SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

SSDA News

Service Station Dealers of America and Allied Trades

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INSIDE THIS ISSUE:

Government Affairs Update

By Roy Littlefield

SSDA-AT supported right to repair efforts on the state and federal levels have made tremendous strides.

The REPAIR Act, which would give vehicle owners the right to repair their cars where and how they like, was unanimously approved by the House Energy and Commerce Subcommittee on Innovation, Data, and Commerce.

SSDA-AT is now pushing for a full vote from the Energy and Commerce Committee. The REPAIR Act now has 48 co-sponsors. 24 Democrats and 24 Republicans.

Recently, Maine voters overwhelmingly approved a SSDA-AT supported right to repair ballot initiative.

Maine voters decided "yes" to Question 4, allowing local repair shops and mechanics access to the same data as dealerships. A "yes" vote allows all mechanical information about a vehicle to be made available beyond dealerships regarding things like being able to diagnose and repair vehicles along with regular maintenance issues. Over 84% of voters supported the measure. SSDA-AT supported the efforts and will work towards enacting the new law.

Recently SSDA-AT attended the Annual Meeting of the American Highway Users Alliance. SSDA-AT remains a strong and active member of the Alliance. This meeting featured presentations from Members of Congress, Administration officials, and leading transportation experts who examined the current legislative and regulatory landscape. SSDA-AT engaged with the following speakers at the meeting: Senator Tom Carper (D-DE), Senator Kevin Cramer (R-ND), Senator Shelley Moore Capito (R-WV), House Transportation & Infrastructure Committee Chairman Rep. Sam Graves (R-MO-06), Rep. Garret Graves (R-LA-06), Rep. Rick Crawford (R-AR-01), Rep. Rick Larsen (D-WA-02) Federal Highway Administration Deputy Administrator Andrew Rogers, Joint Office of Energy and Transportation Director Gabe Klein, Federal Highway Administration Administrator Shailen Bhatt, and White House Council on Environmental Quality Chairwoman Brenda Mallory.

Recently, SSDA-AT joined a joint trades letter strongly urging Congress to delay implementation of the beneficial ownership reporting under the Corporate Transparency Act (CTA) by one year. A year's delay will provide the business community with more time to educate owners of their new obligations.

Does Your Online Presence Deliver the Information Your Website Visitors Expect During the Holidays?

When shoppers come to your store in person, they expect a certain level of customer service. They expect to be greeted by a friendly salesperson. They expect to receive answers to all their questions. They expect to see signs and find helpful information about your store hours, product pricing, promotions and more.

The same is true for your digital storefront. When shoppers visit your website, they expect a certain level of service and customer convenience. They expect to see the same information and receive the same helpful guidance they would get when they visit you in person. If they don't, it's easy to exit your digital store and search for something else.

Does your online presence live up to these high expectations? Does it deliver all the information your customers expect? This article will outline some necessities that customers expect to see on your website, especially during the holiday season:

Digital Storefront Must-Haves

- Store hours
- Comprehensive product listings

Customer reviews and ratings

- Contact information and support

Online financing tools

Holiday Support Services

- Holiday promotions and discounts
- Gift guides

Service and maintenance information

- Safety information
- Shipping and delivery
- Returns and exchange policies

Weather-related and other alerts

Additional Online Outlets

Social media integration

Digital Storefront Must-Haves

Store Hours

Even though your digital storefront can offer customers just about everything they can find at your physical store, including a seamless online buying experience, many customers will still want to visit you in person. They may want to see a unit before purchasing or meet a sales rep to ask questions, or just experience the thrill of browsing a showroom and being around likeminded, similarly passionate people. Whatever their reasons, your website should display easy-to-find store hours that tell customers when and how they can come see you.

Display store hours in an easy-to-find place on your website. If your dealership has adjusted hours or holiday closures, these changes should be displayed prominently. You may even consider including adjusted hours and holiday closures on your homepage banner.

Comprehensive Product Listings

Shoppers want to see features that empower them to continue down the path to purchase. Among the most important of these features are your product listings. Shoppers want to actually see your available inventory, not just the brands you sell or a vague description of the items you have in stock.

They want to see detailed listings of all available units with accompanying pricing, availability and high-quality images. Include details about technical specifications, especially if a unit has some uncommon or highly desirable feature.

Let shoppers know what's in stock and what's coming soon. Tell them about limited-time promotions or special offers on the product pages. Include information about recommended service and maintenance, so

Continued on page 3

NET DRIVEN

Continued from page 2

they can take care of their new purchase.

Customer Reviews & Ratings

Reputation management for online businesses is all the rage these days, and it's easy to see why. Customers can say just about anything about your business and your products online—good or bad. You can either offer your customers a platform for speaking their mind and leverage those reviews to generate more customer interest, or you can leave your business and your reputation to the whims of online discussion boards and review sites.

Specifically, when it comes to retail, customers want to learn more about what you offer and what other people think about the products themselves. In fact, they expect to see this. According to Global Newswire, **95%** of consumers read online reviews before they shop and **58%** say they would pay more for the products of a brand with good reviews.

Adding reviews and ratings for both units and accessories might be one of the best things you can do for your business. That's because **90%** of customers say that what they decide to buy is influenced by positive online reviews, and **94%** will use a business with at least four stars.

Contact & Customer Support

When customers come to your website, they have questions. They should be able to answer a lot of those questions just by browsing your website. But in addition to doing their own research, many shoppers will want to reach out to you, and most of them will want answers immediately, especially in cases of support.

Give your website visitors clear contact information (perhaps included in a dropdown menu on your site) and customer support options such as live chat, email, and phone support. Live chat, email and phone support can give shoppers quick answers to their questions and help direct them to the department or person they need to speak with in a timely manner. As much as **38%** of consumers are more likely to buy from a company that offers live chat, according to Kayako.

Online Financing Tools

Shoppers want to see every last detail of your inventory. When they find a unit they're interested in, they'll naturally want to know what it takes to buy it and whether or not they can afford it.

The more information you can give your customers about your pricing and financing plans the better. Not only does this act as a natural filter to separate the browsers from the buyers, it gives shoppers a chance to take the next step toward purchase, right on your website.

Give your customers information about available financing plans, interest rates, and monthly payments. This information can push interested buyers closer to making a purchase.

Deliver the Online Presence Your Customers Expect

Modern shoppers expect a lot from modern dealers, but the good news is that you can deliver on their high expectations with a few smart inclusions to your website. Review this article and pay attention to what your customers want as you meet and interact with them. With a few smart inclusions to your website, your business will deliver the ultimate online shopping experience to attract more customers and close more sales this holiday season.

Contact us for a free demo today! https://www.netdriven.com/

EIA: US Winter Gas Storage at Highest Level in 3 Years

Energy Information Administration estimates show working natural gas inventories in the contiguous US totaled 3,776 Bcd/d at the end of the injection season, representing the highest winter season storage level since 2020 and a 5% increase compared to the previous five-year average. The mild 2022-2023 heating season facilitated inventory growth even though net additions during the injection season decreased by 9% year-over-year to 1,953 Bcf.

OT Rule Release targeted for April

The Biden administration just released the Fall 2023 Regulatory Agenda. We wanted to flag for you that the FLSA Overtime final rule is now targeted for April 2024.

USA Energy Groups Respond to COP28 Outcome, RigZone

Several U.S. energy groups have responded to the outcome of the COP28 climate summit, which wrapped up.

The COP28 website highlighted that the summit concluded "with a historic agreement by 198 Parties to deliver a new era of climate action".

"The parties agreed a landmark text named The UAE Consensus, that sets out an ambitious climate agenda to keep 1.5°C within reach," the site noted.

"The UAE Consensus calls on parties to transition away from fossil fuels to reach net zero, encourages them to submit economy-wide Nationally Determined Contributions (NDCs), includes a new specific target to triple renewables and double energy efficiency by 2030, and builds momentum towards a new architecture for climate finance," it added.

In response to the COP28 final agreement, the American Petroleum Institute's (API) Senior Vice President of Policy, Economics and Regulatory Affairs, Dustin Meyer, said in a statement posted on the API site, "demand for affordable, reliable energy will continue to rise as global population increases, and the world will need more sources of energy, not fewer".

"The U.S. has led the world in both production gains and emissions reductions, and our industry is focused on building on this progress by accelerating innovation, advancing smart policies and investing in low-carbon technologies," he added.

"We're committed to working with policymakers on solutions that keep all options on the table - from renewables to oil and natural gas - and advance our shared goal for a cleaner, more secure energy future," he continued.

In a statement sent to Rigzone commenting on the pact signed at the conclusion of COP28, National Ocean Industries Association (NOIA) President Erik Milito said, "the goals set by COP28 underscore the pivotal role of the American offshore industry in achieving the objectives of mitigating climate change while enhancing global living conditions".

"As global energy demand continues to rise, the reality is the necessity for all energy sources to remain into the foreseeable future in order to effectively meet the energy security needs of a growing global society. The U.S. offshore region is uniquely situated to provide the energy sources Americans rely upon for a high quality of life, while also providing a roadmap for addressing emissions," he added.

"The U.S. Gulf of Mexico stands out for consistently demonstrating the ability to produce oil and natural gas with lower greenhouse gas emission intensity than almost all other regions. Encouraging increased production in the Gulf of Mexico is not only in the national interest but also globally advantageous, preventing a shift to higher-emission sources to meet energy demands," Milito continued.

"Moreover, the rapid expansion of the American offshore wind sector and the advancements in offshore carbon sequestration provide potent tools to address global emissions. While the strategic benefits of U.S. offshore wind are widely acknowledged, the Gulf of Mexico presents substantial potential for offshore carbon sequestration," he went on to state.

Widespread adoption of carbon capture and storage is a key tool for achieving global climate change ambitions, Milito said in the statement.

"The Gulf of Mexico, with its abundant geological prospects for carbon storage, well-established energy infrastructure, proximity to industrial centers for emissions capture, and a readily available engineering and energy knowledge base, stands as a key player in this effort," he added.

Milito went on to state that an American-led energy transition "offers vast advantages".

"It allows significant strides against climate change while ensuring global access to reliable, affordable, and responsible energy production and boosting our national security," he noted.

In another statement sent to Rigzone on the outcome of COP28, Energy Workforce and Technology Council President Molly Determan said, "as we evaluate the agreement stemming from COP28, we must recognize that oil and gas will continue to play a significant role in energy production for years to come".

"Despite headlines claiming the death of fossil fuel production, the oil and gas industry has long prioritized finding innovative ways to reduce emissions and implement technologies that are shaping the future of energy production," Determan added.

"The reality is that the oil and gas industry is leading the charge towards a more sustainable future, driving the energy revolution with emerging technologies such as CCS and expanding hydrogen production," Determan continued.

New Mexico Governor Kickstarts Effort to Overhaul Oil and Gas Regulation, Capital and Main

After failing in the last legislative session early this year, a major update of New Mexico's Oil and Gas Act is again in the works, this time with a sharp push from Gov. Michelle Lujan Grisham's office. The Oil and Gas Act is the bedrock law outlining how production of the two fossil fuels is regulated in the state, and it hasn't seen a major update in decades. If finalized, the new bill would be introduced in the legislative session that begins in January.

"This effort was spurred by a recognition that the Oil and Gas Act is stale," said Sidney Hill, public information officer with the New Mexico Energy, Minerals and Natural Resources Department (EMNRD), which is home to the Oil Conservation Division, the state's main oil and gas enforcement agency. He said the last notable changes to the act happened in the 1980s and '90s. "The act," Hill said, "no longer contains all the tools necessary to oversee the current industry and ensure robust environment protection."

The seven areas of discussion tie up loose ends and loopholes in old laws, lock a recent rule into a new law that can't be easily knocked down by future administrations and update fines and fees to reflect cost increases and align with those in neighboring states.
Proposals include:

Phase out freshwater use in oil and gas operations entirely.

Lock the state's 98% gas capture target into law.

Increase new well setbacks from "sensitive locations" like homes, schools and hospitals.

Increase bonding fees to reduce state liability for orphan wells.

Increase fees and penalties.

Direct penalties collected to a well reclamation fund instead of the state's general fund.

Tighten transfer rules for old wells that could end up being abandoned by new owners.

Hill said that the initial proposals stemmed from EMNRD's experiences working under the old act for the last four years (Lujan Grisham took office in 2019). "The proposal," he said, "represents an area of potential common sense reforms that have some possibility of achieving consensus."

The process began back in September and has remained fairly hush-hush, despite nearly 50 participants from state government, environmental groups and energy companies and their lobbyists and lawyers. Working documents provided by EMNRD mandate the meetings not be recorded and ask participants not to share invitations to meetings without EMNRD approval, to allow for "frank and constructive" discussions.

Hill, answering questions sent to both EMNRD and the Governor's Office, said that Lujan Grisham's office helped define the areas of discussion and hosted the first meeting in early September. Since then, EMNRD has taken the lead on hosting meetings and shepherding talks.

Lujan Grisham's public schedule for the days after the initial meeting shows her seeing representatives from ConocoPhillips, Chevron and Oxy as well as ExxonMobil CEO Darren Woods — all companies at the Oil and Gas Act discussion table. Maddy Hayden, director of communications for the Governor's Office, said those talks "were wide-ranging and included compliance with New Mexico's regulations and companies' efforts to diversify into renewable energy."

Tannis Fox, senior attorney with the Western Environmental Law Center, helped create the previous attempt at reform shot down in the last legislative session and is part of this working group as well. "I think that our legislative effort … provided a certain catalyst for this," she said.

"The forum … has been valuable for all sides of the table," she said. "It's been good for everybody to hear everybody."

The Lujan Grisham administration has a track record of environmental initiatives in the oil and gas sector. Rules that rein in leaking methane and other pollution from oil and gas operations across the state, implemented in 2021 and 2022, are a basis for the Environmental Protection Agency's brand-new, nationwide methane reduction rules, announced by the EPA and Lujan Grisham at the United Nations' COP28 international climate change conference in Dubai over the weekend.

However, back in New Mexico, environmental groups have sharply criticized the Governor's Office for the dearth of environmental bills passed in the

Continued on page 7

New Mexico Governor Kickstarts Effort to Overhaul Oil and Gas Regulation, Capital and Main

Continued from page 6

last legislative session. That failure helped spur the Center for Biological Diversity, WildEarth Guardians, YUCCA and others to join together to file a lawsuit against the administration and other branches of state government for not upholding laws to protect the environment, natural resources and citizens' health from oil and gas production. Those groups would normally be at the table in big environmental discussions like this, but they aren't this time because they declined to follow "evidentiary protections," Hill said.

A representative from ExxonMobil and Missi Currier, president and CEO of the New Mexico Oil and Gas Association — the state's largest industry group — referred all questions back to EMNRD. Emails sent to other industry groups and oil production companies in the working group went unanswered.

Fox said the three meetings so far have been "productive and respectful." Hill said there have been "robust discussions" and "frank exchanges." Kayley Shoup, director of Carlsbad-based Citizens Caring for the Future, said that despite the differing views, "Definitely no one has gotten up and walked away." All three said the main goal is to get something in front of the Legislature for the short, one-month session that starts in January — but that's not a given.

Shoup lives and works in the middle of the Permian Basin, the most productive oilfield in the country. She has been particularly focused on getting setbacks implemented to keep new wells away from people's homes. "I find it crazy that setbacks are the most contentious things," she said. "It's people's lives. Its people's health. I really find it really quite sad that that's something that is so hard to get over."

She said that while most discussions have been productive, provisions for setbacks could be on the chopping block.

"It's been hard to not have too many frontline groups in the room," Shoup continued. And, "We're the only one from the Permian [Basin]." An attendee list shows nearly 30% of participants are from environmental groups, three are from EMNRD and the rest — more than half — work in or for the oil and gas industry. "They have a lot of power in the Legislature. That is a reality we have to be cognizant of," Shoup said.

The reform efforts that died in legislative committees earlier this year were spread across three bills and contained many of the ideas in the current debate. The biggest of the trio was also championed by leaders from the State Land Office and the Indian Affairs Division. That didn't save it — time ran out on the legislative session before it got a second committee hearing. The other two died in their first hearings, with significant pushback from Democratic legislators. New Mexico has strong Democratic majorities in both houses and a Democratic governor, and while Democrats tend to vote for environmental issues more than their Republican counterparts, oil and gas bills still face a tough slog. Furthermore, fossil fuel companies donate substantially to Democrats.

Those donations are funded by continued, increasing production, particularly in the Permian Basin. Shoup sees the effects of that daily, in both pollution and increased flaring at wells, despite relatively new state rules that ban venting and routine flaring from wells and cap the amount of methane those wells can leak. "I feel that I see more flares than ever before," she said. That's due in part to a loophole in the rules that allows flaring during the initial startup of a well. And with all of the new drilling in the basin, she said, "You can only control so much pollution when you have new things going up 24/7." Plus, she said, "There's a huge lack of enforcement" due to underfunding of the Oil Conservation Division and the New Mexico Environment Department, the two state agencies that monitor industry.

That's why she and others are working on the bill proposal. "We're definitely not saving the world with this," she said, "but even what's being done, though, it would be a huge step forward."

The group's last scheduled meeting is Dec. 8, with the goal of sending a draft bill to the Legislative Council Service — which drafts bills for the executive branch, among many other tasks — by Dec. 22.

"I hope the governor agrees [to the bill] and we can get something done," Shoup said. "It's about protecting public health more than anything and not about corporate welfare."

Fox says that her group won't agree to support anything until they see the final draft that goes to the Legislature, though she is cautiously optimistic. "I really want this process to work," she said. As for its chances: "I will not prognosticate."

Exxon Mobil Forecasts Increases in Project Spending, Oil Output, Reuters

Exxon Mobil (XOM.N) will target annual project spending of between $22 billion and $27 billion through 2027, the oil major said in an update that largely continues existing spending and production goals.

The largest U.S. oil producer laid out plans to boost spending on nascent lithium and low carbon businesses by 18% throughout 2027.

Its presentation, however, left out details of projected gains from the $60 billion acquisition of Pioneer Natural Resources (PXD.N) that is expected be completed in the first half of 2024, and shares closed down more than 1%.

Company executives also said most profits from its push into energy transition businesses including carbon dioxide abatement and storage and lithium production would come after 2027. Profits from those units also will depend on government help through regulations and infrastructure.

"All those things are coming together," said CEO Darren Woods. "But until they ultimately land, and we know what we've got" the outlook will remain "less certain."

"Exxon will need to convince investors on the merits of the low-carbon spending from here," said Biraj Borkhataria, an equity analyst at RBC Capital in a note.

The annual forecast is watched closely by investors for its spending and production targets. This year's outlook was keenly anticipated because of deals for Pioneer and carbon pipeline firm Denbury, both of which will underpin long-range targets.

Exxon announced plans to buy Pioneer in October for nearly $60 billion in an all-stock deal, saying it plans to more than triple its production in the top U.S. shale field to 2 million barrels per day (bpd) by 2027. Denbury was a $4.9 billion acquisition to buttress its carbon business.

Exxon's estimated production growth for next year excludes more than 700,000 bpd it would gain from the Pioneer acquisition. That deal would double Exxon's Permian shale oil and gas output to about 1.3 million bpd, the company has said.

GOVERNMENT SUPPORT

Exxon's spending outlook will raise outlays for its energy transition unit, called Low Carbon Solutions, to $20 billion between 2022 and 2027, from $17 billion. But the higher spending will require government support.

"We need technology-neutral durable policy support, transparent carbon pricing and accounting, and ultimately, customer commitments to support increased investment," Woods said.

Exxon will increase its share buybacks to $20 billion annually through 2025, from $17.5 billion currently, after the Pioneer merger closes, the company said. An ongo-

Exxon Mobil Forecasts Increases in Project Spending, Oil Output, Reuters

Continued from page 8

ing divestment plan for its refining operations also will continue.

Analysts said excluding any contributions from the Pioneer deal, the company's oil and gas targets were below expectations and its spending forecast higher than expected.

Analysts also anticipate a delayed production start-up at Exxon's liquefied natural gas (LNG) Golden Pass plant to 2025, following the company's updated goal for mechanical completion by the end of 2024.

Annual project expenditures could hit $32 billion by 2027, above market expectations, assuming an incremental $4 billion-$5 billion in spending on Pioneer's assets, RBC Capital said.

Exxon projected earnings and cash flow to rise through 2027 by $14 billion on a combination of cost cutting, higher oil output from Guyana and U.S. shale and gains in its refining and chemicals business. The company is forecast to earn $37.2 billion this year, according to financial firm LSEG.

Increase cash flow will come from higher earnings and a new $6 billion cost reduction target through the end of 2027. The company slashed project spending and overhead after suffering a historic $22 billion annual loss in 2020.

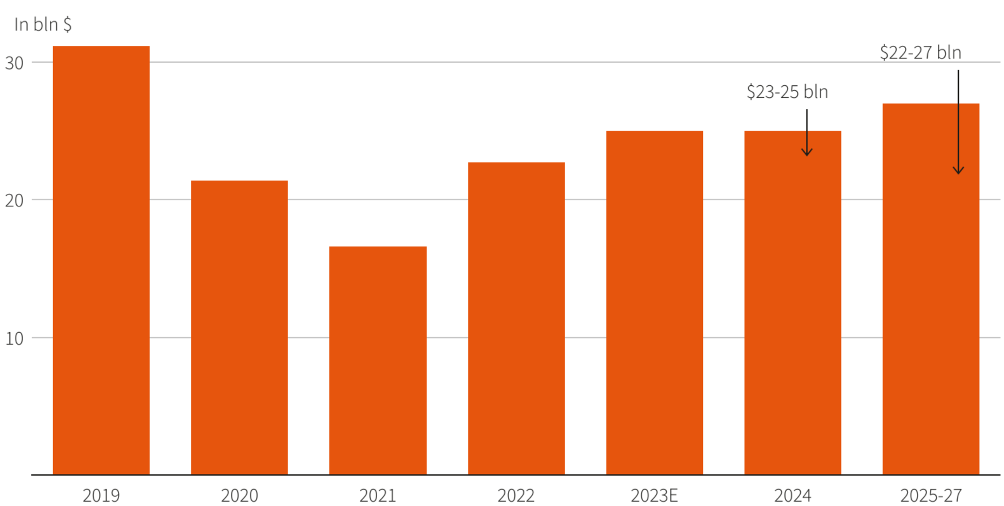
SHALE, GUYANA OIL GAINS

Exxon forecasts production of 3.8 million barrels of oil equivalent per day (boepd) in 2024, from 3.7 million this year, as it bets on a lift from the Permian shale basin and Guyana.

Spending on new projects will expand to between $23 billion and $25 billion next year, with a range that has a mid-point spending of $24.5 billion annually from 2025 through 2027.

Exxon targets short-term spending at $23-25 billion

The largest U.S. oil and gas producer has increased capital expenditures over the past two years, but plans to keep them below pre-pandemic levels



Source: Exxon Mobil

ConocoPhillips Enlists 3D Printing for Supply Efficiencies on Alaska's North Slope, CIO

The harsh, remote landscape of Alaska's North Slope does not evoke thoughts of digital transformation. At yet when it is home to many of your company's assets, as is the case for ConocoPhillips, sometimes the best IT strategy is to bring technologies closer to the edge.

"Aside from being extremely cold, working on the Slope presents major supply chain challenges," says Pragati Mathur, chief digital and information officer for the energy exploration and production stalwart. "Carlo had an inkling that 3D printing could really change the game."

Mathur, who held tech chief roles at Staples and Biogen before coming to ConocoPhillips in 2021, is referring to Carlo De Bernardi, a principal engineer at ConocoPhillips responsible for scaling the company's adoption of 3D printing. To understand 3D printing's value proposition in this region, says De Bernardi, you must first appreciate the extreme operating conditions.

On Alaska's North Slope, about 250 miles from Fairbanks, lies Kuparuk (pictured above). A stone's throw from the Arctic Ocean, the region is subject to winters as long as they are harsh. Temperatures frequently drop to negative 40 degrees Fahrenheit, and polar nights plunge the area into darkness for weeks at a time.

Yet this site is home to one of ConocoPhillips's three major development programs in the state, and central to its operations are the company's gas turbines. Through a process of combustion, these turbines compress most associated natural gas, which is then re-injected into the reservoir for Enhanced Oil Recovery (EOR), which in turn generates the electricity that powers production facilities, support infrastructure, and some drilling equipment, such as draw works and mud pumps.

The process of combustion that enables the turbines to compress associated natural gas and produce electricity is itself enabled by a key component known as a burner plug, which allows fuel to be mixed with compressed air. With use, these plugs wear out, and since many of the original plugs are no longer manufactured, they can be replaced only by local machine shops that still employ traditional manufacturing processes.

House Democrats Formally Unveil Vision for Energy Policy Reforms, The Hill

"We as Democrats have been too silent on what is Democratic energy policy," Rep. Sean Casten (D-Ill.) told The Hill.

Casten framed the bill as his party's answer to H.R. 1, the Republican-authored energy plan that sought to repeal tax credits for renewables and make it easier to drill for and export fossil fuels — fuels that America's domestic grid is slowly moving away from.

"We know what the Republican energy policy is — it's a policy that puts the interests of energy producers and energy exporters first," Casten said. "There needs to be an energy policy that puts the consumer's interests first."

Authored by Reps. Casten and Mike Levin (D-Calif.) and signed on to by 74 additional House Democrats, the bill would create preapproved routes for major transmission lines on federal lands, provide a 30 percent tax credit for new transmission lines, give federal energy regulators the exclusive authority to approve major interstate power lines and involve communities in permitting questions at the outset.

It comes amid an ongoing debate about whether and how to reform the nation's system for approving energy and other infrastructure projects. Democrats have broadly pushed for policies that support renewable energy, including a general build-out of power lines that they say are key to getting renewables on the grid and bolstering grid reliability.

Republicans, on the other hand, have sought to make it more difficult for communities to challenge projects they don't like — in addition to including less politically feasible proposals to bolster oil and gas.

The Levin-Casten bill is similar to a discussion draft unveiled by the two lawmakers in April, with Levin saying the pair just made "tweaks here and there" in response to feedback.

In its current form, the legislation has virtually no chance of passing. Still, its introduction further solidifies a starting point for House Democrats. Senate Democrats have their own legislation with many similar goals to the Levin-Casten bill.

Levin described the bill as a "consensus Democratic position." Putting such a consensus forward "is all about making sure that any compromise includes the stuff that will move the needle on transmission and on building out the backbone for clean energy that's needed."

Levin said certain pieces of the bill could become law, pointing to proposals that pertain to grid reliability as possible points of agreement. However, he acknowledged that passing the proposal would require a Democratic majority.

Lawmakers have been at an impasse for several months, as Republicans have taken issue with Democrats' push for transmission – citing concerns about the federal government's role in approving power lines and how states share the costs of new transmission lines.

It's unclear whether or when lawmakers can resolve those issues — or whether there will ultimately be a bipartisan compromise package.

Casten said the bill aims to shift incentives for utility operators who are reluctant to connect to another grid with cheaper electricity. Those operators might say, "'I have built this [infrastructure] where I make money at $50 a megawatt hour — and now you want to bring $40 a megawatt hour power onto my system?'"

The new bill, he said, changes that math "so that when that utility agrees to interconnect their system, they have an economic interest in making that happen instead of an economic disinterest."

Rep. Raúl Grijalva (D-Ariz.), the ranking member of the House Natural Resources Committee, said the bill would "help us build out the infrastructure we need to put clean energy in American families'

SSDA-AT Signs Death Tax Repeal Support Letter

Dear Representatives Feenstra and Bishop:

On behalf of SSDA-AT, thank you for introducing the Death Tax Repeal Act of 2023 to permanently repeal the estate tax.

Historically, SSDA has supported increased estate tax exemption thresholds indexed for inflation, permanent lower tax rates, and provisions for spousal transfer and stepped-up basis.

Additionally, SSDA supported the temporary estate tax relief in the Tax Cuts and Jobs Act (TCJA), which doubled the exemption to approximately $12.9 million for tax year 2023 and indexed future increases for inflation through 2025.

These changes represent significant relief to family-owned businesses from the estate tax. However, without further Congressional action the temporary increase in the exemption amount will expire at the end of 2025, increasing uncertainty and planning costs.

While SSDA supports making the estate tax provisions of TCJA permanent, SSDA continues to believe that repeal is the best solution to protect all family-owned businesses from the estate tax.

Thank you for your continued efforts to support America's family-owned businesses and farms. We look forward to working with you to advance this important issue.

Sincerely,

SSDA-AT

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SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

IEA Sees Oil Demand Headwinds, but Raises 2024 Growth, Argus

In its monthly Oil Market Report (OMR) released today, the IEA said a deterioration in the macroeconomic outlook led it to a 390,000 b/d downward revision to its oil demand growth forecast for the final quarter of 2023. This was the driving force behind a 90,000 b/d downgrade to its 2023 demand growth estimate, which is now 2.27mn b/d.

"The impact of higher interest rates is feeding through to the real economy while petrochemical activity shifts increasingly to China, undermining growth elsewhere," the IEA said.

But the Paris-based organisation increased its oil demand growth projection for 2024, by 130,000 b/d to 1.06mn b/d, "on account of a somewhat improved GDP outlook compared with last month's report." This would bring oil demand to a record 102.78mn b/d next year, compared with 101.73mn b/d in 2023. Still, its growth forecast for next year is less than half that of Opec, which this week kept its projection unchanged at 2.25mn b/d.

The IEA revised up its global oil supply growth estimate for this year to 1.8mn b/d from 1.7mn b/d in last month's OMR, with the US, Brazil and Guyana leading the way. It said US supply growth "continued to defy expectations" with output "shattering" the 20mn b/d mark in September. The IEA has upgraded US supply by close to 700,000 b/d since its June report, mostly because of better-than-expected operating efficiencies and well productivity.

It expects the US to continue leading supply growth in 2024, although this will slow to 600,000 b/d from 1.4mn b/d this year. Global oil supply growth is seen easing to 1.3mn b/d in 2024, down by 300,000 b/d from last month's report.

Much of this is because of the recent Opec+ decision to extend and deepen its production cuts into the first quarter of next year. Although the group announced a headline supply cut totalling 2.2mn b/d, actual new production cuts equate to a reduction of just 500,000 b/d compared with current targets.

The cuts mean the market will be in a supply deficit in the first quarter, reversing a previously projected inventory build, according to the IEA. But as things stand, there will be a surplus of 420,000 b/d for the year according to the IEA, and its latest estimates show the market in a surplus for 2022, 2023 and 2024.

It said oil market sentiment turned "turned decidedly bearish in November and early December" as "non-Opec supply strength coincided with slowing global oil demand growth."

Front-month Ice Brent crude futures had dropped from a 2023 high of almost $97/bl in late September to around $75/bl in early morning trading today. The IEA put the call on Opec crude at 28.4mn b/d in 2023, down from 28.7mn b/d last month. It estimates the call next year at 28.2mn b/d.

ExxonMobil China Cracker Project to Add 2.5m tonnes/year of PE, PP Capacity – CFO, ICIS

ExxonMobil's China cracker project will include 2.5m tonnes/year of combined polyethylene (PE) and polypropylene (PP) capacity downstream, its chief financial officer (CFO) said.

"When completed, the complex will have three PE and two PP lines for a combined performance product capacity of over 2.5m tonnes/year. This capacity will more efficiently serve China's domestic demand, which is currently being met with imports," said Kathy Mikells, CFO of ExxonMobil, at the company's investor day.

The breakdown will be 1.65m tonnes/year of PE and 850,000 tonnes/year of PP with the first full year of operations in 2026. The cracker, being built in Huizhou in Guangdong province, is targeted for start-up in 2025.

Construction costs are also expected to be substantially lower than building a similar project on the US Gulf Coast.

"By building it in China, we are seeing a construction cost advantage of about 50% versus the US Gulf Coast, and our project team is helping set new Chinese construction records," said Mikells.

"The China petrochemical complex is a significant step in growing our global manufacturing footprint and will be the first 100% foreign-owned petrochemical complex built in China," she added.

The differentiated performance aspect of the downstream PE and PP in the China project should drive an attractive return on investment, said Karen McKee, president of ExxonMobil Product Solutions, in an earlier interview with ICIS.

"Whatever we invest in, we're always looking for an advantaged project with an advantaged return. For our chemical business, we have the advantage of our performance products… that have attributes that customers are somewhat willing to pay more for, typically because they can use less plastic to deliver the same utility," said McKee.

"And so inherently, we have some advantages that we've built into this project. The other thing we've brought to bear is this great skill we have at ExxonMobil on project building. We are able to be very cost effective," she added.

Service Firms Use AI, Automation to Boost Precision, Safety, MRT

Finding and producing crude and natural gas is far, far removed from the days of acting on a geologist's hunch or a wildcatter's gut feeling.

Today's oilpatch is increasingly turning to artificial intelligence and automation to pinpoint the best spot to drill, to safely and remotely operate equipment and to predict when a piece of equipment might fail.

"AI, Automation and Boots on the Ground" was the topic of a panel discussion at the recent Hart Energy Executive Oil Conference, with representatives from Halliburton, AlphaX Decision Software and Vital Energy discussing AI, automation and their use of the technology.

Sammy Haroon, founder and chief executive officer of AlphaX, offered several case studies at the conference, including one in which the company's Sky AI-based software was used to perform a new basin evaluation valued around $50 million. He told the Reporter-Telegram the software is used in the office by multi-disciplinary teams – engineer, operations, planning – to get proved developed producing and inventory forecasts to accelerate a variety of internal workflows. In the case study he cited, the engineering team, with no prior experience in the San Juan Basin, ran three different models on the target PDP assets to develop forecasts and build type curves and did a full basin evaluation of all the wells in the basin to compare the target assets to others. Both were accomplished in less than six hours.

"The application of Sky's pre-built basin models in this case study showcases how AI-based basin evaluation can assist with rapid asset forecasting. This method offers a faster and more accurate assessment of potential assets, crucial for strategic decision-making in a highly competitive and resource-intensive industry," Haroon wrote.
Sashi Talya, production manager, drilling automation with Halliburton, was also on the panel and said discussions with Halliburton' clients center on not only speeding up drilling performance to turn the wells to production faster but how to deliver the right quality for completions and casing how to ensure the well is in the right location and the right spot in the formation to produce commercially.

Service Firms Use AI, Automation to Boost Precision, Safety, MRT

Continued from page 15

"Automation drives these three things," he told the Reporter-Telegram by telephone: The right wellbore quality, the right fulfillment and the right location. He noted that in the Permian Basin, service companies regularly announce record lateral lengths and record drilling times.
Being able to repeat such performances lets Halliburton clients plan the rest of their drilling programs, he said.

"If we can predict performance, they can plan casing runs, fracturing jobs, driving efficiency through the life of the well," Talya said.
Halliburton is applying learnings from elsewhere in its global operations to the Permian Basin, Talya continued. A study conducted in Norway consistently showed automation brought consistency and value, he said.

The company has an agreement with Nabors to integrate its products into their smart system to automate the drilling process, from picking up drill pipe and making connections and tripping back into the hole as well as steering the bit and placing the wellbore.

Automation is inherently safer, Talya said – "We're asking the rig system to pick up 60,000 pounds of pipe, trip into the hole and stop. That's going from 1,000 feet an hour to zero." A human can't do that manually as effectively or safely as an automated system, he said. If not done correctly, he said it can not only endanger drilling crews but damage expensive equipment.

Furthermore, he added, "with the next generation of professionals and crews coming in, automation is the way to train them."

Looking ahead, Talya said Halliburton is focusing on learning all it can from the amounts of data collected from the drilling rigs and using machine learning and AI to develop better designs. For the industry as a whole, he said all parties need to work together and collaborate on advancing technology.

"To me, technology used 15 years ago helped start the shale revolution," he said.

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