

TEXAS ENERGY INDUSTRY

Oil rig and wind farm in West Texas

Texas Economic Development & Tourism | Office of Governor Greg Abbott

Since the discovery of the Spindletop oilfield in 1901, Texas has been a global leader in energy production. Today, Texas is the largest energy producing state in the nation and is set to become the energy capitol of the world – for both traditional and renewable sources. Fossil fuels, renewables and alternative sources all play a dominant role in the state's energy sector.

As a national and global leader in energy, some of the largest energy companies are based in the Lone Star State. In fact, 23 energy-related Fortune 500 companies, including the headquarters for oil and gas giant Exxon Mobil, call Texas home. Texas is the nation's leading producer of oil, gas and wind energy, thanks in part to the state's ideal geography, available space, abundant natural resources, robust transportation systems and highly skilled labor force. To date, there has been more than \$83 billion in capital investment in wind, solar and energy storage projects in Texas. An all-of-the-above energy strategy has led to continued growth across each of Texas' energy sectors. These sectors are not only important in fueling our state's economy but in helping our nation achieve energy independence.



Aerial view of tank farm for bulk petroleum and gasoline storage next to rail line in Northeast Houston (Photo: Shutterstock/ Trong Nguyen)



FUELING THE TEXAS ECONOMY

In the U.S., Texas leads the nation in producing both crude oil and natural gas, with more than 586,690 miles of oil and gas pipeline. Globally, the Lone Star State ranks among the top ten largest producers of crude oil. In 2021, Texas accounted for 43% of the nation's crude oil and 25% of its natural gas production. The Lone Star State also leads the nation for oil and gas production establishments, representing 30% of all establishments in the U.S. With this sector employing more than 422,000 Texans, oil and gas production directly and indirectly supports 1.37 million Texas jobs.



THE LAND OF LNG

Across the Lone Star State, there are 17,000 miles of natural gas pipelines. Due to the state's abundance of natural gas reserves and natural gas fields, the state produced one-fourth of the nation's natural gas in 2021. With liquified natural gas (LNG) terminals in Freeport, Corpus Christi and Sabine Pass, Texas has become a top state for LNG exports, ranking #2 in the nation. Texas celebrated its first cargo shipment of LNG in 2018, which traveled from Cheniere Energy's liquefaction facility in Corpus Christi. With additional planned LNG export facilities in progress, Texas is poised to solidify our status as a top contender in the arena. In fact, of the 24 new or expanding LNG export projects proposed or under construction in the U.S., seven are planned for right here in the Lone Star State.



HARNESSING THE POWER OF WIND

Texas continues to rank #1 in wind-powered generation, leading the nation for 16 years in a row. Wind energy alone produces 21% of the state's electricity. The Lone Star State also ranks first in both newly installed land-based wind capacity and under-construction wind capacity in the U.S., only four countries produce more. Texas is home to nearly 15% of total wind power generation establishments across the nation.



Located in Upton County in West Texas, the Roadrunner solar plus storage project is the largest operational solar project in Texas. (Photo: Enel Green Power)



SPEARHEADING THE SOLAR INITIATIVE

Texas has invested more than \$14.4 billion in solar energy, ranking second in the country for installed solar capacity. Texas solar power generation establishments have increased by approximately 466% since 2015. Throughout the state, there are more than 500 solar companies, including manufacturers, installers and developers. Already producing enough solar energy to power close to 1.7 million homes, Texas is projected to increase capacity by more than 18,400 megawatts over the next five years through new solar farm construction, which would be the largest growth in the country.



BIOFUELS ARE BIGGER IN TEXAS

The state's strong agricultural and forestry sectors support robust biomass and biofuel industries. Texas produces 400 million gallons of ethanol annually through four biofuel plants throughout the state. Also, within the Lone Star State, there are multiple biodiesel plants capable of producing nearly 300 million gallons of biodiesel each year. Additionally, a new refinery in Newton County, will process one million tons of wood waste into a variety of biofuels, including sustainable aviation fuel and renewable diesel.



BOLSTERING THE ELECTRIC GRID

Texas has taken the steps necessary to prepare the state's electric grid for extreme weather events. During the 87th Legislative Session, the state passed important legislation to help lessen the impact of natural disasters on the power grid. Senate Bill 3 enhances the reliability and resilience of the electric grid. This legislation requires electric companies and gas facilities to weatherize their facilities, allowing the continuation of power production during extreme weather events; creates the Texas Electric Supply Chain Security and Mapping Committee to map the state's electric supply chain; directs the Public Utility Commission of Texas to take measures necessary to ensure the reliability and affordability of the grid; establishes the Texas Energy Reliability Council to improve communication between industry and state agencies; and implements a state power outage alert system. Additionally, House Bill 3648 strengthens the Texas power system by helping ensure that critical natural gas facilities maintain electric service during energy emergencies. These measures help strengthen the reliability and resiliency of the Texas grid to keep residents safe and keep businesses open throughout extreme weather events.

IN THE U.S., TEXAS IS...

#1 FOR ENERGY PRODUCTION

#1 FOR OIL & GAS EXTRACTION

#1 FOR OIL & GAS PIPELINE CONSTRUCTION

#1 FOR PIPELINE TRANSPORTATION OF CRUDE OIL

#1 FOR PIPELINE TRANSPORTATION OF NATURAL GAS

#1 FOR WIND-POWERED GENERATION & INSTALLED CAPACITY

#1 FOR ELECTRICITY GENERATION

#1 FOR HYDROELECTRIC POWER GENERATION

CONTACT US



OFFICE OF THE GOVERNOR TEXAS ECONOMIC DEVELOPMENT & TOURISM

The Texas Economic Development & Tourism Office (EDT) serves as the state's leading economic development organization marketing Texas as the world's premier business investment destination. The division pursues business expansion and relocation prospects, with the goal of developing job creation and export opportunities for the Texas business community.

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