

Energy Resources Council Meeting (ERC)

Minutes

May 20, 2016

Energy Innovation Center

8:00 AM – 12:00 PM

CALL TO ORDER:

The meeting was called to order at 8:04 AM by Chairwoman Hull.

ATTENDANCE:

ERC Members Present

Sen. James Anderson (Natrona), Carl Bauer, Sen. Eli Bebout , Tom Botts, Rep. Tom Lockhart, Indy Burke, Rob Wallace, Dave Emery, Cindy Crane, Vello Kuuskraa, Laurie Nichols, Dave True and Jeane Hull.

ERC Members Absent

None

SER Staff in Attendance

Mark Northam, Diana Hulme, Rob Hurless, Trish Steger, Richard Horner, Nadi Kaliszewski, Pam Henderson, Emma Jane Alexander, Tara Raghetti, and Rachel Ferrell.

Others Attending

Brett Befus

MEETING ITEMS BY DETAIL:

Approval of Agenda

Action: A motion was made by Senator Bebout to accept the agenda. It was seconded by Vice Chairman Lockhart. Motion passed without objection.

Approval of March 2016 Minutes

Action: A motion was made by Senator Bebout and seconded by Vice Chairman Lockhart to accept the minutes as presented. Cindy Crane requested that in the future all acronyms be spelled out. Motion passed.

ERC and SER Introductions

Summary: Chairwoman Hull introduced new ERC member, Vello A. Kuuskraa, President of Advanced Resources International, and Laurie Nichols, newly appointed University of Wyoming President. Both individuals spoke briefly on their backgrounds and were openly welcomed by the Council.

DIVISION UPDATES

Full copies of all SER division reports are available in the **May 2016 ERC Notebook** or upon request.

Research

Comments/Tasks: The Rare Earth Elements symposium to present results of ongoing research is in development. Wyoming is one of the few states that has rare earth elements and it is essential that there is a continued forward push on the rare earth elements and other critical materials at this time so as to capture the opportunities for the State of Wyoming. Dr. Fan, College of Engineering, and Carbon Management Institute (CMI) are both working on research grants that would provide a better economic element via the use of separation technology. Challenges presented are marketing and permitting. All current allocated funds for research have been used and there is no additional funding available.

Outreach

Comments/Tasks: It was noted that with the retirement of Mary Byrnes, Outreach Director, there would be a scale back of programs for the foreseeable future. The council requested more information on the upcoming Sovereign Wealth Forum. Dr. Northam explained Treasurer Gordon had requested SER participation. Some investment firms, think tanks and institutes have been invited and/or are seeking attendance. There will be national as well as international participation. A list of all upcoming events is available upon request.

CMI

Comments/Tasks: The Carbon Management Institute (CMI) is focused on receiving several potential grants. Acknowledgement of receipt or decline should be forthcoming within the next month.

Special Projects

Comments/Tasks: 1.4 million dollars will be spent on the carbon engineering initiative over the next biennium. The first six months will be spent setting the parameters and preparing for actual engagement. Currently \$400,000 has been spent advancing new projects i.e., developing contracts with the technology firm and working with the Wyoming Business Council to relocate

the company to Wyoming. Realistically it will be seven to ten years to see the viability of the outcomes. It was noted that participating in discussion with the Department of Energy regarding the carbon engineering projects would be beneficial, and talking points for the private sector can be made available upon request. The council requested a distinct timeline with deliverables be developed and made available to them.

3D Visualization Lab

Comments/Tasks: Emma Jane Alexander presented an oral report to the council highlighting the Center for Advanced Energy Studies (CAES) ARTerative Energy contest photo award to the 3D Visualization Center, the current development of the cave-to-cave communication video and also cave-to-other platforms capability. It was noted that sound, not just images, is available in the cave-to-cave connectivity. A development strategy to grow the use of the cave has been completed and can be shared at an upcoming meeting of the ERC as time and need are available.

Academic

Comment/Tasks: The School of Energy Resources (SER) has ten graduates this spring. Fall enrollment will most likely be affected by the downturn in the energy industry. It was acknowledged that improving employer recruitment would be beneficial. Dr. Northam announced awards granted to Pam Henderson, SER Student Advisor, and congratulated her on these achievements especially the “UW Tip of the Cap” award. SER will not hire a fulltime academic director, but rather will replace this position with a part-time department head.

EORI

Comments/Tasks: Dave True will replace John McPherson on the Enhanced Oil Recovery Institute (EORI) commission. There are currently four unfilled vacancies for researchers. EORI has encountered several challenges within the University of Wyoming (UW) human resource procedures which has hindered their ability to proceed with hiring. This has been especially true due to the UW hiring freeze. President Nichols inquired about the challenges and Mr. Hurless explained EORI’s position. The position being that EORI is considered a state agency, governed by a commission, associated with the UW, but funded by a separate budget from the UW block grant. As such the commission would like to seek an exemption to the imposed hiring freeze and move forward with hiring the four key positions. A lengthy discussion ensued whereby the council and in particular the three state legislative representatives explained to President Nichols the separation of the EORI budget, as well as the SER budget from the UW block grant. President Nichols thanked the legislators for their clarification, acknowledged the separation of funding and offered her support in the future hiring process.

SER Budgets

Summary: SER is on track to spend its annual FY2016 operating budget. It will be reviewed again during the 3rd quarter to ensure it remains on target for expenditures. Funding has been re-allocated to assist with cost overruns on the High Bay Research facility and any remaining unallocated funds will be used for one-time purchases of research equipment. Discussion turned to the FY17/18 projected budgets and SER's plan to meet the requested budget cuts. Dr. Northam pointed out that a firm decision on the percentage of the budget cut is still under discussion. Therefore, SER has prepared two drafts for the council to review. The first draft contained an 8% reduction to operating costs and the second draft demonstrated a 10% reduction. Most of the initial reductions to the operating budget would come from payroll. SER has undergone a period of attrition and retirement and most of these positions will not be filled. To manage this reduction in staff, vacant position responsibilities have been downsized and reassigned to existing staff. Dr. Northam provided the council with a copy of the newly developed organizational chart to demonstrate what future staffing would look like, as well as to show the overlap of department responsibilities and services to complete the SER mission. Additional cuts, if needed, would be made to funding of the Centers of Excellence and would also come out of opportunity creation allocations. President Nichols again acknowledge the separation of funding for SER from the UW block grant and also expressed her appreciation to the council for their willingness to ascribe to the UW budget reduction guidelines despite the uniqueness of their funding.

FY 17 ERC Meeting Dates

Summary: The council reviewed the projected dates for the FY17 ERC meetings and requested more time to review before confirming dates. Ms. Steger was asked to poll the board for any conflicts and to bring the results to the August ERC meeting for continued discussion.

Executive Session

Summary: Chairwoman Hull requested a short break and asked the members to reconvene once they had picked up their lunches so that the membership could go into executive session for the purpose of discussing personnel issues.

New Business/Directions for Next Meeting

Summary: The ERC agenda for August 2017 needs to include a line item to discuss the results of the recent suggestions for changes to the ERC meetings. The council also requested a tour of

the High Bay Research facility at the August meeting. If the facility was not complete enough for a tour, photographs would be appreciated.

Adjournment

Representative Lockhart proposed adjournment and it was seconded by Senator Anderson. The meeting was formally adjourned at 1:10 PM.

Respectfully submitted:

Jeane Hull
Chairwoman

Tom Lockhart
Vice-Chairman