



Mark Borowski
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February 28, 2020

Vicki Arroyo
Executive Director
Georgetown Climate Center
600 New Jersey Avenue, NW
Washington, DC 20001-2075

Re: Draft Memorandum of Understanding of the Transportation and Climate Initiative

Dear Ms. Arroyo:

Thank you for providing the opportunity to comment on the Transportation and Climate Initiative (TCI) draft memorandum of understanding (MOU). We at BP appreciate the collaborative process through which such a diverse range of stakeholders has been able to contribute to the development of this program. We see TCI as a bold step forward in tackling one of the most pressing issues of our time and strongly support the initiative.

BP has a broad range of business interests across the TCI region, and thus a great interest in the program itself. We are a major producer, refiner, and marketer of oil, natural gas, and renewable fuel blends in the U.S. In fact, we are the largest supplier of renewable natural gas, or “biogas,” to America’s transportation sector. We are also active participants in the Regional Greenhouse Gas Initiative (RGGI), as well as other cap-and-trade programs in the U.S. and around the world.

We share your goal of achieving effective and efficient climate policy. More than twenty years ago, BP was the first major oil and gas company to acknowledge climate change as a serious issue warranting a global response, and to commit to action on emissions. We set emission reduction targets, implemented an internal carbon price, and invested substantially in renewable energy, of which we remain the largest operator among our peers. Recently, BP’s new CEO Bernard Looney announced our ambition to become a net zero company by 2050 or sooner, and help the world get there too. BP’s support for carbon pricing is part of this bold vision. We believe in it so much, we’re stopping corporate reputation advertising and re-directing resources to promote net zero policies, ideas and collaborations instead.

But while companies like BP can – and must – play a leading role in bringing about a lower carbon future, government leadership is essential. That is why BP supports well-designed carbon pricing programs as the most efficient and cost-effective way to reduce greenhouse gas emissions. Such programs use the power of competitive markets to change behavior and encourage innovation, first by capping emissions, and then allowing the competitive market signals to reduce them. This gives

the certainty companies need to invest and bring new technologies to people faster and in amounts required for real progress.

While a national carbon pricing program would be ideal, state and regional plans can play a critical role now in moving us in the right direction. RGGI has proven to be a highly successful program that has helped reduce emissions from the power sector dramatically in the Northeast and Mid-Atlantic. We see TCI as following the proven model of RGGI and as a logical next step toward an economy-wide price on carbon. We urge the participating states to adopt it.

As the specific policy components are developed, BP would encourage that the TCI program build in linkage with the RGGI program and be easily expandable to include non-highway fuels in the future. Building in linkage and program growth could enhance the efficiency and the effectiveness of this market-based policy in catalyzing action to reduce carbon emissions across a wide swath of the regional economy.

We look forward to working with you and with other stakeholders as the details of this program continue to develop.

Sincerely,

Mark Borowski
Director, State & Local Affairs