

Oil Companies Embrace Energy Efficiency

By PATRICK CROW

Big oil companies are funding major advertising campaigns, suggesting consumers use less energy. It is not a typical approach for a company to implore us to use less of what it sells, but it underscores that all the major players in the energy economy are serious about issues of efficiency and conservation.

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Major U.S. oil and gas corporations are in the business to sell energy, but today they are urging consumers to use less of it.

The companies are using an array of public relations tools - speeches, advertisements, advocacy groups, and grants - in campaigns to publicize the fact they favor energy efficiency. Although they have long been efficiency advocates, now they are much louder, much more fervent, and much more determined to be seen as the major ally of energy consumers in the battle against high prices.

They are not promoting deliberate conservation (when a homeowner turns the heat down and puts on a sweater), so much as they are promoting efficiency (when a homeowner installs a new furnace that burns less fuel).

Carol Werner, of the Environmental



and Energy Study Institute, told eJournal USA in an interview that soaring crude oil prices had a lot to do with this trend.

"There was a lot of outrage directed at the oil companies last year [2008] as prices skyrocketed and sent a shock through the economic system. Talking about reducing energy use was one way for the oil companies to deflect some of that anger."

Although the growth of the public outreach campaigns did seem to parallel the steady rise in crude prices, which went from \$60 per barrel in mid-2007 to a peak of \$147 in mid-2008, oil prices have plunged \$100 per barrel since then, but the promotions have continued unabated.

"These companies are constantly reinventing themselves and want to be involved in developing the new technologies," said Larry Goldstein, an analyst with the Energy Policy Research Foundation. He explained

that the oil firms periodically update their business plans to reflect current operating circumstances. "They have to play in the world that is defined for them; they can't design that world themselves."

Werner said the oil companies also became conservation converts as they worked to reduce the expenses of operating their energy-intensive drilling rigs, pipelines, and refineries. She said, "The more the companies can drop their consumption,

the better it is for their bottom line. Plus it enables them to reduce their carbon footprint, their own greenhouse gas emissions."

The companies have taken those lessons from their own operations and formed subsidiaries to market their expertise to other firms needing to make efficiency improvements. Steven Nadel, executive director of the American Council for an Energy-Efficient Economy, explained,

"They see themselves as energy companies and don't want to just ride the 'oil train'."

The outreach efforts also are an outgrowth of the industry's prior communications miscues, according to John Hofmeister, who heads Citizens for Affordable Energy. Hofmeister, who was president of Shell U.S. from 2005 until last year, said that in the 1990s and early 2000s the companies failed to educate American consumers and politicians about tighter energy supplies and subsequently have lost their trust.

Goldstein said the companies' promotions are a manifestation of their competition for market share, just like the glassware gifts they gave drivers who bought their gasoline in the 1960s. "They're all basically trying to look 'green' because they believe that's what their customers expect. It's not necessarily due to the economics of conservation but because the political and public pressures are so great. Nobody can stand up today and say 'no' to conservation and efficiency," he said.

The U.S. Congress has taken a different approach to conservation and efficiency. Earlier this year, it included in the American Recovery and Reinvestment Act an array of incentives for consumers, businesses, and governments to invest in a variety of technologies and strategies to squeeze greater productivity out of every energy dollar.

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