American Petroleum Institute (API)

General information
API is a U.S. national trade association representing all levels of the natural gas and oil industry. API has more than 500 members, including 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 50 years, API has developed more than 700 standards to enhance operational and environmental safety, efficiency and sustainability.

Equates with opposition on the API Board. We are represented in several API committees: Committee on Federal Relations, State Government Affairs, Communications Committee, and more.

In the words of the Equator 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 the State of American Energy Speech in 2020, API President Mike Sommers said that, “We need and achieve action on climate change at the global level is essential and America’s natural gas and oil industry committed to innovation and leadership to make those emissions more than just jokes and dreams.”

API supports the ambitions of the Paris agreement, including global actions that reduce emissions and enhances policies around the world. API has been in a dialogue with Equator. But we believe that API’s advocacy is aligned with Equator’s support for the goals of the Paris Agreement, which aim to strengthen global action to reduce GHG emissions while ensuring 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. 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 address air quality issues such as climate change. API has confirmed to Equator that it does not fund climate skeptics, nor does it encourage support of climate denialist positions.

API’s policy principles:
- Facilitate meaningful CO2 emissions reductions and accommodation from all sectors of the economy
- Advance economic, environmental and energy security needs
- Promote economic welfare innovation and development of cost-effective technologies to meaningfully reduce GHG
- Enable 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
- Help shape predictable and economically efficient policy frameworks, such as the use of offsets, that foster competition and allow economic value market forces to deliver outcomes at lowest cost to society
- Ensure that energy producers, manufacturers and suppliers are responsible for their direct emissions
- Recognize and appropriately account for many other 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 collaborate and assist future policies appropriately and effectively

API currently does not have a position on carbon pricing, whereas Equator sees carbon pricing as an efficient climate policy measure.3,4

Equator opposes in November 2019 (API) proposal for a rollback of U.S. federal methane regulations.5 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 allows downstream emissions and allows for innovation and technological advancements that help environmental performance and strengthen industry’s ability to reduce emissions.5 API has been active in developing programs to help industry mitigate climate change, including reducing methane emissions. The Environmental Partnership5 was established in late 2011 to specifically target key emission sources.

The Environmental Partnership is comprised of 15 oil and natural gas companies of all sizes operating across the U.S. Currently the Partnership consists of 70 companies, representing over 90 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 companies.5 API also provided financial support for the work of Colorado State University Methane Emissions Technology Evaluation Center (METH Excel) to reduce methane emissions from oil and gas operations.5

Conclusions and actions
The assessment of API’s climate policy position and climate policy principles shows some misalignment with Equator’s position. We have however observed a positive shift over recent years reducing the gap. Based on our dialogue with API we deduce to support further actions.

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 multiple coming years. Equator welcomes a member of this organization and engages 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 leading climate and sustainability issues. Areas of our specific attention include expectations to strengthened public API support of the Paris Agreement, efforts for tightening methane emissions regulations and a clearer stance on carbon pricing. We have communicated in the leadership of API, that we will approach these topics also in the public domain.

3 https://www.apicr.org/pages/energy-policy/role-climate-change
4 https://www.equator.com/about/role-and-values/sustainability/policy-expectations.html
5 https://www.epa.gov/diva-policy-strategic-planning-strategy-report
6 https://www.epa.gov/diva-policy-strategic-planning-strategy-report
7 https://www.epa.gov/diva-policy-strategic-planning-strategy-report
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