

DRAFT – PRIVILEGED AND CONFIDENTIAL
January 2018



BPA/L48
Methane U.S. Engagement Plan
Working Document

Last updated: [DATE \@ "MMMM d, yyyy"]

Context

BP is committed to providing safe and reliable energy for a growing world population while transitioning to a lower-carbon future (the “dual challenge”). Natural gas is a big lever for lowering greenhouse emissions, provided methane emissions are controlled. The BP Group continues to deliver this message to external audiences and embed the dual challenge across the company, including recent efforts to formulate an upstream low-carbon roadmap. At this critical time, BP L48 is developing its own low-carbon roadmap that will determine how L48 will contribute to the Group’s efforts.

It is important to have alignment across BP America on U.S. stakeholder outreach and communications on these issues. The U.S. Communications & External Affairs (C&EA) team has primary responsibility for strategy and advocacy with federal and state government officials, and works hand-in-hand with US business units like L48 to create key messages and stakeholder engagement plans. To ensure consistent communications on methane, C&EA and L48 have developed this engagement plan, which reflects collaboration between C&EA (Federal Affairs and Regulatory Policy & Advocacy) and L48 (State/Local Affairs and HSE subject matter experts).

The plan addresses communications related to the following portions of the Carbon Roadmap:

- Key Messages/Guiding Principles on Methane
- Methane Advocacy – NSPS OOOOa
- Methane Advocacy – BLM Venting and Flaring Rule
- Greenhouse Gas Advocacy – Greenhouse Gas Reporting Rule
- The Environmental Partnership created by API
- The planned L48 Carbon Roadmap emission reductions
- Colorado Methane Key Messages
- New Mexico Methane Key Messages

Commented [KS1]: Thinking that potentially the Methane advocacy strategies get a brief introduction in the body of the document and the specific documents move to appendices?? I would like this document to reflect focus more on what we are doing and what we are trying to do proactively to move the bar on our methane intensity and less on what we are doing to make our lives easier in the methane regulatory space. Thoughts?

Commented [KS2]: Might suggest we move these up under the Key Messages bullet.

Commented [KS3]: Why do we have state specific key messages? Should not the messages we develop broadly be our messages all over the US? And if we have state specific messages, why not the other states in L48? Engagement plans would be different, but messages, I do not think, should be.

The Plan covers:

- BPA/L48 key messages on each related but separate methane issue
- How messages will be communicated (e.g., proactively or if asked)
- What media outlets, if any, will be used to convey these messages
- The external events (if any) at which the messages will be conveyed
- Specific actions that will be taken to implement the plan (these actions will be updated quarterly as part of the existing C&EA Business Support Plan reviews).

Commented [KS4]: I think we are missing our key internal stakeholders and leadership sponsors and US RCE Managers/Directors.

Also, this is an engagement plan and feeling a little lite on detail and specific plan? What is the team thinking about creating that detail?

Commented [KS5]: Other states and the other GPA tags?

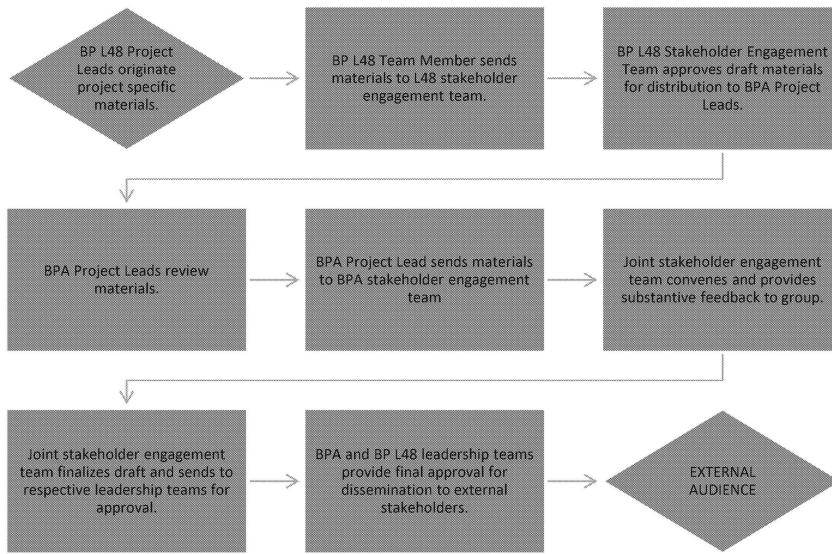
Key External Stakeholders and BP SPA:

- US Congress – Suzanne Swink
- Federal Agencies (DOI, EPA) – Jim Nolan, David van Hoogstraten, Bob Stout
- State and Local – Sam Knaizer, Patrick Killen
- Trade Associations – Bob Stout, Jim Nolan, David van Hoogstraten, Suzanne Swink, Dana Wood, Gabrielle Sitomer
- Media – Brett Clanton
- The Environmental Partnership – Gabrielle Sitomer, Dana Wood

Commented [KS6]: I think the flowchart is OK. Maybe include in a section of the document that would define the process that would be used to create the specific engagement plans.

Also, might want to define the various teams make-up that are shown in the flowchart, i.e. L48 project leads, joint stakeholder engagement team, etc.

Internal interface process in development, approval, and delivery of the messages-specific engagements are as follows:



Key Messages/Guiding Principles on Methane

Objective	To convey BP/L48's US position on controlling methane emissions and to provide guiding principles as markers against which to weigh support of various initiatives.
Communication Use	If asked
Media Outlets	TBD as opportunities arise
External Events	TBD as opportunities arise

Commented [KS7]: Team ok with this term in this document since this term and principles have already been agreed at a higher level in the Bernard Looney endorsed document? Should we change to avoid confusion, or should we add a US reference in front of Guiding Principles?

Key Messages

- Today we face a dual challenge of shifting to a lower-carbon future while safely providing reliable energy to a growing world population.
- Natural gas - an abundant, affordable, lower-carbon energy source - can meet both those aims.
- At the same time, BP recognizes that controlling methane emissions is essential to maximizing the role of natural gas in a lower-carbon world.
- We continue to take voluntary action to reduce emissions in our own operations and have joined external methane-related initiatives, such as the Environmental Partnership, the Oil & Gas Climate Initiative (OGCI), the Climate and Clean Air Coalition (CCAC) Oil & Gas Methane Partnership (OGMP), and the World Bank Zero Routine Flaring by 2030 Initiative.
- BP remains focused on reducing methane emissions across our global operations, and BP America will play its part in this effort.

Commented [KS8]: If a US plan for US audiences and US messaging, I would suggest we remove these two references unless we add "around the world". Thoughts from the team?

Guiding Principles

- It is in our economic interest to minimize methane emissions and capture natural gas for market.

- We generally favor voluntary efforts over mandates but recognize that there may be circumstances under which federal or state requirements make sense.
- To the extent that there are mandates, we encourage policymakers to foster a level playing field by applying requirements consistently to all operators.
- We also encourage policymakers to avoid conflict, duplication or overlap between or among federal & state programs.
- We encourage further improvements in the accuracy of emissions estimates and that are then reported, including updating EPA and state calculations to better reflect actual emission reductions that the industry has achieved and will be achieving.
- We support sound methane policies that:
 - Drive safe operations;
 - Recognize the dual challenge of reducing emissions while providing energy to the world's growing population;
 - Encourage efficient and cost-effective emission reductions now;
 - Incentivize the development of new techniques and technologies to reduce emissions in the future;
 - Provide flexibility to implement new and improved techniques and technologies; and
 - Support and reward early action and innovation.
- We encourage the development of policies in collaboration with industry and other stakeholders.
- We support incorporation of these specific practices to reduce emissions:
 - Leak detection & repair programs that allow operators to identify larger leaks in an efficient, less labor-intensive manner (i.e., not component-by-component);
 - Minimization of venting during manual liquids unloading;
 - Replacement of high-bleed pneumatic controllers with intermittent or low-bleed pneumatic controllers;
 - Use of electricity and solar power in place of natural gas-driven pneumatics, where technically and economically feasible; and
 - Centralization of facilities where feasible to allow more effective control of emissions.

Commented [KS9]: Can we reword. If we were to agree to implement this practice voluntarily, how we define how that is done, is up to us. Certainly we would like to gain regulatory credit for implementing this action but then maybe as currently worded it belongs in the list directly above. Feels like we are mixing in a "policy statement" in this list??

Are there statements from the "Bernard Looney Guiding Principles" document that are supportable in the US context and that we could/should simply pull over? Creating a better connection on messaging.

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API Environmental Partnership

Objective	To convey BPA/L48's participation in the Environmental Partnership and address questions that may arise given other advocacy activities.
Communication Use	If asked
Media Outlets	Any
External Events	Any

Environmental Partnership Key Messages/Holding Statement

- BP America is pleased to join the Environmental Partnership along with our industry colleagues to promote continued improvement in the industry's environmental performance, including through reduction of methane emissions.
- The Environmental Partnership focuses on many of the same areas that have been longstanding priorities for BP in reducing methane emissions in our own operations.
- Today we face a dual challenge of shifting to a lower-carbon future while safely providing reliable energy to a growing world population.
- Natural gas - an abundant, affordable, lower-carbon energy source - can meet both those aims.
- At the same time, BP recognizes that controlling methane emissions is essential to maximizing the role of gas in a lower-carbon world. Thus, we have agreed to participate in The Environmental Partnership.
- We remain focused on reducing methane emissions across our operations in the U.S. and around the world.

Q&A

- 1. What has BP already done on methane emission reductions in the United States?**
 - BP has already made material progress toward reducing emissions from the top sources of methane that are the focus of API's voluntary methane program.
 - Between 2000-2016, BP L48 has achieved significant methane reductions through a number of voluntary actions, including:
 - Replacing over 10,000 (more than 95%) high-bleed pneumatic controllers with continuous low-bleed and intermittent pneumatic controllers (between 1999-2002).
 - Reducing venting during liquids unloading by implementing enhanced automation, plunger lift, and optimized shut-in cycles through BP's "Smart Automation" project in the San Juan Basin.
 - Implementing green completions before it was a regulatory requirement. (Green completion technology recovers natural gas for sale and minimizes the amount of gas that is flared or vented during the completion of wells.)
 - Replacing chemical injection pumps with solar pumps.
- 2. How is BP planning to reduce US methane emissions in the future?**
 - We continue to evaluate our existing operations to identify viable opportunities to reduce emissions.
 - BP L48 is analyzing various leak detection technologies to help find leaks quicker in a more cost effective and efficient manner.
 - BP continues to work with government agencies and academic institutions to evaluate the performance of various leak detection technologies.
- 3. What is BP doing to reduce emissions in the rest of the world?**
 - Some of our new upstream facilities are among the best in the world at limiting methane emissions, and across our upstream business we are focused on reducing emissions.
 - For example, our massive new Khazzan project in Oman is designed with centralized equipment that reduces the need for processing equipment at each well site.
- 4. What other external methane initiatives does BP participate in around the world?**
 - In 2015, BP joined the Climate and Clean Air Coalition (CCAC) Oil & Gas Methane Partnership (OGMP) aimed at reducing methane emissions from the oil and gas sector.

- We also endorsed the World Bank Zero Routine Flaring by 2030 Initiative. (BP has been recognized by the World Bank for increasing gas recovery in its Azerbaijan operations.)
- We have teamed up with the wider industry through the Oil & Gas Climate Initiative (OGCI), which is chaired by our CEO, Bob Dudley. OGCI seeks to understand and reduce methane emissions and recently committed to achieve near-zero methane emissions.
- In November 2017, BP was one of eight companies to commit to guiding principles for reducing methane emissions across the natural gas value chain. The energy companies also agreed to encourage others – from producers to the final consumers – to do the same.

5. You say you want to be an industry leader on methane, yet you and other companies are fighting to rollback methane regulations. How does that work?

- BP acknowledges the importance of understanding and controlling methane emissions. We continue to take voluntary action to do so both within BP and through external initiatives such as the Oil & Gas Climate Initiative (OGCI) and the Climate and Clean Air Coalition (CCAC) Oil & Gas Methane Partnership (OGMP). We believe that these initiatives demonstrate leadership.
- BP has been voluntarily reducing methane emissions globally for the past two decades and continues to look at ways to further reduce emissions. (See L48 info above)
- We believe regulation should be sensible and efficient, while justified by an appropriate cost-benefit analysis.
- Continued development of fast-emerging methane detection and control technologies and the results of the Environmental Partnership and many other voluntary actions can inform effective and efficient policies.

Commented [KS12]: Again, would not, right now, use this when working audiences and responding to questions about the US businesses unless we change to include "around the world" which I captured above.

6. Are you advocating for removing direct regulation of methane on new sources only to prevent a regulation on existing sources?

- We believe that a well-crafted regulation covering emissions of volatile organic compounds (VOCs) can significantly reduce methane as a co-benefit, making direct federal regulation of methane itself unnecessary.
- For our operations, the technologies used and results of a VOC-only rule would be no different in reducing methane emissions. (Same sources, same controls.)
- For example, our leak detection and repair program would remain unchanged.
- Over time, existing sources that are modified or reconstructed will become subject to regulation. In the meantime, we are voluntarily reducing methane in our operations, allowing for flexibility and innovation to identify best practices in reducing existing source emissions.

7. Didn't you lobby for the BLM venting and flaring CRA arguing that regulation should be left to the EPA? Now you are arguing that the EPA should not be regulating methane.

- BLM does not have jurisdiction to regulate air emissions, and its rule overlaps and conflicts with both the EPA rule and various state regulations; therefore, we support the agency's current efforts to reconsider the rule.
- We do not believe direct regulation of methane as reflected in the BLM rule is necessary to achieve methane emission reductions. We support the continued regulation of VOCs by EPA which will reduce methane as a co-benefit.

8. Do you believe that states should regulate methane?

- States have an important role to play in environmental regulation and protection, but regulatory certainty and uniformity in application is critical.

9. How many of your assets have you put into the voluntary program?

- We are in the process of determining which assets will be included in which part of the program.

10. This is voluntary, so what happens if you don't meet your commitments?

- We fully intend to meet our commitments and will report as required by the Environmental Partnership.
- The Environmental Partnership will produce an annual public report.

11. To what control standards or emission levels are you committing?

- The Environmental Partnership focuses on many of the same areas that have been longstanding priorities for BP in reducing methane emissions in our own operations.
- We're still evaluating the new actions we will take within this program.
- However, for BP, the new commitments we make under this program will be informed by actions we've already completed.
- For example, we've already replaced more than 95% of our high-bleed pneumatic controllers with continuous low-bleed and intermittent pneumatic controllers.
- We've also reduced venting during liquids unloading by implementing enhanced automation, plunger lift, and optimized shut-in cycles through BP's "Smart Automation" project in the San Juan Basin.

API Environmental Partnership Action Items

Action	Responsible Person	Timing
Develop holding statement and Q&A	Working Group	4Q 2017

L48 Carbon Roadmap Reductions

Objective	To convey L48's Carbon Roadmap participation and commitments, highlighting BP's leadership on methane.
Communication Use	TBD
Media Outlets	TBD
External Events	TBD

Commented [KS13]: Should we not capture now and here the activities that we are currently undertaking in the L48 Road Map. Certainly we have decisions yet to make on what will be done but not afraid, at a high level, to be talking about what we are testing or evaluating. Thoughts?

Again, I would recommend that this needs to move up in the doc.

L48 Carbon Roadmap Reductions Messages

To be developed following decisions on participation.

L48 Carbon Roadmap Reductions Action Items

Action	Responsible Person	Timing

Colorado Methane Key Messages

Objective	<ul style="list-style-type: none"> Find targeted promotional opportunities pending results of ongoing pilot projects specific to voluntary efforts in the San Juan Basin. Promote and support reasonable framework for CDPHE pneumatics study and hydrocarbon task force. Advocate against further efforts by CDPHE to formally regulate methane and expand Regulation 7's nonattainment requirements statewide.
Communication Use	Proactive where appropriate to manage ongoing regulatory threats.
Media Outlets	TBD – targets include Denver Post and Durango Herald.
External Events	TBD if any

Commented [KS14]: See my thoughts above on the two state specific parts of this plan.

Objectives and messages are do not necessarily aligned between the two states currently represented in document. Do understand how there could be difference but probable need to better understand why.

- Today we face a dual challenge of shifting to a lower-carbon future while safely providing reliable energy to a growing world population.
- Natural gas - an abundant, affordable, lower-carbon energy source - can meet both those aims.
- At the same time, BP recognizes that controlling methane emissions is essential to maximizing the role of natural gas in a lower-carbon world.
- We continue to take voluntary action to reduce emissions in our own operations and have joined external methane-related initiatives, such as the Environmental Partnership, the Oil & Gas Climate Initiative (OGCI), the Climate and Clean Air Coalition (CCAC) Oil & Gas Methane Partnership (OGMP), and the World Bank Zero Routine Flaring by 2030 Initiative.
- BP will work constructively with state government officials, industry partners and NGOs in the development and implementation of effective methane abatement policies or regulations.
- BP remains focused on reducing methane emissions specifically in Colorado, but more broadly across our global operations.

Action	Responsible Person	Timing
Coordination with Colorado Petroleum Council (CPC) on commenting on regulatory changes and the pneumatics study.	Sam Knaizer, Dana Wood	All of 2018
Identifying promotional opportunities for pilot projects - TBD	Sam Knaizer	TBD
Stakeholder outreach – TBD	Sam Knaizer	TBD

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