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Fracker Aims to Produce Natural Gas in a Green and ‘Guilt-Free’ Way

Dec. 29, 2023 (*Wall St. Journal*, abridged)—A shale driller is out to prove that it is possible to go completely green-while still producing natural gas.

Denver-based BKV says that by the 2030s it will store millions of tons of climate-warming carbon dioxide in wells deep underground to eliminate or offset all of the emissions generated from manufacturing and using its gas.

Hess Quickly Drops as Venezuela deploys soldiers amid Guyana Dispute

Dec. 28, 2023 (*Seeking Alpha*)--Hess Corp., which is being acquired by Chevron, quickly dropped 2.1% after Venezuelan President Nicholas Maduro said he has deployed soldiers on the country's eastern Caribbean coast as neighbor Guyana received a warship from the UK amid a dispute over the Essequibo territory.

“Venezuela has the right to defend itself, to tranquility, to peace,” Maduro said on state TV, according to a Bloomberg report.

Maduro accused Guyana of violating an agreement to continue talks without use of arms. “We do not accept provocations, threats from anything or anyone.”

5,682 soldiers were deployed, Navy Commander Neil Villamizar said alongside Maduro, according to Bloomberg.

The latest action comes after Venezuela and Guyana agreed earlier this month that the countries [will not use force over the disputed Essequibo oil-rich region](#). The countries announced the agreement after a meeting between the Guyanese President and Maduro.

The controversy between the countries comes as oilfields off the Guyana coast that Chevron bought into via its planned \$53 billion takeover of Hess, which partners with Exxon Mobil in Guyana, could be in jeopardy.

Wall Street Analysts Trim Chevron Views as Setbacks Mount

Dec. 26, 2023 (*Reuters*)-- Wall Street analysts are trimming their earnings estimates for Chevron Corp and employees are preparing for potential job cuts as a series of operational setbacks are poised to bleed into 2024.

Chevron in 2023 was hit by reversals at two key oil producing regions - the U.S. Permian and Kazakhstan - and its hopes for a quick approval of a \$53 billion acquisition of rival Hess Corp have dimmed.

The company's shares year to date are down 15%, lagging the stock performance at its four big rivals - BP, Exxon Mobil, Shell and TotalEnergies. The weak share returns contrast with its performance compared with the same companies in the five years to December 2022.

Seven Wall Street firms have lowered their fourth quarter earnings estimates for Chevron by an average 12% in the last 30 days, according to investment firm LSEG. None of the 15 firms that LSEG tracks raised their forecast.

"Chevron is a performance-driven company and recognizes that we have not been performing to our potential," a spokesperson said in an emailed response. He did not comment on whether the company is considering job cuts next year.

Estimates for Chevron's 2024 profit have been cut by an average 10.3% in the last 30 days, to \$14.17 per share, according to LSEG. Its larger U.S. rival, Exxon Mobil, also had estimates lowered, but by less than 4%.

Investors historically awarded Chevron a valuation premium on good operational delivery and capital allocation, said Citibank analyst Alastair Syme, who this month cut his target price on the company to \$148 from \$170, rating it as neutral.

Restoring investor confidence in the company's operational targets "could well take time," Syme said, characterizing 2024 as "a hiatus year in terms of growth."

The first half of 2024 "is muddied by M&A", said UBS analyst Josh Silverstein, who this month cut his Chevron target price to \$185 from \$194. Still, he rates the company a buy because of its "discounted share price" and prospects for new oil production after the second quarter of 2024.

Chevron Chief Financial Officer Pierre Breber admonished workers in an email this month, saying its oil and gas production, refinery operations and carbon abatement projects were each below plan.

"We can - and must - do better," he said, in an unusually harsh message that alarmed some employees who saw the note as an indication the company was preparing for cost and job cuts to improve 2024 results.

Breber's reprimand came together with a second request from U.S. antitrust regulators for information on its pending Hess acquisition.

CEO Michael Wirth said the request means the deal's closing "will extend further out in the year" from his hope of a first quarter completion. The delay will push back Chevron's access to the about 400,000 barrels of oil and gas per day (bpd) Hess would add to Chevron's output.

In October, Wirth disclosed a more than six-month delay and higher-than-expected costs for a 260,000 bpd expansion at its massive Kazakhstan oil project. Production at the facility will fall by 50,000 bpd compared to 2023 on maintenance and equipment changes.

In its Permian shale operations, Chevron's production fell 2% in the third quarter from the second. But it expects to complete the year with a 10% year-over-year increase, officials said.

The company in August closed the acquisition of shale producer PDC Energy Inc that added 285,000 bpd to Chevron's U.S. production. It reaffirmed previous guidance to increase output by 3% annually, now on a higher basis.

The "recent underperformance", said Bank of America analyst Doug Leggate, "positions the stock as potentially favored among the global oil majors in 2024".

Energy Firms Lose Tax-Credit Battle

Dec. 23-24, 2023 (*Wall St. Journal*, abridged)—The Biden administration on Friday proposed tough new rules for a valuable climate subsidy. Siding with environmental groups despite warnings from some of the nation's biggest energy companies that strict limits could stifle a critical industry

The proposed criteria would determine who gets generous tax credits for producing hydrogen, one of the few viable replacements for fossil fuels in heavy industries such as steel-making and shipping, where renewable electricity and batteries aren't sufficient.

South America Sets Sights on Oil Boom

Global conflicts are prompting energy majors to diversify from Mideast, Russia

Dec. 22, 2023 (*Wall St. Journal*, abridged)—South America has long been the world's sleeping energy giant, with massive oil-and-gas reserves still untapped. Now it is rumbling awake, with huge implications for the global market.

From the deep waters off the northern shoulder of the continent down to Patagonia, a number of countries in the region are ramping up oil-and-gas production even as developed economies race to cut carbon emissions and reduce their dependence on fossil fuels.

Chevron Earns Top Marks on Corporate Equality Index for 18th Consecutive Year

Dec. 14, 2023-- Chevron Corporation today announced the company received a score of 100 on the Human Rights Campaign Foundation's 2023-2024 Corporate Equality Index (CEI) for the 18th consecutive year.

Chevron is among other major U.S. businesses that received a CEI rating of 100 points along with the new Equality 100 Award: Leaders in LGBTQ+ Workplace Inclusion, a distinction recognizing companies that meet or exceed elevated criteria focused on four central pillars:

- Non-discrimination policies across business entities
- Equitable benefits for LGBTQ+ workers and their families

- Supporting an inclusive culture
- Corporate social responsibility

“Chevron is extremely proud to be recognized by the Human Rights Campaign Corporate Equality Index for the 18th consecutive year,” said Joesetta Jones, Chevron’s chief diversity and inclusion officer. “We strive to create a workplace where all employees feel safe, heard and respected. While no place can be perfect, it is wonderful to have our efforts validated. Chevron has worked to support its LGBTQ+ community long before it was an industry standard, and we will continue leading the way to a brighter, more inclusive future for all employees.”

Chevron Announces \$16 billion 2024 Capex Budget

Dec. 6, 2023-- Chevron Corporation today announced an expected organic capital expenditure range of \$15.5 to \$16.5 billion for consolidated subsidiaries (capex) and an affiliate capital expenditure (affiliate capex) budget of approximately \$3 billion for 2024.

Upstream spending in 2024 is expected to be about \$14 billion. Of this planned expenditure, two-thirds is allocated to the United States, including approximately \$6.5 billion to develop Chevron’s U.S. shale and tight portfolio, of which around \$5 billion is planned for Permian Basin development. About 25 percent of U.S. upstream capex is planned for projects in the Gulf of Mexico, including the Anchor project, which is expected to achieve first oil in 2024.

Downstream capex is expected to be roughly \$1.5 billion, with 80 percent allocated to the United States. Corporate and other capex is projected to be about \$0.5 billion.

When Will Renewables Overtake Coal?

The World Ahead 2024 (*The Economist*)—Renewable supplies of energy, such as solar and wind power, will soon overtake coal-fired power stations to become the world’s largest single source of electricity, according to the International Energy Agency (IEA). But when? Having previously said it would be in 2025, the IEA now thinks it could happen in 2024, “as a result of the accelerated pace of renewable capacity additions” and “the plateauing of electricity generation from coal”. Adoption of renewables in Europe has been accelerated by the war in Ukraine: EU countries added 41 gigawatts (GW) of solar capacity in 2022, and are expected to add more than 50GW in 2023. China added 107GW of solar capacity in 2022, roughly equivalent to all existing capacity in America, and is expected to have added two Americas’ worth of solar capacity in 2023. Meanwhile, use of coal for generation rose by 1.7% in 2022, as high natural-gas prices prompted gas-to-coal switching. But use of coal in Europe and America in 2023 and 2024 is predicted to drop sharply, more than offsetting a slight increase in Asia.