

Message

---

**From:** Stout, Robert [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=03DABEB0BF8D45E99472DED8F9F4E8ED [REDACTED]]  
**Sent:** 09/09/2019 14:40:09  
**To:** Keller, Heidi [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=1c1e5f85020644f79237d27a5fda2580 [REDACTED]]  
**CC:** Nolan, James [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6dc88787ac664ac0b21dca18dfb3e89e [REDACTED]]  
**Subject:** Re: RESPONSE REQUESTED -- API Climate Work Group Update & Draft Policy & Governance Proposals to Be Reviewed on Sep 12-13

One other thought: even if the door has technically closed on the first statement Paul is highlighting, I wonder if we could propose a fix by directly quoting the preamble or some other part of the Paris agreement. Can you take a look at that Heidi? Maybe this would be pretty straightforward?

My thought is that if we want to raise this I would personally contact Lloyd Visser and Stephen Comstock plus probably also Pete Trelenberg, Puneet Verma and [REDACTED] [REDACTED] to see if we can push this thought. Probably Lesley Schaaf too.

Thanks,  
Bob

Sent from my iPhone

On Sep 9, 2019, at 8:34 AM, Keller, Heidi [REDACTED]@bp.com> wrote:

Yes, will do.

---

**From:** Stout, Robert [REDACTED]@bp.com>  
**Sent:** Monday, September 9, 2019 10:34 AM  
**To:** Keller, Heidi <[REDACTED]@bp.com>  
**Cc:** Nolan, James [REDACTED]@bp.com>  
**Subject:** Fwd: RESPONSE REQUESTED -- API Climate Work Group Update & Draft Policy & Governance Proposals to Be Reviewed on Sep 12-13

Hi Heidi. Can I ask you please to collate and record these comments so we can review them and be prepared to discuss at the Thurs-Friday meetings?

Thanks,  
Bob

Sent from my iPhone

Begin forwarded message:

**From:** "Jefferiss, Paul H." <[REDACTED]@uk.bp.com>  
**Date:** September 9, 2019 at 4:45:46 AM MDT  
**To:** "Stout, Robert" [REDACTED]@bp.com>, "Streett, Mary" [REDACTED]@bp.com>, "Ellis, Joe" <[REDACTED]@bp.com>, "Miner, Robert" [REDACTED]@bp.com>, "Cochrane, Phil" [REDACTED]@bp.com>, "McMahon, Michael (HSE)" [REDACTED]@uk.bp.com>, "Mannion, Kathrina" [REDACTED]@uk.bp.com>, "Ung, Poh Boon" [REDACTED]@uk.bp.com>, "Yeilding, Cindy" <[REDACTED]@bp.com>, "Miller, Thomas E (FVC)" <[REDACTED]@bp.com>, "Bunch, Mark J" <[REDACTED]@bp.com>, "Corr Hanserd, Valerie L" [REDACTED]@bp.com>, "Raburn, Janice" [REDACTED]@bp.com>, "Pitkethly, Eirik" [REDACTED]@bp.com>, "Hill,

Gardiner" <[REDACTED]@uk.bp.com>, "Rogers, Liz" <[REDACTED]@uk.bp.com>, "Nolan, James" <[REDACTED]@bp.com>, "Khalilov, Seymour" <[REDACTED]@bp.com>, "Lucas, Sarah" <[REDACTED]@bp.com>, "Dale, Spencer" <[REDACTED]@uk.bp.com>, "Cohen, Michael" <[REDACTED]@bp.com>, "Emery, Dominic" <[REDACTED]@uk.bp.com>, "Ross, Ashleigh" <[REDACTED]@bp.com>, "Nash, Mike A (Legal)" <[REDACTED]@uk.bp.com>, "Raftery, Becky" <[REDACTED]@uk.bp.com>, "Phillippe, John" <[REDACTED]@bp.com>

Cc: "Keller, Heidi" <[REDACTED]@bp.com>, "Walker, Freda" <[REDACTED]@bp.com>, "Fielder, JP" <[REDACTED]@bp.com>, "Thompson, Bill (Policy)" <[REDACTED]@bp.com>, "Andrews, Antony" <[REDACTED]@uk.bp.com>

**Subject: RE: RESPONSE REQUESTED -- API Climate Work Group Update & Draft Policy & Governance Proposals to Be Reviewed on Sep 12-13**

Bob,

I can imagine this isn't an easy task. Already a lot of progress.

I've said this a few times now and it has obviously gone unheeded (by API). But I struggle to understand why the document opens with a statement that is false. The aim of the Paris Agreement is not to "advance human and economic prosperity." I have no problem with the API choosing to assert that that is the role of the O&G sector if they wish but it seems plain odd to assert it is someone else's goal when it isn't. The misstatement immediately draws powerful attention to the very divergence I would have thought API would wish to avoid emphasising – as it implies the very thing opponents already believe and will wish to draw attention to, that the industry still doesn't get it (or has simply not read the Agreement). Seems tactically odd. Why not just quote what the PA actually says?

The section on application of the principles on p. 4 . seems reasonable but seems to focus on situations where policy is already proposed/under discussion. Is there any room for pre-emptive engagement?

The principles themselves look ok though I wonder if bullet 8, about market mechanisms couldn't be recast to emphasise that the goal is least cost to society, and that there are various means to that end – stability and predictability; market mechanisms etc. Glad to see offsets specified.

On p. 8, in the section on policies to advance CCUS, there seems to be a lot of emphasis on government support for CCUS when it is a relatively cost effective solution or "when it makes sense and is fit for purpose." I'm not sure what the intent is here. Is it to rule CCUS out – because it will rarely be relatively cost effective at the moment – that's why transitional incentives are needed. Can the intent of these be clarified and simplified, otherwise they will just confuse.

P.9 Add Mission Innovation to Global CCUS Policies.

P. 10, Carbon Pricing Principles. Principle 1 prefer to replace "economic growth" with meeting growing demand".

Principle 3 proposed social cost of carbon as ceiling on price. Fair enough in theory but in practice this is impossible to calculate and some economists propose very high numbers indeed.

Principle 6. I presume the proposal to make the price transparent at the pump is not meant to imply that should also be the point of regulation? Or does it?

Principle 7 yes definitely add offsets.

Principle 8. I'm surprised to see support for international trading but absolutely yes.

Principle 9. Agree with the broad thrust that leakage protection is key – but does API want to emphasise BTA as the mechanism quite so prominently, rather than as an example.

Principle 12. Comment suggest will be deleted but I would retain. Credit for implicit carbon pricing seems reasonable and is what we have proposed in Germany. I don't see any reference to roll back of or credit for duplicative regs and policy that are carbon related. Is this omission deliberate?

P. 13. Subsidies. Have the implications of these principles for O&G production subsidies been fully thought through. Presumably yes...

P. 14. Transportation. Bullet 1 would prefer to ay should rather than must be single carbon price, as we are moving on this.

Bullet 2 is almost unintelligible to me. Does it mean the same as bullet 1 – that even if you have a transport-specific policy the implied price should be no higher than elsewhere in the economy?

Bullet 4, first two sub-bullets focus on full systems and life-cycle (well to wheels) which seems reasonable but seems to contradict earlier principle about regulating only emitters' emissions.

P. 17, Regulation of O&G facilities, first bullet again seems a very complicated way of saying there should be an economy wide price. Same point about life cycle.

The rest repeat some of the issues raised above but I can't see anything new worth commenting on.

Hope that's helpful.

Paul

---

**From:** Stout, Robert <[REDACTED]@bp.com>  
**Sent:** 08 September 2019 17:26  
**To:** Streett, Mary <[REDACTED]@bp.com>; Ellis, Joe <[REDACTED]@bp.com>; Miner, Robert <[REDACTED]@bp.com>; Cochrane, Phil <[REDACTED]@bp.com>; Jefferiss, Paul H. <[REDACTED]@uk.bp.com>; McMahon, Michael (HSE) <[REDACTED]@uk.bp.com>; Mannion, Kathrina <[REDACTED]@uk.bp.com>; Ung, Poh Boon <[REDACTED]@bp.com>; Yeilding, Cindy <[REDACTED]@bp.com>; Miller, Thomas E (FVC) <[REDACTED]@bp.com>; Bunch, Mark J <[REDACTED]@bp.com>; Corr Hanserd, Valerie L <[REDACTED]@bp.com>; Raburn, Janice <[REDACTED]@bp.com>; Pitkethly, Eirik <[REDACTED]@bp.com>; Hill, Gardner <[REDACTED]@uk.bp.com>; Rogers, Liz <[REDACTED]@uk.bp.com>; Nolan, James <[REDACTED]@bp.com>; Khalilov, Seymour <[REDACTED]@bp.com>; Lucas, Sarah <[REDACTED]@bp.com>; Dale, Spencer <[REDACTED]@uk.bp.com>; Cohen, Michael <[REDACTED]@bp.com>; Emery, Dominic <[REDACTED]@uk.bp.com>; Ross, Ashleigh <[REDACTED]@bp.com>; Nash, Mike A (Legal) <[REDACTED]@uk.bp.com>; Raftery, Becky <[REDACTED]@uk.bp.com>; Phillippe, John <[REDACTED]@bp.com>  
**Cc:** Keller, Heidi <[REDACTED]@bp.com>; Walker, Freda <[REDACTED]@bp.com>; Fielder, JP <[REDACTED]@bp.com>  
**Subject:** RESPONSE REQUESTED -- API Climate Work Group Update & Draft Policy & Governance Proposals to Be Reviewed on Sep 12-13

All:

The API Climate Work Group (CWG) met again ftf last week and will have our final ftf meetings in DC on Sep 12-13 to finalize our recommendation to the API ExCo for its October meeting (where Lamar will represent BP).

The attachments reflect the current state of play, but you do not need to read them in full. I will summarize the key points below

and, most importantly, the points on which your input is requested. ***Please provide any comments to Heidi Keller and me ASAP, but in any event by midday on Wed, Sep 11.***

Wordsmithing is fine but key substantive policy points are most important. I apologize for the long note and short time fuse for input, but I wanted to get this to as many of you as possible as timely as possible following receipt of the materials from API late Friday.

Drafts reflecting current CWG consensus from prior meetings:

Attachment B sets out the ExCo position agreed at their June meeting (page 2), the CWG's recommended position on what the "ambitions of Paris" means in the ExCo statement (page 3), and the CWG's agreed draft of Overarching Climate Policy Principles. The CWG drafts reflect an overall consensus achieved over many hours of discussion and negotiation. They are far from perfect, and do not align with our own views in all particulars. But I believe they do represent progress in staking out a more constructive position on climate policy, which is intended to be made public in some agreed form following endorsement by the ExCo.

Drafts out for input/comment at Sep 12-13 meetings:

- General statement on application of API climate policy principles (Att. B, pages 4-5)
- Potential Industry Initiatives (Att. C) – The ExCo asked the CWG to consider and recommend additional voluntary industry initiatives to address climate change and GHG, beyond the current API Environmental Partnership which focuses on methane. No clear consensus has been reached at the CWG thus far, but if we have strong views in a particular direction we have an opportunity to express them at the next meeting.
- Governance proposal – continuing CWG through year-end 2019 and standing up a new API Climate Policy Committee thereafter (Att. D)
- RD&D on CCUS (Att. B, pages 7-9) – Cindy/Poh/Ashley, you in particular may have suggestions here.
- Carbon pricing (Att. B, pages 10-12) – The CWG was not able to reach consensus that API should proactively advocate for imposition of carbon pricing, but we had a start at a statement that API would engage policymakers on the design of such policies according to a draft set of principles as reflected here. There is still a fair bit of room for input here.
- Subsidies (Att. B, page 13)
- GHG Emissions from Transportation (Att. B, pages 14-15)

Note that Attachment B also includes a range of other draft policy statements that API staff have developed with ERM. These will not be further discussed or negotiated until after the Oct ExCo meeting, so there will be time in the future to provide input on these.

Thanks in advance for your input and please feel free to write or call with any questions.

Best,



**Bob Stout**

Robert L. Stout, Jr.

Vice President & Head of U.S. Policy

BP America Communications & External Affairs

Office:

Mobile:

Confidential

**From:** Stephen Comstock [REDACTED]@api.org>

**Sent:** Friday, September 6, 2019 5:28 PM

**To:** [REDACTED]@listserve.api.org

**Cc:** Todd Liebl [REDACTED]@cabotog.com>; Edwin Makkinga [REDACTED]@enbridge.com>; Mike Sommers [REDACTED]@api.org>

**Subject:** CWG In Person meeting #4

All,

In preparation for next week, please find attached the proposed agenda for the day and a half meeting as well as three attachments: 1) updated Compendium document 2) a document with potential industry initiatives path forward and 3) a proposal on potential governance of this issue.

Our meeting will still be in API's building but we will be in a different meeting space on the 2<sup>nd</sup> floor. Your names will be with the guard desk in the lobby and they will direct you to the floor and meeting room.

Have a great weekend and safe travels.

Regards,

Stephen Comstock

Director – Tax & Accounting Policy

API