NATIONAL PETROLEUM COUNCIL
An Oil and Natural Gas Advisory Committee to the Secretary of Energy

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VIA E-MAIL

May 15, 2024

TO ALL MEMBERS OF THE NATIONAL PETROLEUM COUNCIL

Dear Member:

The Council's 134th meeting was held in Washington, D.C., on Tuesday, April 23, 2024, with NPC Chair Alan Armstrong presiding. The Council approved and submitted to the Secretary the final reports of the GHG Emissions and the Hydrogen Energy studies. For the records of those members who attended and for the information of those unable to attend, the proceedings are briefly summarized below. The meeting was livestreamed and a video archive is available at npc.org.

- **Remarks of the Honorable Jennifer M. Granholm, Secretary of Energy.**

  In addressing the Council, Secretary of Energy Granholm thanked the leadership of both studies, for the time, resources, and partnership involved in the work. Both studies were requested by Granholm. The Secretary said, "The two studies are really quite comprehensive [and the Biden] Administration is grateful for the ability to have a conversation with you about how jointly we can move to collective outcomes. You have helped us meet the moment when our energy and national security have needed it most [and] we will be counting on you again." The remarks of the Secretary in the webcast archive are accessible here.

- **Consideration of the Proposed Final Report of the NPC GHG Emissions Study**.

  Ryan Lance, Chair of the NPC GHG Study Committee, and John Dabbar, Chair of the GHG Coordinating Subcommittee, presented an overview of the proposed final report, entitled *Charting the Course: GHG Emissions from the U. S. Natural Gas Supply Chain.*

  Key highlights of the draft report include:

  - Abundant affordable natural gas is the largest source of primary energy production in the United States and will continue to play a crucial role in the nation's energy and economic security.
  - Reducing emissions from the natural gas supply chain (NGSC) remains a challenge.
  - The United States can meaningfully reduce NGSC GHG emissions through five critical interconnected elements:
    - -- Industry and operator actions;
    - -- Societal and community engagement;
    - -- Effective regulation and durable policy;
    - -- Innovative monitoring, measuring, reporting, and verification of emissions data;
    - -- Market incentives.
  - Existing policies and actions are expected to result in a 63 percent decline in methane emissions from the NGSC by 2030 relative to 2020. However, the existing policies will need additional efforts to reduce carbon dioxide (CO2), which the study expects to increase under the Energy Information Administration (EIA) Reference Case.

- The greatest reductions will occur under the study's Technology, Innovation, and Policy (TIP) Pathway that implements all recommendations in addition to other measures. Under the TIP Pathway, methane emissions will decrease by 70 percent, CO2 emissions will decrease by 32 percent, and total GHG emissions will decrease by 52 percent by 2050 relative to 2020.

The Council membership approved the report, subject to final editing, for transmittal to Secretary Granholm. The full report and supplemental information can be found here. In the meeting webcast archive, the presentation of the GHG final report begins here and the presentation slides are accessible here.

- **Consideration of the Proposed Final Report of the NPC Hydrogen Energy Study.**

  Mike Wirth, Chair of the NPC Hydrogen Energy Study Committee, and Austin Knight, Chair of the Hydrogen Energy Coordinating Subcommittee, presented the proposed final report, entitled *Harnessing Hydrogen: A Key Element of the U.S. Energy Future*.

  Key highlights of the report include:

  - To achieve the United States' 2050 net-zero goals, multiple technologies will be needed, including low-carbon intensity (LCI) hydrogen. LCI hydrogen could reduce about 8 percent of U.S. carbon emissions by 2050, and without it, the cost of reaching net-zero in the United States would increase by approximately $160-$260 billion, or around 0.5 to 1 percent of U.S. GDP, compared to alternatives.

  - Current policies begin to stimulate usage of LCI hydrogen but are insufficient to unlock adoption rates necessary to support the U.S. climate goals. To achieve the required 7x scaling over the existing hydrogen system, additional policies and actions are vital to promote investment and innovation, and to improve the cost competitiveness of LCI hydrogen.

  - In the near term, LCI hydrogen will be produced primarily from natural gas with carbon capture and storage as the most cost-efficient and scalable production pathway, leveraging existing natural gas infrastructure. In the medium- and long-term, electrolytic hydrogen produced from renewable or lower-carbon electricity will scale as demand grows for increasingly lower carbon intensity hydrogen. Both pathways should be pursued as each has a critical role to play in achieving net zero.

  - LCI hydrogen use will start in regions that have renewable electricity or natural gas resources, existing demand, infrastructure, or supportive policies. To accelerate deployment and expand the use of LCI hydrogen across the entire United States, additional federal policies, streamlined permitting, technology RD&D, and expansion of societal acceptance through realized community benefits and improved engagement practices will be needed.

The Council membership approved the report, subject to final editing, for transmittal to Secretary Granholm. The full report and supplemental information can be found here. In the meeting webcast archive, the presentation of the Hydrogen Energy final report begins here, and the presentation slides are accessible here.

- **Remarks of the Honorable David M. Turk, Deputy Secretary of Energy.**

  Deputy Secretary Turk also addressed the Council and said, " I am struck by the power that this industry has. It's really quite remarkable." He emphasized the importance of all stakeholders continuing to work together "to make sure we're on the right track" to achieve the Administration's 2050 net-zero goals. "These reports are phenomenal, they really are phenomenal, in terms of the depth and the scope." The remarks of the Deputy Secretary are accessible here.

- **Remarks of the Honorable Bradford Crabtree, Assistant Secretary for Fossil Energy and Carbon Management.**

  In concluding remarks from the Department, Brad Crabtree offered his "thank you" to everyone involved in the NPC studies and remarked that both reports are poised to impact government policies being rolled out under the infrastructure legislation and the Inflation Reduction Act. As examples, Assistant Secretary Crabtree cited GHG emissions measurement, monitoring, reporting, and validation in the natural gas sector, and the rollout of the hydrogen hubs and 45V tax credits. The remarks of the Assistant Secretary are accessible here.

- **NPC Finance Committee.**

  Alan Armstrong provided the report of the NPC Finance Committee for Chair Byron Dunn. He noted the Committee met the day before the Council meeting to review first quarter 2024 expenditures and member contributions. Expenditures are currently on track with the budget expectations, and member contributions are coming in a bit quicker than usual. Chair Armstrong concluded with asking those members who have not responded to their contribution request to please do so as soon as possible.

- **NPC Nominating Committee.** On behalf of Committee Chair John Walker, Alan Armstrong presented the recommendations of the Nominating Committee as follows:

  - NPC Chair: Alan Armstrong.
  - NPC Vice Chair: Ryan Lance.
  - NPC Agenda and Appointment Committees:

2024 Agenda Committee	2024 Appointment Committee
Deb Caplan	John Christmann
Bob Catell	Paula Glover
Willie Chiang	David Grzebinski
Ray Hunt	John Hess
Jeff Miller	Olivier Le Peuch
Gretchen Watkins	Mike Linn
Bill Way	Pierce Norton
Bill White	Scott Tinker
Mike Wirth	John Walker
Dan Yergin	Lorenzo Simonelli, Chair
Vicki Hollub, Chair	

- For the five "at-large" members of the NPC Cochairs' Coordinating Committee: Maryam Brown, Ed Crooks, Marilu Hastings, Tom Jorden, and Robin West.

There being no further nominations from the floor, the Council unanimously elected the slate as proposed by the NPC Nominating Committee. The rosters of these committees, as well as the updated roster of the Council, are included in the attached digital version of the NPC Member Information booklet.

Please let me know if you have any questions regarding the April 2024 Council meeting.

With best regards,

Sincerely,

Marshall W. Nichols
Executive Director

Attachment

The Center for Legislative Energy and Environmental Research (CLEER) Program Advisory Board Agenda for the 2024 Annual Meeting

Saturday, June 8, 2024 at 12:15 p.m. Central Time
Grand Forks, North Dakota

Louisiana Representative Francis Thompson
Chairman, Presiding

DEBBRA MAMULA
Administrator

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I. Call to Order and Welcome

II. Introductions

III. Discussion of Objectives for the Annual Meeting

1. Challenges of Scale in the Energy Transition
2. Energy End Use
3. Grid Reliability Challenges for Electric Coops
4. Hydrogen Partnerships
5. International Demand for LNG
6. Low Carbon Hydrogen Production
7. Pumped Storage Hydropower
8. Rate Design
9. Technological Advances in Reducing Emissions

IV. Outline for the Annual Meeting

a. Thursday, September 12, 2024
   i. 6:00 p.m. – Welcoming Reception
b. Friday, September 13, 2024
   i. 7:30 a.m. – 9:00 a.m. - Breakfast Address
   ii. 9:00 a.m. – Noon – General Session
   iii. 12:15 p.m. – CLEER UAB Seminar
c. Saturday, September 14, 2024
   i. 8:00 a.m. – 9:00 a.m. – Continental Breakfast Available
   ii. 9:00 a.m. – Noon – General Session
   iii. 12:15 p.m. – The Energy Council and CLEER Business Sessions and CLEER Program Advisory Board Meeting

V. Other Business

VI. Adjournment