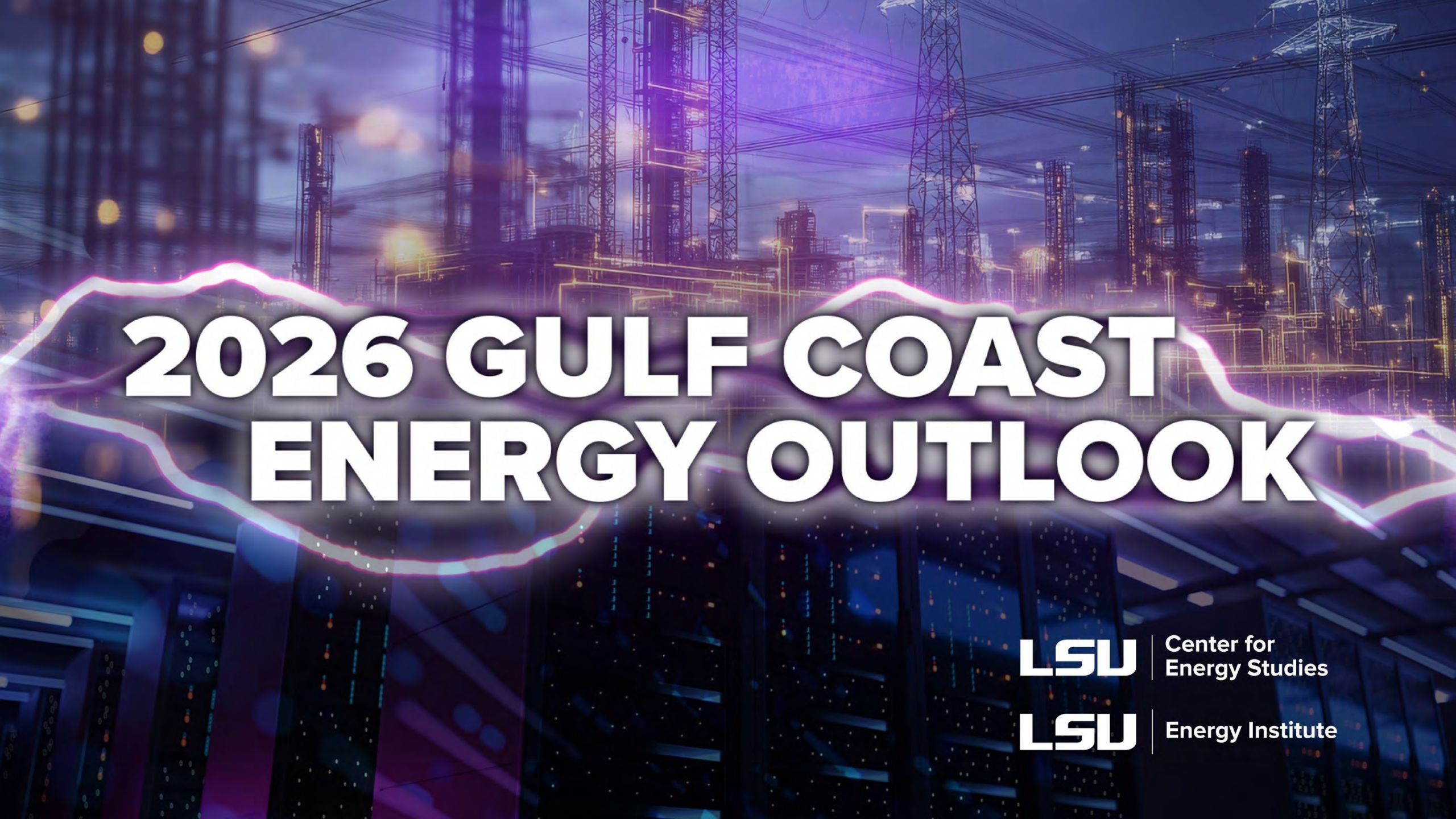

2026 GULF COAST
ENERGY OUTLOOK
LSU Center for Energy Studies
LSU Energy Institute

2026 GULF COAST ENERGY OUTLOOK

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Contributor

EisnerAmper · Hood Baumann & Associates · Louisiana Economic Development · Regions · Steelhead a Vestas company

Outline

1. Introduction & Uncertainties
2. Oil & Gas Production
3. Mid-Stream Constraints
4. Power Sector
5. Energy Manufacturing
6. Energy Exports
7. Policy Implications
8. Employment
9. Conclusion

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Uncertainties

- **Policy Uncertainty**
- International Trade and Tariffs
- Economic Outlook
- Electricity Demand Growth



Policy Uncertainties



- **Offshore Leasing** – Biden administration discontinued offshore leasing; activity later reinstated following court rulings and Inflation Reduction Act.
- **Offshore Wind Permitting** – The Trump administration issued a January 20, 2025, memorandum temporarily withdrawing all U.S. Outer Continental Shelf areas from offshore wind leasing and freezing new or renewed federal approvals for wind projects pending a permitting review.
- **LNG Export Policy** – Biden administration paused LNG export approvals; following the Ukraine invasion approvals resumed, and the Trump administration has since fast-tracked new applications.
- **Tariff Policy** – Ongoing uncertainty due to shifting tariff frameworks and trade policy adjustments.
- **Tax Credits** – IRA introduced tax credits that were sunset prematurely with OBBA. Administrative rulemaking on 45V has also changed across administrations.
- GCEO has incorporated a new policy section this year reflecting evolving regulatory and market conditions.

Policy Uncertainty Assumptions

This year's GCEO assumes that the current federal framework continues through the forecast horizon (about three years). But we note that federal policy changes across administrations, and the resulting uncertainty this creates, has the ability to negatively impact energy investments.

Uncertainties

- Policy Uncertainty
- **International Trade and Tariffs**
- Economic Outlook
- Electricity Demand Growth



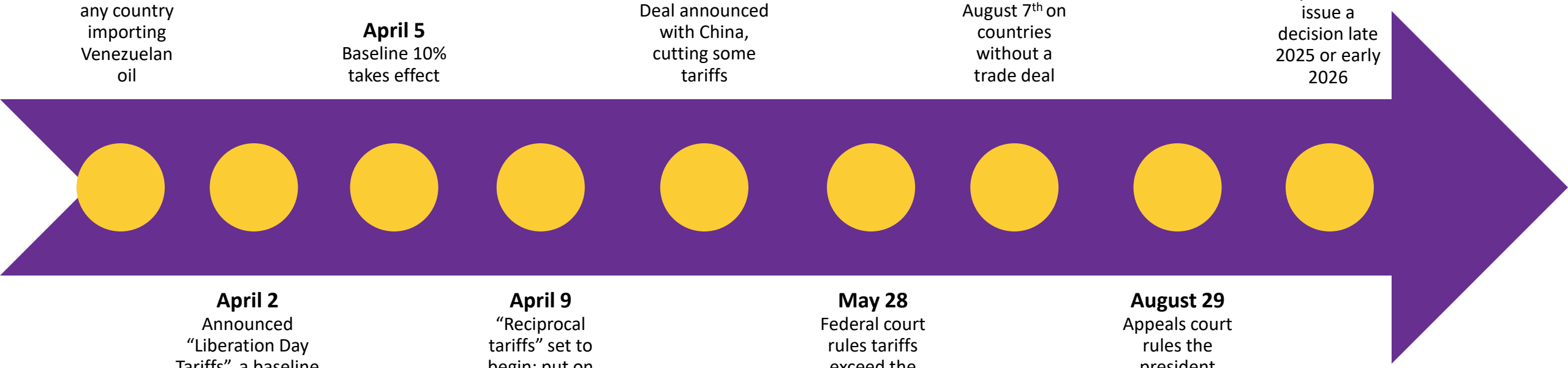
International Trade and Tariffs



Companies cite the difficulty of making capital decisions under uncertainty on tariffs:

- **Intensive Margin** - In the short run, companies shift where goods are produced or sold. This can raise costs — not only from tariffs themselves, but also from higher logistics, compliance, and transportation costs caused by trade disruptions.
- **Extensive Margin** – Uncertain tariff regimes can delay capital investments, as firms hesitate to commit to new facilities, supply chains, or market expansions without clear long-term policy signals.

Tariff Timeline



March 24
25% tariff imposed on any country importing Venezuelan oil

April 2
Announced "Liberation Day Tariffs", a baseline 10% tariff + higher "reciprocal tariffs" up to 34% on certain trading partners

April 5
Baseline 10% takes effect

April 9
"Reciprocal tariffs" set to begin; put on 90-day pause

May 12
Deal announced with China, cutting some tariffs

May 28
Federal court rules tariffs exceed the President's legal authority; appeals court issues a stay

July 31
Country specific tariffs ordered to resume August 7th on countries without a trade deal

August 29
Appeals court rules the president exceeded authority, but stayed the decision to allow an appeal to the U.S. Supreme Court

TBD
The U.S. Supreme Court is expected to issue a decision late 2025 or early 2026

Trade Agreements

- **United Kingdom:** 10% “reciprocal” tariff; some quotas for select goods
- **Indonesia:** 19% “reciprocal” tariff
- **Philippines:** 19% “reciprocal” tariff
- **South Korea:** 15% “reciprocal” tariff
- **Vietnam:** 20% “reciprocal” tariff
- **European Union:** 15% minimum tariff rate
- **Japan:** 15% minimum tariff rate

No Trade Agreements

- **Brazil:** 10% “reciprocal” tariff, with some extra duties up to 40%
- **China:** 34% “reciprocal” tariff suspended until November 10, 2026, while negotiations are ongoing. Currently under 10% “reciprocal” tariff
- **India:** 25% “reciprocal” tariff

Note: Canada and Mexico exempt from Liberation day tariffs, although they fall under separate U.S. tariff programs

International Trade and Tariffs Assumptions

This year's GCEO assumes that current tariff policies remain in place. Trade policies introduce uncertainty for Gulf Coast manufacturers through two channels: (1) making it more difficult to find international buyers for products due to potential for reciprocal tariffs and (2) higher input costs, especially for capital projects.

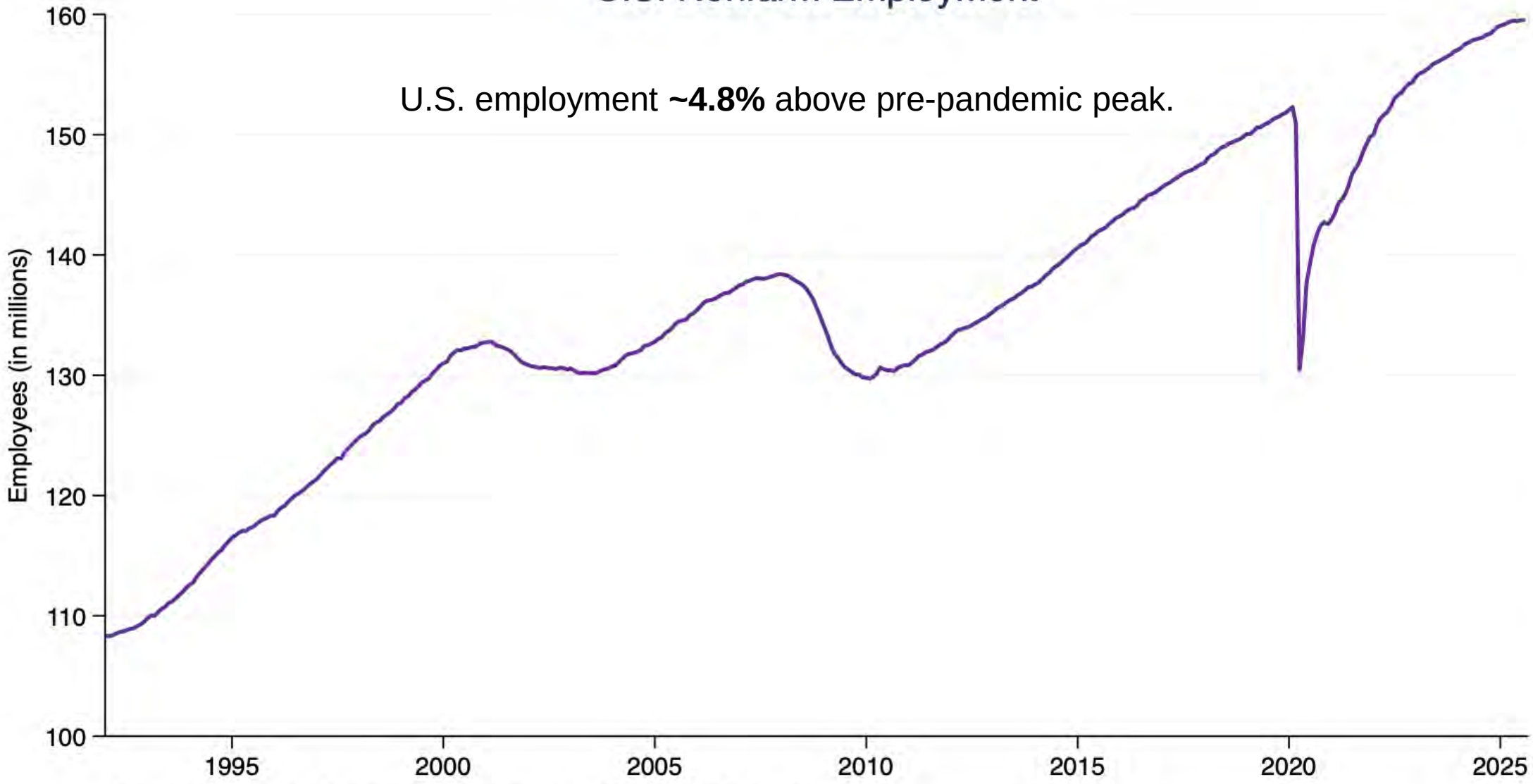
Uncertainties

- Policy Uncertainty
- International Trade and Tariffs
- **Economic Outlook**
- Electricity Demand Growth



U.S. Nonfarm Employment

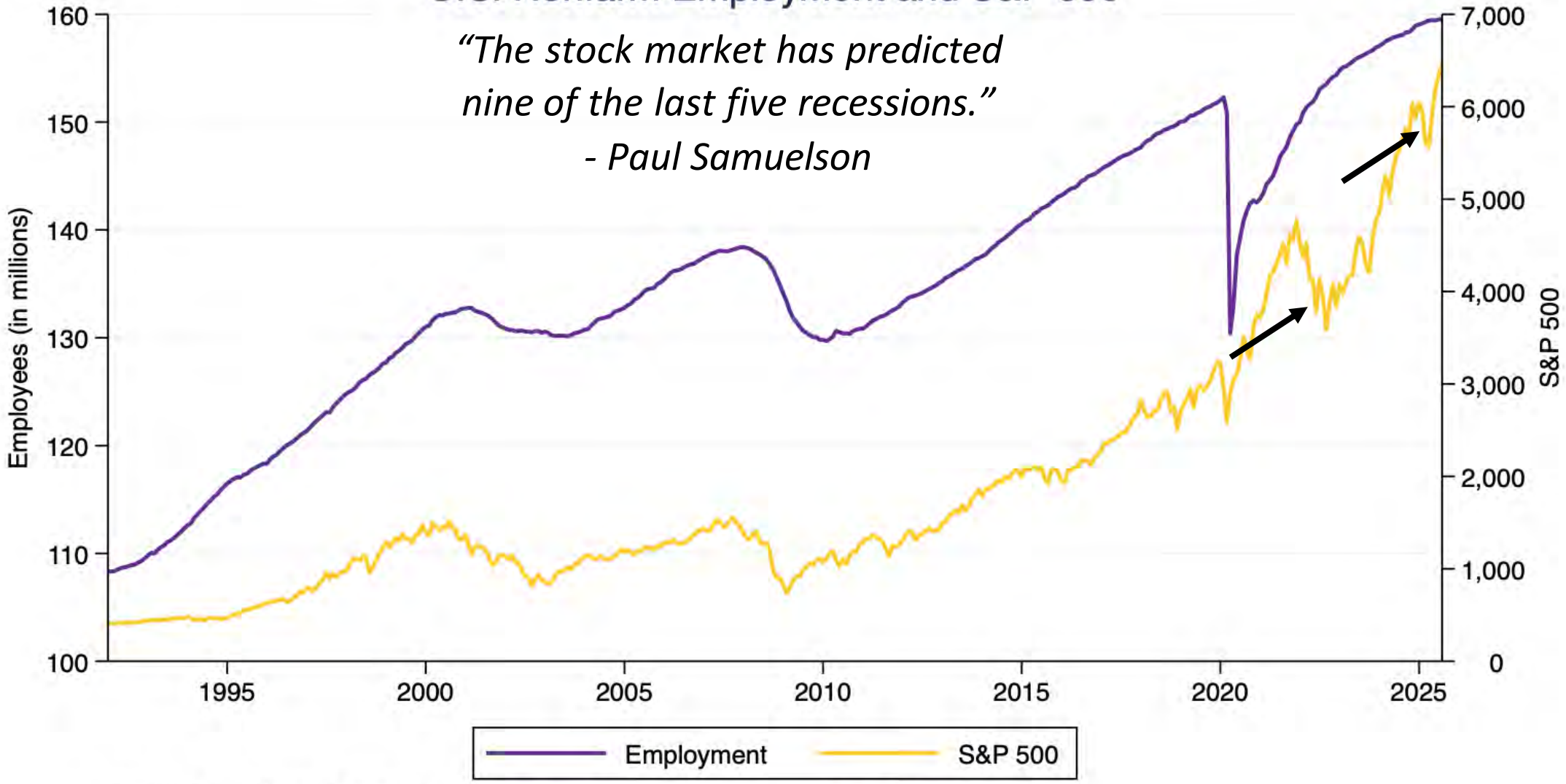
U.S. employment **~4.8%** above pre-pandemic peak.



Source: Bureau of Labor Statistics, Current Employment Statistics (CES); Retrieved from FRED.

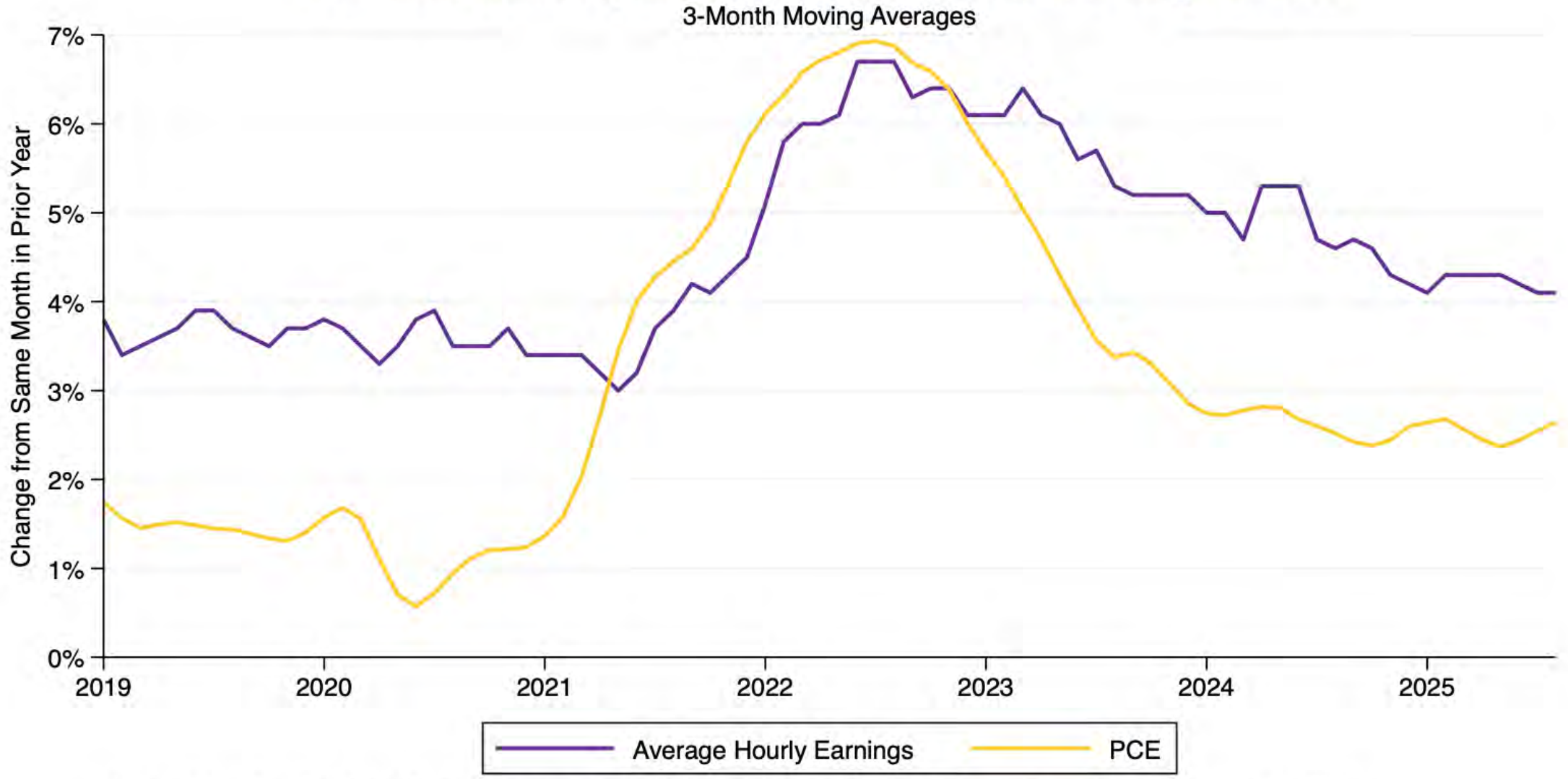
U.S. Nonfarm Employment and S&P 500

"The stock market has predicted nine of the last five recessions."
- Paul Samuelson



Source: Bureau of Labor Statistics, Current Employment Statistics (CES); Retrieved from FRED.
Note: S&P 500 from www.investing.com.

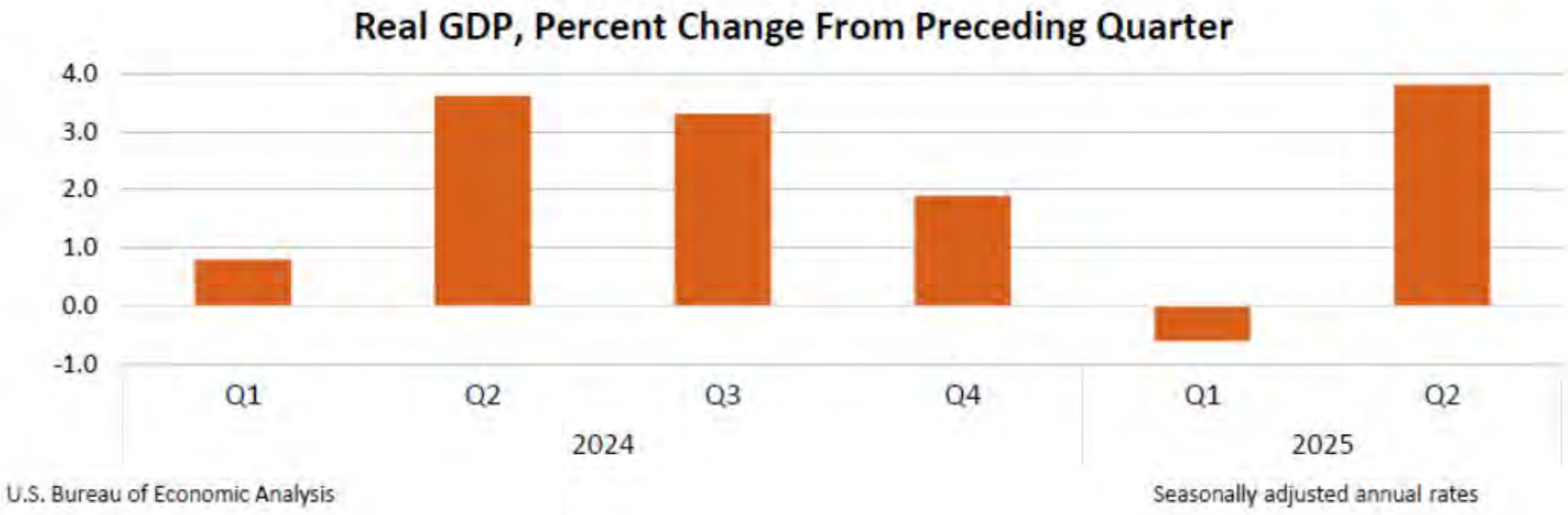
Personal Consumption Expenditures Index and Wage Growth



Sources: Atlanta Fed Wage Growth Tracker (constructed using the Current Population Survey), and Bureau of Labor Statistics; Retrieved from FRED

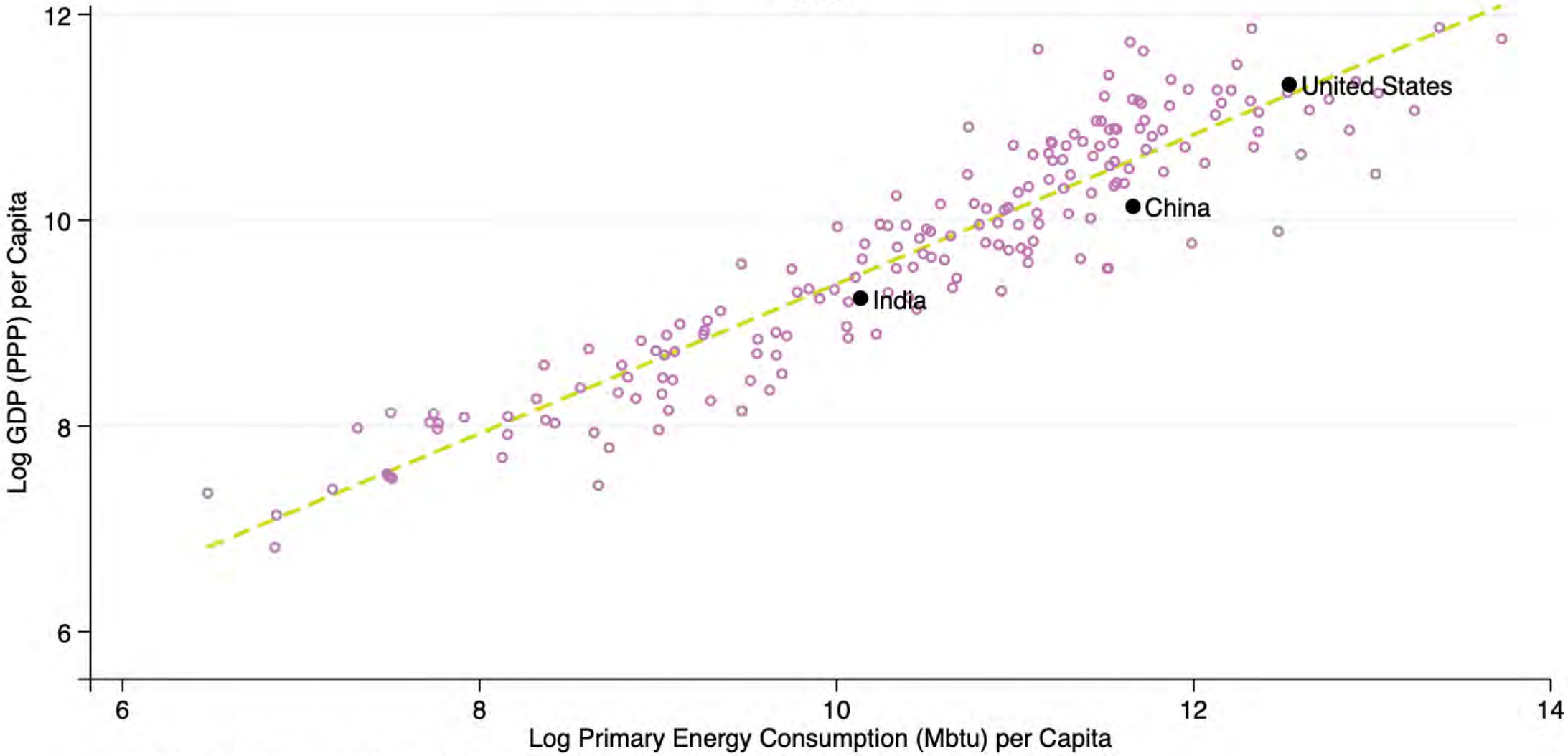
Gross Domestic Product, 2nd Quarter 2025 (Third Estimate), GDP by Industry, Corporate Profits (Revised), and Annual Update

Real gross domestic product (GDP) increased at an annual rate of 3.8 percent in the second quarter of 2025 (April, May, and June), according to the third estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP decreased 0.6 percent (revised).



Primary Energy Consumption and GDP

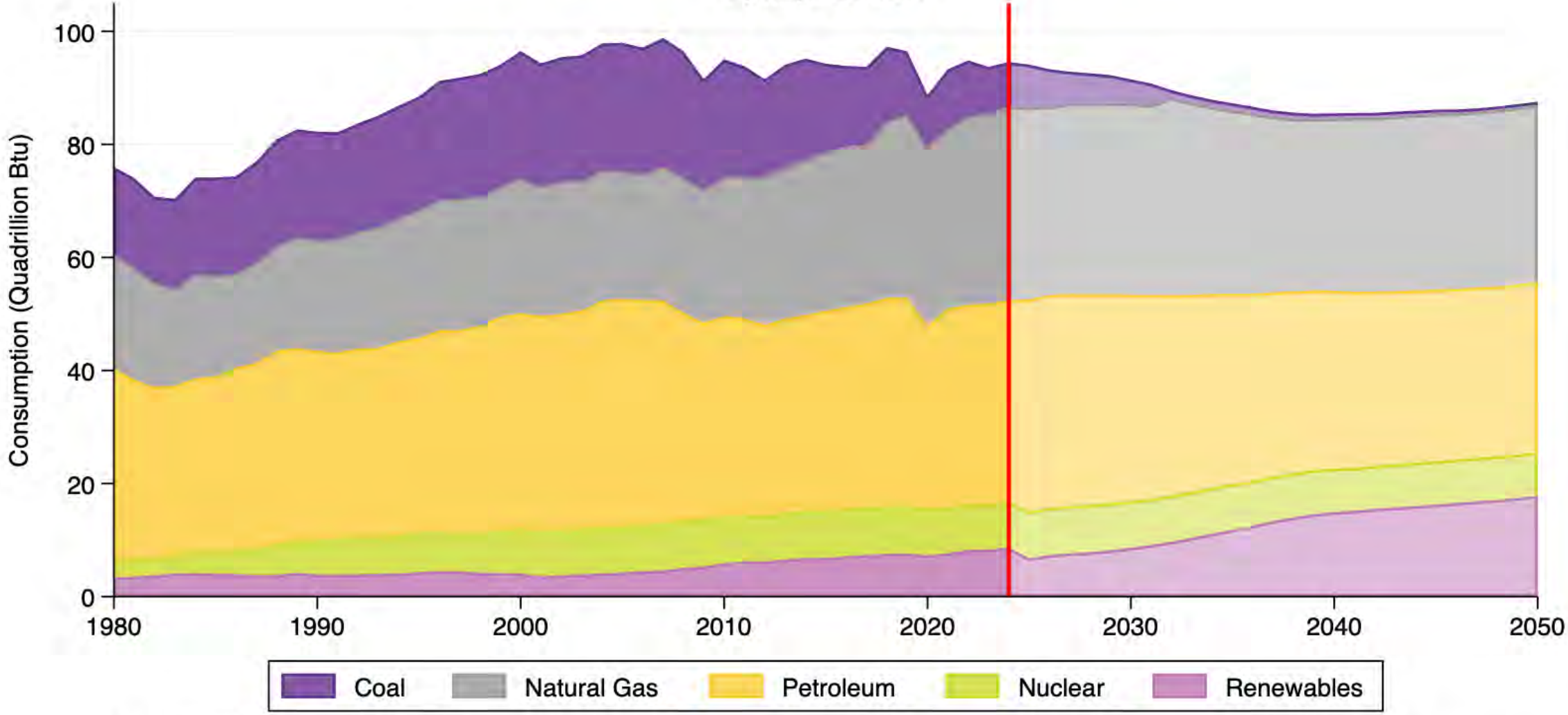
2023



Sources: GDP and population data from the World Bank, & Emissions data from the Energy Information Administration.

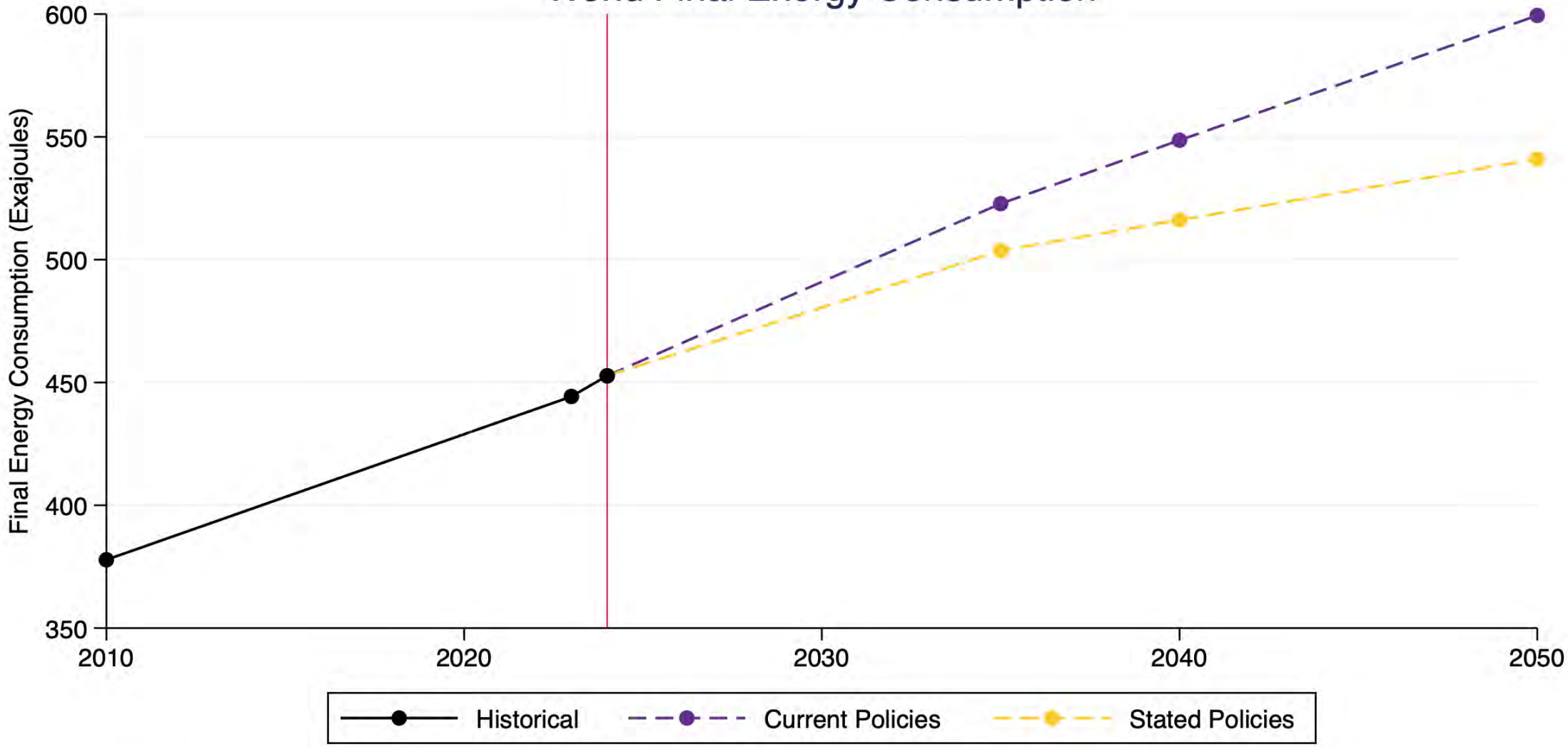
U.S. Primary Energy Consumption

By Major Sources



Source: Energy Information Administration.
Notes: Future trends are from Annual Energy Outlook 2025 reference scenario. Forecasted petroleum consumption includes other liquid fuels such as ethanol and biodiesel.

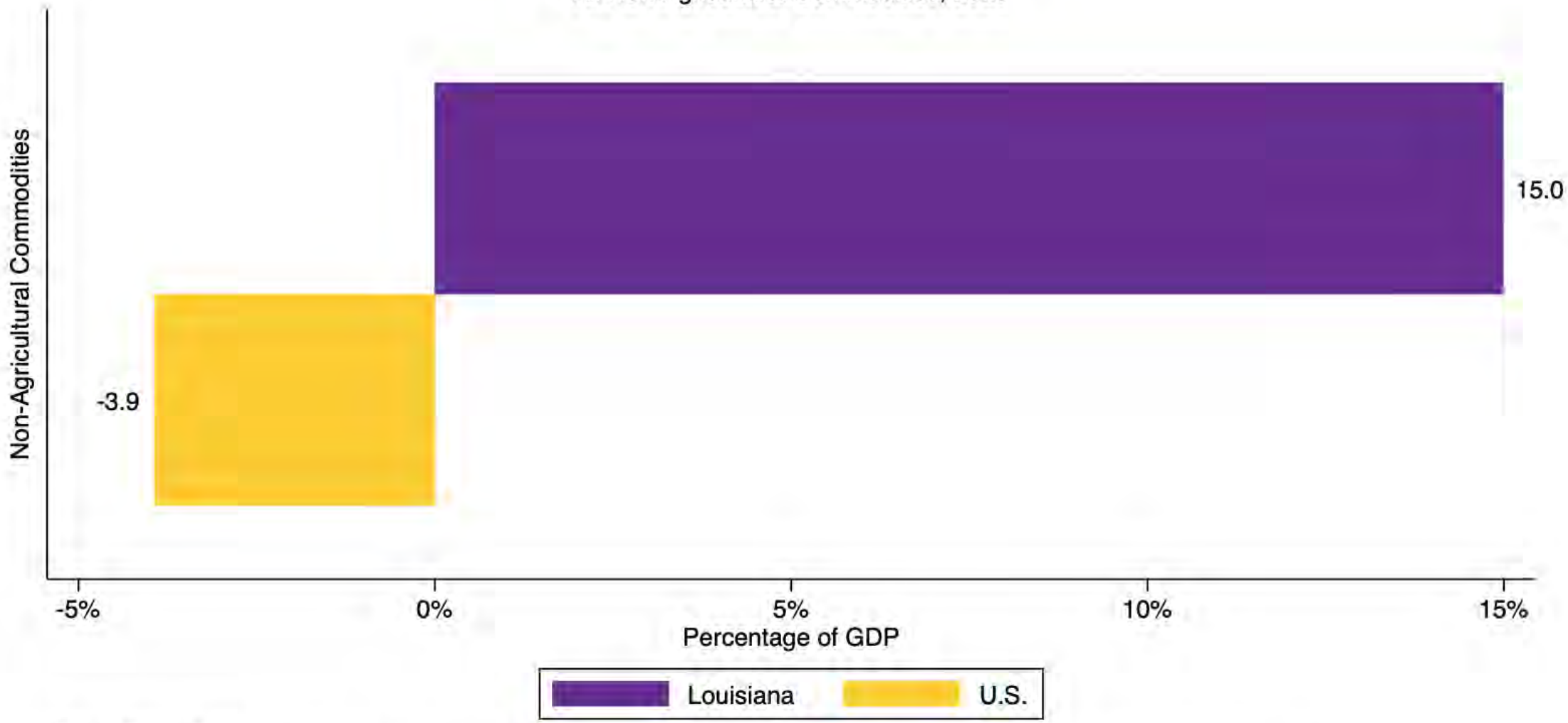
World Final Energy Consumption



Source: International Energy Agency, World Energy Outlook 2025.
The Current Policies Scenario assumes no changes to energy policy and cautious uptake of new technologies.
The Stated Policies Scenario aims to reflect the energy sector's general direction of travel in policy and technology.

Net Exports as a Percentage of GDP

All Non-Agricultural Commodities, 2023



Source: Census Bureau.
Note: For illustrative purposes only. The Census Bureau discourages the calculation of trade balances at the state level due to data reporting limitations.

Economic Outlook Assumptions

This year's GCEO modeling assumes that the U.S. will continue to experience economic growth and demand for energy globally will continue to rise. GCEO, much like years past, anticipates that long-run energy demand growth will lead to increased U.S. energy exports, especially to the growing developing world. In the event an economic slowdown does occur, this would make forecasts generally less optimistic.

Uncertainties

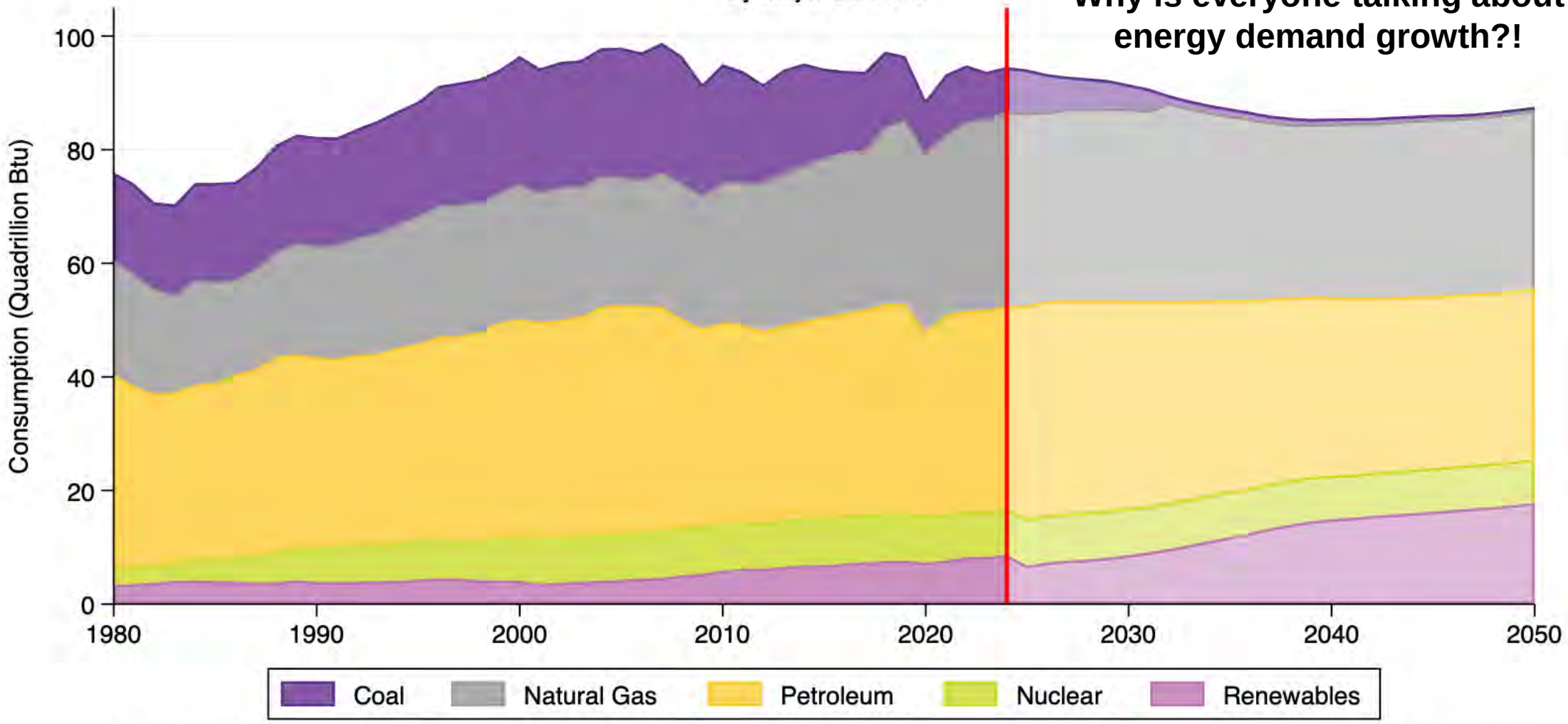
- Policy Uncertainty
- International Trade and Tariffs
- Economic Outlook
- **Electricity Demand Growth**



U.S. Primary Energy Consumption

By Major Sources

Why is everyone talking about energy demand growth?!



Source: Energy Information Administration.
Notes: Future trends are from Annual Energy Outlook 2025 reference scenario. Forecasted petroleum consumption includes other liquid fuels such as ethanol and biodiesel.

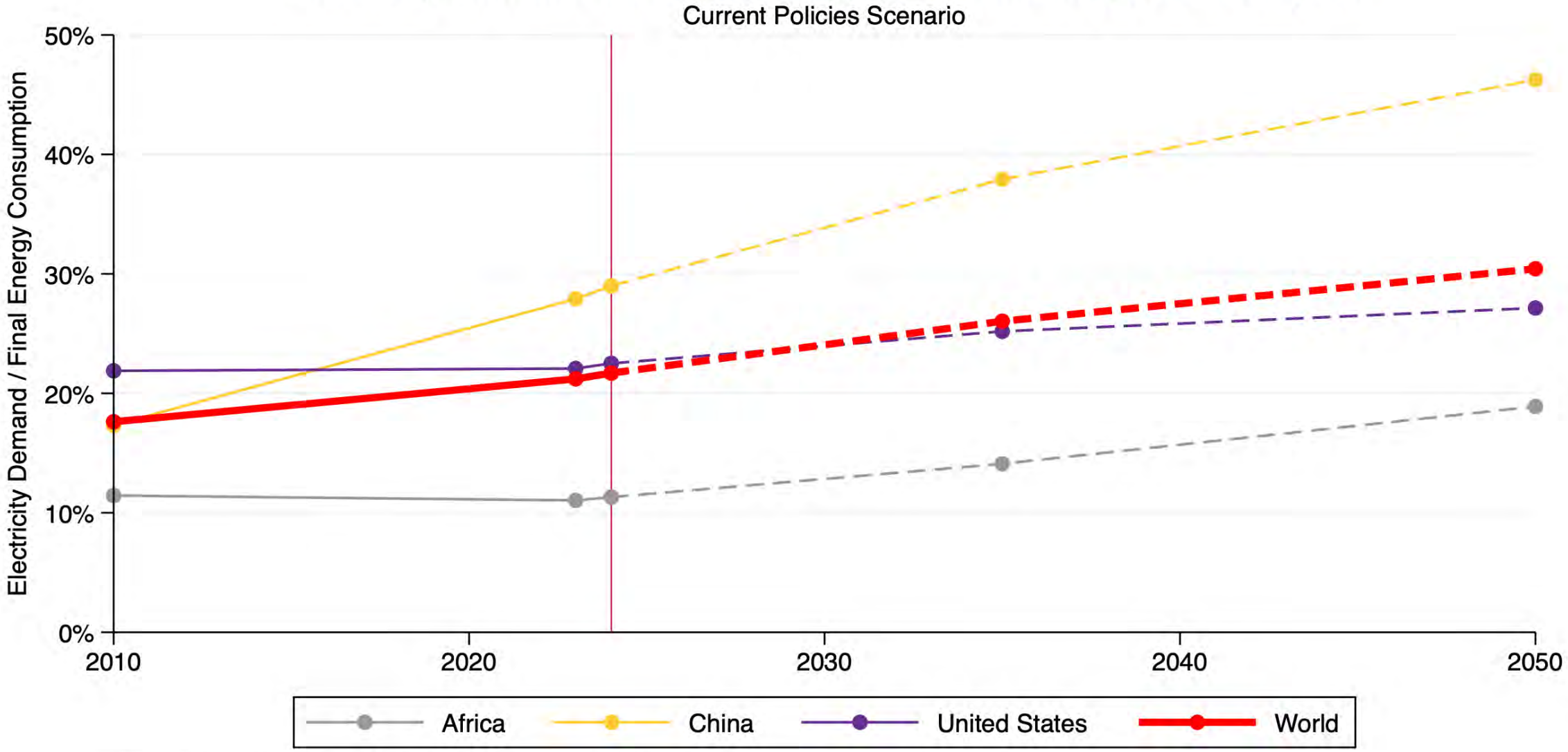
Theoretical Potential Impact on Electricity and Energy Usage

	% Δ Electricity (TWh)	*% Δ Energy (quads)*
Electric Vehicles	25.8%	-12.6%
Heat Pumps	11.6%	-4.0%
Data Centers		
EPRI - Higher Growth	5.6%	0.8%
IEA - Base Case	5.9%	0.9%
Goldman Sachs	6.8%	1.0%
McKinsey - Medium Scenario	10.4%	1.5%
Boston Consulting Group - High Case	17.7%	2.6%

Note: These are meant to be illustrative only, not a projection of future changes. Electric Vehicles and Heat Pumps consider full adoption for light duty vehicles and residences. Data Centers use 2024-2030 buildout estimations from multiple sources.

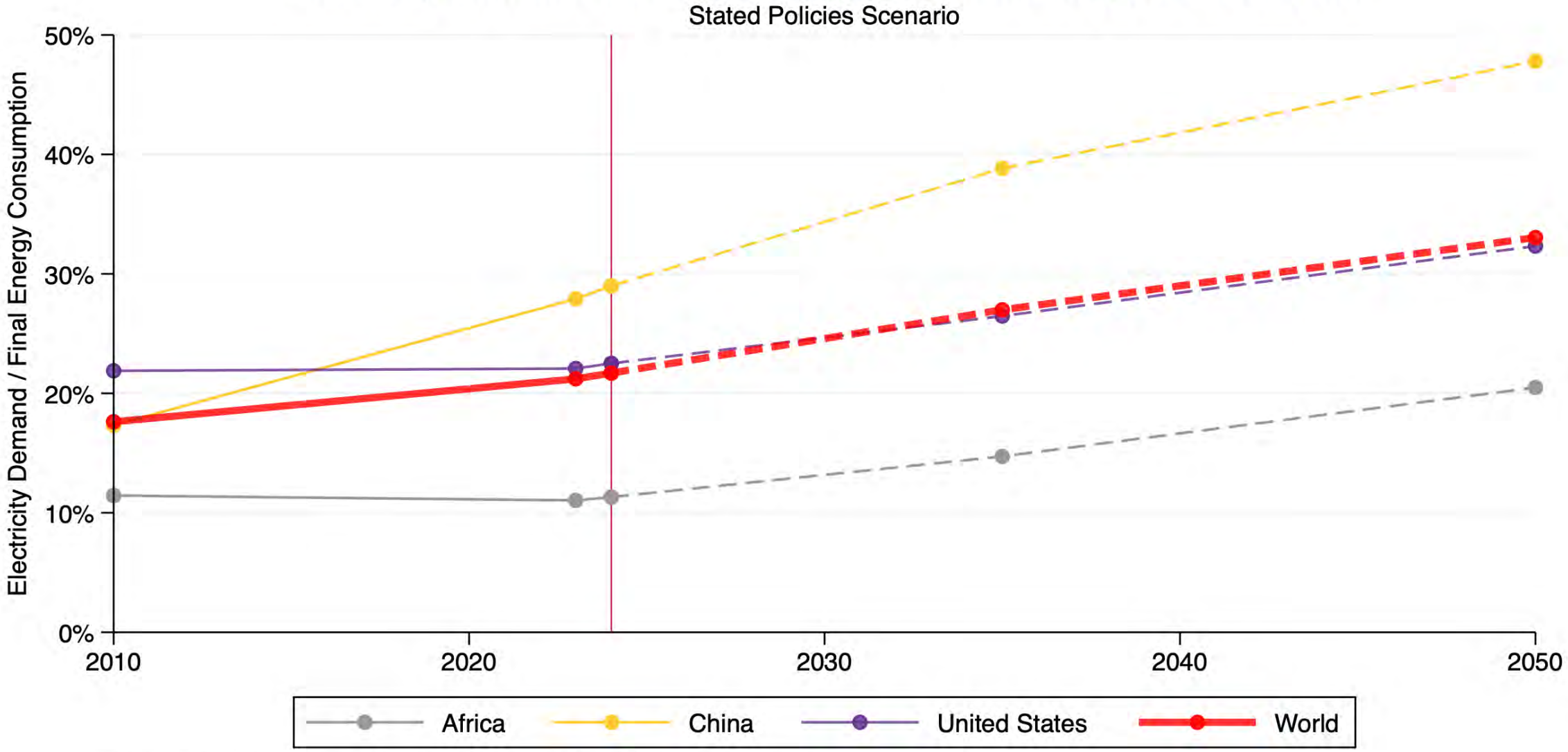
Sources: EV scenario uses data from EIA, DoT, and DoE. Heat pump scenario uses data from NREL's ResStock policy simulations. Data center scenarios use data from McKinsey (Oct 2023), EPRI (May 2024), Boston Consulting Group (Jun 2024) IEA (Apr 2025), and Goldman Sachs (Aug 2025).

Electricity Demand as a Percentage of Final Energy Consumption

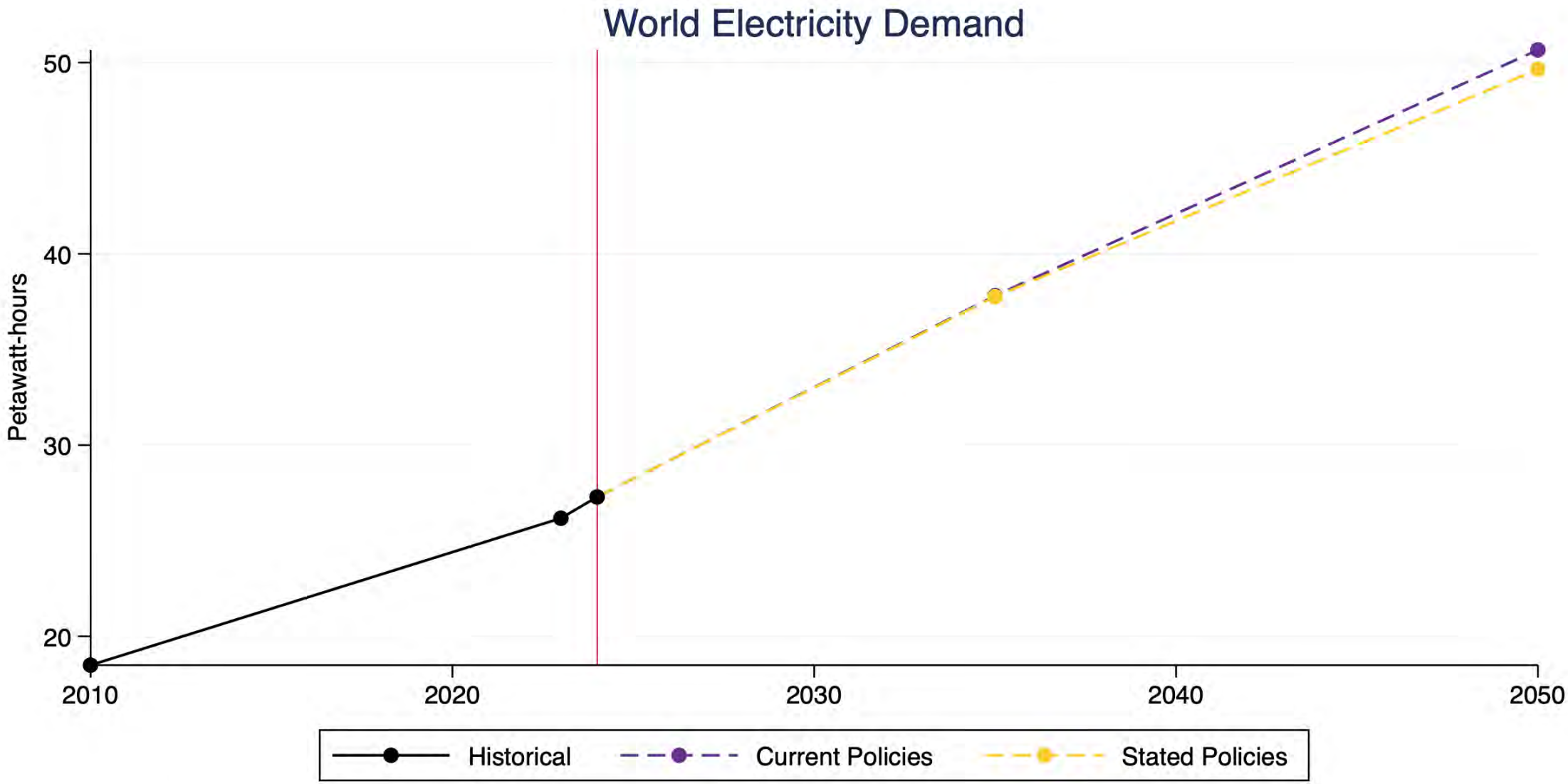


Source: International Energy Agency, World Energy Outlook 2025.
The Current Policies Scenario assumes no changes to energy policy and cautious uptake of new technologies.

Electricity Demand as a Percentage of Final Energy Consumption



Source: International Energy Agency, World Energy Outlook 2025.
The Stated Policies Scenario aims to reflect the energy sector's general direction of travel in policy and technology.



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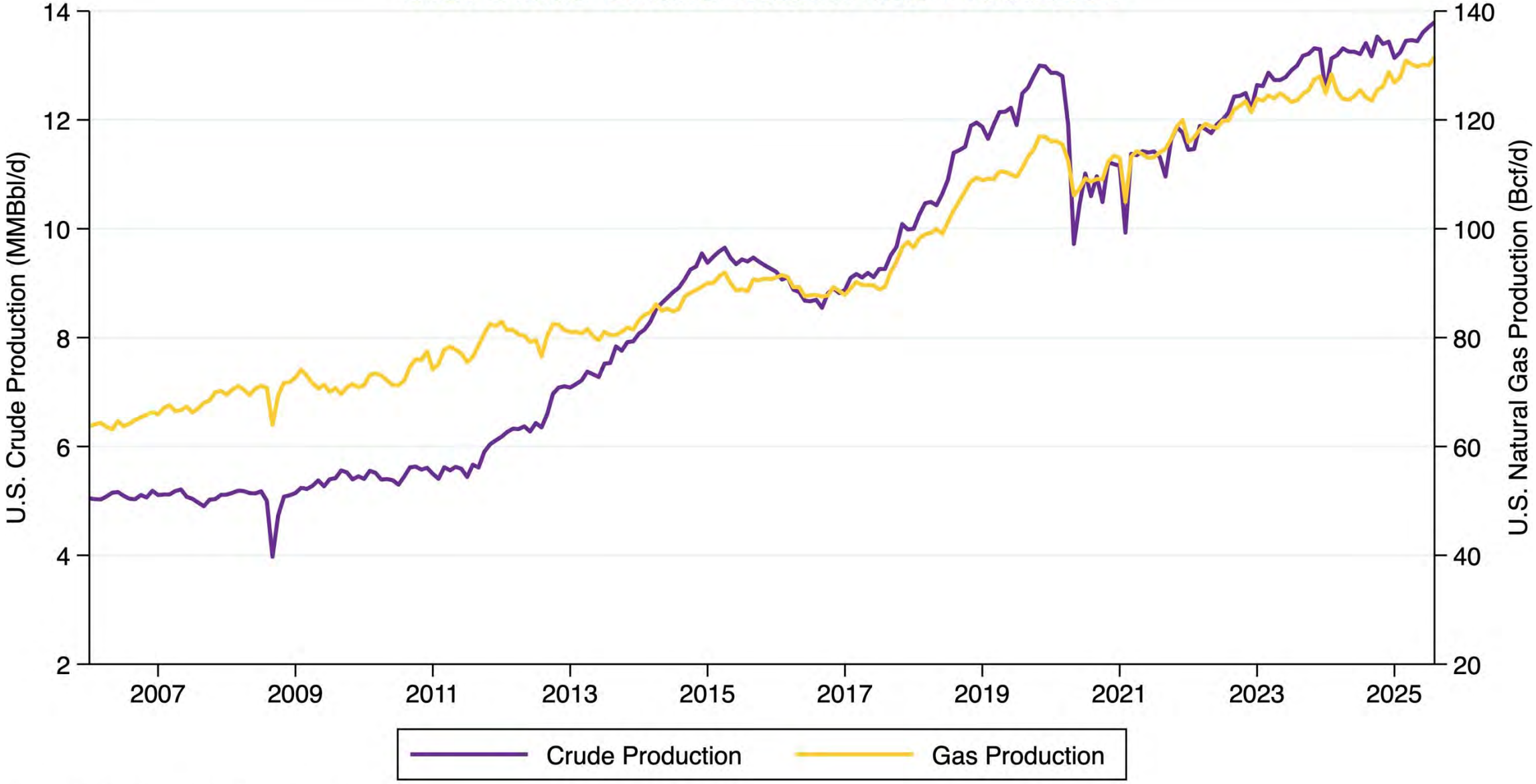
Electricity Demand Growth: From Projection to Reality Assumptions

GCEO continues to assume that U.S. total BTU consumption will remain flat, but electricity's share will increase. Availability of affordable electricity is increasingly cited as a reason for project location choice, even for investments outside the energy and petrochemical sectors.

Outline

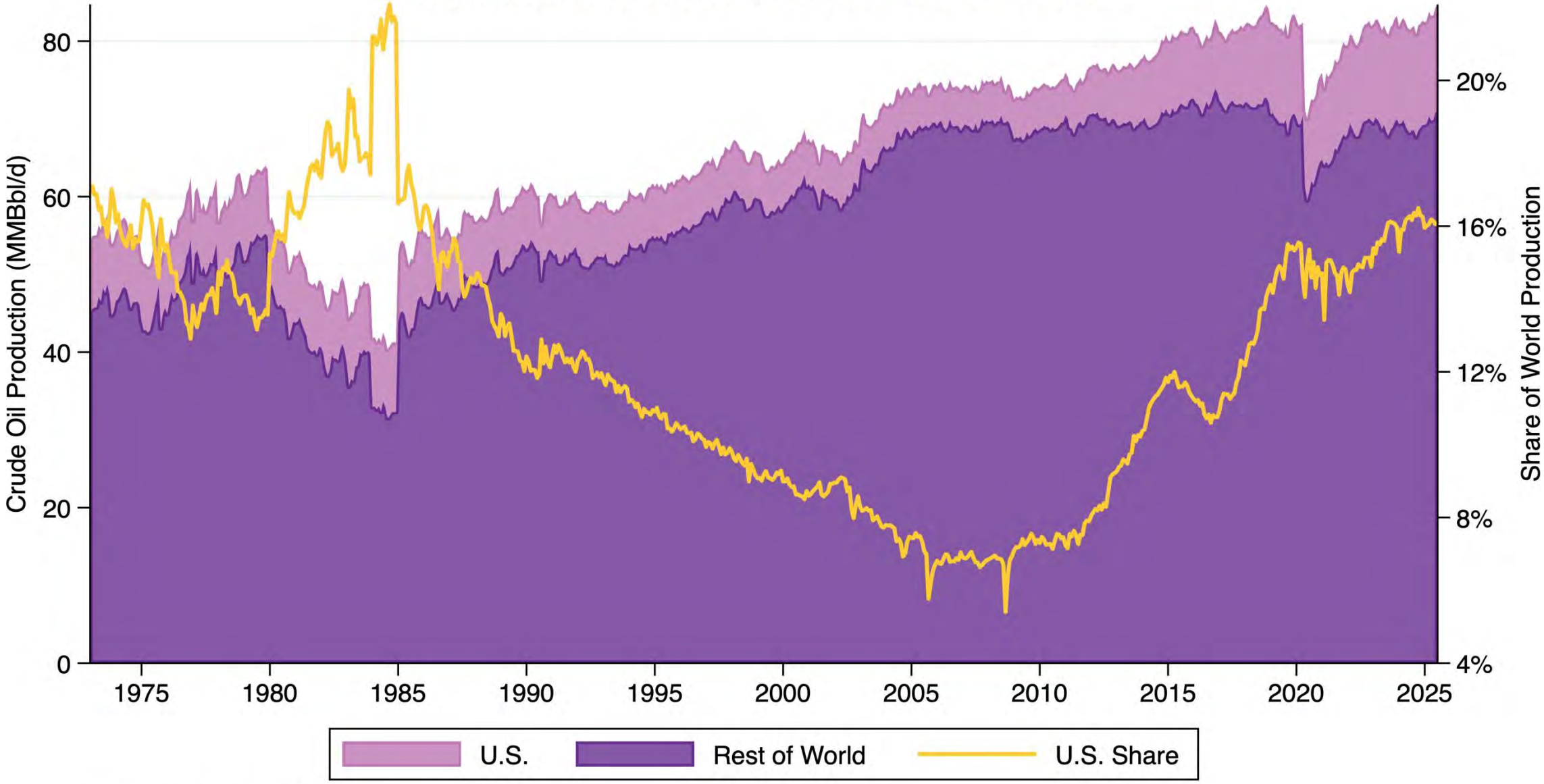
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U.S. Crude Oil and Natural Gas Production



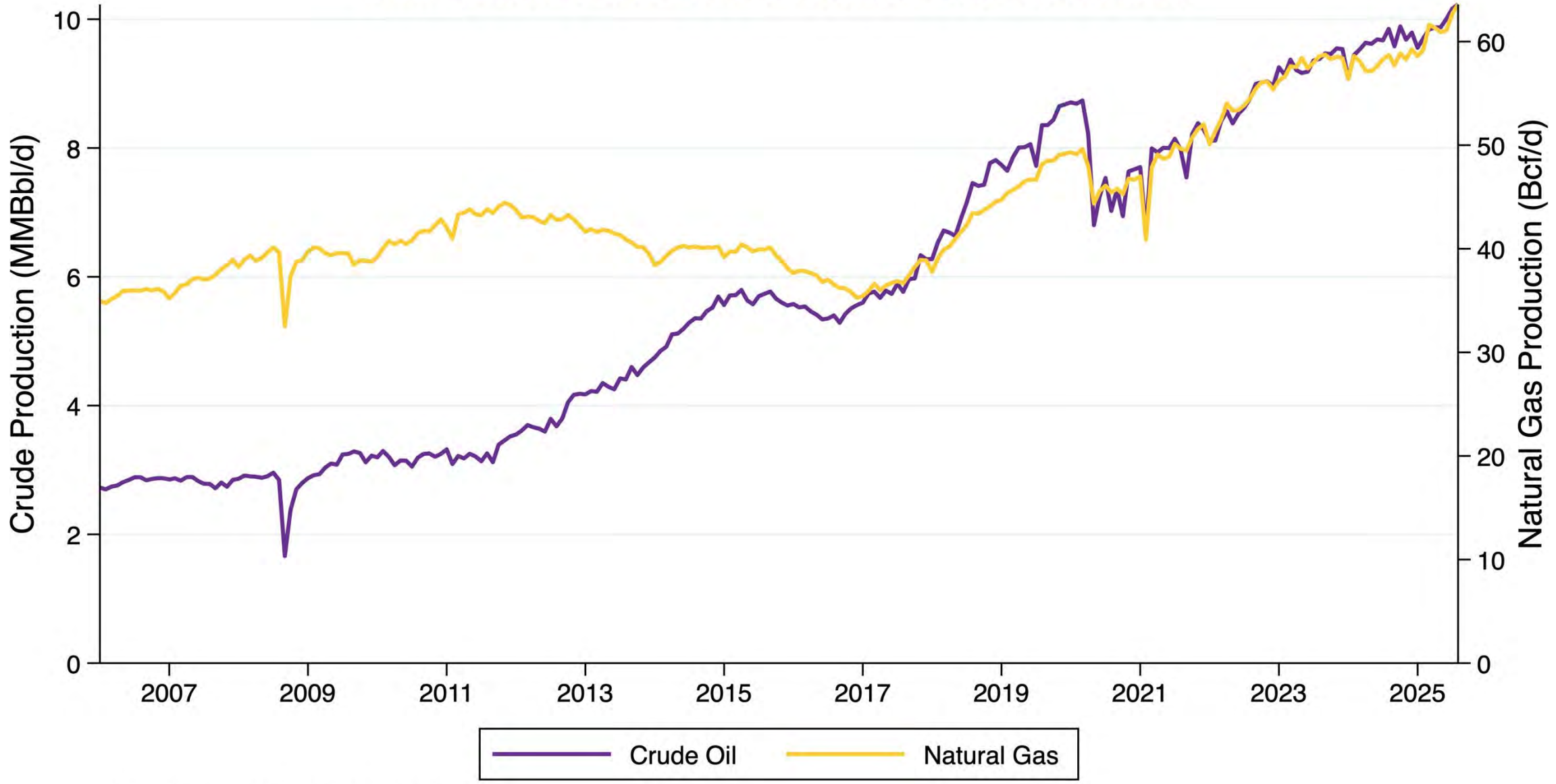
Source: Energy Information Administration.

U.S. Share of Global Crude Oil Production



Source: Energy Information Administration.

Gulf Coast Crude Oil and Natural Gas Production



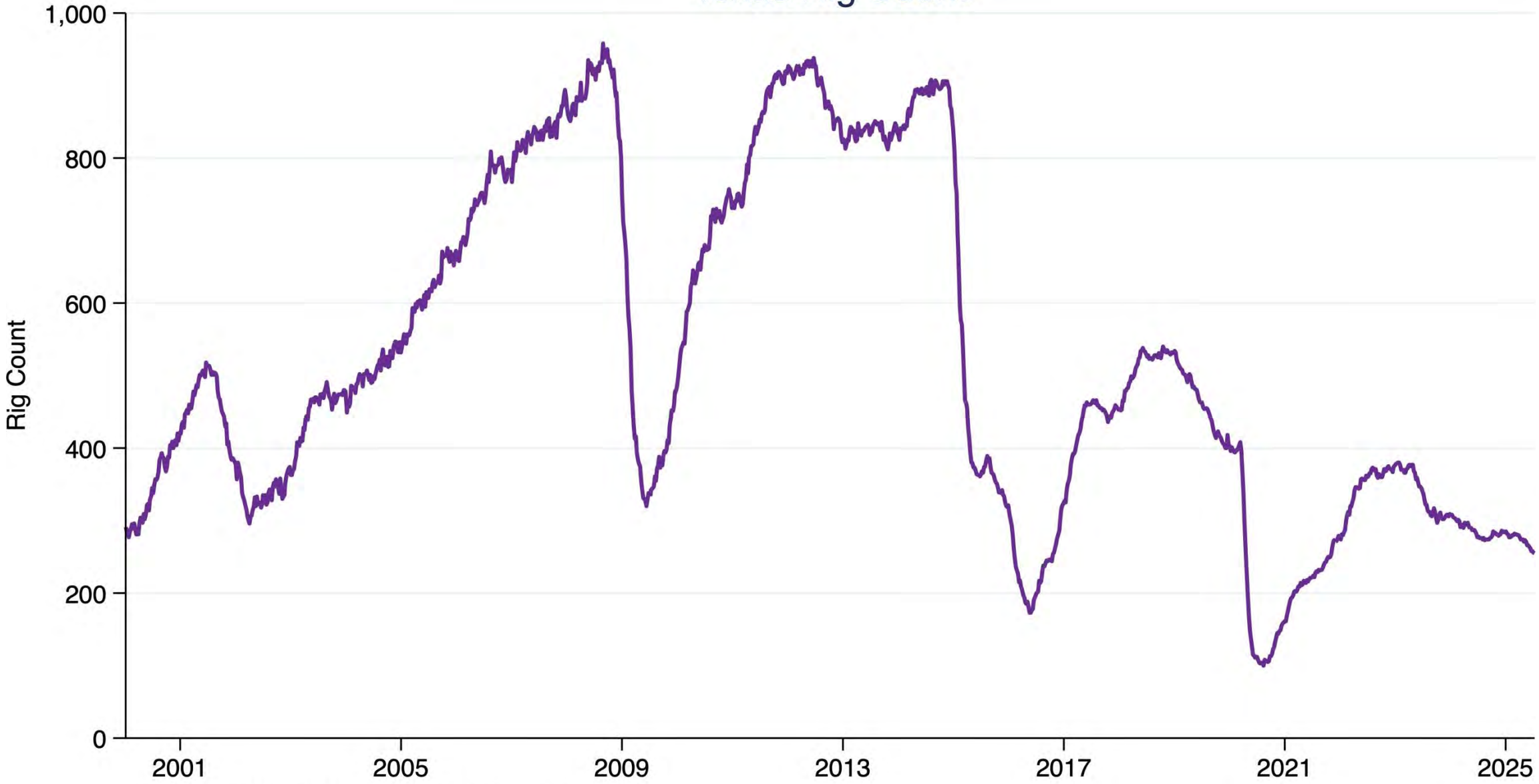
Source: Energy Information Administration.

U.S. Rig Count and WTI Spot Price



Sources: Energy Information Administration, and Baker Hughes Rig Count Overview.

Texas Rig Count



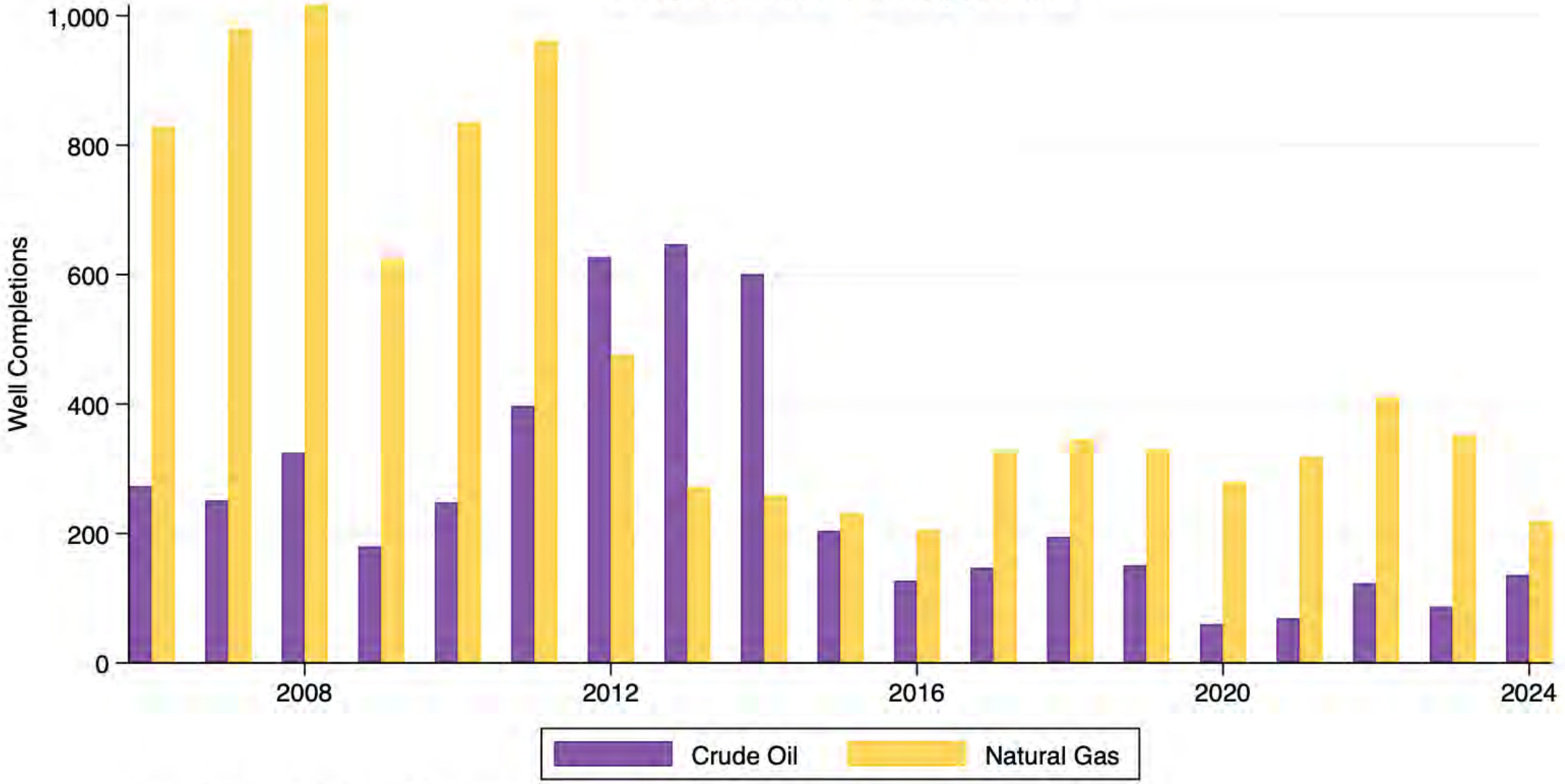
Source: Baker Hughes, North America Rig Count Report.

Louisiana Rig Count



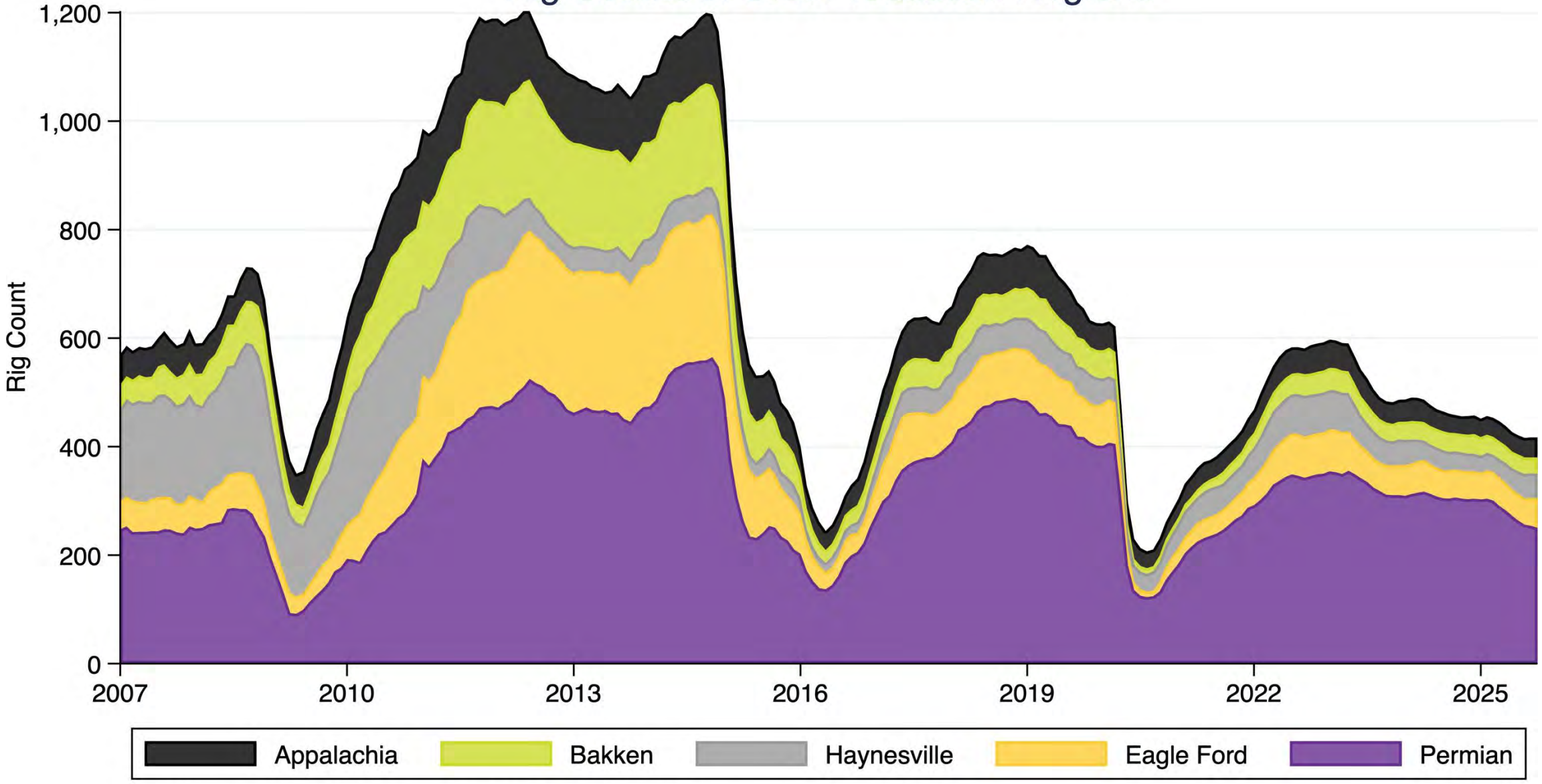
Source: Baker Hughes, North America Rig Count Report.

Louisiana Well Completions



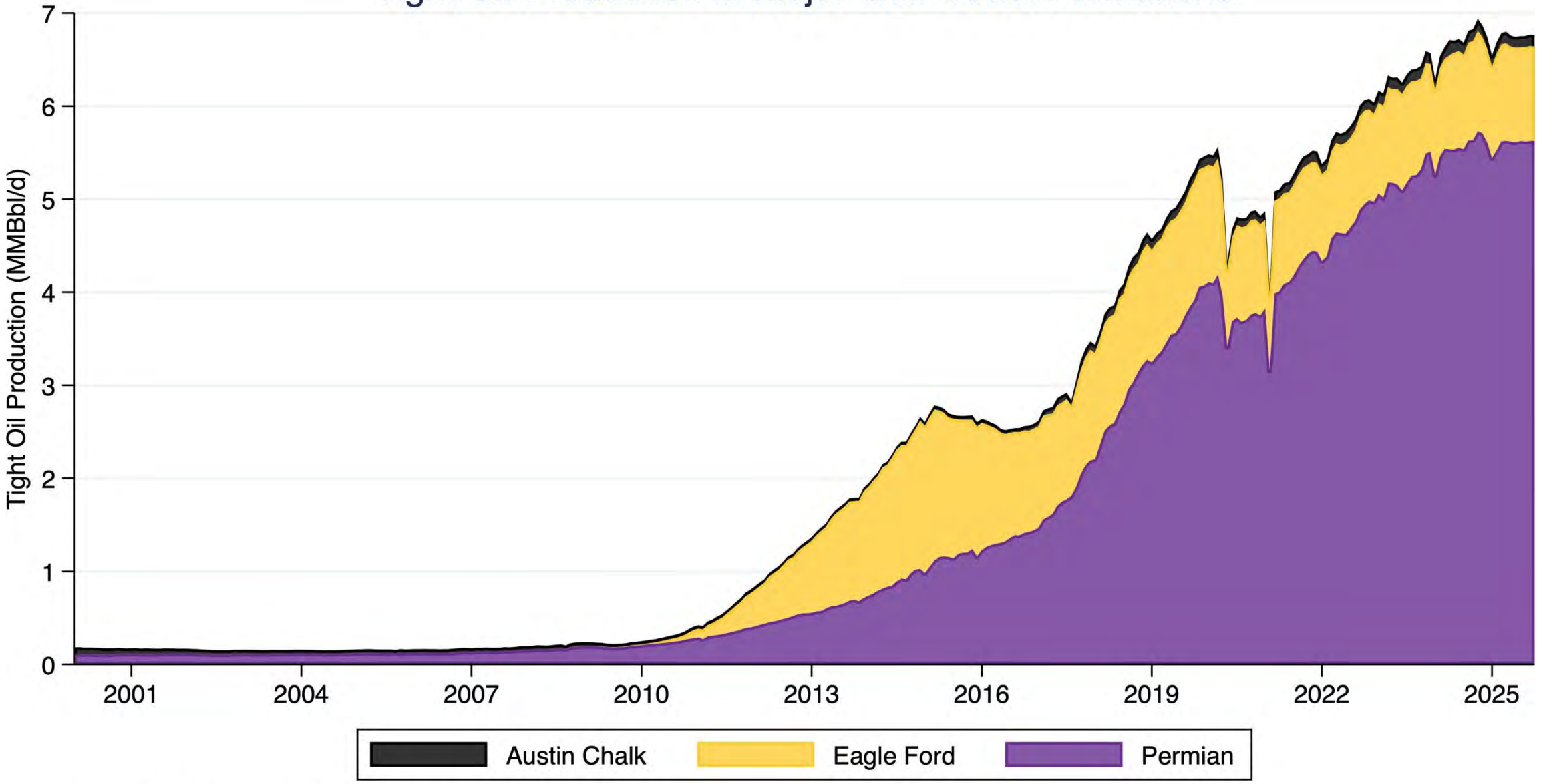
Source: Louisiana Department of Conservation and Energy, Strategic Online Natural Resources Information System.

Rig Counts in U.S. Production Regions



Source: Energy Information Administration, Short-Term Energy Outlook.

Tight Oil Production in Major Gulf Coast Formations



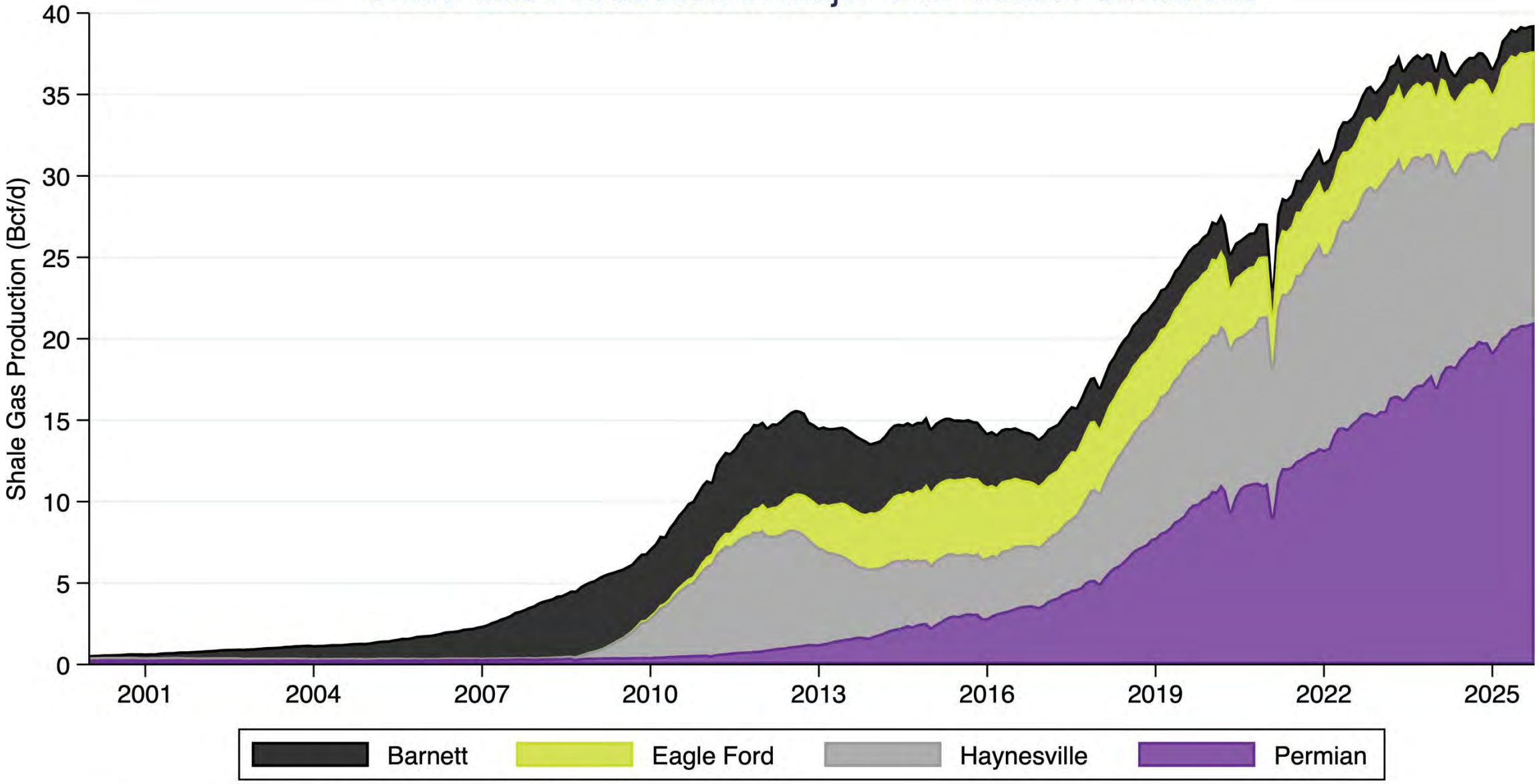
Source: Energy Information Administration, Short-Term Energy Outlook.

Shale Gas Production in the Haynesville Formation

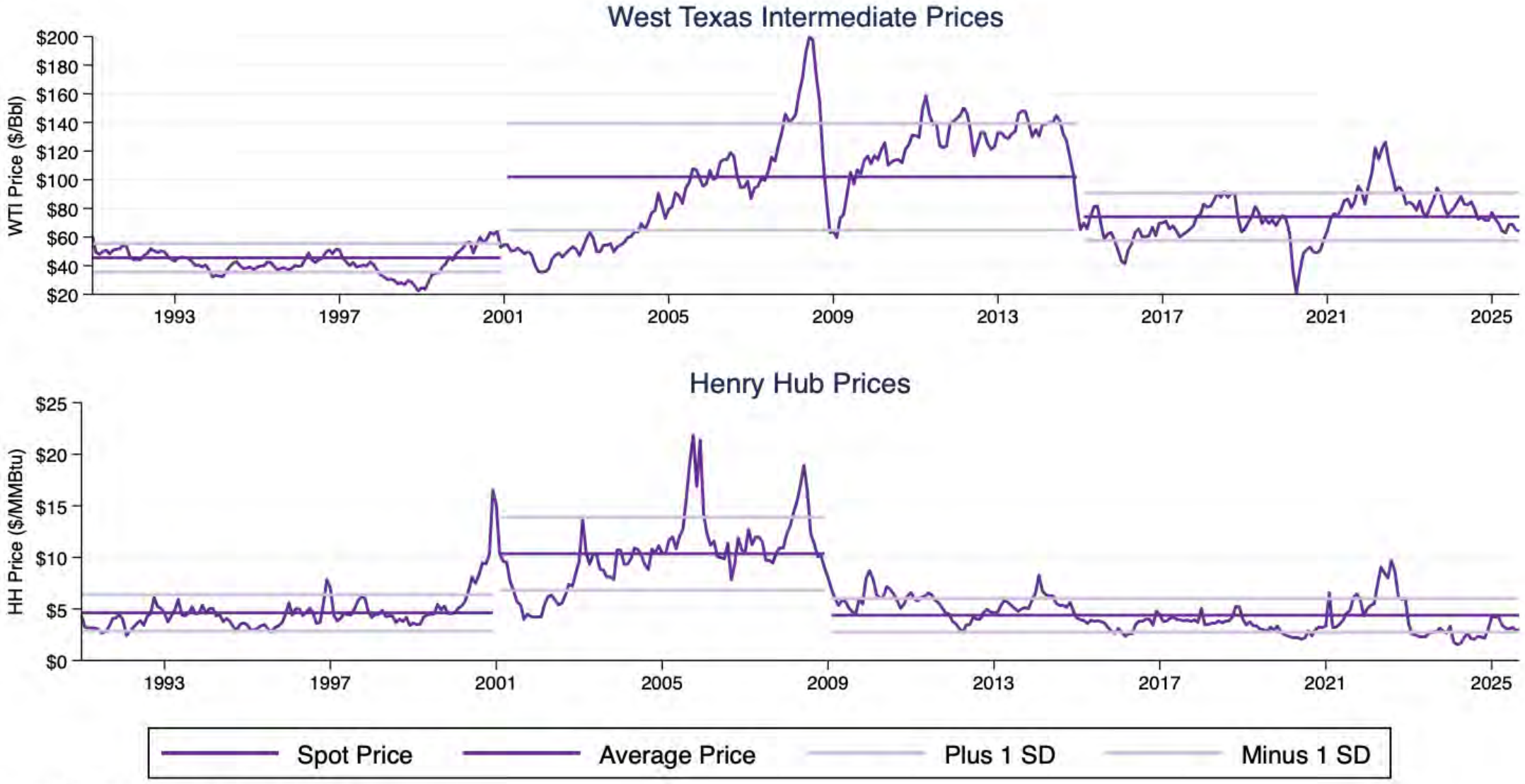


Source: Energy Information Administration, Short-Term Energy Outlook.

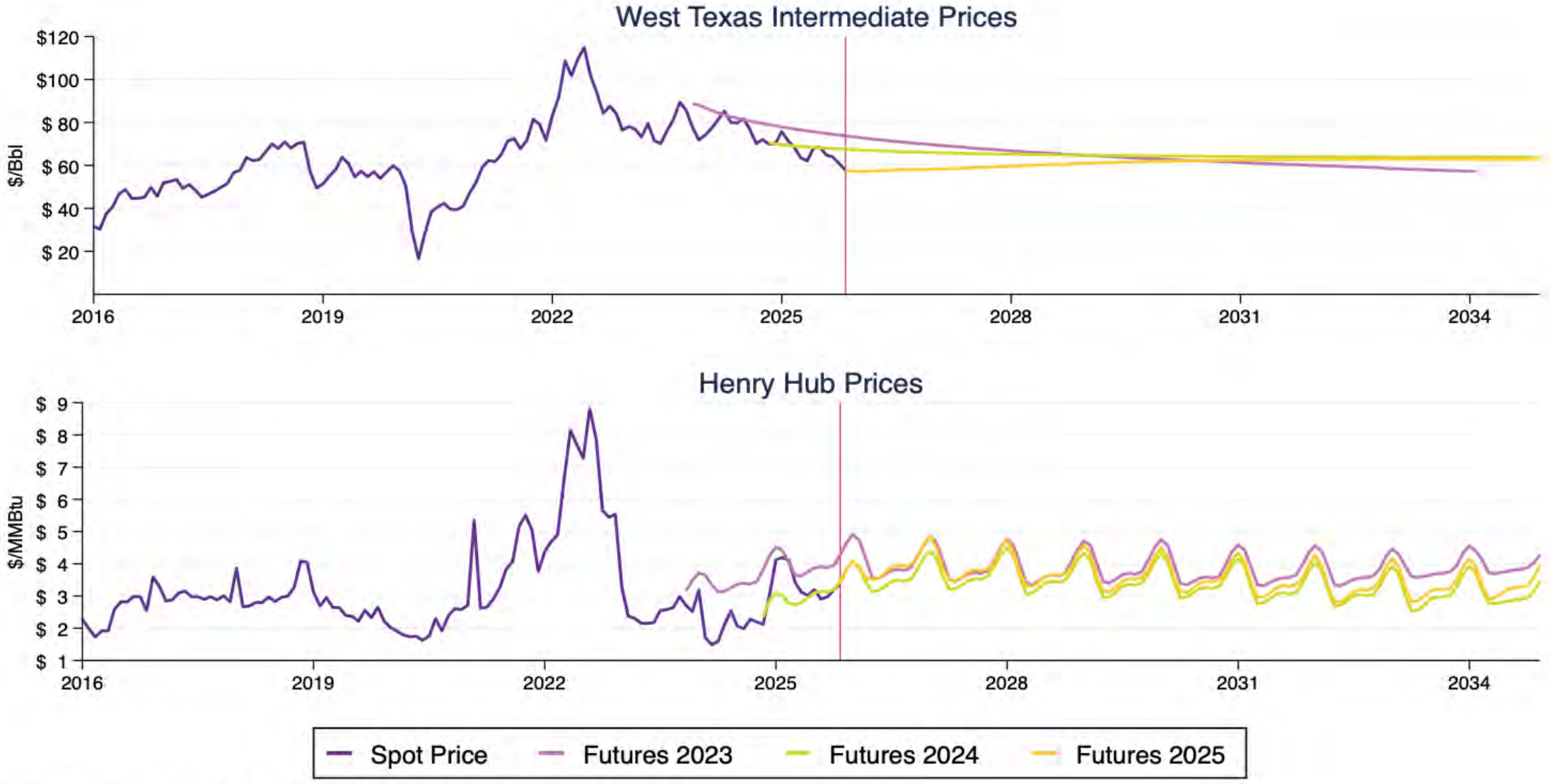
Shale Gas Production in Major Gulf Coast Formations



Source: Energy Information Administration, Short-Term Energy Outlook.

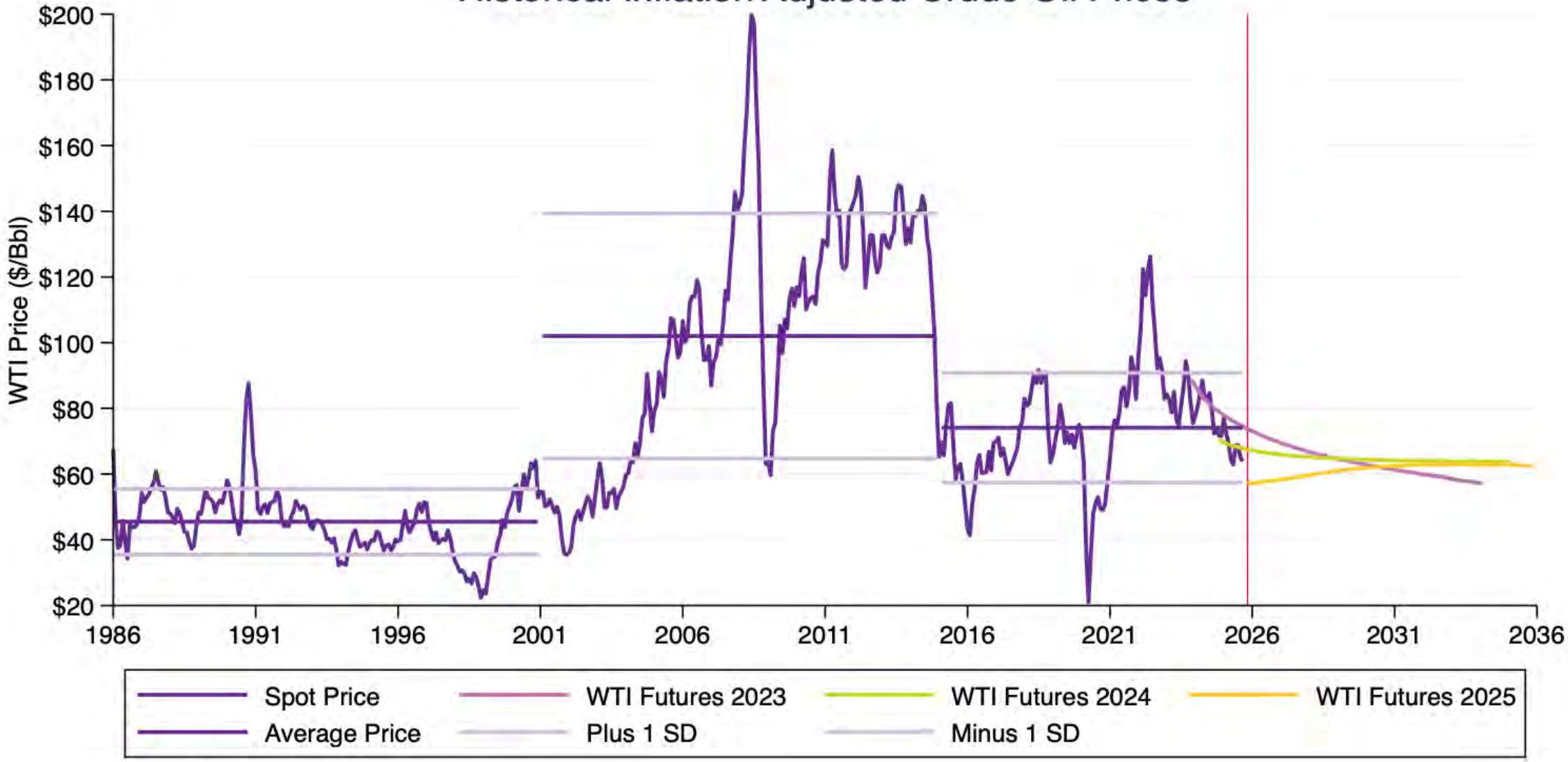


Source: Energy Information Administration.
Note: Spot price adjusted to current Consumer Price Index.



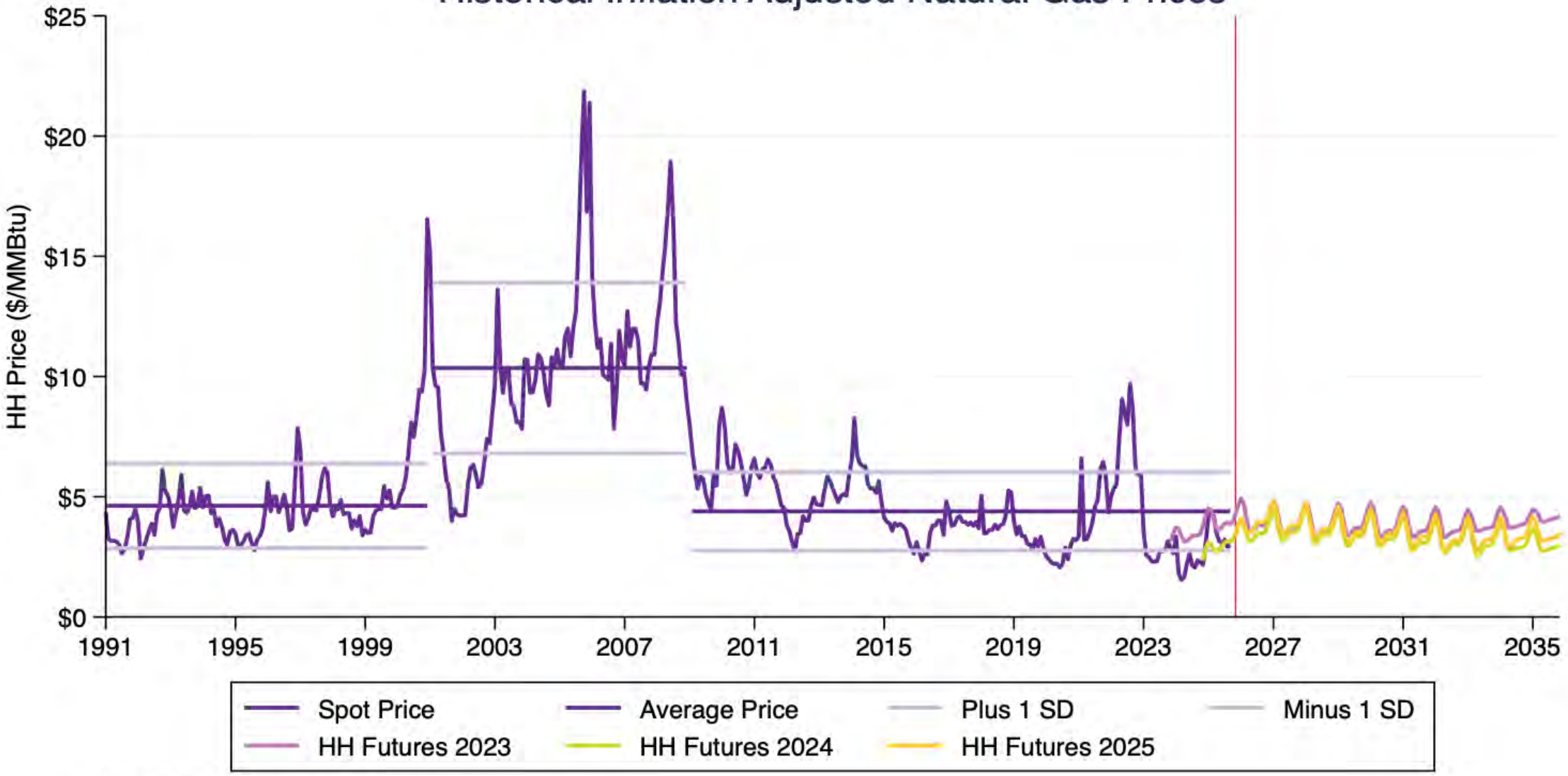
Sources: Energy Information Administration, and S&P Global Market Intelligence.
Notes: Futures values reflect August prices for each year. Spot price adjusted to current Consumer Price Index.

Historical Inflation Adjusted Crude Oil Prices



Source: Energy Information Administration.
Note: WTI Spot Price Adjusted to current Consumer Price Index.

Historical Inflation Adjusted Natural Gas Prices



Source: Energy Information Administration.
Note: Spot price adjusted to current Consumer Price Index.

West Texas Intermediate Prices



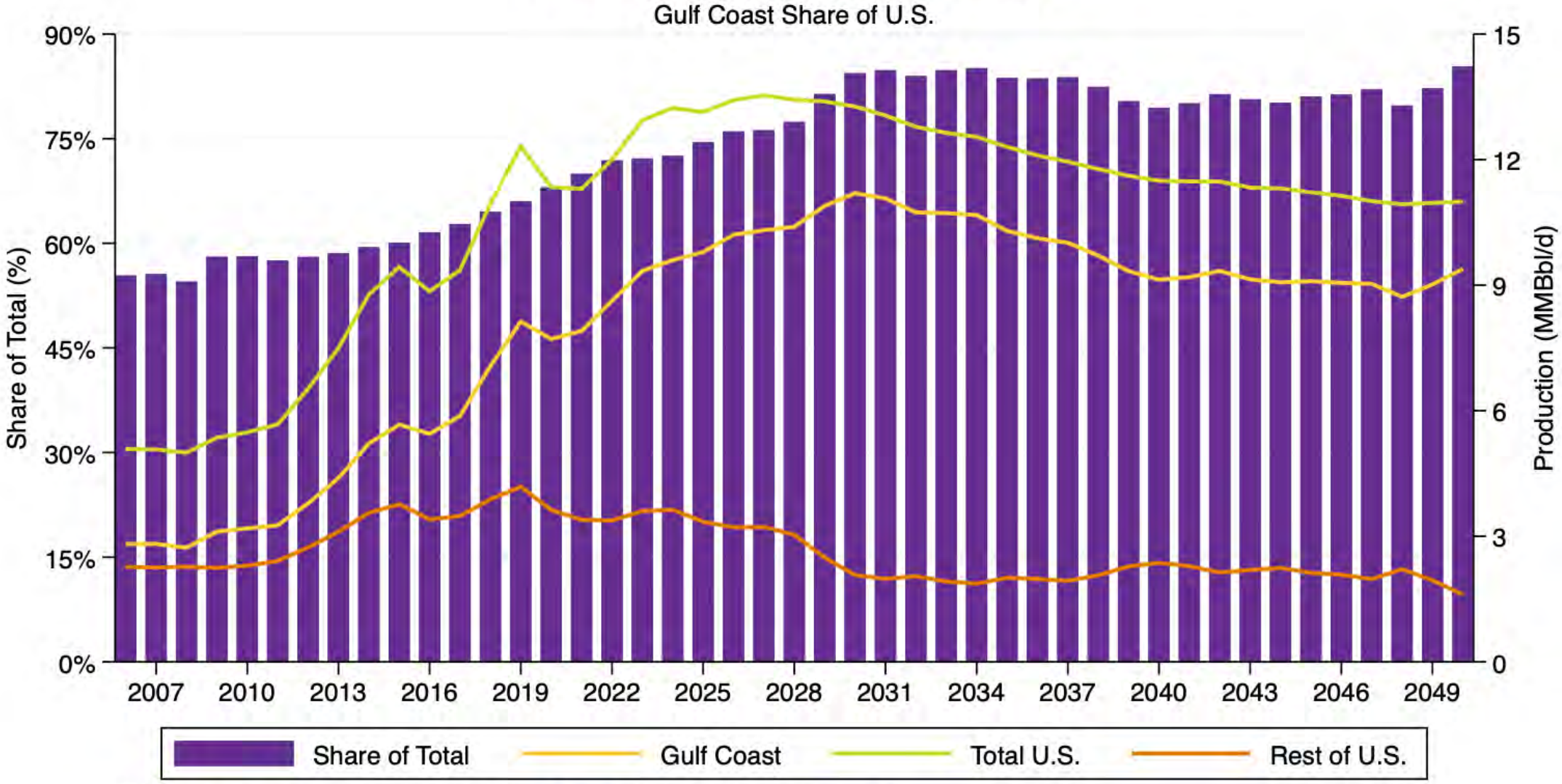
Source: S&P Global Market Intelligence.

Henry Hub Prices



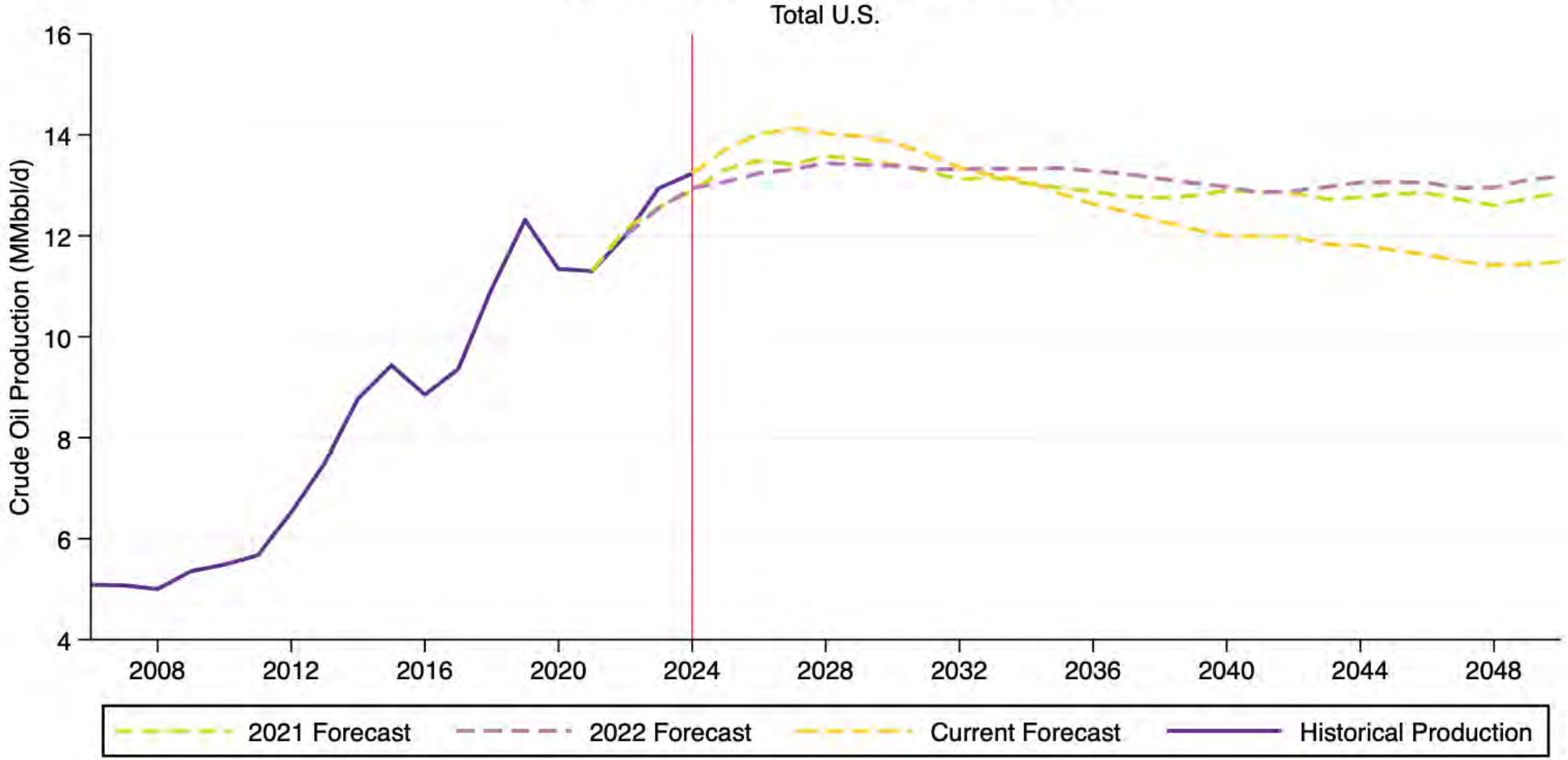
Source: S&P Global Market Intelligence.

Crude Oil Production Forecast



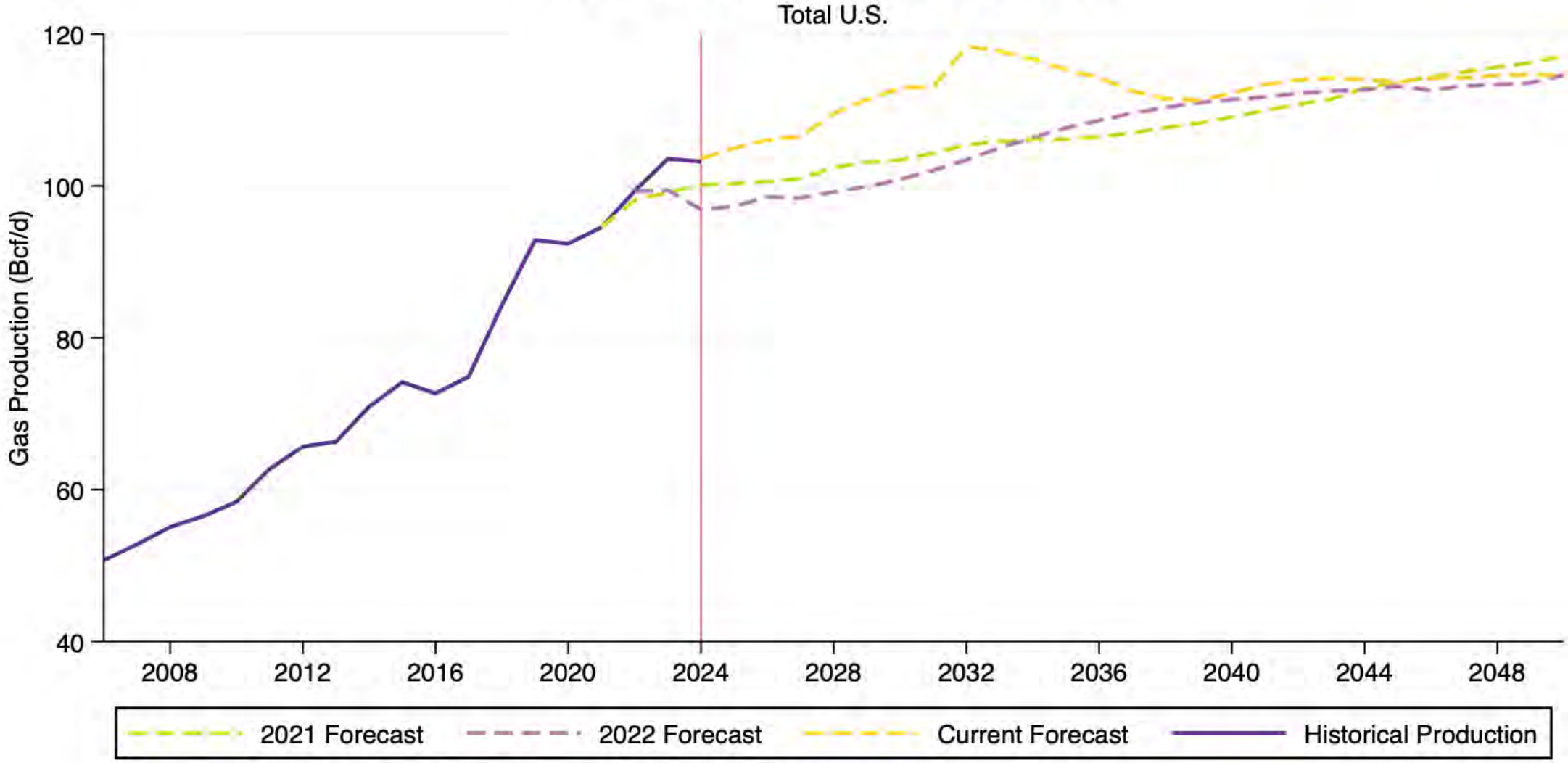
Sources: Energy Information Administration, Annual Energy Outlook, and author's calculations.

Crude Oil Production Forecast



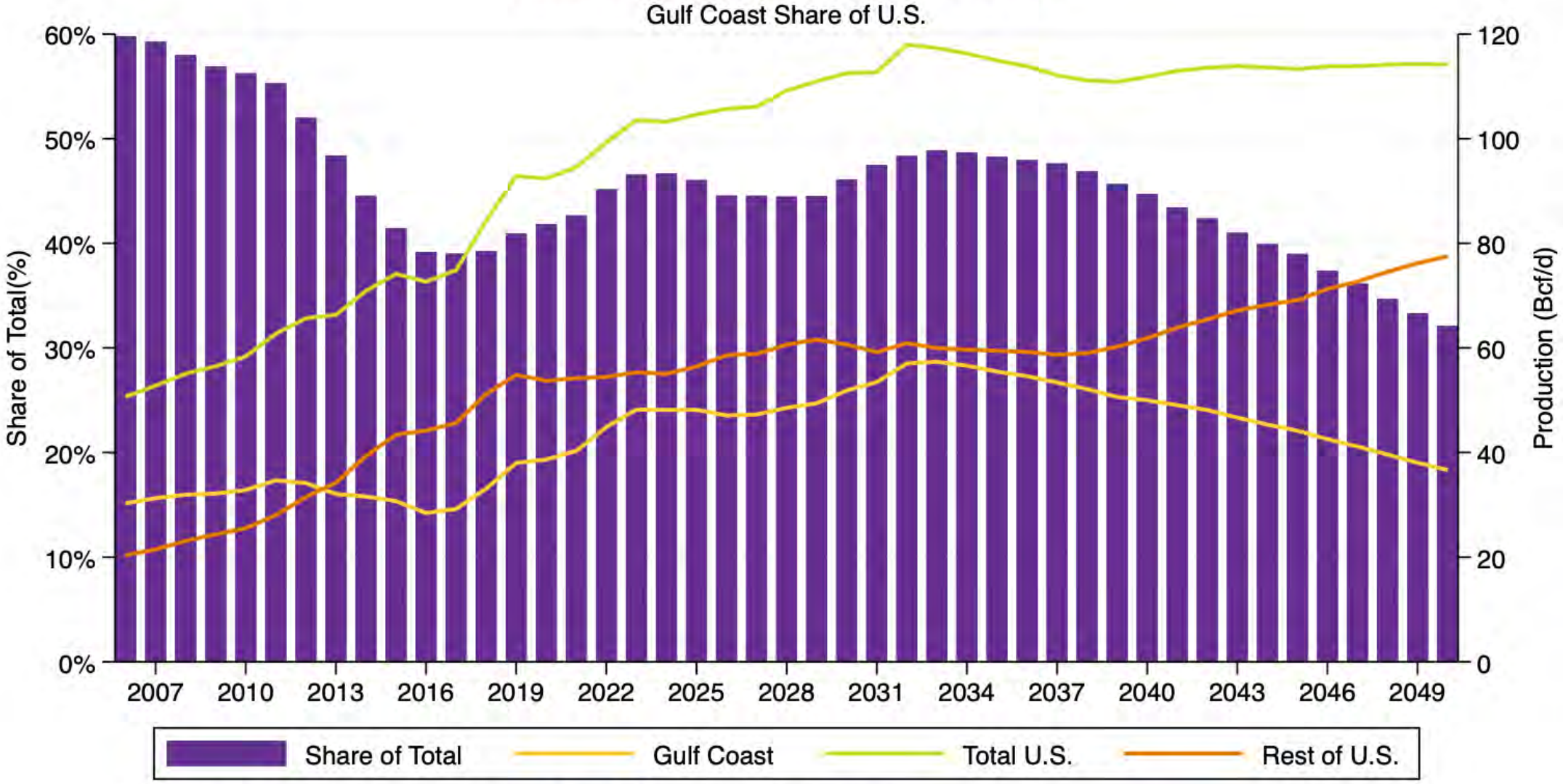
Sources: Energy Information Administration, Annual Energy Outlook, and author's calculations.
Note: AEO 2024 was not published, so a corresponding 2023 forecast series is not available.

Natural Gas Production Forecast



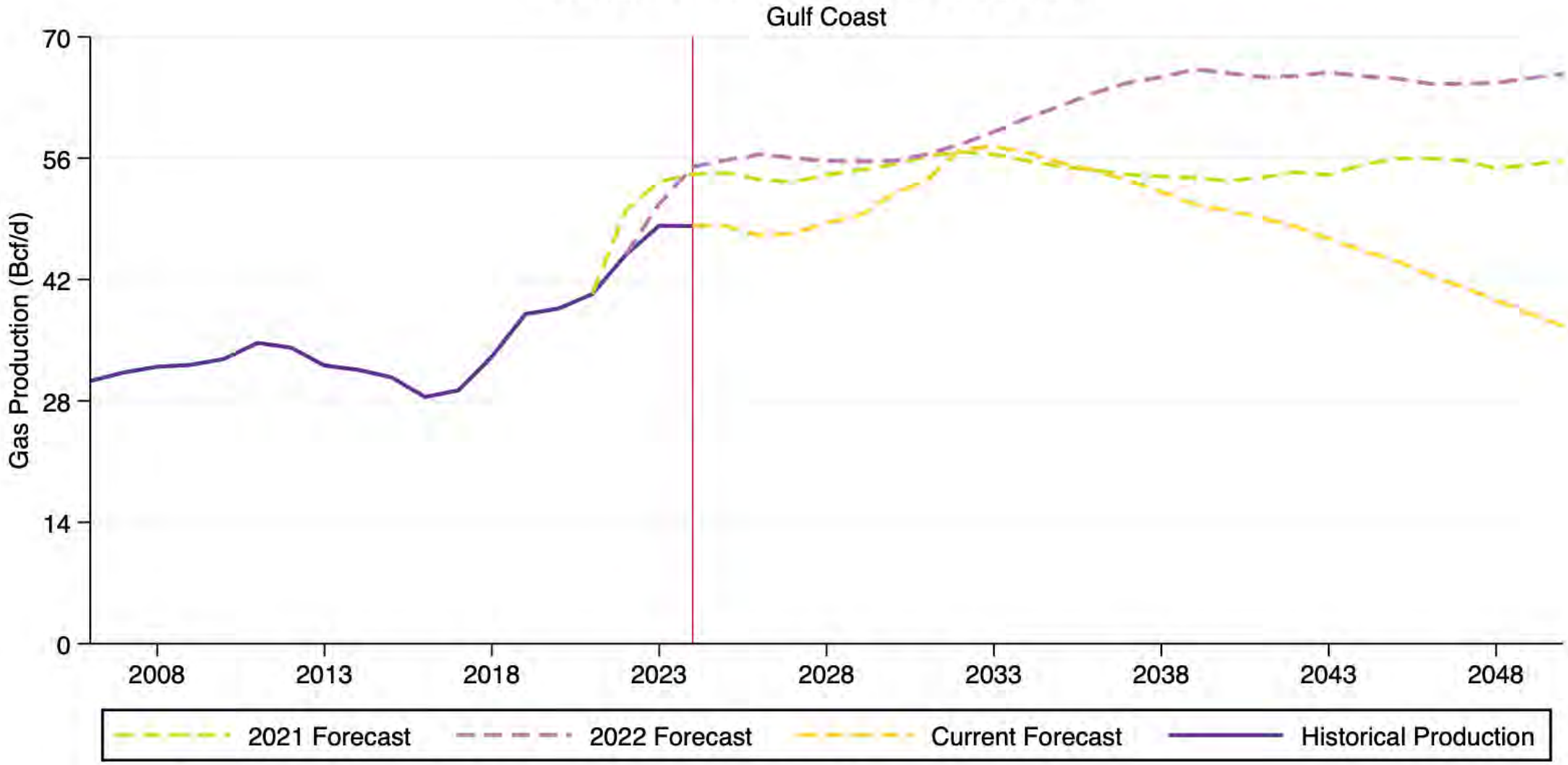
Sources: Energy Information Administration, Annual Energy Outlook, and author's calculations.
Note: AEO 2024 was not published, so a corresponding 2023 forecast series is not available.

Natural Gas Production Forecast



Sources: Energy Information Administration, Annual Energy Outlook, and author's calculations.

Natural Gas Production Forecast



Sources: Energy Information Administration, Annual Energy Outlook, and author's calculations.
Note: AEO 2024 was not published, so a corresponding 2023 forecast series is not available.

U.S. Value of Production

Historical and Forecast



Sources: Energy Information Administration, Annual Energy Outlook and author's calculations.

Gulf Coast Value of Production

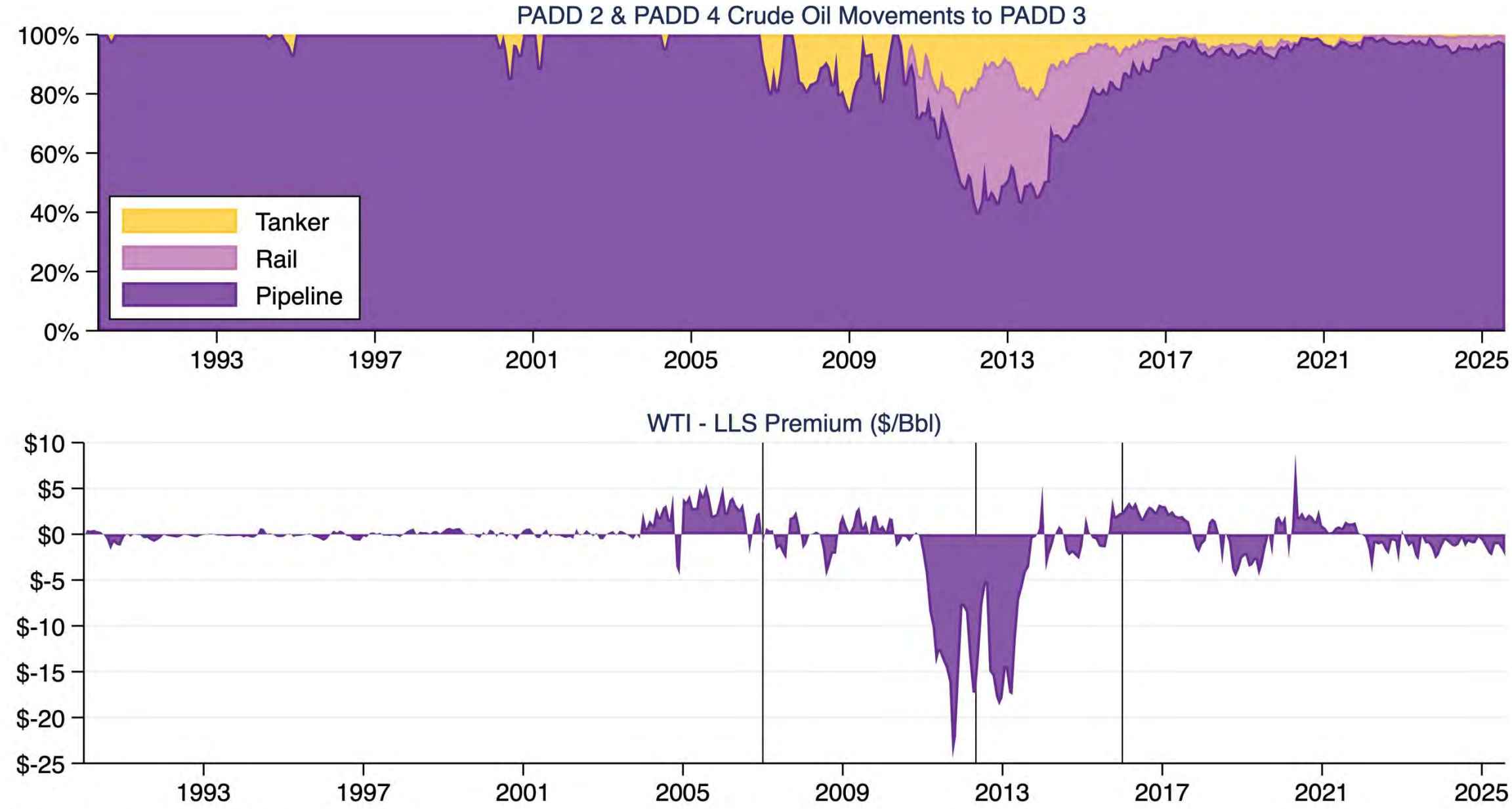
Historical and Forecast



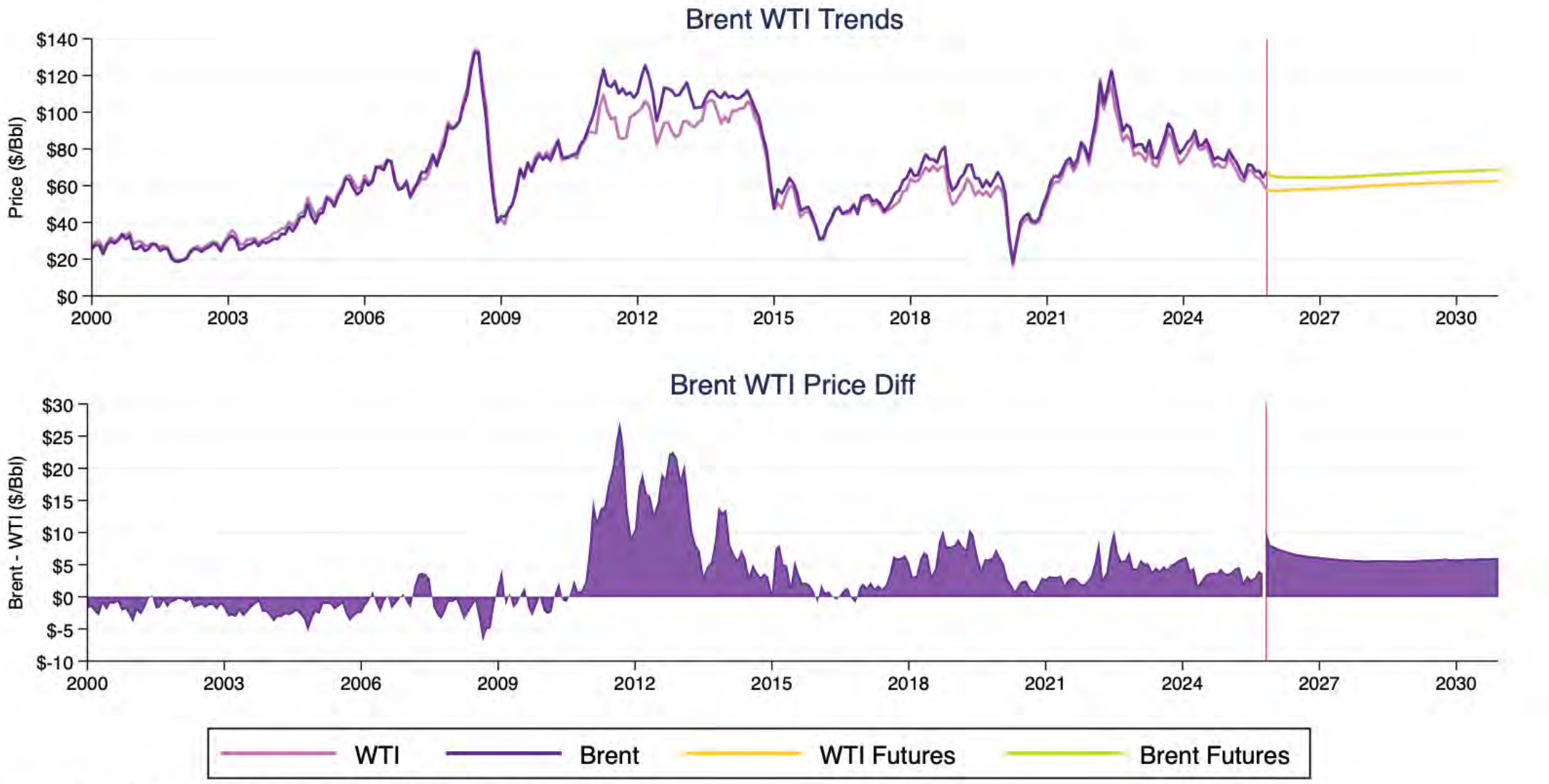
Sources: Energy Information Administration, Annual Energy Outlook and author's calculations.

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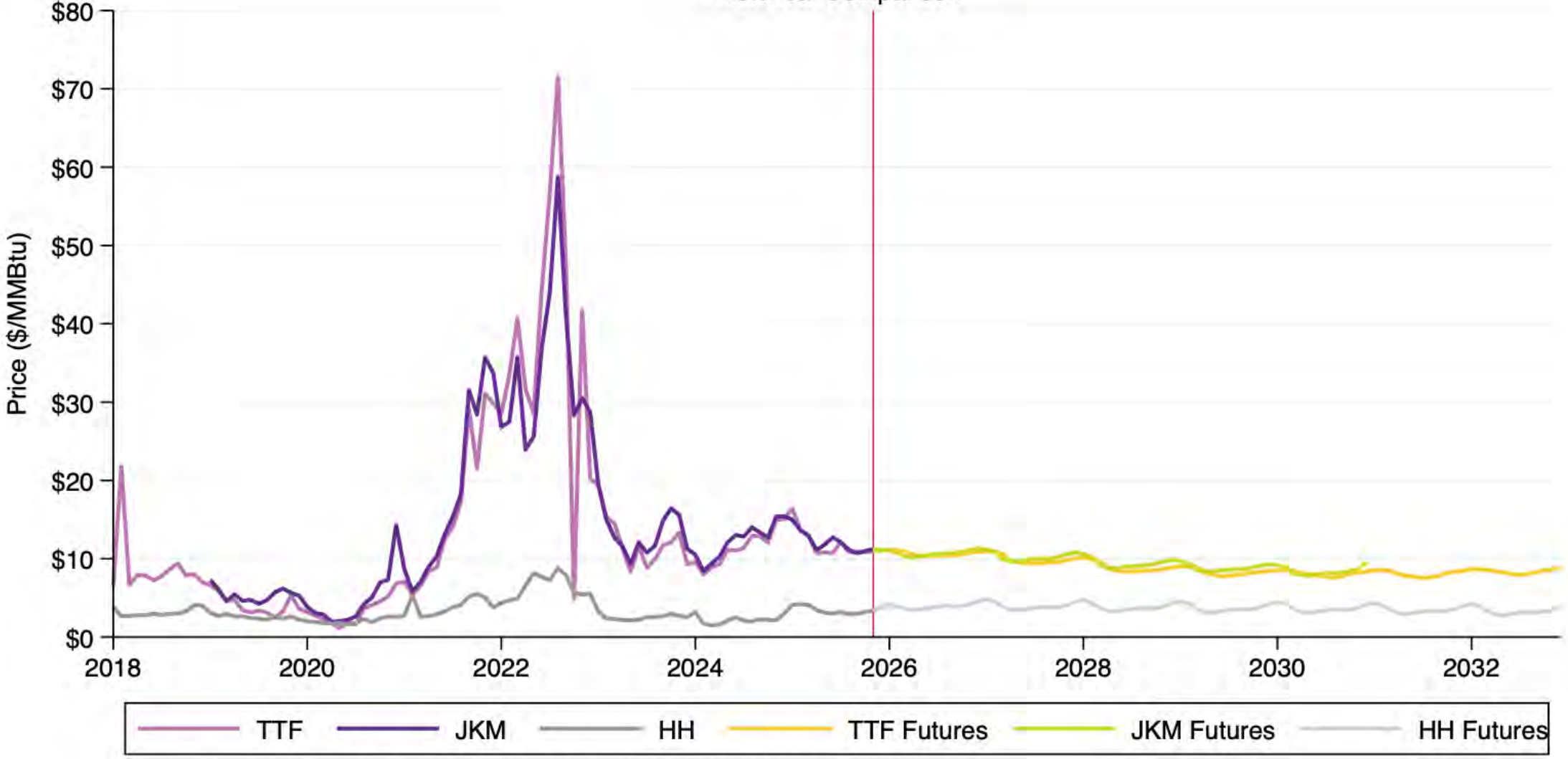
Source: Energy Information Administration.



Sources: Energy Information Administration, and S&P Global Market Intelligence.
Notes: Spot price adjusted to current Consumer Price Index.

Natural Gas Prices

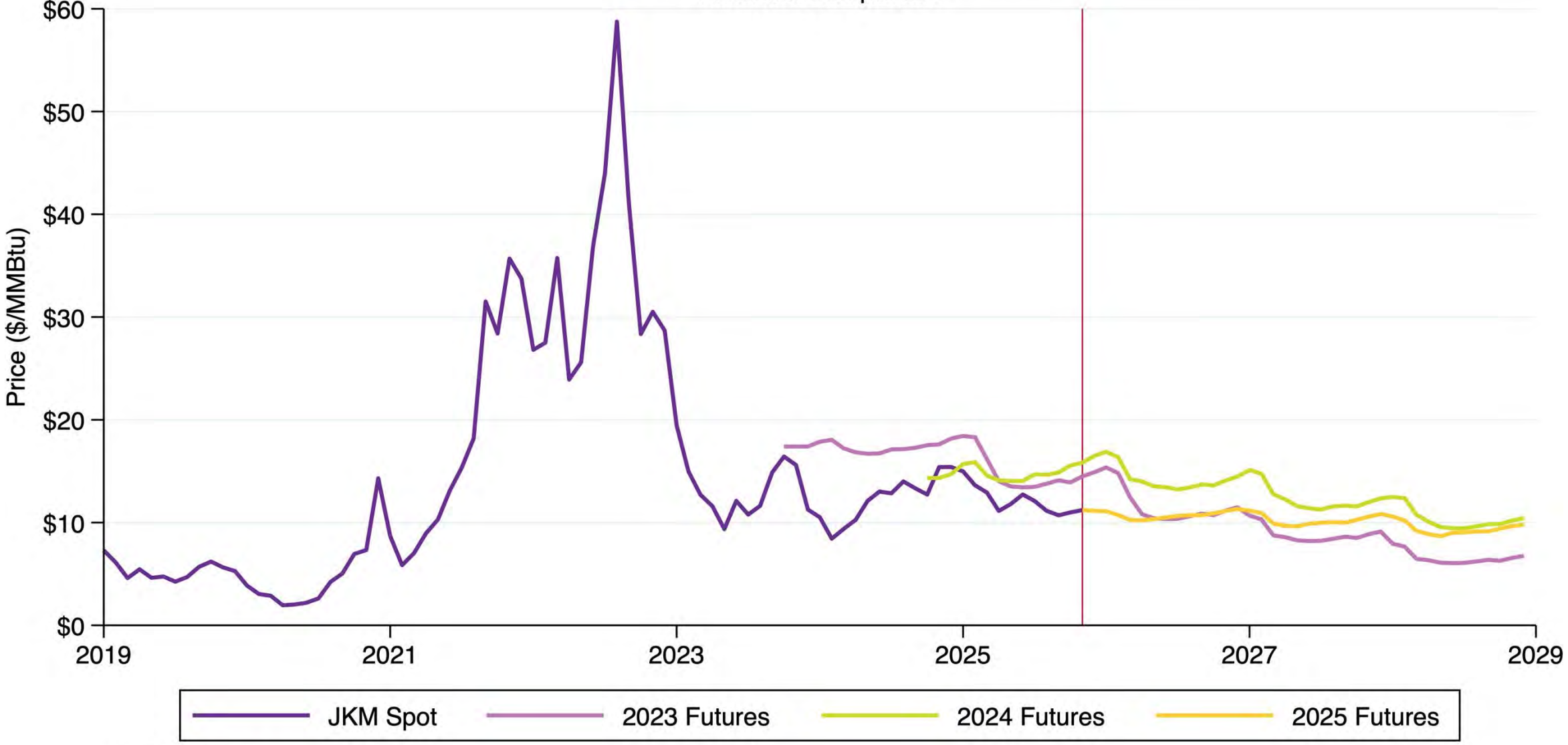
Historical Comparison



Sources: Bloomberg, Energy Information Administration, and S&P Global Market Intelligence.

JKM Natural Gas Prices

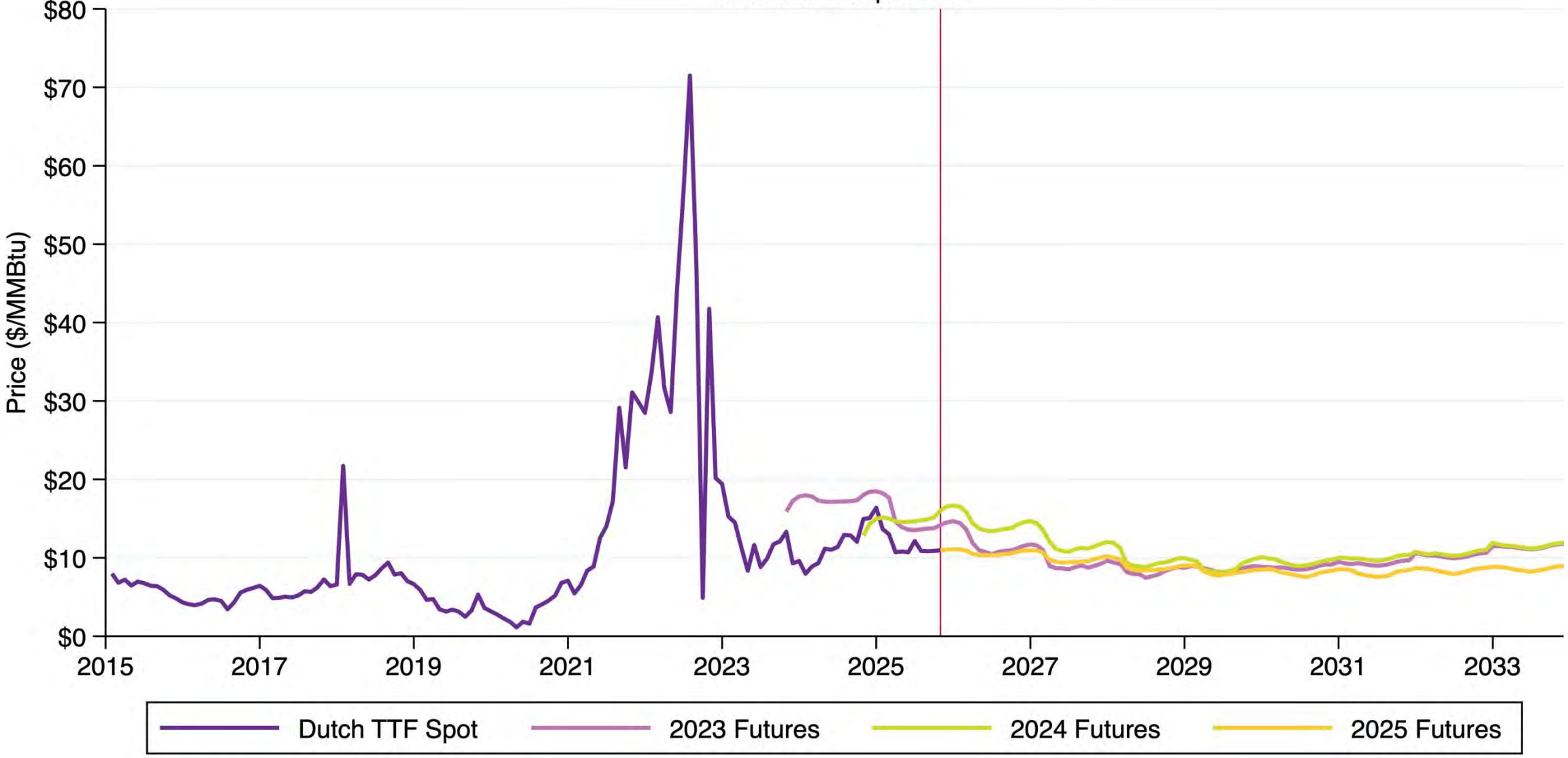
Historical Comparison



Source: Bloomberg.

Dutch TTF Natural Gas Price

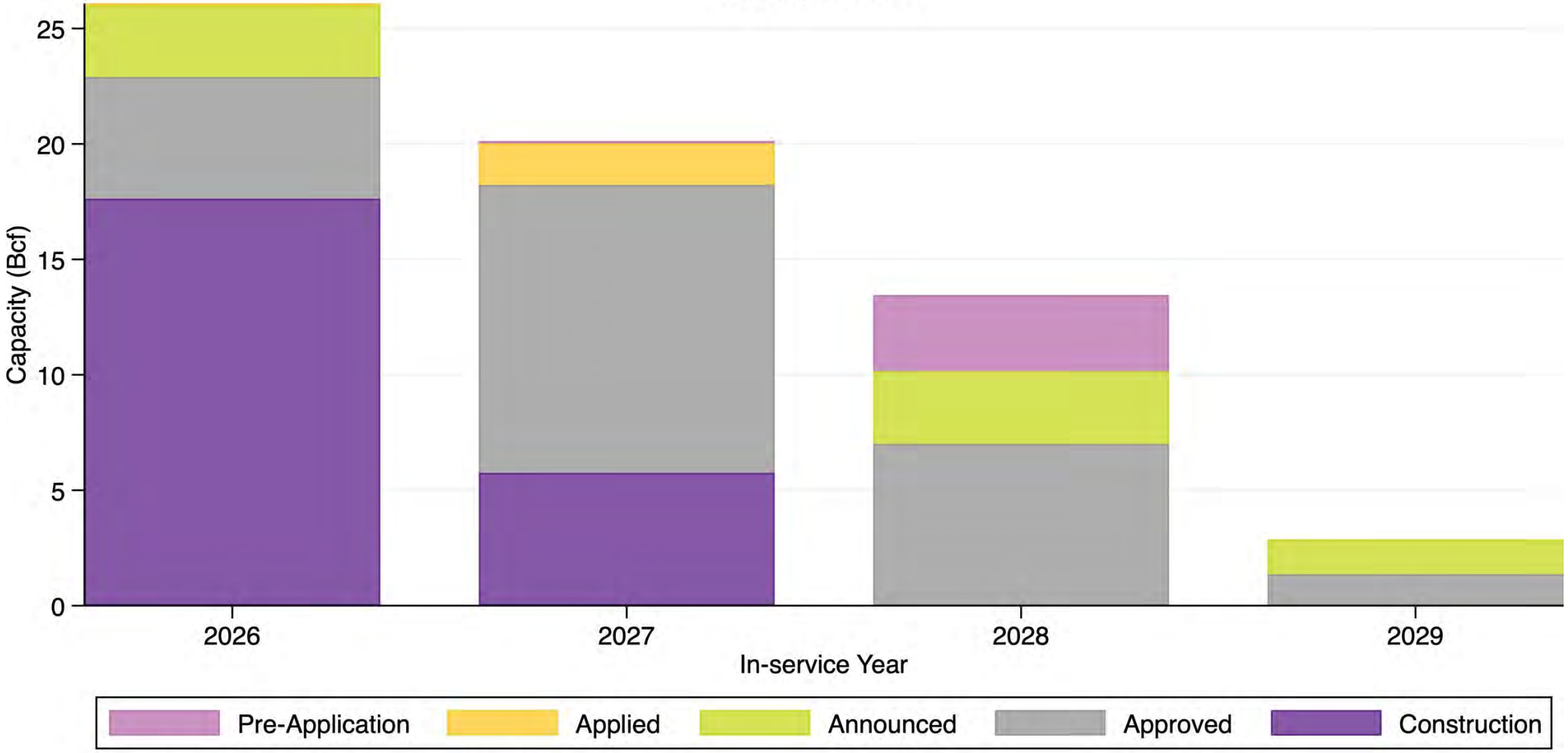
Historical Comparison



Source: Bloomberg.

Gulf Coast Natural Gas Pipeline Capacity Additions

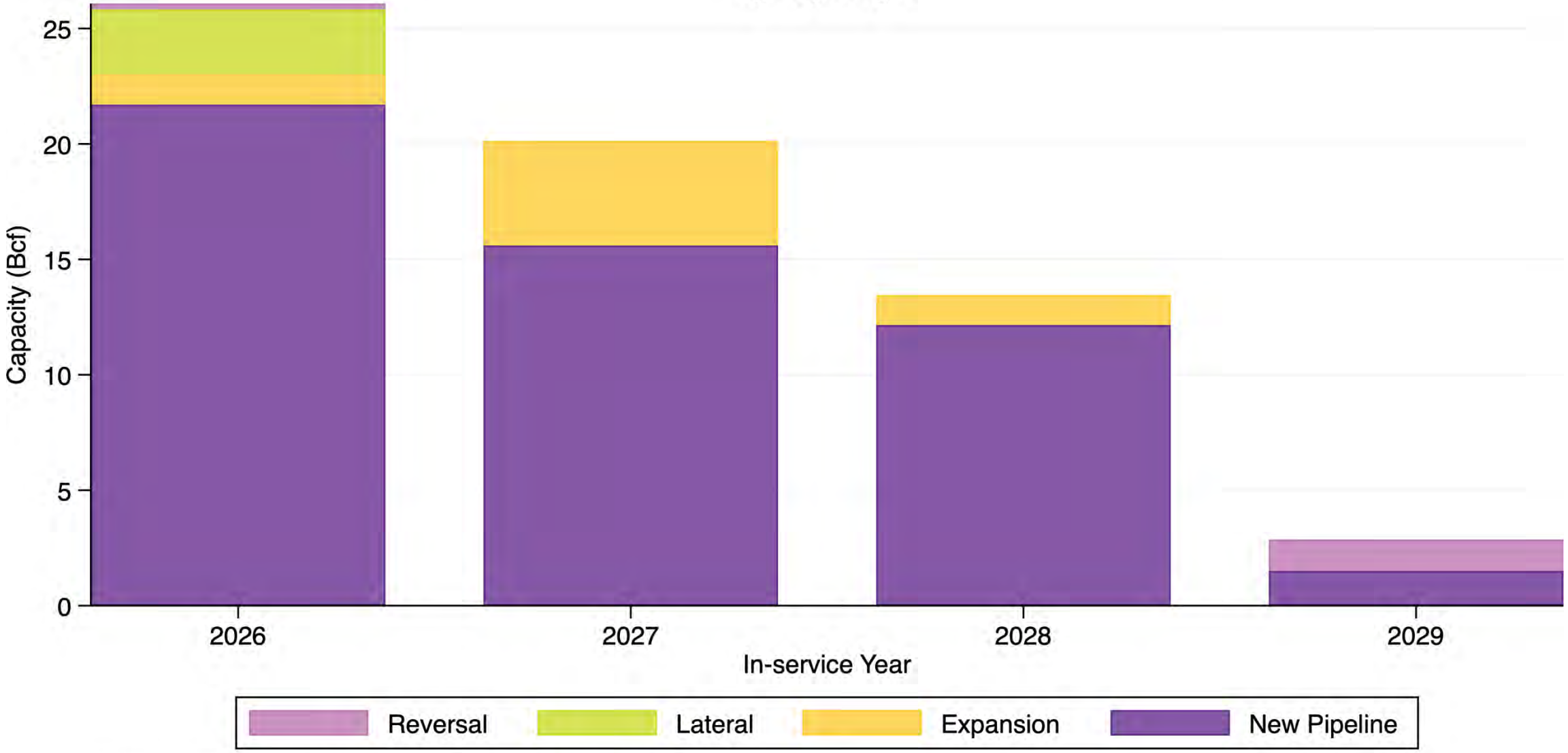
By Project Status



Source: Energy Information Administration, Natural Gas Pipeline Projects.

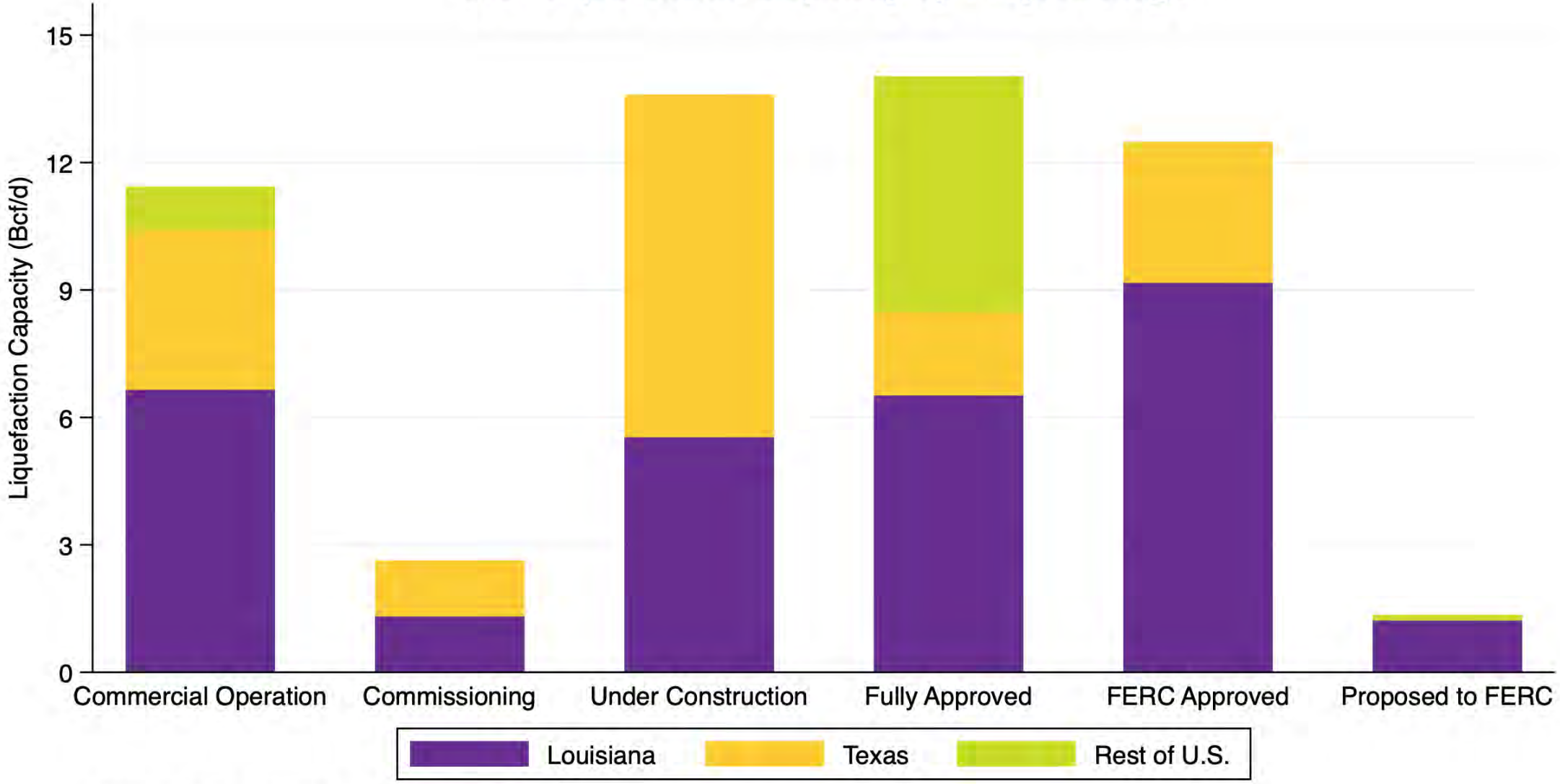
Gulf Coast Natural Gas Pipeline Capacity Additions

By Project Type



Source: Energy Information Administration, Natural Gas Pipeline Projects.

U.S. Liquefaction Capacity by Project Stage

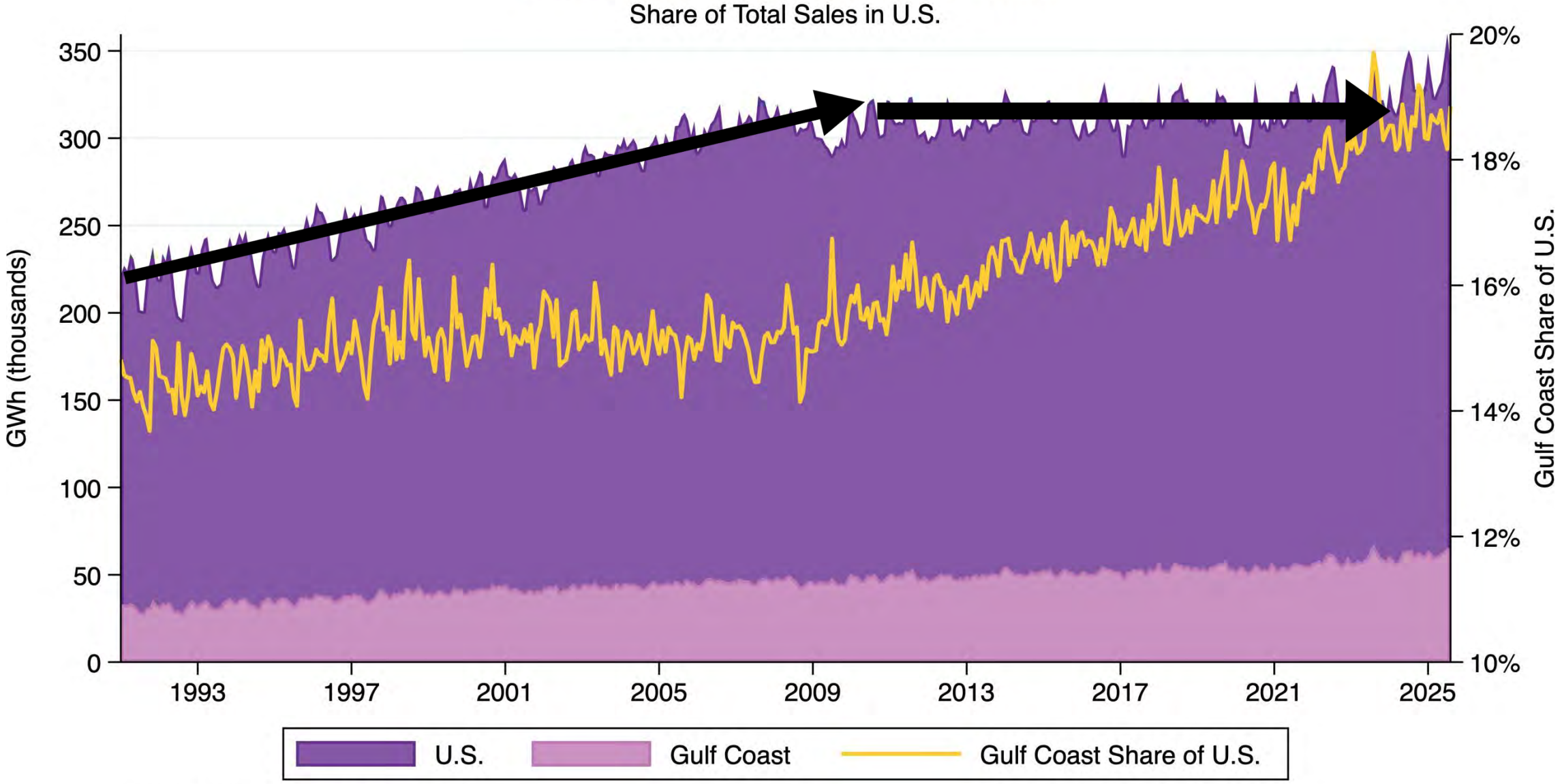


Sources: Energy Information Administration, and Federal Energy Regulatory Commission.

Outline

1. Introduction & Uncertainties
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4. Power Sector 
5. Energy Manufacturing
6. Energy Exports
7. Policy Implications
8. Employment
9. Conclusion

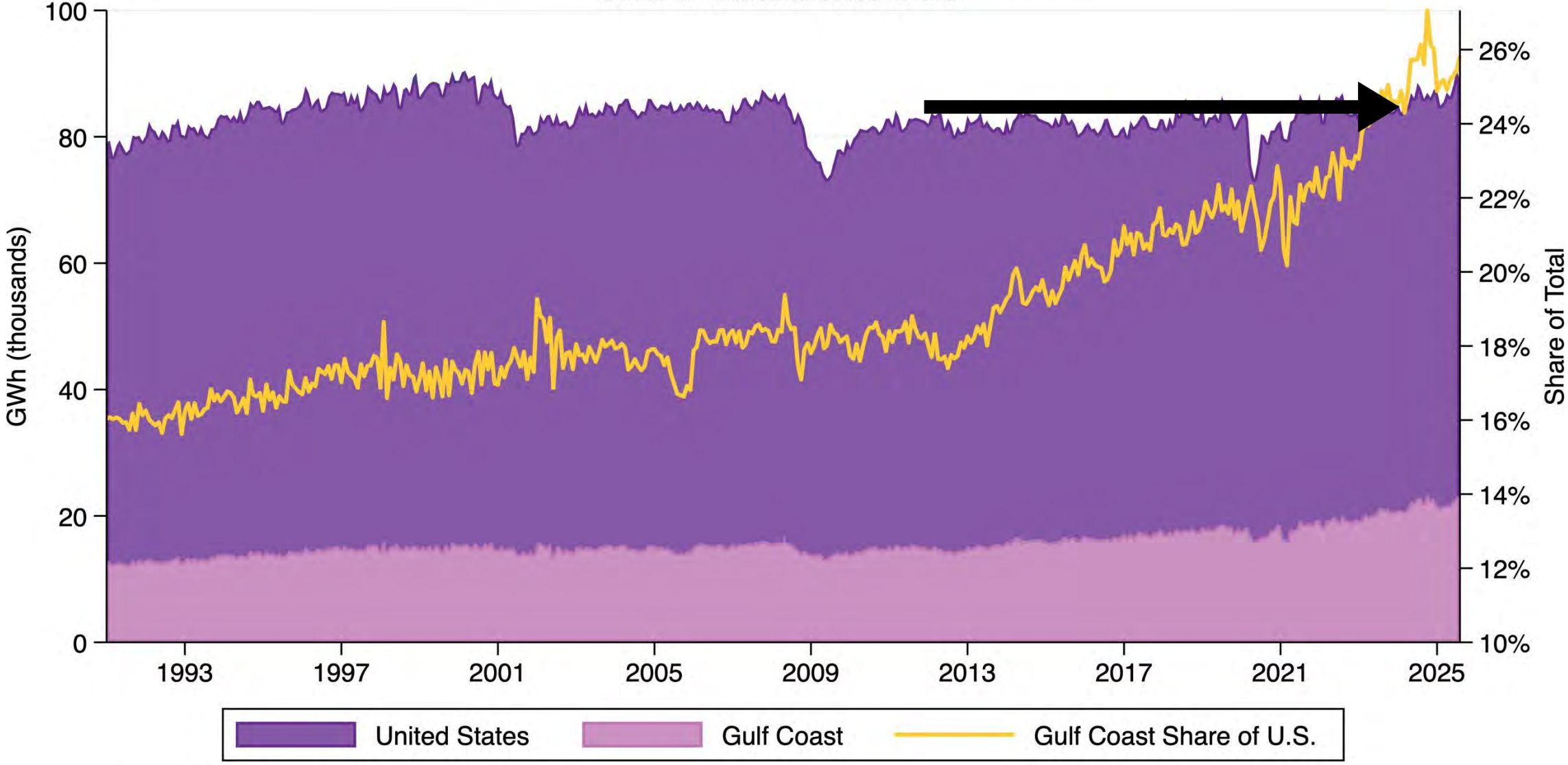
Gulf Coast Total Electricity Sales



Source: Energy Information Administration.

Gulf Coast Industrial Electricity Sales

Share of Industrial Sales in U.S.



Source: Energy Information Administration.

LED | LOUISIANA ECONOMIC DEVELOPMENT

'A New Chapter for Louisiana'

Meta Selects Northeast Louisiana as Site of $10 Billion AI-Optimized Data Center

Facebook and Instagram parent company Meta announced it will build a massive $10 billion artificial intelligence data center in northeast Louisiana, a transformational investment that cements the state's status as a major innovation hub and puts this picturesque rural community on the leading edge of a global digital revolution.

Meta projects the data center will support 500 or more direct new jobs in Richland Parish with average salaries that are at least 150% of the state per capita average. LED estimates the project will result in the creation of more than 1,000 indirect jobs, for a total of more than 1,500 potential new jobs in the Northeast Region. The company estimates 5,000 construction workers at peak of construction on the 2,250-acre former Franklin Farm megasite that sits between the municipalities of Rayville and Delhi, about 30 miles east of Monroe.

READ MORE



BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

APPLICATION OF ENTERGY LOUISIANA, LLC FOR APPROVAL OF GENERATION AND TRANSMISSION RESOURCES PROPOSED IN CONNECTION WITH SERVICE TO A SIGNIFICANT CUSTOMER PROJECT IN NORTH LOUISIANA, INCLUDING PROPOSED RIDER, AND REQUEST FOR TIMELY TREATMENT	)	DOCKET NO. U-_____

DIRECT TESTIMONY

OF

PHILLIP R. MAY

ON BEHALF OF

ENTERGY LOUISIANA, LLC

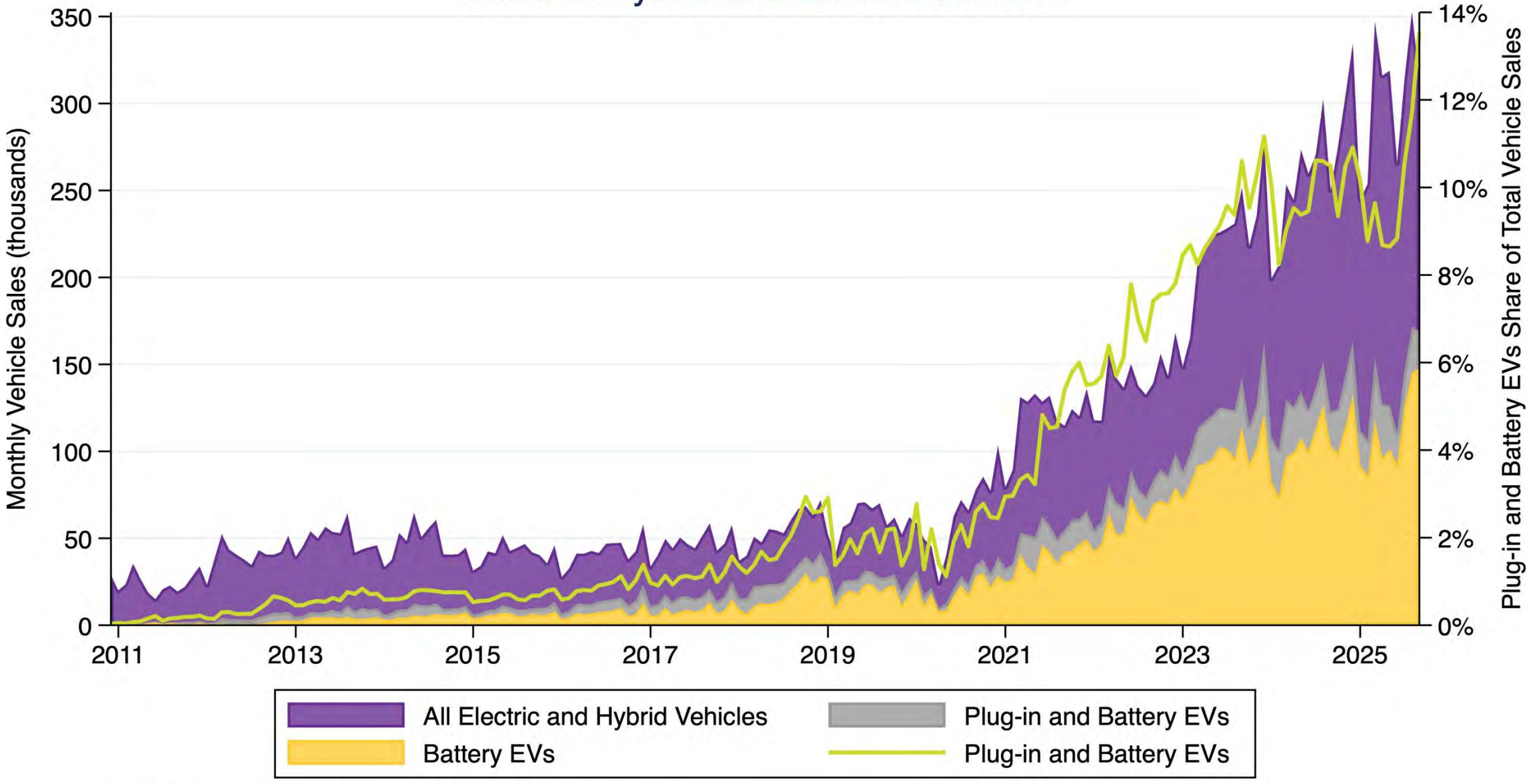
PUBLIC REDACTED VERSION

OCTOBER 2024

LSU Energy Institute

LSU Center for Energy Studies

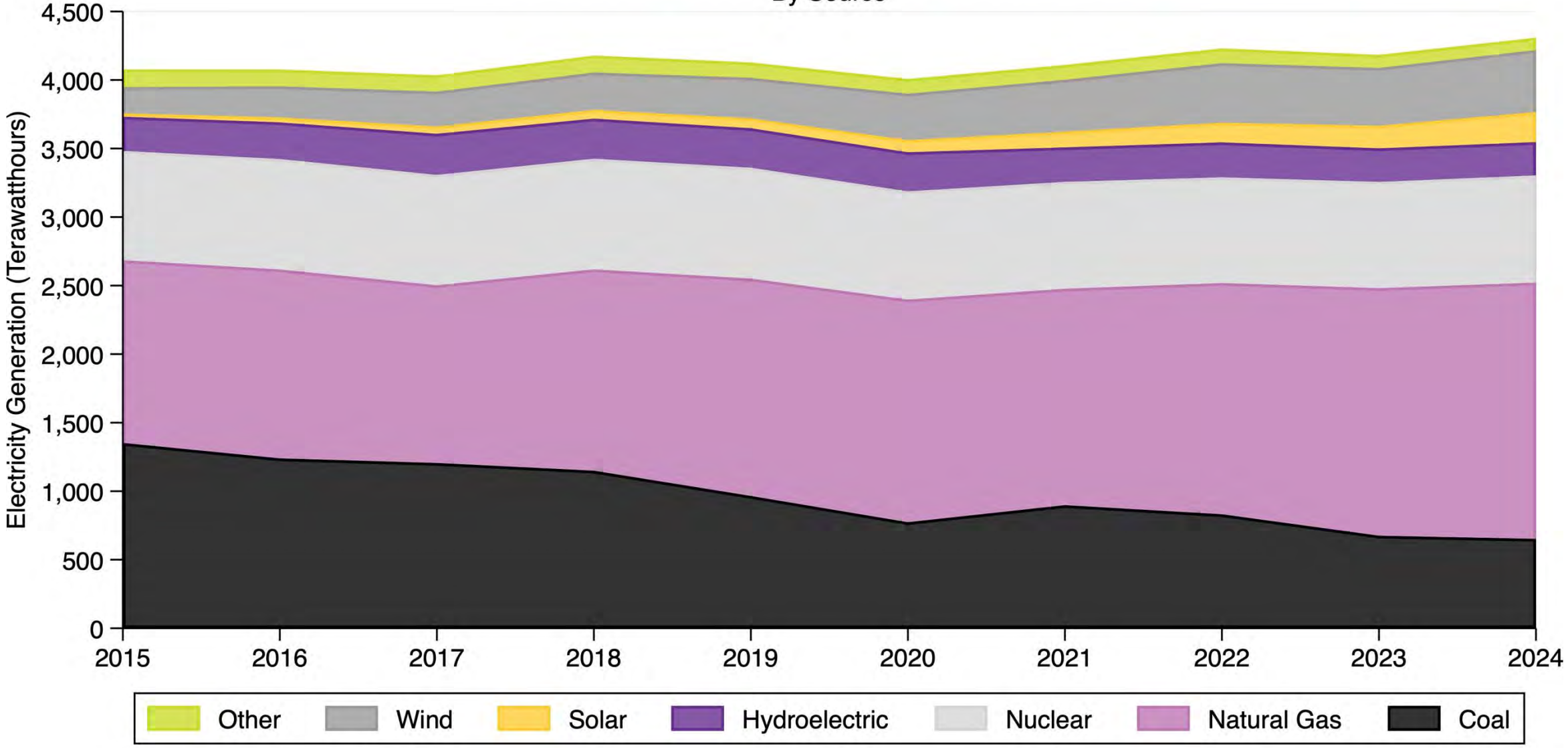
Sales of Hybrid and Electric Vehicles



Source: Argonne National Laboratory.

U.S. Utility-Scale Electricity Generation

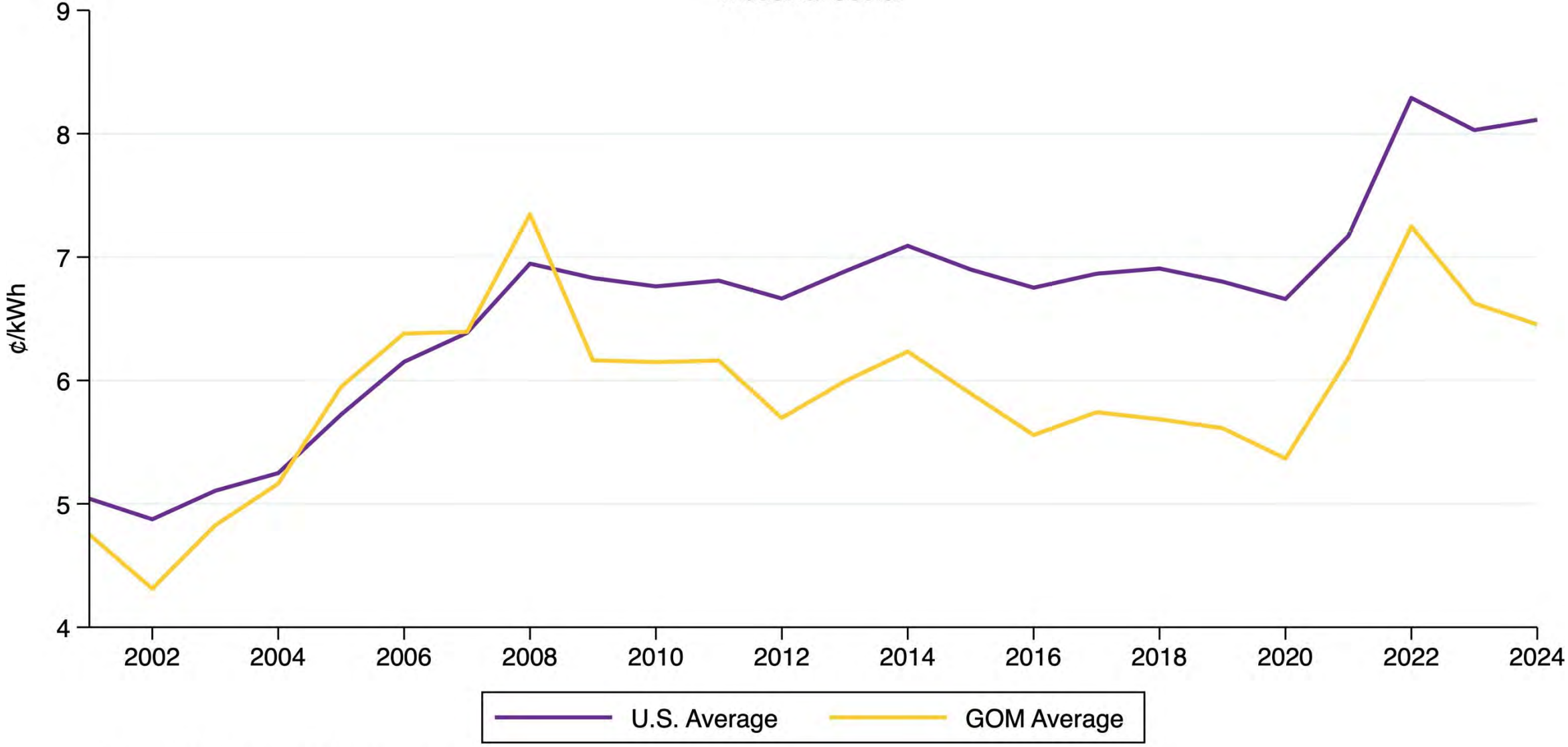
By Source



Source: Energy Information Administration.

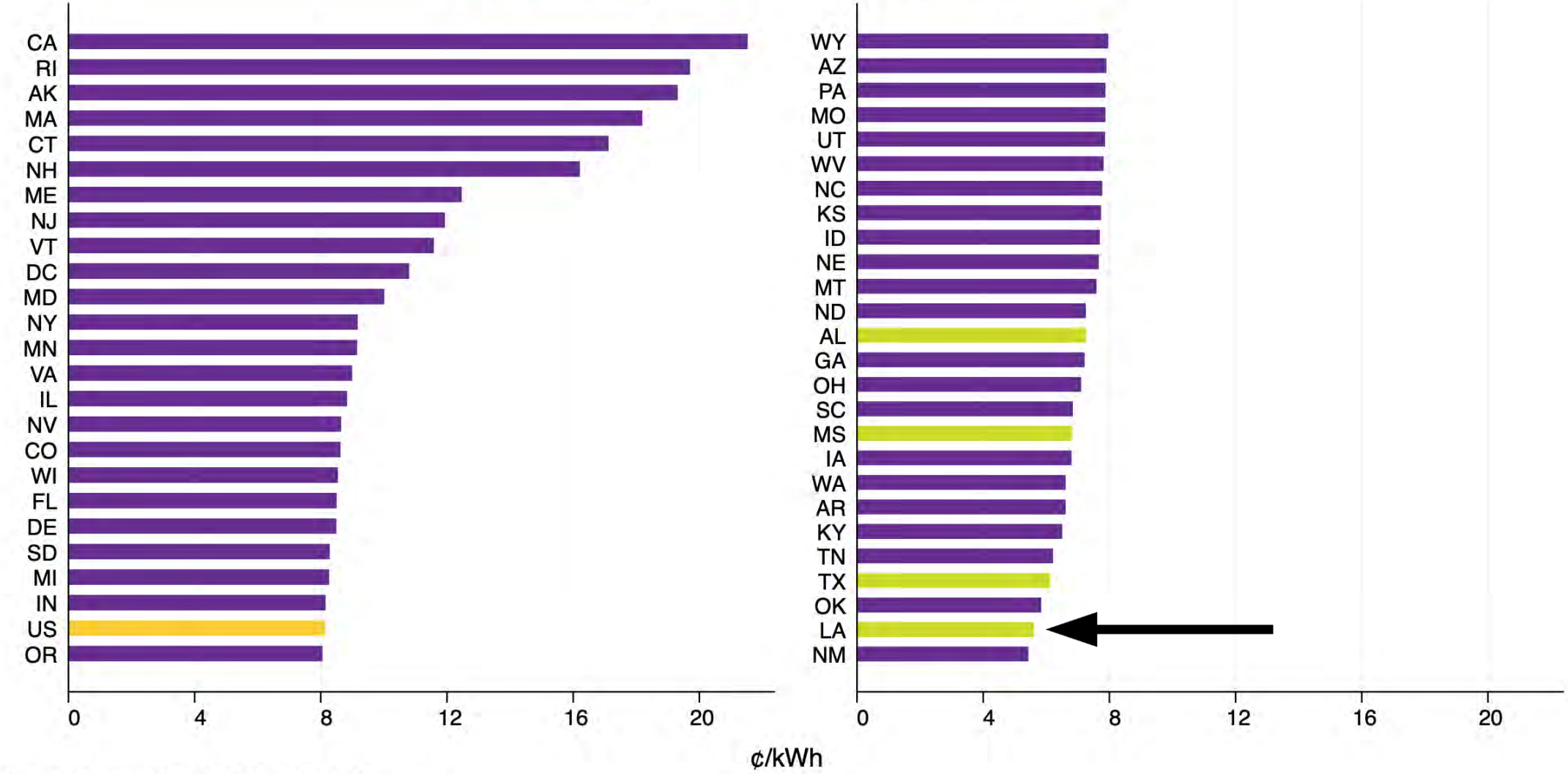
Electricity Rates

Industrial Sector



Source: Energy Information Administration.

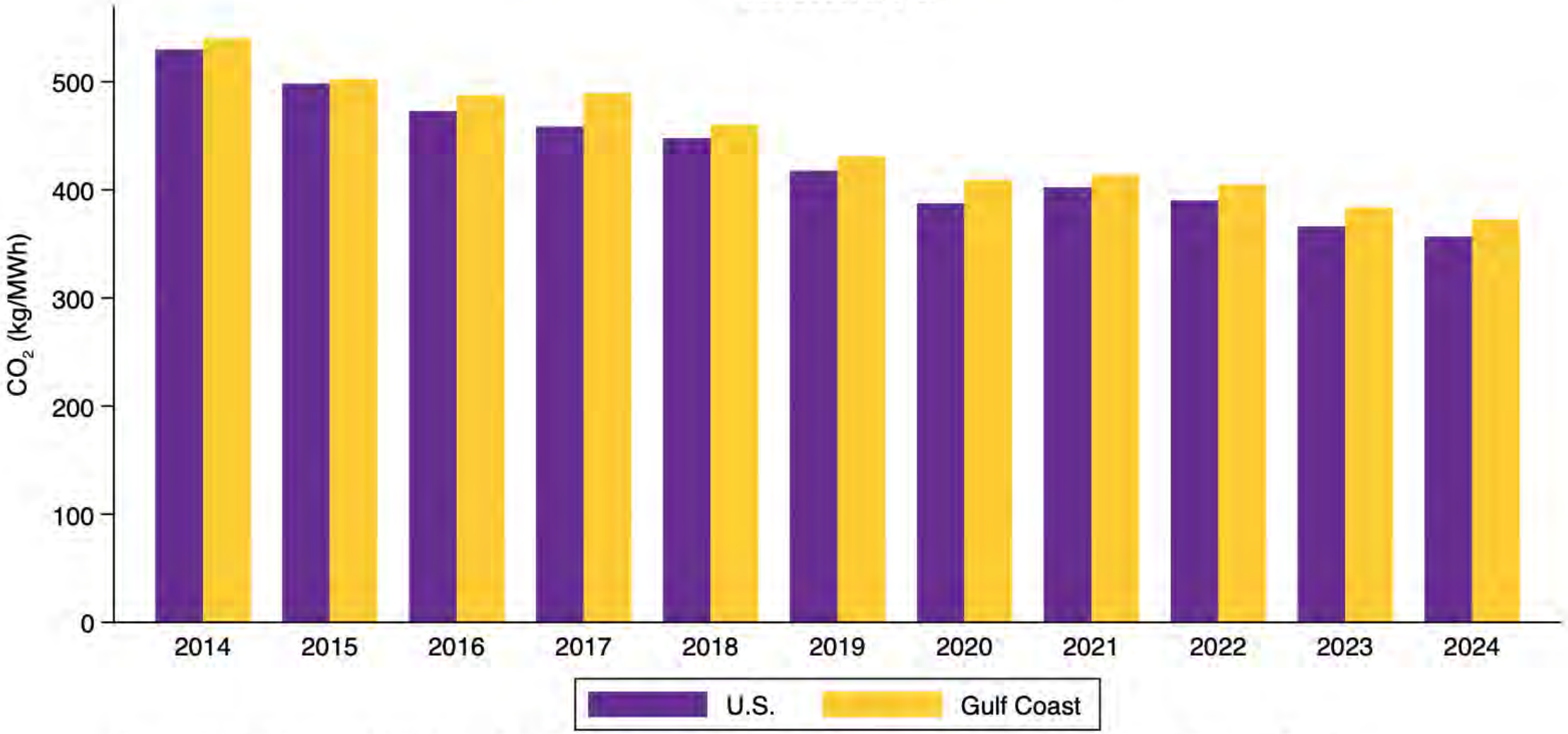
2024 Average Industrial Electricity Rates



Source: Energy Information Administration.
Note: Hawaii (34 ¢/kWh) is excluded from the figure.

CO_2 Emissions per MWh of Generation

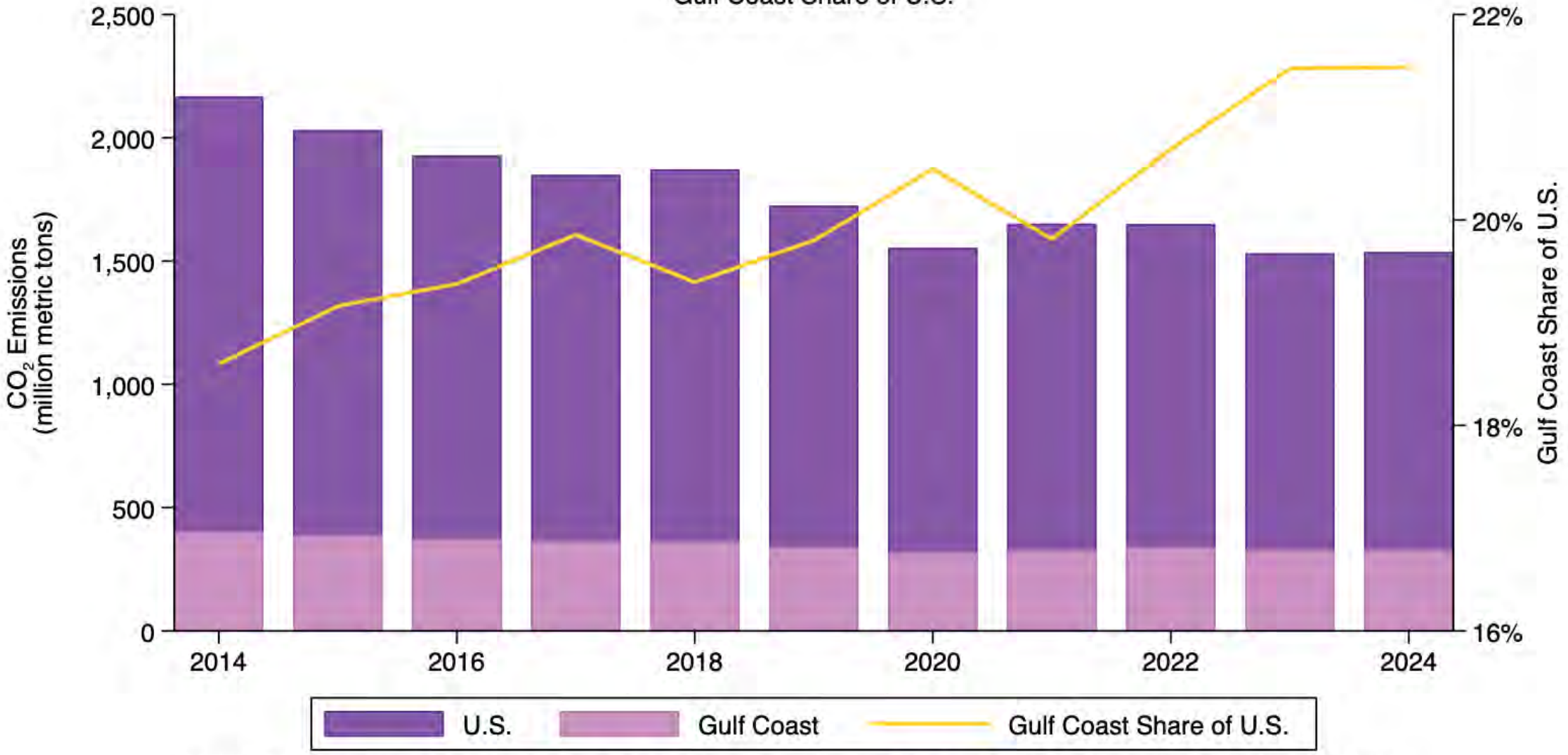
Gulf Coast & U.S.



Sources: Energy Information Administration, Form EIA-923 Power Plant Operations Report, and Form EIA-860 Annual Electric Generator Report.
Note: The emissions data presented include total emissions from both electricity generation and the production of useful thermal output.

CO_2 Emissions

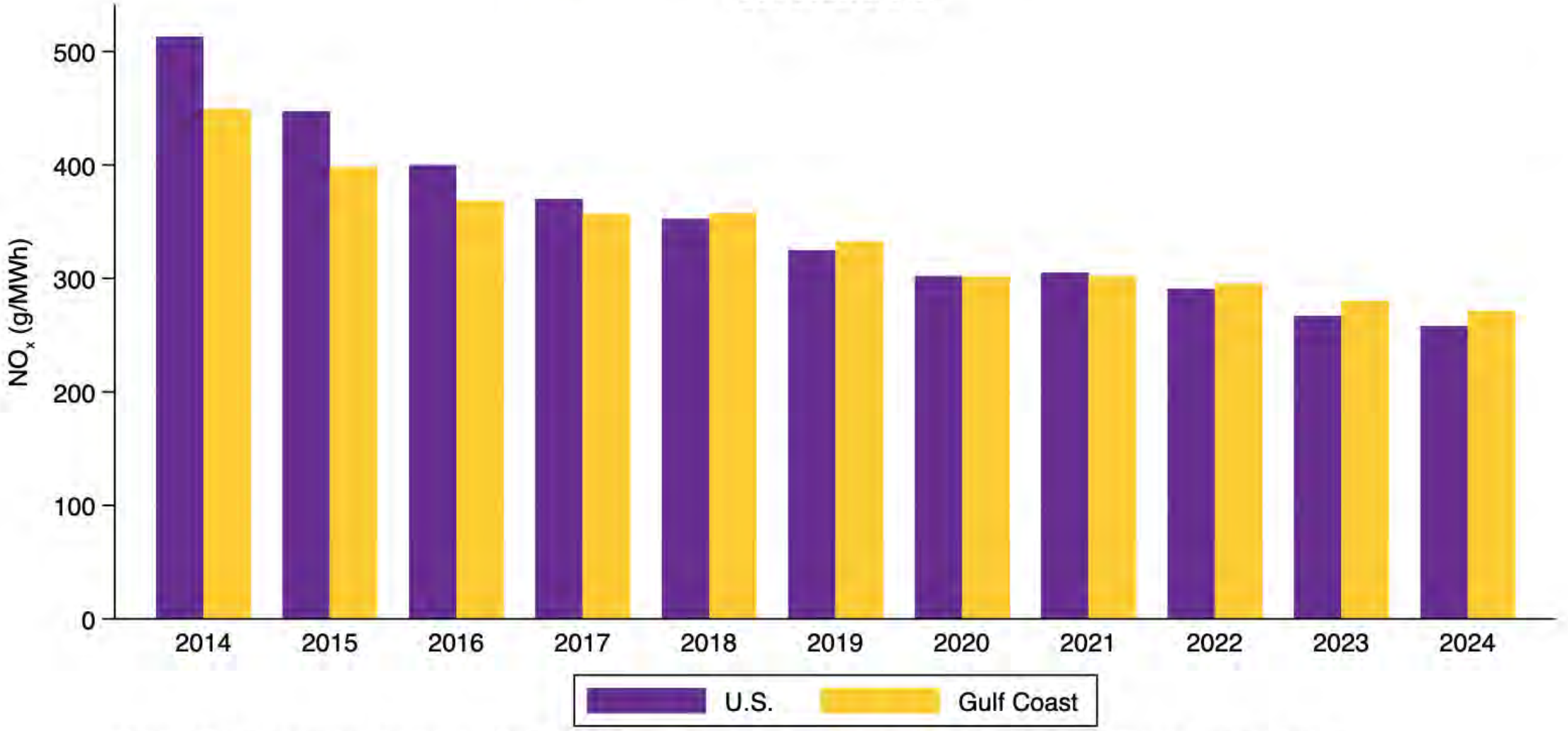
Gulf Coast Share of U.S.



Sources: Energy Information Administration, Form EIA-923 Power Plant Operations Report, and Form EIA-860 Annual Electric Generator Report.
Note: The emissions data presented include total emissions from both electricity generation and the production of useful thermal output.

NO_x Emissions per MWh of Generation

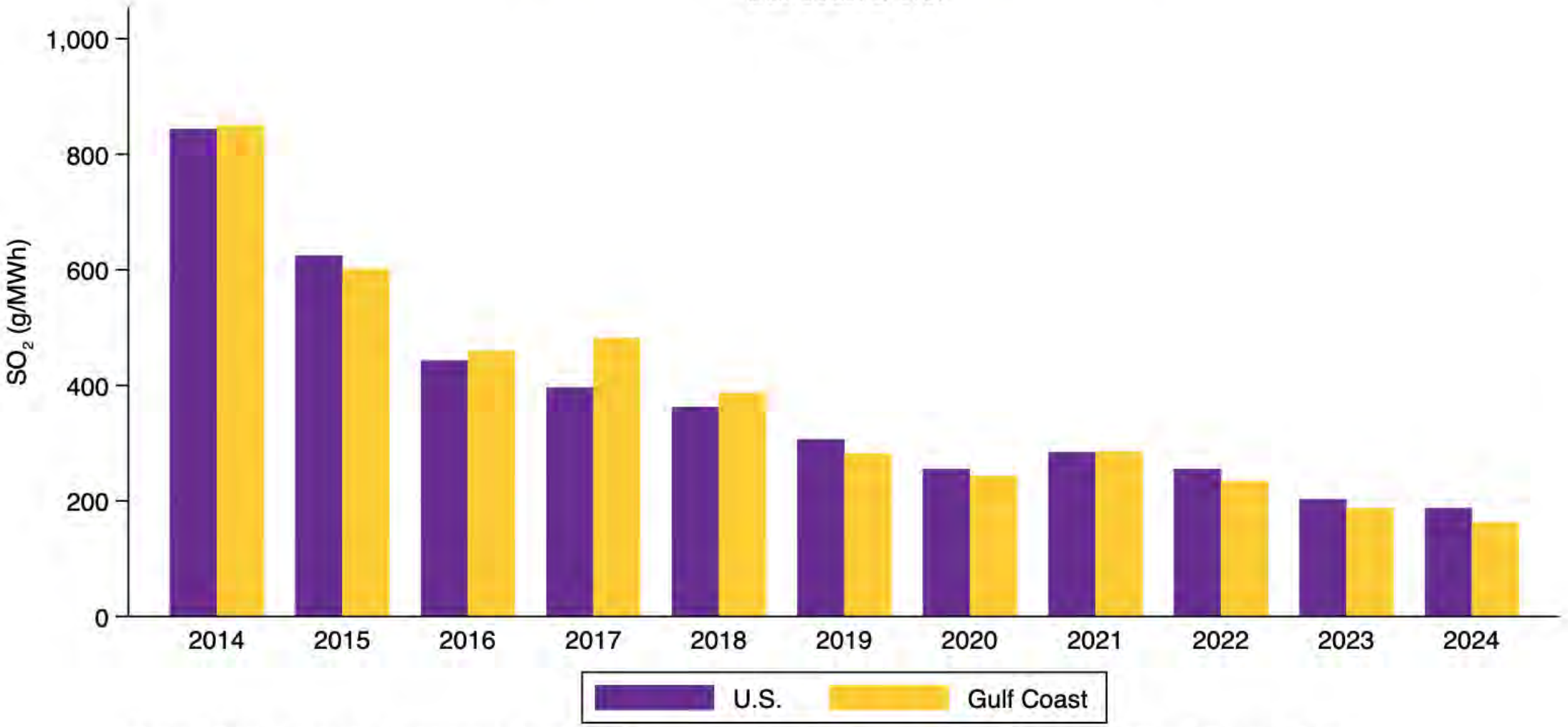
Gulf Coast & U.S.



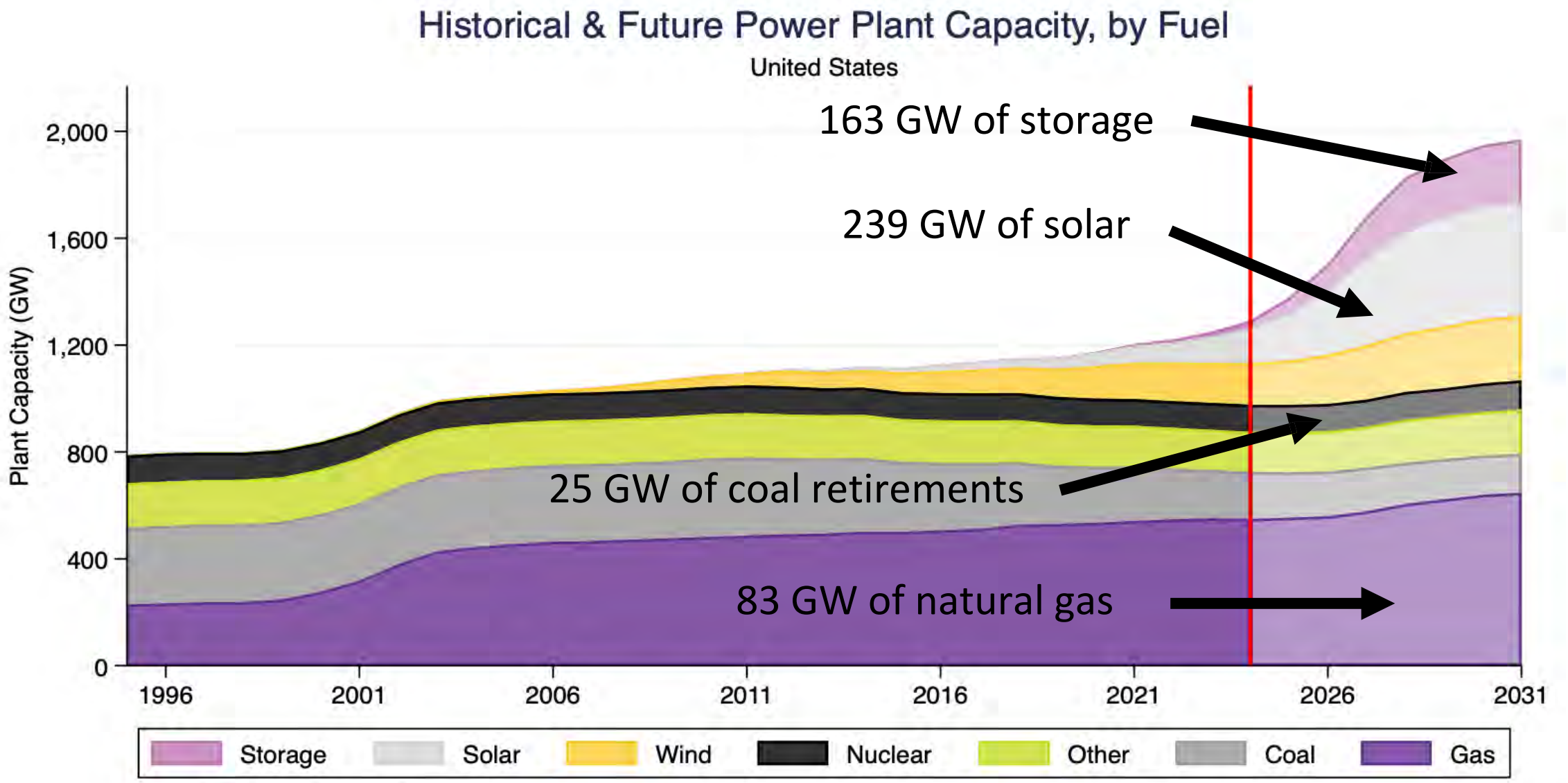
Sources: Energy Information Administration, Form EIA-923 Power Plant Operations Report, and Form EIA-860 Annual Electric Generator Report.
Note: The emissions data presented include total emissions from both electricity generation and the production of useful thermal output.

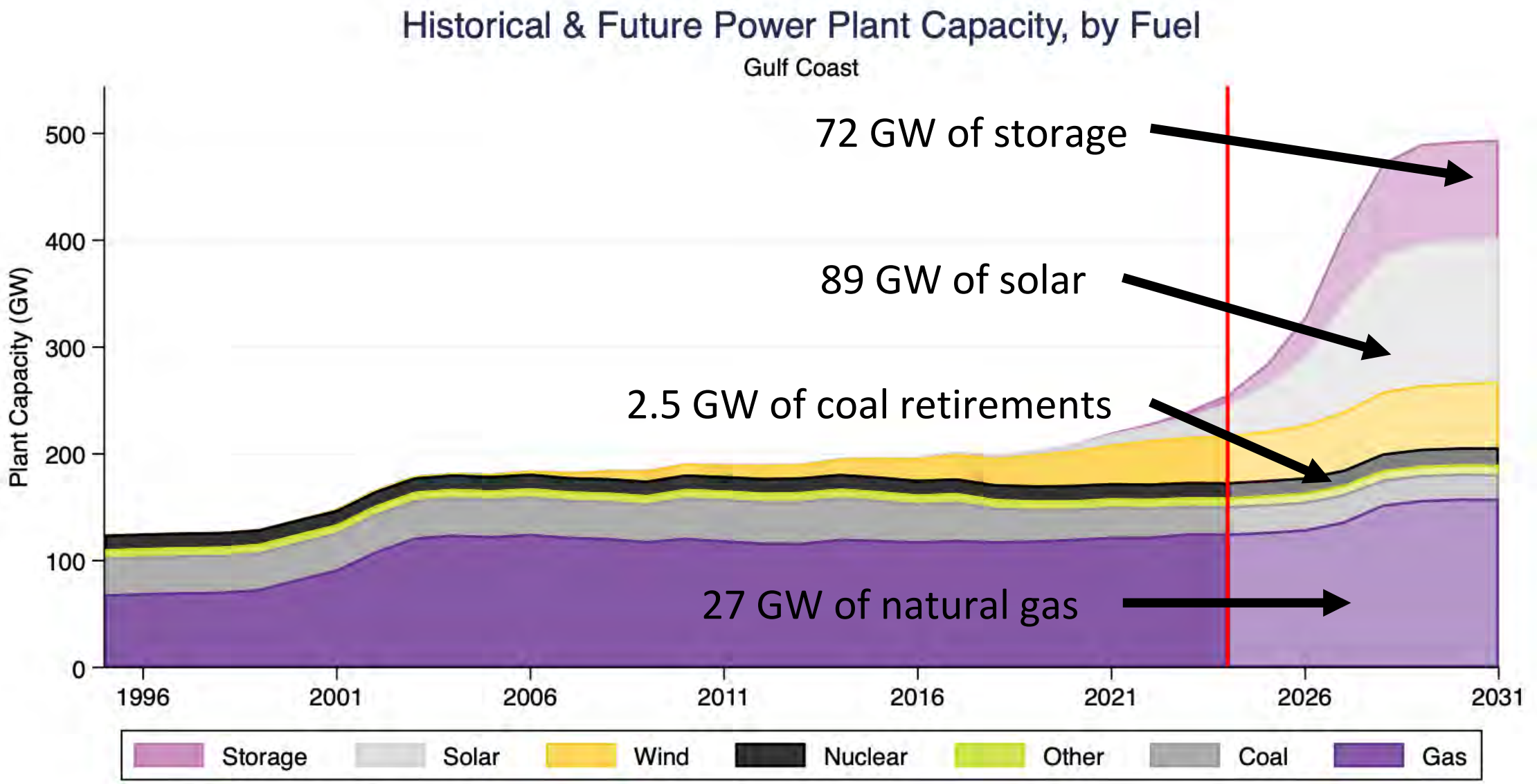
SO_2 Emissions per MWh of Generation

Gulf Coast & U.S.



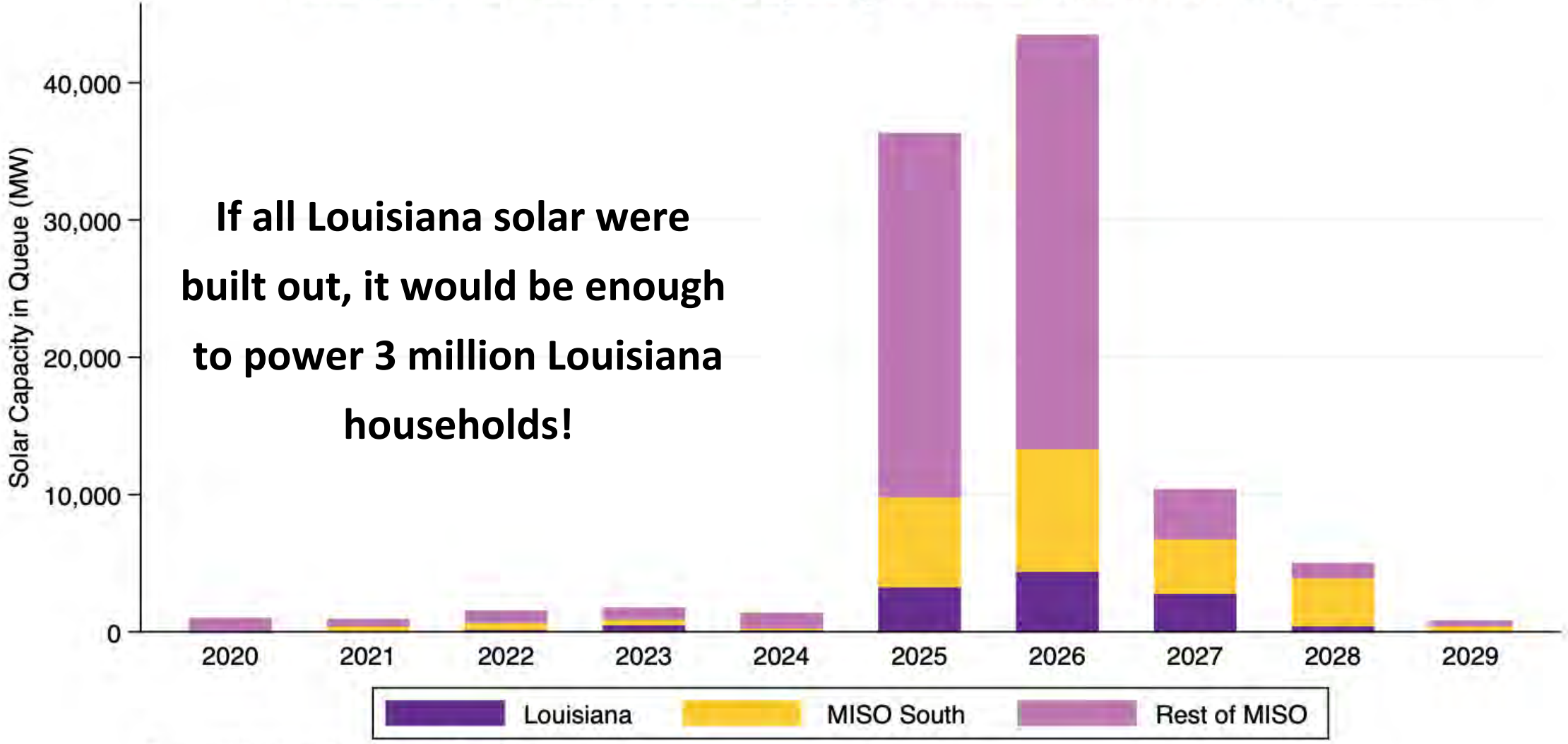
Sources: Energy Information Administration, Form EIA-923 Power Plant Operations Report, and Form EIA-860 Annual Electric Generator Report.
Note: The emissions data presented include total emissions from both electricity generation and the production of useful thermal output.


Historical & Future Power Plant Capacity, by Fuel
United States
163 GW of storage
239 GW of solar
25 GW of coal retirements
83 GW of natural gas
Plant Capacity (GW)
2,000
1,600
1,200
800
400
0
1996
2001
2006
2011
2016
2021
2026
2031
Storage
Solar
Wind
Nuclear
Other
Coal
Gas
Source: S&P Global Market Intelligence.
Note: "Other" category includes hydro, oil, biomass, and smaller miscellaneous sources.



Source: S&P Global Market Intelligence.
Note: "Other" category includes hydro, oil, biomass, and smaller miscellaneous sources.

Historical and Future Solar Capacity in MISO Interconnection Queue



If all Louisiana solar were built out, it would be enough to power 3 million Louisiana households!

Source: Midcontinent Independent System Operator.
Notes: 2025 includes both completed projects and projects in the interconnection queue. Only projects which have reached a Generator Interconnection Agreement are included.

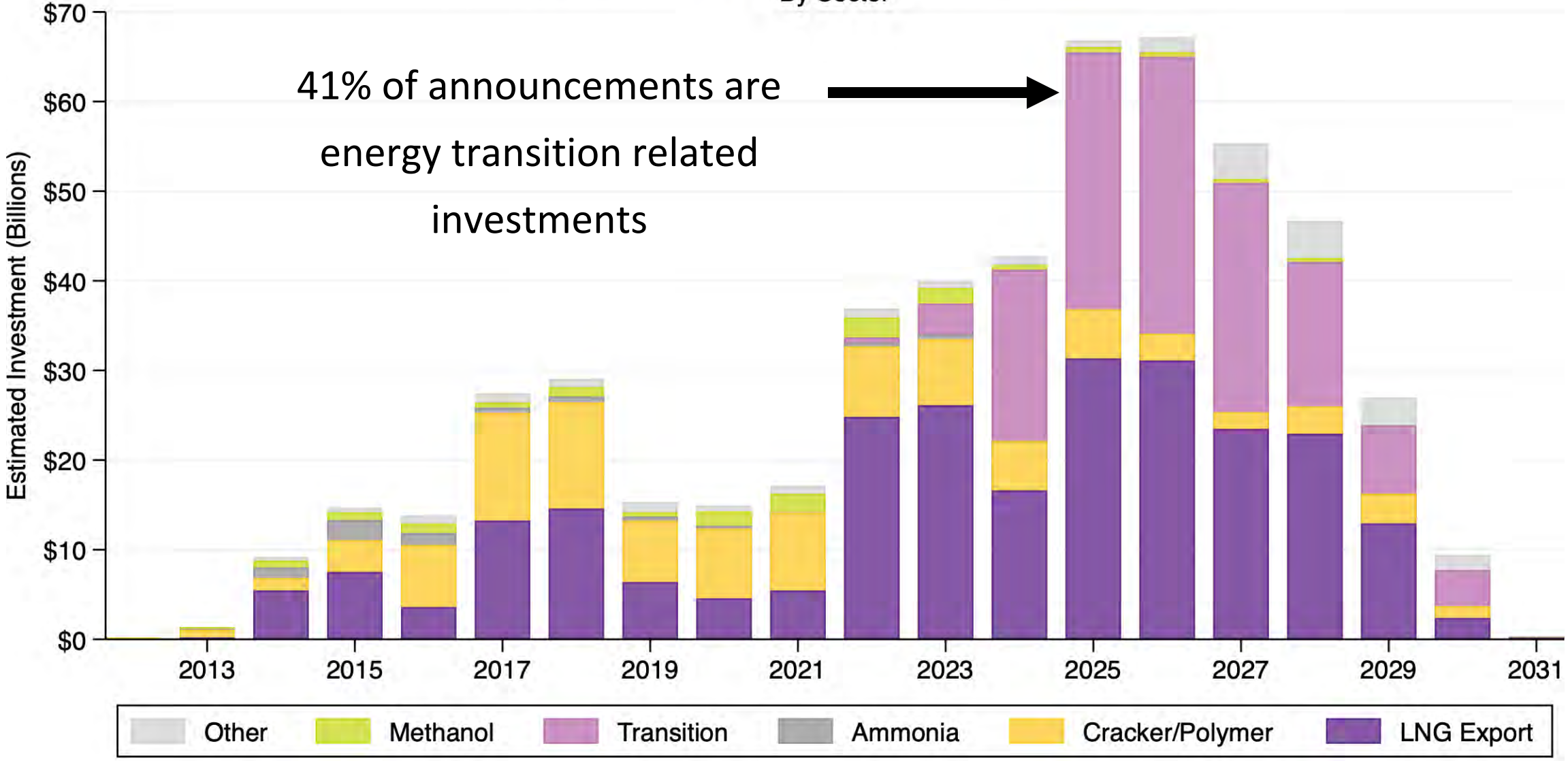
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Gulf Coast Energy Manufacturing Investments

By Sector

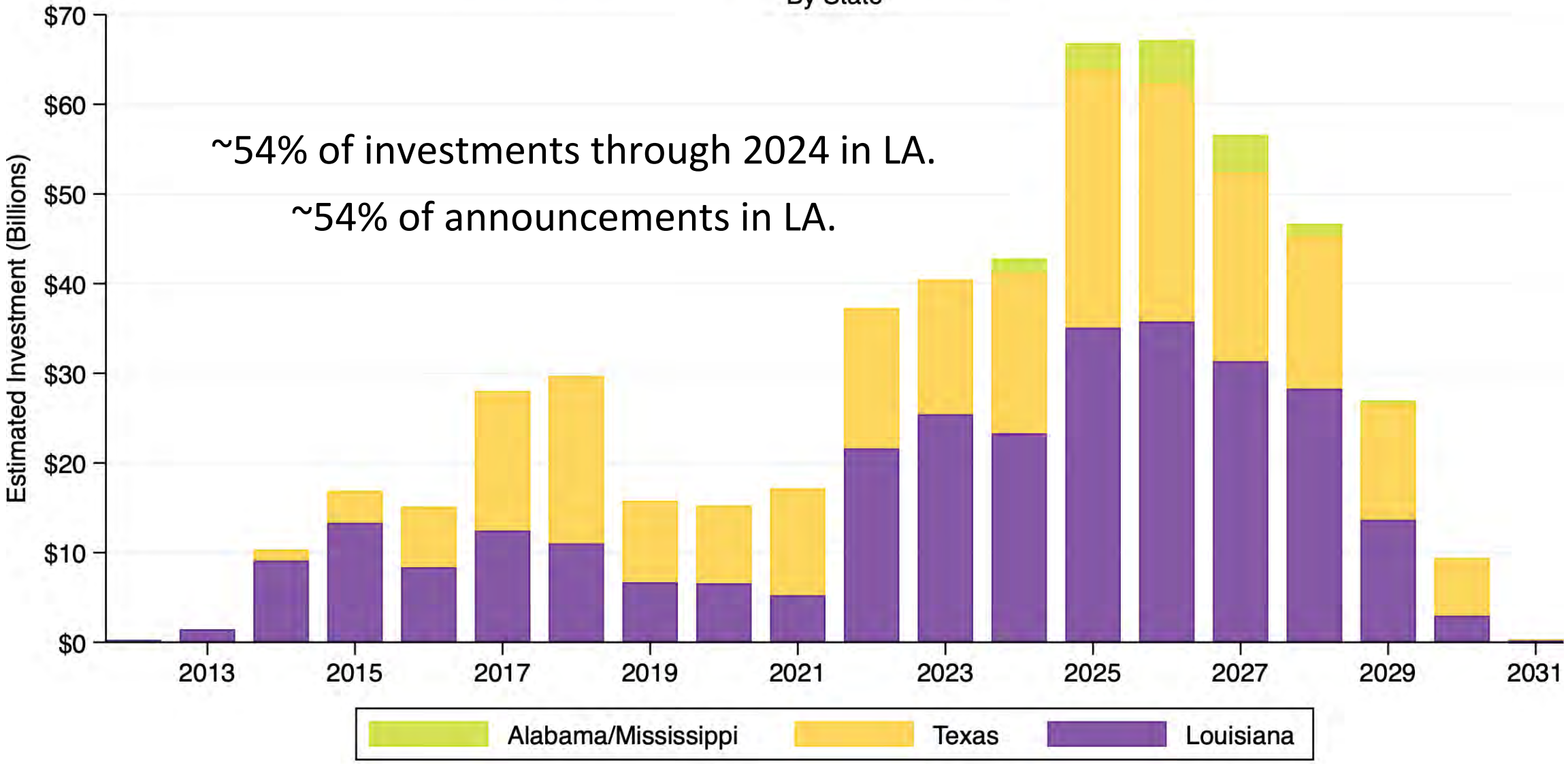
41% of announcements are energy transition related investments



Source: Authors' construct.

Gulf Coast Energy Manufacturing Investments

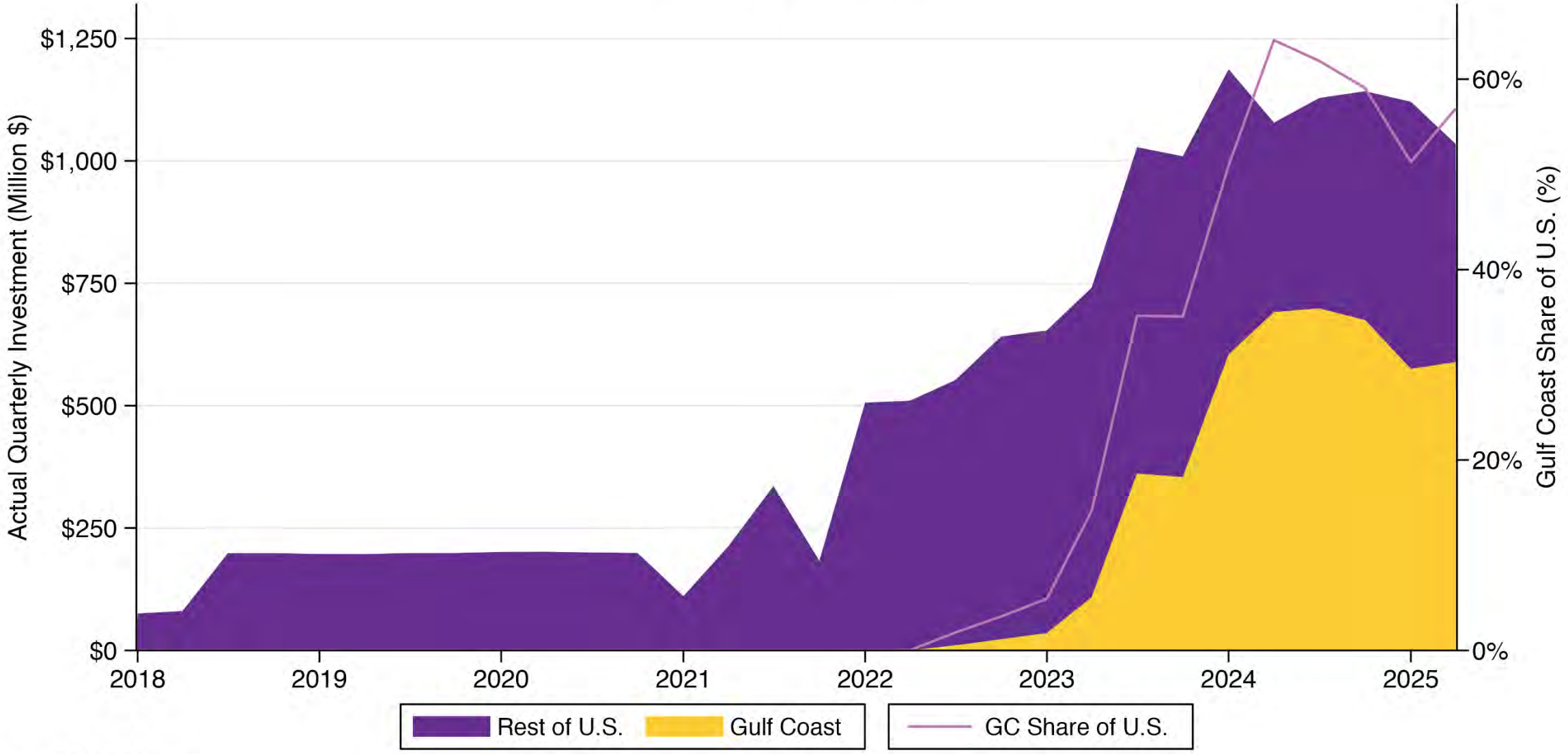
By State



Source: Authors' construct.

Clean Investment in Energy and Industry, Gulf Coast and U.S.

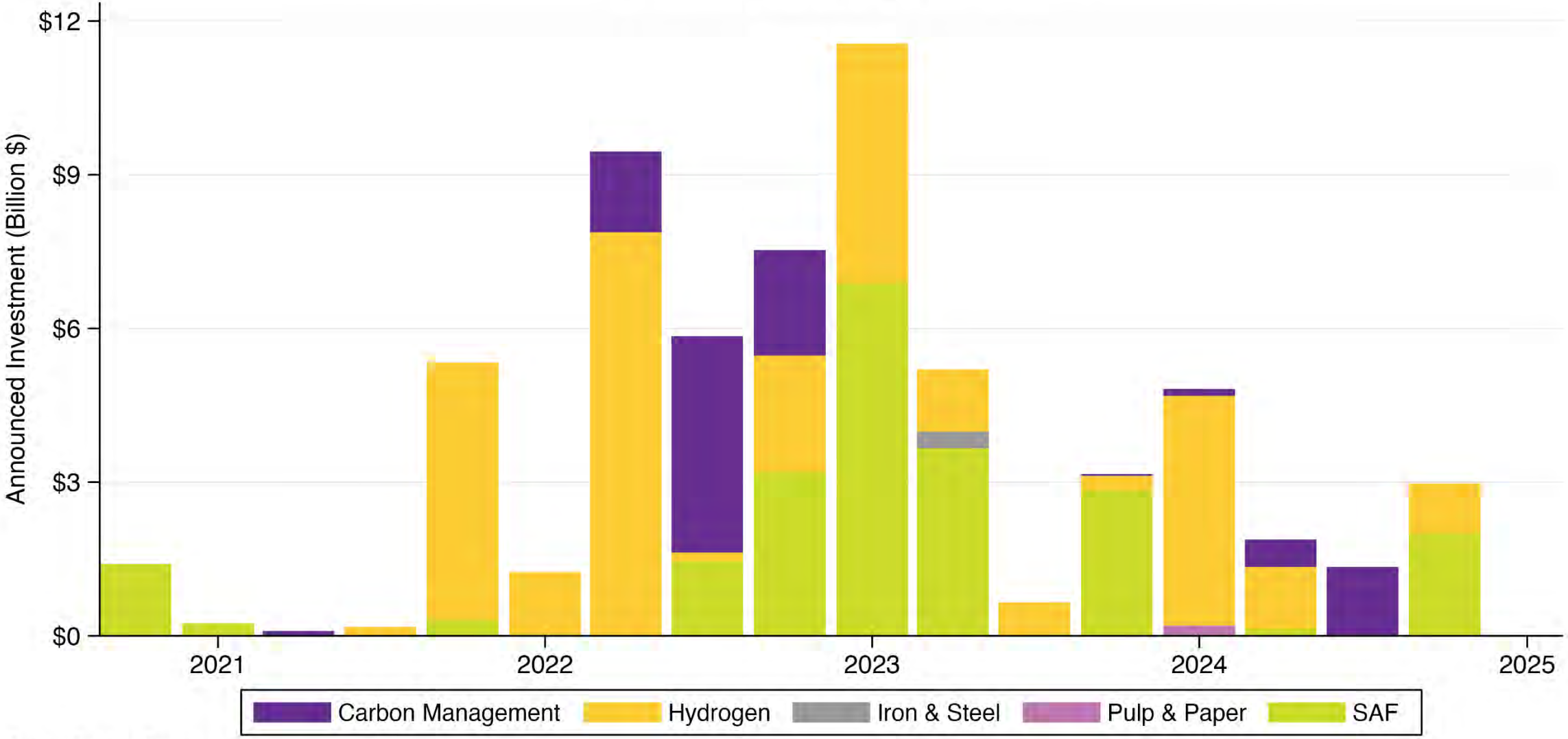
Excluding Power Sector



Source: Rhodium Group.

Announced Clean Investment in Energy and Industry on the Gulf Coast

By Technology, Excluding Power Sector



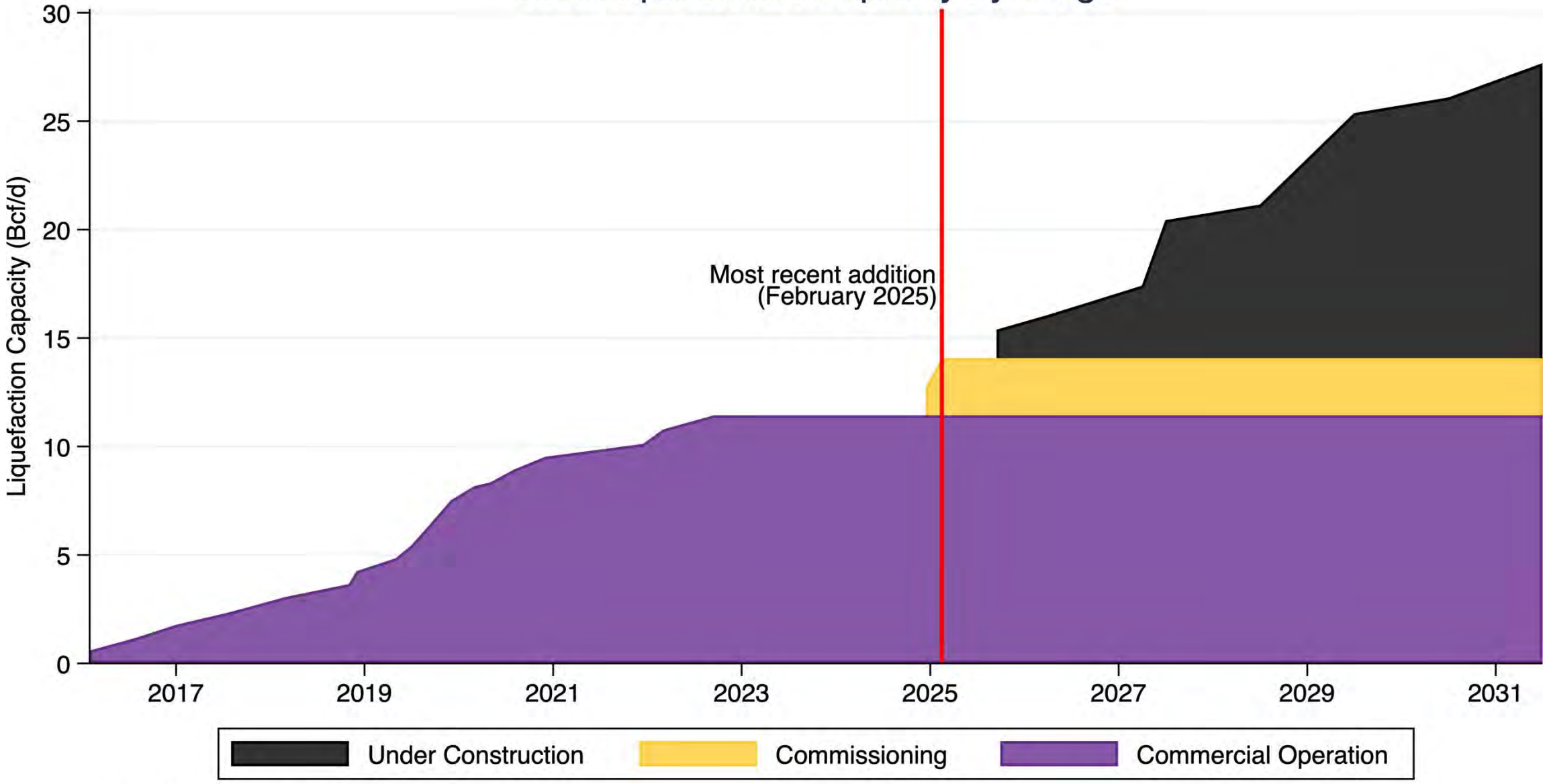
Source: Rhodium Group.
Projects are deemed announced following location selection and, if necessary, FEED study initation.

Gulf Coast Manufacturing

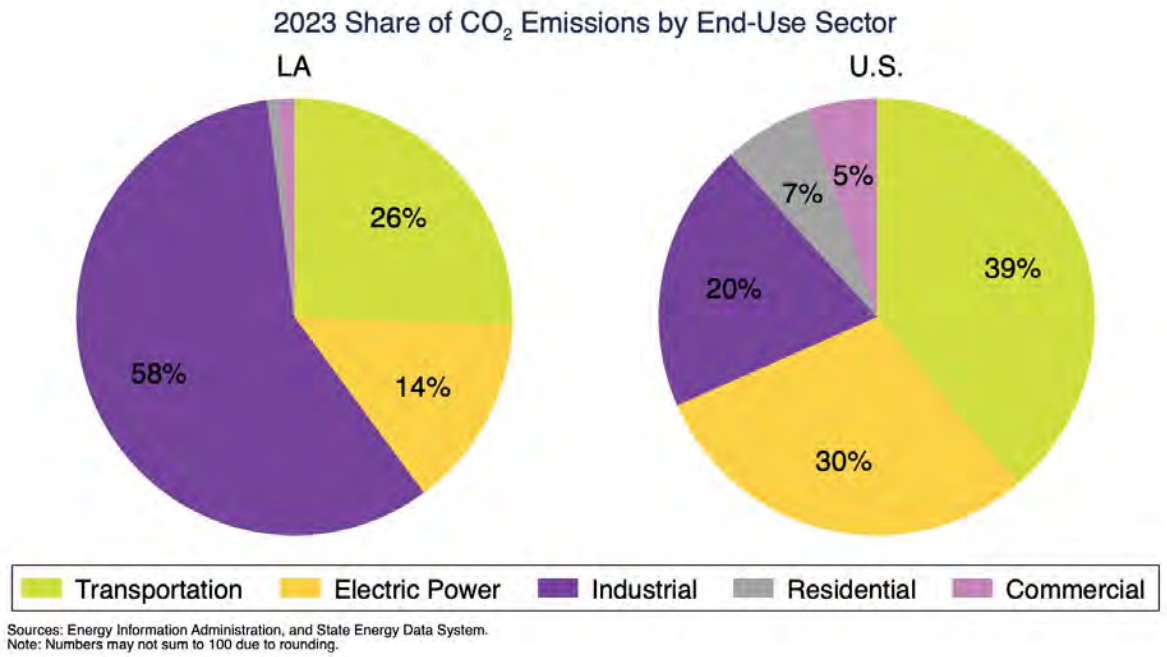
- Between 2012 and 2024, there was approximately $263 billion of investment in refining, chemicals, hydrocarbon export, and transition energy in the Gulf Coast region.
- Approximately $145 billion, or 54%, is within Louisiana.
- Currently, there are an additional $273 billion in announcements, approximately 54% of which are in Louisiana.

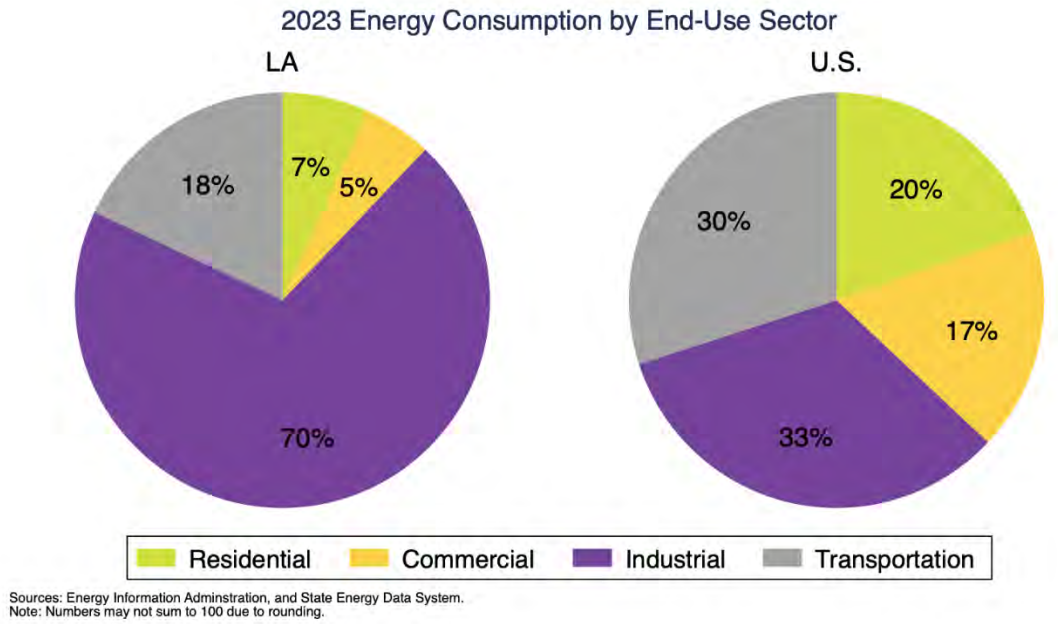
Year	Texas				Louisiana				Other GOM				Total GOM			
	LNG	Non-LNG	Transition	Total	LNG	Non-LNG	Transition	Total	LNG	Non-LNG	Transition	Total	LNG	Non-LNG	Transition	Total
	---------- (million $) ----------															
2025	12,508	5,272	11,018	28,797	17,267	1,433	16,394	35,095	1,562	125	1,243	2,930	31,337	6,830	28,655	66,822
2026	12,160	3,264	11,149	26,573	15,955	1,308	18,520	35,782	2,984	568	1,243	4,795	31,098	5,140	30,912	67,150
2027	8,907	3,216	8,913	21,036	12,198	2,456	16,691	31,345	2,370	606	-	2,975	23,474	6,278	25,604	55,356
2028	3,717	4,502	8,717	16,936	18,450	2,437	7,392	28,279	773	686	-	1,459	22,939	7,626	16,110	46,674
2029	3,327	4,500	5,044	12,872	9,540	1,543	2,575	13,658	56	371	-	427	12,923	6,414	7,619	26,956
2030	1,332	1,573	3,535	6,440	1,050	1,450	468	2,968	-	6	-	6	2,382	3,030	4,003	9,415
2031	104	120	28	253	23	-	31	54	-	-	-	-	127	120	59	307
Total	$ 42,054	$ 22,448	$ 48,404	$ 112,906	$ 74,483	$ 10,627	$ 62,071	$ 147,181	$ 7,744	$ 2,362	$ 2,486	$ 12,592	$ 124,281	$ 35,437	$ 112,961	$ 272,680

U.S. Liquefaction Capacity by Stage



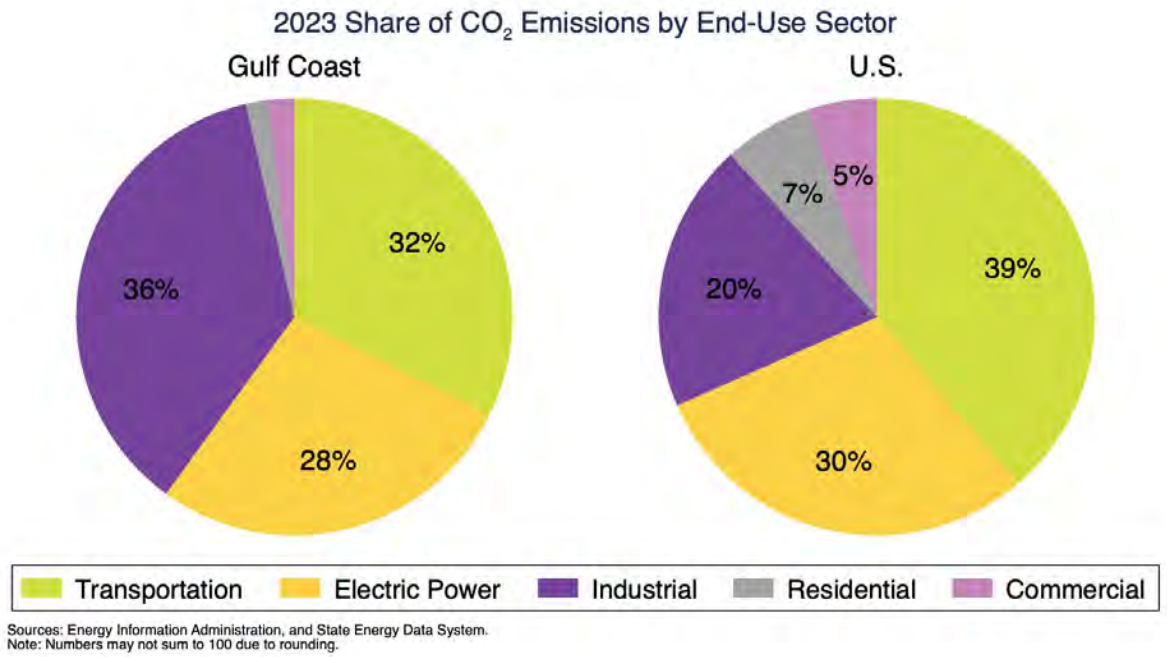
Source: Energy Information Administration.

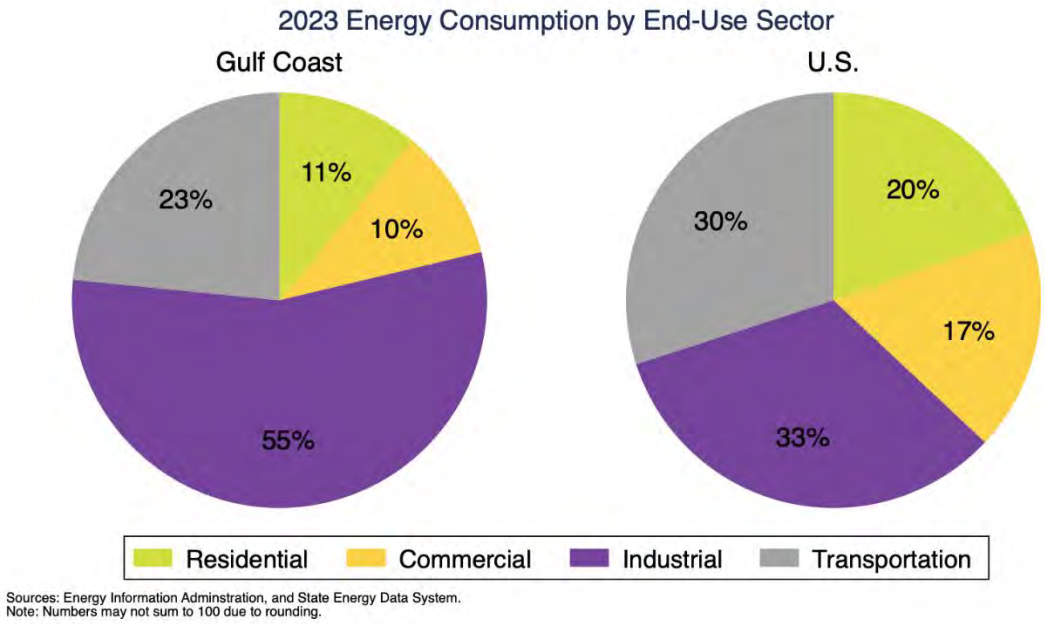




Industrial emissions comprise over half of Louisiana's GHG emissions, compared to ~20 percent nationally.

Industrial energy usage comprises ~70 percent of energy usage in Louisiana, compared to one-third nationally.

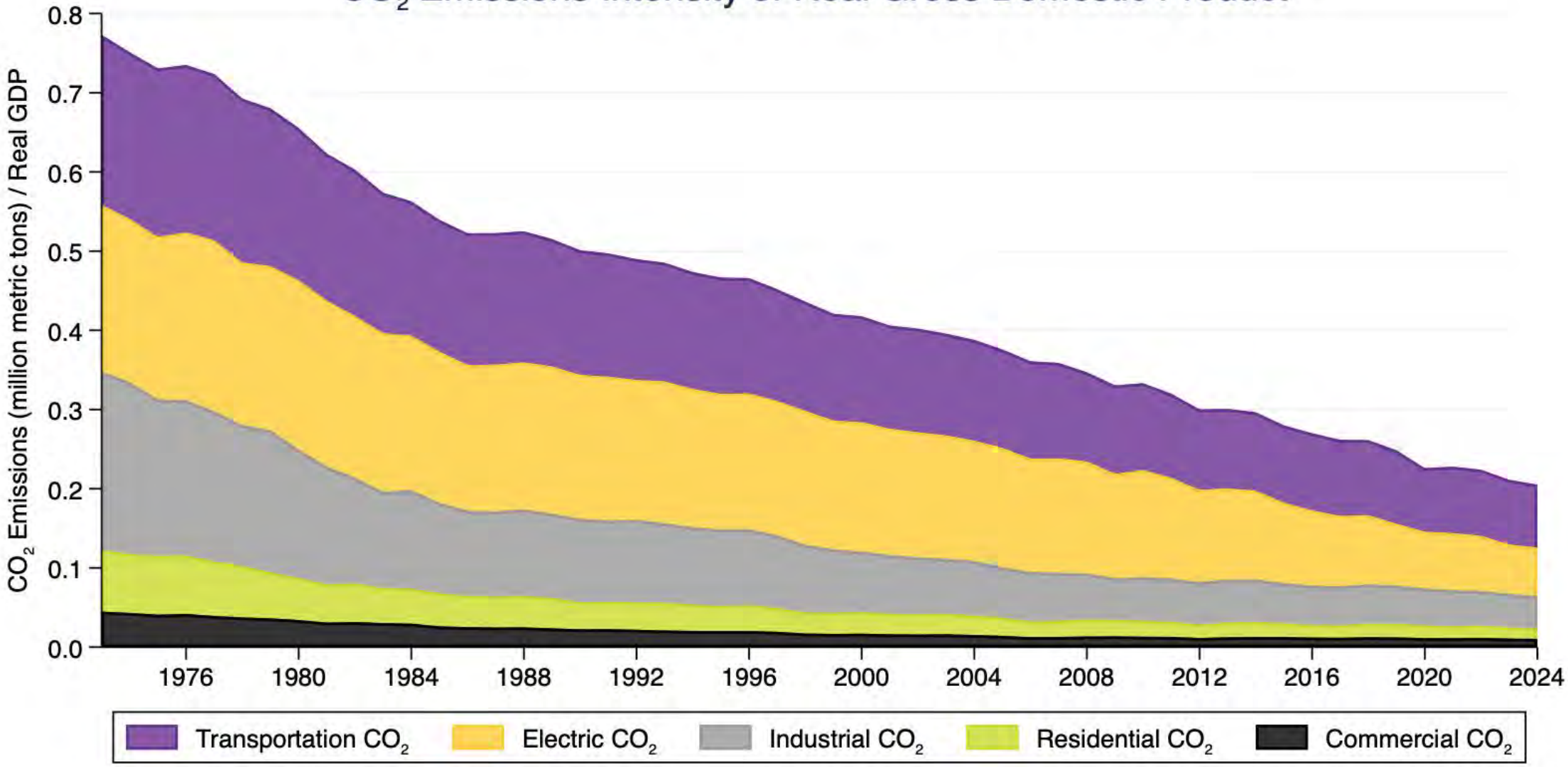




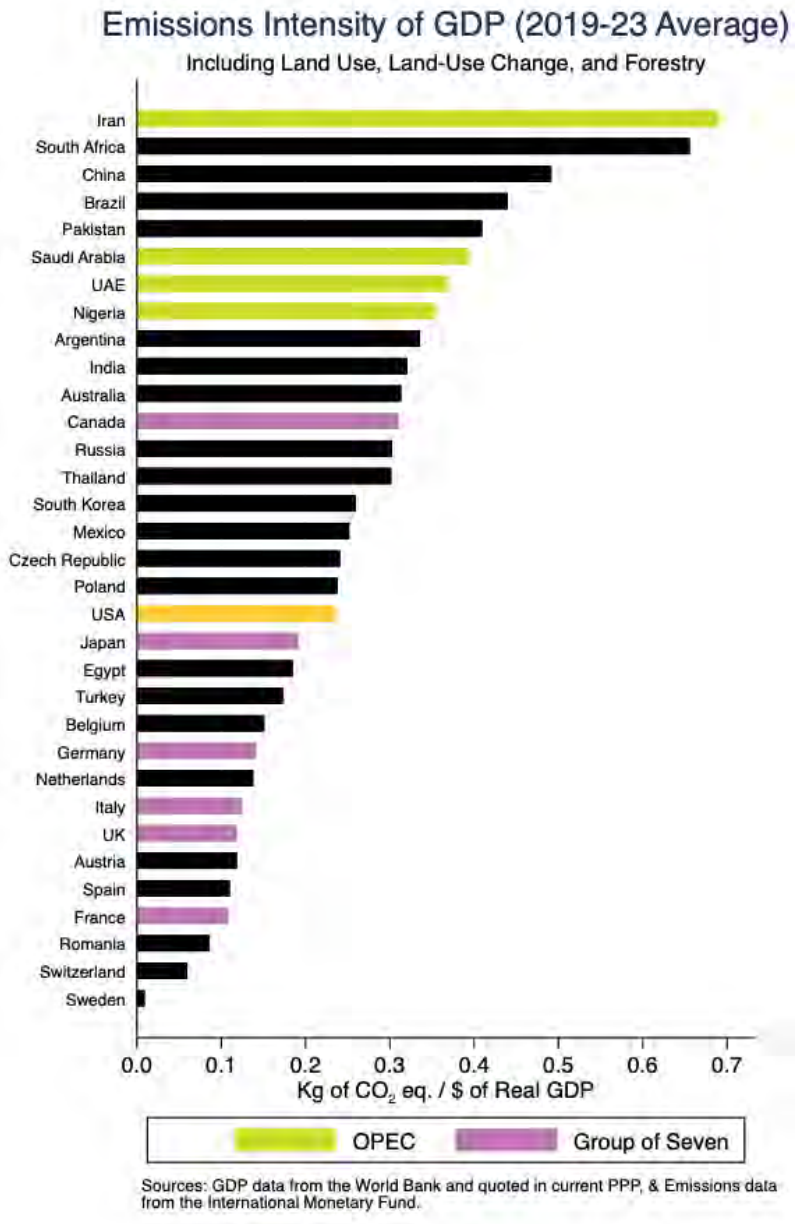
Industrial emissions comprise ~36 percent of the Gulf Coast's GHG emissions, compared to ~20 percent nationally.

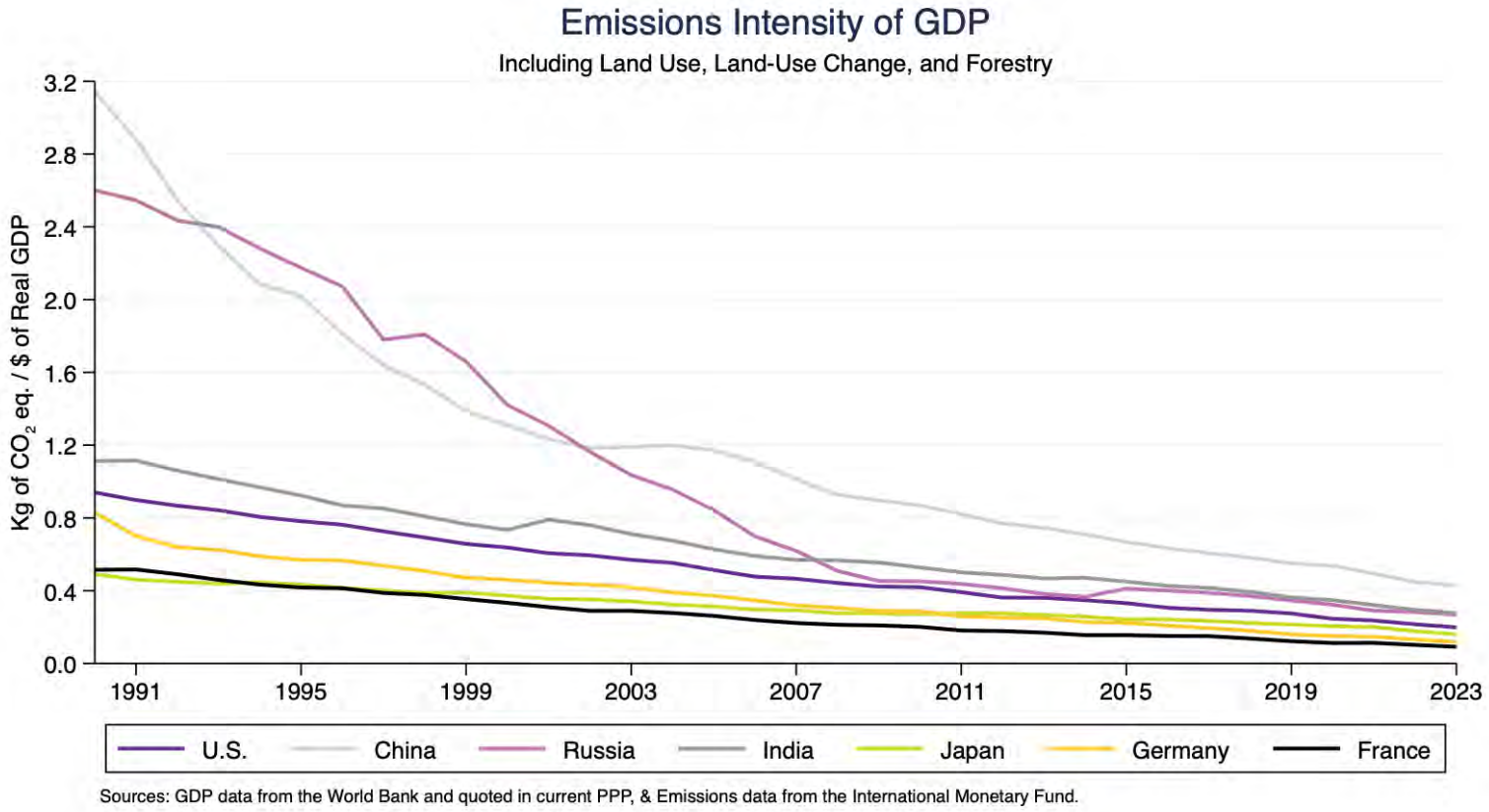
Industrial energy usage comprises over half of energy usage in the Gulf Coast, compared to one-third nationally.

CO_2 Emissions Intensity of Real Gross Domestic Product



Sources: Emissions data from the Energy Information Administration.
Note: Real GDP from the Bureau of Economic Analysis and quoted in billions of chained 2017 dollars, not seasonally adjusted.


Emissions Intensity of GDP (2019-23 Average)
Including Land Use, Land-Use Change, and Forestry
Iran
South Africa
China
Brazil
Pakistan
Saudi Arabia
UAE
Nigeria
Argentina
India
Australia
Canada
Russia
Thailand
South Korea
Mexico
Czech Republic
Poland
USA
Japan
Egypt
Turkey
Belgium
Germany
Netherlands
Italy
UK
Austria
Spain
France
Romania
Switzerland
Sweden
0.0
0.1
0.2
0.3
0.4
0.5
0.6
0.7
Kg of CO2 eq. / $ of Real GDP
OPEC
Group of Seven
Sources: GDP data from the World Bank and quoted in current PPP, & Emissions data from the International Monetary Fund.


Emissions Intensity of GDP
Including Land Use, Land-Use Change, and Forestry
Kg of CO2 eq. / $ of Real GDP
3.2
2.8
2.4
2.0
1.6
1.2
0.8
0.4
0.0
1991
1995
1999
2003
2007
2011
2015
2019
2023
U.S.
China
Russia
India
Japan
Germany
France
Sources: GDP data from the World Bank and quoted in current PPP, & Emissions data from the International Monetary Fund.

Louisiana Capital Investment

Investments with no CCS

Category	Completed			Announced		
	Project Count	Capital Investment ($ Billions)	LED Estimated New Jobs	Project Count	Capital Investment ($ Billions)	LED Estimated New Jobs
Refineries	297	$7.5	245	3	$0.3	0
Chemical	1,488	$55.3	6,348	19	$16.2	1,725
Hydrogen	10	$0.9	32	1	$0.8	32
LNG	48	$54.8	1,924	5	$35.8	1,021
Electric Generation	276	$5.0	136	5	$0.9	10
Biofuels	3	$1.5	70	4	$3.6	160
All Other	2,450	$10.8	19,175	16	$1.6	124
Total	**4,572**	**$135.80**	**27,930**	**52**	**$59.2**	**3,072**

Investments with CCS

Category	Completed			Announced		
	Project Count	Capital Investment ($ Billions)	LED Estimated New Jobs	Project Count	Capital Investment ($ Billions)	LED Estimated New Jobs
Refineries	0	-	-	0	-	-
Chemical	0	-	-	0	-	-
Hydrogen	1	$0.2	10	9	$20.7	868
LNG	0	-	-	2	$13.3	200
Electric Generation	0	-	-	0	-	-
Biofuels	1	$0.02	5	2	$11.1	519
All Other	0	-	-	0	-	-
Total	**2**	**$0.22**	**15**	**13**	**$45.2**	**1,587**

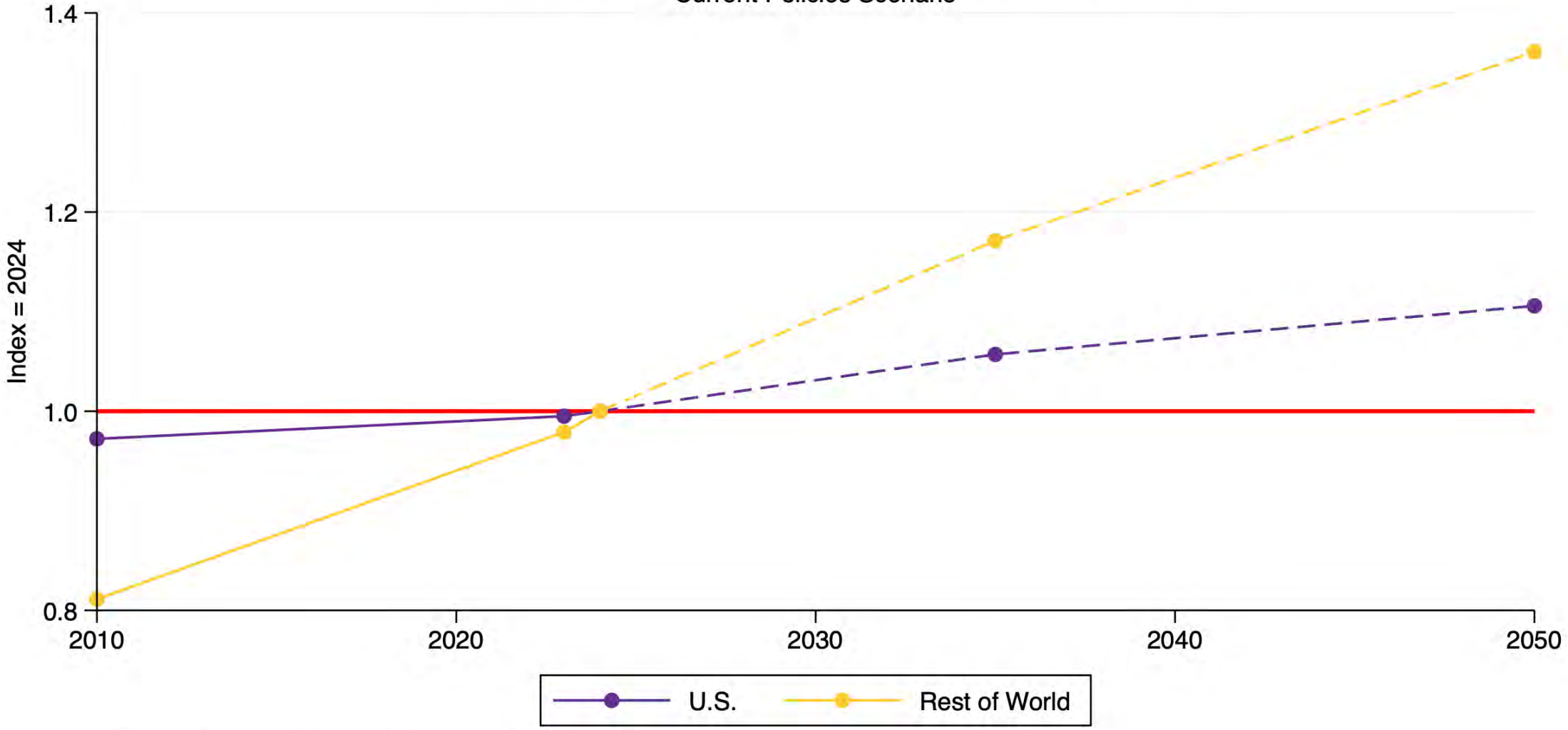
* Includes all projects in LED ITEP database 2010.

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Final Energy Consumption, U.S. and Rest of World

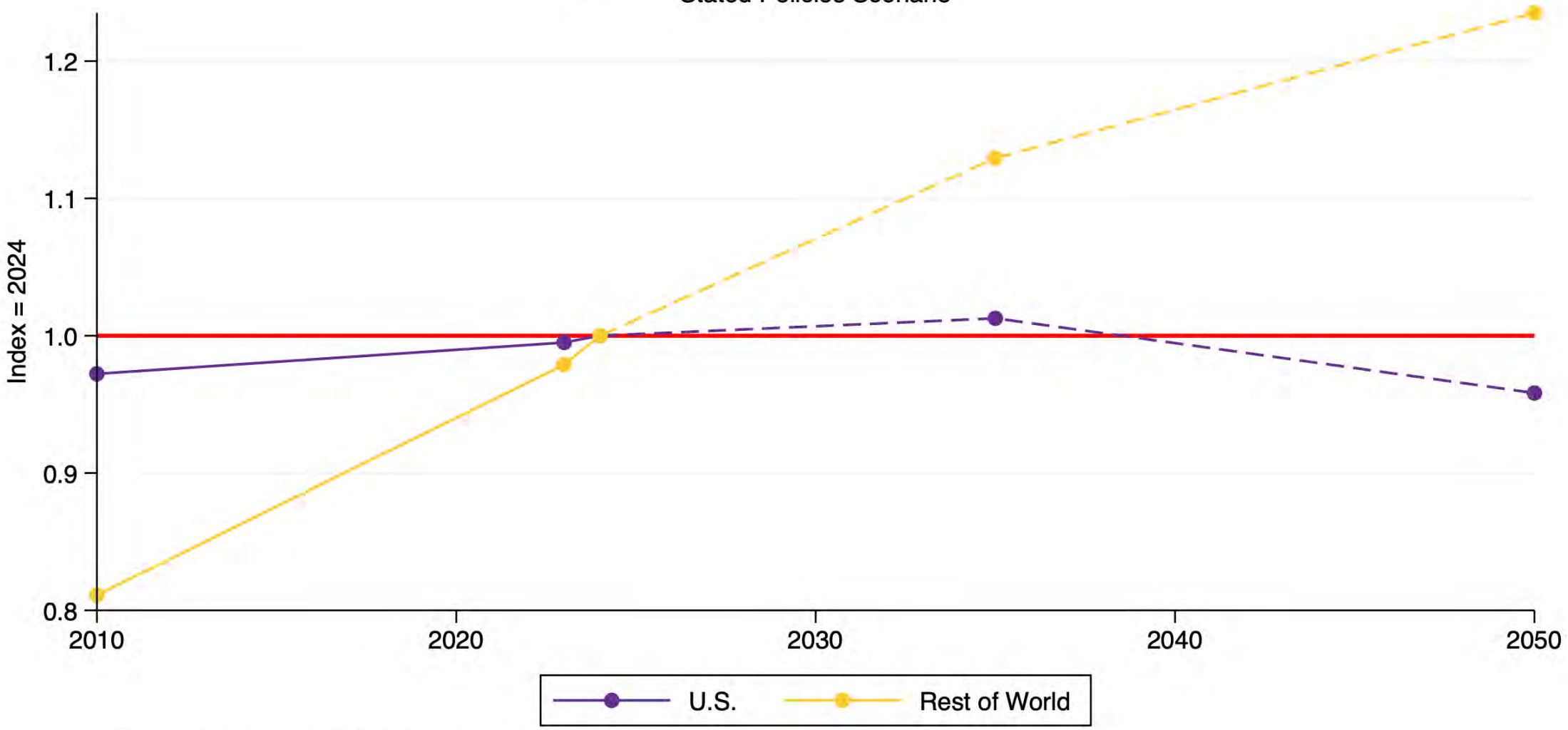
Current Policies Scenario



Source: International Energy Agency, World Energy Outlook 2025.
The Current Policies Scenario assumes no changes to energy policy and cautious uptake of new technologies.

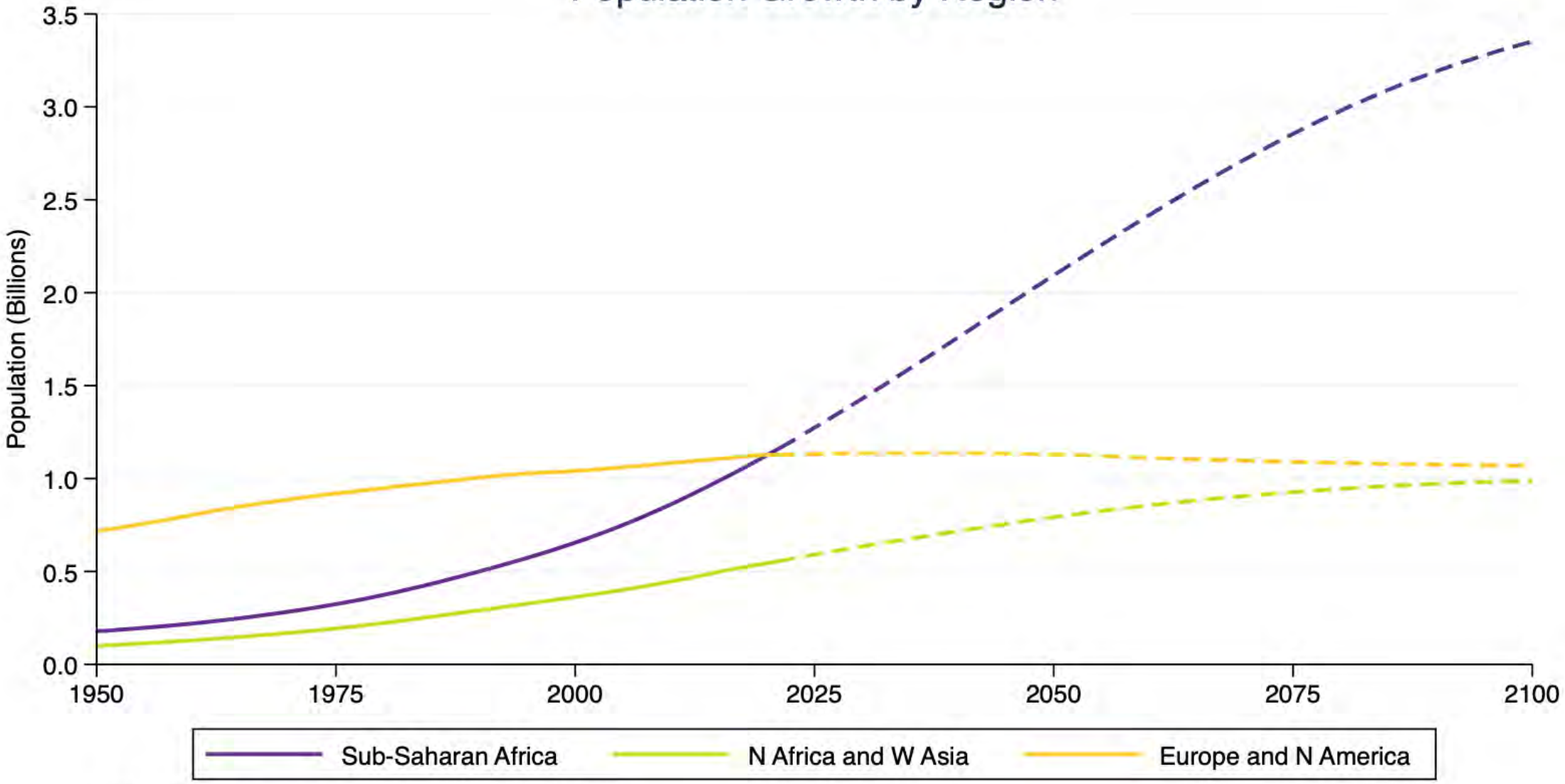
Final Energy Consumption, U.S. and Rest of World

Stated Policies Scenario



Source: International Energy Agency, World Energy Outlook 2025.
The Stated Policies Scenario aims to reflect the energy sector's general direction of travel in policy and technology.

Population Growth by Region



Sources: United Nations, and World Population Prospects 2024.

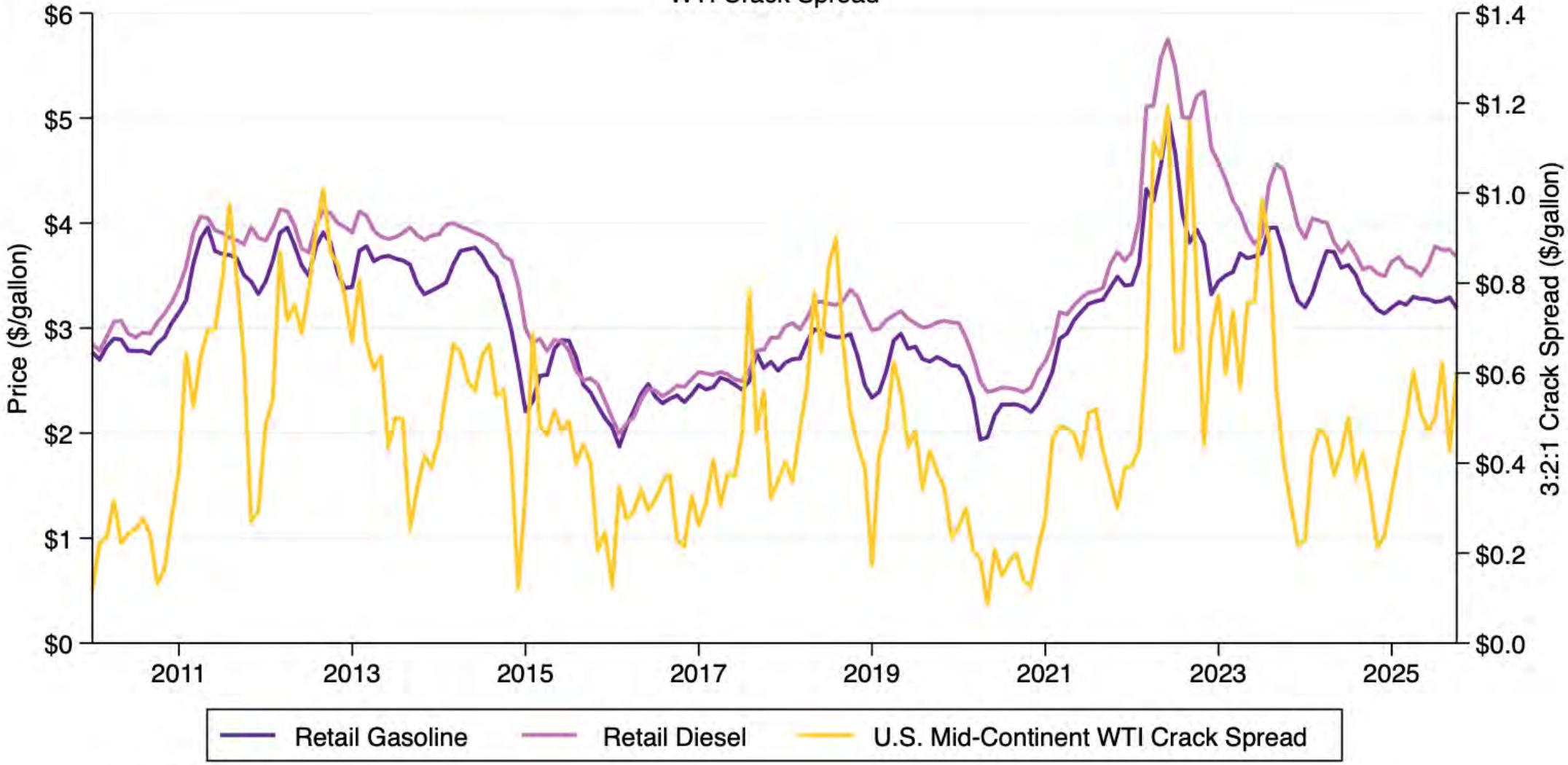
PADD 3 Refining Capacity and Utilization



Source: Energy Information Administration.

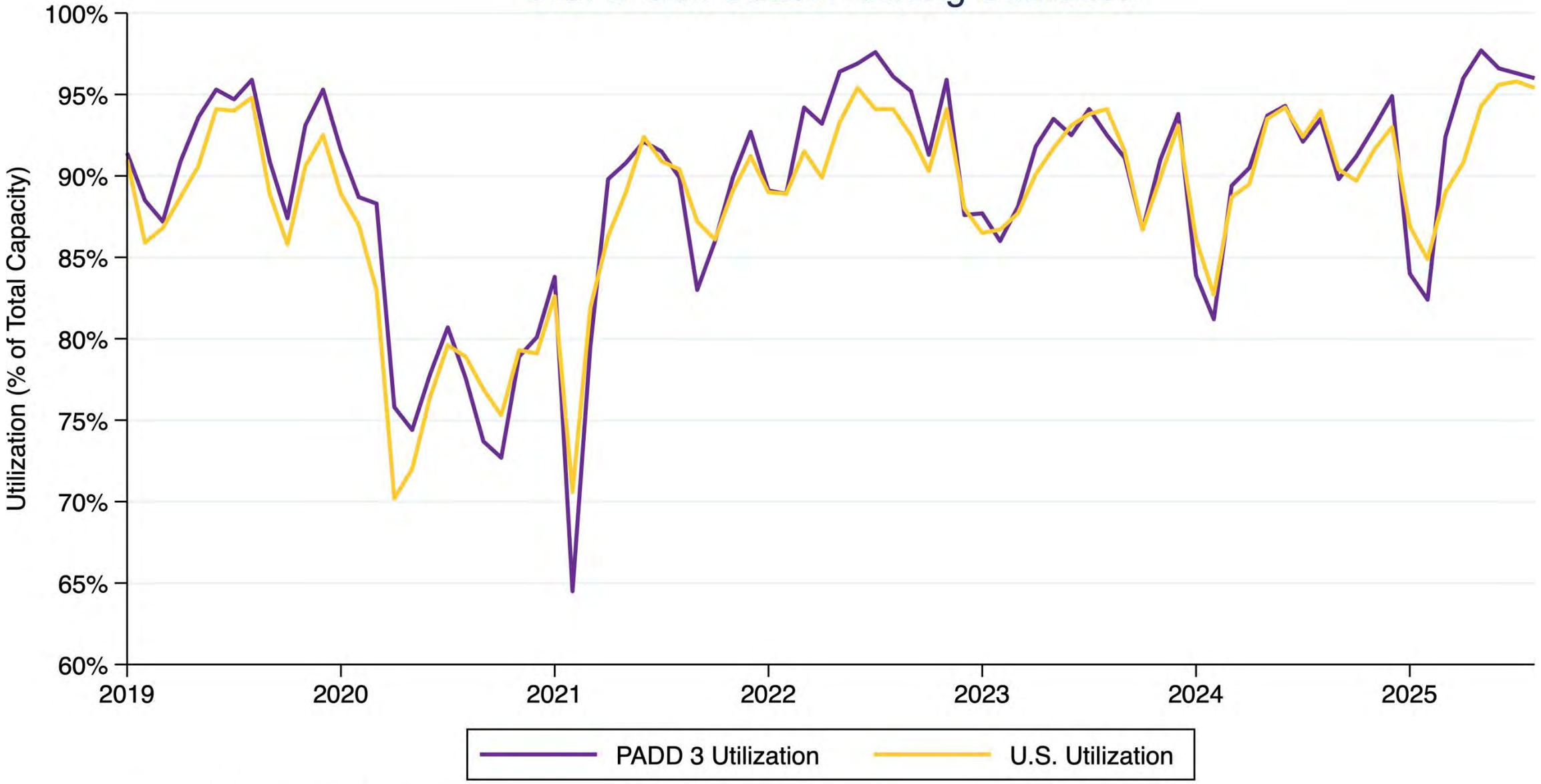
U.S. Mid-Continent Gasoline & Diesel

WTI Crack Spread



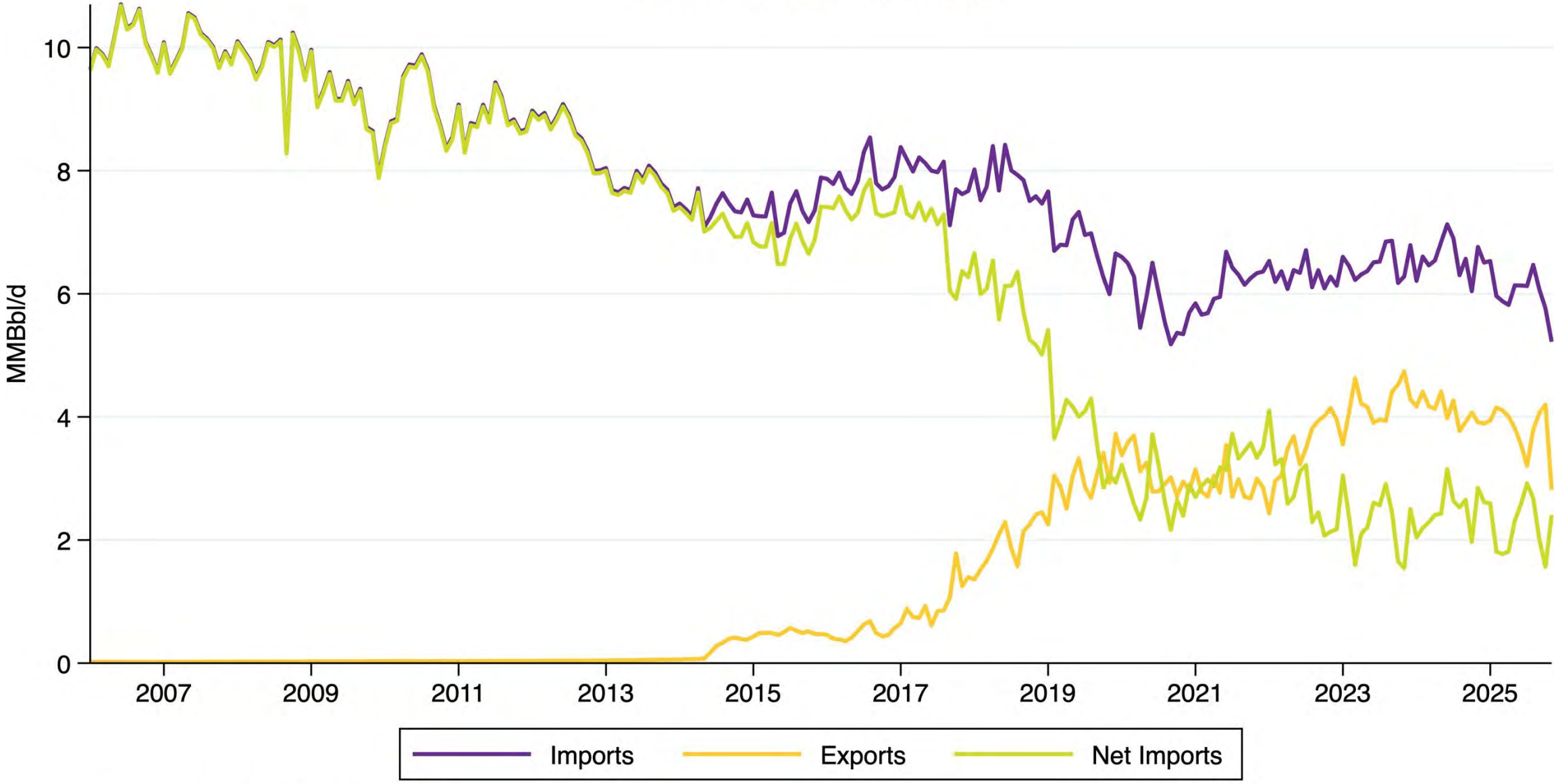
Sources: Energy Information Administration, and Bloomberg.

U.S. & Gulf Coast Refining Utilization



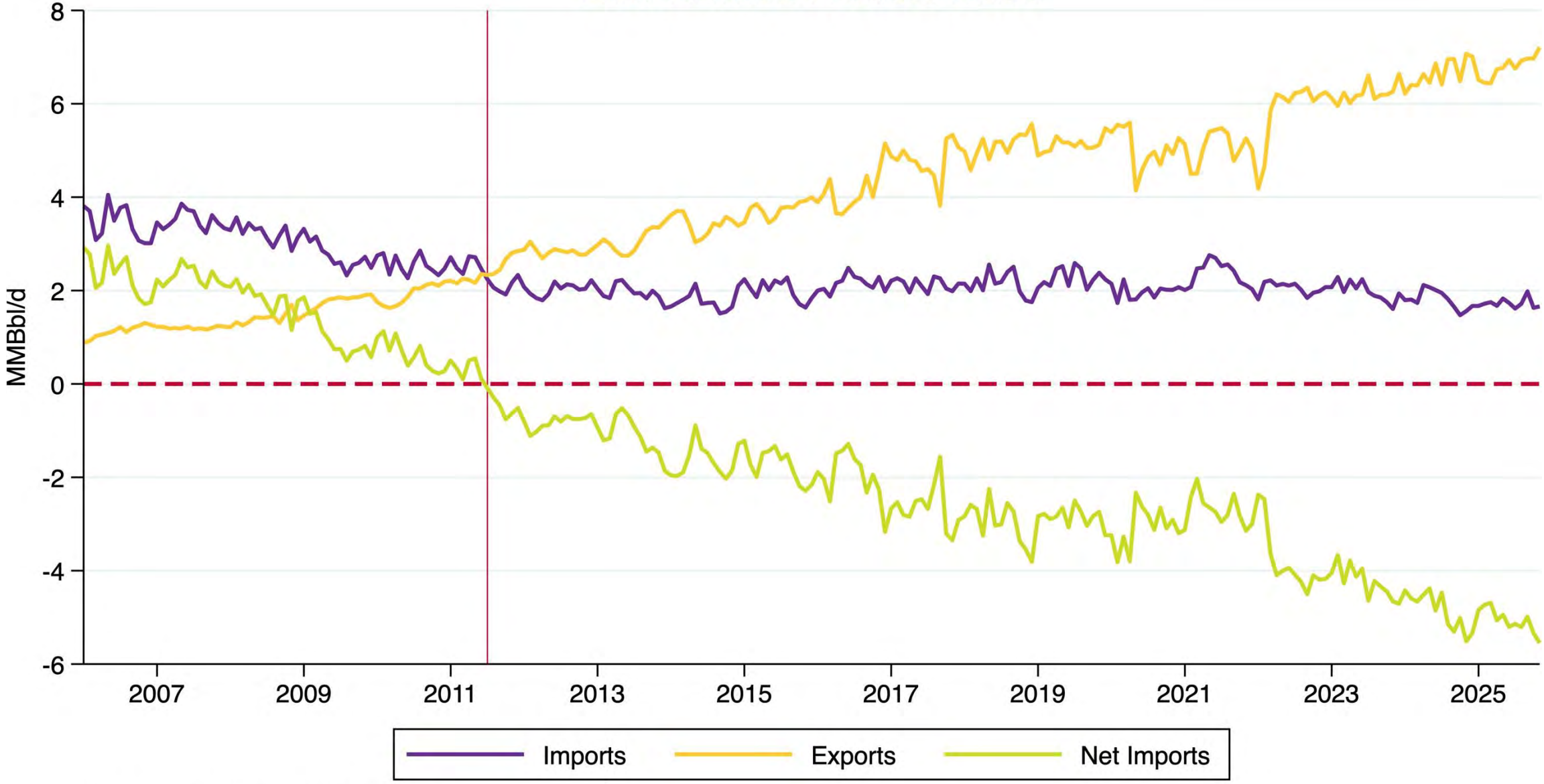
Source: Energy Information Administration.

U.S. Crude Oil Trade



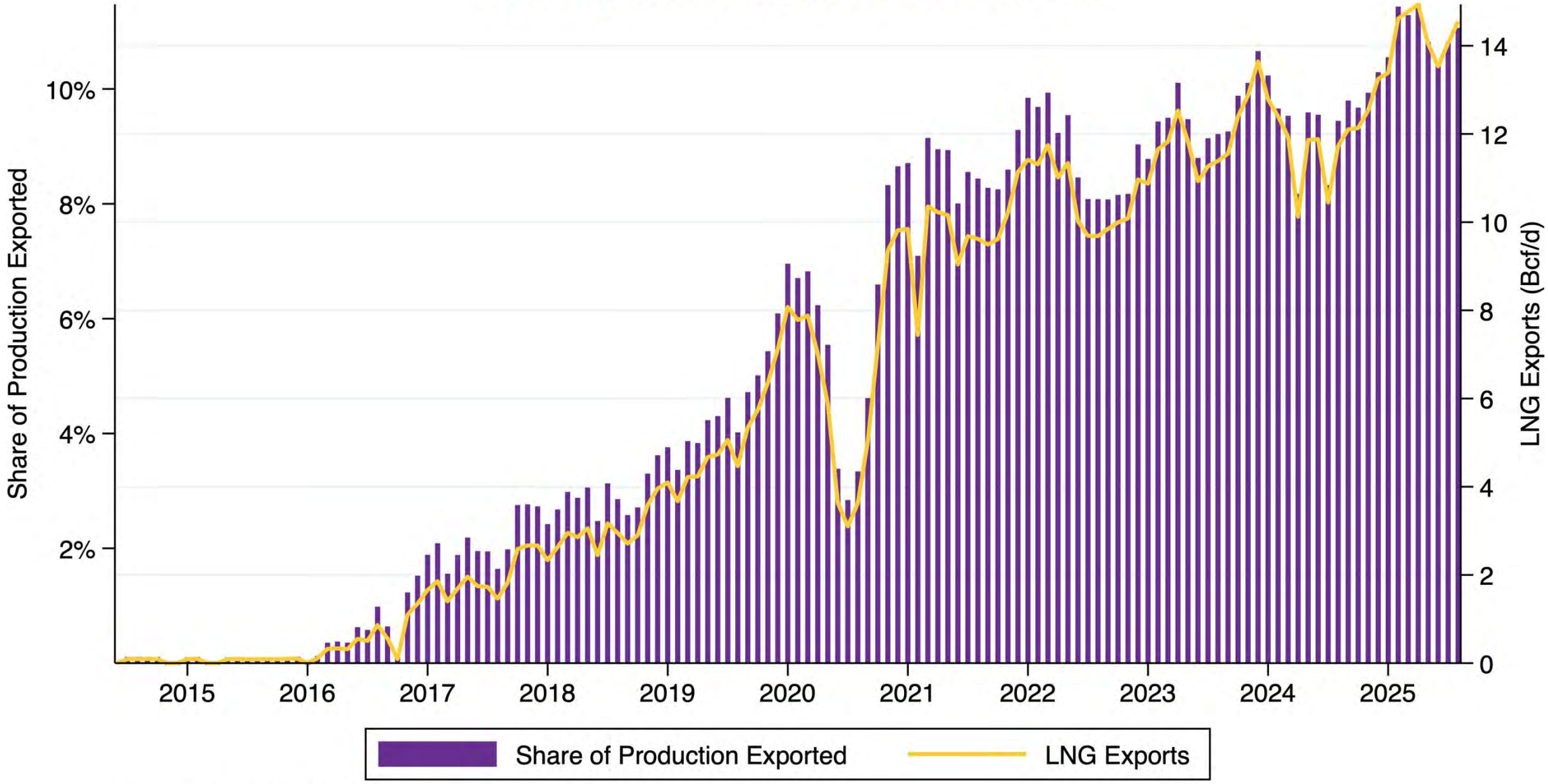
Source: Energy Information Administration.

U.S. Refined Product Trade



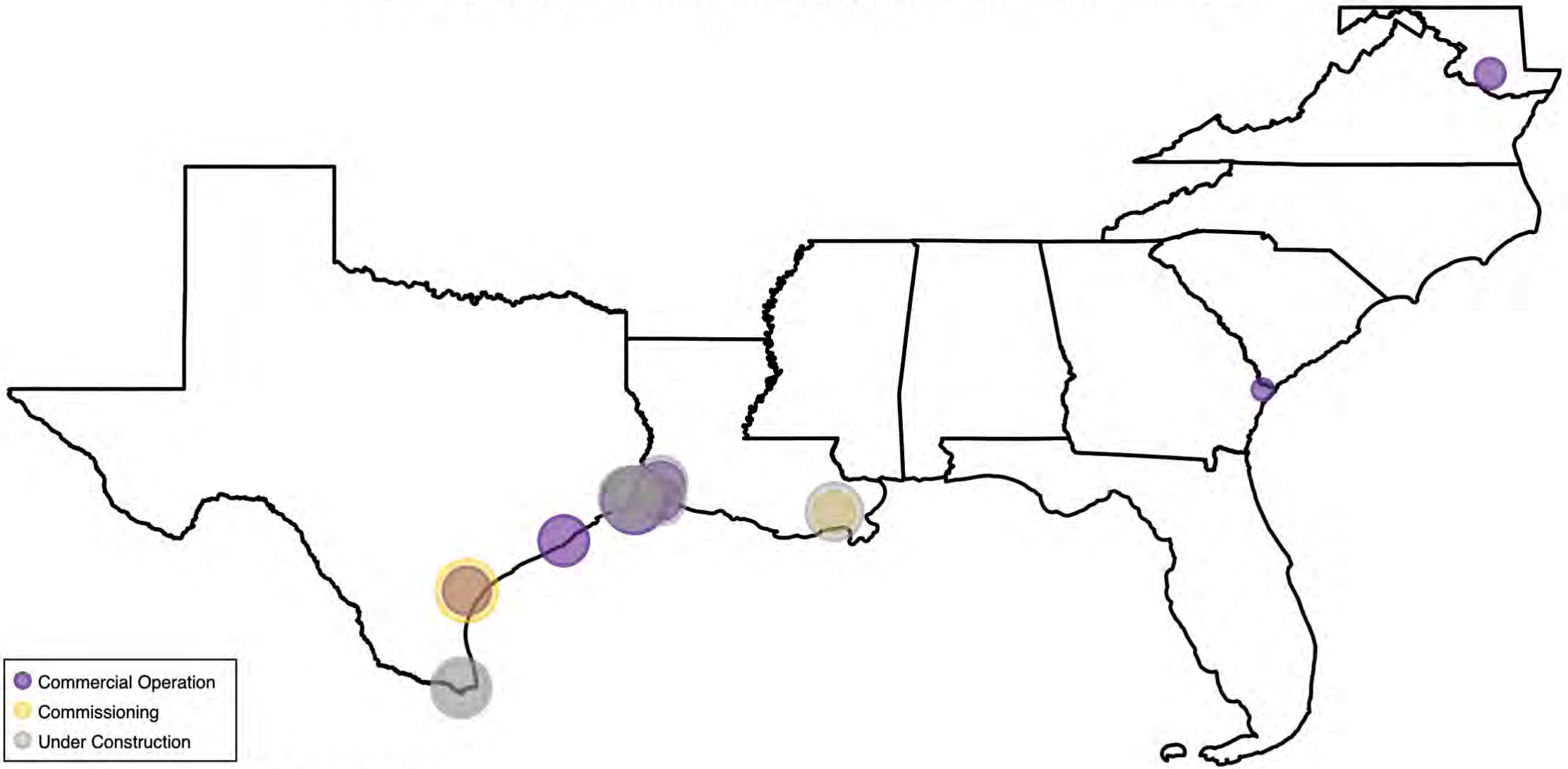
Source: Energy Information Administration.

U.S. Exports of Liquefied Natural Gas



Source: Energy Information Administration.

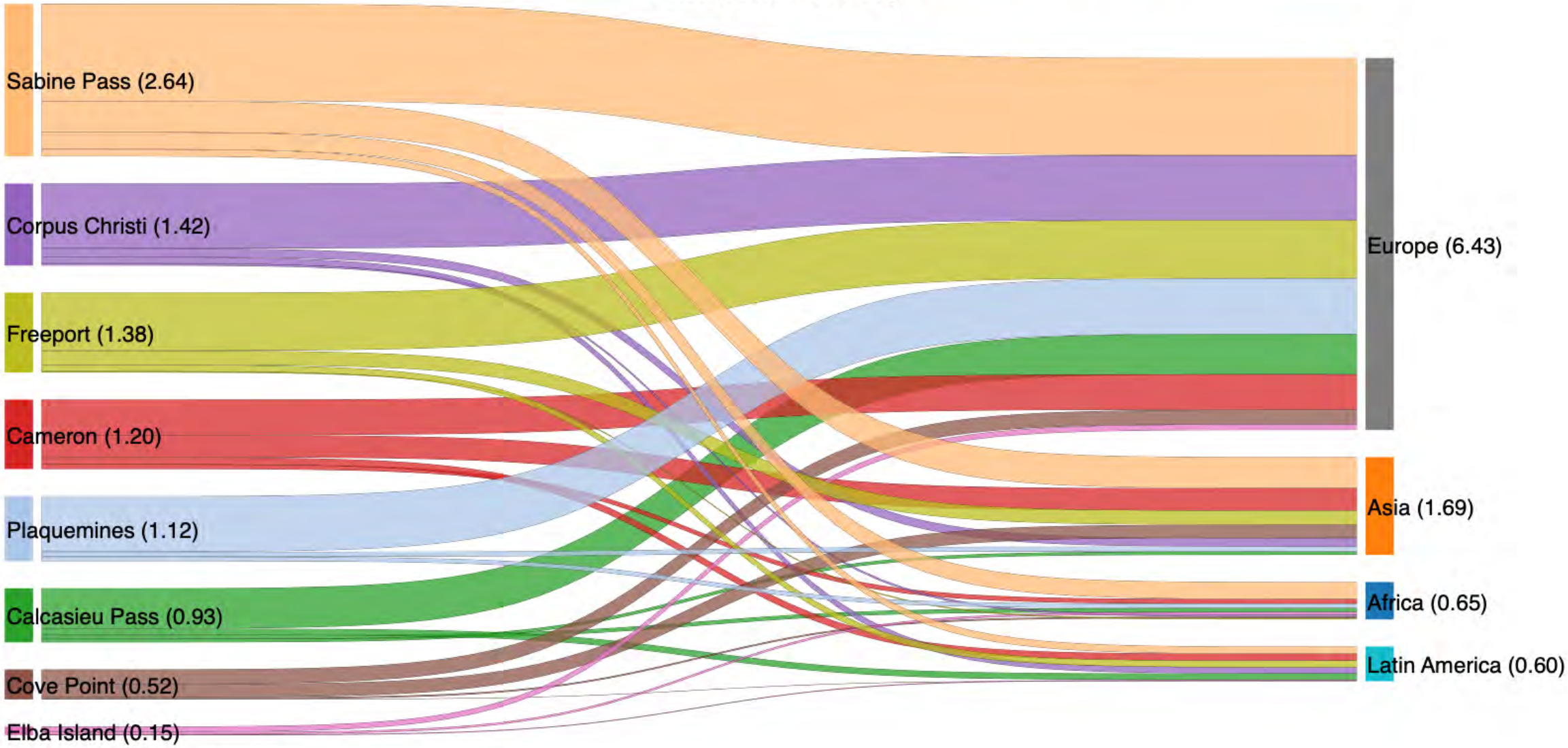
U.S. Liquefaction Capacity by Construction Stage



Source: Energy Information Administration.

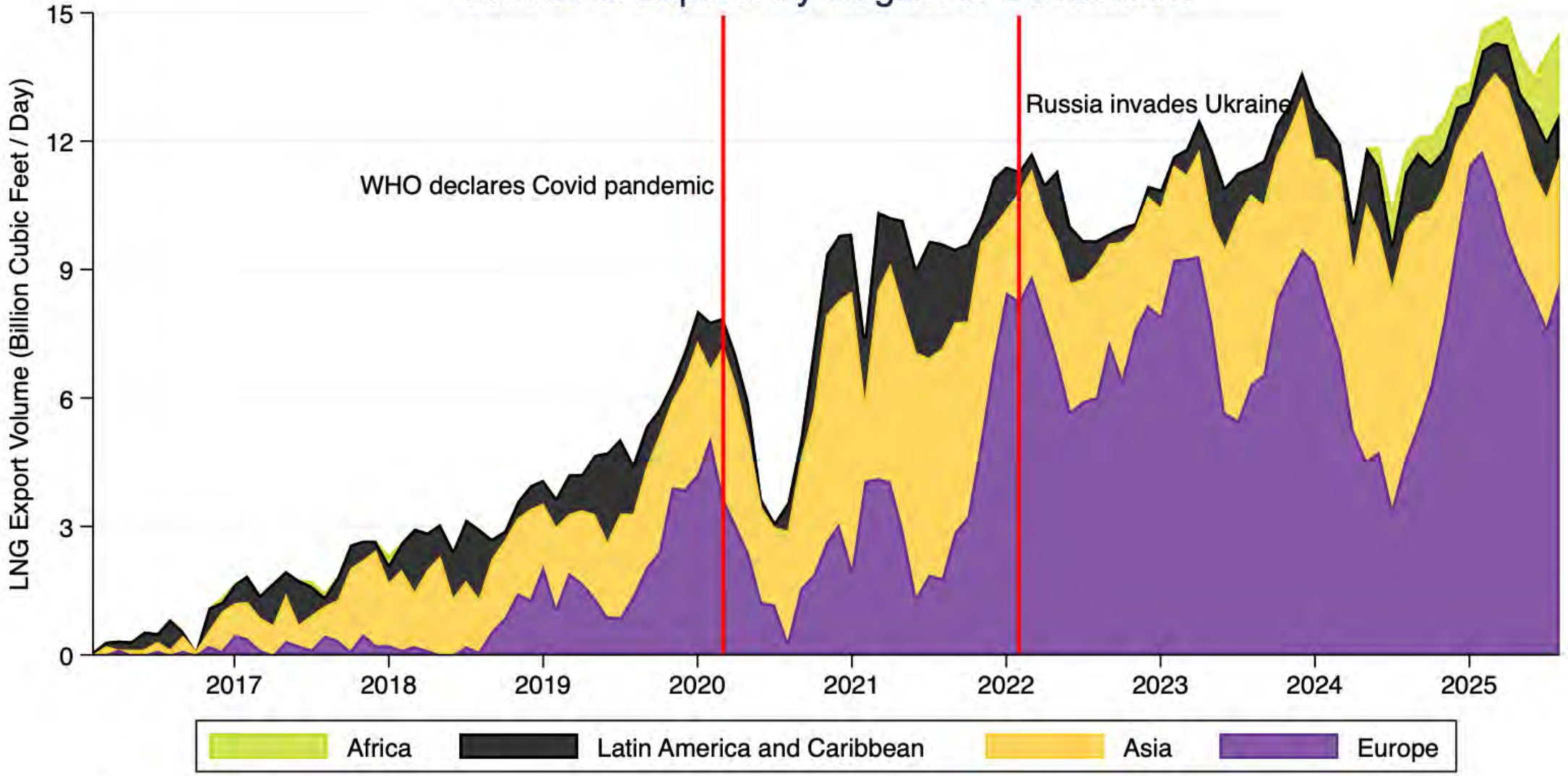
LNG Exports by Region of Destination and Point of Exit, 2025

Billion Cubic Feet / Day



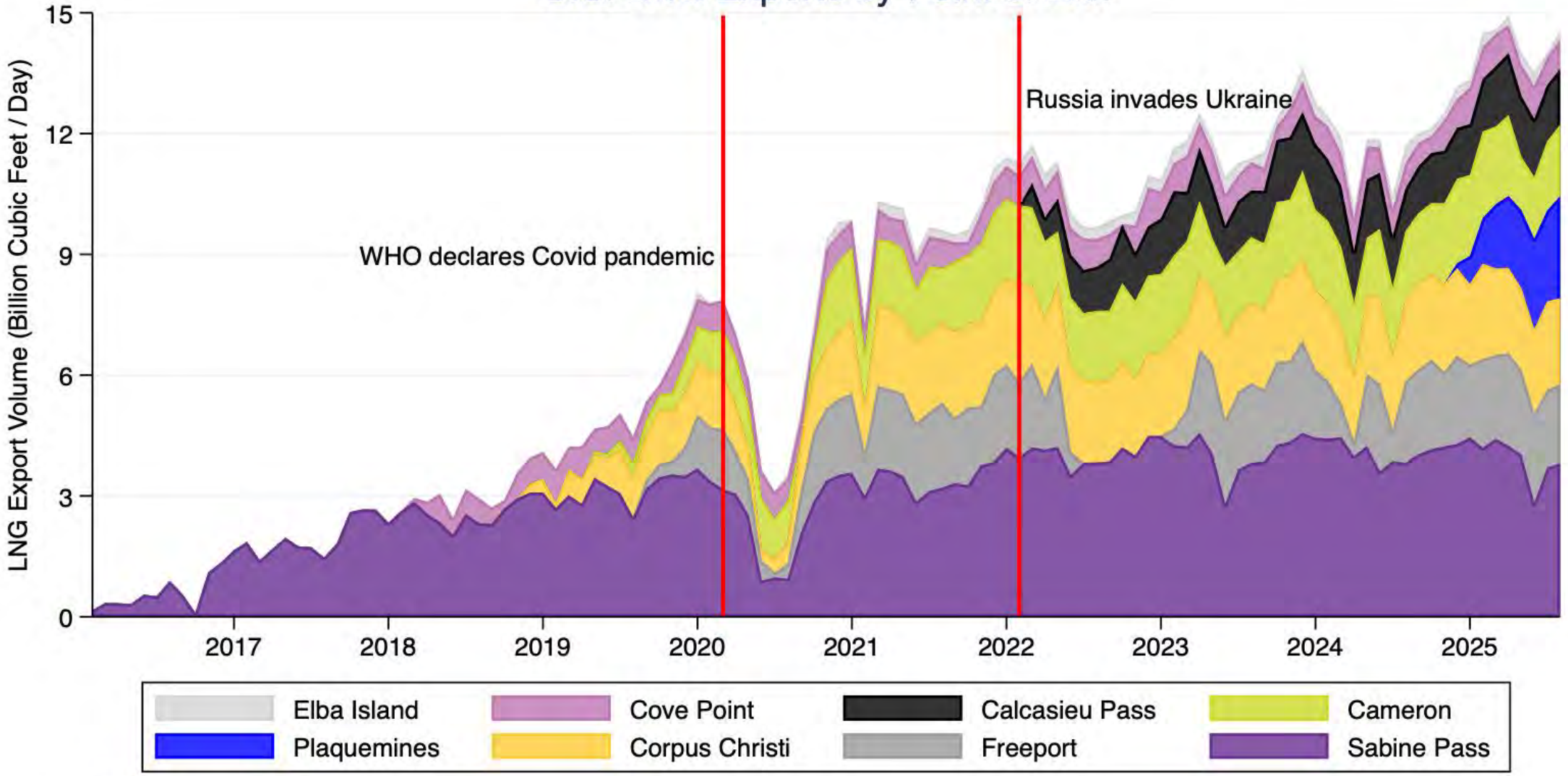
Source: Energy Information Administration.

U.S. LNG Exports by Region of Destination



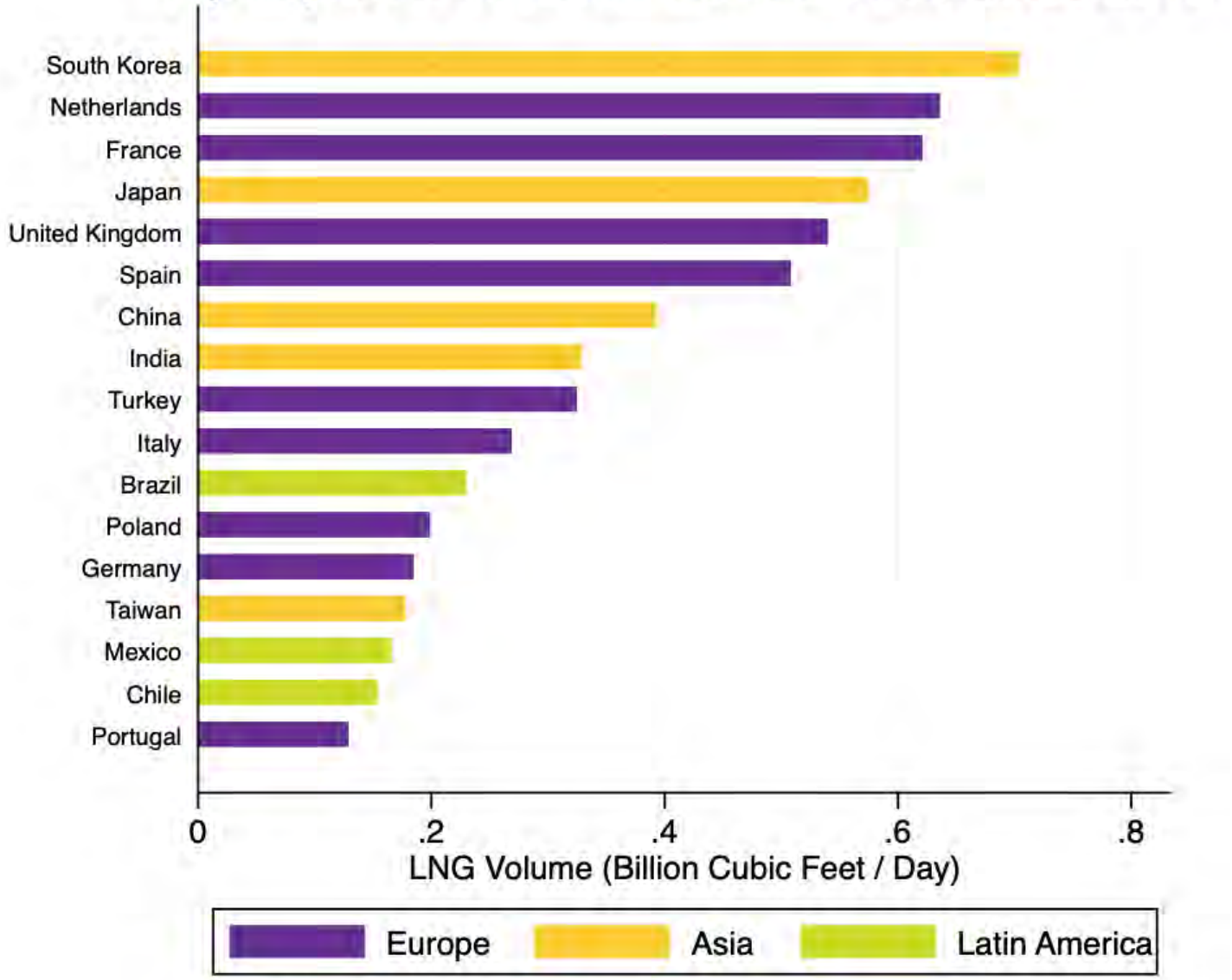
Source: Energy Information Administration.
Note: Only exports by vessel are included.

U.S. LNG Exports by Point of Exit



Source: Energy Information Administration.
Note: The Altamira terminal in Tamaulipas, Mexico exports a small amount of U.S.-produced LNG but is not included here.

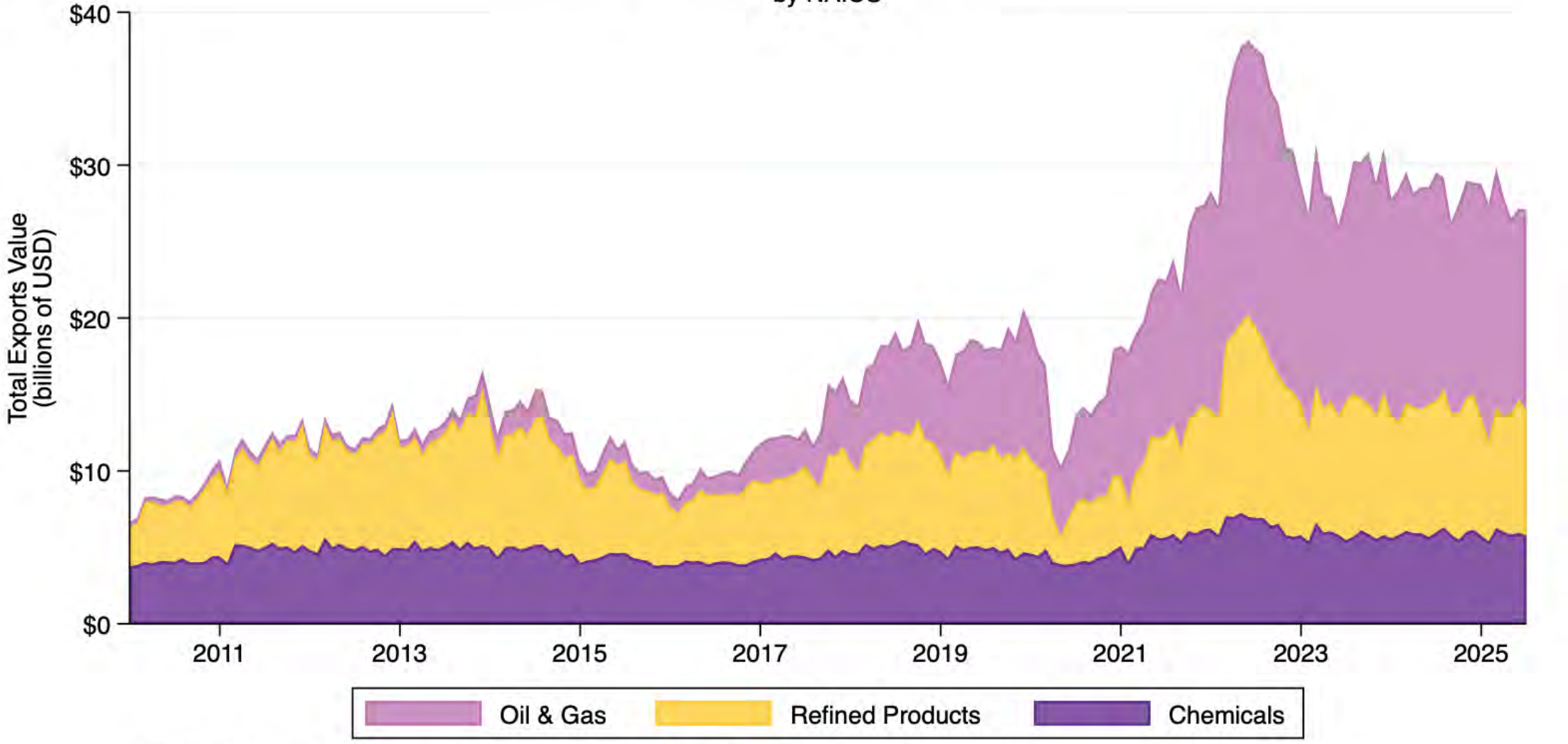
Top Importers of U.S.-Produced LNG Since 2016



Source: Energy Information Administration.
Note: Only exports by vessel are included.

Gulf Coast Exports to World

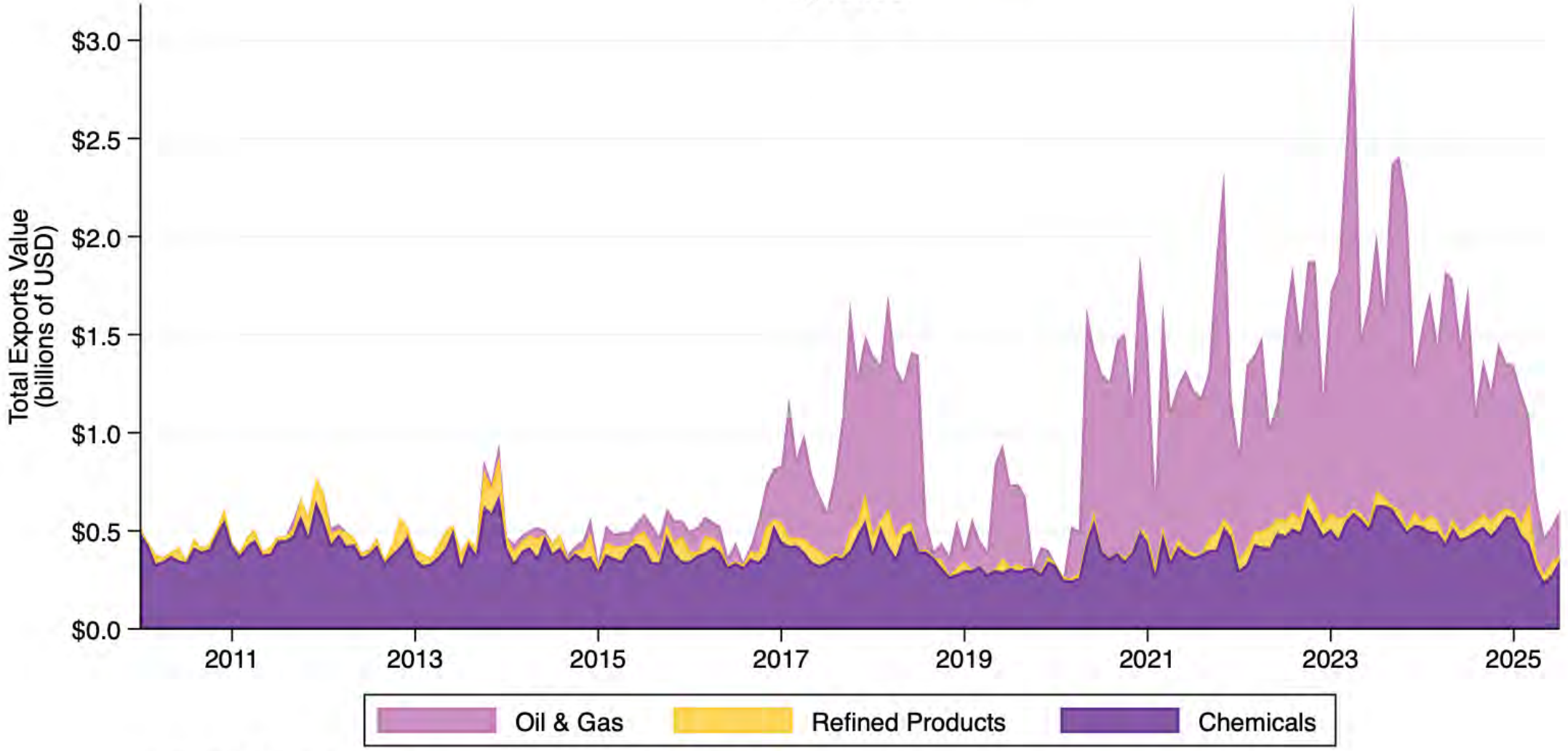
by NAICS



Source: U.S. Census Bureau, Economic Indicators Division USA Trade Online.

Gulf Coast Exports to China

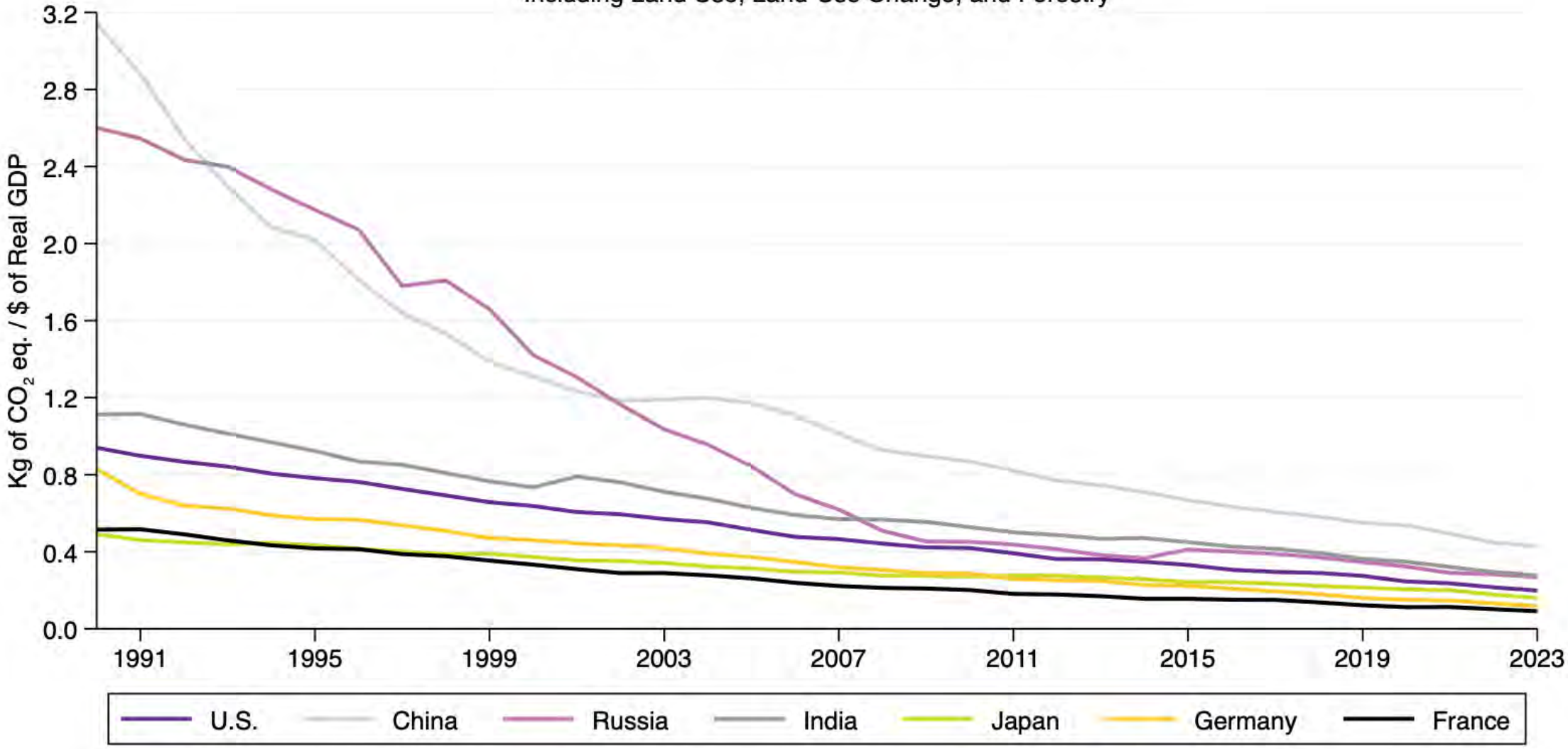
by NAICS



Source: U.S. Census Bureau, Economic Indicators Division USA Trade Online.

Emissions Intensity of GDP

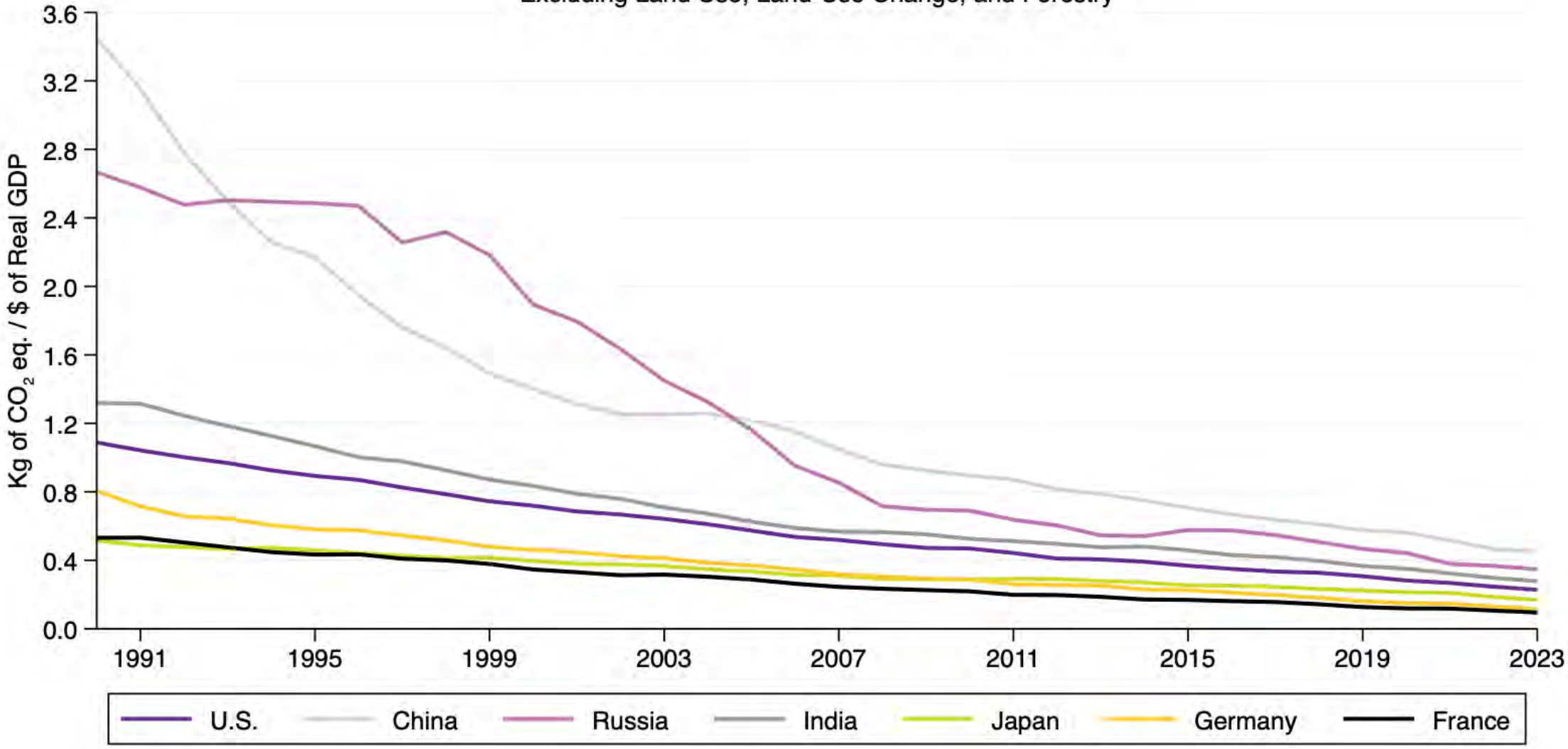
Including Land Use, Land-Use Change, and Forestry



Sources: GDP data from the World Bank and quoted in current PPP, & Emissions data from the International Monetary Fund.

Emissions Intensity of GDP

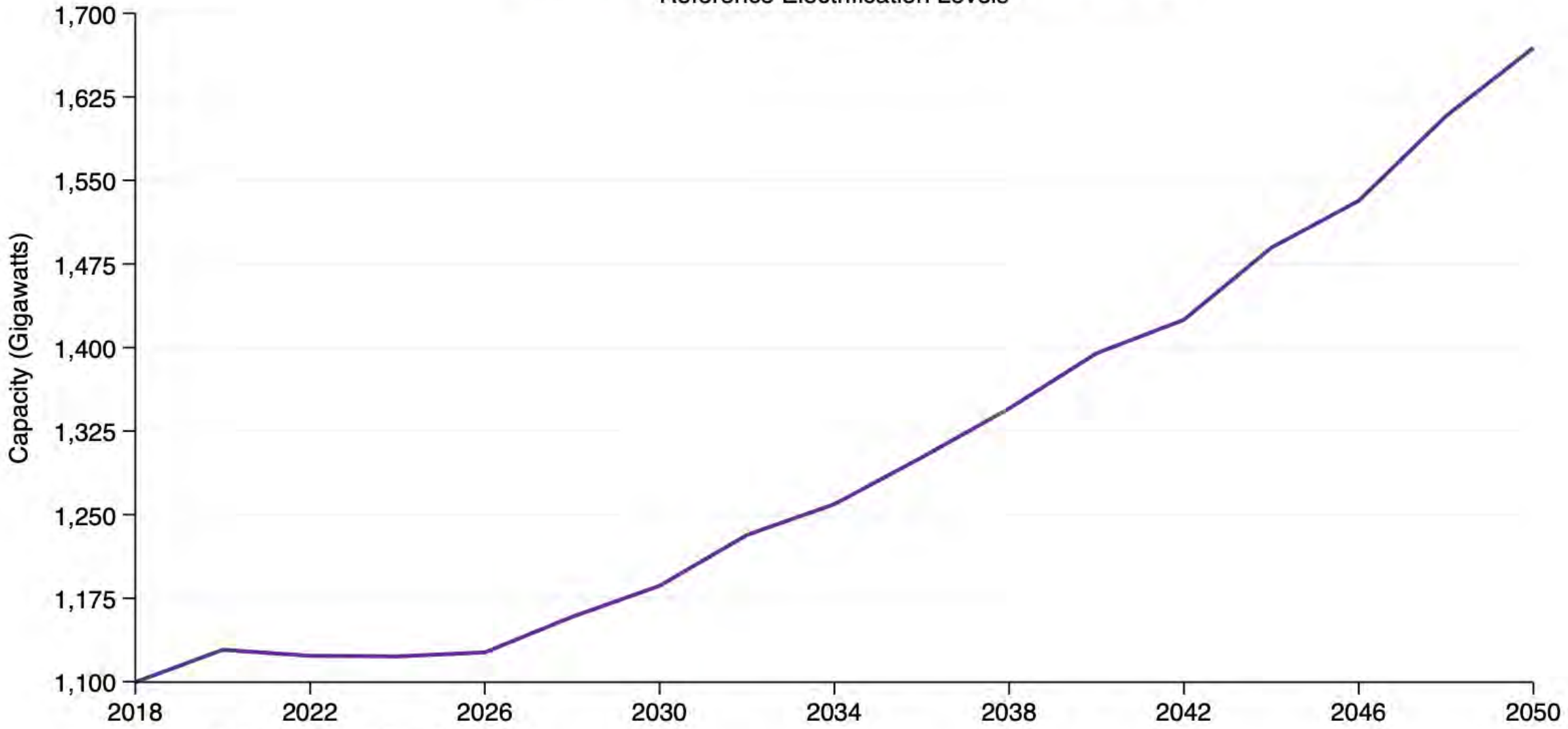
Excluding Land Use, Land-Use Change, and Forestry



Sources: GDP data from the World Bank and quoted in current PPP, & Emissions data from the International Monetary Fund.

U.S. Total Electricity Generating Capacity

Reference Electrification Levels



Source: National Renewable Energy Laboratory.
Note: The average annualized growth rate is 1.3%.

Outline

1. Introduction & Uncertainties
2. Oil & Gas Production
3. Mid-Stream Constraints
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6. Energy Exports
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Policy Shifts & Louisiana's Exposure

A Changing Policy Landscape

- Faster, bigger swings in federal + state energy policy
- Creates uncertainty for long-term capital decisions

Why Louisiana Feels It First

- $87B in exports (2024) — heavily petroleum + chemical
- Policy moves hit contractors, shift workers, and operators early
- Firms are delaying maintenance, revisiting timelines, reconsidering locations

State Policy in Motion

- Oil severance tax on new wells → 6.5%
- Adjusted Royalty Reduction Program
- New ITEP timelines + expedited track (EO JML 25-033)
- Carbon management reforms: consent, oversight, rights-of-way
- Temporary pause on Class VI applications (Oct 2025)

Act 458: Modern Energy Framework

Overhaul of **C&E** integrating 7 functions:

- Permitting
- Enforcement
- State Resources
- Energy
- Secretary's Office
- NRC
- Administration

What This Aims to Solve

- Clearer roles → consistent regulation
- Streamlined processes → faster decisions
- Better coordination across energy + natural resource programs

New Tools for Modern Policy

Natural Resources Trust Authority

Early Modernization Efforts

- Upgraded digital permitting
- Cross-office data sharing
- New performance metrics

Bottom Line

Designed to strengthen regulatory clarity and improve long-term planning across the Gulf Coast energy economy





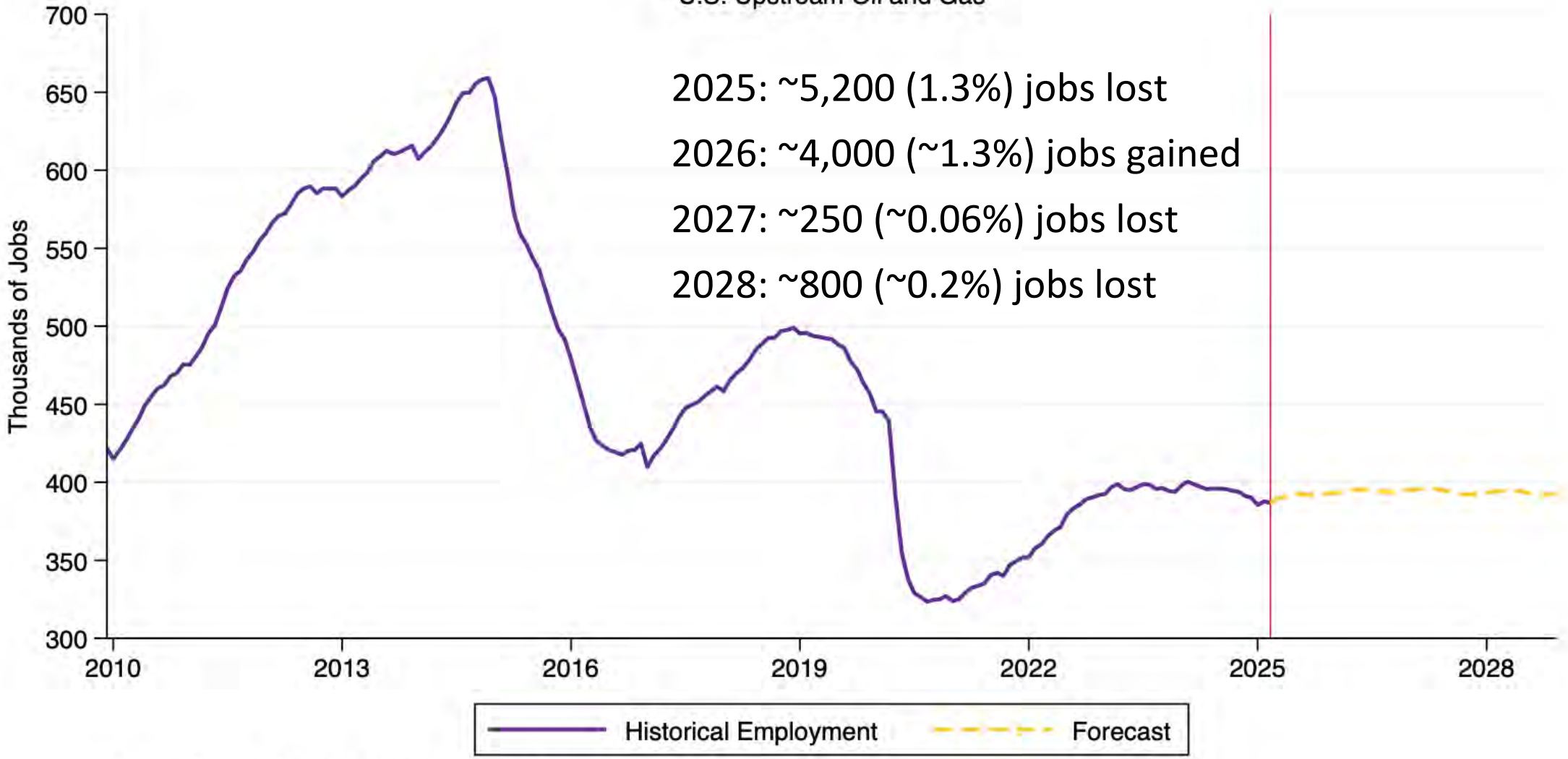
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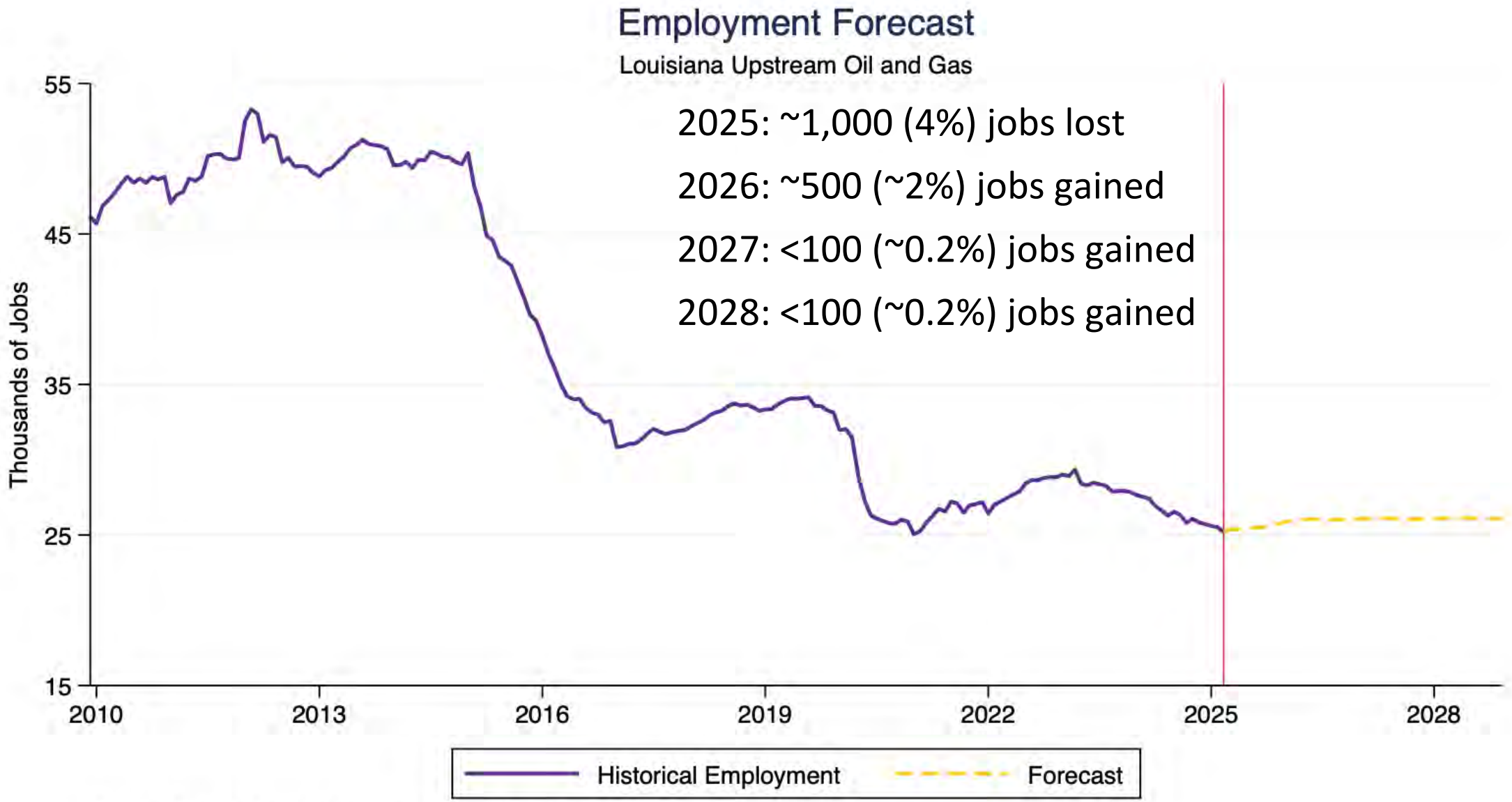


Employment Forecast

U.S. Upstream Oil and Gas



Sources: Energy Information Administration, and Bureau of Labor Statistics.



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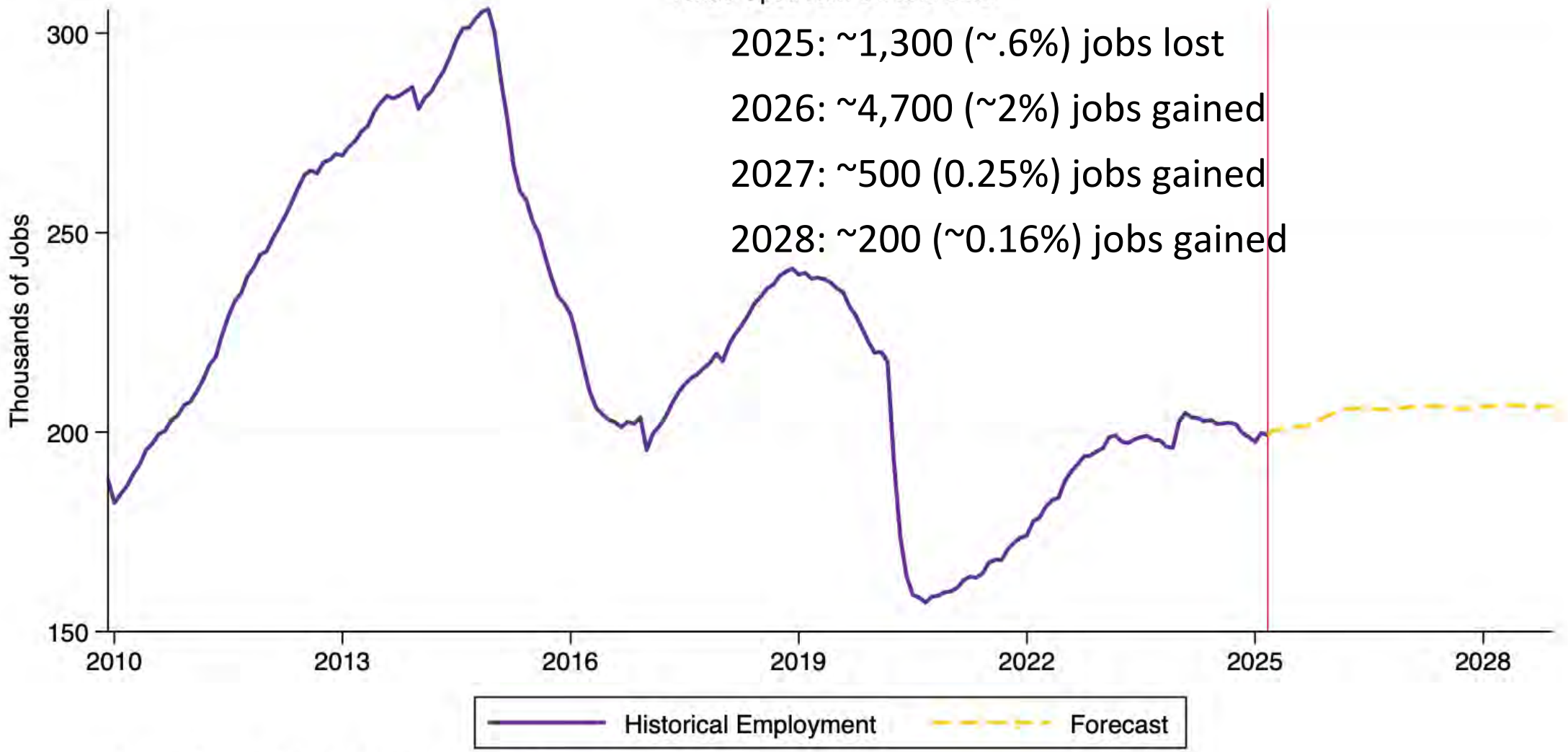
Louisiana Upstream Oil and Gas Employment Forecast Comparison



Sources: Enverus, Bureau of Labor Statistics, Energy Information Administration, and authors' calculations.
Note: Forecast differences arise because last year used Enverus podcast data, while this year uses AEO data.

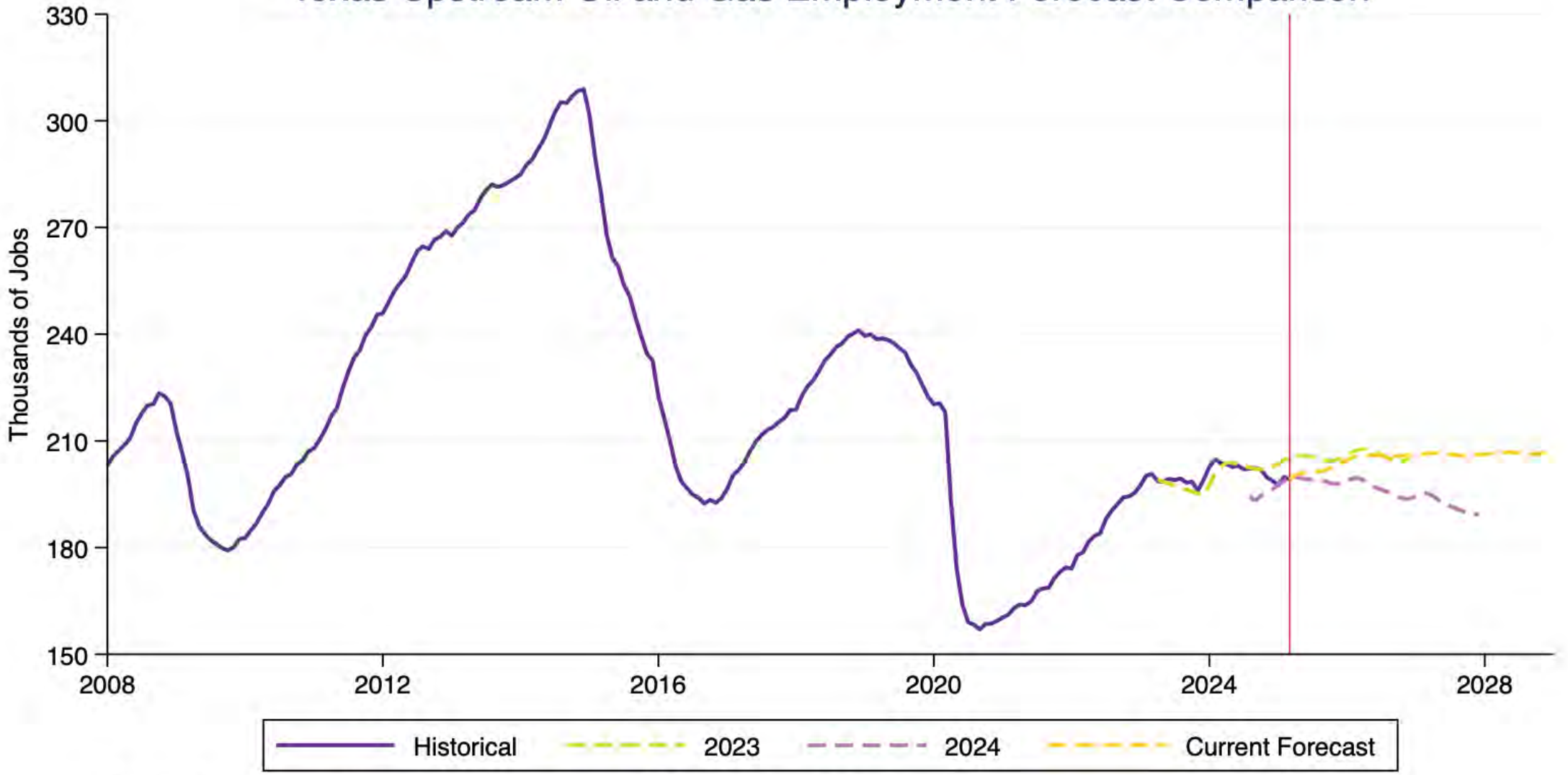
Employment Forecast

Texas Upstream Oil and Gas



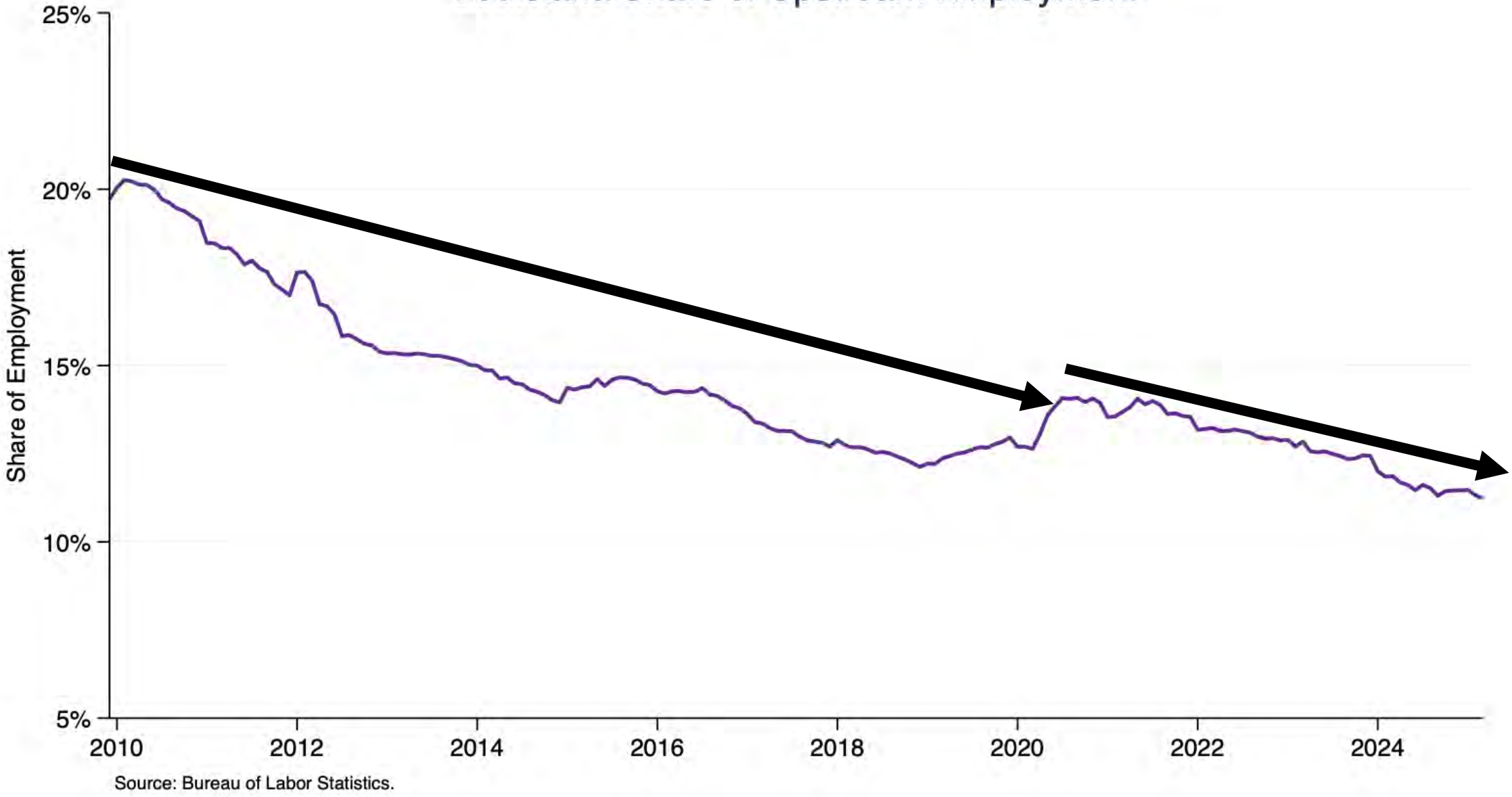
Sources: Energy Information Administration, and Bureau of Labor Statistics.

Texas Upstream Oil and Gas Employment Forecast Comparison



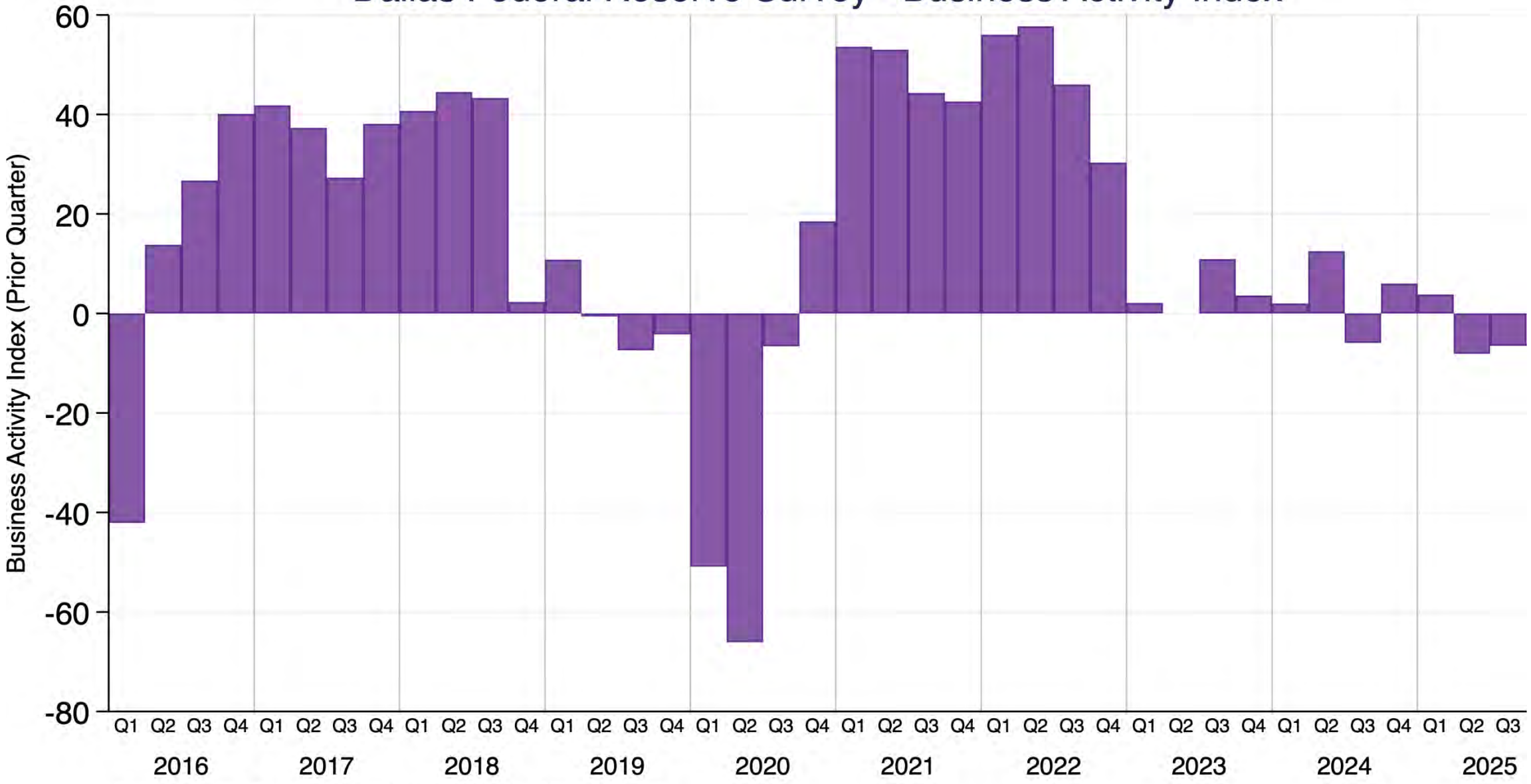
Sources: Enverus, Bureau of Labor Statistics, Energy Information Administration, and authors' calculations.
Note: Forecast differences arise because last year used Enverus podcast data, while this year uses AEO data.

Louisiana Share of Upstream Employment



Source: Bureau of Labor Statistics.

Dallas Federal Reserve Survey - Business Activity Index



Source: Federal Reserve Bank of Dallas, Dallas Fed Energy Survey.

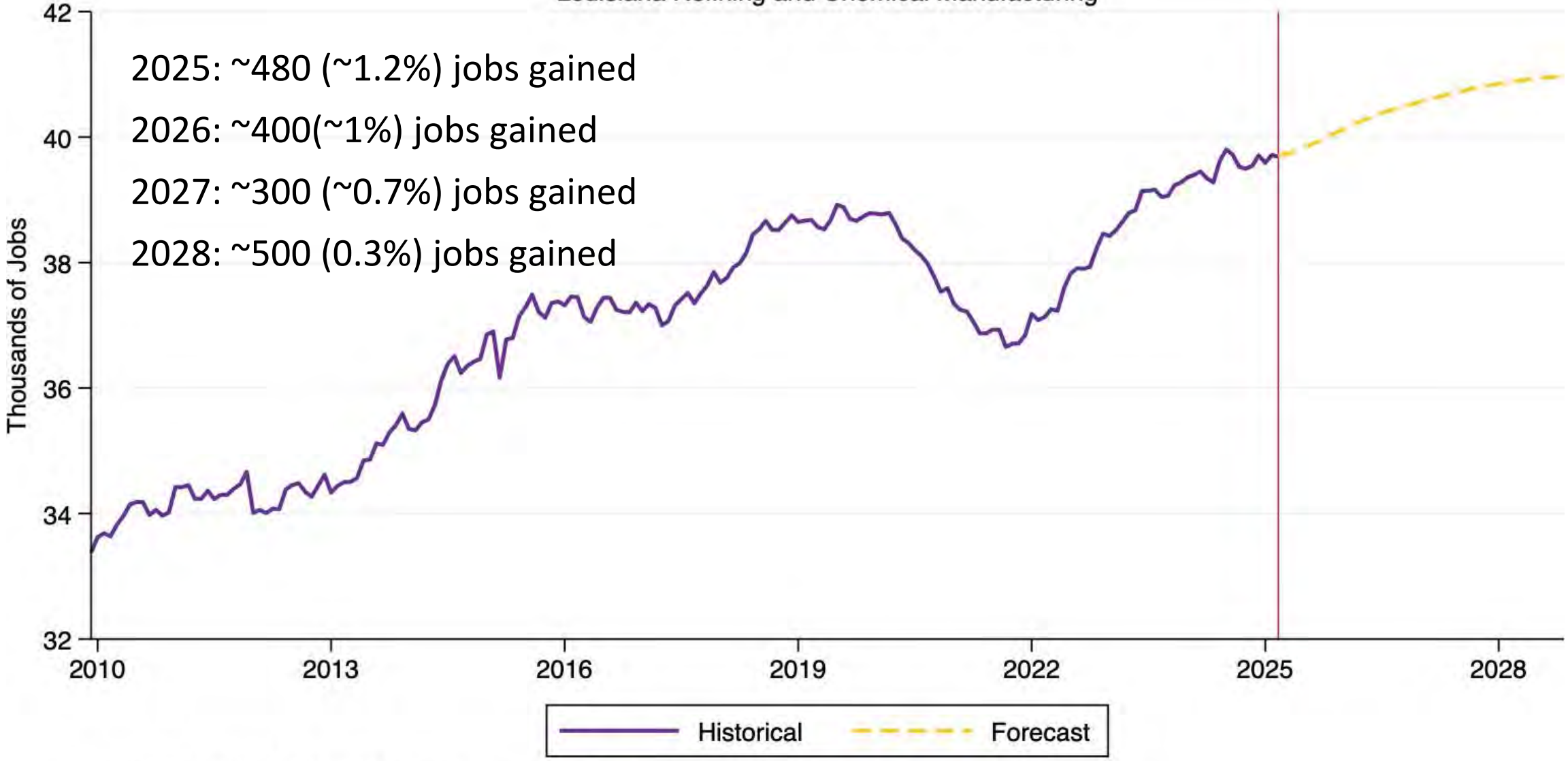
Dallas Federal Reserve Survey - Company Outlook Index



Source: Federal Reserve Bank of Dallas, Dallas Fed Energy Survey.

Employment Forecast

Louisiana Refining and Chemical Manufacturing



Sources: Bureau of Labor Statistics, Louisiana Economic Development and author's calculations.

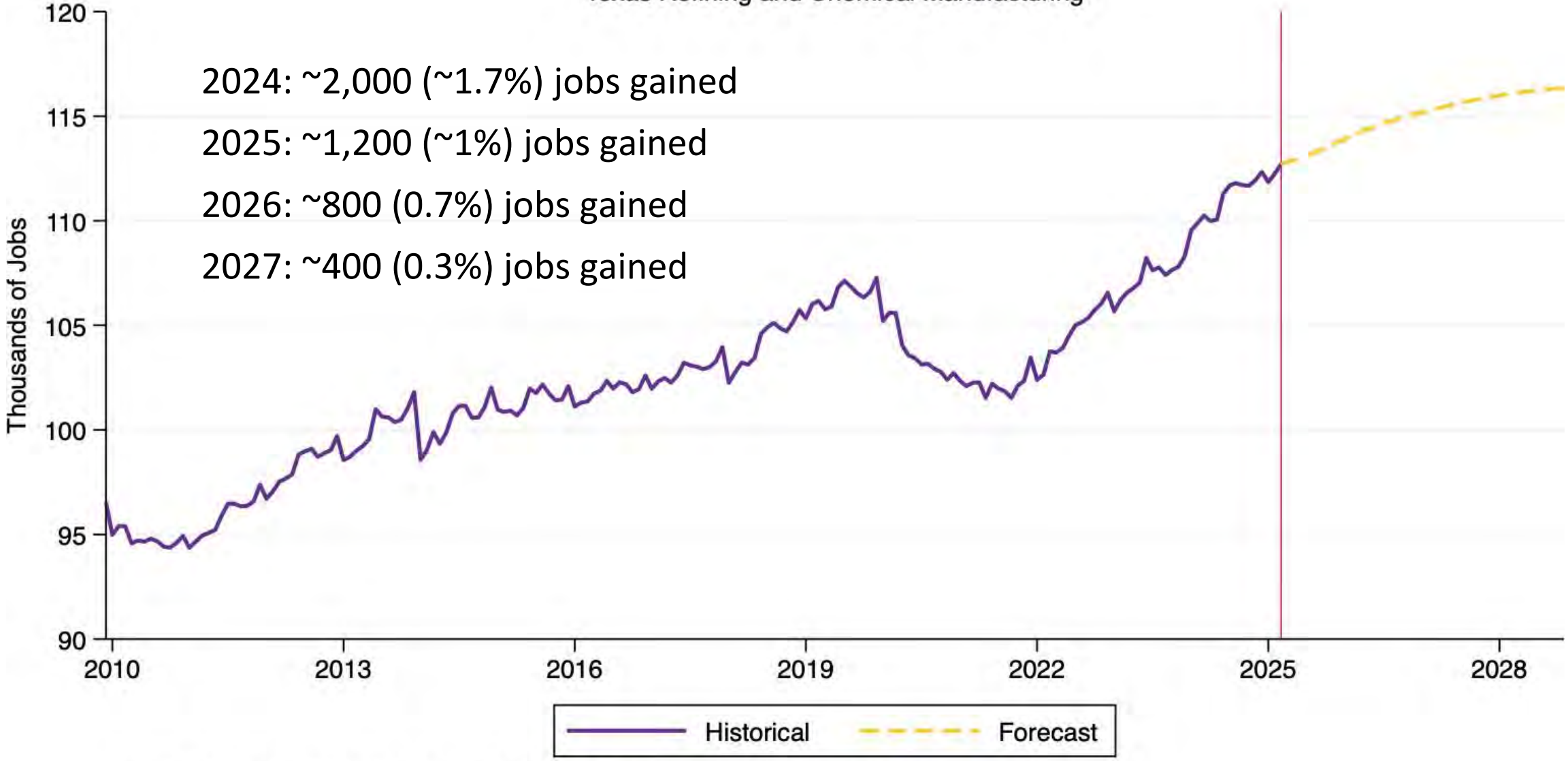
Louisiana Refining and Chemicals Employment Forecast Comparison



Sources: Bureau of Labor Statistics, Energy Information Administration and authors' calculations.

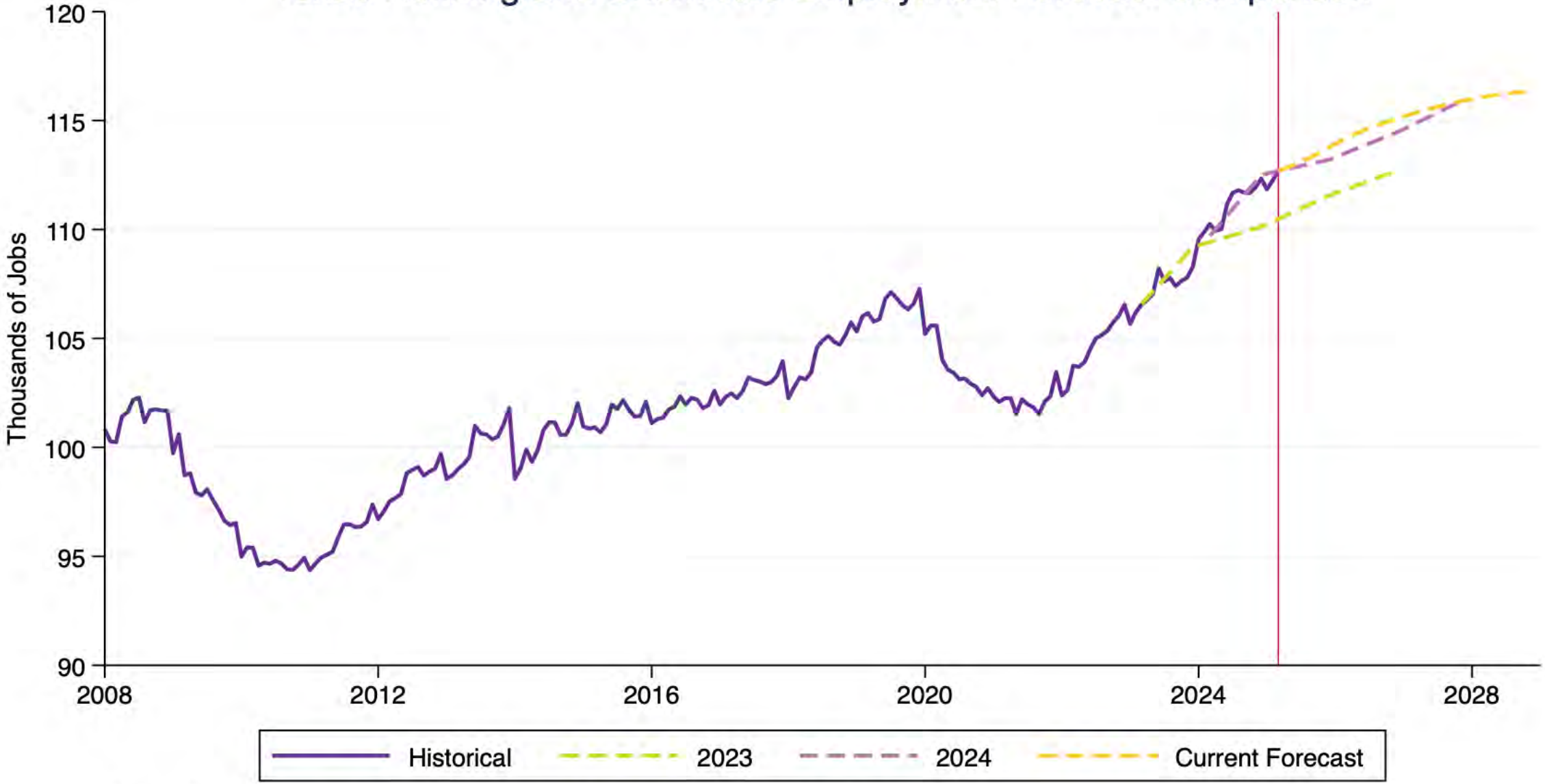
Employment Forecast

Texas Refining and Chemical Manufacturing



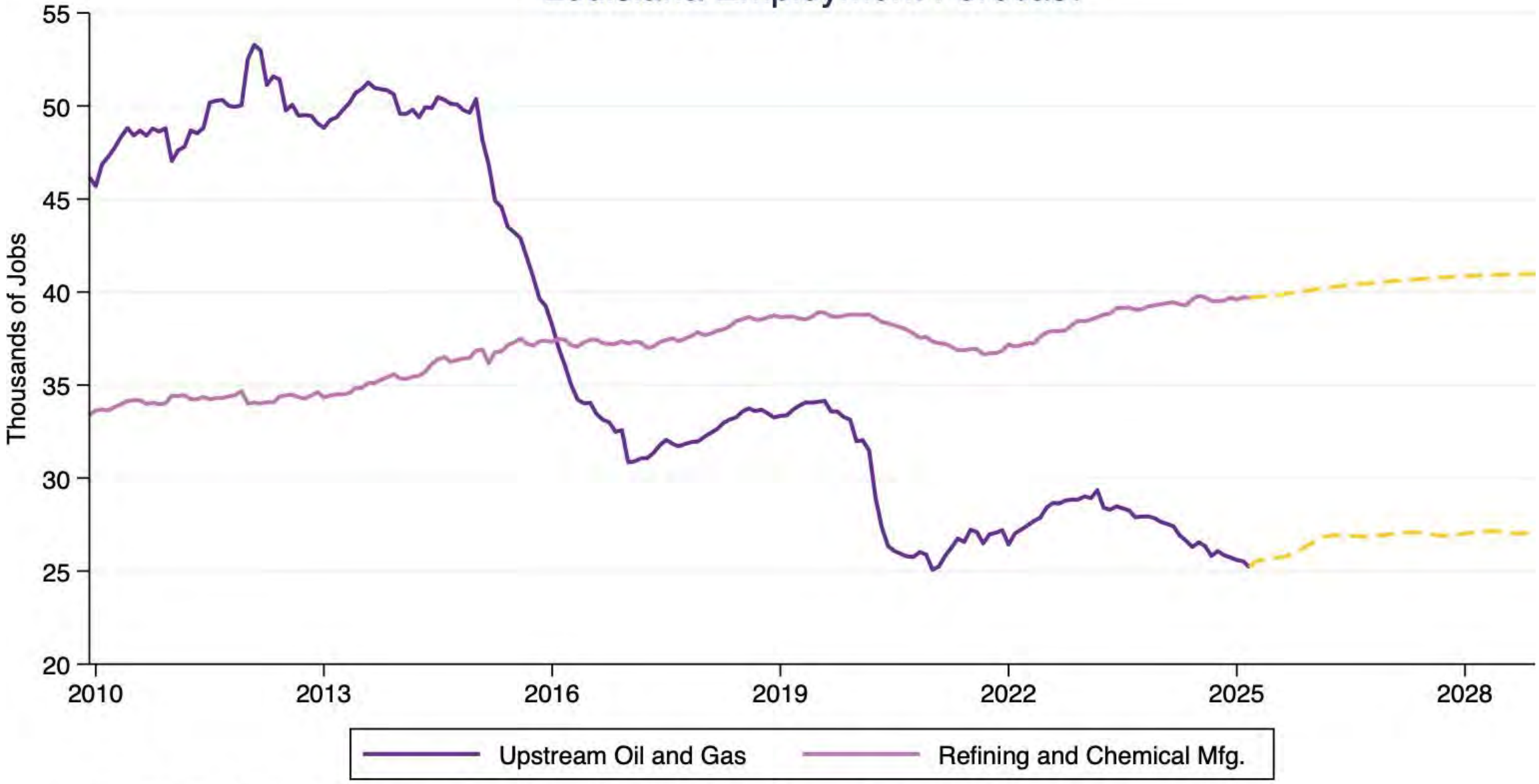
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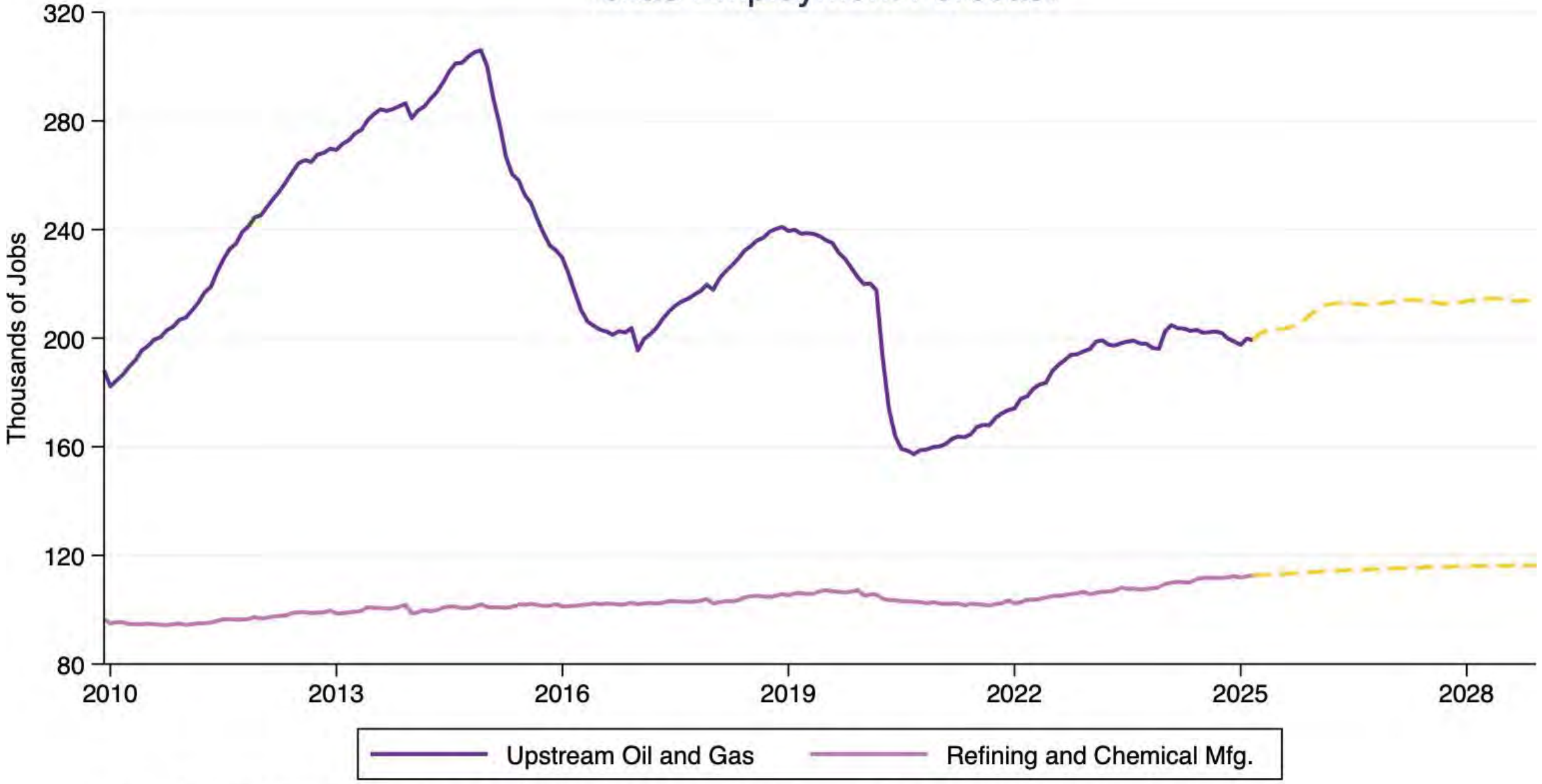
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Louisiana Employment Forecast



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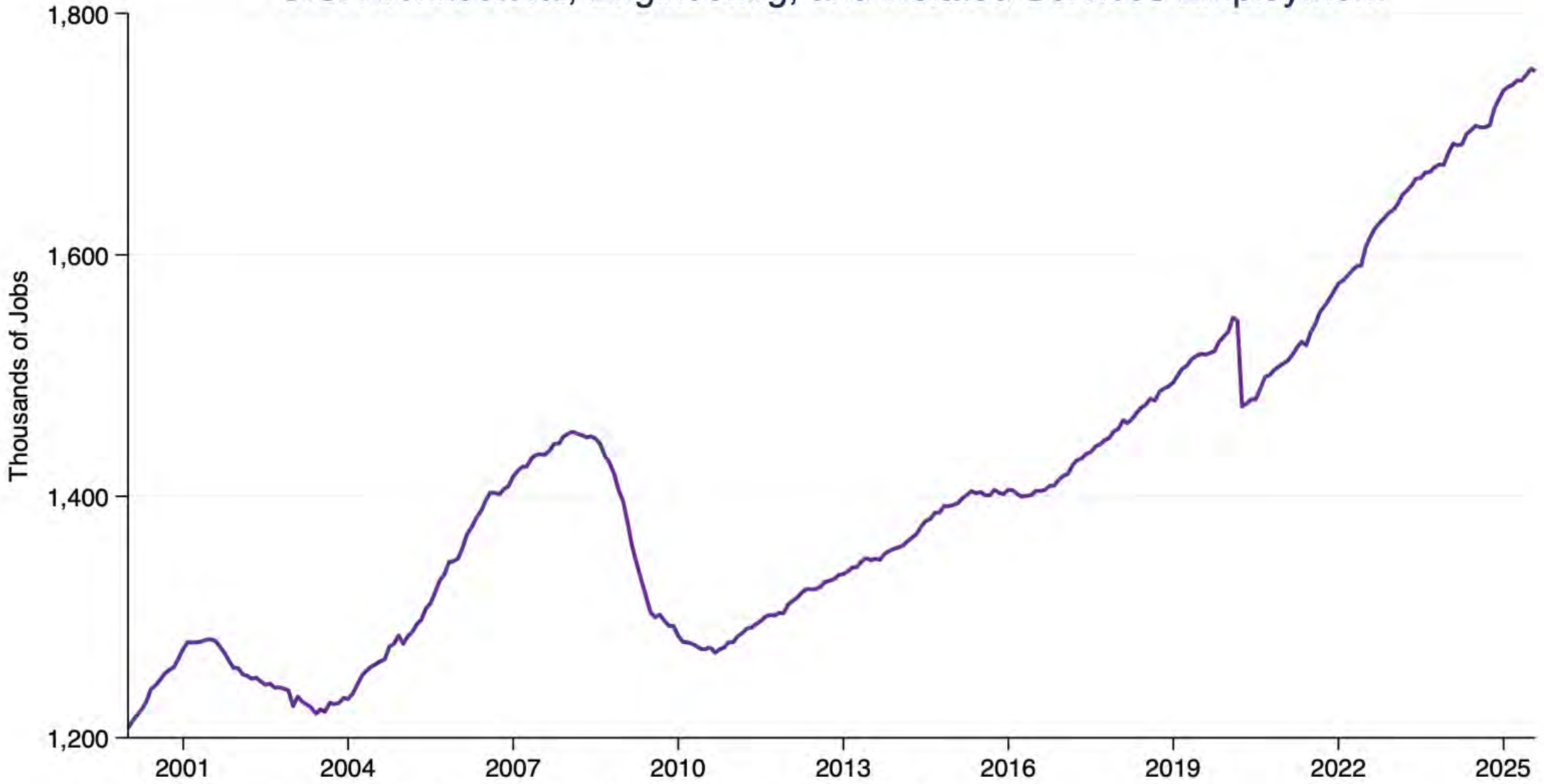
Broader Economic Implications

Industry	Multiplier
Upstream Oil and Gas	
Oil and Gas Extraction	4.8
Support Activities for Mining	4.9
Oil and Gas Manufacturing	
Petroleum and Coal Products Manufacturing	7.2
Chemical Manufacturing	5.3

Source: RIMS II Multipliers

Note: Multipliers represent the total change in number of jobs in all industries for each additional job in the industry corresponding to the entry.

U.S. Architectural, Engineering, and Related Services Employment



Source: Bureau of Labor Statistics, Current Employment Statistics (CES); Retrieved from FRED.

U.S. Construction Employment



Source: Bureau of Labor Statistics, Current Employment Statistics (CES); Retrieved from FRED.

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Conclusions

- Export activities continue to drive investment across the energy value chain.
- Oil and gas production continue to expand, driven not by increased drilling activity, but by continued efficiency gains and technological improvements.
- Natural gas prices continue to remain low in Gulf Coast relative to world markets, continuing to drive investment petrochemicals, LNG projects, and energy-intensive manufacturing.
- Electricity markets undergoing inflection point, with a new era of load growth perhaps in the future driven by data centers and electrification efforts.
- Refined product exports remain robust and crack spreads are healthy.
- Although fundamentals are solid, policy uncertainty was the key concern cited by stakeholders.


2026 GULF COAST
ENERGY OUTLOOK
LSU Center for Energy Studies
LSU Energy Institute