

Remarks by API President and CEO Mike Sommers

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AS PREPARED FOR DELIVERY

As president and CEO of the American Petroleum Institute, I have the best job in the world.

Nearly 11 million American workers get their paychecks, build careers and support their families thanks to the oil and natural gas industry. I get to be their champion.

Nearly 600 API member companies up and down the supply chain create good jobs, anchor communities and keep America's economy going. I get to be their voice.

I especially love when I get to travel our country and visit with the hardworking men and women of our industry.

Our future is literally in their hands. And it's in great hands.

Especially here in the Keystone State.

American oil and natural gas may have settled in Texas, but it was born in Pennsylvania — in 1859, on the banks of Oil Creek, at the Drake Well.

Today, our industry supports more than 400,000 Pennsylvania jobs.

Pennsylvania alone produces enough natural gas to meet the entire energy demand of the United Kingdom.

Since 2012, the natural gas impact fee has provided 2.7 billion dollars in cash for communities — funding roads, bridges, parks and conservation.

And 30 miles up the road, the future of petrochemicals is on display at that remarkable Shell petrochemicals facility.

The last time I was in Pennsylvania, that facility was still a six-billion-dollar construction project. The largest investment in Pennsylvania since World War II.

It's now online. And I saw it firsthand yesterday. An old, discarded industrial site that helped this region grow into an industrial powerhouse at the start of the last century, has come roaring back.

Supporting more than 9,000 jobs during construction. Making the polyethylene that is integral to modern life, from packaging food to manufacturing cars and airplanes.

Earlier this month, API and Shell announced a new partnership with the Community College of Beaver County to help students build skills and career pathways. API's globally recognized standards will enhance CCBC's curriculum.

We hear the saying every presidential election: "As goes Pennsylvania, so goes America."

Well, 80-plus percent of Pennsylvania voters want to leverage American oil and natural gas, reduce consumer costs and secure America through domestic energy.

Pennsylvania was the tipping point state. You made 2024 an energy election.

And not a moment too soon.

The scale of America's energy need is breathtaking. And we have the opportunity to power that future.

People sense we're on the doorstep of a bold new chapter: Rebuilding and reshoring. Modernizing and manufacturing. Unleashing workers and innovators.

But a new American age will need lots of American power.

U.S. electricity demand has grown by 2.5 percent total over the past seven years. Over the next seven years, it's projected to grow 25 percent.

That's about 1,000 terawatt hours of additional power. That's the amount the entire country of Japan generates. We have less than a decade to add the equivalent of Japan's annual power on top of our existing electricity.

We all know about the AI revolution; some are calling it the new arms race and believe AI is the next "general-purpose technology." A transformation on par with the steam engine, electrification, and the internet.

The electricity AI will need is unprecedented. By one estimate, if we want to keep the bulk of AI on American soil, we'll need to dedicate about 51 gigawatts just to data centers. That's equal to 103 percent of all the generation capacity in Pennsylvania.

And AI is only part of the equation. We are staring down the barrel of an "Electrify Everything." moment.

Now, demand growth isn't some curse. It's a blessing. We are facing the American Energy Opportunity, and our energy future begins now.

Pennsylvania can help meet the moment with the help of the natural gas development right here in southwest Pennsylvania. America can and will meet the moment. Our new administration and Congress are focused on securing our Energy Leadership.

In our lifetimes, and thanks in part to the men and women of our industry, the share of the world's population living in extreme poverty has plummeted. The middle-class lifestyle has transformed. In large part because of affordable, abundant energy.

But the job isn't finished. We have the opportunity to write the next chapter.

And the sobering reality is: The status quo won't cut it. America is not yet where we need to be.

In the early 20th century, when the oil boom took off right here in Pennsylvania, our energy strategy was find it and drill it. The resources under our feet seemed limitless.

Fast forward to the last 20 years. Our reserves no longer seemed so endless. But American innovation came through. The Shale Revolution made us far more efficient at getting the most from what we have. America has only the ninth-largest proven oil reserves and the fifth-largest proven gas reserves, but we're number 1 in natural gas and oil production.

But that success came with a downside. Leaders and policymakers got complacent. It seemed America could keep squeezing the golden goose tighter and finding more energy on the margins.

Exploring and tapping new reserves? That was so last century. That was somebody else's dirty work now. Not America's.

We saw this mindset on display the last four years.

2024 was the first year since 1966 with zero new sales of offshore oil and gas leases in the Gulf of America.

The Biden-Harris administration cut leasing on federal lands by about 90 percent. They halted liquid natural gas exports.

In 2023, America produced less electricity than we had five years prior.

We're optimistic the new administration and Congress will fix many of these mistakes.

President Trump won an energy mandate. His first weeks have reflected much of the 5-point Policy Roadmap that API put forward before the inauguration.

We need bureaucrats to quit telling Americans what they can drive. Americans need to decide what is best for them to drive to school and work.

To rebuild our failing infrastructure, we need sensible permitting reform.

We need to green-light LNG exports and process pending applications.

We need to open up leasing, onshore and offshore, and ensure the American people's federal lands and waters are working for them.

If Congress legislates regular offshore leasing sales, that alone would unlock tens of thousands of new jobs and half a billion dollars in new government revenue.

And we have to preserve the pro-investment tax landscape that was enacted in 2017. Just to maintain the current oil and natural gas baseline, the industry worldwide has to invest about 600 billion additional dollars per year. That is just to keep production flat.

Tax policy needs to keep private-sector incentives aligned with our national interest.

These policies matter.

But I want to touch on something beyond the typical checklist. There's something deep in the American soul we need to reembrace.

Not just in energy, but throughout our economy, there's been a temptation to think we've reached something like the "end of history."

As if building things, making things, rolling up our sleeves and physically forging our nation's destiny... things like factories, scarce commodities, oil and natural gas...

...as if all of that is now passé.

We became so focused on the digital that we neglected the physical.

As one investor famously put it, we fell in love with the "world of bits" but forgot about the "world of atoms."

Our economic future was going to be on screens and online. And our energy future was to be only renewables.

This is the mindset that left our European friends so vulnerable.

At the time Putin rolled tanks into Ukraine 3 years ago, Europe relied on Russia for more than 40 percent of both their natural gas and raw uranium imports.

When free countries leave their destinies on autopilot, it carries a heavy price.

Well, this misunderstanding has come crashing down. Look at the top stories of the past few years:

Microchips. Manufacturing. Critical minerals. These investments need reliable energy sources that are ready now.

As our new Treasury Secretary Scott Bessent explained to Congress: “There is not a clean energy race [with China]. There is an energy race,” period.

How often have we heard the hype that 100 percent renewables are just an inch away? That future’s been ‘five years away’ for about 30 years.

Americans were told a sweeping transition to all renewables would be easy, cheap and quick.

Strained power grids in a winter storm show it’s not easy.

Working families’ rising bills say it’s not cheap.

And “quick”? We’re in 2025. A supermajority of American energy still comes from natural gas or oil.

There are many paths and projections that lead toward net-zero. There are NO credible futures that include zero oil or natural gas.

We have to be honest and practical.

This is even more true around the world. You may have heard about China leading the world in renewable deployment, adding more than 350 gigawatts of new wind and solar last year....but they are just as eagerly adding new coal capacity and are by far the world’s top emitter. They emit 50 percent more CO₂ than the U.S. and India combined. By the way, they also process two thirds of all critical minerals and manufacture about 90 percent of all solar panels.

Meanwhile, since 2015, U.S. oil and gas production has risen about 50 percent — but the EPA says our methane emissions are down about 40 percent.

The path to a cleaner future is not America standing down or accepting austerity while less clean competitors go roaring past us.

That road runs through reliable, clean-burning American natural gas... with 50 percent lower emissions than other fossil fuels... that is ready to deploy today.

Our country's blessed with superabundance. There's an unbelievable volume of gas right here in the Marcellus. One county in New Mexico, produces more crude oil than entire OPEC member states.

These resources are plentiful. They're affordable. And gas-fired power plants can be built quickly, near existing transmission lines.

Solar can work at certain times. Wind helps in certain places. Natural gas makes sense everywhere.

It all comes down to speed and need. And the race is on.

We can't get stuck in the quicksand of de-growth and dependency.

We can't surrender to sclerosis and stagnation.

That's why this administration and Congress need to slash the red tape around construction and permitting.

The National Environmental Policy Act, NEPA, has become a millstone. The median Environmental Impact Statement is 447 pages long. The median study takes over three years. And that is before a single shovel hits the ground.

It took this country one year to build the Empire State Building. Five years to build the Hoover Dam. Now it takes six or eight years just to process the government paperwork for a new pipeline— and then the bureaucrats decide to cancel it.

The United States hasn't cut the ribbon on a new major refinery since 1977. We've been able to make significant gains in terms of efficiency and expanding existing projects, but going forward, we need to think bigger...

But we can't coast forever on legacy investments from decades past.

We still need to be a nation of builders. Maybe not the old refineries of the past, but the new energy infrastructure of the future.

The American people are bold, brave and optimistic. They know we can do better.

Every time voters are offered overregulation and austerity, they reject it.

Americans want our leaders to channel the proactive, pioneer spirit that made us the greatest nation and economy in world history.

The construction of that Shell petrochemicals plant up the road took one of the largest cranes in the entire world to lift the quench tower. Now that symbolizes the America we know.

That's the spirit Americans want applied across our energy future.

Because if we let energy stagnate, we aren't just missing out on some extra wealth. We're gambling our future.

If we get energy wrong, national security is put at risk. Living standards decline. Pennsylvania workers lose their jobs. New inventions are snuffed out before they scale.

But if we get energy right?

We add new rungs on the ladder into the middle class.

We unlock unbelievable innovations in science and medicine.

We secure our nation and protect our economy amid wars in Europe, tensions in the Pacific and chaos in the Middle East.

Imagine a future with gleaming, new LNG terminals in Louisiana and Texas, and eventually the East and West Coasts, maybe even Philadelphia.

Imagine a future where technologies like desalinating ocean water, or advanced recycling, or quantum computing can scale way up — because electricity costs have come way down.

That's what energy abundance can achieve. That's what energy dominance can unleash.

Energy isn't just one sector. It's the lifeblood of civilization. The beating heart of human progress.

Five generations ago, in 1898, America was just starting to become a global power. Railroads were changing society. Henry Ford had just built his first car. Only two percent of households had electricity.

And a rising star named Colonel Theodore Roosevelt walked onstage at Carnegie Hall to give a speech.

He said: "There comes a time in the life of a nation... when it must face great responsibilities... We have now reached that time."

“We must dare to be great... We are face to face with our destiny, and we must meet it with a high and resolute courage.”

Those words should guide our steps today.

We’re America. A nation of courage. Of enterprise.

We charge into the future and create an even better world for our children.

A new American century needs American power. And the Keystone State will play a keystone role.

Let’s seize this moment. Face our destiny. And unleash the energy America needs.

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