

California Delusion

Hey California. It's time to wake up and smell reality. Seriously. The Holly-weird, fantasyland thing is cool and fun, but your state is in real trouble when it comes to oil imports. And worst of all, your irresponsibility is creating a national security risk for the rest of us.

I'm sorry to be the heavy here, but California needs an intervention. While the rest of America has benefited enormously from the shale revolution that turned the country into the world's largest producer of oil and natural gas, California has gone in the opposite direction.

In 1992 California imported only 5 percent of its oil. But now it's importing 56 percent, much of that from the Middle East. It's not like the Golden State doesn't have the resource. The Monterey Shale has a LOT of oil. Just how much is recoverable is a matter of debate. But because of various state-imposed obstructions, it's not even being developed.

You're probably thinking, "Ok, why doesn't California just get oil from Texas, Colorado and New Mexico?" Unfortunately, that's impractical. The state is an "energy island," bordered by the Pacific Ocean on one side and the Sierra Nevada Mountains on the other. There are no crude oil pipelines coming into the state. So California refineries receive all their oil from in-state production, Alaska—which is also in steep decline—and foreign nations.

Ok, so what. California has always gone its own way. If people in the Golden State want to accept the risk that comes with importing so much of their oil from the Middle East and South America that's their business, right? Well... not exactly.

Forty million people live in California. It's the world's fifth largest economy. What would happen if... I don't know... some sort of conflict erupted, and oil supertankers couldn't make delivery to California refineries? That would constitute an instantaneous national emergency because there would be no practical way to get adequate amounts of oil into the state.

It would make for a good Hollywood movie...if it weren't so terrifying. We could send crude to California by truck and rail, but that would be a logistical nightmare and there wouldn't be nearly enough rail cars or oil trucks to manage the problem. In the meantime, people would panic as they tried to figure out a way out of the state and many of them wouldn't be able to find enough gasoline to do that anyway.

This is a serious problem leaders in Washington DC and Sacramento should be talking about. But we're not sure they even think of it as a problem.

But it's not just the unnecessary national security risk. In 2017 the state imported 354 million barrels of crude oil, which at a price of \$60 a barrel equates to Californians sending about \$58 million a day to foreign nations – that's \$21.2 billion a year!

California is delusional about a lot more than just oil. It imports more than 90 percent of its natural gas. And the state's love affair with wind and solar has driven up the cost of electricity, which is 40% higher than the national average for residential users and double the price for industry.

While many people have bought into the fantasy that California is a world leader in energy, it's pure delusion. LaLa Land has never been more dependent on foreign oil, which props up the state's renewable energy house of cards. The reality is that California's Holly-weird fantasy about oil, natural gas and renewables is a dangerous national security risk for all of us.

For the Clear Energy Alliance, I'm Mark Mathis. Power On.



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