



Pew Center/NCEP "10-50" Workshop

Coupling Business Growth  
with lower carbon emissions

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# BP's business towards 2050

- BP's role is to provide the energy, that fuels economic and social progress, by meeting the growing demand for affordable energy, whilst respecting the broader needs of communities and the environment.
- Gas will be fastest growing fuel in the next 25 years because of increasing demand for clean and low cost power
- Liquid hydrocarbons will continue to dominate transport fuels for at least the next two decades – increasing efficiency through diesellisation, direct injection and hybridisation
- Resource productivity and energy efficiency is simply good business
- BP believes it is necessary to stabilise atmospheric concentrations of GHG in the range 500–550ppm – this can only be met through a portfolio of new technologies, markets and businesses. BP will invest in those areas which it believes will be material, profitable and where it has a sustainable competitive advantage; for example solar pv, hydrogen and carbon capture & storage.



# BP's "10 year" plan

- Emission reductions
  - improve the energy efficiency of our operations – within the first three years this lead to a reduction of 17Mt of GHGs , and the creation of \$650M of additional value.
  - however – the growing demand for cleaner fuels will mean an increase in total BP emissions, e.g. low sulphur fuels and LNG .
  - BP is committed to holding net emissions flat, by demonstrating the net carbon benefit from our growth – based on whole life cycle analysis of product emissions.
- Business growth
  - analysis leads us to believe that it is necessary to stabilise atmospheric concentrations of GHGs in the range 500–550ppm, and that:
    - the cost of doing this is small, and the economic benefits positive
    - emissions from the current fossil fuel industry could be similar in 2050 as they are today, assuming a continued shift from coal to gas.
    - there is a need to create a zero emissions primary energy sector by 2050 similar in size to the existing industry – this can be achieved by portfolio of solutions (seven '1Gtc wedges')
  - three areas of public policy need to be addressed during the next decade if stabilisation is to be achieved:
    - Technology development: a limited number of material and potentially profitable technologies need to be developed – materiality test is 1Gtc/year avoided in 2050
    - Market development: continued promotion of market engagement processes, such as cap and trade systems, product labelling and public education.
    - Business development: increasingly countries and businesses will come under economic pressure from competitors – with more attractive lower carbon products and services, or from more efficient economies/operations: key will be the economic development policies used to sustain and retain competitively advantage businesses.

# Competitiveness

- BP believes it is prudent and necessary to take a path towards a lower carbon future
- As a fossil fuel company its future is dependent upon creating solutions that allow the continued growth in energy demand, while respecting the environmental limits imposed by nature.
- Ultimately responding to the challenge will have positive benefits for communities and businesses that seek out opportunities for growth and efficiency.
- While some countries and businesses have started to recognise the economic benefit from having innovative lower carbon products and markets, e.g. Carbon Trust in UK. BP believes that it needs to move beyond this, and that there is real competitive advantage to be gained from making a significant contribution to shaping the future agenda for society and business.
- Ultimately competitiveness will be achieved by having open and transparent energy markets, supported by an integrated portfolio of public policies, which are consistent with other local, regional and national policies to support lower carbon:

Technology development

Market development

Business development