

John Watson says greenhouse-gas pacts futile, shift to natural gas may benefit company



John Watson, chairman and chief executive officer of Chevron Corp., speaks in Perth, Australia, in April.

SAN RAMON, Calif. — Chevron Corp. Chief Executive John Watson has a blunt message for investors, climate activists and anyone else listening: Fossil fuels aren't going away.

But this stance increasingly sets him apart from his oil counterparts as they react to pressure from climate-change activists and concerned shareholders.

Read: Oil-rich Alberta proposes ambitious new carbon tax

On Wednesday, Chevron **CHV**, **+0.82%**, like Exxon Mobil Corp. **XOM**, **+0.59%**, is facing a shareholder-proposal campaign by activists who want the company to detail the risk climate change poses to its business. Exxon is opposed to the proposal, and so is Watson: He questions its entire premise, arguing that climate change might even prove positive for Chevron, if it spurs more of the planet to shift from coal to natural gas.

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Where many other oil and gas executives are retreating at least in rhetoric, emphasizing common ground with an, who became CEO in 2010 after climbing the company's ranks for three decades, has doubled down.

Watson, 59, isn't a climate-change skeptic. But the staunch disciple of free markets believes that only a major technological breakthrough, rather than a top-down solution from government, will substantially curb climate change.

While nearly 200 countries agreed to reduce greenhouse-gas emissions in Paris last year, Watson doubts they will achieve their goals.

"You can sign agreements in Paris, that's a good step," he said. "But when you sign agreements and create the impression that it's going to be implemented when no one's identified the trillions of dollars that it's going to cost, it's just not clear that's going to deliver."

An expanded version of this report appears on WSJ.com.

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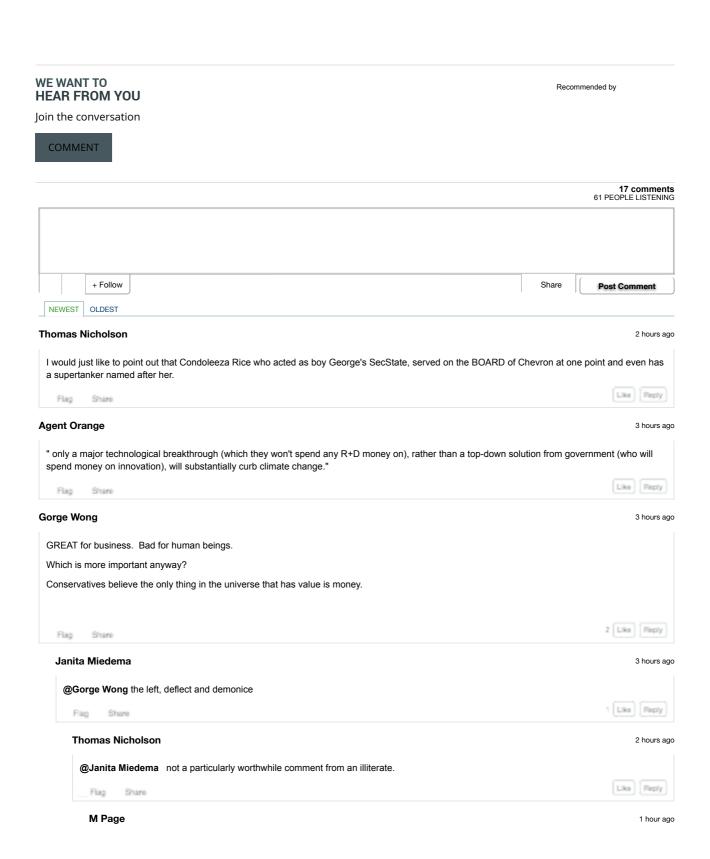


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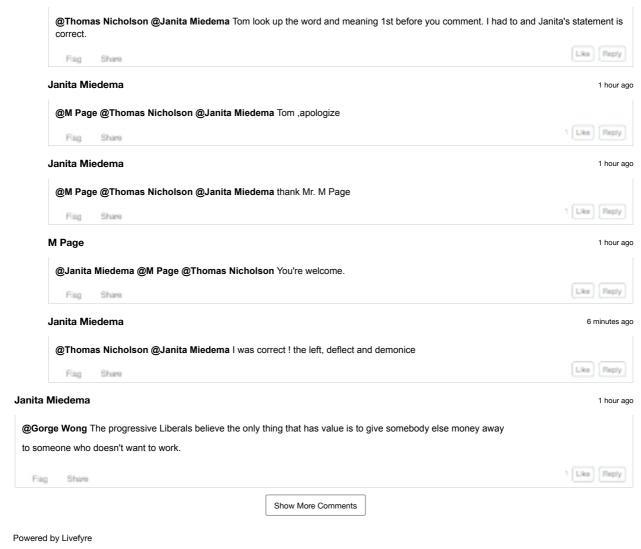


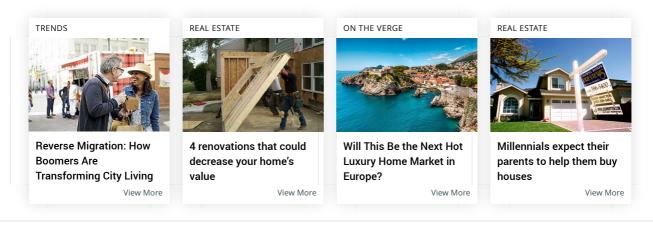




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