



BP

## BP boss widens transatlantic rift in energy industry over climate change

Bob Dudley says UN global warming summit needs deals to encourage energy efficiency and renewable power



📷 A BP platform in the North Sea. Photograph: WPA /Getty Images

**Terry Macalister** Energy editor

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**BP** has threatened to widen a rift between European and US oil companies over how to respond to global warming by urging political leaders to deliver a “substantial” deal at international climate change talks later this year.



Energy industry has reached watershed on fossil fuels, says BP

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**Bob Dudley**, chief executive of the British oil and gas group, said the United Nations global warming summit in December needed to broker agreements that encourage energy efficiency, renewable power such as wind and the use of gas. Such moves are considered vital if global governments are to succeed in keeping the Earth's temperatures from rising more than 2C, the internationally agreed threshold to prevent widespread flooding, famine and desertification.

Asked what he wanted to see from the UN conference in Paris, Dudley said:

“Something substantial needs to be done. We are conscious of that ... we encourage policymakers to move forward on this when they meet in December.”

His comments came amid signs of a transatlantic rift in the oil and gas industry over how to tackle global warming. Last week, BP and a group of European oil companies including Shell and Total of France [wrote a letter to the Financial Times](#) calling for “widespread and effective” carbon pricing to be part of a Paris deal. But that move was dismissed by John Watson, chief executive of US-based Chevron, who said he had declined to sign the letter and believed that putting a price on carbon emissions was unworkable.

“It’s not a policy that is going to be effective because customers want affordable energy. They want low energy prices, not high energy prices,” Watson told an Opec seminar in Vienna last week.

ExxonMobil, the largest stock-listed US oil group, said it was also at odds with the European strategy saying “we are not going to fake it on climate change” by joining a corporate alliance on the environment.

The Paris conference hopes to achieve a [legally binding](#) and universal government-level agreement on combating climate change. It is meant to take over from the Kyoto Protocol which formally ran out in 2012.

Dudley admitted on Wednesday that he had approached American rivals to help to lobby for change. He said some had different views but others were

“very, very close” in their assessments about how to react to the problem.

The BP boss, who is a US citizen, said it would be wrong to portray a serious split between the oil companies and effectively blamed the coal industry for the difference in approach.

“The coal lobby is very strong in the US and I think American [oil] companies want to keep a low profile compared to us.”

He was speaking at the launch of the annual BP Statistical Review of World [Energy](#), which showed growth in global CO<sub>2</sub> emissions during 2014 slowing to 0.5% compared with a recent average increase of 2%.

Part of the decrease was due to the reduction in the amount of coal burned in China and partly because Beijing is using more renewable energy - hydro-powered electricity in particular.

Dudley said he too wanted to see a growth in low-carbon energy and pointed out that BP had invested up to \$10bn in low-carbon initiatives in recent years. “We may do more,” he said.

But Dudley said policymakers should do far more to stop people wasting energy and argued that the fossil fuel sector was not necessarily best placed to kickstart a green power revolution.

“I don’t think the world should look on oil and gas companies and say you should go into renewables.”

Renewables were the fastest-growing form of energy, accounting for one third of the increase in overall primary energy use during 2014 but they still only accounted for 3% of the world total, according to the BP review.

Meanwhile, Spencer Dale, the group chief economist at BP, said the oil and gas industry believed that carbon capture and storage (CCS) was a vital technology to help beat climate change although he admitted there were technical challenges.

Dale also questioned whether a major increase in CCS would happen without government backing. “Is there a market failure here that [means] you need some kind of public investment?” he said

The BP review showed that the amount of proven oil and gas reserves found by the industry was twice as much as in 1980. The company dismissed the idea that BP might have “stranded assets” which could not be burned if the 2C limit is to stay intact, saying that the major stock-listed companies owned a tiny percentage of the world’s total reserves.

Dudley said he expected the price of oil to remain low for a couple of years

but said costs and taxes were beginning to come down, which would help the industry. He added: "It is better to plan on [a low price scenario] than hope."

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**martygoodman**

11 Jun 2015 19:02

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Of course the fossil fuel industry is coming out endorsing the fraud that is "renewable" power (solar and wind)! Why not? As is obvious, one NEEDS to build new gas and coal power plants to cover the 2/3 of the time that solar and wind can't supply power. This was the experience of Germany and Denmark in their combined rejection (safe and clean) nuclear power and embracing of the fraud that is "renewable energy". The only major nation in Europe to make major reductions in CO2 output? France, which opted toward 70% nuclear as a source of electricity. Germany and Denmark did not reduce CO2 output at all, both massively building new natural gas power plants, and Germany building new coal plants as well.

We expect such deceit and charades and tricky from the fossil fuel industry.

But most Guardian reader don't realize the Guardian is as deceitful as the gas and oil companies on the matter of following an anti-nuclear ideological party line.

This story is an example of such, in that the author, an "energy editor" of the Guardian, does not so much as MENTION nuclear power once in this long article, despite the fact nuclear is overwhelmingly (compared to other electrical energy sources) historically (over many decades) safer, cleaner, effectively zero CO2 emitting, and orders of magnitude less harmful to the environment or human health than is fossil fuel, available from nuclear power plants 90% or more of the running life of those plants (compared to 30 to 40% of the time for wind and solar), and among the most economical of power sources. And can be provided with the existing type of power grid, as opposed to the need to develop trillion dollar new (and more dangerously centrally controlled) "smart" power grids.

Perhaps the author of this article has a reason to not be sanguine about nuclear power. That's legitimate, and can be debated. But to leave out all mention of it, and pretend it

and its advocates don't exist in this article is not legitimate and is not journalism. It's cynical censorship, ideologically and faith (not science and historically derived evidence) driven.

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CanadaChuck → [martygoodman](#)

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The Greenpeace-Guardian partnership does not approve of nuclear energy.

Greenpeace started in my town 1969-71 for the purpose of protesting nuclear testing in Alaska. They will not accept the word 'nuclear' used in any context.

The partnership doesn't want to see any more hydro dams built on the planet. Something about agricultural land and relocating the serfs.

They dislike biomass fuels that are used in much of the developing countries (wood, cattle dung etc.) They consider this fuel unhealthy even though people have been using it for 25,000 years.

This means that the G-G partnership only approves of 1% of the world's energy consumption. They will never be happy.

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[jimmythompson](#)

11 Jun 2015 18:52

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The solution to reduce our CO2 footprint is simple. We need to stop and shutdown coal plants systemically and replace them with nuclear power plants. Yes nuclear power does pose safety hazards, but these hazards can be managed properly with strict safety regulations. Nuclear power has 0 CO2 emissions, so is the solution we need. Wind and solar are both good and needed as well, but they are intermittent power sources and much more expensive to deploy on a large scale versus nuclear power.

BP is correct though the government needs to be the one who enforces this change, it will not come voluntarily from industry.

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