

RWD op-ed on Paris climate agreement

Over the past few months, I've spent a lot of time in Washington meeting with members of the new administration, including both President Trump and Vice President Pence. I've been encouraged by their calls for increasing domestic energy production and reforming the federal regulatory system.

Of course, I'm the chief executive of BP, so you would expect me to say that. What you might not expect is that our company also strongly supports the Paris climate change agreement and believes the United States should remain a party to it. Moreover, we believe that staying in the Paris agreement would help the Trump administration achieve its broader energy goals.

BP has a long history on these issues. Twenty years ago, our then CEO, John Browne, became the first major oil and gas executive to publicly recognize the emerging scientific consensus on climate change and commit to take action in response. We subsequently invested \$8 billion in low-carbon energies and contemplated a world "Beyond Petroleum." I myself ran our alternative energy business in the early 2000s.

Today, BP doesn't have a great deal to show for these investments. We learned the hard way that private companies can do only so much to address climate change on our own. We need governments to provide strategic direction and implement policies that help accelerate the world's transition toward a more sustainable energy mix. We also need a vehicle for global cooperation.

That's where the Paris agreement comes in. Signed by nearly 200 countries and ratified by more than 140, it provides a stable but flexible framework for collective action to reduce greenhouse gas emissions.

The flexibility of the agreement is crucial. As an American leading a London-based energy company with operations around the world, I appreciate that every country faces a unique set of climate-related challenges. The Paris agreement recognizes this, too. That's why it does not obligate governments to adopt any specific policies, and it does not force countries to reduce emissions in any particular way. For that matter, the agreement would not require the U.S. to halt its ongoing energy renaissance.

As America's largest energy investor over the past decade, BP wants the U.S. energy renaissance to continue. We also want the world to make meaningful progress on climate change. By staying in the Paris agreement, President Trump could help realize both objectives, while affirming that America remains a true leader on issues of global importance.

Right now, Paris represents a series of aspirational pledges. In the years ahead, participants will iron out many of the key details. As these discussions move forward, America would benefit from having its most highly skilled negotiators — including President Trump — working with foreign leaders to ensure that the agreement is transparent, verifiable and properly balanced.

The current version may not be perfect, but America won't be able to fix it without a seat at the table.

Beyond the diplomatic benefits of staying in Paris, there would be significant economic benefits, as companies such as Apple, Dupont, Google and Walmart have all noted. For example, continued U.S. participation in the agreement would provide greater clarity about the direction of climate policy, which would help companies make long-term investment decisions, and it also would help expand international markets for low-carbon technologies, which already are a fast-growing segment of the U.S. energy economy. Meanwhile, by strengthening the global commitment to reduce carbon emissions, U.S. participation would help mitigate the physical impact of climate change.

This gets to a larger point: Energy production and environmental protection are not mutually exclusive. We can have the energy that is essential to human welfare while also curbing emissions.

Just look at what has happened in America over the past dozen years. Between 2005 and 2016, U.S. oil production increased by 71 percent, while U.S. natural gas production increased by 50 percent.¹ Yet over that same period, America's energy-related carbon dioxide emissions *declined* by 14 percent.²

The main reason is that, thanks to the shale gas revolution, natural gas has been displacing coal in the power sector, thereby making the sector less carbon-intensive. In 2016 alone, there was "about a 5% decline in the carbon intensity of the power sector, a rate that was also realized in 2015," according to the U.S. Energy Information Administration. "Since 1973, no two consecutive years have seen a decline of this magnitude, and only one other year (2009) has seen a similar decline."³

This progress is greatly encouraging, but it's not enough. To speed up America's shift toward lower-carbon energy sources, policymakers need to create the right incentives for producers and consumers to unleash the potential of technology, efficiency and renewables. Experience has shown that flexible, market-based mechanisms such as carbon pricing are a more effective tool — both environmentally and economically — than top-down regulations that try to pick winners and losers.

At BP, we've been doing our part to hasten the energy transition by building the largest operated renewables business of any major oil and gas company (including more than a dozen wind farms here in the U.S.); by improving the energy efficiency of our traditional operations and products; by developing and marketing lower-carbon biofuels and natural gas; and by

¹ (Oil) <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MCRFPUS2&f=A>. (Gas) <https://www.eia.gov/dnav/ng/hist/n9050us2a.htm>.

² <https://www.eia.gov/todayinenergy/detail.php?id=30712>

³ <https://www.eia.gov/todayinenergy/detail.php?id=30712>

teaming up with other companies to develop and deploy cutting-edge technologies that can help us reduce methane emissions and capture, use and store carbon. Prior to the historic Paris climate conference in 2015, we helped organize the Oil and Gas Climate Initiative, a consortium of ten oil and gas companies that subsequently announced a \$1 billion investment in low-carbon technologies.

BP wants America to remain both a global leader in producing energy and a global leader in reducing emissions. Staying in the Paris agreement would help make that possible. It also would allow President Trump to transcend the current debate over climate change and offer a new way forward — one that helps ensure both economic prosperity and environmental sustainability for generations to come.

[end]