



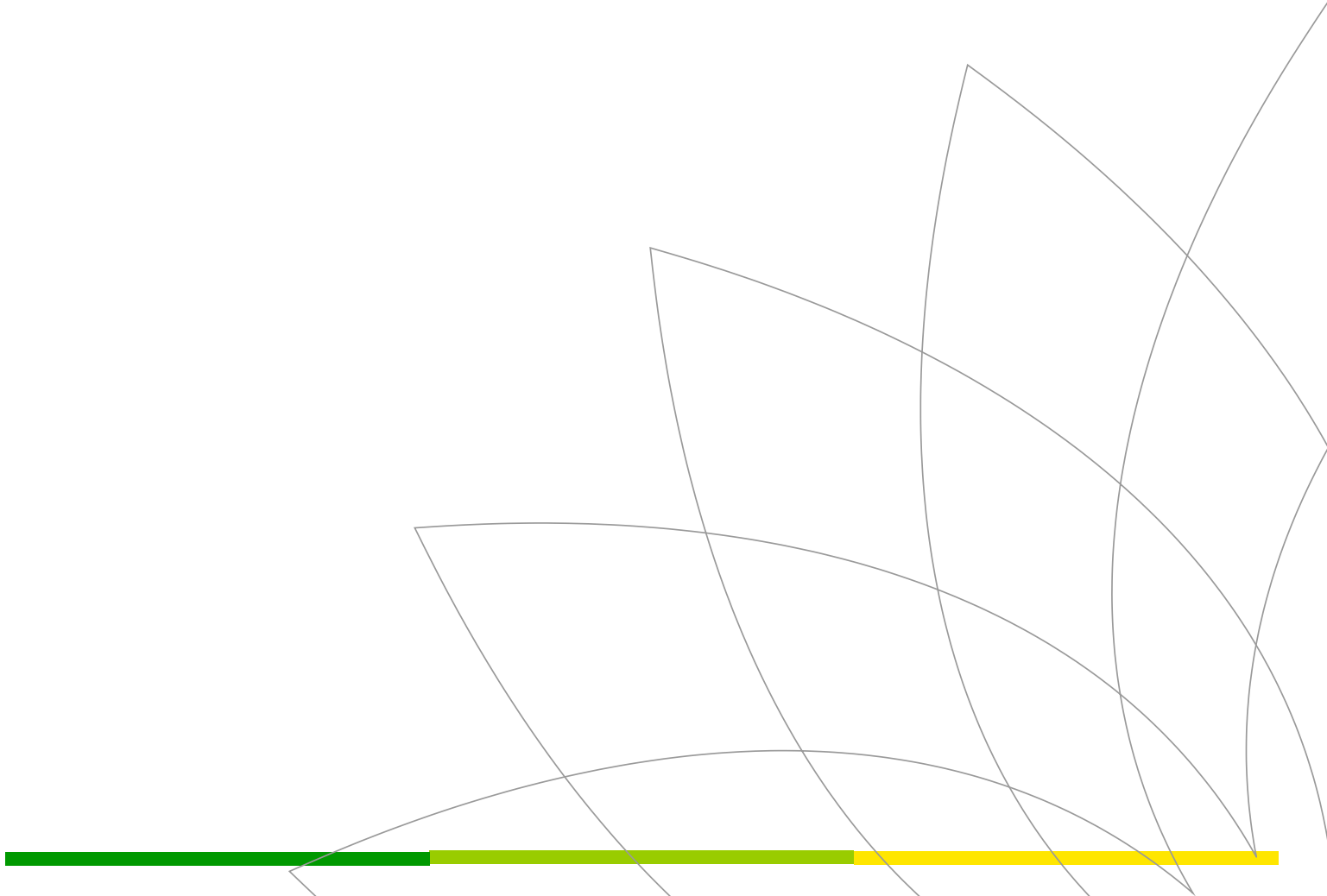
# Climate change, my daughter and me

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## Introduction

Thank you Firouz Asnan, of Petronas, for hosting us today – and to everyone at IOGP for putting on such a fascinating event.

It's been a great chance to get together, throw around ideas and discuss some of the issues facing our sector.

When deciding what to say today, I thought I'd begin by discussing one of the defining issues of our time: the dual challenge of providing more energy with fewer emissions.

About growing, increasingly prosperous populations driving demand for energy all around the world and particularly here in Asia. While societal pressures across the globe are demanding fewer emissions.

As an industry, we've been talking about the dual challenge for some time. So that topic would probably have resonated with people in this room.

But I think we need to be communicating more with the people outside this industry, indeed outside this room.

And I'm not sure our arguments are always cutting through.

Let me give a personal example.

## Engaging the public

I was in the car with my 17-year-old daughter. Funnily enough, I was driving her to a climate protest: the one where all the school kids marched on Big Ben in London.

As I pulled up, I even saw one of her friends with an "anti-BP" placard!

My daughter and I have discussed climate change a bunch of times.

And unsurprisingly the topic came up again on the way to this demonstration – leading swiftly to what I do for a living, working in oil and gas.

"Daddy, what are you doing?" she asked me.

"Your industry has known about climate change for decades and didn't do anything about it."

"Don't you care about my future?"

I took a deep breath.

First, I started with arguments on a personal level.

“How about you start by turning the light off in the bathroom when you’re done?”

“And I didn’t hear you complaining when we flew to China on holiday last month.”

Well, that didn’t cut it.

So I went through some of the points our industry often makes.

“There’s roughly a billion people around the world without access to electricity.

“While 2.5 billion people could lift themselves out of poverty over the next two decades. All of them need energy to do things that you take for granted.

“Renewables are great but they’re not enough. You could triple, quadruple the amount of renewable energy out there and there still wouldn’t be enough to meet demand.

“So, frankly, the world needs many types of energy – including oil and gas.

“Besides we’re doing more than you could imagine to make those fuels cleaner.”

Now I don’t know the last time any of you debated with a teenager.

But I certainly found that my logical, reasoned arguments were not landing as well as I would have liked.

Look, I might have painted an unfair picture.

My daughter is an intelligent, reasonable individual who cares deeply about the world and those around her.

And the concern – the anger – she showed is real.

She’s even told me she wouldn’t have kids until the world gets climate change under control.

She’s part of a fast-growing body of opinion that is increasingly sceptical – if not critical – of what we do.

Now I’ve been in this industry for over 30 years.

That's long enough to know that we do a lot of good work.

And that we can't do anything on our own.

The energy transition affects everyone – and everyone has a role to play in driving it: energy providers, other industries, governments, NGOs, citizens.

But what I find striking is the shift we are seeing in the public's view of our industry.

Yes, the debate is playing out at different speeds across the globe. But the intensity is increasing everywhere.

And I'm becoming increasingly convinced that everyone has to do more.

That is especially true in our industry.

## Need to act

The question is how?

What has to change?

What do we need to do differently?

Well, let me start by emphasising how proud I am of what we do.

The energy we produce heats people's homes, lights their workplaces, fuels their vehicles, powers the internet.

We keep the wheels of modern life rolling.

So let's not be afraid of making the case for the energy we produce.

Yes, we need to continue to discuss ideas and potential solutions to help drive the energy transition.

And then we need to turn talk into action.

We've started doing that.

We all acknowledge the threat of climate change and how the very things I've just mentioned are major contributors to global emissions.

And we're all working away to advance the energy transition.

That's all great.

But we need to do much, much more.

## Why we can help

Because I firmly believe that not only can the energy transition take place with a strong oil and gas sector.

It must.

We are uniquely placed to help shape how the transition unfolds.

We can't make the energy transition happen in a world that isn't ready for it.

But without our skills, expertise and networks, it simply can't take place quickly and affordably.

And we have a choice in terms of how we view the transition.

We can see it as a threat – something that endangers our businesses.

Or we can see it as an opportunity.

Where we can help make energy cleaner -- and help our businesses while making money in the process.

You can probably guess which view I think we should take.

I believe we have to lean into the transition much further than has maybe been possible in the past, and embrace it as an opportunity.

So let me outline three areas where I think we, as IOGP members, can make a real difference.

### 1. Reduce operational emissions

First, reducing our own emissions.

We know that renewables are growing faster than any fuel in history.

We also know that they can't meet energy demand on their own.

Meanwhile oil and gas currently make up more than 60% of global primary energy.

And most scenarios suggest they are going to continue to play a highly significant role in the fuel mix for decades.

The International Energy Agency (IEA) has suggested oil and gas could make up almost half the fuel mix in 2040 in a world consistent with Paris.

Gas, in particular, will be a key partner to renewables – providing a reliable flow of energy when the sun isn't shining or the wind isn't blowing.

So we know the world needs our products.

But I also think the way we do business has to change.

I was reading a McKinsey paper the other day, and it said oil and gas production accounts for 9% of global greenhouse gas emissions. The same study suggested that for oil and gas to have a role in mitigating climate change, operational emissions might have to fall by around 90% by 2050 from where they are today .

Ninety percent.

That means, as a minimum, we have work to do to drive down our operational emissions.

What this means in practice for our businesses will depend on our respective portfolios, the geographies we operate in, as well as local circumstances.

But this is something we can all do: from super-majors operating in multiple jurisdictions, to national oil companies, to smaller producers with very different business models.

Across the sector, we are taking important steps in this area: from identifying and stopping fugitive emissions, to the increased electrification of equipment, to improving reliability and upgrading infrastructure to reduce flaring.

But as an industry, I am confident we can, and I feel that we must go further.

And if we continue bringing down emissions, that will help make sure that the energy we produce can play its fullest possible role in the future.

## 2. CCUS

Now let me move onto the second area I think we should focus on: Carbon Capture Usage and Storage (CCUS).

For oil and gas to fulfil its potential in tomorrow's energy mix, while the world meets the Paris goals, increasingly they'll need to be decarbonised.

In fact, the IEA has said that to meet the Paris goals, almost a third of global emissions reductions should come from CCUS.

CCUS is not new technology. It's been working effectively for 45 years.

But we all know that for a long time, the costs were prohibitive.

That's starting to change now.

And we're seeing models to test the commercial viability of CCUS.

There are currently 23 facilities operating around the world.

But to help the world meet the well below 2-degrees goal, it will need 2,500 projects by 2040 – each with a capacity to capture 1.5mt CO2.

So my question for everyone in this room is why can't we do more?

Why can't we work together, invest more and embrace the opportunities present?

Yes, we need governments to act and create the right policy environment.

Yes, there are questions about funding.

But if we, as an industry, don't do more ourselves, then CCUS will never play the transformational role we know it can.

### 3. Hydrogen

Finally, I want to talk about hydrogen – natural gas minus the carbon.

Burning hydrogen has zero emissions.

It can improve air quality.

It can help decarbonise parts of the economy that are hard to abate.

And it can be deployed widely across the industry:

As an effective and transportable form of energy:

Stored underground to meet flexible energy demands.

And as a valuable chemical feedstock.

In a net-zero scenario, hydrogen could account for around 20% of total energy demand by 2050 -- as part of a potential \$2 trillion economy.

And our industry is well-placed to help develop that market.

After all, it's essentially a variation of what we do today.

We have the reputation, the scope, the scale, the project experience, the technical and operational expertise.

So there's huge potential for us to embrace.

## Role of IOGP

Those are just three areas the oil and gas industry could focus on to help advance the energy transition.

There are plenty more.

And IOGP has a unique role in all of this.

We support studies and research to explore new avenues.

As an example, we recently commissioned the Hydrogen in Europe study.

By bringing our combined expertise together, we can magnify the impact of our members.

We can coordinate, support and avoid duplication.

And we can help governments advance the energy transition economically.

As chair of the IOGP, I want to support our members in their efforts to bring down emissions.

And my call to our members is to join us.

Not just participate in the energy transition.

But to lead it.



Leadership

After all, we live in a world that feels increasingly unstable.

Climate change is a long-term and global issue.

And where many governments, perhaps understandably, sometimes think along shorter and more local terms.

Our industry has to think long-term and global.

We know we have the skills, the expertise, the knowledge of energy-generation and project-management to help the world drive this transition.

All this means we are uniquely placed to take a lead here, in helping the world get closer to the low carbon future it wants and needs.

Let's see the energy transition as an opportunity.

Let's seize it.

And let's help shape it.

Because if we do that, we will not only secure our industry's future.

We'll be helping the world tackle one of the most complex challenges it has ever faced.

If we step back just for a moment.

The energy transition affects our industry – of course it does.

But it goes beyond how we think as engineers or as energy providers.

It affects us as people.

We all have people we care about: families, children, friends.

We all care about the world.

So the energy transition is not just something we can help deliver.

We should want to deliver it.

With that, let me end where I started, and go back to that conversation I had with my daughter as I drove her to a climate protest.

Not only do I want all of us to persuade people like her who are sceptical of what we do.

I want to get to the point where having those conversations is no longer necessary.

And we are seen not as part of the problem.

But part of the solution.

I think that would certainly make conversation in the car a little more enjoyable.

Thank you.