



David Killam
Chairman

D. Todd Staples
President

March 22, 2019

The Honorable Ron Nirenberg
Mayor, City of San Antonio
P.O. Box 839966
San Antonio, Texas 78283

Re: City of San Antonio's draft Climate Action and Adaptation Plan

Dear Mayor Nirenberg:

The Texas Oil and Gas Association (TXOGA) is a non-profit corporation representing every sector of the oil and natural gas industry in the state of Texas. The membership of TXOGA produces in excess of 90 percent of Texas' crude oil and natural gas, operates over 80 percent of the state's refining capacity, and is responsible for the vast majority of the state's pipelines. In fiscal year 2018, the oil and natural gas industry supported more than 348,000 direct jobs and paid just over \$14 billion in state and local taxes and state royalties, funding our municipalities, state's schools, roads and first responders.

We are writing to respectfully express concern with the City of San Antonio's draft Climate Action and Adaptation Plan, which includes mitigation strategies that will threaten reliable, affordable energy, increase transportation costs, and put San Antonio's residents and economy at risk.

Our members agree that working toward climate progress is a global responsibility. Oil and natural gas companies are investing heavily in new technology that will continue to make a difference in reducing air emissions and protecting the environment. In fact, the U.S. oil and natural gas industry is the leading investor in zero- and low-carbon technology, investing more than \$301.5 billion in greenhouse gas mitigating technologies between 2000-2016. That's more than double the investments by other private sector industries and the federal government, combined.

Oil and natural gas companies' investments in innovation have resulted in a 14 percent reduction in methane emissions from oil and natural gas systems since 1990. Domestic natural gas production increased by 50 percent during the same period. Natural gas, now America's leading source of electricity generation, is credited with driving U.S. carbon-dioxide (CO₂) emissions to their lowest levels since 1992. The U.S. Global Change Research Program reports that North American CO₂ emissions from fossil fuel combustion have declined on average by 1 percent per year over the last decade, "largely

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because of reduced reliance on coal, greater use of natural gas, and increased vehicle fuel efficiency standards.”

These environmental achievements are proof that we don't have to sacrifice economic growth to protect the environment. We can and will continue to do both.

We have significant concerns with the estimates in the draft plan that suggest mitigation strategies could cost more than \$14 billion between now and 2030. That total is a conservative estimate based on limited information contained in the plan, and city officials have yet to share their calculation of the true cost over the next 11 years. Without a clear understanding of implementation costs, there is substantial risk that families will face higher prices for electricity, housing and transportation, and local businesses, who provide high quality jobs for San Antonio families, will have a harder time competing in the future.

From Germany to Georgetown, Texas, we have seen the negative impact of hasty shifts toward renewable energy sources. In both places, residents are struggling with electricity bills that have skyrocketed. Germany has seen a 51% increase in electricity costs since switching to solar and wind energy, and Georgetown residents will see an average increase of \$153 in their electricity bill this year. Other areas that have switched to an all-renewable energy plan include California, whose move to solar increased electricity costs by 24% from 2011 to 2017, and Denmark where the reliance on wind energy has forced electricity costs to go up 100% since 1995.

While it is unclear what costs will be shouldered by San Antonio families, businesses and organizations by making the changes required by the plan, what we do know is that increased domestic production of natural gas has brought the price of energy for the average U.S. household down by almost 15% in the last decade.

Furthermore, renewable energy sources are unreliable. Not only can solar and wind not fully meet the capacity of American energy needs, but these alternative energies can only deliver when the sun is shining or the wind is blowing.

While the City's plan is being cast as a long-term plan, half of the mitigation strategies are slated to begin by 2021. On top of exorbitant electricity costs, imagine how San Antonio residents would react with a new mandate to replace their vehicle with an expensive electrical vehicle that requires a costly home charging station.

Under the draft plan, we wonder too what will come of the city's future transportation plan, Connect SA, which would include dedicated lanes for LNG-powered mass transportation. This type of incongruent government planning ends up wasting taxpayer dollars and hits families in the pocketbook. It's a signal that the city should step back and evaluate its climate plan with objectivity.

We are encouraged that engaging with the local business community appears to be a priority for the City in further development of its plan. We welcome the opportunity to

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be part of the process to ensure that the City's plan is based on facts, includes concrete cost estimates and funding mechanisms, and is clear-eyed about the economic impact for San Antonio residents and its employers.

Sincerely,



Todd Staples
President
Texas Oil & Gas Association



Bryan W. Shaw, Ph.D., P.E.
Owner
Shaw Engineering

CC: Councilman Roberto C. Treviño
Councilman Art A. Hall
Councilwoman Rebecca J. Viagran
Councilman Rey Saldaña
Councilwoman Shirley Gonzales
Councilman Greg Brockhouse
Councilwoman Ana Sandoval
Councilman Manny Pelaez
Councilman John Courage
Councilman Clayton Perry