

Rural Energy

Summary of SARL Breakout Session
January 7, 2012

Robert Lestz

GasFrac

Douglas Durante

Clean Fuels Development Coalition

MLA Ralph Eichler, Moderator

Robert Lestz gave an overview the technology his company is testing with fracking. Following a basic discussion of what fracking is and that the process uses large amounts of water, Mr. Lestz described how their company is using liquefied petroleum gas instead of water to frack. He explained that LPG eliminates the problems associated with water like reinjection and/or disposal issues, need for retention ponds, and drought. LPG also requires pumping less fluids and getting better recovery percentages. Senator Ron Justice (OK) asked Mr. Lestz if their process would have any impact on infrastructure supporting fracking, specifically roads. Lestz said that by eliminating the disposal issue of water there would be far less traffic on roads, an additional benefit of the LPG process.

Doug Durante explained that the ethanol business has reached a crossroads in its development. He spoke to the advantages the industry has meant to rural communities - farm income, tax revenues to local towns, less dependence of foreign oil, and improving air quality. The industry has met the cap though through the renewable fuel standard with the use of corn in ethanol production. The next phase means integrating cellulosic ethanol like ag waste, specialty crops, and switch grass. Mr. Durante explained that there needs to be additional state incentives to ensure the success of the program, like access to revolving loan funds for infrastructure development. Representative Tom McKee commented that there is a large need for state legislatures to pass incentives for the production of cellulosic ethanol. He said that without incentives it becomes very difficult for producers to get basic financing.