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Subject: Fwd: Axios Generate: BP's lobbying makeover — Oil's viral slide — Capitol Hill moves

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From: Ben Geman <[REDACTED]@axios.com>
Date: Wed, Feb 26, 2020 at 9:07 AM
Subject: Axios Generate: BP's lobbying makeover — Oil's viral slide — Capitol Hill moves
To: [REDACTED]@gmail.com>

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Generate

By Ben Geman · Feb 26, 2020

Welcome back! Today's Smart Brevity count: 1,090 words, 4 minutes.

Mark your calendars: Season 3 of “[Axios on HBO](#)” kicks off 6 pm ET/PT Sunday, March 1!

🎵 This week marks 50 years since Funkadelic released their self-titled debut, which provides [today's awesome intro tune...](#)

1 big thing: Cracks emerge in the oil lobby over climate

Illustration: Eniola Odetunde/Axios

European-based oil giants' evolving steps on climate change are cracking — but not yet rupturing — the industry's lobbying and advocacy relationships in the United States.

Driving the news: This morning BP said it's leaving three groups over differences on climate policy: American Fuel & Petrochemical Manufacturers, the Western States Petroleum Association, and the Western Energy Alliance.

Why it matters: It's the most wide-ranging move yet by oil giants who are re-evaluating their trade group memberships as part of efforts to do more on global warming and as they face activist pressure. Last year Shell and Total left AFPM too.

- And it signals wider fault lines within the industry over climate as some companies, including BP, call for steps including carbon pricing and regulating methane emissions.

What they did: BP, which rolled out new climate pledges two weeks ago, this morning said it reviewed 30 memberships worldwide to see how in sync they were with BP's posture.

- They surveyed topics like support for the Paris agreement, climate science, carbon pricing, regulations and more.

What they found: 22 groups were aligned with BP's priorities. Five were "partially aligned," while they were "unable to reconcile" their views with the three they're leaving.

- BP said it broke with AFPM because they're "misaligned in activities to progress state-level carbon pricing programmes in the absence of a US national policy."
- They offered a similar reason for ditching WSPA, and they're abandoning the WEA over the group's opposition to federal methane regulations

But, but, but: There's no head-on collision with K Street's biggest power brokers at this point.

- None of the majors have bailed on the most biggest and most powerful groups like the American Petroleum Institute, U.S. Chamber of Commerce and the National Association of Manufacturers.
- BP said it was "partially" aligned with those groups.
- For API, BP noted that while they're at odds on federal methane regulations, they note the group's work on voluntary industry efforts. And when it comes to the powerful Chamber, BP said they're only partially in sync on climate science and emissions cutting.

The intrigue: In one sign of the changing landscape, BP spent heavily to help defeat a Washington State carbon pricing ballot initiative in 2018. But, as the Seattle Times reported, last month they launched a pro-pricing PR campaign there.

- In the new report, BP said that while they were in sync with WSPA in fighting what BP considered a flawed ballot measure, they disagreed with its opposition to what BP called "well-designed" cap-and-trade plans more recently before state lawmakers.

What's next: The Norway-based multinational Equinor is expected to announce the results of its trade association membership review by the end of this quarter.

Go deeper:

- BP vows to "fundamentally" change with net-zero emissions target
- Industry lobbying rifts over climate change growing



2. Coronavirus reasserts its will over oil markets

Oil prices have resumed their slide in recent days as the chart above shows, signaling renewed fears of how much the novel coronavirus will eat into demand.

Why it matters: It's a barometer of how the spreading and sometimes deadly illness is curbing global economic activity.

Driving the news: The latest estimate arrived this morning when Goldman Sachs analysts cut their 2020 demand growth forecast by 600,000 barrels per day from the prior 1.2 million.

- This reflects "large demand declines in China, second derivative demand impacts in both OECD and non-OECD Asia, and some mild weather impacts in North America and Europe."
- "If the coronavirus spreads further globally, then we expect further downside risk to our estimates," they said in a note.

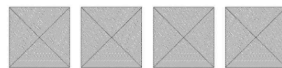
Where it stands: Brent crude is trading at \$53.53 as we hit send on the newsletter this morning.

What's next: All eyes will be on next week's meeting of OPEC+, which is the coalition of OPEC, Russia and other allied producers.

- "OPEC+ may decide to trigger more supply cuts at next weeks meeting, but this may only have a limited effect on oil prices, as demand-side concerns are expected to continue having a major sway on the commodities complex," FXTM analyst Han Tan [tells Reuters](#).

The big picture: COVID-19 has [killed more than 2,700](#) people and infected over 81,000 others.

- By Wednesday morning, South Korea had the most cases outside China, with 1,146 infections. Europe's biggest outbreak is in Italy, where 322 cases have been confirmed.
- Read our [coronavirus updates here](#).



3. Pondering the possible on Capitol Hill

Giphy

Okay okay bear with me for a moment and consider the possibility that some climate and energy legislation could actually reach the finish line this year in a divided Congress.

Driving the news: [New analysis](#) from the think tank Third Way says that's not crazy, pointing to a series of modest measures where "priorities are aligned" on both sides of Capitol Hill.

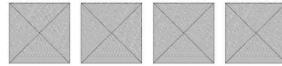
Where it stands: There are several bills where they see potential traction, which would revise DOE programs to help develop and commercially deploy advances in renewables, carbon capture, storage and

more.

- Bloomberg Environment [reports](#), "A Senate bill to boost technologies for storing carbon dioxide underground is getting a closer look in the Democratic-controlled House and could be emerging as the best chance for passing bipartisan climate legislation this year."

What's next: GOP Sen. Lisa Murkowski, the chairwoman of the Senate's energy committee, is slated to introduce a bipartisan energy package as soon as this week.

- Its Senate reception could help signal whether there's an opening and, if so, how wide it is.



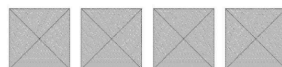
4. Catch up fast: mining, shale, solar, Saudis

Climate: "Rio Tinto has pledged to reduce its greenhouse gas emissions to zero by 2050 and invest \$1bn over the next five years in climate-related projects." ([Financial Times](#))

Oil-and-gas: "Growth in U.S. shale oil production will slow sharply over the next two years, the chief executive officer of U.S. oilfield services giant Schlumberger said on Tuesday." ([Reuters](#))

Renewables: "Tesla Inc. and Panasonic Corp. plan to end their partnership in producing solar cells for rooftops at a facility in Buffalo, New York, according to people familiar with the matter." ([Bloomberg](#))

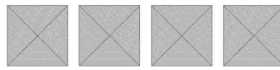
People: "Saudi Arabia's King Salman tapped former Energy Minister Khalid al-Falih to head a newly created investment ministry as part of a cabinet shuffle, calling back a high-profile figure as the government struggles to lure foreign capital to drive an economic transformation." ([Wall Street Journal](#))



5. Number of the day: 350

President Trump hasn't tweeted about climate change in 350 days — a break from his repeated use of the platform to oppose consensus science, E&E News' Scott Waldman noted yesterday.

The intrigue: I'm not sure there's any real message to be drawn, but that said, [he writes](#): "Trump might be hearing a new message from his campaign advisers: Mocking climate science could imperil his reelection."



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