solar generating capacity that can be ramped-up as fossil fuel generation declines.

“The panelists offered valuable insights on key issues associated with compliance with the federal rules,” said Taylor. The panel was followed by a robust discussion among conference attendees about possible compliance strategies. Most favored a market-based strategy, with emissions trading seen as a low-cost option for complying with the rules.

Attendees also exchanged ideas on other policy innovations to support clean energy development. During a panel on “The Benefits and Costs of Pushing Renewables,” industry experts compared domestic and overseas experience with renewable portfolio standards, feed-in tariffs, and other incentive mechanisms used to stimulate utility-scale wind and solar generation. Another panel, titled “Integrating Distributed Energy Resources,” explored measures supporting the development of rooftop solar and other forms of distributed generation.



Panelists explore the nexus of markets and the environment at the 2015 AEC.





Dr. Rai

## PANEL ONE : THE BENEFITS AND COSTS OF PUSHING RENEWABLES

**Moderator:** Dr. Varun Rai, The University of Texas at Austin

**Panelists:** Dr. Inês Azevedo, Carnegie Mellon University  
Professor Lincoln Davies, University of Utah  
Dr. Gautam Gowrisankaran, University of Arizona  
Professor Felix Mormann, University of Miami  
Dr. Elizabeth Wilson, University of Minnesota



Dr. Baldick

## PANEL TWO: INTEGRATING DISTRIBUTED ENERGY RESOURCES

**Moderator:** Dr. Ross Baldick, The University of Texas at Austin

**Panelists:** Mr. Chad Blevins, The Butler Firm, PLLC  
Mr. Ashley Brown, Harvard University  
Dr. Daniel Kirschen, University of Washington  
Mr. James Tong, Clean Power Finance  
Dr. Daniel Violette, Navigant Consulting



Professor Taylor

## PANEL THREE: EPA RULES AND ELECTRIC SUPPLY/RELIABILITY

**Moderator:** Professor Melinda Taylor, The University of Texas at Austin

**Panelists:** Dr. James Bushnell, University of California, Davis  
Mr. Colin Meehan, Comverge, Inc.  
The Honorable Barry T. Smitherman, Railroad Commission of Texas  
Mr. Brian Tulloh, Energy Future Holdings  
Dr. Michael Wara, Stanford University



Ms. Benson

## PANEL FOUR: BUILDING A MARKET IN MEXICO

**Moderator:** Ms. Erika Benson, Benson International Group, LLC

**Panelists:** Dr. Francisco Acuña, InTrust Global Investments, LLC  
Mr. Esaúl Ramirez, North American Development Bank  
Mr. Efraín Villanueva, Secretaría de Energía (SENER)  
Dr. Benigno Villarreal, Vive Energía

## KEYNOTE SPEAKERS:

**Mr. John Hewa**  
**Pedernales Electric Cooperative**  
**Dr. Christoph Weber**  
**University of Duisburg-Essen**

*The 2015 Austin Electricity Conference was co-sponsored by the UT Energy Institute, Cockrell School of Engineering, and Kay Bailey Hutchison Center for Energy, Law, and Business. Corporate sponsor Oncor, a Dallas-based transmission and distribution company, provided additional financial support.*

# CONFERENCES

## Distinguished Lecture Series

In addition to conferences and symposia, the KBH Energy Center hosts a Distinguished Lecture Series each semester. The series features speakers and topics that are of particular interest to students interested in pursuing careers in energy, environmental law, or dispute resolution. Featured speakers have included leaders from law firms, energy companies, nonprofit organizations, and government agencies. In 2014-15, speakers included the Honorable Barry T. Smitherman, former chairman of the Railroad Commission of Texas and the Public Utilities Commission of Texas, the Honorable Rebecca A. Klein, former chairman of the Public Utilities Commission of Texas, Mr. James M. Spellings, Jr., General Tax Counsel, ExxonMobil, and Mike Grable, President of Lone Star Transmission.

### Spring 2015

#### **Energy Policy in Texas: Pressing Issues for the Texas Legislature**

Presented by the Honorable Barry T. Smitherman, former Chairman of the Texas Railroad Commission and the Public Utilities Commission of Texas (PUCT) and The Honorable Rebecca A. Klein, former Chairman of the PUCT

#### **Practicing Tax Law at the Largest Corporation in America, ExxonMobil**

Presented by James M. Spellings, Jr., Vice President and General Tax Counsel of ExxonMobil Tax

#### **Walking a Fine Line: Balancing Property Rights, Energy Production, and the Environment**

Presented by Joseph Fitzsimons, former Chairman of the Texas Parks and Wildlife Commission

#### **Shifting Political Dynamics: Emerging Energy Issues in the Developing World**

Presented by Professor Owen Anderson, Oklahoma University School of Law

### Fall 2014

#### **Challenges to Delivering Electricity in Texas**

Presented by Mike Grable, President of Lone Star Transmission

#### **Energy and Environmental Law of Ecuador in the Andean Context**

Presented by Leonardo Sempertegui Ontaneda, Founding Partner of Sempertegui Ontaneda

#### **Life and Work at the U.S. Environmental Protection Agency**

Presented by Suzanne Murray, Regional Counsel of U.S. EPA Region 6

#### **Practicing Energy Law in Mexico: A UT Law LL.M.'s Experience**

Presented by Ariel Ramos, Partner, Haynes and Boone

# Ernest and Paula Smith Scholarship

The Ernest and Paula Smith Energy Law Scholarship is awarded to a Texas Law student in recognition of outstanding achievement and potential in energy law. The scholarship was named in honor of Professor Ernest Smith and his wife, Paula. This year, the Scholarship Committee received twenty scholarship applications. The KBH Energy Center awarded scholarships to three Texas Law students. The scholarship recipients were announced by Professor Owen Anderson at the Texas Journal of Oil, Gas, and Energy Law (TJOGEL) Spring 2015 Reception on April 16.

## 2015 Recipients:



### **Adam Abulawi (JD Expected '16)**

Adam was a 2015 Summer Associate at Baker Botts LLP and Vinson & Elkins LLP. He is the Texas Journal of Oil, Gas, and Energy Law's 2015-16 Chief Financial Officer.



### **Lisa Garrett (JD Expected '17)**

Lisa has a mechanical engineering background with a strong desire to pursue a career in energy law. Lisa was a 2015 Summer Intern in the Environmental Division of the Iowa Attorney General's Office.



### **Hobie Temple (JD Expected '16)**

Hobie was a 2015 Summer Associate at Thompson & Knight LLP and Bracewell & Giuliani LLP. He was the Texas Journal of Oil, Gas, and Energy Law's 2014-15 Staff Editor of the Year and is the Journal's 2015-16 Director of External Affairs.

# AFFILIATED FACULTY

## LAW SCHOOL FACULTY

**David Adelman**, Faculty Director, Business and Economics, Harry Reasoner Regents Chair in Law School

**Owen L. Anderson**, Visiting Professor (The University of Oklahoma College of Law)

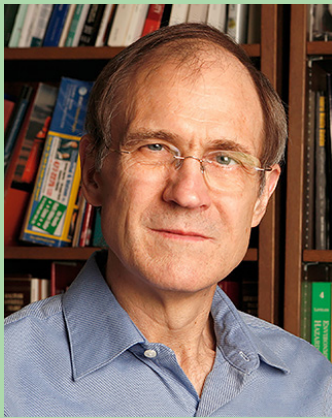
**Antonio H. Benjamin**, Visiting Professor (Brazilian Supreme Court Justice)

**Jane Cohen**, Edward Clark Centennial Professor

**Victor Ferreres Comella**, Visiting Professor (Universitat Pompeu Fabra)

**John Dzienkowski**, Dean John F. Sutton, Jr. Chair in Lawyering and the Legal Process

**Kelly Haragan**, Director of the Environmental Law Clinic



### Thomas O. McGarity

**Joe R. and Teresa Lozano Long Endowed Chair in Administrative Law**

In a 2015 *Harvard Environmental Law Review* article titled “But What About Texas?: Climate Disruption Regulation in Recalcitrant States,” Tom McGarity, the Joe R. and Teresa Lozano Endowed Chair in Administrative Law at the University of Texas School of Law, recounts the history of U.S. Environmental Protection Agency’s efforts to deal with the recalcitrant state bureaucracy and EPA-bashing political leaders as EPA attempted to reduce greenhouse gas emissions.

**Alan S. Rau**, Mark G. and Judy G. Yudof Chair in Law

**Suzanne Schwartz**, Lecturer and Environmental Program Director for the Center for Public Policy Dispute Resolution

**Ernest E. Smith**, Rex G. Baker Centennial Chair in Natural Resources Law

### Wendy E. Wagner

**Joe A. Worsham Centennial Professor**

Wendy Wagner, the Joe A. Worsham Centennial Professor at the University of Texas School of Law, argues in a 2015 *Texas Law Review* article titled “Racing to the Top: How Regulation Can Be Used to Create Incentives for Industry to Improve Environmental Quality” that a race-to-the-top approach to regulation will not only improve some failing regulatory programs but could well be transformative. Such a seemingly modest adjustment in the regulatory endgame – focusing regulators on a “best-in-market” – could effectuate a fundamental shift in the regulatory standard-setting exercise.





# AFFILIATED FACULTY

## BUSINESS SCHOOL FACULTY



### Ehud I. Ronn

#### **Carl Fink, Jr. Endowed Faculty Fellow in Business Administration**

Professor Ronn's expertise focuses on the "Message from Markets", i.e. what are equity and commodity financial markets, including both futures and options, telling us about the world, its uncertainties and expectations. This message can be used to make better business decisions, e.g. when to drill a particular well, and can provide corporations with better advice regarding their risk management and hedging practices. Further, price models can be inferred from market information to provide better guidance regarding valuation and risk management.

**James Dyer**, Fondren Foundation Centennial Chair in Business

**Warren J. Hahn**, Clinical Associate Professor

**Wayne Hoyer**, James L. Bayless/W.S. Farish Fund Chair for Free Enterprise

**Stephen Limberg**, Price Waterhouse Coopers Centennial Professor in Accounting

**Leigh McAlister**, Ed and Molly Smith Chair in Business Administration

### David B. Spence

#### **Professor of Business, Government and Society**

As the controversy over fracking continues to sweep the nation, many local communities have enacted ordinances banning the practice, creating conflicts between these ordinances and statewide regulation schemes. This has given rise to state-local preemption challenges within state courts. In a 2014 *Texas Law Review* article titled "The Political Economy of Local Vetoes," David Spence, analyzes these conflicts, focusing on the best way to distribute the costs and benefits of fracking and how courts have attempted to address these distributional concerns.



**Kumar Muthuraman**, Chevron Centennial Fellow in Business

**Sheridan Titman**, Faculty Director, Business and Economics,  
Walter W. McAllister Chair in Financial Services

# RESEARCH FELLOW



**Romany Webb** joined the KBH Energy Center as a post-graduate research fellow in November 2014. Originally from Australia, Romany has a keen interest in both domestic and international environmental issues. Romany's current research focuses on management of the environmental impacts of oil and gas development. She recently authored two white papers examining regulatory options for controlling methane emissions from the gas pipeline system.

Prior to joining the KBH Energy Center, Romany worked at the Berkeley Energy and Climate Institute, researching federal climate change policy. She co-authored a series of reports exploring federal agencies' authority, under existing law, to reduce greenhouse gas emissions and promote clean energy development.

Romany earned a Master of Laws, with a certificate of specialization in environmental law, from the University of California, Berkeley, in 2013. Romany also holds a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales (Australia). She has practiced as an attorney, representing electric and gas utilities in regulatory proceedings and advising government and industry clients on water management issues. She has written extensively on water law and policy and lectured on the topic at the Australian National University.

## **KBH Energy Center White Paper Explores the Climate Benefits of Reducing Pipeline Gas Losses**

Increased natural gas use has been widely heralded as a vital step in the transition to a clean energy economy. Proponents emphasize that substituting natural gas for coal in electricity generation reduces greenhouse gas emissions. However, those reductions may be offset by emissions during natural gas production. In a paper titled "Lost But Not Forgotten: The Hidden Environmental Costs of Compensating Pipelines for Natural Gas Losses," Romany Webb urges action to reduce emissions associated with gas pipeline leaks. She finds that pipeline operators currently have little incentive to repair leaks as the cost of leaked gas can be passed onto ratepayers. She recommends changes to the cost recovery framework to encourage improved pipeline leak management.

# AFFILIATED FELLOW

**Vanessa Puig-Williams** is an affiliated fellow with the KBH Energy Center. Vanessa's research interests include water management and conservation. Her past work has focused on environmental flows and state water planning and endangered species protection. She recently authored a white paper examining how the protection of species under the federal Endangered Species Act may affect groundwater management in Texas.

Vanessa advises environmental non-profits and land trusts on matters related to groundwater protection and conservation easement transactions in Texas. She is a member of the Hill Country Alliance Water Team and a board member of the Wimberley Valley Watershed Association.

Vanessa received her J.D. from the University of Texas School of Law in 2006 and holds a degree in Geography with Honors from The University of Texas at Austin. After graduating, Vanessa practiced in the environmental division of the Texas Attorney General's Office.



## **KBH Energy Center White Paper Explores Regulatory Tools Like the Endangered Species Act**

When an endangered species is present in a spring, can the Endangered Species Act influence groundwater management and protect springflow? What regulatory tools can a groundwater conservation district utilize to protect springflow to ensure the long-term survival of rare species? What potential legal vulnerabilities do groundwater districts face if they fail to do so? What options are available under the ESA for the districts to obtain authorization for unavoidable harm to the species? In "The Endangered Springflow Act: How the Endangered Species Act Influences Groundwater Law and Protects Springflow in Texas," Vanessa Puig-Williams explores the significant and developing relationship between groundwater management and endangered species protection.

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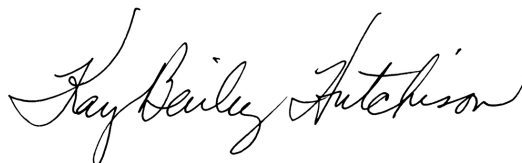
# A Message from Kay Bailey Hutchison



Energy is the lifeblood of the Texas economy. Our state has vast natural resources – Texas is the largest oil, gas, and wind producer in the United States and the energy industry employs more than 300,000 people. The University of Texas is recognized as a global leader in energy research; more faculty across the campus are working on energy at UT than any other institution of higher learning. A large number of our students in law, business, engineering, and geoscience pursue careers in the energy sector. To prepare them for their careers, we offer innovative courses that give students the opportunity to learn about energy and environmental issues from multiple perspectives in classes with students and faculty from law, business, geoscience, and engineering. The Kay Bailey Hutchison Center for Energy, Law, and Business was formed to train students to become leaders in the energy sector. It is also committed to producing clear and unbiased analyses of legal, business and policy issues related to energy.

In addition to domestic energy, the KBH Energy Center is focused on exploring the dynamic relationship between the United States and Latin America and preparing UT students to participate in energy developments in the region. Texas shares a 1,200-mile border with Mexico and we have a history of close economic and social integration. Latin America as a whole is undergoing dynamic energy development. Mexico is in the midst of historic constitutional energy reforms that have enabled foreign companies to invest in the country's energy sector for the first time in 75 years. Shale and offshore oil and gas discoveries in Argentina, Colombia, and Brazil have spurred investment in those countries, as well. The region stands to make important economic gains as a result of these developments, but needs technical training and support to develop the infrastructure, legal and business frameworks for the industry. The KBH Energy Center will serve as a convener of stakeholders and experts to exchange ideas and promote best practices in Latin America.

We have assembled a remarkable group of energy leaders from law and business to lead the KBH Energy Center and I appreciate their willingness to participate and support the Center's work. I am delighted to be part of the university's commitment to energy leadership and confident that we will achieve our mission to train the next generation of energy leaders.

A handwritten signature in black ink that reads "Kay Bailey Hutchison". The signature is written in a cursive, flowing style.



The University of Texas at Austin

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HUTCHISON**  
**CENTER FOR ENERGY, LAW & BUSINESS**

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