

Subcommittee on Energy
Hearing on
“Clean Energy Infrastructure and the Workforce to Build It”
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The Honorable Joseph P. Kennedy III (D-MA)

1. The transition to a green economy presents the U.S. with incredible workforce opportunity but also, of course, workforce disruption.
 - a. How should Congress be proactively thinking about support for workers, families, and communities that have depended on the fossil fuel industry for jobs and economic development for generations?

RESPONSE:

Honorable Kennedy III, thank you for your questions.

I am the CEO of a women-owned energy startup, [Pink Petro](#) which addresses the role women are playing in the energy workforce. We represent an international community of women and men in the fossil fuel and alternative energy industry across technical and commercial disciplines. Our talent website, [Experience Energy](#) is geared at raising the profile of the energy and aims to market to the new energy workforce.

In preparation of a thoughtful response, I surveyed our community of members across several energy states in both urban and Rural America. I wish to thank my colleagues and fellow Americans, Carolyn Tucker, Flora Moon, Deanna Jones, Lois Epstein, Jeanne Perdue, and Elizabeth Haley for their thoughtful responses to your questions included in the narrative below.

My personal position on the workforce of the future for energy is that we’re not doing enough between the private and public sector. This is no small challenge and it’s going to require collaboration across all forms of energy, the private sector, government, and academia. If we truly wish to drive a low carbon economy, we need to begin working together now to address the skills needed in the talent pipeline to develop younger generations and to reskill existing generations in the workplace.

Our history explains the present. It is important for congressional leaders to understand the volatile “boom-bust” nature and history of the workforce as well the appetite for future energy jobs.

- Crude oil prices dropped sharply six times from 1981 to 2009. Between 1986 and 2000, the American petroleum industry slashed its work force 60%, according to a report by the Interstate Oil & Gas Compact Commission.
- At the turn of the century, nearly 20 years later, oil and gas companies recognized that they were confronting a potential work-force crisis as petroleum-engineering programs deflated across the nation. In that time, we stopped hiring, we *lost a generation of talent*. The industry resumed hiring levels in 2000 and then accelerated that pace of hiring when the onshore shale revolution took off in 2009.
- In 2014, oil fell from an all-time high of \$110 barrel to \$26 in 2016. The downturn mirrored the sharp labor drop in the 1980s. Additionally, within this last downturn, the industry has retired many mature and experienced hires.¹
- Compounding the challenge, there is a poor perception of oil and gas as a career. E&Y reports that only 24% of women between 16 and 35 find industry jobs appealing while 54% of men in the same age range find them appealing. And given the state of the current energy transition, we are finding less appetite by workers to re-enter oil and gas or to enter at all into the industry at all.²
- In 2019, LinkedIn released Top Companies where the US wants to work now³. Not a single energy company (fossil or alternative energy company) made the list. The majority of the list showed an affinity to technology jobs.

An exciting opportunity for America exists in LNG as a transition fuel.

- Congress needs to take a hard look at natural gas as a viable supply. It is the cleanest burning fossil fuel and the increased use of natural gas can significantly improve local air quality and public health as well as reduce carbon dioxide (CO₂) emissions. In addition to providing direct environmental benefits as a fuel, natural gas and LNG can help promote the use of renewable fuels.
- Exports could contribute as much as \$10 to \$31 billion per state to the economies of natural gas producing states. Other states will also benefit, partly due to the boost in demand for steel, cement, equipment, and other goods. States with a large manufacturing base, such as Ohio, California, New York, and Illinois, will see economic gains as high as \$2.6 to \$5.0 billion per state.⁴

¹ [Economic and Employment Impact of the Decline in Oil Prices, November 2016](#)

² [How do we regenerate this generation's view of oil and gas?. Ernst & Young 2018](#)

³ [LinkedIn Where the US wants to work now, 2019](#)

⁴ [American Petroleum Institute](#)

- Natural gas-producing states could see employment gains as high as 60,000 to 155,000 jobs; and large manufacturing states, such as California and Ohio, could see employment gains of up to 30,000 to 38,000 jobs in 2035. There could also be significant job growth in states where LNG export terminals could be built. For example, in a high export scenario, in which an Alaska-based terminal is built, Alaska could see up to a \$10 billion addition to state income and over 36,000 added jobs resulting from LNG exports.
- America is in a global race to build this infrastructure and secure a competitive position in the international market. More than 60 international LNG export projects are currently planned or under construction around the world, and those nations that act quickly to attract these investments will reap the economic rewards.

b. How do we ensure a ‘just transition’ for those communities and workers as well?

RESPONSE:

Ensuring that workers have future positions in a new energy economy is critical.

First, we need a mindset shift. We need to remove the bias that fossil fuel workers and the companies they work for don’t believe in renewable energy fuels and or deny climate change. An Ernst & Young study⁵ found that 93 percent of oil and gas executives believe climate change is real, and 67 percent say oil and gas companies want to and can be part of the solution. We all have a place to play in the transition and we need to be inclusive. We need our leaders in Congress to bring Americans together with bi-partisan support to solve the energy challenge. We need to be realistic in what we can achieve and be open to an all-of-the-above energy mix of supplies.

Second, with any transition we need to have a thoughtful approach to reskilling. While epicenters of energy in states like Texas generally have more resources, Rural America deserves consideration, resources and support as the energy transition continues. These small communities have readily answered the call to develop and deliver energy to the masses for generations, and, now, they need help to reinvent themselves and remain viable communities for generations to come.

Training. Continue and increase federal training grants in support of displaced workers. Training to be a part of the new energy economy is complicated, and not a 1 for 1 exchange - wages in the renewable energy industry are substantially lower than traditional coal and oil/gas industry positions. The average pay in the oil and gas industry is 84% higher than the national average, according to Goldman Sachs. Additionally, renewable energy operations employ a fraction of the number of employees on a rig or producing field. In small, rural communities, job opportunities are limited – even with retraining. Economic development and employee retraining must go hand in hand in impacted communities.

⁵ [E&Y: The Role for Oil & Gas in Climate Change, 2017](#)

Longer-term state and federal assistance for economic development support. Reinventing and diversifying communities with a long-term dominant industry takes time, resources, ingenuity, creativity and risk-taking. Recommend ED grants and financial support have a minimum term of 5 years, with opportunities for extension.

Assign specific individuals from state and federal economic development agencies to work for the impacted communities. Most of the affected communities do not have the resources to form an economic development authority, nor the ability to attract the skills and experience necessary to reinvent their community.

Deploy state and federal funding for quickly providing broadband service to all affected communities (and ultimately all rural communities). Rural communities have been waiting for this service and are falling behind in their ability to expand existing businesses, attract new business, and be competitive in the remote/location neutral work opportunity.

Fund a portion or all plant depreciation costs to alleviate passing on closing costs to ratepayers and communities.

Provide term-defined “bridge funding” for impacted communities to compensate for loss of tax revenue. Schools, hospitals and special districts, as well as social services rely on county tax revenues; in many counties, tax revenues could be substantially reduced when large taxpayers such as a coal mine, power plant or oil/gas company cease operations, reduces activity or leaves. Impacted entities need time and funding to adjust to this new reality.

Provide certificate programs through community colleges. The Department of Energy can work with community colleges in affected areas to develop certificate programs for greenhouse gas mitigation; Carbon Capture, Use and Sequestration (CCUS); electric car recharger maintenance and repair, and other new energy learning programs.

Work with existing professional fossil fuel societies, associations and labor organizations to co-host symposia or workshops to help members retool for a greener future, demonstrating the various new career options and pay scales and skills needed for each.

Work with the private sector to provide an informative website with jobs and outreach. Elevate the energy jobs narrative and opportunities for Americans across the energy sector.

Respectfully submitted,

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