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April 2023

Tri-State Desk and Derrick



Editor's Musings

In the February 2022 Tri-State News, I shared my experience with the insurance carrier for our company's business commercial policy notifying us they would not be renewing our coverage when our current policy expired because they no longer insured businesses involved in the oil and gas industry. That issue also included an article about oil and gas industry executives' claiming that some banks are denying financing to fossil fuel energy companies, not based on their credit worthiness, but because their stockholders are swaying them towards decarbonizing their portfolios. This week, I saw that assertion was true. On the agenda at this year's stockholder's meeting for Bank of America, there is a stockholder's proposed amendment requesting adoption of a policy to cease financing new fossil fuel suppliers. The Board of Directors for the company is recommending a "NO" vote for this proposal, but apparently that has not been the case with some financial institutions. Our industry is experiencing potential discrimination in the market place.

In the news this past week, OPEC and its allies, including Russia, announced a surprise cut in production. Naturally, oil prices spiked following the news with Tuesday, April 11th's, price of WTI climbing to \$81.37 and Brent climbing to \$85.44 and prices still climbing at closing. In addition, UK's union for offshore oil workers announced a planned 48-hour strike for higher pay and better working conditions beginning April 24th. This work stoppage would affect about 1350 workers and could bring dozens of offshore platforms to a standstill. Bringing platforms to a standstill, if only for 48 hours, would still equate to a substantial cut in production in the short term. The articles I read did not speculate how this might affect the price of crude. It also did not address how potentially stopping the flow of crude might affect the general operation of the production equipment.

On a brighter note, Tri-State member Shelly Hildebrant has agreed to run for the office of 2024 Northeast Region Director on the Association's Board of Directors. At this time, Shelly is the only announced candidate for the office which will be voted on, or ratified by acclamation, at the upcoming Northeast Region Meeting to be held in French Lick, Indiana, May 17-20. Shelly is well qualified for the position having served as Director representing former Region II in 2006 and again in 2013. If you get a chance to talk to Shelly at the meeting, ask her about the role ADDC has played in helping her develop her personal confidence as well as her leadership abilities. One of the qualifications for a Region Director is that the candidate must have served or be serving as their club's president. Be thinking about that when Tri-State asks for volunteers for 2024 club officers in October.

Donna L Hartig, Editor

April Showers
Bring May
Flowers



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April 2023

To: ADDC Membership

The Spring season has arrived (although I know some are still receiving snow)! I hope everyone was able to celebrate and educate your community concerning Desk and Derrick Awareness Month. We have lost a lot of individuals in our industry due to the downturn in 2020. I am seeing growth in our industry again and for that I am thankful. Please remember an individual does not have to be employed in the oil and gas or allied industries to become a member of Desk and Derrick. Anyone who is interested in our industry is welcomed to become a member. You do not know if you do not ask! “Retain and Regrowth” is the goal for our organization.

Regional meetings will start this month and the host clubs have been busy preparing for your arrival. If you have not turned in your registration form, it is not too late! All registration information can be found on the ADDC website. I have the opportunity to attend three of the four regions this year and I am excited to be a part of educational opportunities region meetings are able to provide to all of us. If you have not attended a region meeting outside of your own region, you are missing out! Your Regional Directors have worked tirelessly for your region and have done an outstanding job of representing each of you! Please take a moment and thank your Regional Director for the time and skills they have put into this position.

Club Presidents – as in my last month’s letter, please be sure that your membership renewals are sent into ADO as soon as possible. Each club that does not have their 2023 dues in prior to the Regional Meeting, will not be in good standing and will not be able to vote on matters before the Meeting.

Committees are preparing their committee reports for region meetings and can be found on the ADDC website under the Region link and choose Region Meeting Reports. ADDC committees have been busy working towards goals for this year and you will be seeing the fruits of their labor soon.

“What you do has far greater impact than what you say.” — Stephen Covey, author, businessman and speaker

Greater Knowledge ~ Greater Service

Barbara Pappas



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Kelli Hiltbrand
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April 2023

Dear Northeast Region Members:

Spring is here! Or wait, it actually seems as though winter is starting to arrive. Our flowers are coming up and I am ready to get out and work in the yard, except it's been cold here again. Hopefully mother nature changes her mind and warmer weather will start arriving soon.

The Nominating Committee is still searching for a candidate for our 2024 Northeast Region Director. If you have previously served as a club President, please consider running for the position. With only four clubs in our region now, it is important to have volunteers step up and serve. If you have any questions on what the position entails, please reach out to me. I can honestly say that being RD has not been as scary as I imagined.

Registration packets for the Northeast Region Meeting were sent out a couple of weeks ago. I hope you will attend! The Tri-State club has been working very hard to put a great meeting weekend together. Also, please consider asking your club or company to help sponsor the event. Sponsor forms were sent out with the registration packet.

Don't forget, the deadline to file your clubs annual tax-exempt report (ADDC Form TAXE1) is May 15th, 2023. Please send your completed form and confirmation email to our region rep, Lisa Ricchiuto at lricchuto@dgoc.com.

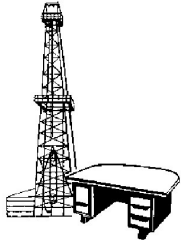
I am interested in hearing what your clubs have done so far this year and what your clubs are planning for the rest of the year. Please send me your monthly bulletins so that I can see what you all have been doing.

As you work your way through the year, keep the AIMEE contest in the back of your minds. It is much easier to plan your submissions throughout the year instead of having to think of ideas during December when we all have so much going on. Now that we are submitting entries electronically, the process is much simpler.

As always, please let me know if there is anything I can do for you.

Until next month,

Kelli Hiltbrand



**ASSOCIATION OF
DESK AND DERRICK
CLUBS**

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April 2023

We are just over a month away from the NE Region meeting. We first planned to host the meeting in French Lick many moons ago. A few years and pandemic later, we are almost there! I hope you all are as excited as I am about this meeting. We have a great field trip and fantastic seminars planned. If you have not yet turned in your registration, please do so soon! Registration price goes up on April 16th.

The 2023 Tri-State Desk and Derrick Technical or Trade School Scholarship applications have been returned. We received a total of 10 applications this year. We have several fantastic and deserving applications to sort through. If you would like to be added to the scholarship committee to review the applications please let me know.

The Spring Pork Loin Fundraiser date has been set. Mark your calendars for April 21st. The competition for most pork loins sold has never been greater. Are you in contention? Be sure to have your final sales sheet to me by April 14th.

The 2023 Golf n' Grub date is set for August 25th. Can you believe this already the fourth Golf n' Grub? Folks in the industry look forward this industry appreciation event. Please plan to attend the golf scramble and picnic in Mount Carmel, IL. It is guaranteed to be a great time.

Our next meeting will be held on April 20th at Kemper CPA Group's office in Evansville at 5:30PM. See you all there!

Yours truly,

Michael Nelligan



RENEWAL ENERGY GAINS AND BACKLOGS

Author: Donna L. Hartig

According to an Associated Press article by Isabella O'Malley updated March 23, 2023, in 2022, electricity generated by the renewable energy sources of wind and solar surpassed coal for the first time and surpassed nuclear energy for the second time in the last two years.



Although the Energy Information Administration has projected the wind share of the U.S. electricity generation mix will increase from 11% to 12% from 2022 to 2023 and solar will grow from 4% to 5%, coal and natural gas will continue to be the major sources of electric power in the near future. Natural gas was the largest source of electricity in the U.S. in 2022 generating 39% in 2022 compared to 37% in 2021 and by replacing retired coal-fired power plants, natural gas has been a major factor in lowering greenhouse gas emissions.

According to Melissa Lott, director of research for the Center on Global Energy Policy at Columbia University, the Inflation Reduction Act (IRA) influenced the amount of renewable energy projects that went online in 2022 and is expected to have a “tremendous” impact on accelerating clean energy projects.

While wind and solar are gaining marketability as energy sources, the existing electric grids were built to deliver power from a consistent source. Because they generate power intermittently, battery storage, long-distance transmission and other issues need to be addressed to assure their viability as dependable energy sources.

All that's good, but according to a February 23rd article by Brad Plumber in the New York Times, despite the U.S. being poised to invest billions in wind and solar projects and other low-carbon technologies, the sheer volume of planned projects has overwhelmed the nation's antiquated systems to connect new sources of electricity to homes and businesses.

At the end of 2021 there were more than 8,100 energy projects waiting for approval to connect to electric grids jamming the system known as interconnection. With no central power grid for the country, there are dozens of electric networks or grids across the U.S. each overseen by a different authority and each with its own requirements and restrictions.

On average, it takes about four years for a developer to get a project through the review and approval process. When developers finally get their projects reviewed, they often face another hurdle---if the local grid is at capacity, they could be required to spend much more than they planned to cover the costs for new transmission lines and other upgrades such as a line connecting the new plant to a nearby substation. The developer usually bears this cost.

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Renewable Energy Gains & Backlogs

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Delays and unanticipated costs create the very real possibility of upending the business models of renewable energy developers. As time ticks by, rising materials costs can erode a project's viability, options to buy land expire requiring re-negotiations, and potential customers can lose interest. According to research by Lawrence Berkeley National Laboratory, fewer than one-fifth of solar and wind proposals actually make it through the so-called interconnection queue. Many potential developers just give up.

A potentially bigger problem for solar and wind is that, in many places around the country, the local grid is clogged and unable to absorb more power. That means if a developer wants to build a new wind farm, it might have to pay not just for a simple connecting line, but also for deeper grid upgrades elsewhere. One planned wind farm in North Dakota, for example, was asked to pay for multimillion-dollar upgrades to transmission lines hundreds of miles away in Nebraska and Missouri.

With such unpredictable costs, entire projects can be cancelled. That creates a new problem. When a proposed energy project drops out of the queue, the grid operator often has to redo studies for other pending projects and shift costs to other developers, which can trigger further cancellations and delays.

In some cases, this has incentivized some developers to submit multiple proposals for wind and solar farms at different locations with no intention of building all of them. With projects being in the queue, they are speculating on the possibility of capitalizing on another developer dropping their project after paying for major network upgrades. These bogus proposals further jam up the queue for serious developers waiting review of their proposals.



Tri-State Desk and Derrick Club
Serving Indiana, Illinois and Kentucky



Association of Desk and Derrick Clubs
www.addc.org

The Tri-State Desk and Derrick Club was chartered in 2012 by the Association of Desk and Derrick Clubs for the purpose of educating its members and the general public about the petroleum and allied energy industries and their contributions to society. Meetings are held the third Thursday of each month. Membership is open to persons employed in or retired from the petroleum, energy and allied industries as well as individuals interested in increasing their knowledge about these industries. For more information about the Tri-State Club, contact Pres. Michael Nelligan, Countrymark Refining & Logistics, LLC, 401 Southwind Plaza, Mt. Vernon, IN 47620 Telephone: 812.833.2526

April 2023



Sun Mon Tue Wed Thu Fri Sat

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2 <i>Palm Sunday</i>	3	4	5 <i>HAPPY Passover</i>	6		8
9	10	11	12	13	14	15
16	17	18	19	20 <i>Tri-State Meeting</i>	21 <i>Pork Loins</i>	22
23	24	25	26	27	28	29
30						

Alesia Cato

April 11

