

To: Miner, Robert [REDACTED]@bp.com]
Cc: Cochrane, Phil [REDACTED]@bp.com]; Wolf, Tom [REDACTED]@bp.com]; Fielder, JP [REDACTED]@bp.com]; Streett, Mary [REDACTED]@bp.com]; Allendorfer, Robert K [REDACTED]@ec1.bp.com]; Harrison, Tara [REDACTED]@bp.com]; Brady, Pamela [REDACTED]@bp.com]
From: McKeon, Rayanne B [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=[REDACTED]]
Sent: Tue 14/01/2020 8:32:10 PM (UTC)
Subject: RE: Fuels C&EA Team Bi-Weekly Report

Bob,

I wanted to take a moment to say thank you for your kind note. More important than any award that I might receive personally is that BP Cherry Point will be recognized by the Chamber with the Community Impact Award. Of all the awards given at the event, this is the one that I think any business should be most honored to receive. Collectively, it is recognition that Cherry Point employees and resources are invested in our community in a meaningful way. Seated at BP's table are both of the CHP employees who recently took public office, Ben Elenbaas with the Whatcom County Council and Ryan O'Larey with the Ferndale City Council.

I will be sure to follow up with social media on Friday following the event on Thursday night should Lisa and Jen wish to use this recognition for social media.

Look forward to seeing you in DC in a few weeks.

Best,

RB

Rayanne "RB" McKeon

Internal Communications Advisor, Cherry Point Refinery * BP America Inc.

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From: Miner, Robert <[REDACTED]@bp.com>
Sent: Sunday, January 12, 2020 3:16 PM
To: McKeon, Rayanne B [REDACTED]@bp.com>
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Subject: FW: Fuels C&EA Team Bi-Weekly Report

RB:

I see below about the award you received from the Ferndale Chamber of Commerce. It says a great deal about the good work you have been doing in the community for BP and Cherry Point. Thank you.

From: Cochrane, Phil [REDACTED]@bp.com>
Sent: Sunday, January 12, 2020 4:53 PM
To: Cross, Iris M [REDACTED]@bp.com>; Dempsey, Ray C [REDACTED]@bp.com>; Ellis, Joe [REDACTED]@bp.com>; G Fuels NA Leadership Team and Refinery Managers [REDACTED]@bp.com>; Knapp, Andy [REDACTED]@bp.com>; Kong, Janet [REDACTED]@se1.bp.com>; Lindskoog, Wendy [REDACTED]@bp.com>; Magallanes, Downey [REDACTED]@bp.com>; Miner, Robert [REDACTED]@bp.com>; Sparkman, Douglas [REDACTED]@bp.com>; Stout, Robert [REDACTED]@bp.com>; Streett, Mary [REDACTED]@bp.com>; Swink, Suzanne [REDACTED]@bp.com>; Thomas, Larry [REDACTED]@bp.com>; Walker, Ryan [REDACTED]@bp.com>; ZZKnaizer, Sam [REDACTED]@bp.com>
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Subject: Fuels C&EA Team Bi-Weekly Report

Passage of well-designed carbon pricing legislation in Washington State that creates long-term predictability for the Fuels business and allows BP to publicly evidence its commitment to good carbon policy and establishes a model for other states to follow.

The Washington state legislature begins its 60-day session on Monday, January 13th.

- **Cap and Invest** Senator Carlyle continues to work on amendments to SB5981 and we don't know when we will see the new language. Carlyle is trying to figure out the benefit of re-introducing the legislation if there is no momentum behind it and that it is a short session. Discussions between him and the chair of the transportation committee are continuing – centred around pegging some revenue from cap and invest for transportation projects. Next Sunday, BP will launch a two-week awareness campaign (print ad, radio ads, digital ads) to showcase BP's support for WA cap and invest.

- **LCFS** Governor Inslee and Rep. Fitzgibbon will push low carbon fuel standard legislation as a priority. The program is expected to get through the House the first week of session but it's ability to clear the Senate is still in question as the chair of the Transportation Committee doesn't support the program because it makes it harder for him to raise transportation funds for infrastructure projects.

- **HB2311** A bill has been dropped to change Washington State's GHG emissions reduction goals. The bill proposes that the state achieve GHG emissions of by 45% below 1990 levels by 2030, 70% by 2040 and 95% by 2050. They are currently set at 25% below 1990 by 2035 and 50% by 2050. The bill also has a brief section that states an objective of reducing carbon through "voluntary and incentive-based" land sequestration activities. We are reviewing the bill to determine possible BP support.

- **PSCAA** – the Puget Sound Clean Air Agency extended their comment period on a regional LCFS until Feb. 10. We are reviewing options for how we might participate consistent with Group policy.

Passage of well-designed carbon pricing legislation in Oregon in alignment with BP principles and allows BP to publicly demonstrate its commitment to good carbon policy.

Redacted - First Amendment

- **2020 Initiatives** Oregon's Secretary of State rejected two initiative petitions requiring the state to transition to 100% renewable and carbon free electricity by 2045 on the grounds that the ballot measures violated the single subject provision. Proponents of the measures filed suit to challenge the decision. A business coalition challenged the Secretary's decision to allow an initiative to proceed that requires GHG reductions to 100% below 1990 levels by 2050.

Achieve Renewable Fuel Standard reform consistent with BP's principles while opposing legislative, regulatory or executive actions inconsistent with those principles.

- **2020 RVO** EPA issued the final rule, as proposed, including reallocation of volumes waived for small refiners/refineries, resulting in 770 million RINs to be reentered into the marketplace. The methodology will only apply to the 2020 RVO. EPA will not include the 500 million gallons from the 2016 RVO remand case. API and

AFPM will likely challenge the rule, arguing that EPA does not have authority to reallocate exempted volumes. The filing deadline will be mid-March. EPA confirmed in the rule that it will not issue a Reset rule and instead will continue to issue annual RVO rules for 2021 and 2022. BP supports this. The 2021 rule could include the 500 million gallons from the 2016 RVO remand case. The Clean Air Act requires EPA to issue a “Set” Rule for RFS standards 2023+ by 10/31/2021.

Implement a long-term strategy to improve the business environment in Washington State to change the perception of BP and educate on our commitment to the energy transition and our vision for our business in a lower-carbon environment.

- As noted above, a two-week advertising campaign will launch next Sunday to promote BP’s support for cap and invest. This campaign is part of our long-term WA state strategy.
- **AET presentations** Over the past several weeks, AET presentations were given by members of the CHP speaker’s bureau at a realtor’s breakfast, to the Lynden branch library staff and at the Bellingham Rotary club. People are engaged and interested in the conversation and excited to see BP’s forward-looking approach to the energy transition.

Defeat E15 legislation in Indiana. If bill moves, transition position so that BP’s fallback position is reflected in the legislation.

Redacted - First Amendment

Achieve the outcome from the Indiana 21st Century Energy Task Force that preserves the role of natural gas and creates opportunities to reduce power costs for the Whiting refinery. Through the process, participate in a way that positions BP in support of the energy transition and as a source of good, objective data on energy matters.

Redacted - First Amendment

Defeat any changes to Whatcom County zoning and permitting laws that limit facility, product or expansion opportunities of the Cherry Point Refinery.

- **Planning Commission** The Planning Commission will meet next week for a work session on the proposed code revision. We are working with legal and refinery leadership to propose an alternate permitting framework with the planning commission. The project team met with one commissioner last week who expressed a willingness to introduce language the business would find amenable regarding expansions. The Commission also scheduled a meeting on Jan. 30, likely for a public hearing, depending on the commission’s progress this week.
- **Swearing-In** The County Council will meet on January 14 to swear in new members, including Ben Elenbaas, a BP employee who was elected in District 5. The council will select a new member of the Planning Commission to fill a pending vacancy – Jeff Chalfant at BP is an applicant.
- **Lummi** Brady will meet with representatives of Lummi Nation on Monday to discuss items of mutual interest including: projects, hiring news, and vehicle disposition.

Shape NY state climate policy in alignment with BP principles.

Redacted - First Amendment

Year-on-year increase in employee understanding of the Fuels strategy and leadership confidence as measured by the Pulse and ongoing survey efforts.

Execute on site specific communications and engagement plans

- Ongoing support of the Fuels, NA Leaders Meeting
 - Save the Date issued
 - Award Nominations note issued
- Supported end of year communications across Fuels, NA, including a “year in pictures” from Doug Sparkman

Secure earned media placements in top-tier/regional/trade publications in support of the FNA strategy.

- Abendhoff facilitated an interview between Business Insider and Richie Malone, BP Talent Attraction manager, to discuss BP’s recruitment efforts in the U.S.

Execute integrated communications strategy to promote advancing the energy transition (AET) in key locations.

- Graves and business representatives (Andrew Waller, David Peterson, George Rotter, Scott Roberts, John Shabaker and April Johnson) hosted tours of the Naperville facility for Illinois State Senator Sue Rezin and Illinois State Senator Laura Ellman. During the visits we discussed BP’s commitment to the dual challenge and BP’s \$25 million investment in its Naperville campus to pilot an enhanced recycling technology. Worked in collaboration with the internal and external teams to promote this on our channels.

Strategically increase BP’s engagement and influence in our downstream trade associations.

- We continue to work with the BP Group on its trade association review.

Other Activities/News

Redacted - First Amendment

- **Tobacco** C&EA worked with the retail team on the sudden implementation of new federal rules restricting the sale of cigarettes to customers 21 years of age or older. In California, Orrock met with the California Department of Public Health and the Tobacco Control Board about local ordinances on vaping and tobacco and shared the challenges we are facing with the sheer volume of local ordinances that are being put into place. The Department has contracted with Americans for Nonsmokers Rights to track the local ordinances and create a public report. However, they expect it will be several months before it is available. The Department will reach out to cities and counties to encourage them to contact retailers and franchisees directly with information about local ordinances. Meantime, a bill proposing a complete ban on all flavored vaping products statewide was introduced. It is still in the

early in the process, but if the bill passes, it is likely to supersede any local ordinances that have been passed. Orrock is following up with the Governor's office to understand if it is a priority for them.

- **CA Income Tax** Democrat legislators filed a bill to increase corporate income taxes in California. Specifically, for businesses with net income at or above \$10 million – it would change the flat corporate tax rate of 8.84 percent (10.84 percent for banks and financial corporations) to a varying tax rate based on the salaries of each corporation's chief executive officer (CEO), chief operating officer (COO), or highest paid employee, and other its employees. For taxable years beginning on and after January 1, 2020, and for companies with net income of at least \$10 million, SB 37 would increase the corporate tax rate by at least 25 percent, and then adjust the rate ranging from 10.84 percent to 14.84 percent. C&EA is working with BP's tax team on the bill.
- **OH Nuke Bailout Bill** The Ohio Supreme Court agreed to review questions related to the process OH used in an unsuccessful signature gathering campaign for a referendum to repeal of the law. The bailout bill (HB 6) provides financial support to two nuclear power plants while essentially eliminating the state's renewable energy portfolio.
- **OH Legislative Preview** Both the House and Senate return to Columbus the end of January. Legislators are expected to work on HB 166, a bill to find long-term solutions to ensure clean and safe water in Lake Erie and throughout Ohio. The 2021/22 fiscal Capital Budget will be the first priority for the General Assembly. Ohio holds its Primary Election on March 17, 2020.
- **Sierra Club "Ready for 100" Campaign** This campaign seeks to have "cities and communities across the country...ready for a just transition to 100% clean, renewable energy." A group has been formed in Columbus called "Columbus Ready for 100" that is likely already talking to Columbus City Council. Also, Ohio has seen Cleveland and Cincinnati pass the 2050 fossil fuel free resolution and Lakewood pass a more ambitious 2025 for city accounts and 2035 for residents.
- **Wisconsin Base-or-blend** BP will participate in an upcoming meeting to help the State of Wisconsin consider revisions to its motor fuels regulations. C&EA and GFT will joined other company representatives to provide technical guidance on whether Wisconsin will continue with its current base-or-blend status for gasoline regulation, or switch to a blended-only standard.
- **Contractor apprenticeship training in WA** C&EA and PSCM are working together on the a rulemaking and Department of Labor and Industry review of contractor apprenticeship training programs. The outcome of these discussions are not clear and there is angst about whether non-union contractors will be available to work at CHP if the agency doesn't approve their training programs in time. We are working the regulatory and legislative angles in support of the contractors.
- **Tax extenders** A five-year extension of the biodiesel and renewable diesel blenders' credits was signed into law by President Trump with no phasedown. Under this agreement, the credits will be available at the full \$1.00 amount through the end of 2022. A three-year extension (through 2020) for the \$0.50 alternative fuel mixture credit (for co-processing). C&EA is exploring options to extend this another two years. The law also includes language recommending EPA finalize a rule permitting the use of bio intermediates under the RFS as soon as possible. A language directing EPA to review renewable fuel pathways to ensure bio intermediates and all coprocessing methods fully qualify under the RFS
- **EPA Cleaner Trucks Initiative (CTI)** EPA issued an Advance Notice of Proposed Rule soliciting comments on a CTI rulemaking. EPA expects to issue the proposed rule late 1Q. The rule would establish new emission standards for oxides of nitrogen (NOx) and other pollutants for highway heavy-duty engines. It would seek to streamline and improve certification procedures to reduce costs for engine manufacturers. California is also working on tighter heavy-duty engine NOx standards. EPA has not told fuels suppliers of any expected fuel specification changes that would be included with these new engine standards. We will monitor this rule for implications for fuels.

• **EPA Fuels Streamlining Rule (Modernization Rule Phase 1)** This action will remove obsolete rules and streamline the regulations; and consolidate the Northern and Southern RFG VOC Performance spec to the Southern spec; EPA will do this as an RVP standard. EPA expects to issue the proposal late 1Q. The BP team led by GFT includes FNA, refinery labs, S&OR, IST, Pipelines, Legal, and C&EA. The team has provided extensive input through EPA pre-proposal workshops. BP expects to file its own comments and provide input to API and AFPM comments. The rule will be effective 1/1/2021, so the team is also working on an implementation plan.

• **Chicago Architectural Biennial (CAB)** The CAB held an awards ceremony to celebrate the fall edition of the BP Student Ideas Competition. The over 150 people in attendance heard Chicago Mayor Lightfoot express her gratitude to BP for our continued support of the Biennial. Craig Bealmear delivered remarks honoring the students. Internal and external teams promoted this on our channels.

UPCOMING DATES

Jan 13	WA Legislative session opens
Jan 16	CHP receives Community Impact Award and RB McKeon receives President's Club award from Ferndale Chamber of Commerce
Jan 20	PHMSA deadline for decision on the preemption case brought by the states of MT and ND against WA
Jan 21	CHP Extended Leadership Team meeting to discuss 2020 priorities
Jan 22	Chicago Council on Global Affairs' Emerging Leaders presentation (T. Miller / J. Graves)
Jan 28	Illinois General Assembly opens
Jan 28	USPL Modernization stand up
Feb 5	RTE Town Hall
Feb 24-27	Fuels, North America Leaders Meeting
Feb 26	BP-sponsored panel discussion hosted by Our Energy Policy on the potential role of a carbon price in helping New York achieve the mandates of the Climate Leadership and Community Protection Act (New York City)
March 13	Scheduled end of legislative session in WA

Phil Cochrane Sr. Director State & Local Affairs – Fuels North America BP America