

**Press briefing teleconference on industry investments in GHG mitigation technologies**

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**Opening statement:**

Good morning everyone. The study I'll be talking about this morning was prepared for us by T<sup>2</sup> and Associates and builds on their earlier work comparing investments made in greenhouse gas mitigation technologies. This latest analysis shows that between 2000 and 2010, the U.S. oil and natural gas industry invested significantly more in greenhouse gas mitigation technologies than the federal government – and nearly as much as the rest of private industry combined.

The oil and gas industry investments include \$9 billion in non-hydrocarbon technologies, which accounted for one in every five dollars invested in non-hydrocarbon energy technologies from all sources. Wind and biofuels ranked at the top of the oil and gas industry non-hydrocarbon investments.

Total oil and natural gas industry greenhouse gas mitigation technology investments for the 11-year period were \$71 billion.

The rest of the private sector invested \$74 billion in greenhouse gas mitigation technologies over the same period while the federal government invested \$43 billion.

Total Investments by all groups – the oil and natural gas industry, the rest of the private sector and the federal government – were \$188 billion between 2000 and 2010.

Our study breaks the numbers down into four categories of investment:

- non-hydrocarbon technologies, such as renewable fuels;
- fuel substitution technologies, where lower emitting fuels take the place of higher emitting ones;
- end use technologies, such as advanced vehicles and carbon capture and storage; and
- basic and applied research into lower-emission technologies.

There are some important takeaways from the study.

First, the oil and natural gas industry is helping to develop the alternative technologies that will play an increasing and important role in our energy future – even as it continues supplying the oil and natural gas that government projections show will be our nation’s primary energy source for decades to come.

Second, we’re having an impact on greenhouse gas emissions. Our study includes data that show our industry directly reduced greenhouse gas emissions by almost 56 million metric tons of CO<sub>2</sub> equivalent for 2010 compared with 2009. These reductions include fuel substitution – both lower carbon and renewable energy sources – reduced flaring and fugitive emissions, and improved efficiency, such as combined heat and

power. The reductions equate to taking more than 11 million cars off the road.

And, third, we're creating green jobs. While we have not calculated a specific number of green jobs, it's fair to conclude that the \$71 billion we invested in greenhouse gas mitigation technologies has created many thousands of them.

Please note that the oil and natural gas industry also invested \$37 billion in natural gas development from shale, an abundant domestic energy resource, which may also contribute to greenhouse gas emission reductions. We separated these investments out because the earlier work done for us by T<sup>2</sup> and Associates did not include that category, and we wanted to be able to compare the numbers in the two studies. Had we included the shale gas investments, total industry investments would have been \$108 billion – or almost 50 percent of a national total of \$225 billion.

One last point: The data for the study were derived from hundreds of publicly available sources, including government websites and well over 500 company annual reports. A complete list of sources is in the bibliography.

We sent the study to you this morning, but if anyone didn't get it, please let us know and we'll get you a copy as soon as the call is over.

Now, I'd be happy to take your questions.