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**PLANNING AND NATURAL
RESOURCES DEPARTMENT**

Planning
Community Development
Administrative Operations

Kern Economic Development Corporation (KEDC)
2021 Kern County Energy Summit
SPEAKER – Lorelei Oviatt, AICP Director

Good morning, everyone,

It is such a pleasure to have our energy partners together again in person to meet and network. It is particularly important in 2021 as we face the challenges of State and National energy policies that are intent on forcing outcomes rather than creating partnership and opportunities

Over the last 15 years under the leadership of the Kern County Board of Supervisors our energy sector expanded wind and solar to become the #1 county in California for renewable, and implemented the most environmentally protective local permitting for our oil and gas industry.

Our companies produce 80% of the oil and 46% of the natural gas and we have permitted over 18,000 MW of wind and solar and 3000 MW hours of energy storage.

And we did it because of the companies in this room, not because Sacramento forced a pathway on us. Economic diversification is what we do.

The investment alone from renewable energy companies over the last 15 years totals over \$59 BILLION dollars in our county. And oil has many more billions of dollars invested here over the last 100 years.

We are an energy county and our challenge now is to design our own future with our business and community partners, rather than be given a future, which is not based in in the real world , from academic PHDs and think tanks.

What is the job ahead of us ? What new industries will produce economic revenues to sustain our public services and produce indirect business growth ?

Let's review what we have to offer. Science tell us we need to remove billions of tons of carbon dioxide from the atmosphere by 2050 to avoid the increasing impacts of climate change.

But Carbon capture needs to be implemented and the cost needs to come down for investment feasibility. We are the proving ground and we will do it and do it first. And the cost can come down. From 2009 to 2019 the cost of wind declined 70% and the cost of Solar declined 89%

It can be done and it will be done here as the Kern County becomes the Clean Energy and Carbon Management center of Excellence for California by 2030.

- ✓ New cleaner ways to extract and produce the fuels we need for our economy have been developed here by our Oil companies.
- ✓ We already have second generation alternative fuel companies up and running here in Kern,
- ✓ along with commercial scale solar integrated with battery storage
- ✓ and companies are in discussion for green hydrogen production
- ✓ permitting direct carbon removal technologies that take CO 2 out of the air,
- ✓ new ways to produce green steel and cement,
- ✓ long duration energy storage,
- ✓ wind repowering projects
- ✓ the first Carbon Sequestration projects in California. Which we will do right. Answering all the questions through a local public permitting process with full environmental review and careful public consideration.

Our continued growth in logistics, aerospace, oil and gas, with new types of agricultural industries are part of the landscape of Kern's future.

But the current process is already off the mark. In the late 1800's there was a belief that "rainfall follows the plow". Obviously we now know that is a myth. But right now Kern County is being told, with just as much certainty as that 1800 belief, that "prosperity follows destruction of the oil industry" That "paper plans" developed and lead by PHDs at universities and Sacramento politicians and staff will result in the immediate arrival of green investment dollars and permitting and construction of projects that will produce jobs. But we know, that is also a myth. Because we have 15 years of experience as the # 1 county in solar and wind.

But we are all in this conversation to figure this out. What is missing ? The conversation right now is not inclusive, as it excludes business, but we are having a different conversation now than we had in 1920 when we moved the entire economy from horses to cars. That change cleaned up the streets from 60-foot-tall piles of manure and urine but was a core reason for the Great Depression as farmers who provided hay and feed for the 25 millions of horses were bankrupt in a few short years.

So having a different conversation this time might be a good idea. The communities who have had to sacrifice in the past for the lifestyle we currently all enjoy are speaking up and want us to plan better, plan more thoughtfully, include them. I agree with them but right now initiatives and proclamations of forced outcomes from Sacramento are not productive and not the answer. We don't have everyone at the imaginary table in the conference room and the doors are locked to that conference room for the county and business unless we agree with the conclusions. Universities are good for implementing training after the businesses finish their work or lab testing ideas, many of which fail before one succeeds and Sacramento politicians are good for reducing regulation (sometimes) and streamlining State permitting.

But the central, real work is dependent and is done by the business sector. Taking an idea from a concept to a built functioning sustainable project is a complicated interaction between ideas and money, land use laws and the ever present California Environmental Quality Act (CEQA) process.

It combines equals parts of pure imagination and grit with site specific studies and a keen eye for the bottom line of profit and loss. No academic study or community planning effort will ever replace the resolve of a business founder or board of directors to make a profit while making a difference. But in partnership – together – we can locate and regulate and build these projects in a way that supports communities and reduces the impacts on health and safety.

We can listen to new points of view and new perspectives and transform our energy economy – together. And the people we need to add to the conversation and lead that conversation are in this room and are the reason that Kern County has become the leader in Oil, Agriculture and Renewable energy in California. And it is how we will navigate this challenge of transforming Kern County without leaving our quality of life or communities behind.

Kern County government that provides the important services we all count on – meals on wheels for seniors, libraries, parks, safe streets and 911 picking up and responding- receives \$ 80 million a year for the General Fund from our oil and gas activities. That can not be replaced through electric charging stations or rooftop solar or carbon management of our soil or all the other great things that have been suggested as the answer. They are definitely needed and great things but they are a small part of the bigger answer. Instead – lets keep working on what we do best – streamlining permitting, conditioning projects to protect our health, completing CEQA as fast as we legally can and supporting business to find the best fit for locations here for ideas we have never heard of before. And that includes our long term partners and friends – oil and gas companies. Over 100 years of friendship with Oil and 30 years with renewable energy.

So here's my proposal.

- ✓ Everyone has to be at the table
- ✓ Equally empowered to contribute
- ✓ Lead by implementation experts on the topic not theoretical or academic study experts
- ✓ With an atmosphere of -Discovery of a pathway to our common goal not a forced conclusion.

So my request to you today as you listen to our brilliant panels and speakers is to look at ways in your circles you can help to shift the conversation throughout California from “ we have to leave people behind, lets help them and if they don't agree to be left behind, lets fight them ” to a Transformed California with Kern County as the Clean Energy and Carbon Management Center of Excellence for California - 2030 with no one and nothing left out.

We did it over the last 15 years ago and ,with your leadership and partnership we can do again.

Thank you.