

[https://www.bakersfield.com/news/california-oil-groups-stand-with-national-associations-new-support-for-carbon-pricing/article\\_c8f59a4a-8dbe-11eb-9050-072b6bd9885a.amp.html](https://www.bakersfield.com/news/california-oil-groups-stand-with-national-associations-new-support-for-carbon-pricing/article_c8f59a4a-8dbe-11eb-9050-072b6bd9885a.amp.html)

# California oil groups stand with national association's new support for carbon pricing

BY JOHN COX [jcox@bakersfield.com](mailto:jcox@bakersfield.com)

14 hrs ago

California's two leading oil trade groups expressed support Thursday for a national industry association's sudden embrace of putting a price on carbon-dioxide emissions as part of federal efforts to slow climate change.

The California Independent Petroleum Association and the Western States Petroleum Association said in separate emails that, based on the industry's experience in the Golden State, market-based strategies offer better results than regulatory-based approaches such as mandates and drilling bans.

"California has successfully used a market-based system to reach (its) climate goals," CIPA CEO Rock Zierman wrote. He added that regulatory strategies "are usually very costly and not very effective."

The statements by the two western groups came in response to a reporter's questions about their view of an endorsement Thursday by the American Petroleum Institute, the nation's top oil lobbying organization, of policy positions it had previously opposed.

The API's reversal came as the Biden administration prepared to begin an extensive review of the federal government's policy of leasing public property for oil and gas production. Such leases have been the subject of controversy in California and elsewhere in the country.

A locally active group that has opposed such leases, the Arizona-based Center for Biological Diversity, immediately dismissed the industry's new position, calling it a "new PR ploy" that won't help solve what it termed a climate emergency.

"API is trying desperately to distract the Biden administration from the crucial work of keeping polluting fossil fuels in the ground," Kassie Siegel, director of the CBD's Climate Law Institute, said by email. "Biden must not allow rich oil companies to escape climate accountability with yet more self-serving greenwashing announcements."

For nine years California has run a cap-and-trade program allowing in-state oil companies to buy credits permitting them to emit greenhouse gases. The state invests revenues from the program in a variety of efforts to fight climate change.

But not until Thursday has API, which represents companies including Chevron and ExxonMobil, supported such a program at the federal level.

The Associated Press reported the lobbying group went as far as to support reduced flaring of methane from oil wells and other limits on methane emissions as an alternative to what it called "heavy-handed government regulation."

The Biden administration has promised to take strong action against climate change. Already the president has halted oil and gas lease sales and canceled a contentious pipeline project that had been approved by the Trump administration.

WSPA spokesman Kevin Slagle stated prohibitions called for by environmental activists aren't as effective as measures that work within existing business frameworks.

"Each state is different, but what we have learned from the California experience is that the type of market-based climate programs API supports are better than bans and mandates at driving innovation and real emissions reductions," he wrote.

CIPA's Zierman similarly pointed to California's experience as a success story, asserting government regulations that are not market-based tend to be cost-inefficient.

"The oil and natural gas industry pays millions of dollars of fees each year under cap and trade and other similar programs that are reinvested to advance the state's aggressive climate goals," he said by email.

API's endorsement extended to support for investment in hydrogen energy and fast-tracking of carbon capture and sequestration, a costly technology that removes greenhouse gases from the air or emissions sources and buries them underground.

"Confronting the challenge of climate change and building a lower-carbon future will require a combination of government policies, industry initiatives and continuous innovation," API President and CEO Mike Sommers said in a statement, according to the AP.