

2021 A Pivotal Year for the Oil & Gas Industry

PENN VALLEY, PA, US, May 25, 2021 /EINPresswire.com/ -- Optimism abounded at last week's Ninth Annual Utica Midstream Summit, as speakers hypothesized a slow return to better times in the Appalachian Basin. The big difference this time in the roller coaster, cyclic industry is there are new players, not just E&P companies, but certainly in the financing industry. Closely aligned

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Joe Barone, Presiden and Founder, Shale Directories

with many of the new deep pockets is a stronger commitment by the O&G industry to cut emissions at all stages of the process.

“E&Ps in more and more situations are hiring third parties to handle their emissions,” according to Joe [Barone](#), founder of Shale Directories, an 11-year-old Internet company that matches company needs to suppliers. Barone/Shale Directories also has been a co-sponsor, along with the Greater Canton Chamber, for all nine Utica

summits. Barone said, “The industry currently is going all out concerning the use of [hydrogen and carbon capture](#) sequestration in addressing climate change.”

“The federal government, environmentalists, Wall Street investors and Big Oil all are coalescing around Hydrogen and Carbon Capture Sequestration,” Barone added. Renewables also offer huge investment opportunities to traditional O&G players. On the financing side, ESG (Environmental, Social and Corporate Governance) funds zero in on those three central factors in measuring the sustainability and societal impact of an investment in a company or business.

Assets in investment funds focused at least partly on the environment reached roughly \$2 trillion globally in the first three months of 2021 -- more than tripling in three years. Investors are putting \$3 billion a day into these funds, according to a Wall Street Journal report. More than \$5 billion worth of bonds and loans designed to fund green initiatives are now issued every day, according to the Journal.

Big money managers see opportunities for substantial profits following the ESG highway, and they also are very concerned with potential financial risks associated with the climate change situation.

Companies remain committed to increasing positive cash flow, while looking for opportunities that provide superior returns on investment.

Midstreamer MPLX spent pandemic-impacted 2020, reducing costs companywide, while making

sure its existing assets are primed for an increase in business. "We are evaluating low-carbon initiatives and are looking for a 20% return on investment on projects," said Jason Stechschulte, Business Development Manager for MPLX.

Stechschulte said MPLX is "evaluating opportunities" to produce hydrogen at former MarkWest midstream assets scattered in Basin. Pipeline behemoth Williams is looking at hydrogen, solar and renewable natural gas projects," said Emma Curtis, Community and Project Outreach Specialist with Williams. "We have no plans to reduce our investment in natural gas, adding compressor stations, fractionators," Curtis told her Utica Summit audience.

The possibility of more natural gas-fired power plants being built in Ohio could become a reality, as the Ohio legislature and Gov. Mike DeWine passed and signed House Bill 128, which rescinded all subsidies which were to be provided to the state's two nuclear power plants in House Bill 6.

There are 11 bills currently floating in the Ohio legislature right now which could impact the Oil and gas industry, said Christina Polesovsky, Associate Director-Ohio with the American Petroleum Institute.

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