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Energy Renaissance

[Professor David Dismukes](#), associate director of the [Center for Energy Studies at Louisiana State University](#) (LSU), said in his presentation to the [Atlanta Economics Club](#) on December 11 that the United States is "entering an energy renaissance period." He added that the outlook is very bright and that the "United States—and North America generally—has quickly become one of the most attractive regions for new investment."

LSU's Center for Energy Studies provides energy information and analysis that respond to the needs of the legislature, public agencies, and business and civic groups. The center also maintains some very useful and unique energy databases. Dismukes has been on the LSU faculty for over a decade, and since that time has led a number of the center's research efforts on topics associated with almost all aspects of the energy industry.

New natural gas availability is having a considerable impact on all energy markets today and on a longer-term, forward-looking basis. The increase in production from shale is now migrating into liquids and crude oil production. Dismukes said that "the expansion of this revolution is increasing liquids production as well as facilitating additional natural gas production despite low prices."

"Reserve development, production, and capital expenditures are all up to record levels," he continued. He believes that the effect on hiring will be significant as the energy infrastructure expands. There will also be considerable economic development opportunities through lower energy costs.

Developments will change energy market dynamics, including those associated with clean energy initiatives and renewables, nuclear power, carbon capture and storage, and energy efficiency. "Renewables have a bright outlook, and the economics have seen significant improvements." Currently, 37 states have renewables portfolio standards policies in place that should continue to increase demand for renewables.

Regionally, the impact of the energy boom will be felt most directly in Louisiana, where most of the Southeast's energy infrastructure is located. But the longer-term implications of cheap, abundant, and diverse sources of energy will be significant for the rest of the country as well.



By [Michael Chriszt](#), a vice president in the Atlanta Fed's research department

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