Utilities Get Schooled in Social Media Amid Pressure on Climate

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By Naureen S. Malik

(Bloomberg) -- Engage on social media. Know the local influencers. Educate your friends.

This advice wasn't being doled out to a roomful of would-be Silicon Valley entrepreneurs or Manhattan media workers, but an audience of what -- at least until recently -- was one of the more stable and conservative industrial sectors.

U.S. utilities, and the energy producers and traders who help them to keep the lights on, are beginning to discuss in public with how to engage the challenges posed by climate change. On Wednesday, Dan Haley, chief executive officer of the Colorado Oil & Gas Association, shared at a conference in Los Angeles lessons he said he's learned on the front lines. ConocoPhillips and Sempra Energy's Southern California Gas Co. were among the attendees.

Haley's tips come as utilities face heightened scrutiny from shareholders and environmental groups urging the industry to curb greenhouse gas emissions. Solar and wind are increasingly displacing fossil fuels like natural gas for power generation, and last month, Berkeley became the first city in the U.S. to ban gas for heating and cooking in most new buildings.

The gas producers Haley's group represents know that kind of pushback all too well. They've been targeted for years by opponents of hydraulic fracturing, the technique used to extract the fuel from deeply buried rock. Pipeline developers are also facing legal and regulatory hurdles, even in energy-friendly states like Texas, where Kinder Morgan Inc. is suing a town over rules the company says would hinder the construction of a \$2 billion gas conduit.

Energy companies' response to public criticism "has certainly been slow," Haley said at LDC Gas Forums' Rockies & West conference, a gathering for gas utilities. It doesn't take long for negative comments to spread through social media, he added: "What happens in Colorado doesn't stay in Colorado." The industry can do more to tout the environmental benefits of gas displacing dirtier fuels like coal for power generation, said Jordan Clark, managing director of energy and minerals development with the Utah Governor's Office of Energy Development. The state has provided letters of support for gas export projects, while working with tribal nations and other parties to create corridors for pipelines. "Relationships matter," whether it's talking to friends or elected officials, Haley said. "If politicians don't trust us, then we're in trouble."

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