BUSINESS

NEWSMAKERS


Todd McMullen


Kim Nelson


Sarah Allen Gershon


Nancy Love


Danielle Koontz


Reagan G. Sauls


Beth F. Morris


Steven Durocher


Ben Wilson

■ Magnolia Trust Company, a leader in independent trust administration serving high-net-worth clients across the Southeast, recently named **Todd McMullen**, CPA, as president and chief executive officer.

■ BankSouth Mortgage, which operates 13 offices across the Southeast, has announced that CEO **Kim Nelson** has been named one of HousingWire Magazine's 2022 Women of Influence.

■ **Sarah Allen Gershon** has been named the director of WomenLead at Georgia State University's J. Mack Robinson College of Business.

■ With more than 25 years of sales experience, **Nancy Love** has joined MODA Floors & Interiors as a project consultant. MODA is a flooring and window coverings resource in the West Midtown Design District.

■ Atlanta-based RangeWater Real Estate has hired **Danielle Koontz** as senior director of business development to serve third-party management growth across the Mountain West region.

■ Parker Poe Adams & Bernstein LLP is pleased to announce that **Reagan G. Sauls** and **Beth F. Morris** have joined Parker Poe's Atlanta office as counsel.

■ Piedmont Walton Hospital has announced **Steven Durocher**, M.D., as the hospital's new chief medical officer.

Piedmont Athens Regional Medical Center and Piedmont Physicians Group has announced that gynecologic oncology physician **Ben Wilson**, M.D., has joined Piedmont Physicians Athens Gynecology Oncology.

Please send announcements of promotions and new hires to Shannon.n.Dominy@gmail.com along with color head shots in jpg format.

CLIMATE CHANGE

Inflation Reduction Act could boost carbon storage projects

Technology offers chance at greener energy at plants.

By Mead Gruver
Associated Press


Geologist Fred McLaughlin examines rock samples at the University of Wyoming School of Energy Resources. The rocks came from wells drilled in northeastern Wyoming to study the potential for storing carbon dioxide underground. MEAD GRUVER/ASSOCIATED PRESS

GILLETTE, WYO. — The rolling prairie lands of northeastern Wyoming have been a paradise of lush, knee-deep grass for sheep, cattle and pronghorn antelope this summer.

But it's a different green – greener energy – that geologist Fred McLaughlin seeks as he drills nearly 2 miles into the ground, far deeper than the thick coal seams that make this the top coal-mining region in the nation. McLaughlin and his University of Wyoming colleagues are studying whether tiny spaces in rock deep underground can permanently store vast volumes of greenhouse gas emitted by a coal-fired power plant.

This is the concept known as carbon storage, long touted as an answer to global warming. It preserves the energy industry's burning of fossil fuels to generate electricity.

So far, removing carbon dioxide from power plant smokestacks and pumping it underground hasn't been feasible without higher electricity bills to cover the technique's huge costs. But with a $2.5 billion infusion from Congress last year and now bigger tax incentives through the Inflation Reduction Act passed by Congress this month, researchers and industry continue to try.

One goal of McLaughlin's project is to preserve the lifespan of a relatively new coal-fired power plant, Dry Fork Station, run by Basin Electric Power Cooperative. State officials hope it will do the same for the beleaguered coal industry that still underpins Wyoming's economy.

The state produces about 40% of the nation's coal, but declining production and a series of layoffs and bankruptcies have beset the Gillette area's vast, open-pit coal mines over the past decade.

While the economics of carbon storage remain uncertain at best, McLaughlin and others are confident in the technology.

"The geology exists," McLaughlin said. "It is a resource we're looking for – and the resource is pore space."

How it works

By pore space, McLaughlin means microscopic spaces between grains of sandstone deep underground. Countless such spaces add up: Enough, he hopes, to hold 55 million tons of carbon dioxide over 30 years.

McLaughlin and his team used the same drill rigs as the oil industry to bore their two wells almost 10,000 feet, taking core samples from nine geological formations in the process. The researchers will study how injection at one well, using saltwater as a stand-in for liquid carbon dioxide, could affect fluid behavior at the other.

"It's basically like a call and response, if you want to think of it that way," McLaughlin said.

McLaughlin's team also does a lot of lab work on carbon sequestration back at the University of Wyoming School of Energy Resources in Laramie, studying on a microscopic scale how much carbon dioxide different sandstone layers can hold. They model on computers how much carbon dioxide, well by well, could be pumped underground north of Gillette.

Eventually they want to advance to carbon dioxide captured from the smoke plume at nearby Dry Fork Station, using a technique developed by California-based Membrane Technology and Research.

Wyoming's carbon dreams

With an eye toward carbon storage, Wyoming in 2020 became one of just two states to take over from the U.S. Environmental Protection Agency primary authority to issue the kind of permit McLaughlin and his team will need to pump large volumes of carbon dioxide, pressurized into a high-density "supercritical" state, underground.

Besides the permit, the geologists will need more funding. The U.S. Department of Energy Carbon Storage Assurance Facility Enterprise (CarbonSAFE) program is funding 24 carbon capture and storage projects nationwide, and this is one of the furthest along.

Such projects were likely already eligible for some of the roughly $2.5 billion in last year's infrastructure bill. Now the new Inflation Reduction Act will boost the "45Q" tax credit for electricity producers who sequester their carbon from $50 to $85 per ton.

Pumping carbon dioxide underground is nothing new. For decades, the oil and gas industry has used carbon dioxide, after it's separated from the methane sold for fueling stoves and furnaces, to recharge aging oil fields.

Until now, failed experiments

Critics, however, point out the process is expensive to use at power plants and provides a lifeline of sorts to the coal, oil and natural gas industries when the world should stop using fossil fuels altogether.

To date, only one commercially operational, large-scale project in the U.S. has pumped carbon dioxide from a power plant underground. But to defray costs, NRG Energy's Petra Nova coal-fired power plant outside Houston sold its carbon dioxide to increase local oil production.

After three years in operation, Petra Nova closed in 2020, when low oil prices made using the gas to recharge a nearby oil field unprofitable.

In December, a U.S. Government Accountability Office review found that Petra Nova was the only one of eight carbon capture and storage projects at coal-fired plants to actually go into operation, after getting $684 million in Department of Energy funding since 2009.

Some communities that have dealt for years with industrial air pollution also worry that companies will use promises of carbon storage as a way to expand.

For MIT research engineer Howard Herzog, the question isn't whether the technique is technically feasible at scale. He's certain that it is. But whether it can be economically feasible is a different matter.

"People are starting to take it more seriously even though fundamentally changing our energy systems is not an easy task," Herzog said. "It's not something you do in the short term. You've got to really set the policy in place and we still haven't really done that."

Perks

continued from D1

facials, a gym membership, manicures, massages, parking, pedicures, a Nationals game and a Chris Rock show with his father, and a "Wheel of Fortune" taping with his mother – all reimbursed to varying degrees by Knead.

"It can be therapeutic. This is an extension of mental health. That's what it provides me," Jennings said.

Similarly, David Suarez, a Knead chef, has endured decades of tough kitchen life. Now he has gotten $1,071 of his dinners, haircuts, manicures and parking comped, as well as a comped seat at a Nationals game against his beloved Mets.

"For so many years, I didn't have time or take time or make time to do some of these things, and this is definitely incentivizing doing them," he said. "That's nice. It's better than nice: It's kind. It's very thoughtful."

When people ask how he scored these perks, Suarez answers plainly: "I just tell them that I work for good people."

That would be Jason Berry and Michael Reginbogin, Knead's married founders, who are also testing a four-day workweek at one of their restaurants. Their perks program, they said, was inspired by nostalgia for the Cheesecake Factory's habit of awarding BMWs to managers. Creating perks usually associated with white-collar industries like business, finance, law, lobbying and tech was part of Knead's plan to be "overly competitive," Reginbogin said. "We're a multimillion-dollar restaurant company. Why should our employees be treated subpar only because we serve food instead of paperwork behind a desk?"

The package may yet be a game changer. Or not. Despite its legendary perks program, Starbucks is wrestling with widespread unionization efforts (union restaurant jobs make roughly $100 more per week than nonunion positions, according to federal labor data). Nevertheless, Knead is part of a radical, once-in-a-lifetime shift in the restaurant industry's business model as it struggles with nothing short of an existential reckoning.

Berry framed it through the ledgers' lens of retention and cost-cutting, flagging that the hiring of an assistant general manager in 2019 cost Knead $15,000 in recruiting fees and $10,000 in training even before the employee had really started working. Even a server, he said, costs $1,000 to hire and train. "You can spend this money proactively or reactively," he explained. "So why not do it proactively with intention the way you want to do it, instead of spending $100,000 a year advertising on Indeed and $200,000 in recruiting fees? I'd much rather give that money to our teammates."

The nation's 11.6 million food service workers, including managers, earn an average of $18.48 an hour and work an average of 25.7 hours a week, according to May 2022 data from the U.S. Bureau of Labor Statistics. A January BLS report flagged that the restaurant industry's year-over-year quit rate jumped from 4.8% to 6.9% - a larger increase than in any other job sector – yet the hiring rate remained steady at 8.1%. As a result, restaurant job openings increased from 5.8% to 8.4%. At the same time, a May survey by Alignable, a small-business referral network, found that 41% of U.S. restaurants couldn't pay rent that month. A recent report from the American Farm Bureau Federation found that year-over-year food costs had increased by 17%. And an April CNBC poll found that 53% of Americans had already cut back on dining to save money.

In many ways, the restaurant worker-manager-owner dynamic is now a Bermuda Triangle of lost stability, lost purpose and lost mojo.

"This has certainly been the biggest body blow that I've ever seen in my career," said Danny Meyer, the prominent New York restaurateur and Shake Shack founder. "Things are absolutely going to shift," he added. "One of the best things that is already happening right now is that this more effectively than any government (action) has begun to impact the compensation structure of our industry, which has been – what's the best way to put this? – the compensation structure of our industry has not served the people the industry needs to survive."

As a silver lining, he noted that the crisis has accelerated his hospitality group's diversity goals by "at least three or four years." He continued: "I like a new playing field. Everything's up for grabs, and that's been a good thing. That's how innovation happens."

And yet for all its hand-wringing about survival, many of the restaurant industry's wounds that have been laid bare are self-inflicted.

Owners are griping that "nobody wants to work" while still offering jobs that don't pay living wages, let alone offer health insurance, sick days, vacation days, day care, parental leave or pensions. A North Carolina Chick-fil-A recently asked "volunteers" to work for chicken, not money.

"Should we be so surprised [that people are quitting] when mostly what we're trying to do is manipulate them?" former Chipotle co-CEO Monty Moran asked at an industry conference in October. Anyone aching for a return to the halcyon days of 2019 might do well to remember Caffé Vita, the Seattle restaurant that fired employees that year for the "theft" of giving leftover pastries to homeless people.

Of course, restaurants have changed substantially. Even in the unlikely event that they were not directly affected by COVID cases, they were seismically shaken by the pandemic, from lockdown to supply chain chaos and inflation. But many prominent industry turnabouts have been superficial and rather basic: venues' sudden embrace of takeout, ghost kitchens, catering, QR codes, credit cards, delivery apps and surcharges.

"Functionality and technology get addressed all the time, but not the systemic core," said Ravi Kapur, chef and co-owner of Good Good Culture Club and Liholiho Yacht Club in San Francisco.

Kapur has transformed his hiring process to include questions such as: What brings you joy? When walking around San Francisco, what do you love about it? And if you were given money and couldn't spend it on yourself, what would you do with it?

"The buy-in is different," Kapur said. "We're looking for a different person. We're not looking for career restaurant workers, necessarily."

Wages for Kapur's kitchen jobs range from $28 to $30 an hour, and front-of-house jobs start at $35 an hour because their shifts are shorter. An across-the-board 20% "equitable compensation fee" added to bills is distributed only to hourly staff. The restaurants have exceeded the $80,000 a week in sales needed to support the higher wages.

The reality conceded by restaurateurs of all stripes is that, as much as has changed in the pandemic years – including on the economic and sociological fronts – a 2022 restaurant cannot be staffed by 2019 workers, especially not 2019 managers.