

Rising to the Challenge of a Changing Climate

The way the world produces and consumes energy is evolving. The members of the Western States Petroleum Association are on the cutting edge of those changes, investing in and developing the diverse energy sources and technologies of the future. We agree that we can do more as an industry and as individuals to better address the causes and impacts of climate change.

Working together, we can rise to the challenge of a changing climate. As the conversation around climate change continues to progress, we believe sound climate policy solutions are based on the following principles:

Access to Energy Matters — Access to affordable, reliable, and plentiful energy improves quality of life and the human experience. The world's energy mix is growing and diversifying, but as transportation fuels evolve, we need to ensure that cars can still run, factories can still operate and homes and businesses have the energy they rely on every day. Therefore, fossil fuels will continue to play a significant role in the world's energy mix well into the future.

The 4 Es Must All Be Part of the Solution — Energy, Environment, Economy and Equality are all essential building blocks of any climate policy solution. If any one of these building blocks is missing, the likelihood of success is diminished.

Public Transparency and Broad Stakeholder Participation — Broad stakeholder participation is key to finding solutions that meet all 4 Es. An inclusive dialogue that respects all perspectives will be necessary to achieve balanced policy solutions.

Scientific and Economic Analysis — Climate policies should be rooted in rigorous economic and scientific analysis of policy solutions. Scientific and research data gathered for policy decisions should be transparent and publicly available and should consider how an evolving energy mix will affect employment and communities.

Technology/Fuel Neutral — Climate policies should be technology neutral and fuel neutral, but connected to the pursuit of climate related objectives. Policymakers should maintain optionality in designing programs and should avoid picking winners and losers while maintaining a focus on reliably delivering energy on a low-carbon future.

Market-based Approaches — Market-based approaches – such as a cap and trade program or a carbon tax – outperform command and control measures from an environmental and economic perspective. When well-designed, market mechanisms can harness the power of the market to find the least-cost greenhouse gas emission reductions. And it is well understood by economists that market mechanisms are most effective in reducing emissions when they operate without overlaying direct regulations that force emission reductions to occur from a specific sector. If a state is going to pursue climate policy, market-based approaches can help balance the need to achieve greenhouse gas emission targets while reducing the economic impact on families, consumers, and the economy.

At WSPA we understand the importance of addressing the concerns associated with climate related impacts. As an industry, we bring a depth of engineering and institutional knowledge on developing innovative solutions for the provision of energy. We bring assets to the table and funding for research and development that has been and can continue to be spent on the future of fuels. That is why we believe it is imperative that we are part of the climate conversation and that we continue to become part of the climate solution.