

BORDER ENERGY: DEVELOPING A REGIONAL CONSENSUS

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As the Commission for Environmental Cooperation proceeds with its initiative studying environmental issues in an integrated North American electricity market, it is important that ongoing, existing efforts be recognized and supported.

Since 1994, the Texas General Land Office (a Texas state government agency) has worked with a wide variety of partner agencies in the United States and Mexico to organize the annual Border Energy Forum, a conference designed to improve the exchange of information regarding energy and its relationship to the environment throughout the border region. Electricity has been a major issue for conference since the start, with a concentration on how deregulation and opening of markets could affect the region as well as offer new opportunities for cross-border electric trade.

The Forum was founded because of the recognition that almost every economic and environmental issue that the United States and Mexico confront is affected, influenced, shaped or driven by energy, and that there is too much at stake for any of these aspects to be taken for granted.

Nearly nine years later, in the wake of rising natural gas prices, California's post-deregulation electricity crunch, and heightened interest in the potential of cross-border energy trade, it is appropriate to reflect on the motives for starting the Border Energy Forum. For the most part, the public operates with offices and tend to our transportation needs, and for the most part assume that the energy we need will be there when we need it. But energy use – at whatever level of economic activity, from the smallest wood-burning stove to a huge power plant – involves choices, and those choices affect for good or ill the world in which we live. Those choices become vastly more complicated in northern Mexico and the southwestern United States, where common interests, shared history, and similar characteristics transcend the international boundary.

The original idea for the Border Energy Forum was to bring together 50 people each from the United States and Mexico to exchange information on an annual basis about the best practices to produce and consume energy in the fast-growing region, to forge new partnerships, and ultimately to work together regionally on the twin goals of economic development and environmental protection. The Forum has achieved and exceeded that goal, bringing together each year a total of about 200 representatives of the U.S. and Mexican federal governments, state and local officials from both sides of the border, the private sector – energy producers as well as energy consumers, university professors and researchers, and environmental organizations.

The challenge is to meet energy needs and changes in the region by using more sustainable energy fuels, technologies, and consumption patterns. From the start, the decision was made that the participation of all stakeholders would be generally deferred to the U.S. and Mexican border regions, that ongoing efforts to develop energy alternatives for border states separate from those by border cities. Our emphasis that decisions on natural gas, wind, and other energy alternatives should be developed in the U.S. and Mexico, for those living in the states on both sides of the U.S.-Mexican border.

energy production and consumption in Dallas and Chihuahua as much as in Laredo and Ciudad Juárez would need to be taken into account if we were to produce a meaningful dialogue. Sensitivities regarding sovereignty also had to be respected, with voices and positions from both sides of the border presented equally with no effort to impose solutions.

It also is important to place the Forum's start back in the context of a period when there was generally little cross-border exchange of information about energy.

In addition to bringing together energy experts from both sides of the border, a priority of the Border Energy Forum has also been to initiate a dialogue between those who are interested in energy as a business and those who see protection of the environment as their charge. The Forum has evolved into a think tank for energy and environmental issues. It provides an opportunity for breaking through the confines of any particular area of expertise by sharing information among an unusual array of professions, including immunologists, natural gas producers, wastewater treatment engineers, windpower entrepreneurs and government regulators.

The questions this think tank addresses are profound and far-reaching. What, for example, are the current and future energy needs of northern Mexico and the southwestern United States? How will energy consumption affect the region? What parallels can be drawn between deregulation in the United States and the opening of energy markets in Mexico? What projects for the current year as well as for 10 years in the future will meet the energy needs of the region? What decisions must we make today that will be good for the economy and still protect the environment well into the coming decades?

Over the years, the Forum has explored how to expand energy markets and how to finance worthwhile energy projects. There has been a steady stream of reports on ambitious projects in progress. Working with the Forum has also provided a vantage point for observing the opening of markets and deregulation, to varying degrees, on both sides of the border. In the early years, the Border Energy Forum was originally called the Texas-Mexico Border Energy Forum and met the first two years in El Paso, Texas, concentrating on Texas and its four Mexican border states. During the United States-Mexico Border Energy Forum III in 1996, which took place in Monterrey, capital of the northern Mexico border state of Nuevo León, the name was changed because of the expressed interest from representatives from New Mexico and other states farther west. Thus the 1997 forum was held in Las Cruces, New Mexico, followed by Forum V in Chihuahua, Chihuahua, in 1998; Forum VI in San Antonio, Texas, in 1999; Forum VII in Ciudad Juárez, Chihuahua, in 2000; and Forum VIII in Tucson, Arizona, in October 2001. Plans are being made now for Border Energy Forum IX in Saltillo, Coahuila, in the fall of 2002.

Information is available on the Web site of the Texas General Land Office, www.glo.state.tx.us/energy/border, or by calling 512/463-5039.

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