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Kern's Energy: A look at the oil and renewable energy industry

Kern County makes up 75% of total crude oil production in the state according to a 2019 report by the Los Angeles County Economic Development.

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Bakersfield, Calif. (KERO) - When you use your toothpaste in the morning, when you slip on your shoes or check your smartphone, do you ever think about the materials it took to create them? How about your lipstick or your favorite dress?

All these products have a connection to the San Joaquin Valley, which is the heartbeat of California's oil industry.

The oil industry powers more than just the cars we drive. It also supplies hospitals with latex gloves and life-saving devices like pacemakers. Thousands of products we use in our daily lives use petrochemicals which is "a chemical isolated or derived from petroleum or natural gas."

For cities in Kern County like Bakersfield, it's ingrained into the atmosphere. The wells and the rigs are more than just a backdrop but a way of life for over 23,000 people in the San Joaquin Valley who are directly employed by the oil and gas industry according to the 2019 LACED report.

At the beginning of the pandemic, the oil industry saw record-breaking lows. As stay-at-home orders were issued, communities sheltered in place. Quarantining also meant fewer people driving and flying. Many retailers and restaurants shut their doors.

By April 2020 US oil prices plunged below zero, hitting a record low. Stocks plummeted and the oversupply of oil remained stagnant in tankers off the shores of Southern California. Oil industry leaders say the demand for oil reached an all-time low. This is detrimental for Kern County,

California's most oil-rich county and where four of the nation's top-producing oil fields are located and seven of the top ten taxpayers are all oil-related companies.

But many of the decisions that impact the county don't just happen here locally. They also happen in D.C. and with the new administration moving in things may be changing for the energy industry.

The oil industry is facing the effects of COVID-19, causing challenges

In 2010 the oil industry got another boost because of fracking, which led to new supplies of natural gas and increased oil production. But not everyone agrees with fracking.

So why is it important to Kern County?

The oil industry has supplied thousands of good paying jobs in Kern County throughout the decades but with the growing concern of climate control, things are changing for the future of energy.

Chad Hathaway, CEO of Hathaway LLC, said the biggest change he's seen locally is the demographic of the industry. He said he's seeing the Latino community begin to shift from the agricultural industry into oil and thrive.

"People don't understand how important it is to our daily lives," Hathaway said.

Hathaway said this lack of education about the importance of oil and energy leads to the creation of bad legislation. He said this system happens so fast that those in charge of implementing can't keep up.

Another issue hitting the oil industry now is the COVID-19 pandemic. Like so many other industries, oil workers have faced a difficult time with layoffs due to the pandemic.

Teresa Hitchcock with Kern County's Workforce and Development said oil is picking up a little bit now which is helping with employment in the sector. She said, however, where the industry is seeing steady growth is in the renewable energy sector.

According to the Kern Workforce Development, there are more than <u>200 training programs</u> for available for free to those interested.

Reaction to the possibility of new oil wells coming to Kern County

It was a 4 to 0 vote on the oil ordinance put forth by the planning commission just one week ago today to add thousands of new oil wells to Kern County.

Hundreds of residents phoned and emailed in their concerns both for and against this action. The meeting lasting more than two hours, discussed the possibility of nearly 45,000 new oil wells to Kern County over the next two decades.

The ordinance has been a work in progress and has been largely discussed for years but discontinued after environmental concerns.

"The changes to the ordinance are in these three areas, the mandatory setbacks, from sensitive receptors. The reduction in the annual cap and a maximum number of new wells that could be drilled," said Lorelai Oviatt, Director of the Kern County Planning Commission. "Then in the ASR, new mitigation for impacts to designated farmland noise and water."

Oviatt said the new wells will keep a 300-foot distance from schools, churches, and hospitals. The Planning Commission approved the ordinance and it will now to the Board of Supervisors for further discussion and approval.

While that meeting ignited the conversation on Kern's energy industry, it also sparked the attention of several groups for and against the drilling of new oil wells. The battle continues right here at home on climate change, what causes it, and if there is something in our community that is leading to the causes for rising emissions.

"As a community organizer, when we work with communities we ask them, 'What is your problem, what is your issue, what is your concern?'," said Cesar Aguirre from the Central California Environmental Justice Network. "In all of these rural communities, what they're concerned about is their water quality and their air quality."

Senior Scientist from the Center for Biological Diversity John Fleming says the chemicals used in oil and gas extraction are harmful to people and the environment. He said a study done out of Harvard this year claimed 34,000 people in California died prematurely from exposure to emissions from fossil fuels.

But even with these concerns, proponents for the industry say keeping the oil industry rooted in America starts right here.

"It's the unacceptable reality that without Kern County's invaluable oil and gas industry, 40 million Californians would become dependent of foreign oil," said Tracy Leach of Kern Citizens for Energy. "To most of us that's not an acceptable outcome."

Renewable energy industry experts discuss their presence in Kern County

When most people think of Kern County's energy sector the first thought that comes to mind is usually oil, but the renewable energy sector has a large presence.

Kern County is becoming the renewable energy center for California with business sectors in biodiesel, solar and wind. According to the California Energy Commission, the state is continuing to push forward towards 100-percent clean energy pulling away from oil usage.

The state's energy commission says wind energy is the country's fourth-largest source of electric capacity, behind natural gas, coal, and nuclear energy. So when you drive through places like the Tehachapi-Mojave wind corridor it's hard to miss the more than 5,000 wind turbines.

Wind energy in Kern County is also set to expand with investments in the solar industry with multiple projects in the works. The county also has another sector: biodiesel.

Crimson Renewable is California's largest producer of ultra-low carbon biodiesel and their largest plant is located right here in Bakersfield.