Overview

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

- **At the G7:** Leaders released a communiqué that appeared to echo several positions directly promoted by the oil and gas industry supporting the role of fossil gas and new infrastructure. Industry has welcomed the support for fossil gas, including supportive positions from the Japan Gas Association (JGA).

- **In the United States:** InfluenceMap released a briefing that details the fossil fuel sector’s involvement in the “anti-ESG” political movement in state governments across the U.S. At the federal level, fossil fuel interests continued to advocate for fossil fuel infrastructure in engagements on permitting reform and the Environmental Protection Agency’s newly proposed rules for power plant GHG emissions.

- **In Australia:** At the annual oil and gas conference hosted by the Australian Petroleum Production and Exploration Association (APPEA), representatives from oil and gas companies appeared to support a stronger rhetoric to promote the benefit of fossil fuels to Australians while also advocating for investment in new supply.
G7 and Japan

G7 back role for fossil gas following push from oil and gas industry

On May 20th, Japan hosted the G7 Summit in Hiroshima, which saw participation from political leaders from Canada, France, Germany, Italy, the United Kingdom, the United States, and the European Union. Following the summit, G7 leaders released a communiqué that appeared to echo several positions promoted by the oil and gas industry:

- “In this context, we stress the important role that increased deliveries of LNG can play, and acknowledge that investment in the sector can be appropriate in response to the current crisis and to address potential gas market shortfalls provoked by the crisis.”

- “In the exceptional circumstance of accelerating the phase out of our dependency on Russian energy, publicly supported investment in the gas sector can be appropriate as a temporary response.”

Prior to the May G7 Summit, in March, several oil and gas industry associations sent an open letter advocating for fossil gas and LNG development to Japanese Prime Minister Fumio Kishida. In April, InfluenceMap fact-checked the letter on its scientific accuracy using findings and analysis from the Intergovernmental Panel on Climate Change (IPCC), International Energy Agency (IEA), and InfluenceMap ‘LobbyMap’ database. As part of the assessment, InfluenceMap identified the following claims from industry related to the positions taken by the G7 on fossil gas:

- Fossil gas is needed for energy security: “discuss the unique and vital role of natural gas in meeting shared energy security and climate objectives.”

- Continued development of fossil gas is integral for energy affordability: “In addition to immeasurable security benefits, continued development of natural gas and liquefied natural gas (LNG) markets is necessary to stabilize volatile global energy markets”

- There is a need for greater investment into fossil gas projects and infrastructure: “Working with industry to encourage public and private investment in all segments of the natural gas supply chain to ensure sufficient development and availability of non-Russian supplies, while ensuring consistency with long-term climate objectives.”
Support from the oil and gas industry

Following the release of the communiqué, international and domestic industry groups have welcomed the support for fossil gas.

- For example, oil and gas industry associations, including several of those signed onto the March 2023 open letter, released a June 2023 statement welcoming the G7’s decision to support investments in new fossil gas infrastructure. The industry associations, including the American Petroleum Institute (API), US Chamber of Commerce, Asia Natural Gas and Energy Association (ANGEA), and International Gas Union (IGU) labelled fossil gas as “essential for meeting growing global energy needs”, ensuring “global energy security while advancing our shared climate goals”, and key to “reducing heavy reliance on coal”.

The Japanese oil & gas industry also appears to have made sustained demands for government support for LNG infrastructure, in direct meetings with Japanese policymakers in the lead up to the G7 meeting.

- In a Ministry of Energy, Trade and Industry (METI) meeting for the ‘Fuel Subcommittee’ in February 2023, the Japan Gas Association (JGA) requested the Japanese government’s “continued support for securing stable LNG” through resource diplomacy efforts.

- In the same METI meeting in February 2023, the Petroleum Association of Japan (PAJ) stated that it was “very important to continue to secure a stable supply of oil and LNG” and emphasized the role of LNG and oil “from the perspective of transitions.”

- Following the G7 Sapporo Ministerial Meeting on Climate, Energy and Environment on April 16-17, the JGA welcomed the addition of the “Natural Gas and LNG” section to the communiqué on May 15. The chairman of JGA stated that “it is very encouraging that investment in natural gas has been positioned as appropriate to solve the supply shortage in the market” without setting clear conditions on the need for CCS or methane emission reduction in the use of gas according to Nikkei GX article published on May 16.

The G7 communiqué showcases the influencing ability of the oil and gas industry, and in particular, the pervasiveness of narratives around energy security amongst policymakers. The G7’s support for the use of fossil gas and continued investment in its infrastructure poses a major threat to attempts to keep global warming below 1.5°C, with both the IPCC and IEA highlighting a significant risk of stranded assets.
United States

Anti-ESG and the Fossil Fuel Sector

This month, InfluenceMap released a briefing that details the involvement of the fossil fuel industry in the “anti-ESG” political movement in the US. This movement has led to several states - the most recent being Oklahoma - to limit business with financial companies deemed to be “boycotting” fossil fuels.

The briefing shows that fossil fuel lobbyists, including representatives from the West Virginia Coal Association, were involved in the writing and distribution of the first “anti-ESG” bills in West Virginia and Texas. It also details how an early anti-ESG rhetorical framework was crafted by an oil/gas, minerals, and frac sand executive and disseminated by a Texas public policy group.

It also highlights the involvement of the State Financial Officers Foundation (SFOF) and the American Legislative Exchange Council (ALEC) in organizing anti-ESG executive and legislative actions across the country, and lists the corporate members of these groups and other associations supporting anti-ESG measures. Furthermore, it shows the impact this movement has had on the climate ambitions of financial institutions, including their involvement in the Glasgow Financial Alliance for Net Zero (GFANZ) initiatives, and on the sustainable finance policy landscape in the US.

US fossil fuel interests advocate for permitting reform

InfluenceMap finds that during Congressional negotiations on permitting reform in May, fossil fuel interests continued to push for legislation toward expediting fossil fuel projects. This negative engagement follows strong cross-sector opposition to the Council of Environmental Quality’s interim guidance on the National Environmental Policy Act, as detailed in InfluenceMap’s April newsletter.

After several pieces of legislation on the issue had been proposed since March 2023, permitting reform became incorporated into negotiations on the national debt ceiling. The consequent debt ceiling deal, titled the Fiscal Responsibility Act, was introduced in the House on May 29th and passed by the Senate on June 1st. The bill, which President Biden signed, rolls back the scope and rigor of NEPA reviews and approves the Mountain Valley Pipeline, among other amendments. InfluenceMap will continue to track the engagement and implications of this significant policy change.

Responses to the debt ceiling bill are illustrated below, along with earlier engagement in the lead up to the formation of the bill. More information on advocacy around permitting reform is available on InfluenceMap’s US Policy Platform here. Engagement on the Fiscal Responsibility Act:
■ Several industry groups celebrated the Fiscal Responsibility Act’s approval of the Mountain Valley Pipeline and urged Congress to pass the legislation, including the CEOs of the American Exploration and Production Council (AXPC) and the US Chamber of Commerce. The Natural Gas Council – which includes American Gas Association (AGA), American Petroleum Institute (API), Independent Petroleum Association of America (IPAA), and Natural Gas Supply Association (NGSA) – similarly advocated for the bill’s passage and lamented that the agreement didn’t address “many of the key issues surrounding permitting of natural gas infrastructure projects.” Following the bill’s passage, the CEOs of US Chamber, AGA, and AXPC praised the passage of the bill, with AXPC’s CEO advocating for Congress to continue to address the “underlying issues that have been hurting America’s ability to build.”

■ A few industry groups and companies, including the senior executives of American Clean Power Association (ACP), API, Business Roundtable, Edison Electric Institute, and National Association of Manufacturers took an unclear position on the legislation, supporting its passage without specifying a clear position on its impact on the energy transition. API’s advocacy with Natural Gas Council, however – noted above – for the bill’s fossil fuel provisions indicates the group’s negative position. BP and General Motors similarly took an unclear stance on the bill, supporting it without clarifying a position on its potential impact on the energy mix.

InfluenceMap finds that prior to the introduction of the Fiscal Responsibility Act, many of the same industry groups above advocated for permitting reform that facilitates a long-term role for fossil fuels:

■ In a May 1st letter to the Senate Chairmen and Ranking Members of the Committee on Energy and Natural Resources and the Committee on Environment and Public Works, the senior executives of the Natural Gas Council – members noted above – urged Congress to “eliminate unnecessarily long and unduly burdensome National Environmental Policy Act (NEPA) reviews” in order to “to continue delivering the benefits of natural gas to the American people.”

■ In a May 5th opinion article in RealClearEnergy, Duke Energy CEO Lynn Good and Business Roundtable cited the war in Ukraine and reduced production from OPEC as justification for policymakers to address permitting reform and “allow the U.S. to export more energy to our friends and allies.” As noted above, the Business Roundtable supported the Fiscal Responsibility Act’s “meaningful reforms” without disclosing a clear position on the legislation’s impact on the energy mix.

■ In testimony before the May 11th Senate Energy and Natural Resources Committee hearing titled “Hearing to Examine Opportunities for Congress to Reform the Permitting Process for Energy and Mineral Projects,” National Mining Association CEO Rich Nolan advocated for permitting reform to
support a continued role for coal. At the same hearing, ACP CEO Jason Grumet submitted testimony that advocated for policymakers to reform the permitting process for all forms of energy infrastructure, emphasizing that legislative consensus was possible only if Congress supported “all competitive energy sources” that included both fossil fuels and clean energy.

**EPA proposes rules for power plant GHG emissions**

In early May, the EPA proposed formal rules to regulate GHG emissions from new coal plants and new and existing gas-fired power plants. Early industry reactions to the proposed rules were mixed, with the utility sector remaining neutral while fossil fuel and cross-sector groups strongly opposed the rules. InfluenceMap will continue to keep track of industry responses and any engagement during the docket’s public comment period – which currently closes in late July – on its US Policy Platform here.

- Several industry groups opposed the proposed rules, including API, *America’s Power*, NMA, and *US Chamber of Commerce*. NAM CEO Rich Nolan and America’s Power CEO Michelle Bloodworth both argued that the rules would “prematurely” shut down coal plants. The CEO of *AXPC* was unsupportive of the rules and emphasized concerns with their impact on the “critical role that natural gas plays.”
- Within the utilities sector, only Pacific Gas and Electric (PG&E) appeared to offer support for the rules. *Edison Electric Institute* and several utilities – *Alliant*, *American Electric Power*, *CMS* subsidiary Consumers Energy, *DTE*, *Duke*, *FirstEnergy*, *Southern Company*, *WEC Energy* subsidiary We Energies, and *Xcel* – all took unclear positions, with many stating they need to review the proposal before disclosing a clear position.

**Australia**

**Oil and gas sector ramps up anti-climate narratives at annual conference**

At the annual Australian Petroleum Production and Exploration Association (APPEA) conference, held in Adelaide between May 15th - 18th, a number of oil and gas representatives spoke and appeared to call for more action from the sector to promote the role of fossil fuels in the energy mix and promote ‘the central role that natural gas plays in the Australian economy and everyday lives’. This includes a new ‘public awareness’ campaign delivered by APPEA. Despite growing concerns over climate change and recent shareholder votes against oil and gas companies’ climate plans, these executives have advocated for increased utilization of fossil fuels and ‘clean’ fossil fuel technology.

- **Promoting fossil fuels in the court of public opinion:** APPEA chair and Woodside CEO Meg O’Neill gave the opening address to the conference, in which she promoted the role of fossil fuels and announced an upcoming ‘public awareness’ campaign to promote the role of fossil fuels in the
energy mix. She highlighted the reduced levels of emissions in fossil gas compared to coal and that this is a ‘strong argument for using more gas’ while also stressing the need for fossil gas to back up renewables. Santos CEO Kevin Gallagher was reported by The Australian on May 18th to have also backed the call for the oil and gas industry to make a better case for itself in the court of public opinion. He stated that the industry was in the firing line and that they had to ‘fight back’ by raising awareness to the benefits of gas and that ‘gas will be here for a long time’.

- **Deploying the oil and gas playbook:** CEO’s at the conference also deployed a familiar set of arguments to justify the continued exploration of fossil fuels that appear alike to those found to be deployed by other sector associations, such as the International Gas Union. In reference to the ‘Hydrogen Headstart’ program, O’Neill appeared to advocate for the inclusion of hydrogen produced using fossil gas with carbon capture and storage (CCS), asserting that it ‘represents the lowest cost and most advanced pathway available’. She was later reported by the AFR to have advocated for more government support for CCS in Australia, but without stating whether this would be alongside reduced levels of fossil fuel use. In an article published on May 18th, Santos CEO Gallagher was reported to have also stated that gas, not renewable energy, was the ‘main game’ in the transition to net-zero. He stated that opponents to gas had ‘no thought to the human cost of a world without oil and gas’. APPEA CEO Samantha McCulloch also promoted the role of fossil gas to help achieve net-zero emissions in a May 17th press release, repeating the claim that hydrogen produced using fossil fuels was ‘by far the most affordable pathway to low-carbon hydrogen production’. In a separate press release from the same day, she also stressed the need for new fossil gas supply to ‘keep the lights on’ and to place a ‘downward pressure on prices’.

- **Warning against further interventions:** The chairman of Shell Australia, Tony Numan, seemed to criticize governmental interventions in the energy market ahead of the conference, according to a May 16th article in the Australian. He also appeared to support new investments in fossil fuels by stating that the energy system needs to attract investment in ‘the energy we need today’ to reduce vulnerability in the energy system.