

# News : Industry must bolster argument for long-term role of US gas, said BP exec

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Published on - Wed, 16 Oct 2019 16:50:37 CST | [Modified on - Wed, 16 Oct 2019 16:51:28 CST](#) | Service - Page#: **Platts Natural Gas Alert (PGN), 0100**

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- Natural gas must be part of solution, says Alvarez
- Executive outlines BP efforts to cut carbon

The US natural gas industry must reduce carbon emissions throughout the supply chain as the sector seeks to secure its place in a world increasingly focused on combating climate change, according to BP Energy President and CEO Orlando Alvarez.

Alvarez's call to action during an October 15 keynote address at LDC Gas Forums' Gulf Coast Energy Forum underscored how an array of policy challenges has unsettled the natural gas sector.

"There is an increasing concern that gas could be marginalized," said Alvarez, who is the head of BP PLC's North American gas marketing and trading business and the chairman of the Natural Gas Supply Association.

"Some folks are saying gas conflicts with the world's climate ambitions," he said. "I think it is a misconception. I think it's misleading. I think [gas] has a role in the future of lower-carbon energy."

One key role gas can play is providing fuel for electric power generation that supports the rise of intermittent renewable energy generators, Alvarez said. The argument has been made by others, including former US Energy Secretary Ernest Moniz in a recent plan for pragmatic action

on climate change. In its closely watched report "Statistical Review of World Energy 2019," BP projected a scenario that would see renewables and natural gas account for almost 85% of the growth in primary energy through 2040.

"It is not a race to renewables — it is a race to lower carbon emissions," Alvarez said at the New Orleans event. "It cannot be all about renewables."

But he said the gas industry needs to do a better job making its case at a time when there is a rise in anti-gas measures. These include promises from Democratic presidential candidates to move away from fossil fuels, state decisions to withhold permits from pipeline projects, and cities' proposed bans on gas service in new buildings and other electrification efforts. In such an environment, it is critical that the industry improve its carbon footprint on its own, Alvarez said.

## **Regulations may require cuts**

"As an industry, we have to get methane down," Alvarez said, adding that regulations could end up requiring that anyway.

Alvarez outlined BP's measures to reduce carbon emissions, including executive compensation and technologies tied to this goal. The company is participating with other oil and gas majors in the Oil and Gas Climate Initiative, which calls for policies and market mechanisms that put a price on carbon and spur technological innovation to lower carbon emissions. BP has pledged to invest \$500 million each year on low-carbon energy.

"Think about what you are doing, what your respective companies are doing, and if there is more that we should be doing as an industry," Alvarez told attendees.