Chevron Hits Back, Says Biden Trying To “Impose Obstacles” To Energy Delivery

Description

USA: Chevron has hit back at the Biden administration, claiming that their policies since January 2021 have sent a message that **it aims to “impose obstacles to our industry delivering energy resources the world needs,”** according to *Bloomberg*‘s Annmarie Hordern, citing a statement by the company.

> Chevron’s response to Biden’s letter to big oil: “Unfortunately, what we have seen since January 2021 are policies that send a message that the Administration aims to impose obstacles to our industry delivering energy resources the world needs.”
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> — annmarie hordern (@annmarie) June 16, 2022

Chevron says they plan to boost production in the Permian basin by more than 15% this year, while its overall upstream capital investments in the US have climbed 35% in the last year.

What’s more, Chevron’s US refineries are operational, and input grew to 915k b/d on average in Q1, vs 881k b/d the same quarter a year ago.

The statement comes after the Biden administration **set out on a blame campaign** – telling Americans that high prices at the pump are due to corporate greed by oil companies, and not his administration’s haphazard energy policies. The new offensive included a letter to Big Oil execs threatening them with forced production quotas, windfall taxes, and/or price-caps.

The latest dust-up comes less than two weeks after Chevron CEO Mike Wirth told *Bloomberg TV* that there will “never be another refinery built in the US” thanks to the state of policies around the world towards fossil fuels.

In response to the Biden administration, Exxon Mobil issued a reasoned response to The White House accusations and scapegoating:

> We have been in regular contact with the administration to update the President and his staff on how ExxonMobil has **been investing more than any other company to develop U.S. oil and gas supplies**. This includes investments in the U.S. of more than $50 billion over the past five years, resulting in **an almost 50% increase in our U.S. production of oil during this period.**
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> Globally, **we've invested double what we've earned over the past five years** — $118 billion on new oil and gas supplies compared to net income of $55 billion. This is a reflection of the company's long-term growth strategy, and our **commitment to continuously invest to meet society's demand for our products.**
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> Specific to refining capacity in the U.S., we've been **investing through the downturn to increase refining capacity to process U.S. light crude** by about 250,000 barrels per day – the equivalent of adding a new medium-sized refinery. **We kept investing even during the pandemic, when we lost more than $20 billion and had to borrow more than $30 billion to maintain investment to increase capacity to be ready for post-pandemic demand.**
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> In the short term, the U.S. government could enact measures often used in emergencies following hurricanes or other supply disruptions — such as waivers of Jones Act provisions and some fuel specifications to increase supplies.
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> **Longer term, government can promote investment through clear and consistent policy that supports U.S. resource development, such as regular and predictable lease sales, as well as streamlined regulatory approval and support for infrastructure such as pipelines.**

Meanwhile, as we noted on Wednesday, **the American Petroleum Institute laid out 10 things** the Biden administration can do to ease gas prices.

> **1. Lift Development Restrictions on Federal Lands and Waters**
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> The Department of the Interior (DOI) should swiftly issue a 5-year program for the Outer Continental Shelf and hold mandated quarterly onshore lease sales with equitable terms. DOI should reinstate canceled sales and valid leases on federal lands and waters.
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> **2. Designate Critical Energy Infrastructure Projects**
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> Congress should authorize critical energy infrastructure projects to support the production, processing, and delivery of energy. These projects would be of such concern to the national interest that they would be entitled to undergo a streamlined review and permitting process not to exceed one year.
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> **3. Fix the NEPA Permitting Process**

Your administration should revise the National Environmental Policy Act (NEPA) process by establishing agency uniformity in reviews, limiting reviews to two years, and reducing bureaucratic burdens placed on project proponents in terms of size and scope of application submissions.

4. Accelerate LNG Exports and Approve Pending LNG Applications

Congress should amend the Natural Gas Act to streamline the Department of Energy (DOE) to a single approval process for all U.S. liquefied natural gas (LNG) projects. DOE should approve pending LNG applications to enable the U.S. to deliver reliable energy to our allies abroad.

5. Unlock Investment and Access to Capital

The Securities and Exchange Commission should reconsider its overly burdensome and ineffective climate disclosure proposal and your administration should ensure open capital markets where access is based upon individual company merit free from artificial constraints based on government-preferred investment allocations.

6. Dismantle Supply Chain Bottlenecks

You should rescind steel tariffs that remain on imports from U.S. allies as steel is a critical component of energy production, transportation, and refining. Your administration should accelerate efforts to relieve port congestion so that equipment necessary for energy development can be delivered and installed.

7. Advance Lower Carbon Energy Tax Provisions

Congress should expand and extend Section 45Q tax credits for carbon capture, utilization, and storage development and create a new tax credit for hydrogen produced from all sources.

8. Protect Competition in the Use of Refining Technologies

Your administration should ensure that future federal agency rulemakings continue to allow U.S. refineries to use the existing critical process technologies to produce the fuels needed for global energy markets.

9. End Permitting Obstruction on Natural Gas Projects

The Federal Energy Regulatory Commission should cease efforts to overstep its permitting authority under the Natural Gas Act and should adhere to traditional considerations of public needs as well as focus on direct impacts arising from the construction and operation of natural gas projects.

10. Advance the Energy Workforce of the Future

Congress and your administration should support the training and education of a diverse workforce through increased funding of work-based learning and advancement of STEM programs to nurture the skills necessary to construct and operate oil, natural gas, and other energy infrastructure.

by Paul Joseph Watson

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1. Economy-Business-Fin/Invest
2. Main

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