

**Remarks of Bill Gerwing,
Western Hemisphere Health, Safety, Security, and Environment Director, BP**

**Pew Center on Global Climate Change: “Agenda for Climate Action”
National Press Club
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Good afternoon. I’m Bill Gerwing – Western Hemisphere Director of Health, Safety and Environment for BP.

I want to thank Eileen, Vicki, and the Pew Center for inviting me here today and for all the work they have done – not only in this latest effort – The Agenda on Climate Action – but also for the work the Pew Center continues to do to work with stakeholders toward finding innovative solutions to address global climate change.

BP is a member of Pew’s Business Environmental Leadership Council – a unique gathering of leading companies from multiple sectors – learning from each other about sensible ways to address climate change.

BP believes that the time has passed when people could live in hope that the issue of climate change would be disproved or go away. The climate science is admittedly unfinished – there are things we don’t know – there always will be. However, most scientists have come to the conclusion that precautionary action is warranted – and BP agrees.

The challenge is serious, but there is reason for cautious optimism that the challenge can be met. The actions laid out by Pew in this report -and the work done by BP and others has begun to show us a range of options to address these challenges.

The Pew “Agenda for Climate Action” lays out a broad suite of policy recommendations. BP has been publicly supportive of many of these actions and has incorporated some of them into our internal plans to address GHG emissions. In the short amount of time I have, I will touch on just a few of the recommendations.

First, we believe that in order for efforts to reduce GHG emissions to succeed, you must be able to accurately measure and account for these emissions. That’s why we agree that an Emissions Registry and Reporting System is critical to the success of a process to reduce emissions.

Second, we support the development of a well-designed, market-based system to constrain GHG emissions – a system that is effective, efficient and equitable. Our experience with NO_x and SO_x markets in the US, the EU Emission Trading System, and our own internal CO₂ trading program has shown that a properly designed trading program can facilitate certainty in outcomes and minimize costs. A market-based system, such as an emissions cap with tradable emission allowances is economically efficient. It allows reductions to be made at the most economical point, rather than forcing every emitter to make the same reduction regardless of cost. We agree with the goal of an economy-wide system, but believe that there may be benefit in starting where

we have the most experience – for example, by first addressing the emissions from large, stationary sources - and building upon this system over time.

Third, we support policies that encourage the development and deployment of promising, innovative technologies such as carbon capture and storage, alternative energy and the funding of programs that increase our understanding of the science around climate change.

And lastly, we support policies that provide for improvements in infrastructure and increased use of cleaner fuels that already exist today – such as clean burning natural gas. When burned, natural gas produces almost half the GHG emissions as coal.

We will continue to work with Pew and others in trying to further develop these and other market-based options. However, we can't wait for a global political solution before we begin to act – a solution which may or may not ever come. We, at BP, have already begun to act – and I know that several other companies working with Pew have as well.

At BP, we started by reducing the emissions from our own operations. We set a target of reducing emissions by 10% below a 1990 base-line and we met that target ahead of schedule. And we found that rather than costing us money, the process actually added value – over \$600 million dollars of value.

Our most recent action reflects the need to take yet another step – to look ahead again – and to invest to meet the needs of tomorrow. We recently announced the launch of a new business – BP Alternative Energy. This business will build on our work with alternatives – by significantly increasing our investment in clean power projects by as much as 8 billion dollars over the next ten years. BP Alternative Energy will increase our investment in solar, thereby underpinning BP's position as a leading global supplier of photovoltaic systems. It will include work on wind power where we have begun with a series of wind farms on our own land in Europe – but also provides for the possibility to build our first large-scale U.S. wind farm as early as 2007. Additionally, BP Alternative Energy will include work on combined cycle gas turbine and cogeneration technology.

And perhaps most exciting, this new business will include large-scale deployment of the rapidly evolving technology of carbon capture and storage – allowing us to take the carbon out of hydrocarbons and use hydrogen to develop a virtually carbon free source of electric power. We have already announced one such project in Scotland, and soon we will announce a second major project - here in the U.S.

In addition, work being done at Princeton, with funding support by BP and Ford, demonstrates that there are a number of technology options that can be applied to address global climate change – technologies that exist today but that need to be introduced at scale.

A clear message from the work produced by Pew, BP, Princeton, and others is that there is no single technology and no single policy option that will address the climate challenge. Rather, there are a range of options - each of which will have the ability to contribute to a solution given the proper policy framework.

And this policy framework will advance not through a preoccupation with the differences that exist on how to approach this challenge, but rather by identifying solutions that work, by focusing on areas of agreement and by working to expand those areas of agreement through open-minded engagement. Groups like the Pew Climate Center are at the forefront of these efforts, and we're happy to be affiliated with them.

Thank you.