

# Texas General Land Office

*Natural Gas Vehicle Program  
Flip This Fleet: Advancing the Choice  
Houston – June 27, 2007*



Jerry Patterson, Commissioner

# Texas General Land Office Overview



- ⌘ Oldest State Agency: Shortly after Texas won its independence from Mexico, Republic of Texas Congress established the General Land Office (GLO) in 1837
- ⌘ First responsibilities were to collect all land records from across Texas and aid in the management of tracts of land offered to settlers who fought for Texas Independence
- ⌘ Today, the core mission of the GLO is to manage over 20 million acres of land constitutionally dedicated to the Permanent School Fund (PSF)

# Texas General Land Office Overview



- ⌘ Permanent School Fund was established in 1854 to provide financial support of public schools apart from taxpayer money
- ⌘ 2006: PSF held \$23B in assets, making it one of the world's largest education endowments, with \$900M contribution to education
- ⌘ Additional GLO Responsibilities : Prevent and clean-up of oil spills; provide benefits to Texas Veterans; manage state land leases for oil/gas production, agriculture, forestry, commercial development and sustainable energy development; stewardship of the Texas coastline; maintain and preserve patents, land grants, leases and easements

# State Energy Marketing Program



- ⌘ Public Customer Gas Program
- ⌘ State Power Program

## **Primary Goals**

- ⌘ Provide contributions to the Permanent School Fund
- ⌘ Provide savings to public retail customers

# State Energy Marketing Program



## **Current Public Retail Customers**

- ⌘ State Agencies
- ⌘ Cities, Counties/Municipal, & other Local Governments
- ⌘ Independent School Districts
- ⌘ Public Colleges & Universities
- ⌘ Community, Junior & Tech Colleges
- ⌘ Military Bases & Veterans Facilities

# Public Customer Gas Program



# Public Customer Gas Program



- ⌘ Before 1983, GLO simply took a cash payment for royalties owed on production from state leases
- ⌘ 1983: Determination that natural gas “taken-in-kind” (TIK) from state leases could result in higher revenues for the PSF, together with Legislative Appropriations Bill directing State Agencies to lower energy costs through purchases of gas produced from state leases, became the genesis of the State Energy Marketing Program.
- ⌘ Primary Goals: Enhance contributions to the PSF and provide energy cost savings to Public Retail Customers
- ⌘ FY06 Program received revenues of \$226M from natural gas sales on 28 BCF; approximately 32% of total gas royalties were TIK.

# Public Customer Gas Program



- ⌘ The Public Customer Gas Program provides Public Retail Customers with a cost effective alternative to purchasing natural gas from “for profit” marketing companies or from the regulated natural gas local distribution company. (LDC)
- ⌘ GLO has more than 60 Gas Purchase and Sales Agreements serving over 540 locations (meters), including state agencies, cities, hospitals, school districts, universities and prisons, and over 240 electric service contracts serving Public Retail Customers across the state of Texas
- ⌘ Revenue from sales of natural gas to Public Retail Customers goes into the PSF. Earnings from the PSF are distributed to school districts on a per-pupil basis, helping to offset local property taxes.

# Renewable Energy Division



# Renewable Energy Division

- ⌘ Wind
- ⌘ Solar
- ⌘ Geothermal
- ⌘ Border Energy
- ⌘ Alternative Fuels



# Wind Rush Is On In Texas



⌘ Measurements began off of Galveston in spring 2007

⌘ Goals

☑ Texas leader in wind industry

☑ "Gone to Texas"

☑ Manufacturing

☑ Research

☑ Service industry

☑ Infrastructure

☑ Other lessees

# Alternative Fuels



# Alternative Fuels



- ⌘ Works to encourage alternative fuels, especially compressed natural gas (CNG) and liquefied natural gas (LNG).
- ⌘ Public customers can purchase natural gas for vehicle use through the GLO.
- ⌘ Economic development benefits.
- ⌘ Environmental benefits.

# New NGV Grant Program



- ⌘ Working with Texas Commission on Environmental Quality (TCEQ) on a new grant program for heavy-duty Natural Gas Vehicles for public fleets.
- ⌘ 3-year Program operated through Texas Emissions Reduction Plan (TERP).
- ⌘ Announcement made in April; plan to start accepting applications in summer 2007.
- ⌘ Expedited service for NGV applications.

# New NGV Grant Program



- ⌘ Geographic areas specified by TCEQ
- ⌘ Initial phase – working in Dallas-Fort Worth, Houston, and Beaumont-Port Arthur areas only.
- ⌘ Applied for expansion to Austin, San Antonio, and Tyler-Longview.
- ⌘ As TERP program becomes available in other areas, GLO will request opportunity to offer NGV grants there as well.

# New NGV Grant Program



- ⌘ Advantages – open throughout the year, to work with public agencies' procurement needs.
- ⌘ Advantages – possible natural gas supply through GLO program.
- ⌘ All types of TERP-eligible vehicles can be funded through GLO NGV program.
- ⌘ Off-road and on-road applications accepted.
- ⌘ Public-sector contractors may become eligible as program develops.

# New NGV Grant Program

## *Who Are Public Retail Customers?*

- ⌘ Public School Districts
- ⌘ State Colleges and Universities
- ⌘ Junior and Community Colleges
- ⌘ State Agencies
- ⌘ Cities, Counties, and other Local Governments
- ⌘ Military Bases and Federal Veterans Facilities

# Texas General Land Office Alternative Fuels



Contact:

Michelle Warren

michelle.warren@glo.state.tx.us

512/475-1372

Soll Sussman

soll.sussman@glo.state.tx.us

512/463-5039

1-800-998-4GLO (4456)

[www.glo.state.tx.us](http://www.glo.state.tx.us)

# Texas General Land Office Renewable Energy Division



*Sharing our experience*