Fossil Fuels Climate Lobbying Update: March 2023

Overview

This briefing contains an overview of the corporate lobbying detected by InfluenceMap related to oil, fossil gas, and methane for the month of March 2023:

- **At CERAweek**: Global oil and gas CEOs contravene IPCC guidance and undermine net-zero commitments by supporting continued fossil fuel investments in the context of the energy transition.

- **In Europe**: Wintershall Dea advocates for global fossil fuel expansion at its annual press conference.

- **In China**: oil and gas delegates push for fossil fuel expansion at the Two Sessions.
Global - CERAweek

CEO’s from the oil and gas sector promote fossil fuels at major industry conference

At CERAWeek 2023, a significant gathering of energy industry leaders, several fossil fuel CEOs delivered statements that appeared to contradict the guidance of the Intergovernmental Panel on Climate Change (IPCC) by placing emphasis on the role of oil and fossil gas in the global energy mix. Other trends observed include criticism by some CEO’s of European energy policy as well as appearing to support conventional technologies in transport.

- **Promoting fossil fuels and cautioning against a rapid transition**: There appeared to be significant advocacy for the continued role of fossil fuels in the context of the energy transition, a theme that can be seen across Europe, North America, and Asia & Pacific regions. In North America, ExxonMobil CEO Darren Woods argued that Exxon’s continued focus on oil and gas has been the right decision, saying, “We saw in 2018, particularly with a lot of the climate emphasis, that people were pulling back from oil and gas. We leaned in. We were heavily criticized for doing that at the time, but we recognized that, at some point, that supply was going to be needed.” ConocoPhillips CEO Ryan Lance highlighted the importance of Alaska’s oil production, stating “If we don’t get (the oil) from Alaska, it’s going to come from someplace else.” Meanwhile, Chevron CEO Mike Wirth appeared to warn against a rapid energy transition, stating, “We have to be very careful about turning system A off prematurely and depending on a system that doesn’t yet exist and hasn’t been proven.” In the Asia & Pacific region, Santos CEO Kevin Gallagher advocated for new gas development in Australia, while CNOOC Energy Economics Institute President Wang Zhen emphasized the continuing dominance of oil and gas in the global energy mix and the importance of fossil gas as a “clean” energy source.

- **Criticism of European energy policy**: There appeared to be noticeable criticism of EU energy policies. Repsol CEO Josu Jon Imaz appeared to praise the implementation of the Inflation Reduction Act while appearing unsupportive of efforts in Europe, stating “What you have here is a carrot, what we have in Europe to boost the energy transition is a stick.”, appearing to not support EU regulation related to the energy transition. ExxonMobil CEO Darren Woods also criticized European energy policy for deterring investment in oil and gas, stating that Europe had no alternative but to burn coal to keep the lights on when Russian gas stopped flowing. He further warned that by continuing to hit the oil and gas industry with “punishing” measures like the European Union’s windfall tax, things will only get worse. Meanwhile, Shell CEO Wael Sawan urged Europe to focus on developing all forms of energy, including fossil gas. He said that Europe must stop “depending on luck as a strategy” and argued that the energy transition would be driven more by demand patterns than efforts to reduce or change supply.
Supporting conventional technologies in transport: BP CEO Bernard Looney appeared to emphasize the role of conventional fuels and technologies in the energy transition, **stating that** "Fuel efficiency in new light vehicles is having a bigger impact on fuel demand than rising sales of electric vehicles." appearing to suggest a continued role for ICE vehicles. Meanwhile, Repsol CEO Josu Jon Imaz also **criticized** the EU's proposed plan to ban internal combustion engine (ICE) vehicles, calling it a "mistake", his comments coming at a time when the **EU was in negotiations with Germany** to pass the target.

**Europe**

**German oil and gas giant Wintershall Dea advocates for further fossil fuel exploration in and outside of Europe**

One of Germany’s largest oil and gas producers, Wintershall Dea, held its annual press conference at the end of February 2023. The company emphasized its commitment to transitioning its operations and its vision for the future: ‘Diversification and decarbonization’. However, in several fact sheets the company published ahead of the conference, the company set out a position in support of expanding oil and gas production in and outside of Europe, contradicting global decarbonization efforts in line with Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA) recommendations:

- Wintershall Dea supports the role and expansion of fossil fuel infrastructure in several countries outside of Europe. In **Algeria** and **Mexico**, the company seemed to support the dominant role of oil in the two countries’ energy supplies, suggesting further exploration of oil fields is desirable. Furthermore, Wintershall Dea clearly advocated for the long-term role of fossil gas in the **United Arab Emirates**, **Egypt**, and **Argentina**, emphasizing the crucial role fossil gas plays in the countries’ economies.

- In Europe, Wintershall Dea **suggested** that domestic gas production in Germany is desirable for the country’s energy mix, constituting the “fundamental basis of a competitive industrial nation and a progressive society,” without placing clear conditions on the deployment of carbon capture and storage (CCS) solutions. Additionally, in Norway the company **supported** the long-term role for hydrogen produced with natural gas, however, with some reference to the need for CCS.

- Wintershall Dea, which is majority-owned by the largest chemical company in the world **BASF**, has repeatedly advocated for positions on fossil fuel expansion that are misaligned with IPCC and IEA recommendations.
The company also advocates misaligned positions indirectly through its memberships in industry associations. In December 2022, GasNaturally, where Wintershall Dea COO Dawn Summers is President, directly advocated in a meeting with the European Commission for new LNG infrastructure and domestic gas production in the EU, as well as options to develop gas infrastructure outside the EU.

As one of Germany’s largest oil and gas producers, Wintershall Dea’s advocacy has far-reaching implications in terms of the energy transition, making it crucial for stakeholders, policymakers, and the public to scrutinize the company’s alignment with the broader goals of climate change mitigation.

China

Chinese oil and gas sector pushes for fossil fuel expansion at the Two Sessions

In March 2023, the yearly legislative meetings of the National People’s Congress and the Chinese People’s Political Consultative Conference took place in Beijing. Delegates representing various industry sectors and social groups gather at the Two Sessions to discuss key policy issues and deliver policy suggestions. This year, delegates from the oil and gas sector heavily focused on advocating for policy support for fossil fuel exploration and infrastructure, with a few instances of advocacy for green energy sources:

- In a 7th of March corporate blog article, Sinopec disclosed that several of its delegates submitted policy proposals advocating for a continued role of oil and gas in the energy mix and further exploration of oil and gas, including shale oil. Sinopec delegates promoted natural gas as a clean energy source that can support China’s energy transition, and advocated for building more natural gas storage facilities. They emphasized that fossil fuels will remain the dominant energy source in the long term, and urged for an increased production of natural gas and the government to provide subsidies and policy incentives for shale oil exploration.

- PetroChina disclosed on its corporate blog that its delegates advocated for natural gas infrastructure and further exploration of oil and gas, including shale gas, in several submitted policy proposals. In a 10th of March corporate blog article, it was reported that PetroChina delegates advocated for an increased exploration of oil and gas to ensure China’s national energy security, including shale gas exploration. According to a 13th March corporate blog article, PetroChina delegates advocated for policy support for natural gas storage facilities and oil and gas exploration in southwest China.

- Separately, according to a 7th March news article reported by International Energy News, CNOOC advocated for easing the restriction of the exploration licensing to allow more offshore oil and gas exploration in Bohai Sea, East China Sea, and South China Sea.
Sinopec and PetroChina delegates also advocated for policies to support green hydrogen and green electricity. According to a 7th March corporate blog article, a Sinopec delegate called for continuing the current policy on developing hydrogen in the transport sector and initiating additional policy to support the utilization of green hydrogen in heavy industry. According to a 10th of March corporate blog post, PetroChina delegates advocated for infrastructure to facilitate distribution of green electricity from provinces rich in renewable energy and policy to support oil and gas companies to transition.

Despite some delegates advocating for green hydrogen and green electricity, the overarching emphasis on further exploration and infrastructure for oil and gas demonstra
tes continued resistance from fossil fuel interests to China’s low-carbon transition.