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bp Testimony in Support of Senate Bill No. 872: An Act Relating to Health and Safety – Transportation Emissions and Mobile (TEAM) Community Act

Dear Members of the Senate Committee on Environment & Agriculture:

Thank you for the opportunity to provide written testimony in support of Senate Bill No. 872: An Act Relating to Health and Safety – Transportation Emissions and Mobile (TEAM) Community Act, which will open the way for Rhode Island to participate in the Transportation and Climate Initiative cap-and-invest program (TCI-P) designed to reduce CO2 emissions from the transportation sector.

The potential benefits of TCI-P to Rhode Island are well-documented: They include a 26% reduction of carbon emissions from transportation by 2032; tens of millions of dollars in public health and safety benefits; increased funding for transportation infrastructure; and a host of economic benefits.

I would like to focus on why a company like bp – a major distributor and marketer of gasoline and diesel transportation fuel – and other major companies believe this program is not only good for people and good for the planet, but good for business and for Rhode Island.

Last year we announced our ambition to become a net zero company by 2050 or sooner, and to help the world get there, too. That includes advocating for well-designed, market-based policy, as we have been doing most recently in Washington State, which just passed comprehensive carbon-pricing legislation featuring a cap-and-invest program. TCI-P offers an efficient and cost-effective way to tackle one of the most pressing issues of our time, and a business-friendly way of helping decarbonize the transportation sector.

bp has established some significant milestones along the path of our transformation from an international oil company to an integrated energy company. These include:

- Scaling down our oil and gas production by more than 40% by 2030
- A 10-fold increase in low carbon investments, from around \$500 million to around \$5 billion per year by 2030
- Having developed 50 gigawatts of renewable energy generating capacity by 2030 – a 20-fold increase from today
- Ending routine flaring in the Permian by 2025 and continuing to advocate for the direct federal regulation of methane from both new and existing sources

But while companies like ours can – and must – play a leading role in bringing about a lower carbon future, government leadership is essential.

We support well-designed carbon pricing programs, such as the Regional Greenhouse Gas Initiative, for example, which use the power of competitive markets to change behavior, reduce emissions and encourage innovation. Such programs also provide the certainty companies need to invest and bring new technologies to people faster and at the scale required for real progress. They also incentivize competition to provide lower-carbon energy solutions to consumers at the lowest possible cost.

Nowhere will this be more apparent than in the case of a company like ours, which will be directly impacted by the transformative effect TCI-P could have on the fuel and transportation system in the region.

As the cap on emissions lowers and the cost on those emissions rise, we foresee market signals incentivizing things such as the emergence of hydrogen fuel cells; biodiesel and other lower-carbon biofuels; the electrification of trucking fleets; and in general, incentivizing EVs and increasing demand for EV charging infrastructure. We see tremendous potential business opportunities in these areas and think others should, too.

That is why bp is a founding member of the Coalition for a Better Business Environment, a diverse group of businesses representing important sectors of our economy, to include energy, transportation, and manufacturing.

Programs like TCI-P provide the predictability businesses like ours need. Its scaled approach over time will allow us to build lower carbon innovation into our plans, so we can all be part of the clean energy economy.

We feel strongly that investment in improving Rhode Island's and the region's transportation infrastructure can yield multiple benefits for the economy, our employees, and our customers. In addition to reducing greenhouse gas emissions, a cleaner transportation system can facilitate more efficient transport of goods and services, drive economic development, improve public health, and stimulate innovation in and deployment of low-carbon transportation technologies.

TCI-P is projected to help boost Rhode Island's and the region's economy, with GDP and disposable incomes projected to grow under the program.

And, we support efforts by the TCI states to address equity in the region. These states are prioritizing enhanced transparency, community engagement, and have demonstrated a commitment to investments in equitable clean mobility solutions for which TCI-P can contribute resources.

Thank you again for the opportunity to provide testimony on this matter. We look forward to working with you on this important challenge and to answering any questions you might have.

Sincerely,

Mark Borowski
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