

As Calif. climate measures spread, gas industry mulls playbook to push back

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Amid a rising tide of anti-gas sentiment, the natural gas industry is finding it needs to step up its engagement with communities, politicians and other stakeholders to prevent the spread of measures designed to sideline fossil fuels, the president of the Western States Petroleum Association said.

Growing climate activism and a race to slash greenhouse gas emissions in California and other states has meant gas utilities suddenly find themselves wearing the "black hat" instead of the "white hat," WSPA President Catherine Reheis-Boyd told the LDC Gas Forums conference in Chicago on Sept. 9. The creeping perception that natural gas, the cleanest burning fossil fuel, is a problem rather than part of the solution threatens to leave gas utilities with the same public relations struggle that has dogged the oil industry for decades, she warned.

"I absolutely think it will gain momentum across the country if we do not engage actively, mindfully and turn that tide around," Reheis-Boyd said. "Why do I know that? Two of my states, Arizona and Nevada, where I never had to spend very much time at all, have decided that they like all of what California is doing."

Reheis-Boyd shared lessons her Sacramento, Calif.-based group has learned with the Midwest gathering of gas companies and outlined the WSPA's emerging playbook for pushing back on California lawmakers, whose nation-leading policies are becoming blueprints for other states.

Gas companies urged to change the conversation

The industry position in the future may depend on its ability to demonstrate its contributions to society and the environment, according to Reheis-Boyd. Specifically, she said, that means launching a thoughtful, concerted effort to highlight the wage and other benefits the oil and gas industry provide to individual workers and the ways it contributes to broader communities in the form of tax revenue and economic activity. The sector should also avoid positioning natural gas as a "bridge fuel" to a renewable energy future and instead stress gas' potential long-term role complementing variable power sources like solar panels and wind turbines, she said.

And for the message to go through, companies must communicate these ideas from the grassroots to state houses, she added.

"We have to be very smart," she said "We have to let people understand what we are all about. We have to have a human connection. We are not the industry with horns that doesn't talk to people. It really, really matters how we show up."

If they fail, gas utilities will surrender opportunities to enhance their license to operate in service territories and risk losing that license altogether, she warned.

WSPA shares playbook developed in California

Reheis-Boyd stressed the importance of building coalitions across industries. She said the strategy played a crucial role in defeating a proposed temporary moratorium on new gas hookups for commercial and industrial customers in Los Angeles County. The California Public Utilities Commission officially backed off the proposal because warm winter weather left the area with sufficient gas reserves, but Reheis-Boyd credited opposition from the Los Angeles restaurant industry and other gas supporters.

WSPA is also mobilizing politically influential building trades unions and labor unions that work for Southern California

Gas Co. to communicate to California Gov. Gavin Newsom and state representatives the importance of energy industry projects to their members.

"I can tell you the difference between walking into Gov. Newsom's office or a legislator's office by yourself — as the oil and gas industry — or with the building trades in the oil and gas industry together. It's night and day. It's negative versus positive. It's no results versus results," she said.

The industry and its supporters in California are also trying to find common cause with low-income Californians. The California Business Roundtable has conducted research to show the impact of the state's limits on greenhouse gas emissions have increased electricity and gasoline prices for consumers — costs that disproportionately impact the less well-off.

Companies can also embrace programs that place air-monitoring equipment in communities to promote transparency and gather data to inform public policy, she said. Public-private partnerships to develop carbon capture and sequestration projects can further demonstrate to the public that fossil fuel power can be carbon neutral, she added.

Still, she acknowledged the industry needs to remain prepared to mount court battles. WSPA plans to explore challenging Berkeley, Calif.'s recently enacted ban on natural gas in new buildings, which has inspired similar legislation in Seattle and elsewhere, as well as a Washington law prohibiting high vapor pressure crude oil from being loaded and unloaded in the state, a measure that would block shipments of Bakken crude from North Dakota.

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