

To: Dale, Spencer, [REDACTED]@uk.bp.com]; Stout, Robert [REDACTED]@bp.com]
Cc: Emery, Dominic [REDACTED]@uk.bp.com]; Blazquez, Jorge [REDACTED]@bp.com]
From: Jefferiss, Paul H. [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=[REDACTED]]
Sent: Mon 24/02/2020 8:29:46 AM (UTC)
Subject: RE: Moral Money: Zeal for US carbon tax? Business Roundtable lobbying; no snow

Spencer,

Redacted - First Amendment

Paul

From: Dale, Spencer <[REDACTED]@uk.bp.com>
Sent: 24 February 2020 07:27
To: Jefferiss, Paul H. <[REDACTED]@uk.bp.com>; Stout, Robert <[REDACTED]@bp.com>
Cc: Emery, Dominic <[REDACTED]@uk.bp.com>; Blazquez, Jorge <[REDACTED]@bp.com>
Subject: FW: Moral Money: Zeal for US carbon tax? Business Roundtable lobbying; no snow

Thanks Paul

Redacted - First Amendment

Spencer

From: Jefferiss, Paul H. <[REDACTED]@uk.bp.com>
Sent: 22 February 2020 10:27
To: Ted Halstead <[REDACTED]@Halstead.org>; Greg Bertelsen <[REDACTED]@clcouncil.org>; 'David Bailey' <[REDACTED]@clcouncil.org>
Cc: Stout, Robert <[REDACTED]@bp.com>; Dale, Spencer <[REDACTED]@uk.bp.com>; Emery, Dominic <[REDACTED]@uk.bp.com>
Subject: FW: Moral Money: Zeal for US carbon tax? Business Roundtable lobbying; no snow

All,

Not sure if you saw this article in the FT arguing for a higher carbon price to justify regulatory quid pro quo. Copied below in case you don't have access.

Paul
<https://on.ft.com/37SEmF3>

Grantham questions Dimon-backed carbon dividend

This week a striking collection of Wall Street luminaries — such as Jamie Dimon and Ray Dalio — threw their weight behind the Climate Leadership Council's (CLC) "carbon dividend" plan. So did energy groups. "The [plan] outlines a common sense policy framework to address climate change," Mr Dimon told the Financial Times, arguing that it "will generate significant emission reductions, promote innovation and protect Americans from rising costs". This is a notable shift: a decade ago, Wall Street would have shied away from this idea. So would Big Oil. But some climate-focused investors such as Jeremy Grantham are raising red

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flags about the trade-offs that companies are demanding in exchange for supporting a carbon tax. The core element of the plan — a carbon tax that is returned to the public in the form of a “dividend” — is relatively uncontroversial. Similar ideas have even been proposed by left-leaning economists. But the devil is in the details. In exchange for agreeing to a carbon price, oil companies would be unshackled from any existing (or future) federal regulation limiting “stationary source” CO2 emissions, low-carbon fuel standards and emissions standards for “non-road” vehicles such as farm equipment. The plan would also limit the ability of the states to set their own carbon prices. Supporters argue that such regulations would be “unnecessary” because the markets would take care of things on their own. Curbing states’ rights to set their own climate policies has also been a priority for the Republican party. The Trump administration began investigating a group of automakers last year in a bid to subvert California’s efforts to set strict emissions standards (the probe has since been dropped). But a price of \$40 per tonne is too cheap to justify such action, said Mr Grantham, the co-founder of Boston-based money manager GMO and a strong proponent of environmentally focused investing. “You don’t want to lose too much [regulation] for \$40 per tonne,” he told Moral Money. “At 30 or 40 [dollars per tonne] you are not going to solve the problem, particularly if you get rid of all the regulations.” Mr Grantham believes the price would need to be closer to \$100 per tonne to justify the regulatory cuts. With a growing number of Republicans shifting their position on climate change, it seems inevitable that some sort of carbon pricing will happen, said Ted Halstead of the CLC, and this proposal is meant to be a “market-friendly” alternative to stave off progressive regulation such as the Green New Deal. But if Mr Grantham’s reaction is any indicator, the concessions oil majors are offering will not be enough. The CLC has already amended its plan to drop a provision that would have absolved fossil-fuel companies for liability in climate lawsuits. It may have to return to the drawing board again. (Billy Nauman)