

Message

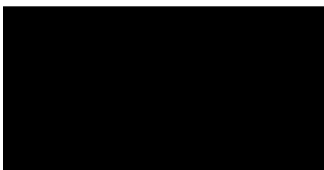
From: Stout, Robert [/o=MSXBP/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/[REDACTED]]
on behalf of Stout, Robert
Sent: 17/05/2016 12:43:12
To: Panelo, Marcelo [/o=MSXBP/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/[REDACTED]]; Hill, Gardiner [/o=MSXBP/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/[REDACTED]]; Jenvey, Nigel [/o=MSXBP/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/[REDACTED]]; van Hoogstraten, David Jan [/o=MSXBP/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/[REDACTED]]
CC: Williams, Lance [/o=MSXBP/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/[REDACTED]]; [REDACTED]@bp.com
Subject: RE: News Article: "CCS Demonstration Should be Left to Private Sector, House Repulicans Say"

Redacted - First Amendment

Thanks all,

Bob Stout

Robert L. Stout, Jr.
Vice President & Head of Regulatory Affairs
BP America Communications & External Affairs



From: Panelo, Marcelo
Sent: Tuesday, May 17, 2016 8:31 AM
To: Hill, Gardiner; Stout, Robert; Jenvey, Nigel; van Hoogstraten, David Jan
Cc: Williams, Lance
Subject: RE: News Article: "CCS Demonstration Should be Left to Private Sector, House Repulicans Say"

Redacted - First Amendment

Bob,

Redacted - First Amendment

Best,

Marcelo M. Panelo

Sr. Director, US Federal Regulatory Affairs - Safety & Health
BP America Communications & External Affairs

US Mobile [REDACTED]

From: Hill, Gardiner

Sent: Tuesday, May 17, 2016 3:44 AM

To: Stout, Robert; Jenvey, Nigel; van Hoogstraten, David Jan; Panelo, Marcelo

Cc: Williams, Lance

Subject: RE: News Article: "CCS Demonstration Should be Left to Private Sector, House Repulicans Say"

Bob,

Redacted - First Amendment

Kind regards,

Gardiner

From: Stout, Robert

Sent: 17 May 2016 03:26

To: Jenvey, Nigel; van Hoogstraten, David Jan; Panelo, Marcelo; Hill, Gardiner

Cc: Williams, Lance; Stout, Robert

Subject: RE: News Article: "CCS Demonstration Should be Left to Private Sector, House Repulicans Say"

Thanks for sharing, Nigel.

Redacted - First Amendment

Thanks,

Bob Stout

Robert L. Stout, Jr.
Vice President & Head of Regulatory Affairs
BP America Communications & External Affairs

From: Jenvey, Nigel
Sent: Thursday, May 12, 2016 4:57 PM
To: van Hoogstraten, David Jan; Panelo, Marcelo; Stout, Robert; Hill, Gardiner; Forsyth, Jonathan A
Subject: News Article: "CCS Demonstration Should be Left to Private Sector, House Repulicans Say"

BP Internal

Looks like more money for R&D, but less capital grants for FOAK demo's in the US.....

May 12, 2016
GHG Daily Monitor
By Abby Harvey

The Department of Energy's Office of Fossil Energy has run into problems getting commercial-scale carbon capture and storage demonstration projects off the ground, indicating it shouldn't be involved in the business of commercialization at all, several Republican members of the House Science, Space, and Technology Subcommittee on Energy said Wednesday.

"DOE does not have adequate expertise or capacity to successfully manage commercial-scale projects. So instead the department should be focusing limited federal dollars on the fundamental research to lay the foundation for the next technological breakthrough," said subcommittee Chairman Randy Weber (R-Texas) told Assistant Secretary for Fossil Energy Chris Smith during a morning hearing.

Smith responded by explaining that if the Department of Energy does not take a role in supporting commercialization activities for CCS technology financially, it's not going to move forward at all. "In this current market, that's necessary because it's free to emit as much carbon pollution into the environment as you want to," Smith said, arguing there is no incentive for the private sector to pursue commercial-scale CCS. "The optimal thing for a company to do is to run their plant and just put that pollution into the environment, because it doesn't cost anything."

Subcommittee Ranking Member Alan Grayson (D-Fla.) echoed that statement, saying there is no path forward for the technology without government intervention. "It's dreaming to think that it's going to happen through the ... free market when the free market has every incentive to continue to pollute as much as it wants."

Many members on the right stated a preference for government funding supporting early stage innovative research, specifically applied to the "front-end" of fossil energy production, such as plant efficiency technology. "The fossil energy R&D program has become singularly focused on carbon dioxide management." Science committee Chairman Lamar Smith (R-Texas) said.

Not only is DOE spending hundreds of millions in taxpayer funds in a way the Republican subcommittee members do not agree with, but it is doing so badly, some lawmakers asserted, using the stalled Texas Clean Energy Project as an example.

TCEP is a 400-megawatt coal integrated gasification combined cycle facility located outside the city of Odessa that will incorporate carbon capture and storage. The project was initially billed at \$1.9 billion but is now expected to cost \$3.9 billion. The original projected completion date of June 2014 has been pushed back to after June 2018.

The department awarded Summit Power Group a total of \$450 million to build the facility. As of February 2016, DOE had reimbursed Summit approximately \$116 million in project costs, or approximately one-third of its total commitment. The agency suspended the remainder of the funding at that time due to Summit's inability to reach financial close. "I foresee them trying to raise additional funding for that project, but at this point the U.S. government is not putting additional taxpayer funds toward that project," Smith said.

"Looking at this and other failed ... projects in the fossil portfolio, the connecting thread seems to be the size and the goal of the project. Seems like when the Office of Fossil undertakes a large commercialization project, there are frequent problems and delays," Rep. Brian Babin (R-Texas) said.

Other failed large-scale CCS projects supported by the Department of Energy include the FutureGen 2.0 project planned for Illinois and the Hydrogen Energy California (HECA) project. Two large CCS projects currently under development, the Kemper County Energy Facility in Mississippi and the Petra Nova project in Texas, are due to come online in late 2016 and early 2017, respectively.