

American Petroleum Institute (API)

Formed in 1919

More than 600 members

Developed more than 700 standards



General information

API is a U.S. national trade association representing all facets of the natural gas and oil industry. API's more than 600 members include large integrated companies, as well as exploration and production, refining, marketing, pipeline, and marine businesses, and service and supply firms. API was formed in 1919 as a standards-setting organization. In its first 100 years, API has developed more than 700 standards to enhance operational and environmental safety, efficiency and sustainability.

Equinor holds a position on the API Board. We are represented on several API committees: Committee on Federal Relations, State Government Affairs, Communications Committee, Upstream Committee and more.

In line with the Equinor Code of Conduct, we do not contribute to API's funding of political campaigns, political candidates or elected officials. API does not use member dues to fund political donations.

API's climate policy

In his State of American Energy Speech in 2020, API President Mike Sommers said that "bold and achievable action on climate change at the global level is essential, and America's natural gas and oil industry is committed to innovation and leadership to make these ambitions more than just hopes and dreams."⁶

API supports the ambitions of the Paris agreement, including global actions that reduces emissions and alleviates poverty around the world.⁷ API has in dialogue with Equinor stated that they believe that API's advocacy is aligned with Equinor's support for the goals of the Paris Agreement, which aim to strengthen global action to reduce GHG emissions while advancing human and economic prosperity.

In January 2020 API launched "Energy for Progress," a campaign highlighting the natural gas and oil industry's leadership in reducing emissions to record low levels and supporting economic and environmental progress in local communities.⁸ API is in the process of reorganizing its structure in order to optimize its policy development and engagement processes. This includes a new committee structure which will better allow for addressing issues such as climate change. API has confirmed to Equinor that it does not fund climate skeptics, nor does it any more support climate skeptic think tanks.

API's policy principles⁹:

- Facilitate meaningful GHG emissions reductions and conservation from all sectors of the economy.
- Balance economic, environmental and energy security needs.
- Promote economy-wide innovation and development of cost-effective technologies to meaningfully reduce GHG emissions.
- Optimize solutions by eliminating redundant or contradictory policies.
- Support market-based policies to drive innovation.
- Maintain the competitive positioning of U.S. businesses in global markets.
- Rely upon predictable and economically efficient policy frameworks, such as the use of offsets, that foster competition and utilize economy-wide market forces, to deliver outcomes at the least cost to society.
- Ensure that energy producers, manufacturers and suppliers are responsible for their direct emissions.
- Recognize and appropriately account for early and/or voluntary actions.
- Make the costs and associated climate benefits of any policy fully transparent to the American public.
- Continue to advance understanding of global climate change in order to calibrate and adapt future policies appropriately and effectively.

API currently does not have a position on carbon pricing, whereas Equinor sees carbon pricing as an efficient climate policy measure.^{10,11}

Equinor opposed in November 2019 EPA's proposal for a roll-back of U.S. federal methane regulations¹². API has stated that they support EPA's efforts to adhere to its statutory obligations under the Clean Air Act, as they think the regulation of volatile organic compounds drives down methane emissions and allows for innovation and technological advancements that help environmental performance and strengthen industry's actions to reduce emissions¹³. API has been active in developing programs to help industry mitigate climate change, including reducing methane emissions. The Environmental Partnership¹⁴ was established in late 2017 to specifically target key emissions sources. The Environmental Partnership is comprised of oil and natural gas companies of all sizes operating across the US. Currently the Partnership consists of 70 companies, representing over 40 percent of total U.S. natural gas production, and they have expressed an ambition to expand the goals of the program to include more member companies¹⁵. API also provides financial support for the work of Colorado State University's Methane Emissions Technology Evaluation Center (METEC) to reduce methane emissions from oil and gas operations.¹⁶

Conclusions and actions

Our assessment of API's climate position and climate policy principles shows some misalignment with Equinor's position. We have however observed a positive shift over recent years reducing the gap. Based on our dialogue with API's leadership we expect further progress.

API is actively developing their climate policy position. API has in recent years made progress on climate policy issues, and we expect that they will continue evolving in coming years. Equinor will remain a member of this organization and engage in further developing API's climate position. We will continue to engage with API and work with other members on the API climate policy through our representation on the board and in relevant committees impacting climate and sustainability issues. Areas of our specific attention include expectations to strengthened public API support of the Paris Agreement, efforts for tightening of methane emissions regulations and a clearer stance on carbon pricing. We have communicated to the leadership of API, that we will argue these topics also in the public domain.

⁶ <https://www.api.org/-/media/Files/Policy/SOAE-2020/soae-2020-speech.pdf>

⁷ https://www.axes.com/big-oil-lobby-shifts-climate-change-8cc97db8-c51d-4d33-a719-07c82c3ccabc.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axesgenerated&stream=top

⁸ <https://www.api.org/news-policy-and-issues/news/2020/01/07/soae-2020-release>

⁹ <https://www.api.org/news-policy-and-issues/climate-change>

¹⁰ <https://www.equinor.com/en/how-and-why/sustainability/policy-expectations.html>

¹¹ <https://www.equinor.com/en/magazine/carbon-pricing.html>

¹² <https://www.equinor.com/en/how-and-why/reducing-methane-emissions.html>

¹³ <https://www.api.org/news-policy-and-issues/news/2019/08/28/nsp-revision-proposal-2019>

¹⁴ <https://theenvironmentalpartnership.org/>

¹⁵ <https://energyforprogress.org/article/dan-zimmerle-is-on-a-mission-to-reduce-methane-emissions/>