Overview

This briefing contains an overview of the corporate lobbying detected by InfluenceMap related to fossil fuels for the month of June 2023.

■ **In Canada:** Canadian oil and gas industry representatives testify to government to advocate in favor of increasing fossil fuel production and increasing exports.

■ **In Korea:** New InfluenceMap analysis reveals that Korean companies appear to be advocating for Carbon Capture Utilization and Storage (CCUS) in a manner misaligned with IPCC guidance on the technology.
Canada

Canadian oil & gas industry testifies to the federal government, advocating for continued production of fossil fuels and increased support for CCS

In June 2023, the Canada’s Standing Senate Committee on Energy, the Environment and Natural Resources, held a consultation on Canada’s oil and gas industry and climate change. Oil and gas companies and industry associations advocated for an increased production of fossil fuels in Canada to supply to global markets. These positions are inconsistent with the latest science from IPCC and IEA that recommend substantial reduction in fossil fuel consumption to limit global warming in line with 1.5 C.

Executives from three oil and gas companies – Shell Canada, Suncor, and Cenovus – testified to the Senate, while the Canadian Association of Petroleum Producers (CAPP) submitted a brief to the government.

- The President of Shell Canada, Susannah Pierce, emphasized concerns around energy security and the Russia-Ukraine crisis to advocate for continued need for “traditional forms of energy”. Pierce added that “Canada can reliably provide energy to a growing world developed to the highest standard”.

- Suncor’s Chief Sustainability Officer, Arlene Strom, advocated for a long-term role for oil, stating that the company sees a role for oil if emissions from the value chain can be reduced. Suncor did not acknowledge the Scope 3 emissions that arise during the final use of oil, the highest source of GHG emissions in the oil and gas sector according to a May 2023 IEA report.

- Cenovus Chief Sustainability Officer, Rhona DelFrai, opposed the transition away from oil and gas. DelFrai also stated that the committee should conclude that “energy transition does not mean a transition off of oil and gas production in Canada” but a “a transition to the low-carbon production of these resources, enabling Canada to be the global oil and gas supplier of choice”.

- CAPP’s submission to the Senate echoed the comments of the oil and gas producers and advocated for increasing oil and gas production for Canada to be “a stable and secure supplier of energy”. CAPP also claimed that exporting LNG from Canada to Asia and Europe “would reduce net global emissions” by displacing coal and addressing energy poverty. A recent Fact Check by InfluenceMap analyzing similar claims made by fossil fuel industry associations found that climate-positive claims and social benefits attributed to increased LNG use tend to be misaligned with the IPCC & IEA science.

The industry also advocated for increased government investment in carbon capture utilization and storage (CCS/CCUS) in the oil and gas sector in their comments to the committee. For instance, Cenovus stated
that CCS is the “immediate solution” and was a “proven technology” that the “industry has been using to enhance our oil recovery for many decades”. Suncor *advocated* for co-investment in CCUS projects from the federal and provincial government for “approximately 2/3 of capital and operating costs.”

**Korea**

Korean companies advocating for CCUS appear to be misaligned with IPCC guidance on the technology

InfluenceMap analyzed Korean corporations’ advocacy regarding Carbon Capture, Utilization and Storage (CCUS) technology between 2020–2023. The 17 companies and 15 industry associations hosted on the Korea Climate Policy Engagement Platform were examined for instances of advocacy regarding CCUS policy support and role in the energy mix transition. InfluenceMap then analyzed whether company statements regarding CCUS were aligned with IPCC guidance on the role of the technology in 1.5C pathways.

- Of the 32 entities analyzed, 5 companies and 2 industry associations were found to have advocated frequently to the South Korean government for CCUS policy support and investment (see Appendix 1 for full list and examples of engagement). The companies were all from the Energy (Oil & Gas) or Utilities sectors. Energy (Oil & Gas) sector companies were advocating the most frequently and strongly to the Korean government for CCUS policy and investment support, as well as positioning CCUS as a key technology for the carbon-neutral energy transition.

- The Korean companies and industry associations advocating for increased investment in and use of CCUS did not appear to be aligned with IPCC guidance on the role of CCUS in the zero-carbon transition (see Box 1 below). While the IPCC states that CCUS must be used in conjunction with a steep reduction in fossil fuel use, all Korean entities advocated for CCUS without specifying the need to phase out fossil fuels. In some cases, Korean companies appeared to suggest that CCUS could be used
to enable a more active role for fossil fuels in the energy mix and were found to be also advocating for a prolonged role for fossil fuels in the energy mix.

### IPCC guidance on Carbon Capture and Storage (CCS) in the Energy Sector

- The IPCC’s discussion around Carbon Capture and Storage (CCS) in the energy sector refers to the final use of fossil fuels when paired with CCS in a net-zero energy system. CCS can facilitate a continued role for remaining fossil fuels in the energy sector and in this way reduce the risk of stranded assets (IPCC AR6, April 2022, Full Report, p.615). For example, with the use of CCS fossil gas usage falls by 45% by 2050 compared to 2019 levels: without CCS, fossil gas decreases by 70% by 2050 (IPCC AR6, April 2022, Full Report, p.615).

- In IPCC analysis, the use of CCS does not counter the need to substantially reduce fossil fuels, indicated by the 45% decline in the use of fossil gas by 2050 even with CCS. Furthermore, the IPCC states “A fraction of these [fossil fuel reserves] can be used consistent with mitigation goals when paired with CCS opportunities in close geographical proximity”, with over half these resources likely “unburnable, even in the presence of CCS” (IPCC AR6, April 2022, Full Report p.646-647).

- Issues with the development of CCS include the ongoing high cost – the capital costs of a coal or gas electricity generation facility with CCS is almost double that of one without CCS (IPCC AR6, April 2022, Full Report, p.642). The IPCC report also states that “power plants with CCS could shut down periodically due to water scarcity” (IPCC AR6, April 2022, Full Report, p.643). The IPCC also notes the Integrated Assessment Models (IAMs) include faster adoption rates for CCS than other mitigation technologies, such as wind and solar, but are based on little historical data and “without strong evidence for why this should occur” (IPCC AR6, April 2022, Full Report, p.259).

### Examples of Korean corporate advocacy on CCUS*:

* For a full list of examples, see Appendix

- **SK E&S**: As reported by *Today Energy newspaper* in May 2023, SK E&S CEO Choo Hyung-Wook said “CCUS technology is a key foundation technology for realizing carbon neutrality”, adding that with CCUS technology the company was able to gas fields in Australia in an “eco-friendly way.” The same newspaper reported in July 2022 that Yu Jeong Joon, Vice Chairman of SK E&S, supported investment in CCUS technology, adding that it would allow for the “active use of LNG.”
SK innovation: In January 2023, Yonhap News quoted SK EarthOn, a subsidiary of SK innovation, stating that CCS is “the most powerful means to achieve net zero.” The company went on to state that CCS would be only means to reduce carbon dioxide while maintaining the efficiency of existing industries such as steel, fertilizer, and cement”, and did not clarify its position on the need for such industries to transition away from fossil fuel-based production.

Korea Independent Power Producers Association (IPPA): In its September 2021 consultation response to the Korean government’s 2050 Carbon Neutrality Scenario, IPPA advocated for increased target capacity for CCUS, and supported ‘expanding the proportion of LNG power generation.’ In the consultation response, IPPA added that ‘demand for carbon-free technology’ could lead to ‘continuous use of LNG using carbon-free technology.’