SSDA
SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

SSDA News

Service Station Dealers of America and Allied Trades

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U.S. Corporate Transparency Act (CTA) is Declared Unconstitutional

By Roy Littlefield

A federal judge just ruled that the Corporate Transparency Act is unconstitutional, marking the end of a 16-month legal battle.

SSDA-AT has long supported these efforts to strike down the CTA.

By way of background, the CTA is a sprawling new data collection regime that would have required more than 32 million entities – including virtually every small business in America – to hand over their sensitive private data to the government.

We've written about the statute extensively, but the bottom line is that the CTA would have saddled law-abiding citizens with compliance headaches and criminal penalties, while doing virtually nothing to combat illicit activity.

Recognizing that the federal government went far beyond their enumerated powers in enacting and implementing the law, the National Small Business Association filed a legal challenge back in 2022, alleging that it violates a laundry list of constitutional protections.

The Department of Justice is almost certain to appeal the ruling, so the court challenge is far from over.

But whichever way it goes, the ruling will help focus the attention of the public, the media, and lawmakers as to the threat the CTA and other laws like it pose to the privacy of law-abiding Americans, and it will help us in our efforts to ultimately fight these laws in Congress.

The decision issued is a big win for SSDA-AT members and for millions of law-abiding businesses nationwide.

SSDA-AT will continue to provide updates and developments.

Spring Cleaning your Digital Storefront by Hollie Flottum

It's spring and it's time to think about spring cleaning. Not just in your home or store, but your website too. In the spring I am ready for a quick to-do list, and I want to see fast results. You know what to do with your brick and mortar store, but where do you begin when thinking about spring cleaning your website? I can help!

- **Review each page.** Is there out of date content that needs to be removed/updated? Does this page still have useful information for potential and current customers?
- **Think about customer questions**. Are those answers represented on your website? Is the content easy to find and digest? Today's customers have very short attention spans. Are they able to find out **who you are**, **what you offer** and **why your brand has value?**
- **Promote your sales!** Do you have **new promotions, events, or coupons to add?** Out with the old, in with the new!
- **Feature customer testimonials.** Do you have **customer testimonials** you can display on your site? FinancesOnline found that **68% of consumers will choose a business because of their positive reviews**. Online reviews build trust. Recent reviews create new content opportunities. Sharing and responding to a negative review builds empathy and shows that you stand behind your brand.
- **Enable digital customer service!** Live chat on your website can be a great addition to your service. Interacting digitally with your customers proves to the search engines that you care about your customers and your content is genuine. It can even help you move your website up in the search engine rankings.
- **Add high-quality images of your business!** Review the images on your website. Are they clear? Are they up to date? Do you include inventory, a view from inside and outside? Shoppers are drawn to visuals. They want to envision themselves at your store or enjoying their new purchase.
- **Review CTAs on your website!** A CTA, or call to action, on your website is just like having signs to assist customers in your brick and mortar. Look at your site and make sure it is easy to find out how to call you or request a quote!

Working on our digital storefront can be fun and overwhelming! Remember we are here to help. Contact Us | Net Driven®

https://www.thebalance.com/reasons-small-business-website-2948414

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NET DRIVEN

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EPA Urged to Block Calif. Gas-Powered Car Ban

The American Petroleum Institute has called on the Environmental Protection Agency to reject the proposal from the California Air Resources Board ban new gasoline-powered vehicle sales by 2035.

The API argues that the proposal "fails to recognize the significant role that traditional and improved fuels and vehicles have played in the US economy," adding that the "regulations explicitly force electrification of the light-duty vehicle fleet regardless of whether this technology and related performance criteria are appropriate for all consumers."

Report Shows Positive Trend in US Oilfield Jobs

The US oilfield sector added 1,466 jobs in February, marking a 22.5% rise from January and indicating a discernable trend of gradual growth, according to Bureau of Labor Statistics data cited by the Energy Workforce & Technology Council. Even though employment in the industry remains around 54,871 jobs below pre-pandemic levels, "We expect to see this overall steady growth trajectory continue, although we may not experience a direct trajectory upwards," said Energy Workforce President Molly Determan.

U.S. Crude Oil Exports Reached a Record in 2023, eia

U.S. crude oil exports established a record in 2023, averaging 4.1 million barrels per day (b/d), 13% (482,000 b/d) more than the previous annual record set in 2022. Except for 2021, U.S. crude oil exports have increased every year since 2015, when the U.S. ban on most crude oil exports was lifted.

Growth in crude oil production in the United States has supported increases in U.S. crude oil exports. In 2023, crude oil production reached a record-high 12.9 million b/d in the United States, a 9% (1.0 million b/d) increase from 2022. Many U.S. refineries are optimized to run heavy, sour crude oils, but most of the crude oil produced in the United States is light, sweet crude oil, creating export incentives for market participants.

The top regional destinations for U.S. crude oil exports since 2018 have been Europe as well as Asia and Oceania. Europe became the top export destination in 2023 following the effects of Russia's full-scale invasion of Ukraine and the inclusion of West Texas Intermediate (WTI) crude oil in Dated Brent. In 2022, U.S. crude oil exports to Europe increased significantly following Russia's full-scale invasion of Ukraine and subsequent EU sanctions banning imports of seaborne crude oil from Russia (adopted June 3, effective December 5). These effects of the sanctions contributed to continued growth in U.S. exports to Europe in 2023. In 2023, U.S. crude oil exports to Europe averaged 1.8 million b/d, slightly more than U.S. exports to Asia and Oceania of 1.7 million b/d.

Another factor affecting the volume of U.S. crude oil exports to Europe is the inclusion of WTI crude oil in Dated Brent, a European crude oil benchmark. Prior to May 2023, the price of Dated Brent was determined based on a basket of different European crude oils. Starting in May 2023 (for physical delivery in June), WTI cargoes delivered to Rotterdam were included, likely attracting additional volumes to Europe.The WTI crude oil to be included in determining the Dated Brent price is delivered into Rotterdam, a large crude oil storage and trading hub in the Netherlands. The Netherlands received more U.S. crude oil exports than any other country in 2023, averaging 652,000 b/d. The combination of sanctions against Russia and U.S. exports reacting to WTI's inclusion in Brent contributed to U.S. exports to the Netherlands increasing 82% (293,000 b/d) in 2023 compared with 2022, the largest volumetric growth for any country.

China received the second-most U.S. crude oil in 2023, averaging 452,000 b/d, more than double 2022 volumes. China's crude oil imports in 2023, the most since at least 2005, also included significantly more oil from Russia, according to data from China's General Administration of Customs. Refinery expansions and initiatives to reopen the economy after China's government eased COVID-19 mobility restrictions drove the rise in China's crude oil imports. In addition, increased crude oil imports also helped increase commercial and government crude oil stockpiles in China, according to trade press.

In contrast to increasing U.S. crude oil exports to the Netherlands and China, U.S. crude oil exports to India fell 47% (146,000 b/d). India increased imports from Russia following sanctions that limited the price Russia could charge for crude oil exported using the services of sanctioning countries; importers in India have been favoring the lower-cost crude oil from Russia over crude oil from the United States. According to data from Vortexa Analytics, average annual crude oil exports from Russia to India doubled from 0.9 million b/d in 2022 to 1.8 million b/d in 2023.

Hydrogen Gains Credence as Alternative Fuel, oaoa

Hydrogen has always been part of the oilfield, but its potency as an alternative fuel and its low-carbon appeal have given it a heightened prominence that is increasing by the month.

ExxonMobil, Chevron and other companies are building plants to process the gas and the Texas Oil & Gas and Permian Basin Petroleum associations say hydrogen is an inevitable part of the world's energy future.

An ExxonMobil spokesman said from Houston that his corporation is already one of the largest hydrogen companies in the world, producing more than a million metric tons per year for use in its refining and chemical operations.

"We are progressing plans to build the world's largest low-carbon hydrogen plant in Baytown," the spokesman said.

Among Chevron's multitude of hydrogen-related projects is working with the Burlington Northern Santa Fe railroad company and Caterpillar to power locomotives with hydrogen fuel cells.

The San Ramon, Calif.-based Chevron is also part of a group of leading energy companies and organizations called the HyVelocity Hub that's working to accelerate the development of clean hydrogen projects in Texas, Southwest Louisiana and the Gulf Coast.

The group's other founding members are GTI Energy, The Center for Houston's Future, The University of Texas at Austin and the Air Liquide Co.

Hydrogen fuel cells can also power cars and trucks when compressed hydrogen gas feeds into onboard fuel cell stacks that don't burn the gas but instead transform its chemical energy into electricity that powers the vehicles' electric motors.

So called because of what it's made from, the three main types of hydrogen are gray, blue and green. References say gray hydrogen is made from

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Hydrogen Gains Credence as Alternative Fuel, oaoa

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fossil fuels or the partial oxidation of refinery residues while blue hydrogen is removed from synthesis gas in the downstream carbon capture process and green hydrogen is pulled by electrolysis from water including produced water or by steam reforming in bio-based feedstock.

TXOGA President Todd Staples said from Austin that global energy demand is expected to grow nearly 50 percent by 2050 as the world population reaches 10 billion people.

"Oil and natural gas will continue to be essential and through ingenuity and innovation this industry is also leading the way in technological advancements on new energy solutions such as biofuels and hydrogen in order to meet increased energy demand," Staples said.

PBPA President Ben Shepperd said the world "is absolutely in an energy expansion and has been for quite a long time.

"With more and more energy needed to power the world, that energy won't come just from traditional sources," Shepperd said. "Hydrogen, whether you're talking about gray, blue, green, or even turquoise, is a burgeoning field that has gained strong interest as an additional energy source.

If we are just talking about sustainable hydrogen, however, the power and water intensity needed to produce such hydrogen could be limiting factors."

Shepperd said many researchers are looking into the viability of using produced water to develop blue and green hydrogen, "which is even more intriguing for those of us in the oil and gas industry because of the large amounts of high salinity and alkaline water produced in oil and gas extraction."

Pennsylvania Governor Unveils Plan to Cut Greenhouse Gases, Boost Renewables in Big Energy Producer, AP

Pennsylvania Gov. Josh Shapiro unveiled a plan to fight climate change, saying he will back legislation to make power plant owners in the nation's third-biggest energy-producing state pay for their greenhouse gas emissions and require utilities to buy more electricity from renewable sources.

Such legislation would make Pennsylvania the first major fossil fuel-producing state to adopt a carbon-pricing program. But it is drawing fierce opposition from business interests wary of paying more for power and will face long odds in a Legislature protective of the state's natural gas industry.

Shapiro's proposal comes as environmentalists are pressuring him to do more to fight climate change in the nation's No. 2 gas-producing state and as the state's highest court considers a challenge to his predecessor's plan to adopt a carbon-pricing program. It also comes after many of the state's biggest power polluters, coal-fired plants, have shut down or converted to gas.

At a news conference in Scranton, nicknamed the "Electric City," Shapiro said his plan will make Pennsylvania competitive in a clean energy economy, improve electricity reliability, cut greenhouse gas emissions and lower electricity bills.

It is long past time for lawmakers to act, he said.

"If they choose to do nothing, they're choosing to be less competitive in an environment that demands us to bring excellence to the table every single day," Shapiro said. "They're choosing to fall behind if they choose to do nothing."

Under Shapiro's plan, Pennsylvania would create its own standalone carbon-pricing program, with most of the money paid by polluting power plants — 70% — going to lower consumer electric bills. No one will pay more for electricity and many will pay less, Shapiro said.

Meanwhile, utilities would be required to buy 50% of their electricity from sources that are mostly carbon-free by 2035, up from the state's current requirement of 18%.

Currently, about 60% of the state's electricity comes from natural gas-fired power plants, and the 50% renewables requirement could hurt demand for electricity from those plants. Another third of Pennsylvania's electricity is from nuclear plants — which are not included in the 50% renewables requirement — and the rest from coal and renewables.

Republicans who control the state Senate have pushed to open greater opportunities for natural gas production in Pennsylvania, and have warned that carbon-pricing could raise electricity bills, fray the electricity grid, hurt in-state energy producers and drive new power generation to other states.

"Families are feeling the strain of inflation and increased household expenses, which must be a chief concern when implementing

Pennsylvania Governor Unveils Plan to Cut Greenhouse Gases, Boost Renewables in Big Energy Producer, AP

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any changes to energy policy," Senate Majority Leader Joe Pittman, R-Indiana, said in a statement.

Shapiro's administration did not provide many details of his strategy, including how much it would reduce greenhouse gases, how much money power plants would pay or how it would affect the average household electric bill.

Patrick Cicero, Pennsylvania's consumer advocate, said the amount of savings on electric bills will depend on usage — large industrial customers would see more and low-income households would get "significant reductions" because of a planned expansion of the state's energy-assistance program.

For the average household, "it's not going to be much," Cicero said, "but it's not costing households more. That's a win-win."

Neighboring Maryland, New Jersey and New York have set requirements to draw 50% or more of their electricity from renewables by 2030, prompting warnings that Pennsylvania risks falling behind in a clean energy economy.

Robert Bair, president of the Pennsylvania State Building and Construction Trades, whose members work on power plants, refineries and pipelines, said Pennsylvania energy policy must protect workers in the coal and gas industries. But he also said Pennsylvania will lose clean energy jobs to other states if it does nothing.

Heavy energy users and coal-industry businesses slammed Shapiro's "energy tax" as posing a damaging blow to industries and a fatal blow to the state's few remaining coal-fired power plants.

The Marcellus Shale Coalition, which represents Pennsylvania's enormous natural gas industry, was more circumspect. The most pressing challenge is ensuring the electric grid is stable and reliable, said Dave Callahan, the group's president.

Despite the lack of details, Shapiro's plan drew statements of support from renewable energy trade associations and environmental advocates.

Meanwhile, environmental advocates worry about abandoning the plan produced by Shapiro's predecessor, former Gov. Tom Wolf.

For the time being, a state court has blocked Wolf's regulation that authorizes Pennsylvania to join the multistate Regional Greenhouse Gas Initiative, which imposes a price and declining cap on carbon dioxide emissions from power plants.

As a candidate for governor, Shapiro had distanced himself from Wolf's plan — although critics said Shapiro's plan is similar — and Shapiro wouldn't say whether he'd enforce Pennsylvania's participation in the regional consortium should the courts uphold it and the Legislature do nothing.

"I'm focused on getting these things passed," Shapiro said.

New York Assembly Passes Ban on CO2 Fracking, Spectrum

The New York state Assembly passed a bill that would expand the state's ban of the controversial drilling process to extract natural gas to include a newer practice that uses carbon dioxide to extract methane and circumvents the current policy.

Fracking was first prohibited in New York back in 2014 and then permanently banned in the 2021 state budget.

The new bill, which passed the Assembly 98-50, would make it illegal to push methane out of shale using high-pressure liquified carbon dioxide. Environmental advocates argue the practice requires horizontal drilling into shale, which releases toxic hydrocarbons like methane and cancer-causing vapors that threaten the public health of workers, surrounding communities and the environment.

“There is no evidence to support the fossil fuel industry’s claim that carbon dioxide will be a safer method to extract oil and gas,” said Assemblymember Anna Kelles, a Democrat from Ithaca, in a statement. “However, there is an incredible amount of evidence that proves the dangers to our families if we allow fracking within our communities, a reason New York banned the extraction of oil and gas by fracking in 2020.”

Southern Tier CO2 to Clean Energy Solutions, otherwise known as Southern Tier Solutions, sent letters to landowners in Broome, Chemung and Tioga counties offering a $10 lease for them to make a profit after they extract methane and storage CO2 on their properties. In January, company president Bryce Phillips told Spectrum News 1 the company will strive to lease as many as 1 million acres to support up to a dozen 300 megawatt power plants, and to help power the Micron semiconductor chip manufacturing facility in the Syracuse area.

The measure now goes to the state Senate for consideration.

State Sen. Tom O'Mara, ranking member of the Finance Committee who represents Chemung and Tioga counties, told Spectrum News 1 in February that it is too soon to ban the practice and that setting regulations should be left to scientists and experts — not elected officials.

Exxon CEO Says Not Trying to Buy Hess but Eyes its Guyana Stake, Reuters

Exxon Mobil (XOM.N), opens new tab CEO Darren Woods said his company is trying to establish it has rights over Hess Corp's (HES.N), opens new tab Guyana assets in its dispute with Chevron (CVX.N), opens new tab, not buy the company itself.

In his first public remarks on the company's pursuit of an arbitration case that could block Chevron's $53 billion deal for Hess, Woods said Exxon would not have waited for Chevron to announce its Hess deal if it had wanted to buy Hess.

"We're basically standing up for what we believe is a fundamental right," Woods told Reuters at the CERAWeek energy conference in Houston. Exxon is trying to "secure and confirm the rights in that contract gives the existing partners."

Chevron and Hess have said they disagree with Exxon's interpretation of the joint operating agreement that governs the consortium responsible for all of Guyana's oil production and which Exxon claims includes a right of first refusal.

The document has not been made public. Hess has said the deal may not be able to close by its prior estimate of mid-2024.

PRIZED ASSET

Exxon does not rule out acquiring Hess' entire 30% share in the giant Stabroek block offshore of Guyana, which would take its stake to 75%. Exxon currently holds a 45% stake with Hess and China's CNOOC Ltd (0883.HK), opens new tab as minority partners.

Stabroek is the prize in Chevron's bid for Hess. It is the site of the largest oil discoveries in almost two decades and is expected to produce more than 1.2 million barrels of oil and gas per day by 2027.

A potential acquisition of Hess' assets in Guyana would be the last decision in a three-stage process, Woods said.

Exxon first wants to establish that it holds preferential rights over Hess Guyana's asset, Woods said. Then it aims to determine the Hess asset's value with partners before considering if it makes sense for Exxon to shoulder the investment required for holding a larger share of the block, the CEO said.

TIMING

Exxon understands Hess' desire to resolve the matter and will "be very cooperative and try to facilitate a fast resolution" of the preemption of rights dispute, Woods said.

He said he does not have "a good view" on timing for final resolution on the destiny of Hess' assets. The arbitration case could last five to six months, another executive had said.

Woods declined to comment on whether he would meet this week with Chevron CEO Michael Wirth or Hess CEO John Hess.

Chevron and Hess were first to disclose in filings that Exxon intended to bring the dispute to arbitration.

Exxon does business with Chevron all around the world and will continue to have long partnerships with Chevron, Woods said.

"This is a business issue," Woods said. "We are going to be a constructive force as we work to get to the right answer."

US Raises Domestic Crude Production Growth Forecast for 2024, Reuters

The U.S. Energy Information Administration (EIA) predicted that domestic oil production will grow by 260,000 barrels per day (bpd) in 2024, up 90,000 barrels per day (bpd) from its previous forecast, but said estimated production cuts from OPEC+ will still slow global oil growth.

U.S. crude oil production will rise to 13.19 million barrels per day (bpd) this year, the EIA said in its Short-Term Energy Outlook (STEO). It had previously projected that crude production would rise this year by 170,000 bpd.

U.S. crude oil output reached a record 13.3 million bpd in December 2023, following sustained productivity increases at new wells. Production notched an annual record of 13.21 million bpd in 2023.

U.S. oil production is expected to rise by 460,000 bpd to 13.65 bpd in 2025, which would be a record high.

OPEC+ production cuts will help push the Brent crude oil spot price to average $87 a barrel in 2024, up from its previous forecast of $82.42 a barrel, the EIA forecast.

The agency previously predicted that U.S. production would decrease slightly through the middle of 2024 and would not exceed the record set last December until February 2025.

However, the agency now forecasts steadily increasing production with output surpassing last year's record by the fourth quarter of 2024.

The U.S. EIA predicted world oil demand output would grow by 1.43 million bpd year-on-year, up 10,000 from its previous forecast and in line with the International Energy Agency. The EIA also raised its 2025 world oil demand growth forecast by 90,000 bpd, anticipating a 1.38 million barrel year-on-year increase.

In February this year, the IEA predicted global demand will rise by 1.22 million barrels per day (bpd) in 2024, while in its February report OPEC expected 2.25 million bpd. The difference is about 1% of world demand.

U.S. total petroleum consumption is expected to rise by 200,000 bpd to 20.4 million bpd in 2024, and then by another 200,000 bpd to 20.6 million bpd in 2025 – higher than previously forecast, the EIA said.

Shell to Provide Braskem With Biobased Propylene, C.P.

Shell Chemicals will supply Braskem with propylene feedstocks partially sourced from biobased materials.

Braskem said March 15 it will use the feedstocks to produce bio-attributed and bio-circular polypropylene.

The feedstocks will satisfy growing consumer demand for more sustainable options the packaging, film, automotive and consumer goods, the company said.

The feedstocks have been third-party certified using the mass-balance approach, a sustainability measurement that allows for the blending of biobased and non-sustainable.

Both Shell and Braskem are looking to reduce their reliance on virgin materials. Shell has also set a target to reduce scope 1 and 2 emissions by 50% by 2030 compared to 2016 levels on a net basis.

"Shell is progressing its strategy to lower greenhouse gas emissions from its operations and to be a net-zero emissions energy business by 2050," said Sean Clarry, Shell Chemicals' senior vice president, commercial.

Braskem also has commited to achieving carbon neutrality by 2050.

AI Promises Faster Oil Drilling and Even More US Crude Supply, BNN

From a dark Houston control room, Rafael Guedes watched on a monitor as a robot took charge of a drilling rig in a North Dakota oil field, locking out the human operator.

Glowing red boxes lit up the screen as an artificial intelligence program took over the distant Nabors Industries Ltd. rig, beaming instructions by satellite and making split-second decisions to drill through the rock as smoothly as possible. Guedes, the company's director of performance tools, estimates the program from Corva LLC will save the human operator about 5,000 commands while drilling the well and increase the speed by at least 30%. The oil industry has long mostly relegated artificial intelligence to back-office tasks like evaluating seismic surveys, while keeping drilling and hydraulic fracturing firmly in human hands. Now companies are increasingly using AI, machine learning and remote operations to drill faster, suggest better ways to frack and predict when active well pumps will fail. The goal is for the emerging technology to cut costs and help squeeze more oil from the ground, threatening to undermine efforts by the Organization of the Petroleum Exporting Countries to rein in global oil output and boost prices.

Advanced AI is gaining a foothold in the oil field as drillers and producers are relentlessly focused on improving efficiency. While the technology is being tested around the globe, the US is perhaps the most important spot to watch. The shale basins of Texas, North Dakota and other states have long been laboratories for discovering faster and cheaper ways to pump oil, turning the US into the world's top producer.

Over the past five years, contractors have shaved a day off the roughly two weeks it takes to drill a well and three days off the 11-day average for fracking one, according to industry data provider Kimberlite International Oilfield Research. They've done it with a broad mix of new technologies and techniques, including drilling horizontal wells up to 3 miles long. Now AI holds the promise of even greater gains.

Jesus Lamas, president of SLB's well construction unit, said that in the next three to five years, 15% of all wells will be autonomously controlled by AI. The technology could be key not just to lowering drilling costs but to helping the industry meet climate change goals, he said. Even as renewable power advocates say AI could help integrate solar and wind energy onto the grid — speeding the transition away from fossil fuels — oil and gas companies see it as a way to lessen the global warming footprint of their operations in a carbon-constrained world. More efficient drilling means less energy spent per well.

Hilcorp Energy Co., one of the biggest private oil and gas producers in the US, estimates it can prevent roughly half a billion cubic feet of gas production from going off line by using machine learning to predict equipment failures, said Lisa Helper, a geologist at the Houston company. Otherwise, it could take about a week for a worker driving around in a truck to check all the wells, looking for those that had stopped pumping.

"We always want to be a lean operator," Helper said last month at an industry conference in Houston. "Utilizing AI and machine learning in the field, in the office, then eventually through subsurface analysis has enabled us to keep a very tight, optimal workforce."

Old Power Lines Plus Climate Change Mean a Growing Risk of Utilities Starting Fires, NPR

A power pole "that appeared to be decayed at the base."

That's what Texas state investigators now say appears to have fallen and caused the largest wildfire in the state's history. The electric utility - Xcel Energy - said in a statement that "its facilities appear to have been involved in an ignition of the Smokehouse Creek fire."

The U.S. is brimming with aging power infrastructure. Many of the nation's power lines were built 60 to 70 years ago, says Rob Gramlich, president of consulting firm Grid Strategies. "Old, literally rusted assets," he says.

Many utilities don't have the technology to know when power lines are overheating or sagging, potentially onto brush or trees, he says. These things spark fires.

And now those old power lines are coming into contact with the growing impacts of human-caused global warming. Drier vegetation and hotter weather caused by climate change can fuel larger, more intense wildfires.

Climate change has brought fire risk to unexpected places, like Louisiana's wetlands and Maui, where high winds downing utility power lines are under investigation for causing catastrophic fires.

Utilities are waking up to the threat of fire in new places and new times of the year, says Scott Aaronson, senior vice president of security and preparedness at the Edison Electric Institute, the leading trade group for investor-owned utilities. "This is not normal," Aaronson says.

"There's not a single investor-owned electric company that does not have fire risk on their list of things that they are concerned about."
But not all these power companies are prepared, says Michael Wara, director of the Climate and Energy Policy Program at the Woods Institute for the Environment at Stanford University. He says his research in the West finds too few utilities are adopting simple solutions that greatly reduce the chance of igniting a wildfire.

"There are some utilities that are really leaders and are getting ahead of the risk," Wara says. "And then there are others that we look at and think are walking into a catastrophe."

There are solutions to prevent wildfires, but many utilities aren't using them

There are some basic - and relatively cheap - things that utilities with even a small wildfire risk should be employing, Wara says. Things like weather sensors

Old Power Lines Plus Climate Change Mean a Growing Risk of Utilities Starting Fires, NPR

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on power poles. They can give power companies a much clearer sense of dangerous conditions like strong winds or dry, hot weather.

"It's not expensive, right? It's those little weather stations you'd buy and maybe put on your house if you were a weather nerd," Wara says.

Also utilities can change settings to automatically turn power lines off when conditions are unsafe, he says. "The utilities have the tools. This is not a mystery," Wara says.

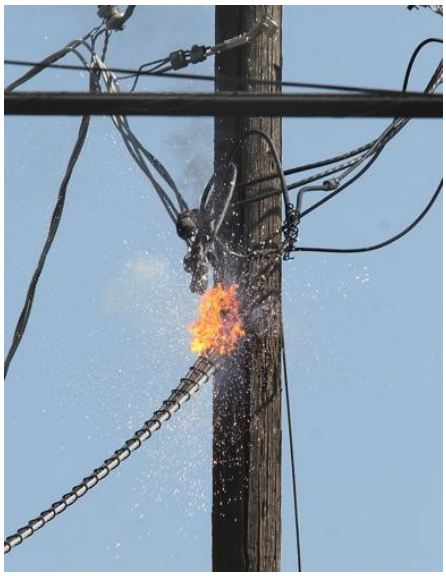
Part of the problem may be that many utility companies aren't always incentivized to make the fixes and operational changes that are key to reduce wildfire risk, says David Pomerantz of the Energy and Policy Institute, a utility watchdog. Instead he says many power companies are biased towards building expensive things which can guarantee a profit.

"A lot of utilities probably aren't spending as much internal staff time and potentially as much money on those parts of the business that don't earn Wall Street a return, but are really important for safety," Pomerantz says.

Aaronson of the Edison Electric Institute says many utilities are already investing more heavily in sensors, more aggressive vegetation management, and proactive shutoffs to reduce wildfire risk. "I don't think that there is a misalignment of incentives," he says.

Whether utilities dedicate necessary resources to wildfire prevention will not just affect Americans' safety, but also the affordability of electric bills across the country, Wara says. He notes some utility investors see growing financial risk because of increased wildfires.

"We cannot afford – literally, in terms of our pocketbooks – to have utilities be perceived by their investors as high risk," Wara says. "There is a set of practices that utilities can take that do not cost an arm and a leg that can dramatically cut the risk of outcomes like we saw in Texas."



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