September 1998

Louisiana Energy Topics

Department of Natural Resources

Technology Assessment Division

A Supplement to LOUISIANA ENERGY FACTS on Subjects of Special Interest

LOUISIANA AN ENERGY CONSUMING STATE 1998 UPDATE USING 1995 DATA

The trend of energy consumption in Louisiana remains on a slight increase. This increase reflects the overall trend of energy use in the United States. As energy prices remain stable and to a degree relatively low, it is expected that energy use and energy use per capita will continue to rise.

Energy in the United States is the driving force of our industries. The same is true in Louisiana. Louisiana ranks sixth in total energy use when compared with the other fifty states in the union. This is a long way behind two of the most populous states, California and Texas, the top two energy users. Louisiana also ranks second in per capita energy use this time behind Alaska, but ahead of Wyoming and Texas.

Why do much smaller states rank so high in energy use? The per capita is easiest to explain. The state's population is small in comparison to the energy use. In particular, this is a major factor when the energy is used outside the typical population dependent items, residential and motor vehicle energy use. Louisiana ranks second in industrial energy use and eleventh in transportation energy use.

Total energy use in Louisiana was 3813.6 trillion Btu's in 1995. Of this, industry used 2520.0 trillion Btu's or 66.1 percent. Louisiana used 758.2 trillion Btu's in its transportation sector. Of this 66.9 trillion Btu's were natural gas, and as the Energy Information Administration reports: "Transportation use of natural gas is gas consumed in the operation of pipelines, primarily in compressors ...". There also has been an addition to these natural gas uses in some motor vehicles. This is a minor component, but it has been growing ever so slightly since the early 1990's.

The bulk of the growth in energy use has been in the petroleum and natural gas areas. While most natural gas is produced domestically, some is imported from our neighbors in Canada and Mexico. Not all of the gas used in Louisiana is produced in Louisiana.

While quite a bit of the gas is technically produced in Louisiana, much of it comes from Federal waters in the Outer Continental Shelf (OCS). Louisiana derives mostly indirect benefits from minerals produced in these waters, with much of the direct revenues going to the federal government. Louisiana does have to provide some of the onshore infrastructure costs for citizens, and non citizens, who pass through Louisiana on their way to the offshore areas and for the service businesses that support the offshore activity.

What we hope to convey is that Louisiana is an energy producing state and while we are pleased with that position and our heritage, we must look at this production in the proper perspective. Louisiana, and the industries it supports, create an energy consuming state. (See adjacent table of the State energy balance.) Louisiana, and the rest of the United States, use much more energy than we actually produce.

Louisiana Energy Production and Consumption - 1995

| Energy Source | Production | | Consumption | Net State Energy Production by Source | |
|---|--------------------------|--|--|--|---------------|
| | | | | Excluding OCS | Including OCS |
| Petroleum | State Oil* LA. OCS Oil* | 759.1 TBTU ¹ (130.9 MMBBL) 1,857.5 TBTU ³ (320.3 MMBBL) | 1,476.5 TBTU ² (283.3 MMBBL) | -717.4 TBTU | 1,140.1 TBTU |
| Natural Gas | State Gas** LA. OCS Gas* | 1,602.2 TBTU ¹ (1.548 TCF) *3,688.7 TBTU ³ | 1,778.0 TBTU ² (1.718 TCF) | -175.8 TBTU | 3,512.9 TBTU |
| Coal | Lignite | 48.9 TBTU ² (3.350 MMSTON) | 217.5 TBTU ² (13,357 MMSTON) | -168.6 TBTU | -168.6 TBTU |
| Nuclear Electric Power | | 167.2 TBTU ² (15.686 Billion KWH) | 167.2 TBTU ² (15.686 Billion KWH) | 0.0 TBTU | 0.0 TBTU |
| Hydroelectric, Biofuels & Other | | 123.2 TBTU ² | 123.2 TBTU ² | 0.0 TBTU | 0.0 TBTU |
| Net Interstate Purchases of Electricity Including Associated Losses | | | 51.8 TBTU ² (15.188 Billion KWH) | -51.8 TBTU | -51.8 TBTU |
| Net State Energy Production All Sources | | | | -1,061.8 TBTU | 4,484.4 TBTU |

This balance indicates that in 1995, Louisiana was a net consumer of energy if OCS production were not credited to the state. Louisiana imported 1,061.8 TBTU more energy than it produced. In 1995, total energy production in Louisiana was 8,246.8 TBTU (2,700.6 TBTU if OCS is excluded), and consumption totaled 3,814.2 TBTU.

TCF = Trillion Cubic Feet KWH = Kilowatt hour

OCS = Outer Continental Shelf MMBL = Million Barrels TBTU = Trillion BTU's MMSTON = Million Short Tons

Data Sources

^{*}Includes Condensate

^{**}Includes Gas Plant Liquids

¹Louisiana Department of Natural Resources

²U.S. Department of Energy, Energy Information Administration, December 1997

³U.S. Department of the Interior