



**EXECUTIVE COMMITTEE
ROYAL DUTCH SHELL PLC**

Title	Note for Discussion
Subject	United States Energy Transition Program (ETP)
Contact(s)	Gretchen Watkins, Country Chair United States Jason Klein, VP US Energy Transition Strategy
# pages of pre-read	11 pages plus 5 pages appendices
Sponsoring EC member	Ben van Beurden and Ronan Cassidy
Objective	Support/ratification
<p>Synopsis & Objectives:</p> <p>The US energy transition is uniquely characterized by an abundant and diverse energy resource base, a patchwork of regulatory policies, an innovative technology sector and a diverse societal base that increasingly seeks cleaner and more convenient energy options that remain affordable.</p> <p>In the near to medium term, oil and gas will continue to play a key role for the United States, both at home and globally. Shell’s Upstream business therefore remains an important factor in the transition, requiring continuous improvement efforts to remain a profitable cash engine and to produce feedstocks for our leading Downstream business. Integrated Gas has an opportunity to leverage America’s abundant shale gas for LNG exports. These efforts must be balanced with an increasing demand for lower carbon energy alternatives from US consumers. Leveraging the strength of our existing businesses, our marketing and trading skills, our brand and our growing New Energies business creates significant commercial opportunity for Shell to co-create and deliver innovative customer-centric energy solutions to our 20 million customers in the US. With the significant number of opportunities across a broad value chain, Shell must develop novel ways of working to break down siloed thinking and behaviors in order to thrive in the energy transition and deliver a world class investment case.</p> <p>There is a view that the United States’ withdrawal from the Paris Agreement would create a much slower US energy transition. We now see states, cities and B2C companies stepping into the void to set climate targets and supporting regulatory frameworks that reduce emissions. While this patchwork of policies and markets creates challenges for a coordinated US energy transition, it also creates opportunities for an integrated, respected and credible energy company like Shell to take on an increased leadership role to shape effective policy at multiple levels in the transition, while maintaining a strong societal license to operate.</p> <p>Desired outcome:</p> <p>Support for the proposed path forward for the US ETP, including:</p> <ol style="list-style-type: none"> 1) the proposed strategic intent; 2) implementation of a US Integrated Commercial Solutions Steering Group; and 3) implementation of internal and external engagement strategy and overall Country Transition Plan. 	
Signature sponsoring EC member & date	

NOTE TO THE EXECUTIVE COMMITTEE

ENERGY TRANSITION – UNITED STATES

1. CONTEXT

1.1 Economy and Politics

The United States is the largest global economy and has experienced a steady rise in US GDP over the past five years, fueled in part by a growing tech sector and a moderate resurgence in manufacturing.

A partisan media environment has fueled polarization in politics, with Americans increasingly swayed by loyalty toward a political group or by their intense feelings on a single issue, rather than a broad analysis of issues or even their own personal economic interests. Climate change is one issue that provokes partisan tensions. The 2016 elections brought a sweeping change of ideas and use of executive power, and subsequent elections in 2018 reflected even greater polarity as the Democrats regained control of the House of Representatives. Federal investigations, challenges of judicial appointments and rumblings of impeachment have created spectacles that make it challenging for policy and legislative issues to stay front and center at a federal level.

1.2 Energy Resources

The United States has become the largest crude oil producing nation in the world at 12.2 mbpd in 2018 and is set to become the world's largest exporter by 2024 according to the IEA. Combined with the US already being the number one natural gas producer globally, the energy sector represents approximately 8% of US GDP.

Renewable Portfolio Standards (RPS), Production Tax Credits, Investment Tax Credits and other incentives, along with rapidly declining technology costs, have also led to a strong development of the wind and solar resource.

1.3 Climate Change

Global headlines often paint the United States as a monolithic nation that approaches climate change with a degree of skepticism. President Trump's announced intent to withdraw from the Paris Agreement and the unwinding of many federal regulations designed to address climate change might suggest an unwillingness to follow through on previous US environmental commitments. However, if you look beyond the headlines, the US energy transition is being propelled by a consumer base, primarily in cities and along the coasts, that sees climate change as a national imperative and demands lower carbon alternatives. Although federal policy on climate and energy transition is lagging, states and cities are stepping into the void and adopting RPS, setting climate targets and supporting stricter regulations.

Between 2005 and 2017, greenhouse gas emissions in the US fell by 12%, largely as a result of shifts from coal to natural gas, an increased use of renewable energy and an overall leveling of demand through improved energy efficiency. Despite the gains made over this period, the United States continues to be one of the world's largest GHG emitters, second only to China.

1.4 Regional Context

1.4.1 California and the West Coast

Within the broader West Coast region, California dominates economically, technologically and from a policy perspective. The state is unique for its extensive use of regulation to achieve ambitious environmental and social goals. California was an early leader in establishing RPS and is on track to surpass its initial goals that require 33% of power procurement by load-serving

entities to come from eligible renewable resources by 2020. The State recently adopted legislation which requires 100% of retail power sales to end-use customers come from renewable and zero-emissions sources by 2045. Shell has a significant wholesale power business in California supplying both commercial and industrial customers with traditional and renewable power.

California also has a regulatory framework that helps underpin Shell investments in low-carbon mobility, including the Low Carbon Fuel Standards (LCFS) that support investment in renewable natural gas, biofuels and hydrogen fueling infrastructure in the state.

1.4.2 US Gulf Coast

Texas and Louisiana are well-established petrochemical, manufacturing and transport hubs with policy frameworks that tend to be business friendly. Although neither state has shown any recent interest in regulating greenhouse gases, Texas is the largest producer of wind power (20 GW) in the United States. Texas was an early adopter of RPS in 1999 and invested in its transmission network. The build out of transmission infrastructure to bring wind power generated in the western part of the state to the growing population centers was accomplished without the permitting complexities that would have occurred had transmission lines needed to cross state lines. The Texas Public Utilities Commission also allows retail competition, which creates a possibility for Shell to grow our customer-facing offers as a retailer. Texas is a key target market for growth in Shell's integrated power strategy, with a unique opportunity to couple generation and energy storage with the abundant gas in the state to address the intermittency challenges that come with renewable power.

Although Texas and California have taken two very different approaches to power market design and regulation, both approaches have resulted in commercial opportunities for Shell, and both have allowed rapid acceleration in renewables penetration.

The business-friendly regulatory environment, created by limited government intervention in Texas and Louisiana, and the strong industry footprint can be leveraged to increase efficiencies and cost competitiveness in our existing businesses. It also provides ripe opportunities to develop scale-able CCUS solutions and coalitions where learnings can be transferred. The abundance of shale resources also means that the Gulf Coast presents opportunities for LNG exports to support energy transitions around the world, as well as a crucial feedstock to some of Shell's Gulf Coast manufacturing sites.

1.4.3 Northeast

This region represents a patchwork of states that enjoy different advantages and face different challenges. Whereas the inland states of Pennsylvania, West Virginia and Kentucky are energy producers (gas and coal), the coastal states of New Jersey, Delaware, Virginia and Maryland are energy consumers. Overall, the policy environment has become more polarized in recent years, with coastal cities, New York and New Jersey opposing fracking and pipeline projects on environmental grounds. While this variety in state policies challenges our Appalachia gas business, it is helpful to Shell's New Energies business aspirations and supports affordable feedstock for our Pennsylvania Chemicals project.

As a result of this policy inconsistency among states, the region's efforts to reduce greenhouse gases are fragmented. Several states are considering or have adopted measures to build on the success of the Regional Greenhouse Gas Initiative (RGGI) to further reduce GHG. A regional collaboration of 13 Northeast and Mid-Atlantic jurisdictions is seeking to develop the clean energy economy, improve transportation, and reduce carbon emissions in the transportation sector. Aligning legislative and regulatory action to achieve a regional vision will remain a constant challenge for the many independent state governments in the region. In the meantime, individual states are competing for leadership--New York has adopted a 70% RPS by 2030 and set a target of 9GW of offshore wind by 2035, while New Jersey is targeting 3.5GW of offshore

wind by 2030. These targets create world-class opportunities for Shell's two offshore wind JVs and possible integration with SENA's sizeable footprint in the region.

1.5 Thriving Through the US Energy Transition

The unparalleled innovation, entrepreneurialism and diverse energy resource base in the US bring a host of opportunities and challenges for Shell to navigate in order to thrive through the transition, including:

- leveraging our 20 million customers by providing them with low to no carbon offerings;
- delivering on the Emerging Power theme with integrated energy solutions from power supply and generation (offshore wind, Silicon Ranch), optimization and trading (SENA) and providing customer-focused solutions (Greenlots, Sonnen, MP2, GI Energy);
- taking advantage of abundant oil and natural gas to supply the US domestic market and support our global oil, LNG and Chemicals portfolios with US exports;
- continuing to advance biofuels initiatives by expanding and operationalizing use of first-generation biofuels, E85 and E15, and establishing commerciality and scale-ability for second-generation biofuels;
- improving efficiencies and reducing the Net Carbon Footprint of our assets;
- leveraging and building on our existing footprint to deliver a scale-able, material CCUS project on the Gulf Coast; and
- implementing an effective policy, advocacy and engagement strategy, including playing a leading, vocal role to advocate for effective carbon pricing.

2. SHELL IN THE UNITED STATES

The US is home to the largest number of Shell employees, attracts the largest share of Shell's capital investment and is the only country where Shell has presence in every aspect of upstream and downstream operations. See [Appendix A](#) for the current US fact sheet.

3. US STRATEGIC INTENT & ENERGY TRANSITION THEMES

3.1 US Strategic Intent

The Shell US strategic intent considers the collective ambitions and goals for all lines of business represented, as well as the innovative and dynamic industry, economy and consumer base in the country. A consumer driven strategic intent will enable Shell US to differentiate itself and thrive through the energy transition by:

- Driving Value: Delivering commercial value by producing and supplying the energy products demanded globally---while reducing costs and our Net Carbon Footprint.
- Focusing on our Customers: Providing co-created, unique, integrated and affordable energy solutions that meet customers' evolving needs and deliver material profitability by leveraging the strength of our brand, capabilities, and value chain.
- Leading Engagement: Mobilizing change and attracting, retaining and empowering our people by being the trusted, leading industry voice on the US energy transition with consumers, regulators and key stakeholders.

3.2 Themes

Thriving through the energy transition requires a portfolio that is well-positioned for the future of energy, both at home in the United States and globally. Four broad energy transition opportunity themes have emerged from a diverse portfolio. These themes are rooted in delivering customer-centric energy solutions and lowering emissions at our own assets and operations.

- Mobility/New Fuels: With over 14,000 Shell branded locations in the US, *Mobility/New Fuels* offerings provides one of the most visible, customer-facing opportunities for Shell to introduce, scale-up and monetize cleaner, fuel-efficient product offerings (including Shell Recharge EV charging and biofuels). Hydrotreated Vegetable Oil (HVO) offtakes, Hydrogen fueling stations for heavy duty vehicles at the Port of Long Beach and delivering sustainable aviation fuels at SFO are also opportunities allowing Shell to pursue solutions in hard to abate sectors.
- Lower Carbon Offerings (Non-Mobility): The call for cleaner energy options continues to increase from consumers and through policy at the state/municipal level. Portfolio offerings in this space include: Offshore wind projects (Mayflower and Atlantic Shores JVs), Solar (Silicon Ranch), renewable natural gas projects, Lake Charles LNG, and ongoing efforts by Chemicals to convert plastic waste to advantaged feedstock, as examples. Our ability to leverage an integrated portfolio footprint to produce, transport and trade lower carbon offerings will distinguish Shell as a leading, competitive player in an evolving and transitioning energy system.
- Integrated Solutions to Customers: Comprehensive energy solutions offerings for B2B and B2C customers are a business imperative. This will require Shell US to work even more effectively across LoBs to co-create and develop energy offerings to meet a broad range of needs. Connected Energy's distributed energy resources offering to the city of [REDACTED], could be a showcase for integrated behind-the-meter and front-of-meter solutions for commercial and residential energy needs.
- Shell Emissions and Efficiency: While these initiatives may not be fully visible to the customer, a focus on our own Scope 1 and 2 emissions, including energy efficiency efforts, will go a long way in ensuring credibility with stakeholders, staff and contractors, whilst ensuring Shell US does their part within industry to enhance operational efficiencies and reduce emissions from our assets. Examples include cogeneration and renewable power at Manufacturing sites and e-fracs and fugitive methane reduction efforts in Permian.

The Energy Transition team maintains a funnel of the opportunities for each of the four themes. The funnel includes projects from all LoBs and at various stages of maturity. As these opportunities mature and implementation of the transition plan is underway, we will quantify the commercial potential for all opportunities. The Energy Transition team is consistently working to bridge and integrate opportunities across LoBs to deliver increased value. A funnel diagram with a selection of projects followed by three more detailed examples is presented below. A full summary of all funnels for each theme is included in [Appendix B](#).

[REDACTED]

3.3 Representative Opportunities under Development

Mobility/New Fuels: Bio-fuels will play an important role in decarbonizing the “hard to abate” heavy duty fleet and aviation industries. STUSCO is working to grow access to Hydrotreated

Vegetable Oil (a type of sustainable aviation fuel) to supply bio-diesel and bio-jet demand through equity production and/or term off-take agreements. Shell Aviation is currently leveraging this by developing opportunities to enhance its aviation biofuels blending capabilities with customers such as the San Francisco Airport. This has the potential to create logistic costs advantages and move Shell Aviation's revenue mix to include low carbon offerings. Advancing these bio-fuel opportunities will allow Shell to develop NPV positive projects that have the potential for scale-ability, integration and greater commercial value as state and regional regulatory policies advance. The current STUSCO deal has an NPV of [REDACTED] with a preliminary headline size of [REDACTED].

Integrated Energy Solutions to Customers: With the increasing penetration of renewable power to the grid, B2B customers are seeking comprehensive energy solutions to enhance grid stability. Connected Energy's Distributed Energy Resources (DER) provides behind the meter solutions to end-use customers with the capability to control energy delivery costs, enable EV charging and decarbonization, and enhance resiliency. Shell is piloting a number of projects, including Hazelwood (Green eco-district in Pittsburg) and Project Namaste ([REDACTED]). The Connected Energy organization is pursuing multiple projects in this space with a combined headline size in the range of [REDACTED] in 2019, and a target return [REDACTED]. This is an innovative initiative for Shell to fully leverage and integrate our suite of offerings.

Mobility/New Fuels: The development of hydrogen as a fuel for the mobility sector is critical for the retail segment of the value chain. This is a potentially high-value market, with competitive advantages on cost, focused on the hard to decarbonize Heavy Duty sector. California offers state grants as well as credits through the state Low Carbon Fuel Standard. The focus currently is on California and securing volume commitments from OEMs & third parties (Hyundai, Honda, Toyota). Shell is currently piloting Hydrogen fueling stations at the Port of Los Angeles and the Port of Long Beach. On a standalone basis, these pilots are NPV neutral, yet as more states move to implementing Low Carbon Fuel Standards, this capability will allow us to scale up quickly and provide a variety of offerings at our retail stations to our customers. Scaling this opportunity up to 50 stations in California has currently proven an NPV of [REDACTED] with a headline of [REDACTED].

4. CHALLENGES & UNCERTAINTIES

4.1 Integration

Given the vertical structure of our LoBs, Shell's offerings to customers are segmented and complex. This can result in customers not knowing the full suite of products and services offered, especially as we expand our portfolio. An additional risk exists of internal disconnects related to simultaneous pursuits of opportunities.

Many of our customers have also been on an energy transition journey and have been working on various aspects of their own sustainability goals. We should be working with our customers to determine their needs and co-create an integrated "One Shell" solution.

As an example, throughout this year, various representatives of the City of Houston have had conversations with Greenlots about municipal EV charging, with MP2 (a SENA company) about marketing power from local solar projects, with City Solutions and Connected Energies regarding behind-the-meter options, and with the Energy Transition team about decarbonization of the airports, Port of Houston and municipal vehicle fleets. Recently, we have brought these efforts into a single conversation, leveraging our relationships with the Mayor, Chief Sustainability Officer and Chief Resilience Officer of the City to showcase a comprehensive Shell offering to the City, which we hope will result in a contract award.

- **Proposed solution:** Creation of a US Integrated Commercial Solutions Steering Group with representation from key customer-centric lines of business and functions. This Steering Group will focus on generating ideas and accelerating delivery of cross-LoB opportunities by removing obstacles and breaking through internal boundaries to promote innovation, maximize value and deliver a compelling value proposition. This effort is not intended to duplicate any existing efforts (such as Project Alchemy), but rather to support the acceleration of those efforts and identify additional opportunities. This Steering Group will also serve as an integrator to deploy internal expertise as needed on projects and as a forum to generate a full “menu” of Shell’s capabilities and customer offerings in the US.

4.2 Carbon Capture, Utilization and Storage (CCUS)

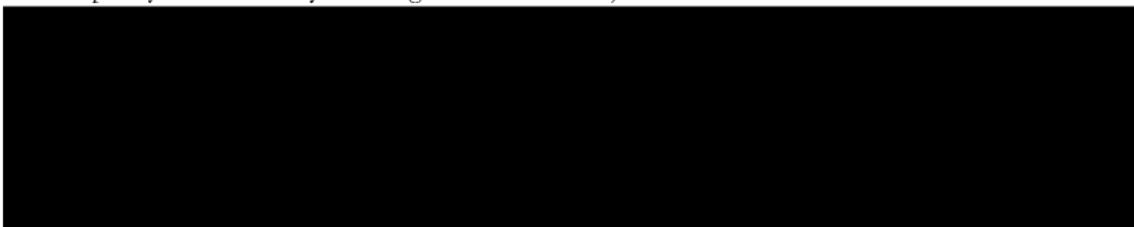
US CCUS has economic challenges. Project El Camino is on track for DG2 in mid-2020. The project team continues to refine both the potential sources of capture and reservoir sinks. Analysis suggests that permanent sequestration in depleted gas fields is the most economic option (on a lifecycle basis) for our Louisiana sources, due to proximity, scale-ability, low operating costs and simple execution. In Texas, onshore EOR shows more promise due to the number and size of onshore oil fields near Houston. However, this comes with the liability of owning and operating mature oilfields many of which require considerable abandonment investment. Offshore saline sequestration may also be effective in Texas for a large-scale industry project. Deer Park does not have sufficient high purity CO2 sources to support a standalone project, so the project team is focused on broader industry coalition opportunities in Texas.

Although the recent extension and increase to the 45Q federal regulations for CCS/CCUS provides \$35/ton tax credit for EOR and \$50/ton for permanent sequestration, it is limited to 12 years from startup. El Camino scoping economics demonstrate positive economic cases only when 45Q is overlaid with Shell’s CO2 Project Screening Values (PSVs). The mid-case US CO2 PSV starts at \$15/ton in 2026, rising to \$75/ton in 2050 (see [Section 5](#) below for more details on potential federal carbon tax and our advocacy efforts). Shell is also participating in the National Petroleum Council report on CCUS, which is due to be delivered to the Secretary of Energy later this year. The NPC report will come to a similar conclusion, namely that 45Q alone is not sufficient for the US to be a leader in CCUS without additional incentives.

- **Proposed solution:** Although El Camino does not provide a profitable, sanctionable project in 2019, we continue to mature the project due to the possibility of a carbon tax being introduced in the US post-2020; the potential need for CCS on critical Shell projects, including Lake Charles LNG; and possible further federal incentives or industry collaboration coming from the National Petroleum Council study. We will continue to pace the project accordingly and work collaboratively with industry and policymakers to deliver a profitable investment opportunity for US CCUS.

4.3 Polarized Political Environment

The political landscape is polarized, dynamic and uncertain. Political dynamics in the US can lead to dramatic changes (i.e. more progressive cabinet in the case of a Trump loss in 2020 or more hardening of positions in case of a Trump re-election). The increasing use of executive authority to make swift policy changes will continue to create uncertainty. (See [Section 5](#) below for further details on policy and advocacy challenges and solutions.)





5. POLICY & ADVOCACY STRATEGY

Following the 2018 midterm elections, climate change has once again become a topic in Washington, DC. The recent Green New Deal proposal, while aiming at targets that are impractical and unrealistic, has helped propel climate change onto the agendas of both the Democrats and Republicans. While it is unlikely that any new climate legislation will be enacted at a federal level prior to the 2020 elections, it is anticipated that climate change will be a key issue in the upcoming presidential campaigns, and it is already an agenda item with Democratic candidates.

In the absence of federal action on climate change, States on the US West Coast and Northeast have taken leadership roles in setting aggressive climate goals. The US also has multiple, distinct regulatory frameworks for power across the different regional power networks. These factors allow for Shell to test different business models in different regulatory regimes across the US, but it also means that Shell US's energy transition efforts in the policy and advocacy space will need to reflect these factors, with a strong voice at the state, regional and municipal level.

The role for policy advocacy will be focused on identifying and securing key enablers of our strategic intent and opportunity funnel, consistent with Shell's global policy position on these key issues:

- **Sequestration:** This includes both CCS/CCUS and nature-based solutions (NBS). The infrastructure components needed to finance, operate, maintain, and quantify sequestration of carbon in the US are not uniformly mature or in some cases even in place. In order to use the 45Q tax credits, detailed implementing federal regulations must be resolved. Our efforts are focused on the detailed regulatory structures and rules necessary to underpin commercially and technically viable CCS projects.
- **Carbon Pricing:** Carbon pricing, be it a "carbon tax," "carbon dividend," "carbon fee," or "cap and trade structure," is a necessary element of advancing the energy transition. Although it is unlikely that a national carbon price will be established during the current administration, the volume on the conversation continues to increase, and several efforts are underway to create collaborations among varied business leaders, academics, former government officials and other thought leaders. Shell has and will continue to advocate in favor of a carbon price, both on our own as well as in the context of collaborations like the Carbon Leadership Council and the CEO Climate Dialogue. Shell will also continue to have an active voice in regional and state conversations advocating for carbon pricing to assist in leveling the playing field and educating consumers.
- **Emerging Power:** Shell is actively engaged with the Independent System Operators (ISOs) that operate the power grids across the US and the state and local public utility commissions that set the rules for ISOs and their participants. We work to influence market design and regulation to enable Shell to commercialize integrated solutions to deliver to customers. We also work with state and local agencies that award some Power Purchase Agreements (PPAs), notably in the Northeast where individual states award

offshore wind PPAs to developers. Shell and our partners' unsuccessful bids into New York and New Jersey offshore wind PPA auctions have shown the importance of engagement at the local level.

- **Fuels:** Advocacy efforts are needed at the federal, state and local level to support mobility innovation. Examples include our differentiated position on Corporate Average Fuel Economy (CAFÉ) standards and our work with local governments and airports around sustainable aviation fuels. Shell will continue to stand apart from some of our industry peers on the ongoing need to incentivize the purchase of EV vehicles for consumers as well as fleets, and we will continue to showcase our efforts to reduce the Net Carbon Footprint of our existing fuels business.

6. ENGAGEMENT PLAN

Work is underway on an Engagement Plan to support delivery of the strategic intent and commercialization of the opportunity funnel. A cross-business/function stakeholder mapping workshop was held in July 2019. This workshop resulted in a broad outline of the detailed Engagement Plan and will be completed by Q4 2019 for inclusion in the US Country Transition Plan.

6.1 Internal Engagement

Given the breadth and depth of the employee base in the US, the Engagement Plan will give focus to the Internal Communications requirements, with a goal to build staff enthusiasm and understanding around the Energy Transition, demonstrate how Shell intends to thrive through the transition, and how each employee contributes to that success. Our Shell employees, when armed with information, are some of the strongest ambassadors in carrying energy transition messaging. The internal engagement plan is informed by ongoing Energy Transition related dialogues taking place with US staff. Initial roll out of the strategic intent and related materials will commence in Q4 2019, supporting the following objectives:

- Create awareness and understanding on intent of U.S. ETP, and how every LoB is/will play a part;
- Translate what U.S. ETP means at the LoB, team and individual level;
- Leverage the collective thinking of our staff for sensing, idea generation and challenge solving regarding transition dilemmas and opportunities
- Unify staff to drive cross-business collaboration and integration to help identify and pursue ETP project opportunities; and
- Continue to attract and retain the best talent with skills/expertise to thrive through the energy transition.

Additional attention will be given to our leaders, line managers and our emerging leaders to support them in engaging on the high-level storyline and translating what it means for their business/team.

Following the roll-out, a consistent schedule of communication and engagement on ET, leveraging existing channels will be integrated into the U.S. Internal Communications plan.

6.2 External Engagement

The multi-year external Engagement Plan is being developed to support the strategic intent of US ETP and will be aligned with the overall US Reputation Plan. The plan will include:

- Key stakeholder mapping of target audiences with specific messaging and engagement objectives;
- Societal coalition approach with identification of non-traditional partners for learning and co-creation of ideas;
- Which stakeholders do we currently have alignment with? Who are our detractors? How and when will we engage?
- Timelines, metrics, resourcing and budget considerations.

This Plan will evolve and be refreshed as necessary to align with evolution of the project funnels and the policy and advocacy landscape.

7. WAY FORWARD

7.1 Country Transition Plan

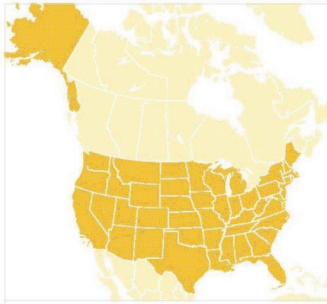
Feedback from the Executive Committee meeting will be incorporated into a final Country Transition Plan (CTP). The CTP will be reviewed and endorsed by the US ETP Steering Board (a subset of the US CCT) and delivered to CEGB by Q4 2019 for final approval. During this period, we will take advantage of senior leader engagements during Q3 and Q4 to create awareness and understanding of the US Energy Transition strategic intent as we continue to refine the final Engagement Plan.

7.2 US Energy Transition Implementation

Upon approval of the final CTP, the US Energy Transition team will move into the Implementation Phase, focused on supporting delivery of the CTP by:

- Sharing key messages and rolling out plan to US staff
- Standing up the Integrated Commercial Solutions Steering Group (see [Section 4.1](#) above). This group will focus on accelerating ideation and delivery of cross-LoB, customer-centric opportunities;
- By Q2 2020, enhancing the opportunity funnel through the identification of commercial viability, highlighting insights as projects mature and establishing a value creation target;
- Ensuring a healthy opportunity funnel is maintained and refreshed, and tracking progress of delivering commercial value from those opportunities;
- Ensuring that the P&A strategy, Engagement Plan and CTP are updated as necessary to reflect the changing opportunity funnel and external landscape;
- Leading delivery of cross-LoB projects with agreement from the relevant LoBs (e.g. El Camino); and
- Providing quarterly updates to the US CCT on progress of all the above.

APPENDIX A: Shell in the United States



2018 FACTSHEET
SHELL IN UNITED STATES



SHELL'S PRESENCE IN THE UNITED STATES BEGAN MORE THAN A HUNDRED YEARS AGO AS A GASOLINE MARKETER ON THE PACIFIC COAST AND AN OIL PRODUCER IN THE MIDWEST

Today, Shell is one of America's leading energy, petrochemicals and refined products companies, with interests in 50 states employing more than 17,000 people. Shell, with its consolidated companies and share in equity companies, is one of America's foremost producers and marketers of oil, natural gas, petrochemicals, gasoline, lubricants and other refined products.

Shell is a prominent oil and gas producer in the deepwater Gulf of Mexico and a recognized pioneer in oil and gas exploration and production technology. Subsidiaries of Royal Dutch Shell constitute a global group of energy and petrochemical companies operating in more than 70 countries and territories, employing over 82,000 people.

SOCIAL INVESTMENT

2016-2018

Social Investment	\$59.1 million
Education	\$16.9 million
Conservation	\$11.6 million

TAXES, ROYALTIES AND FEES

2018

Paid to governments in U.S.* \$6.3 billion

STAFF COUNTS

2018

Employees	17,400
Pensioners	29,900

106 YEARS
 IN THE U.S.

\$6.3 BILLION
 TAXES, ROYALTIES,
 OTHER FEES

4.8 MILLION
 STUDENTS SUPPORTED
 2015-2017

THIRTEEN MILLION ACRES
 PROTECTED
 SINCE 1999

318,000
 TEACHERS TRAINED
 2015-2017

13,000 SHELL-BRANDED
 RETAIL STATIONS

\$10 BILLION
 CAPITAL SPEND

1/3 OF SHELL INVESTORS U.S.-BASED

1.5 BILLION BARRELS OF OIL/CHEMICAL
 PRODUCTS TRANSPORTED
 IN SHELL PIPELINES

11% OF U.S. LUBRICANTS
 VOLUME PRODUCED

900,000
 BARRELS/DAY
 REFINING CAPACITY

58,000 HOURS GIVEN BY
12,000
 VOLUNTEERS

#1 IN TOTAL GALLONS SOLD/
 PREMIUM GASOLINE PREFERRED

20 BILLION POUNDS
 OF CHEMICALS
 PRODUCED ANNUALLY

426,000
 BARRELS OF OIL/
 EQUIVALENT PRODUCTION
 PER DAY

7 BILLION
 CUBIC FEET/DAY
 NATURAL GAS SOLD

\$8.5 BILLION
 SPENT WITH
 U.S.-BASED SUPPLIERS!

\$59 MILLION
 SOCIAL INVESTMENT
 BETWEEN 2016-2018

NOTE: All values are annual (from 2018) unless noted otherwise

2018 FACTSHEET SHELL UNITED STATES

UPSTREAM

- 426,000 barrels of oil/equivalent produced per day
- 629 million barrels of proved crude oil and natural gas liquids
- 1,706 billion cubic feet of proved natural gas reserves
- 1.5 million developed oil and gas acreage
- 2.1 million undeveloped oil and gas acreage
- 15,200 productive oil wells
- 1,480 productive gas wells
- Key areas:
 - Pennsylvania, West Virginia – Marcellus and Utica shale gas formations
 - West Texas – Permian Basin shale oil
 - Gulf of Mexico – Offshore deep water oil
- New energies:
 - Eight wind projects co-owned (Shell 50% interest) – 722 turbines Total capacity – 900 MW
 - Trading and marketing renewable wholesale and retail power through Shell Energy North America
 - Minority interest holder in Silicon Ranch Corporation, leading U.S. developer, owner and operator of solar assets, including approx. 900 megawatts of operational contracted projects

DOWNSTREAM

Retail

- 13,000+ Shell-branded retail stations

Jiffy Lube®

- Nearly 2,000 locations
- 20 million customers annually

Refining

- Five refineries:
 - Deer Park Refinery (50-50 joint venture with Parnax) – Deer Park, TX
 - Martinez Refinery – Martinez, CA
 - Puget Sound Refinery – Anacortes, WA
 - Port Arthur Refinery – Port Arthur, TX**
 - Convent Refinery – St. James Parish, LA**
 - Norco Manufacturing Complex – St. Charles Parish, LA**

Lubricants

- Five lube oil blending and packaging plants:
 - Newell, WV
 - Galena Park, TX
 - Wilmington, CA
 - Portland, OR
 - River Rouge, MI
- Three regional distribution centers:
 - Houston, TX
 - Vernon, CA
 - Columbus, OH
- Eleven distribution centers throughout U.S.

Chemicals

- Six chemical manufacturing facilities:
 - Mobile Plant – Mobile, AL
 - Norco Manufacturing Complex – St. Charles Parish, LA
 - Geismar Plant – Ascension Parish, LA
 - Deer Park Plant – Deer Park, TX
 - Martinez Refinery – Martinez, CA
 - Puget Sound Refinery – Anacortes, WA

Trading

- Shell Trading (U.S.) Company:
 - Acquisition, sales and trades of domestic crude oil and products; crude oil lease acquisition; marketing and transport; marine chartering; risk management services.
 - Five+ million barrels of hydrocarbons bought and sold per day
- Shell Energy North America:
 - Trades and markets natural gas, wholesale and retail power, and environmental and risk management products
 - Natural gas sales volume of 7 billion cubic ft/day
 - 270 million megawatt hours sold annually
 - 10,000+ megawatts of generation capacity, with one-third coming from renewable sources

Pipeline

- 75 product terminals
- 1,120 storage tanks with more than 50 million barrels capacity
- Own/operate 3,800 miles of pipeline
- Partial ownership 8,000 miles of pipeline
- More than 1.5 billion barrels transported in pipelines annually

New Energies

- Three hydrogen fueling stations operating in California nine in development
- Provides bio-fuels, including bio-diesel, renewable diesel and ethanol, to California market
- On-shore wind in operations in California: Whitewater Hill and Cabazon

Headquartered in Houston, Texas, Jiffy Lube® International, Inc. is a wholly owned, indirect subsidiary of Shell Oil Company.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate entities. In this brochure, "Shell", "Shell group", and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

*Subsidiaries, **Shell subsidiaries and ***Shell companies as used in this document refer to companies over which Royal Dutch Shell plc either directly or indirectly has control.

Most information contained in this information sheet is current as of December 2018. Certain numbers have been updated as of 2017 or early 2019. Certain numbers in this material are rounded.

**Includes state income tax numbers for 2017. Motor Fuels and Sales and Use Taxes are paid or collected for states.

RESEARCH AND DEVELOPMENT

2018
Universities and other research partners **\$70.3 million**

PROCUREMENT

2018
Procurement Spend **\$8.5 billion**
– SWMBE* **\$781 million**


*Small-Women-Minority Business Enterprises

4,252 U.S.-BASED SUPPLIERS†

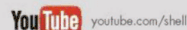
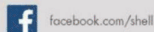
852 SMALL-WOMEN-MINORITY BUSINESS ENTERPRISES



† = 100 Suppliers

INTERESTS IN 
50 STATES
EMPLOYING MORE THAN
17,000 PEOPLE

OPERATING IN MORE THAN
70 COUNTRIES & TERRITORIES 
EMPLOYING OVER
82,000 PEOPLE





APPENDIX B: OPPORTUNITY FUNNELS
[REDACTED]

- **Proposed solution:** Creation of a US Integrated Commercial Solutions Steering Group with representation from key customer-centric lines of business and functions. This Steering Group will focus on generating ideas and accelerating delivery of cross-LoB opportunities by removing obstacles and breaking through internal boundaries to promote innovation, maximize value and deliver a compelling value proposition. This effort is not intended to duplicate any existing efforts (such as Project Alchemy), but rather to support the acceleration of those efforts and identify additional opportunities. This Steering Group will also serve as an integrator to deploy internal expertise as needed on projects and as a forum to generate a full “menu” of Shell’s capabilities and customer offerings in the US.

4.2 Carbon Capture, Utilization and Storage (CCUS)

US CCUS has economic challenges. Project El Camino is on track for DG2 in mid-2020. The project team continues to refine both the potential sources of capture and reservoir sinks. Analysis suggests that permanent sequestration in depleted gas fields is the most economic option (on a lifecycle basis) for our Louisiana sources, due to proximity, scale-ability, low operating costs and simple execution. In Texas, onshore EOR shows more promise due to the number and size of onshore oil fields near Houston. However, this comes with the liability of owning and operating mature oilfields many of which require considerable abandonment investment. Offshore saline sequestration may also be effective in Texas for a large-scale industry project. Deer Park does not have sufficient high purity CO2 sources to support a standalone project, so the project team is focused on broader industry coalition opportunities in Texas.

Although the recent extension and increase to the 45Q federal regulations for CCS/CCUS provides \$35/ton tax credit for EOR and \$50/ton for permanent sequestration, it is limited to 12 years from startup. El Camino scoping economics demonstrate positive economic cases only when 45Q is overlaid with Shell’s CO2 Project Screening Values (PSVs). The mid-case US CO2 PSV starts at \$15/ton in 2026, rising to \$75/ton in 2050 (see [Section 5](#) below for more details on potential federal carbon tax and our advocacy efforts). Shell is also participating in the National Petroleum Council report on CCUS, which is due to be delivered to the Secretary of Energy later this year. The NPC report will come to a similar conclusion, namely that 45Q alone is not sufficient for the US to be a leader in CCUS without additional incentives.

- **Proposed solution:** Although El Camino does not provide a profitable, sanctionable project in 2019, we continue to mature the project due to the possibility of a carbon tax being introduced in the US post-2020; the potential need for CCS on critical Shell projects, including Lake Charles LNG; and possible further federal incentives or industry collaboration coming from the National Petroleum Council study. We will continue to pace the project accordingly and work collaboratively with industry and policymakers to deliver a profitable investment opportunity for US CCUS.

4.3 Polarized Political Environment

The political landscape is polarized, dynamic and uncertain. Political dynamics in the US can lead to dramatic changes (i.e. more progressive cabinet in the case of a Trump loss in 2020 or more hardening of positions in case of a Trump re-election). The increasing use of executive authority to make swift policy changes will continue to create uncertainty. (See [Section 5](#) below for further details on policy and advocacy challenges and solutions.)



CROSS BUSINESS LEADERSHIP FORUM

Note from Gretchen Watkins

With the start of a new year comes new challenges for Shell leaders in the US, especially how we implement our US Energy Transition Plan. Getting this right will require all of us pulling together.

Last year the CCT, with support from many of you, made considerable progress in our three U.S. focus areas – building a stronger sense of community in Shell and in the communities where we operate, delivering the U.S. Energy Transition Plan, and developing the U.S. talent pipeline at home and abroad. As we reaffirm these three focus areas for 2020, with particular focus on the roll-out of the U.S. Energy Transition Plan, we need your active support to deliver on these priorities.

This U.S. Cross Business Leader Forum engagement is an opportunity for you, as a senior leader in the U.S., to get an early look at the U.S. Energy Transition Plan and how every line of business will play a part. You'll have a chance to ask questions, discuss it with other senior leaders and consider the opportunities that might exist in your business. Most importantly, **you'll leave equipped to have a dialogue with your own team on how they will contribute to thriving through the energy transition.** In addition, you will learn more about our U.S. talent, including an engagement with some of our Emerging Leaders.

On behalf of the CCT, I hope you enjoy this session and look forward to seeing all of you.

Best Regards,



Gretchen

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AGENDA

Cross Business Leadership Forum | Wednesday, February 12, 2020

9:00am – 9:15am

Welcome & Opening | Speaker: Gretchen Watkins

9:15am – 9:35am

Introduction of US Energy Transition Plan | Speaker: Jason Klein

9:35am – 9:50am

Energy Transition **Business Focus: Retail** | Speaker: Istvan Kapitany

9:50am – 10:05am

Energy Transition **Business Focus: Permian** | Speaker: Amir Gerges

10:05am – 10:35am

Energy Transition **Q&A with Speakers** | Speakers: Gretchen Watkins, Jason Klein, Istvan Kapitany & Amir Gerges

10:35am – 10:50am

Break

10:50am – 12:10pm

Telling the Energy Transition Story | Session Lead: Marti Powers

12:10pm – 1:00pm

Networking Lunch

1:00pm – 2:00pm

External View | Speaker: Ken Medlock, Fellow & Senior Director, Center for Energy Studies at Rice University's Baker Institute for Public Policy

2:00pm – 2:15pm

Break – Emerging Leader Talents to Join Forum

2:15pm – 2:45pm

Talent Overview & Required Support | Speaker: Scott Ballard

2:45pm – 4:15pm

Reverse Mentoring with Emerging Leader Talent | Session Lead: Angela Nguyen

4:15pm – 4:30pm

Close & Reflections | Speaker: Gretchen Watkins

4:30pm – 6:00pm

Reception in Pecten Room

**United States Energy Transition Program
Country Transition Plan
December 2019**

Executive Summary

The US energy transition is uniquely characterized by an abundant and diverse energy resource base, a patchwork of regulatory policies, an innovative technology sector and a diverse societal base that increasingly seeks cleaner and more convenient energy options that remain affordable.

In the near to medium term, oil and gas will continue to play a key role for the United States, both at home and globally. Shell's Upstream business therefore remains an important factor in the transition, requiring continuous improvement efforts to remain a profitable cash engine and to produce feedstocks for our leading Downstream business. Integrated Gas has an opportunity to leverage America's abundant shale gas for LNG exports. These efforts must be balanced with an increasing demand for lower carbon energy alternatives from US consumers. Leveraging the strength of our existing businesses, our marketing and trading skills, our brand and our growing New Energies business creates significant commercial opportunity for Shell to co-create and deliver innovative customer-centric energy solutions to our 20 million customers in the US. With the significant number of opportunities across a broad value chain, Shell must develop novel ways of working to break down siloed thinking and behaviors in order to thrive in the energy transition and deliver a world class investment case.

There is a view that the United States' withdrawal from the Paris Agreement would create a much slower US energy transition. We now see states, cities and B2C companies stepping into the void to set climate targets and supporting regulatory frameworks that reduce emissions. While this patchwork of policies and markets creates challenges for a coordinated US energy transition, it also creates opportunities for an integrated, respected and credible energy company like Shell to take on an increased leadership role to shape effective policy at multiple levels in the transition, while maintaining a strong societal license to operate.

The US is home to the largest number of Shell employees, attracts the largest share of Shell's capital investment and is the only country where Shell has presence in every aspect of upstream and downstream operations. This US Country Transition Plan (CTP) outlines the key actions and accountabilities to ensure that Shell US continues to make a significant contribution to Shell's strategic ambitions, including detailed policy and advocacy priorities, internal communications and external engagement plans, and the role of the US Energy Transition team in ensuring this CTP is delivered and refreshed.

1. CONTEXT

1.1 Economy and Politics

The United States is the largest global economy and has experienced a steady rise in US GDP over the past five years, fueled in part by a growing tech sector and a moderate resurgence in manufacturing.

A partisan media environment has fueled polarization in politics, with Americans increasingly swayed by loyalty toward a political group or by their intense feelings on a single issue, rather than a broad analysis of issues or even their own personal economic interests. Climate change is one issue that provokes partisan tensions. The 2016 elections brought a sweeping change of ideas and use of executive power, and subsequent elections in 2018 reflected even greater polarity as the Democrats regained control of the House of Representatives. Federal investigations, challenges of judicial appointments and impeachment hearings have created distractions that make it challenging for policy and legislative issues to stay front and center at a federal level.

1.2 Energy Resources

The United States has become the largest crude oil producing nation in the world at 12.2 mbpd in 2018 and is set to become the world's largest exporter by 2024 according to the IEA. Combined with the US already being the number one natural gas producer globally, the energy sector represents approximately 8% of US GDP.

Renewable Portfolio Standards (RPS), Production Tax Credits, Investment Tax Credits and other incentives, along with rapidly declining technology costs, have also led to a strong development of the wind and solar resource.

1.3 Climate Change

Global headlines often paint the United States as a monolithic nation that approaches climate change with a degree of skepticism. President Trump's announced intent to withdraw from the Paris Agreement and the unwinding of many federal regulations designed to address climate change might suggest an unwillingness to follow through on previous US environmental commitments. However, beyond the headlines, the US energy transition is being propelled by a consumer and business base, primarily in cities and along the coasts, that sees climate change as a national imperative and demands lower carbon alternatives. Although federal policy on climate and energy transition is lagging, states and cities are stepping into the void and adopting RPS, setting climate targets and supporting stricter regulations.

Between 2005 and 2017, greenhouse gas emissions in the US fell by 12%, largely as a result of shifts from coal to natural gas, an increased use of renewable energy and an overall leveling of demand through improved energy efficiency. Despite the gains made over this period, the United States continues to be one of the world's largest GHG emitters, second only to China.

1.4 Regional Context

1.4.1 California and the West Coast

Within the broader West Coast region, California dominates economically, technologically and from a policy perspective. The state is unique for its extensive use of regulation to achieve ambitious environmental and social goals. California was an early leader in establishing RPS and is on track to surpass its initial goals that require 33% of power procurement by load-serving entities to come from eligible renewable resources by 2020. In 2018, SB 100 was signed into law, which again increases the RPS to 60% by 2030 and requires all the state's electricity to come from carbon-free resources by 2045. Shell has a significant wholesale power business in California supplying both commercial and industrial customers with traditional and renewable power.

California also has a regulatory framework that helps underpin Shell investments in low-carbon mobility, including the Low Carbon Fuel Standards (LCFS) that support investment in renewable natural gas, biofuels and hydrogen fueling infrastructure in the state.

1.4.2 US Gulf Coast

Texas and Louisiana are well-established petrochemical, manufacturing and transport hubs with policy frameworks that tend to be business friendly. Although neither state has shown any recent interest in regulating greenhouse gases, Texas is the largest producer of wind power (20 GW) in the United States. Texas was an early adopter of RPS in 1999 and invested in its transmission network. The build out of transmission infrastructure to bring wind power generated in the western part of the state to the growing population centers was accomplished without the permitting complexities that would have occurred had transmission lines needed to cross state lines. The Texas Public Utilities Commission also allows retail competition, which creates a possibility for Shell to grow our customer-facing offers as a retailer. Texas is a key target market for growth in Shell's integrated power strategy, with a unique opportunity to couple generation and energy storage with the abundant gas in the state to address the intermittency challenges that come with renewable power.

Although Texas and California have taken two very different approaches to power market design and regulation, both approaches have resulted in commercial opportunities for Shell, and both have allowed rapid acceleration in renewables penetration.

The business-friendly regulatory environment, created by limited government intervention in Texas and Louisiana, and the strong industry footprint can be leveraged to increase efficiencies and cost competitiveness in our existing businesses. It also provides ripe opportunities to develop scale-able CCUS solutions and coalitions where learnings can be transferred. The abundance of shale resources also means that the Gulf Coast presents opportunities for LNG exports to support energy transitions around the world, as well as a crucial feedstock to some of Shell's Gulf Coast manufacturing sites.

1.4.3 Northeast

This region represents a patchwork of states that enjoy different advantages and face different challenges. Whereas the inland states of Pennsylvania, West Virginia and Kentucky are energy producers (gas and coal), the coastal states of New Jersey, Delaware, Virginia and Maryland are energy consumers. Overall, the policy environment has become more polarized in recent years, with coastal cities, New York and New Jersey opposing fracking and pipeline projects on environmental grounds.

While this variety in state policies challenges our Appalachia gas business, it is helpful to Shell's New Energies business aspirations and supports affordable feedstock for our Pennsylvania Chemicals project.

As a result of this policy inconsistency among states, the region's efforts to reduce greenhouse gases are fragmented. Several states are considering or have adopted measures to build on the success of the Regional Greenhouse Gas Initiative (RGGI) to further reduce GHG. A regional collaboration of 13 Northeast and Mid-Atlantic jurisdictions is seeking to develop the clean energy economy, improve transportation, and reduce carbon emissions in the transportation sector. Aligning legislative and regulatory action to achieve a regional vision will remain a constant challenge for the many independent state governments in the region. In the meantime, individual states are competing for leadership--New York has adopted a 70% RPS by 2030, a 100% zero-emissions electricity requirement by 2040 and set a target of 9GW of offshore wind by 2035, while New Jersey is targeting 7.5GW of offshore wind by 2035. These targets create world-class opportunities for Shell's two offshore wind JVs and possible integration with SENA's sizeable footprint in the region.

1.5 Thriving Through the US Energy Transition

The unparalleled innovation, entrepreneurialism and diverse energy resource base in the US bring a host of opportunities and challenges for Shell to navigate in order to thrive through the transition, including:

- leveraging our 20 million customers by providing them with comprehensive energy solutions, including low to no carbon offerings;
- delivering on the Emerging Power theme with integrated energy solutions from power supply and generation (offshore wind, Silicon Ranch), optimization and trading (SENA) and providing customer-focused solutions (Greenlots, Sonnen, MP2, GI Energy);
- taking advantage of abundant oil and natural gas to supply the US domestic market and support our global oil, LNG and Chemicals portfolios with US exports;
- continuing to advance biofuels initiatives by expanding and operationalizing use of first-generation biofuels, E85 and E15, and establishing commerciality and scale-ability for second-generation biofuels;
- improving efficiencies and reducing the carbon intensity of our assets;
- leveraging and building on our existing footprint to deliver a scale-able, material CCUS project on the Gulf Coast; and
- implementing an effective policy, advocacy and engagement strategy, including playing a leading, vocal role to advocate for effective carbon pricing.

2. US ENERGY TRANSITION PLAN & TRANSITION THEMES

2.1 US Energy Transition Plan

The Shell US Energy Transition Plan considers the collective ambitions and goals for all lines of business represented, as well as the innovative and dynamic industry, economy and consumer base in

the country. A consumer driven energy transition plan will enable Shell US to differentiate itself and thrive through the energy transition by:

- **Driving Value:** Delivering commercial value by producing and supplying the energy products demanded globally--while reducing costs and our Net Carbon Footprint of the energy products we sell.
- **Focusing on our Customers:** Providing co-created, unique, integrated and affordable energy solutions that meet customers' evolving needs and deliver material profitability by leveraging the strength of our brand, capabilities, and value chain.
- **Leading Engagement:** Mobilizing change and attracting, retaining and empowering our people by being the trusted, leading industry voice on the US energy transition with consumers, regulators and key stakeholders.

2.2 Themes

Thriving through the energy transition requires a portfolio that is well-positioned for the future of energy, both at home in the United States and globally. Four broad energy transition opportunity themes have emerged from a diverse portfolio. These themes are rooted in delivering customer-centric energy solutions and lowering emissions at our own assets and operations.

- **Mobility/New Fuels:** With over 14,000 Shell branded locations in the US, *Mobility/New Fuels* offerings provides one of the most visible, customer-facing opportunities for Shell to introduce, scale-up and monetize cleaner, fuel-efficient product offerings (including Greenlots, Shell Recharge EV charging and biofuels). Hydrotreated Vegetable Oil (HVO) offtakes, Hydrogen fueling stations for heavy duty vehicles at the Port of Long Beach and delivering sustainable aviation fuels at SFO are also opportunities allowing Shell to pursue solutions in hard-to-abate sectors.
- **Lower Carbon Offerings (Non-Mobility):** The call for cleaner energy options continues to increase from consumers and through policy at the state/municipal level. Portfolio offerings in this space include: Offshore wind projects (Mayflower and Atlantic Shores JVs), Solar (Silicon Ranch), renewable natural gas projects, Lake Charles LNG, and ongoing conversion of plastic waste to advantaged feedstock by Chemicals, as examples. Our ability to leverage an integrated portfolio footprint to produce, transport and trade lower carbon offerings will distinguish Shell as a leading, competitive player in an evolving and transitioning energy system.
- **Integrated Solutions to Customers:** Comprehensive energy solutions offerings for B2B and B2C customers are a business imperative. This will require Shell US to work even more effectively across LoBs to co-create and develop energy offerings to meet a broad range of needs. [Redacted]
- **Own Emissions and Efficiency:** While these initiatives may not be fully visible to the customer, a focus on our own Scope 1 and 2 emissions, including energy efficiency efforts, will go a long way in maintaining a strong license to operate and ensuring credibility with

stakeholders, staff and contractors, whilst ensuring Shell US does their part within industry to enhance operational efficiencies and reduce emissions from our assets. Some of the largest levers we will have to pull is new project design in order to maintain competitiveness of our assets. Examples include cogeneration and renewable power at Manufacturing sites and e-fracs and fugitive methane reduction efforts in Permian.

The Energy Transition team maintains a funnel of the opportunities for each of the four themes. The funnels include projects from all LoBs and at various stages of maturity. As these opportunities mature and implementation of the transition plan is underway, we will quantify the commercial potential for all opportunities. The Energy Transition team is consistently working to bridge and integrate opportunities across LoBs to deliver increased value. A funnel diagram with a selection of opportunities, followed by three representative examples is presented below. A link to the full summary of all funnels is included in Section 7.

[Redacted]

2.3 Representative Opportunities under Development

Mobility/New Fuels: Bio-fuels will play an important role in decarbonizing the “hard to abate” heavy duty fleet and aviation industries. STUSCO is working to grow access to Hydrotreated Vegetable Oil (a type of sustainable aviation fuel) to supply bio-diesel and bio-jet demand through equity production and/or term off-take agreements. Shell Aviation is currently leveraging this by developing opportunities to enhance its aviation biofuels blending capabilities with customers such as the San Francisco Airport. This has the potential to create logistic costs advantages and move Shell Aviation’s revenue mix to include low carbon offerings. Advancing these bio-fuel opportunities will allow Shell to develop NPV positive projects that have the potential for scale-ability, integration and greater commercial value as state and regional regulatory policies advance. **[Redacted]**

Integrated Energy Solutions to Customers: With the increasing penetration of renewable power to the grid, B2B customers are seeking comprehensive energy solutions to enhance grid stability. Connected Energy’s Distributed Energy Resources (DER) provides behind the meter solutions to end-use customers with the capability to control energy delivery costs, enable EV charging and decarbonization, and enhance resiliency. Shell is piloting several projects **[Redacted]**

Mobility/New Fuels: The development of hydrogen as a fuel for the mobility sector is critical for the retail segment of the value chain. This is a potentially high-value market, with competitive advantages on cost, focused on the hard to decarbonize Heavy Duty sector. California offers state grants as well as credits through the state Low Carbon Fuel Standard. The focus currently is on California and securing volume commitments from OEMs & third parties (**[Redacted]**). Shell is currently piloting Hydrogen fueling stations at the Port of Los Angeles and the Port of Long Beach. **[Redacted]** this capability will allow us to scale up quickly and provide a variety of offerings at our retail stations to our customers. **[Redacted]**

3. CHALLENGES & UNCERTAINTIES

3.1 Integration

Given the vertical structure of our LoBs, Shell's offerings to customers are segmented and complex. This can result in customers not knowing the full suite of products and services offered, especially as we expand our portfolio. An additional risk exists of internal disconnects related to simultaneous pursuits of opportunities.

Many of our customers have also been on an energy transition journey and have been working on various aspects of their own sustainability goals. We should be working with our customers to determine their needs and co-create an integrated "One Shell" solution.

- Proposed solution: Creation of a Cross Business Collaborative (CBC) with representation from key customer-centric lines of business and functions. The CBC will focus on generating ideas and accelerating delivery of cross-LoB opportunities by removing obstacles and breaking through internal boundaries and siloes to promote innovation, maximize value and deliver a compelling value proposition. This effort is not intended to duplicate any existing efforts (such as SENA Global Accounts, "I am Shell," and the customer centricity roadmap), but rather to support the acceleration of those efforts and identify additional opportunities. The CBC will also serve as an integrator to deploy internal expertise as needed on projects and as a forum to generate a full "menu" of Shell's capabilities and customer offerings in the US. See Section 6. for more information on the CBC.

3.2 Carbon Capture, Utilization and Storage (CCUS)

US CCUS has economic challenges. Project El Camino is on track for DG2 in mid-2020. The project team continues to refine both the potential sources of capture and reservoir sinks. **[Redacted]**.

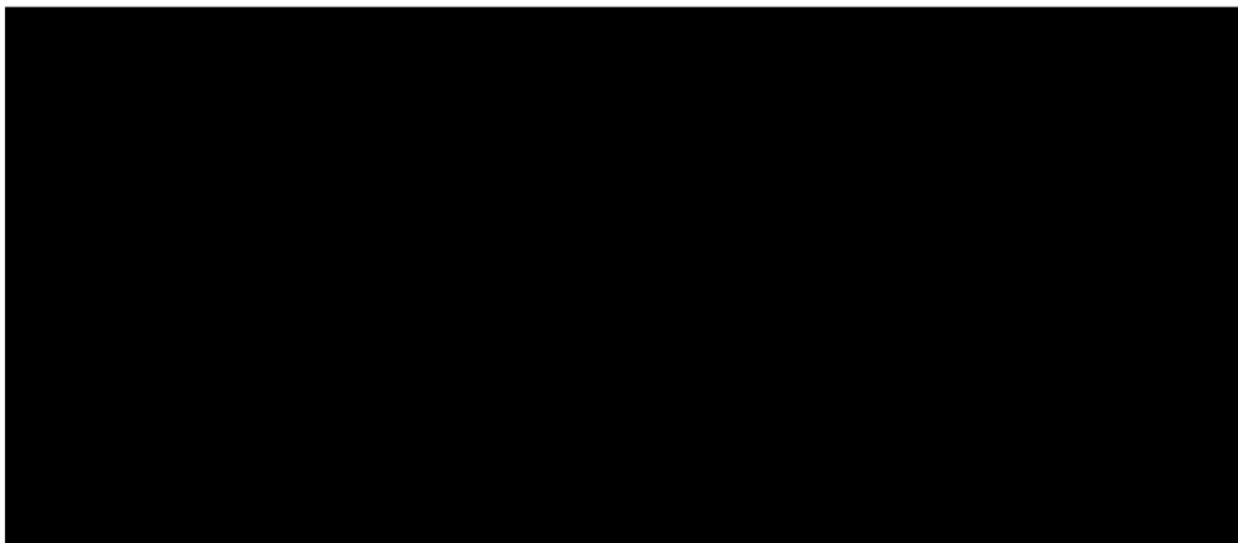
Although the recent extension and increase to the 45Q federal regulations for CCS/CCUS provides \$35/ton tax credit for EOR and \$50/ton for permanent sequestration, it is limited to 12 years from startup. **[Redacted]** Shell is also participating in the National Petroleum Council report on CCUS, which was delivered to the Secretary of Energy on 12 December 2019. The NPC report came to a similar conclusion, namely that 45Q alone is not sufficient for the US to be a leader in CCUS without additional incentives.

- Proposed solution: **[Redacted]** Shell is leading the OGCI Kickstarter hub work in Louisiana, which seeks to align efforts and build a broader CCS industrial hub around OGCI-member companies with assets in Louisiana. We will continue to pace El Camino and work collaboratively with industry and policymakers to deliver a profitable investment opportunity for US CCUS.

3.3 Polarized Political Environment

The political landscape is polarized, dynamic and uncertain. Political dynamics in the US can lead to dramatic changes (i.e. more progressive cabinet in the case of a Trump loss in 2020 or more hardening of positions in case of a Trump re-election). The increasing use of executive authority to make swift

policy changes will continue to create uncertainty. (See Section 4. below for further details on policy and advocacy challenges and solutions.)



4. POLICY & ADVOCACY STRATEGY

Following the 2018 midterm elections, climate change has once again become a topic in Washington, DC. The recent Green New Deal proposal, while aiming at targets that are impractical and unrealistic, has helped propel climate change onto the agendas of both the Democrats and Republicans. While it is unlikely that any new climate legislation will be enacted at a federal level prior to the 2020 elections, it is anticipated that climate change will be a key issue in the upcoming presidential campaigns, and it is already an agenda item with Democratic candidates.

In the absence of federal action on climate change, States on the US West Coast and Northeast have taken leadership roles in setting aggressive climate goals. The US also has multiple, distinct regulatory frameworks for power across the different regional power networks. These factors allow for Shell to test different business models in different regulatory regimes across the US, but it also means that Shell US's energy transition efforts in the policy and advocacy space will need to reflect these factors, with a strong voice at the state, regional and municipal level.

The role for policy advocacy will be focused on identifying and securing key enablers of our energy transition plan and opportunity funnel, consistent with Shell's global policy position on these key issues:

- **Sequestration:** This includes both CCS/CCUS and nature-based solutions (NBS). The infrastructure components needed to finance, operate, maintain, and quantify sequestration of carbon in the US are not uniformly mature or in some cases even in place. In order to use the 45Q tax credits, detailed implementing federal regulations must be resolved. Our efforts are focused on the detailed regulatory structures and rules necessary to underpin commercially and technically viable CCS projects.

- **Carbon Pricing:** Carbon pricing, be it a “carbon tax,” “carbon dividend,” “carbon fee,” or “cap and trade structure,” is a necessary element of advancing the energy transition. Although it is unlikely that a national carbon price will be established during the current administration, the volume on the conversation continues to increase, and several efforts are underway to create collaborations among varied business leaders, academics, former government officials and other thought leaders. Shell has and will continue to advocate in favor of a carbon price, both on our own as well as in the context of collaborations like the Carbon Leadership Council and the CEO Climate Dialogue. Shell will also continue to have an active voice in regional and state conversations advocating for carbon pricing to assist in leveling the playing field and educating consumers.
- **Emerging Power:** Shell is actively engaged with the Independent System Operators (ISOs) that operate the power grids across the US and the state and local public utility commissions that set the rules for ISOs and their participants. We work to influence market design and regulation to enable Shell to commercialize integrated solutions to deliver to customers. We also work with state and local agencies that award some Power Purchase Agreements (PPAs), notably in the Northeast where individual states award offshore wind PPAs to developers. Shell and our partners’ unsuccessful bids into New York and New Jersey offshore wind PPA auctions have shown the importance of engagement at the local level.
- **Fuels:** Advocacy efforts are needed at the federal, state and local level to support mobility innovation. Examples include our differentiated position on Corporate Average Fuel Economy (CAFÉ) standards and our work with local governments and airports around sustainable aviation fuels. Shell will continue to stand apart from some of our industry peers on the ongoing need to incentivize the purchase of EV vehicles for consumers as well as fleets, and we will continue to showcase our efforts to reduce the Net Carbon Footprint of the energy products we sell.

The complete US Policy and Advocacy Plan is included in Section 7.

5. ENGAGEMENT PLAN

5.1 US External Stakeholder Trends & Challenges

The stakeholder landscape in the US continues to be diverse as it pertains to attitudes, discourse and campaigns linked to climate change topics, including energy transition. In the absence of federal leadership, individual states, cities, corporations (particularly B2C), and NGOs are increasingly integrating Environmental, Social and Governance (ESG) considerations and climate impacts into their strategies and making renewable energy commitments for their supply chains. Increasing demand for no-carbon power and energy is driving the reduction in cost of such resources. These factors could incentivize consumer behavior changes, as consumer data suggests a demand for green energy, but an unwillingness to pay higher prices. A recent IPSOS MORI survey showed that while energy engaged US citizen’s concern over climate change has tripled over eight years, only 18% of respondents claimed it was a top concern (versus healthcare which is their greatest concern (35%)).

5.2 Reputation Plan

While Shell is a leader amongst its US peers, our industry continues to have low credibility and trust with specific stakeholder groups (Energy Engaged audiences), amidst rising societal expectations on climate action. This is especially so for onshore unconventional exploration and production. With concern around methane increasing, several eNGO leaders are funding methane monitoring using drones, and in the case of the Environmental Defense Fund (EDF) - a US-based nonprofit environmental advocacy group - eventually launching a satellite dedicated to tracking fugitive methane emissions.

The US Reputation Plan and the US CTP Engagement Plan are fully aligned, including, in the following key objectives:

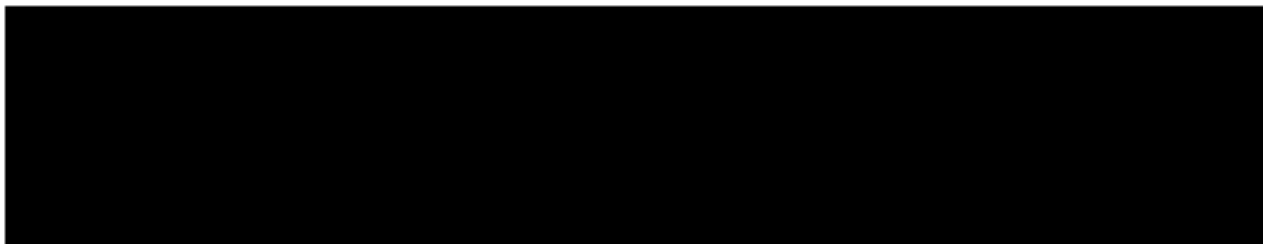
- Enhance Shell US's reputation as a solution-oriented company, matching conversations about the future of energy, with demonstrable examples of thriving through the energy transition;
- Secure partnerships with credible external influencers and commercial entities that support and strengthen societal license to operate and grow at country and asset level; and
- Building a brand purpose platform designed to make meaningful, authentic connections with people to enable outcomes tied to employment, commercial, advocacy, market confidence.

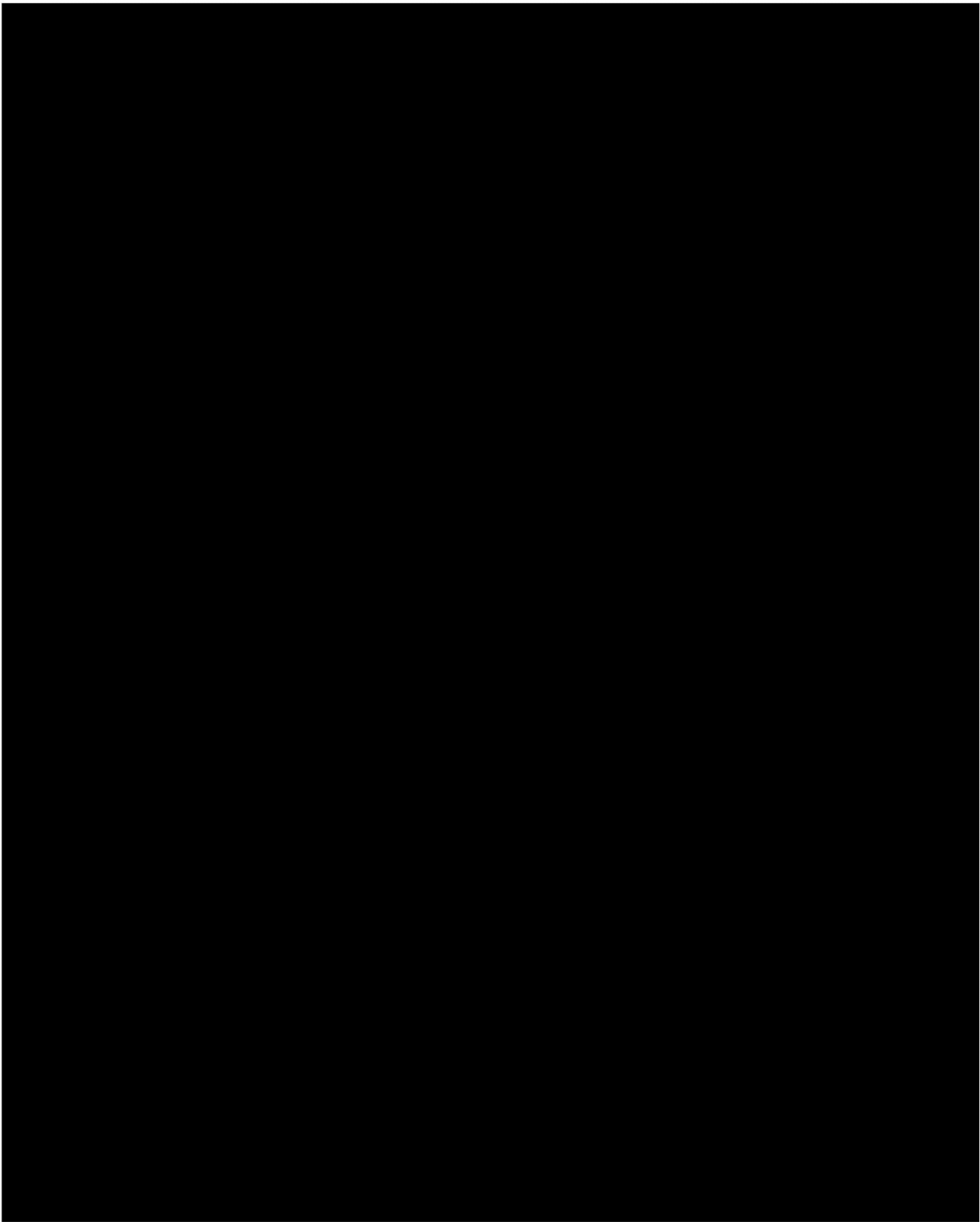
The CTP's success will be contingent not only engagement and communication of key messages related to the above US Reputation Plan Objectives, but on business performance and behaviors, i.e. reconciling actions with words, as laid out in the US Country Reputation Plan's Performance, Behaviors and Communications (PBC) section. The complete US Engagement Plan is included in Section 7.

5.3 Stakeholders: Engagement Opportunities and Unusual Alliances

Shell US leadership continues to be sought out to participate, and often lead, open-forum and closed-door discussions at senior administration levels and with special public audiences. However, several stakeholder groups (NGOs and research groups) advocate for greater, bold action from Shell in the form of public support and action for topics including carbon tax legislation, methane regulation, as well as greater influence over trade association climate positioning, instead of closed-door and private advocacy.

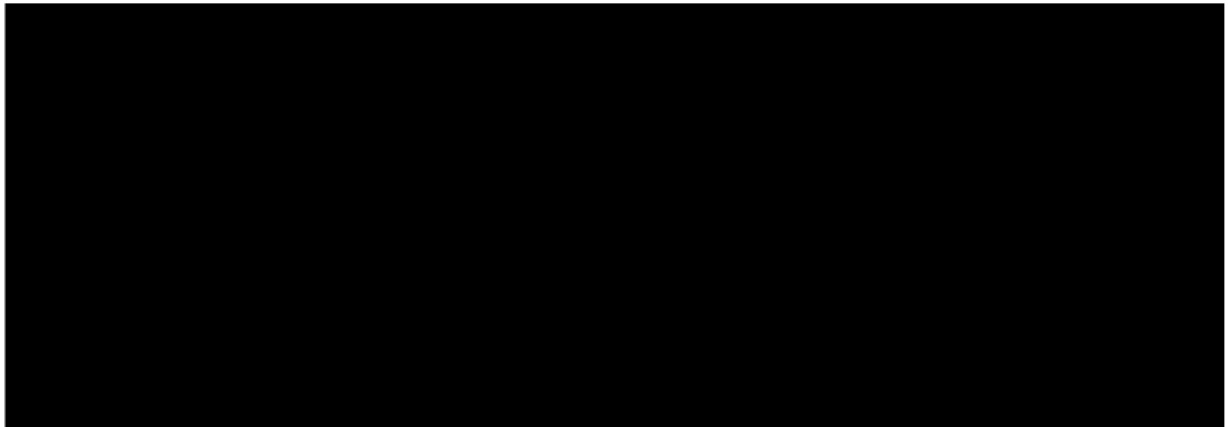
In the US, Shell will focus on the following groups for engagement with the objectives of growing opportunities to work across sectors, demonstrating leadership as a "preferred partner in energy transitions," and developing a credible network of third-party advocates:



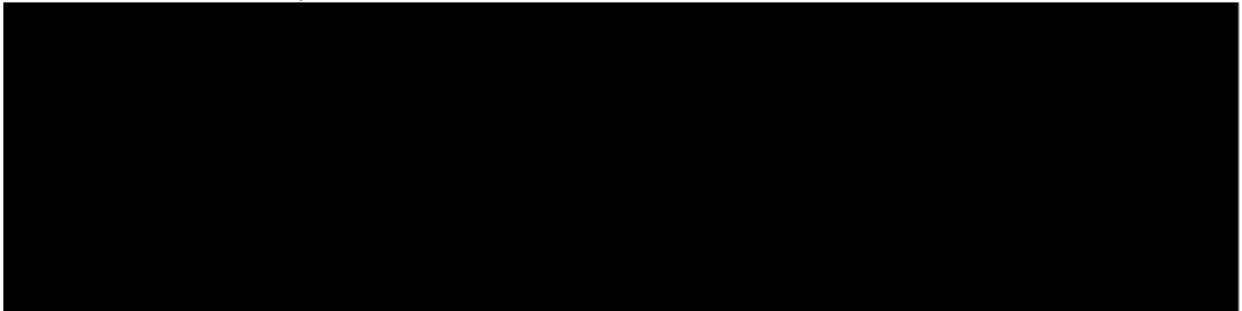


5.4 Priority Audiences & Engagement Goals by Audience

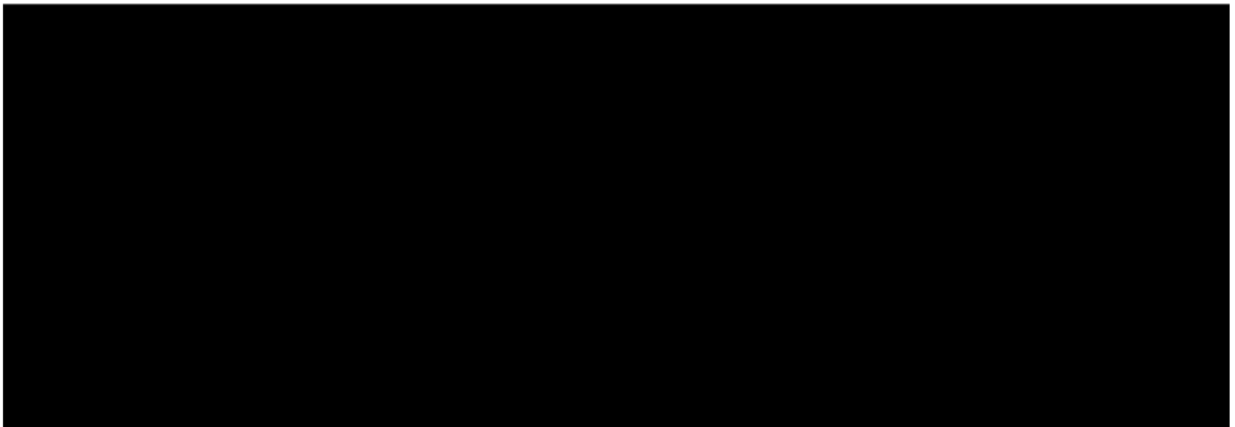
5.4.1 Leading B2B/B2C brands perceived as leading energy transitions



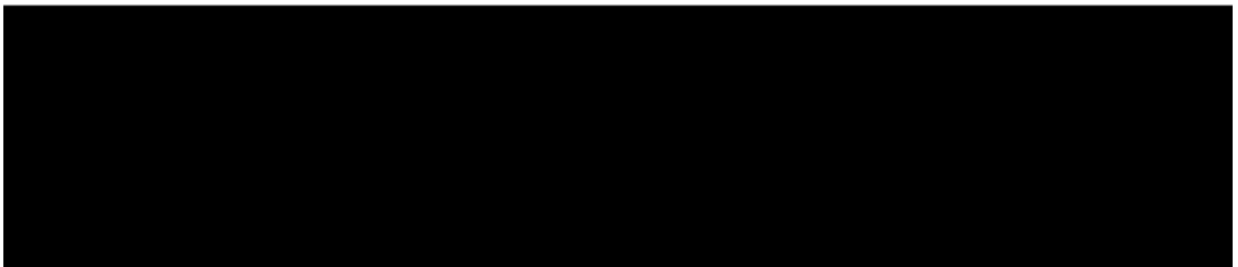
5.4.2 Investor community



5.4.3 Non-profit (NGO) Influencers/Special Publics

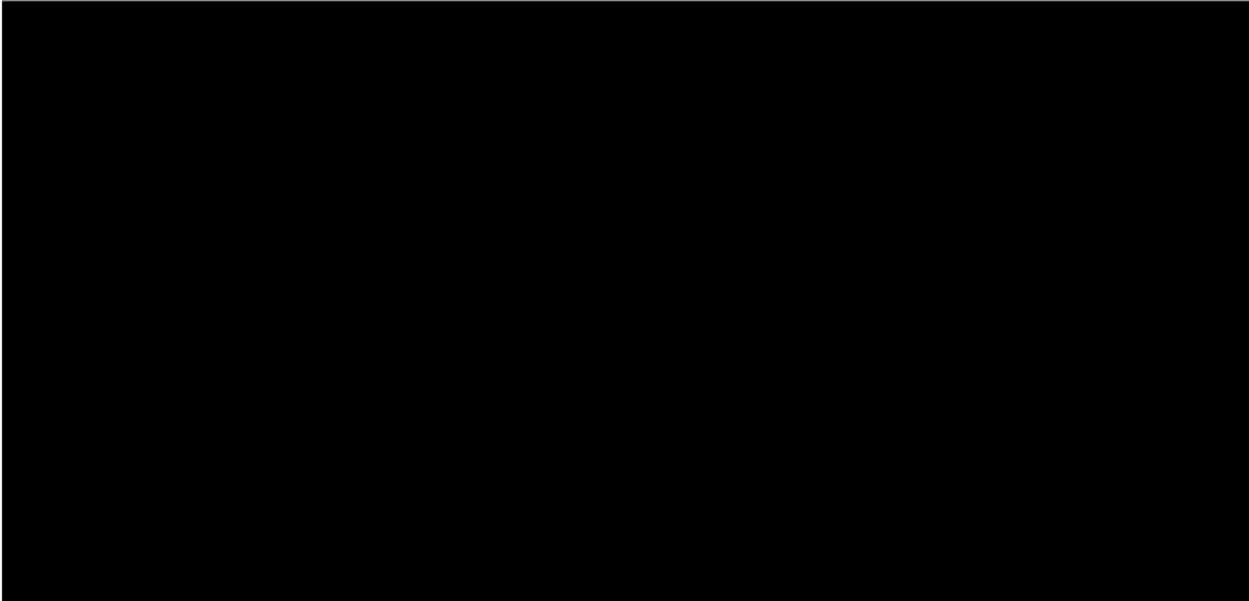


5.4.4 Cross-sector and/or industry coalitions and member-organizations

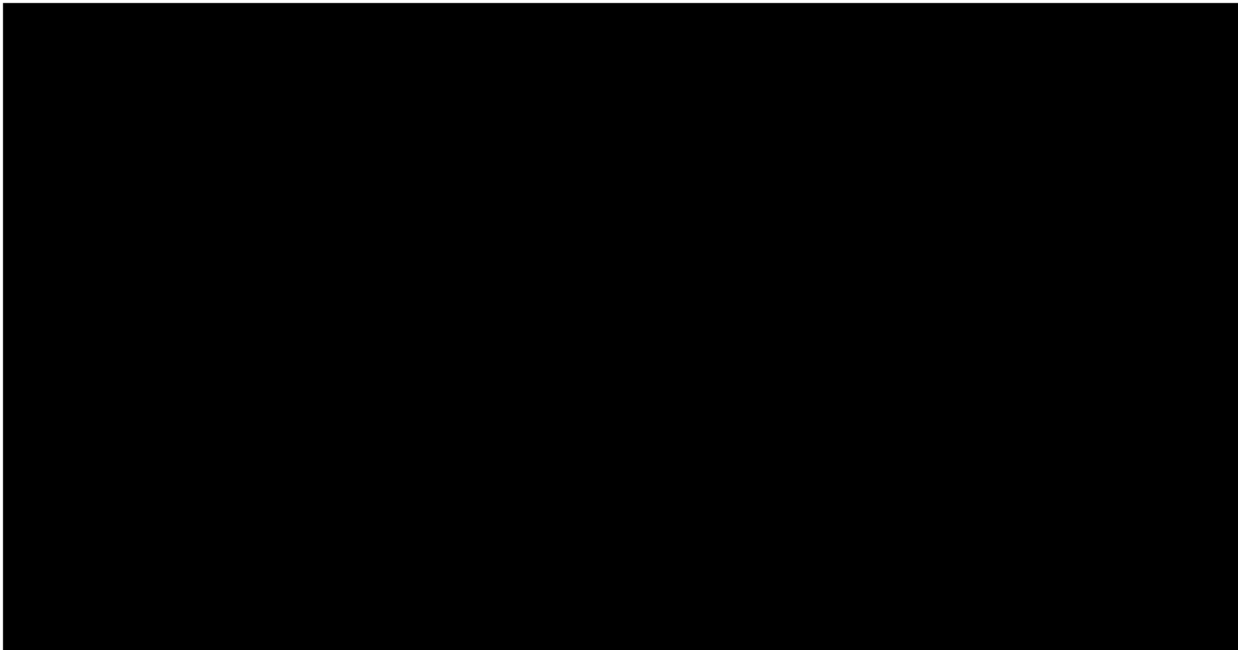




5.4.5 Federal, state, city, municipal-level governments



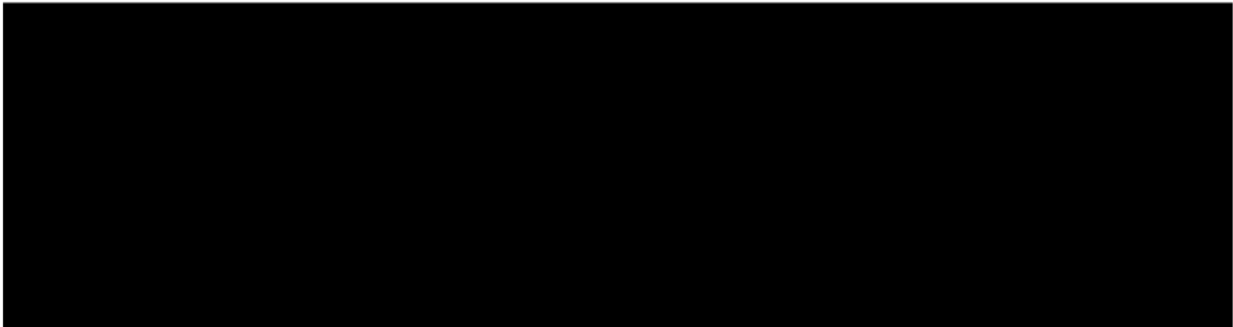
5.4.6 Academic & Research institutions



5.4.7 Foundations and non-profit funders



5.4.8 Anti-fossil fuel Activist Organizations



The complete US ETP External Engagement Plan and SWOT Analysis are attached in Section 7.

5.5 Internal Engagement

Given the breadth and depth of the employee base in the US, the Engagement Plan will give focus to the Internal Communications requirements, with a goal to build staff enthusiasm and understanding around the Energy Transition, demonstrate how Shell intends to thrive through the transition, and how each employee contributes to that success. Our Shell employees, when armed with information, are some of the strongest ambassadors in carrying energy transition messaging.

Current Situation:

- Confusion/lack of connection to Shell strategy and Energy Transition
- Many employees/managers struggle to articulate their team's role/contribution to Shell's strategy, purpose and energy transition
- Media soundbites of EC/RDS on Energy Transition creating concern for those supporting base business
- Misperceptions and/or lack of understanding on what the ET 'means for me' and 'what is expected of me'
- Uninformed of full value of US collective:

- Affiliations are split/silos persist, leading to lack of overall understanding of Shell in the US and possible missed integration opportunities

The internal engagement plan is informed by ongoing Energy Transition related dialogues taking place with US staff. Initial roll out of the energy transition plan and related materials has commenced in Q4 2019, supporting the following objectives:

- Build awareness and understanding on intent of US ETP, and how every LoB is/will play a part
- Translate what US ETP means at the LoB/F, team and individual level
- Leverage collective thinking of staff for sensing, idea generation and challenge solving regarding transition dilemmas and opportunities.
- Unify staff to drive cross business collaboration and integration to identify and pursue ETP project opportunities
- Retain the best talent with skills/expertise to thrive through the energy transition

Additional attention will be given to our leaders, line managers and our emerging leaders to support them in engaging on the high-level storyline and translating what it means for their business/team. The plan targets at least 50% of US staff to be engaged on Energy Transition in 2020 via various engagement mechanisms. Key messages include:

- The opportunity can't be ignored; the US energy transition is underway.
- Oil and gas will remain an important component in the decades to come.
- A patchwork of policies and markets across the US on GHG emissions creates opportunities for Shell's integrated energy business to lead, co-create and deliver customer focused, innovation energy solutions
- We can leverage our strategic, integrated business footprint and brand reputation to play a leading role in thought, action and delivery for a dynamic, transitioning energy system.
- Every LoB and Function will contribute.
- We will succeed by driving value, focusing on our customers, and leading engagement.
- Cross-business integration projects are critical to our success.

U.S. Internal Communications Plan: Engagement Activities/Channels

STRATEGY:	AUDIENCE:	TACTICS:	OUTCOMES:
Deliver consistent, integrated and aligned communications to staff – proactive, clear & focused messaging, effective channels (mix of mediums), quality communication/engagement	U.S. Leaders	<ul style="list-style-type: none"> CCT Meetings (roll-out; progress check-ins (as needed)) Cross Business Leadership Team Meeting U.S. Manager Communication Portal (Leader Engagement Guide on U.S. ETP) Emerging Leaders Series 	Confident & aligned leadership who build trust & communicate consistent U.S. ET story
	All U.S. Staff	<ul style="list-style-type: none"> U.S. ETP Roll-out Teaser Video (GW sits down with Ben) U.S. ETP Kick-off Webcast (CCh + ET Team) Follow-up roll-out note (share recording; reinforce key messages) U.S. ET Video Series (codenamed through 2020, featuring leaders across UP, DS, IG&NE, P&T) EC U.S. Engagements (leverage for ET; feature CCh/ET team if/where possible) Reinforcement/updates for inclusion in: <ul style="list-style-type: none"> CCh Drumbeat (bi-annual all-staff emails, EC + CCh F2F townhalls, on visits to sites) IC Drumbeat (U.S. Highlights Video, Yammer posts, Hub Stories, Polls/Surveys) ET Team Drumbeat (ERG Engagements) 	Motivated & engaged staff that trust leadership & understand, feel connected & have confidence in Shell U.S. ETP
	All Individual LoB/Function Staff	With support of LoB IC/ER, inclusion in (and embed long term e.g. ET moment): <ul style="list-style-type: none"> EVP/VP LTs and XLTs EVP/VP/GM Townhalls/Webcasts (ET team to join key engagements) VP/GM/Manager staff/team engagements (ET team to join key engagements) Leadership Emails, Hub Stories, Yammer, etc 	Staff are focused on delivering business priorities safely, know their role in supporting U.S. ETP & collaborate
	Staff who help identify/support U.S. ET cross-business opps	<ul style="list-style-type: none"> As defined by U.S. Energy Transition Team (e.g. ET Steering Board) 	Staff are aware of, seek out and support front-end development of integrated project opps

The complete US ETP Internal Engagement Plan and SWOT Analysis are attached in Section 7.

6. CTP IMPLEMENTATION

With the significant number of opportunities across a broad value chain, Shell US must develop novel ways of working to break down siloed thinking and behaviors in order to thrive and deliver a world class investment case.

6.1 Objective

The purpose of the Cross-Business Collaborative (CBC) is to identify, track and report business opportunities in the Energy Transition arena that transcend the established LoB boundaries. This group will focus on accelerating ideation and delivery of cross-LoB, customer-centric opportunities. The CBC will facilitate external engagements, ensure a single face of Shell is presented to the customer, and optimize business opportunity value for the whole of Shell.

The CBC will be tasked with removing barriers and solving any internal conflicts and dilemmas that may exist. In the rare occasions that issues cannot be solved at that level, these will be escalated to the US ETP Steering Board (an existing subset of the CCT) for final resolution and direction.

The CBC will be managed and facilitated by the US Energy Transition team (US VP Energy Transition will act as chair and US ETP Manager as vice-chair) with the objectives of identifying opportunities, allocating accountabilities for specific opportunities to the relevant LoBs, limiting surprises, minimizing silos, and avoiding duplication of customer efforts.

At times the US ET team may identify and lead opportunities that no single LoB would have otherwise chosen to pursue. In those cases, the team will present the opportunity to the relevant LoB and solicit support to pursue. If agreed, the initial phases of the opportunity pursuit can be managed by the US ET team, provided there is no resource constraint (or necessary resources are added). This is expected to be the rare exception, rather than the rule. Most opportunities should be delivered through the existing LoB structure, with the CBC supporting the LoBs.

6.2 Approach

The CBC will focus on generating ideas and accelerating delivery of cross-LoB opportunities by removing obstacles and breaking through internal boundaries to promote innovation, maximize value and deliver a compelling value proposition.

This effort is not intended to duplicate any existing work underway (such as SENA Global Accounts, “I am Shell” or the customer centricity roadmap), but rather to support the acceleration of those efforts and identify additional opportunities. The CBC will also serve as an integrator to deploy internal expertise as needed on projects and as a forum to generate a full “menu” of Shell’s capabilities and customer offerings in the US.

The CBC will be overseen by the existing US ETP Steering Board. The CBC members (recommended by US ET team but nominations to be confirmed by US ETP Steering Board) will include GM-level representatives from all relevant Lines of Business with links to the Energy Transition integrated opportunities, plus key functional representatives from ER, GR, and Legal. One of the goals of the CBC will be to identify process and system improvements to facilitate easier cross-LoB collaboration. CBC members will be expected to add a goal on their scorecards, regarding their contribution to the CBC and collaborating across business lines.

The US Energy Transition team will maintain the funnel of opportunities for each of the four themes included in the CTP. As these opportunities mature and implementation of the transition plan is underway, the CBC will quantify the commercial potential for all opportunities. The CBC will also frequently review the funnels as markets, policy and technology evolve, allowing Shell to pivot and focus on those opportunities that best align with customer needs.

6.3 Cadence

- Monthly meetings for the CBC: Additional meetings may be convened by the US ET team for a relevant subset of the group, during the pursuit of specific opportunities
- Quarterly meetings for the US ETP Steering Board: Additional reporting to members of this group can take place during the CCT meetings.

6.4 Steering the Country Transition

A clear governance structure for executing the US CTP includes the following roles and responsibilities:

- All activities are to be coordinated by the VP US ET under governance of the US CCh;

- The CBC will be leveraged to advance, integrate and accelerate cross-business opportunities and eliminate/minimize siloed thinking and ineffective work processes;
- The VP US ET be responsible for maintaining and driving the CTP under overall governance of the CCh. Status and progress should be reviewed on a regular basis with the CCT, with support provided by ER, GR and global strategy leaders. All actions should be embedded in country and LoB business plans and resources with funding and priorities reviewed on an ongoing basis;
- The CTP will be refreshed annually, including alignment with the Internal Communications and Reputation Plan as they are updated from time-to-time; and
- Regional scenario refreshes as needed.

7. ACTIONS AND ACCOUNTABILITIES

Action	Date / Cadence	Owner	Supporting Material
Convene US Cross-Business Collaborative with agreed Terms of Reference	Jan 2020/ Monthly	J. Klein	[Redacted]
Review funnels with LOBs, update and align cross-business opportunities	2020 / Quarterly	C. Angelides	[Redacted]
Implementation of ET Policy & Advocacy Plan; including review of key signals and signposts pre-elections	2020 / Quarterly	K. Johnson	[Redacted]
Implementation of ET Engagement Plan	2020 / Quarterly	H. O'Connor	[Redacted]
Implementation of ET Internal Comms Plan	2020 / Quarterly	K. Thomasson	[Redacted]
Review and Refresh US Factsheets	Annual	M. Powers	[Redacted]
Review and Refresh SWOT Analyses	Semi- Annual	K. Thomasson / H. O'Connor	[Redacted]
Review and Refresh US CTP, including signals, signposts and scenarios	Annual	J. Klein	

EXTERNAL SPEAKER BIO

Ken Medlock | James A. Baker, III, and Susan G. Baker Fellow in Energy and Resource Economics & Senior Director, Center for Energy Studies



Kenneth B. Medlock III, Ph.D., is the James A. Baker, III, and Susan G. Baker Fellow in Energy and Resource Economics at the Baker Institute and the senior director of the Center for Energy Studies. He is also the director of the Masters of Energy Economics program, holds adjunct professor appointments in the Department of Economics and the Department of Civil and Environmental Engineering, and is the chair of the faculty advisory board at the Energy and Environment Initiative at Rice University. Medlock is also a Distinguished Fellow at the Institute of Energy Economics, Japan, holds a fellowship at King Abdullah Petroleum Studies and Research Center and is a member of the Advisory Board of the

Payne Institute at Colorado School of Mines. In 2012-2013, Medlock held the prestigious Haydn Williams Fellowship at Curtin University in Perth, Australia. He teaches advanced courses in energy economics and supervises Ph.D. students in the energy economics field. Medlock is a principal in the development of the Rice World Natural Gas Trade Model, which is aimed at assessing the future of international natural gas trade. He has published numerous scholarly articles in his primary areas of interest: natural gas markets, energy commodity price relationships, gasoline markets, transportation, national oil company behavior, economic development and energy demand, and energy use and the environment. He has testified multiple times on Capitol Hill on U.S. oil and natural gas exports, has spoken at OPEC, and is frequently asked to speak about global and domestic energy issues.

Medlock is the past vice president for conferences for the United States Association for Energy Economics (USAEE), and previously served as vice president for academic affairs. In 2001, he won (joint with Ron Soligo) the International Association for Energy Economics Award for Best Paper of the Year in the *Energy Journal*. In 2011, he was given the USAEE's Senior Fellow Award, and in 2013 he accepted on behalf of the Center for Energy Studies the USAEE's Adelman-Frankel Award. In 2019, Medlock was awarded the Lifetime Achievement Award for the Advancement of the Education of Future Energy Leaders by the Abdullah Bin Hamad Al-Attiyah Foundation. He is also an active member of the American Economic Association and is an academic member of the National Petroleum Council. Medlock has served as an advisor to the U.S. Department of Energy and the California Energy Commission in their respective energy modeling efforts.

Medlock received his Ph.D. in economics from Rice University in May 2000.

TELLING THE ENERGY TRANSITION STORY

Cross Business Leadership Forum | Session Overview

This session is an opportunity to digest what you have heard on the U.S. Energy Transition plan, reflect and practice how you would translate/individualize the Energy Transition for your organization and teams. In small group settings, with an assigned facilitator in each, you will have the opportunity to share additional proof points as a table, ask questions, seek clarity, and practice messaging that is authentic to your individual style. You will have an opportunity to do this with two groups (switching halfway through the session). At the end of the session, you should feel prepared to go back to your teams and engage them on the US Energy Transition, enrolling them in how they contribute to Thriving through the Energy Transition.

SESSION FLOW

The following people will facilitate the discussion at various tables:

- 10:50 – 10:55 (5 minutes) - Purpose - Marti
- 10:55 – 11:20 (25 minutes) - Round 1
- 11:20 – 11:30 (10 minutes) – table switch
- 11:30 – 11:55 (25 minutes) - Round 2
- 11:55 – 12:10 (15 minutes) - Closing – What’s missing for you

FACILITATORS

The following people will facilitate the discussion at various tables:

- Chris Angelides
- Tom Francis
- Krista Johnson
- Helen O’Connor
- Marti Powers
- Natasha Qamar
- Jenn Reilly
- Katherine Thomasson
- Kate Tyler
- Sandra Yi-Fuller.

QUESTIONS FOR DISCUSSION

- Building on some of the examples read in the Energy Transition Plan and heard in the morning, what proof points does your business line have? Can you tell the story in an energizing and impactful way?
- Are there cross-business areas or ideas where your organization has energy to do more or capture extra value to support Shell thriving in the energy transition? What are they?

REVERSE MENTORING PANEL DISCUSSION

Cross Business Leadership Forum | Country Leader Briefing

BACKGROUND

A select number of emerging leaders (high potential staff JG2-3) have been asked to attend the CBLF's afternoon talent engagement. The intent of their attendance is to 1) provide them exposures to country leadership 2) provide country leadership with an opportunity to gain insights from these talents.

Typically, we ask leadership members to lead mentoring circle segments and impart your wisdom. But in this engagement, we are going to reverse the roles and give the country leadership an opportunity to ask the questions to these emerging leaders, and the emerging talents an avenue to provide insights.

LOGISTICS & EXPECTATIONS

- You will be split into four mini-panel groups. Five to six emerging leaders will be assigned to each group to lead the panel discussion.
- You will be provided with a list of pre-selected questions to help kick off the discussion (see below).
- You will hear from two different panels, approximately 30 minutes per panel of emerging leaders, after 30 minutes another panel of emerging leaders will rotate to your group.
- *You are expected to be curious, listen, have an open mind (even if you disagree), and generate a rich dialogue with the emerging leaders.*

QUESTIONS FOR THE EMERGING LEADERS

Understanding the Emerging Leaders

- What excites you to be part of Shell?
- If you did not work for Shell, where would you want to work? Why?

Feedback on Talent Development

- With regards to high potential talent development, what do you think we do well at, and what can we improve on?
- Have you experienced or heard of how other companies manage talent? What ideas do you think can be applied to Shell?

Leadership behaviors

- What are the most effective ways senior leaders have supported your career development?
- What is one characteristic you most look for in a leader you admire? Is Shell a company you want to be a leader of? Why or why not?
- What does inclusion mean to you? What could I do as a leader to facilitate better inclusion?

Forward looking - Social Context & Talent

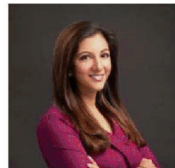
- As the societal context and business climate continues to evolve (energy transition, digitalization, big-data economy etc.), are there new competencies and work experiences you think we need at the SE level in 10 years?
- How do we get this new generation of talents to feel excited to work for Shell's traditional business?

REVERSE MENTORING PANEL DISCUSSION

Cross Business Leadership Forum | Emerging Leader Attendee List



DEREK BALLEK
Shell Polymers Commercial
Regional Sales Manager



REEMA BARI
Chemicals - Heavy Olefins and Aromatics
Commercial Manager HOA



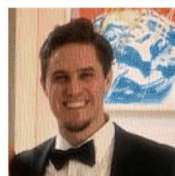
MALACHI BENNETT
North America Marketing and Loyalty
NA Alliance/NBD Manager



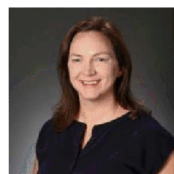
MICHAEL BURKE
Deer Park - Production Chemicals
BBTA Operations Manager



SARAH CRIST
Manufacturing US West Coast
Business Manager



KEVIN DANIEL
Trading & Supply - Business Development
Americas
Supply Chain Development Manager



LINDSAY DAWSON
Retail - Fleet Solutions Americas
Growth and Strategic Partnership Manager



KATHERINE FORTIER
Chemicals Operations Americas
Supply Development Manager



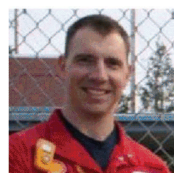
TAMMY GASAN-DZHALALOVA
NA Pricing and Demand Management
Pricing Systems and Strategy Manager



AMIE HOWS
Subsurface Interpretation Technology
Mgr Petrology and Rock Properties Tech



ANDREW LEBSACK
Chemicals Operations Americas
Supply Manager



SCOTT MAYHEW
Pennsylvania Chemicals MFG Site
Production Unit Manager - ECU

REVERSE MENTORING PANEL DISCUSSION

Cross Business Leadership Forum | Emerging Leader Attendee List



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Business Development Manager



ASHLEY MEERDO

Deepwater – Gulf of Mexico Operations
Whale Venture Integration Lead



ANTHONY MILLS

Trading & Supply Products - Americas
Supply Chain Development Lead



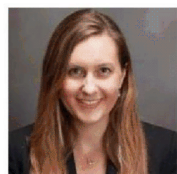
JUSTIN NOEL

New Energies - Electric Mobility
Venture Lead Digital Businesses



KRISHNA NUTAKKI

New Energies - Connected Energy
Corp Development and Partnership Manager



SARAH REMMERT

Lubrication Science and Americas
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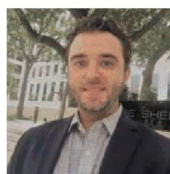
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TIMOTHY ROGERS

Shales – Permian Integrated Planning
Business Planning Lead



JOSEPH SABRIER

Deepwater - Development Ursa
Team Lead Well Delivery (Ursa)



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Upstream - Deepwater
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ATTENDEE LIST

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Retail Road Safety and Assurance Advisor



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SCOTT BALLARD

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VP Wells, DW, Surface Engineering
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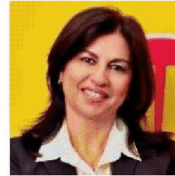
AMIR GERGES
Upstream - Shales
VP Permian



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DEFORESTER JONES
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MELANIE KAINER
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ODEH KHOURY
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STUART MCGEOCH

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KEVIN MCMAHON

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MARCIE MILNER

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Sr. Regulatory Manager



ROBIN MOOLDIJK

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EVP Manufacturing



KARTIK MUTNURI

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SHAJI NAIR

Shell Energy Americas Commercial

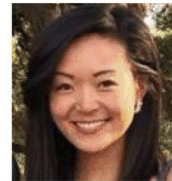
GM Sales and Origination



CLAYTON NEWTON

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General Manager Fundamentals



ANGELA NGUYEN

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ALLEN PERTUIT

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MARTI POWERS
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ANDREW ROSSER
Production – Americas
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MARGARET SARGENT
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EDWARD SIMPSON
Americas – Chemicals
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CHRIS SIMS
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PATRICK SOUTHWICK
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BARBARA STOYKO
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GM - Fuels Sales and Marketing - SOPUS
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LIZ STURMAN
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VP Digitalization and Innovation



BRETT SWEENEY
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Global PAR Manufacturing & Chemicals



FERGIE THERIAULT
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General Manager North America Marketing



LAURA TURLEY
Legal - DS MM US/CS America/Global
MSD
Managing Counsel - Fuels and Lubricants



KATHERINE THOMASSON
Internal Communications UP
IC Senior Adviser US



KATE TYLER
Shales & US Country Chair Office
Business Advisor to Gretchen Watkins, EVP
Shales & US Country Chair



CARLA VINCITORE
Shell Energy Americas Commercial
STRM Manager

ATTENDEE LIST

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GRETCHEN WATKINS

US Country Chair & Upstream Shales
President Shell Oil Company & EVP Global
Shales



STASTIA WEST

New Business Development – Exploration
& Production
Head of Deal Delivery



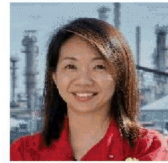
TONYA WILLIAMS

Upstream Shales
VP Appalachia



GLENN WRIGHT

Shell Energy North America
VP Shell Energy Americas



SHIRLEY YAP

Manufacturing – Oil Products
VP US West Coast and GM Puget Sound



MICHAEL ZORETIC

Retail Fuels Sales, Marketing Americas
GM, NA Pricing and Demand Management

Message

From: Smith, Curtis A SHLOIL-ERM/A [/O=SHELL/OU=MSXSOPC/CN=RECIPIENTS/CN=USCSMN]
Sent: 10/17/2016 3:52:57 PM
To: Golightly, Niel L SHLOIL-ERN [REDACTED]
Subject: RE: NYTimes: Katharine Hayhoe, a Climate Explainer Who Stays Above the Storm

Paul Barrett - Bloomberg Businessweek. He's the fellow who wanted to do a deep dive in our archives to prove Shell was a good actor in the climate space for a long time. We sort of chickened out but if we are willing to call out the tension between Shell and Merchants of Doubt, we could have something. There may be others but I was thinking of him.

-----Original Message-----

From: Golightly, Niel L SHLOIL-ERN
Sent: Monday, October 17, 2016 4:45 PM
To: Smith, Curtis A SHLOIL-ERM/A
Subject: RE: NYTimes: Katharine Hayhoe, a Climate Explainer Who Stays Above the Storm

What do you have in mind?

-----Original Message-----

From: Smith, Curtis A SHLOIL-ERM/A
Sent: Thursday, October 13, 2016 11:11 AM
To: Hone, David C SI-FS/B
Cc: Golightly, Niel L SHLOIL-ERN; Reilly, Jennifer LB SI-ERX; Williams, David RJP SI-ERX; Nevill, Alex PR SI-ERR
Subject: Re: NYTimes: Katharine Hayhoe, a Climate Explainer Who Stays Above the Storm

If there's a desire to "square off" with this group in a major media outlet, I may have a taker.

Curtis

Sent from my iPhone

> On Oct 12, 2016, at 7:29 AM, Hone, David C SI-FS/B <david.hone@shell.com> wrote:

>
> No, not met her. We need to do something similar with the energy transition story. At the moment the likes of Naomi Oreskes (Merchants of Doubt) are painting people like us as "climate deniers" because we don't believe that renewable energy will solve the entire transition or that it can be done in a couple of decades.

>
> David Hone
> Chief Climate Change Adviser
> Shell International Ltd.
>
> Tel: [REDACTED] Mobile: [REDACTED]
> Blog: <http://blogs.shell.com/>
> Twitter: @davidshellblog

> -----Original Message-----

> **From:** Golightly, Niel L SHLOIL-ERN
> **Sent:** 12 October 2016 13:05
> **To:** Hone, David C SI-FS/B; Reilly, Jennifer LB SI-ERX; Smith, Curtis A SHLOIL-ERM/A; Williams, David RJP SI-ERX; Nevill, Alex PR SI-ERR
> **Subject:** NYTimes: Katharine Hayhoe, a Climate Explainer who stays Above the Storm

>
> David,
> Friend of yours? I like her approach.
> Niel
>
> <http://www.nytimes.com/2016/10/11/science/katharine-hayhoe-climate-change-science.html?smprod=nytcare-ipad&smid=nytcare-ipad-share>

> "If you begin a conversation with, 'You're an idiot,' that's the end of the conversation, too," says the Texas Tech scientist, an evangelical Christian spreading a gospel on warming.

Message

From: Paul Thacker [REDACTED]
Sent: 12/9/2019 11:45:08 AM
To: Smith, Curtis A SHLOIL-ERM/A [REDACTED]
Subject: Re: Media Inquiry

THINK SECURE. This email has come from an **external source**. Do not click on links or open attachments unless you recognise the sender.

And I don't necessarily need a response by 5pm EST. I think you're operating on the West Coast. I just need a response today. I just generically pick that time, so that I have some sense of when things are coming in.

On Mon, Dec 9, 2019 at 6:43 PM Paul Thacker [REDACTED] wrote:

Thanks, Curtis. Usually when you call people for comment, it's after you've read the information and confirmed that it's substantive, by calling experts. That's how journalism works.

Here's two examples of pages attacking peer reviewed studies at EID regarding the work by Naomi Oreskes and Geoffrey

<https://eidclimate.org/expert-finds-no-scientific-support-study-claiming-exxon-misled-public-climate-change/>
<https://eidclimate.org/expert-finds-no-scientific-support-study-claiming-exxon-misled-public-climate-change/>

Here's another example of an attack on the peer reviewed research of Lisa McKenzie at U of Colorado

<https://www.energyindepth.org/three-things-to-know-about-latest-health-study-from-disavowed-anti-fracking-research-team/>

Here's the FTI report from 2014 <https://www.fticonsulting.com/~media/Files/us-files/insights/reports/managing-aboveground-risks-experience-from-the-united-states.pdf>

On Mon, Dec 9, 2019 at 6:29 PM <Curtis.Smith@shell.com> wrote:

Dear Paul,

Thank you for reaching out. Feels like this is a story you've been working on prior to today but your deadline is fast approaching? Apologies if you've reached out to us prior – I can't seem to find record of it.

Before considering a response, it would be helpful if you could be specific about the alleged actions by EID that you/your sources feel falls under the banner of "misinformation." I would also be very interested in reading the report from FTI that chronicles the climate "attacks" you/your sources allege. Could you also pass that along?

Best,

Curtis Smith - Shell US Media



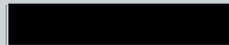
Formstack Submission For: [en_us_contact media team](#)

Submitted at 12/09/19 9:07 AM

Name: Paul Thacker

Media Outlet: HuffPost freelance

Phone:



Email:



Twitter Handle:

Hello,

I'm a freelancer reporting on a story for HuffPost, and although I live in Spain, my deadline is today 6 pm EST. Because I am a freelancer, some of your answers may end up in other publications, but these questions are for the HuffPost story.

We are reporting on a group you support called Energy In Depth, operated by the IPAA and run by FTI Consulting. In several examples, including a recording of an IPAA retreat, and internal IPAA documents, your company is discussed as one of the 14 different oil and gas groups that fund Energy In Depth.

Your

Question:

Further, several academics whose research has been criticized at EID and others who have viewed that site say EID traffics in disinformation. This includes Naomi Oreskes of Harvard and Lisa McKenzie at the University of Colorado.

We also have the IPAA's board of directors' report from this year, showing that EID's budget for the last couple of years had been around \$2 million, annually. And we have a report from FTI Consulting, describing how they created Energy In Depth to attack climate change and fracking legislation, allowing them to say things that companies can't and shouldn't say in public.

- 1) Why do academics criticized by Energy in Depth call the site false and disinformation?
- 2) How much have Shell paid in the last five years to support Energy In Depth?
- 3) Why does Shell support Energy In Depth which puts out disinformation on climate change and fracking when Shell supports the science on climate change?

For example see statement: Shell

"The world needs to take urgent action to tackle climate change. The Paris Agreement set a goal of keeping the rise in the global temperature well below 2° Celsius, and Shell strongly supports it. Our ambition is to make sure the energy we sell is in tune with society as it moves towards that goal."

<https://www.shell.com/energy-and-innovation/the-energy-future/what-is-shells-net-carbon-footprint-ambition.html>

<https://www.chevron.com/corporate-responsibility/climate-change>

4) What other services does FTI Consulting provide for Shell?

5) Is there anything I have missed?

6) What is your title or how do you choose to be mentioned?

Thank you!Paul

--

Paul D. ThackerMadrid/Washington DCEmail: [REDACTED] cell:

[REDACTED] Skype: [REDACTED]

Your Deadline: Today, 5pm EST

What energy topics do you typical cover?: Alternative Energies

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Formstack, 11671 Lantern Road, Suite 300,
Fishers, IN 46038

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--

Paul D. Thacker
Madrid/Washington DC

Email: [REDACTED]

Madrid cell: [REDACTED]

Skype: [REDACTED]

@ [REDACTED]

--

Paul D. Thacker
Madrid/Washington DC

Email: [REDACTED]

Madrid cell: [REDACTED]

Skype: [REDACTED]

[REDACTED]

Message

From: Wright, Glenn T SENA-STX/A [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=257196CCAB6347FB941DF464C1462738-USGWR0]
Sent: 11/29/2019 12:22:03 PM
To: Bradley, Sarah E STASCO-ERD/T [REDACTED]
CC: Appleby, Jim M SHLOIL-ERUP/U [REDACTED]; Byers, Lynn Marie SHLOIL-ERUP/U [REDACTED]
Subject: Re: FT Article - Houston and climate change

Sarah,

In general, I agree with the author. We have a dilemma. The level of industry flaring in the Permian is unfortunate. It will likely only be resolved by responsible regulation. The key to resolution is leveling the playing field, so that every producer in the US (ideally the world) is subject to a common carbon pricing mechanism. This requires federal intervention. The author focuses mostly on "Houston" and "state" tolerance for flaring, but correction at local and state levels only partially addresses the challenge.

The price of carbon needs to be high enough to encourage industry to seek markets for flared gas. This requires development of sufficient take-away capacity in the Permian and elsewhere or development of alternative productive natural gas use cases. Today gas is often regarded as a waste by-product — crude is the prize!

I hope our current reality encourages Houston to diversify, but I don't yet see a sufficiently strong catalyst to facilitate a positive industry response. And, "hope" is not a method...

-g

Glenn T. Wright

On Nov 28, 2019, at 4:19 AM, Bradley, Sarah E STASCO-ERD/T [REDACTED] wrote:

Glenn,

Firstly, happy Thanksgiving! I hope you have a lovely celebration with the family.

On another note, I've attached an interesting op ed from Jim Krane in today's Financial Times related to Houston's lack of response to climate change. Krane's biography is listed as the Wallace S. Wilson Fellow for Energy Studies at Rice University's Baker Institute. I thought it was a good read on the dilemma facing the city and the sector.

Best Regards,
Sarah

Sarah Bradley
External Relations Manager Trading & Supply
Tel: [REDACTED]
Mobile: [REDACTED]
Email: [REDACTED]
Internet: <http://www.shell.com>

Shell International Trading and Shipping Company Ltd for all other Shell Trading entities. Personal data is handled and protected in accordance with applicable data protection laws and relevant Shell policies and rules. Personal data may be disclosed to other Shell companies and to third party organizations providing services to the relevant Shell Company or as required by law.

<FT Houston you have a problem.pdf>

Message

From: Cassidy, Ronan T RDS-ECRC [/O=SHELL/OU=OPE/CN=RECIPIENTS/CN=WYRCAV]
Sent: 11/17/2017 3:38:39 PM
To: van Beurden, Ben CAM RDS-CEBB [REDACTED]
CC: Culpepper, Bruce B SHLOIL-HR/CCUS [REDACTED]; Brekelmans, Harry RDS-ECHB [REDACTED]; Wetselaar, Maarten RDS-ECMW [REDACTED]; Guidry, Greg M SEPCO-UPU [REDACTED]
Subject: Re: EDF Follow-up

Good thanks Bruce

Helpful not least ahead of the round table

Have a good weekend

Ronan

Sent from my iPhone

On 17 Nov 2017, at 16:15, van Beurden, Ben CAM RDS-CEBB [REDACTED] wrote:

Bruce – thanks for following up and good he shows enough self-awareness to understand this is not the way to go. Let's indeed see whether they can help themselves in the future. Next week will be a good initial test – Ben

From: Culpepper, Bruce B SHLOIL-HR/CCUS
Sent: 17 November 2017 16:11
To: van Beurden, Ben CAM RDS-CEBB; Brekelmans, Harry RDS-ECHB; Cassidy, Ronan T RDS-ECRC
Cc: Wetselaar, Maarten RDS-ECMW; Guidry, Greg M SEPCO-UPU
Subject: EDF Follow-up

Ben, Harry, Ronan,

Just a quick note to let you know that I had a candid and constructive conversation with Fred Krupp on Wednesday to convey our collective displeasure regarding his remarks at the end of the OGCI conference. I confirmed that he was aware that Ben was sufficiently upset to cancel their face-to-face meeting.

I conveyed serious concerns about this type of public comment eroding our relationship and ability to continue to work together on methane. I reminded him of our considerable efforts across all our value chains to address and mitigate leakage, but specifically the important distinction we make between the oil and gas value chains. I pointed out that despite all of our good work together, incidents like his comments to the RDS Board in June and at this forum, come across as EDF moving the "goal posts" on companies like us who are sincerely trying to do the right things to address this important issue.

For brevity, I will paraphrase his response, but the essence is as follows:

- He was aware he had angered Ben
- He is upset and concerned about that
- Wants to address and restore
- Rationale for saying what he said
 - Claims he was merely repeating finding from the IEA report which indicates an overall O&G industry methane leak rate of 3.5%, with 45% of that coming from oil production associated gas

- Acknowledges that this comment, while factually correct in EDF's view and representative of the larger issue, was ill placed and out of context with the specific discussion on the positive benefits of gas
- Acknowledges that he should have been more sensitive to how we talk about and work on the issue, and should have steered clear of "hot spots" where EDF, Shell and other progressive companies have differences of opinion on details that don't need to be aired in a forum such as this
- Very much values the relationship with Shell and wants to continue to work together
- Took a commitment to brief Mark Brownstein who will attend the Gas Roundtable conference next week

I came away from the conversation feeling that he was sincere and committed to shifting his/EDF's behavior, but only time and further interactions will tell. I had a telecon earlier today with Maarten, Alex Neville and key ER and GR representatives to brief them in advance of next week's conference. Below is the text from a follow-up note Fred sent me yesterday.

Bruce,

Thanks for your call. I appreciate your candid relaying of Ben's concerns and understand the issues. I will talk with Mark Brownstein about connecting with Martin in London.

Let's keep talking.

Best,
Fred

Please let me know if you have questions or comments.

Bruce

Bruce Culpepper
President and Country Chair, Shell Oil Company
150 F-N. Dairy Ashford, Houston, TX 77079, United States of America

Tel: [REDACTED]
Cell: [REDACTED]
Email: [REDACTED]
Internet: <http://www.shell.com>

Message

From: Stockwell, Lee L SERC-IGW/S [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=6F5072C562844D0C94C3637A77A72F34-LS832029]
Sent: 8/25/2021 7:29:46 AM
To: Funk, Marnie SHLOIL-CRA/U [REDACTED]; Johnson, Krista SHLOIL-CRA [REDACTED]
Cuellar, Aura M SHLOIL-UPU [REDACTED]
CC: Bucci, Maria N SEPCO-CRA [REDACTED]; Sinclair, Darci A SHLOIL-CRA/U [REDACTED];
Ebben, Tim D SEPCO-CRPA/C [REDACTED]; Meadors, Lauren E SHLOIL-ERUP/U
[REDACTED]; Sims, Chris C SHLOIL-CRA/UA [REDACTED]
Subject: RE: Report-out of conversation with Exxon and other prospective signatories on Sept. 13 statement

Great note Marnie. I wholeheartedly agree your recommendations.

Thank you for the extra leg work here.

Lee

From: Funk, Marnie SHLOIL-CRA/U [REDACTED]
Sent: Tuesday, August 24, 2021 9:20 PM
To: Johnson, Krista SHLOIL-CRA [REDACTED]; Stockwell, Lee L SERC-IGW/S [REDACTED]
Cuellar, Aura M SHLOIL-UPU [REDACTED]
Cc: Bucci, Maria N SEPCO-CRA [REDACTED]; Sinclair, Darci A SHLOIL-CRA/U [REDACTED];
Ebben, Tim D SEPCO-CRPA/C [REDACTED]; Meadors, Lauren E SHLOIL-ERUP/U
[REDACTED]; Sims, Chris C SHLOIL-CRA/UA [REDACTED]
Subject: Report-out of conversation with Exxon and other prospective signatories on Sept. 13 statement

Hi All,

As I mentioned on the 4 p.m. telecon, Exxon's advocacy advisor for low carbon solutions contacted me for a conversation about the Houston CCUS project. Separately, my colleague Kristin Whitman and I had conversations with other potential participants identified by Exxon. This note is a high level summary of all conversations. Some of this is new information. Some is confirmation of bits we already knew. At the bottom, please find my recommendations.

Happy to answer questions.

Marnie

Convo with Exxon rep:

- The three companies that have agreed in writing to participate in the announcement are Ineos, Linde and Lyondellbassel. (Kristin spoke with Lyondellbassel. Undecided if they will participate in a project should one go forward. Committed only to the Sept. 13 statement.) Conversations are continuing with other companies with strong signals of interest. Exxon particularly referenced being in conversations with Dow, Marathon, Valero, P66 and Chevron.
- Exxon is elevating its advocacy in the coming days. Joe Blommaert, President of Exxon Mobil Low Carbon Solutions is speaking to senior leadership of companies that have not yet committed. (A telecon with a Shell leader is pending but Exxon rep did not know which Shell leader.) Exxon has not yet been in contact with one utility on its list, but all other conversations progressing.
- Sept. 13 launch is firm unless Exxon fails to get critical mass. 10 participants is not a firm definition of "critical mass." If Shell confirms, Exxon would proceed. "If Shell says yes, we are going forward."
- As noted, Sept. 13th announcement is intended to precede climate week – but Exxon was elusive on whether it has its own follow-up exec engagements planned around climate week or any other hook.
- Little if any opportunity to change the announcement, website, project name, social media or message points. Shell is welcome to submit redlines on announcement, but decision will be Exxon's. To quote: "It is not envisioned that the participants will be involved in branding the entity." We separately learned that Marathon is asking for statement changes. Stay tuned.

- The launch is a first step in what Exxon anticipates will be federal advocacy by the coalition to change 45Q funding/duration and get legislation through Congress that directs DOI to promulgate regulations for the permanent storage of CO2 in federal waters. (Such language is included in the bipartisan infrastructure package passed by the Senate earlier this month.)
- While joining onto the statement does not commit Shell to the project, it does link Shell to the Exxon message that a project of this magnitude requires \$100 a ton tax credit (tax credit is currently \$50) and a duration of 30 years (duration is currently 12) as the communications strategy related to the coalition announcement references this amount/duration and Exxon will continue to talk in those terms.
 - Exxon said, “We would welcome your advocacy at \$100” but there is more flexibility to be differentiated on advocacy than on comms. Coalition participants may focus on different elements of project advocacy depending on where they participate in the value chain.
- Exxon does not foresee EOR for this project – so the differences between Shell and Exxon on environmental standards for CO2 storage related to EOR should not be relevant.
- TBD if coalition members can align on DOI regulations for injector wells, monitoring, etc. Exxon envisions a collaborative discussion regarding what should be required. (Exxon and Shell are generally aligned on improvements and streamlining for Class VI wells for onshore geological sequestration. Offshore is TBD.)
- As Exxon has already signaled, signing onto the coalition is different from signing onto the project. Project architecture and participants is TBD. Taking a project forward is entirely dependent on getting dramatically expanded 45Q and congressional instruction to DOI to design regulations for offshore sequestration. If the government funding and regulations don’t happen, Exxon’s management team will not move forward.

Summary of conversations with other potential participants.

- Chevron internally divided but seriously considering. Chevron sees signing onto the ad in the Houston Chronicle and participating in a possible project as two distinct and perhaps unrelated decisions. Signing onto the ad seen as signaling this is what it takes to do CCUS at scale. Chevron deems Exxon’s numbers related to tons stores, jobs saved, jobs created to be inflated – but harmless inflation. Chevron internally divided about the Houston-centric theme – but considers that a small-stakes concern. Some minor unease in some Chevron quarters about Exxon reputational concerns. Chevron keen to see Shell participate. Likes the hint of OGCI.
- Valero is considering but internally divided.
- Marathon is considering, but uncomfortable with Exxon dictating the terms. Also uncomfortable with Houston-centric tone of statement as Marathon is not headquartered in Houston. Marathon is pushing for changes in announcement language to move away from Houston-centric tone.

My recommendations:

- Despite Exxon’s signal on messaging, Shell should identify key concerns with statement and push hard to get desired changes. Exxon wants us – let’s try harder to leverage that to make participation more acceptable.
- Shell should also push for review/approval of website, social media, etc. and full disclosure from Exxon on any CEO or senior exec level engagements related to the announcement Exxon has planned ahead of climate week. “No surprises” should be our price of entry.
- We should proceed with a conversation with the President of Carbon Capture Coalition (scheduled for early next week) to ensure broader understanding of implications.
- If we proceed, Shell should make sure we are not the only known, global company partnering with Exxon. We should insist and hold-out for agreed participation by one or more participants with reputable climate credentials and name recognition. (Though we wouldn’t frame it that way to Exxon.) From Exxon’s list of possible, I consider key adds to be Dow and Chevron. There may be space for Shell to have the “if you join, we will join” conversation with both. (There are other desirables on the list, but those two would considerably ease my concerns.)

Marnie Funk | Senior Advisor, Government Relations | SHELL | 1050 K Street, NW Suite 700 | Washington, DC 20001 | Desk Skype Tel: [REDACTED]
 [REDACTED] | Mobile: [REDACTED]

Message

From: Ebben, Tim D SEPCO-CRPA/C [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=8C9386EDC4CD4A87AA261CB6FB32FDAC-USTEB0]
Sent: 8/25/2021 8:48:37 AM
To: Bucci, Maria N SEPCO-CRA [REDACTED]; Meadors, Lauren E SHLOIL-ERUP/U [REDACTED]
CC: Cuellar, Aura M SHLOIL-UPU [REDACTED]; Funk, Marnie SHLOIL-CRA/U [REDACTED]; Sinclair, Darci A SHLOIL-CRA/U [REDACTED]; Sims, Chris C SHLOIL-CRA/UA [REDACTED]; Angelides, Chris O SHLOIL-UPU/B [REDACTED]
Subject: RE: Houston CCS project - MoM 08/24

I can follow up with IR on Lauren's question.

Tim

From: Bucci, Maria N SEPCO-CRA [REDACTED]
Sent: Wednesday, August 25, 2021 8:16 AM
To: Meadors, Lauren E SHLOIL-ERUP/U [REDACTED]
Cc: Cuellar, Aura M SHLOIL-UPU [REDACTED]; Funk, Marnie SHLOIL-CRA/U [REDACTED]; Ebben, Tim D SEPCO-CRPA/C [REDACTED]; Sinclair, Darci A SHLOIL-CRA/U [REDACTED]; Sims, Chris C SHLOIL-CRA/UA [REDACTED]; Angelides, Chris O SHLOIL-UPU/B [REDACTED]
Subject: Re: Houston CCS project - MoM 08/24

Good point Lauren!

@Tim,

do you have the IIRR angle already? Or can you take on this ? Let me know otherwise and I'll connect.

Thanks

Maria Natalia Bucci

On Aug 25, 2021, at 7:13 AM, Meadors, Lauren E SHLOIL-ERUP/U [REDACTED] wrote:

Thanks for the great summary, Natalia! One thing we didn't discuss yesterday was investors. Do we know if there are any expectations around CCUS projects from investors, or any concerns about working with XOM/others from an SRI standpoint?

We can discuss in our next catch up, but wanted to flag.

Lauren

From: Bucci, Maria N SEPCO-CRA [REDACTED]
Sent: Wednesday, August 25, 2021 12:03 AM
To: Cuellar, Aura M SHLOIL-UPU [REDACTED]; Funk, Marnie SHLOIL-CRA/U [REDACTED]

[REDACTED]; Ebben, Tim D SEPCO-CRPA/C [REDACTED]; Sinclair, Darci A SHLOIL-CRA/U [REDACTED]; Meadors, Lauren E SHLOIL-ERUP/U [REDACTED]; Sims, Chris C SHLOIL-CRA/UA [REDACTED]
Cc: Angelides, Chris O SHLOIL-UPU/B [REDACTED]
Subject: Houston CCS project - MoM 08/24

Dear all,

Following our conversation today and Marnie's new insights, I here share summary of relevant points and areas to further assess and continue preparing for both scenarios.

To support signing:

1. Articulate clearly business case to support signing and taking the reputational risk **now** (Natalia to follow up with Lee - 08/25)
2. Next steps for consortium architecture (if any) that would prompt positive decision? (see 6.d. below) (Natalia to follow up with Lee - 08/25)
3. Understand who else is signing the press release. Secure other big companies, **potential deal breaker** (Natalia to follow up with Lee on CVX, Dow, after Marnie's insights - 08/25)
4. Secure ability to influence content (press release, website, advocacy points)
 - a. EVP / VP to leverage their interest to have Shell onboard and accept changes in language/ terms, **potential deal breaker** (tbc Lee to elevate to DLR, SC)
 - b. Structure concerns on messages (Marnie & Tim?)
 - i. Tax credit
 - ii. Environmental justice, benefit to fence line communities
 - iii. Management of other emissions beyond carbon (N₂O, CH₄, etc),
 - iv. Enable other low carbon fuels (methanol, ammonia) for S&D beyond Blue H₂ now under scrutiny
 - v. Offshore sequestration (not EOR) standards/ wells/ etc
 - vi. Support only Houston focused or greater area?
 - vii. Identify if other from global advocacy
5. Understanding why other projects in the Houston area are not so relevant (Oxy direct air capture) (Natalia to follow up with Lee - 08/25)
6. Any other (global/ local) stakeholders that would require consideration (Tim & Marnie- 08/26)
7. If decision is supported:
 - i. Plan engagement with key stakeholders with 'concerns' around XOM leading (Congress, OGCI, CCC, City Of Houston, TX Gov, GHP – all supportive of project though) (Marnie, Chris, Tim & Aura)
 - ii. Prepare statements (Lauren & Darci, tbd, 09/03-13)
 - i. Address environmental justice - Management of other emissions (N₂O, CH₄, etc),
 - ii. Other fuel alternatives & solutions enabled with this CCS project
 - iii. 300Bn from tax payer's money to support project (per XOM's April call out to Biden to provide 100\$/co2t/30y
 - iv. Will this be another XOM's LaBarge? Robust business case? Needs subsidy? LaBarge is under IRS audit
 - iii. Prepare to review communication materials content (all, tbd, 09/03-13)

Against signing now:

1. Articulate analysis of reputational impacts of joining XOM (Marnie, Tim & Natalia – 08/26)
2. Articulate business impact of not participating in the announcement. (Natalia to follow up with Lee - 08/25)
 - a. Loosing sit at the table to set consortium architecture a critical time
 - b. Breaking our verbal contract with XOM – which projects are impacted

3. Articulate potential reputational impact & perception of missing out:
 - a. Lack of Shell's commitment to "Houston Energy Capital of the World"
 - b. Energy engaged consumers only see limited difference between Shell & XOM. Unlikely to see critical impact to reputation from general public if we sign..
 - c. Shell & XOM are collaborating in other regions. It is a matter of time to be linked to XOM.
 - d. Need to be bold to deliver on ET.
4. If 'no go' decision is supported:
 - a. Prepare reactive statements as appropriate (Lauren & Darci – tbd, 09/03-13)
 - i. Can we leverage our current commitment to CCS on other projects? Anything in public domain? (Natalia to follow up with Lee on global list of projects, 08/25 review with Tim)
 - ii. How do we remain relevant? How will we manage in the future? (all – discuss if necessary)

Prepare report out & recommendation as necessary (09/01)

I will send a meeting placeholder for Thursday 26th & Monday 30th to reconvene. We will assess how events move forward.

If I have left anything outside, please add your feedback

Regards,

Maria Natalia Bucci

Shell Exploration & Production Company
External Relations Manager Integrated Gas Ventures
Government Relations Argentina, Chile & Uruguay



150 North Dairy Ashford Rd.
Houston, TX77077

Appointment

From: Angelides, Chris O SHLOIL-UPU/B [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=2B22D9255EB748EB8A0D5525A01B5BDC-USCAN7]
Sent: 8/24/2021 11:57:40 AM
To: Cuellar, Aura M SHLOIL-UPU [REDACTED]
Subject: FW: CCS Houston Hub Project
Attachments: Houston Hub Concept - Potential Participant Communication (002).pptx; Summary NTRs.pptx
Location: Microsoft Teams Meeting
Start: 8/24/2021 3:00:00 PM
End: 8/24/2021 4:00:00 PM
Show Time As: Tentative

-----Original Appointment-----

From: Bucci, Maria N SEPCO-CRA [REDACTED]
Sent: Monday, August 23, 2021 10:48 PM
To: Bucci, Maria N SEPCO-CRA; Bucci, Maria N SEPCO-CRA; Meadors, Lauren E SHLOIL-ERUP/U; Sinclair, Darci A SHLOIL-CRA/U; Ebben, Tim D SEPCO-CRPA/C; Funk, Marnie SHLOIL-CRA/U; Sims, Chris C SHLOIL-CRA/UA
Cc: Angelides, Chris O SHLOIL-UPU/B
Subject: CCS Houston Hub Project
When: Tuesday, August 24, 2021 3:00 PM-4:00 PM (UTC-06:00) Central Time (US & Canada).
Where: Microsoft Teams Meeting

Dear all,

As you are aware, Shell is collaborating in a potential CCS project in the Houston area, for which XOM currently leads efforts. XOM is planning for a consortia announcement in mid-September that brings a number of concerns for our company. Shell is progressing a go/no go decision to join the announcement.

In parallel, we'd need to jointly plan for risk management and identify if that transpires in the form of reactive statements, stakeholder engagements and/or other.

The proposed agenda for tomorrow is:

1. Level grounding – What we know (Natalia, Marnie, Chris A.)
 - a. Houston Hub CCS Project basics (attached, including proposed statement & list of consortia members)
 - b. XOM led communication initiative
 - c. Shell's business interests
 - d. Risks & Opportunities
 - i. Local – reputational impact (current & past issues/ risks)
 - ii. External stakeholders' views
2. Identify our knowledge gaps - What we don't know (Open conversation - All)
 - a. Project: Who else is signatory? Communication materials?
 - b. Global efforts, other collaborations with XOM: How are we managing?
 - c. NGOS/ stakeholders: Need for additional sensing? How do we bring in their input?
3. AOB

We'd appreciate your input and contributions to ensure we capture local and regional implications appropriately.

Kind regards,

Maria Natalia Bucci

Shell Exploration & Production Company



150 North Dairy Ashford Rd.
Houston, TX77077

Microsoft Teams meeting

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Message

From: Angelides, Chris O SHLOIL-UPU/B [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=2B22D9255EB748EB8A0D5525A01B5BDC-USCAN7]
Sent: 9/2/2021 6:11:06 AM
To: Cuellar, Aura M SHLOIL-UPU [REDACTED]
Subject: RE: Call with Joe Blommaert

Understood.
Thx for sharing.

Chris Angelides
Mobile: [REDACTED]

From: Cuellar, Aura M SHLOIL-UPU [REDACTED]
Sent: Thursday, September 2, 2021 6:02 AM
To: Angelides, Chris O SHLOIL-UPU/B [REDACTED]
Subject: FW: Call with Joe Blommaert

Confidential – please don't forward

From: Venter, De La Rey SIEP-IG [REDACTED]
Sent: Thursday, September 2, 2021 4:57 AM
To: Watkins, Gretchen H SERC-UP [REDACTED]; Johnson, Krista SHLOIL-CRA [REDACTED]; Crouch, Syrie V SI-IGW [REDACTED]; Malnak, Brian P SHLOIL-CR [REDACTED]; Stockwell, Lee L SERC-IGW/S [REDACTED]
Cc: Sinclair, Darci A SHLOIL-CRA/U [REDACTED]; Bucci, Maria N SEPSCO-CRA [REDACTED]; Cuellar, Aura M SHLOIL-UPU [REDACTED]; Funk, Marnie SHLOIL-CRA/U [REDACTED]
Subject: RE: Call with Joe Blommaert

Hi Gretchen,

Hope things are OK on your end in the wake of Ida. Seeing it on TV brought back memories!

I would appreciate a call. Yes, we like the Houston CCUS play a lot and, subject to the uncertainties around any business development effort, believe we want to be/have part of that. It's on our strategic fairway of scope 1 & 2 emissions reductions, BH2 and building an energy transition business around decarbonizing customers in hard to abate sectors. Beyond that, it is exactly the sort of visionary CCUS mega play that the world needs – lots of, and soon. So strategically it is an obvious fit for Shell to be part of a project like this. And our support for CCUS has been vocal and unambiguous for many years. And we are in joint CCUS projects with XOM on CCUS in the Netherlands and Singapore already.

What I struggle with is that the proposed announcement is an announcement in support of CCUS, with language one really cannot fault and in fact support - a position we publicly stand for as well. And it is a multi-company announcement – a bunch of industry heavyweights from the greater Houston area. It's not a XOM & Shell announcement – and if we are not certain that there are 2 hands full of logos on the announcement, then I buy the concern and we just don't do it. I would love to see a bit more of a 'pros and cons' view - the narrative in favor / against both routes. How much of a risk would we really take with this announcement – as it's worded, and with the cast of companies on the list? I do think it's worth doing before we come to a final landing. Because the consequence of a flat no to XOM on this request might be that this consortium starts to mobilise without Shell involvement, or at least without Shell in a strong position to have a real shaping influence in how the consortium is put together, ran and governed. That would not be a good outcome for us. I understand the potential benefits for XOM, but if those benefits come without cost to Shell.. well, then they owe us one, and that's a good thing too.

Let me know when you can talk. I'm ok to take a call in the evening my end too.

Kind Regards,
De la Rey

De la Rey VENTER
EVP Integrated Gas West & CCUS

Shell Integrated Gas, Renewables & Energy Solutions

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2596 HR, The Hague, The Netherlands

E-mail: [REDACTED]

Mobile: [REDACTED] Office: [REDACTED]

Assistant: Esli Konink (mob) [REDACTED] (off) [REDACTED]

From: Watkins, Gretchen H SERC-UP [REDACTED]
Sent: Thursday, August 26, 2021 23:23
To: Venter, De La Rey SIEP-IG [REDACTED]; Johnson, Krista SHLOIL-CRA [REDACTED]
Crouch, Syrie V SI-IGW [REDACTED]; Malnak, Brian P SHLOIL-CR [REDACTED]; Stockwell, Lee L
SERC-IGW/S [REDACTED]
Cc: Sinclair, Darci A SHLOIL-CRA/U [REDACTED]; Bucci, Maria N SEPCO-CRA [REDACTED]
Cuellar, Aura M SHLOIL-UPU [REDACTED]; Funk, Marnie SHLOIL-CRA/U [REDACTED]
Subject: RE: Call with Joe Blommaert

De La Rey, thanks for your note. I fully support our engagement with potential CCUS investments in the US. CCUS is a critical technology that the US and the world will need as we progress to net zero. Certainly the US Gulf Coast is a key area for Shell, our Powering Progress strategy and our staff. I trust you, Syrie, Lee and others will have done the vetting we need to be sure this project led by XOM is the right investment with the right partners.

However, I do not support Shell publicly participating in any announcements, press releases or other public engagements of any kind at this time with XOM. Their reputation is severely damaged here, and we will only do harm to the strength of Shell's US reputation. I fear this is an effort by XOM to borrow from the value of our Pecten in advance of XOM's possible testimony in front of the Senate Oversight Committee and in advance of COP26.

I am happy to speak further if you wish.

Best Regards,

Gretchen

Gretchen H. Watkins
President Shell Oil Company
Executive Vice President Global Shales
Shell Oil Company

150 North Dairy Ashford, | Houston, TX 77079 | United States of America

Direct ☎: [REDACTED]

Email ✉: [REDACTED]

From: Venter, De La Rey SIEP-IG [REDACTED]
Sent: Wednesday, August 25, 2021 11:49 AM

SOC-HCOR-116938

To: Johnson, Krista SHLOIL-CRA [REDACTED]; Watkins, Gretchen H SERC-UP
[REDACTED] Crouch, Syrie V SI-IGW [REDACTED]; Malnak, Brian P SHLOIL-CR
[REDACTED]; Stockwell, Lee L SERC-IGW/S [REDACTED]
Cc: Sinclair, Darci A SHLOIL-CRA/U [REDACTED]; Bucci, Maria N SEPSCO-CRA [REDACTED]
Cuellar, Aura M SHLOIL-UPU [REDACTED]; Funk, Marnie SHLOIL-CRA/U [REDACTED]
Subject: Call with Joe Blommaert

Thanks Krista & Marnie for the intel. I just took a call from Joe. He explained in quite some depth the work that they have been doing in-house to get ready for a series of framing sessions with prospective consortium partners. I gave him a bit of an earful on the non-inclusive working to date whereas we had discussed in our first connect that our teams would jointly frame up how we would go about consortium building/selecting and pre-agreeing on rules of the game. He recognized, apologized – I think it's at least in part a function of how much Darren personally is sponsoring this flagship initiative, and the substantial team that they have deployed on the case already for a considerable period of time. He shared with me the 3 slides Lee got as well – attached. Some points on the scheme:

- Sinks identified offshore Freeport that can, with 100 wells, handle 100 mtpa for 30 years – in federal water
- They have a draft trunkline gameplan to share with pipeline corridors for 4 x 36" lines using existing right of ways;
- Top 50 emitters in the greater Houston area adds up to 100 mtpa of CO₂. Top 15 is 80% of that;
- They therefore decided to engage the top 15 emitters to join the announcement - and that he has confidence that a substantial number of the 15 would join given how it is framed as support for CCUS and a project of common interest. He said Linde, CVX, Ineos so far are on, Dow and others still going through internal approvals and tba. Air Products is so far the only company that has asked for more time to think this through to Oct or Nov. Woods or Chapman ready too engage Ben or Maarten to address specific concerns we might have.
- He said that Secretary's Kerry and Granholm are both supporters of the play
- PS: We also spoke about Singapore where the Government has requested Shell, XOM and Temasek to be the foundation partners of a big decarbonization play there.

On the announcement he said:

- It is framed as an announcement of support for CCS at scale as part of the fight against climate change. And a statement of confidence by companies making up a large share of the greater Houston's emissions that Houston is a fertile location for a globally significant CCS play... a real pathfinder mega-play, of which the world needs more of;
- It does not explicitly refer to the creation of a consortium, albeit of course one could read that into it. But he stresses that this statement of support for CCUS around Houston does in no way bind any company to join a consortium in the end;
- Yes it's timed ahead of Climate Week – and that's a conscious decision by their Exec to raise the profile of CCUS during Climate Week;
- They are open to proposed edits/modifications from our end. I told him clearly we won't sign unless we know who else's logos will be on, and have signed off on the text et al.

On what next?

- They will reach out to commence framing of a consortium (how it will work, leadership, decision making, participation, "by-laws" etc) as early as the week of Sept 3rd.
- Branding, naming, etc all to follow as part of consortium establishment.
- Fully agree with Marnie on no further surprises, incl on websites et al. This degree of transparency comes with any support from us. Made this clear to Joe.

Shared with Maarten and he is supportive. If this play happens in the end, Shell would want to be part of it – and best if we are in from the get-go to help shape all of it. I am more than happy to go back to Joe with a clearly articulated set of requirements for our support. As of now, he does not know whether we will support. Told him I will consult the house and revert.

Kind Regards,
De la Rey

De la Rey VENTER
EVP Integrated Gas West & CCUS

Shell Integrated Gas, Renewables & Energy Solutions

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2596 HR, The Hague, The Netherlands

E-mail: [REDACTED]

Mobile: [REDACTED]

Office: [REDACTED]

Assistant: Esli Konink (mob) [REDACTED]

(off) [REDACTED]

From: Johnson, Krista SHLOIL-CRA [REDACTED]

Sent: Wednesday, August 25, 2021 13:54

To: Venter, De La Rey SIEP-IG [REDACTED]; Watkins, Gretchen H SERC-UP

[REDACTED]; Crouch, Syrie V SI-IGW [REDACTED]

[REDACTED]; Malnak, Brian P SHLOIL-CR

[REDACTED]; Stockwell, Lee L SERC-IGW/S [REDACTED]

Cc: Sinclair, Darci A SHLOIL-CRA/U [REDACTED]; Bucci, Maria N SEPCO-CRA [REDACTED]

Cuellar, Aura M SHLOIL-UPU [REDACTED];

Funk, Marnie SHLOIL-CRA/U [REDACTED]

Subject: FW: Report-out of conversation with Exxon and other prospective signatories on Sept. 13 statement

De La Rey, Gretchen, and Syrie –

Please see below for some additional intelligence on both where Exxon is at this time as well as what we have learned from other possible collaborators. Marnie had a call from Exxon's advocacy advisor working this seeking to discuss the project, and then she and Kristin did some additional sensing with our other colleagues.

I would particularly draw your attention to a couple of things in Marnie's note. First, XOM's view that if "Shell says yes we will go forward". Second, that at this time there is no other oil and gas company and no other generally known company who has agreed to join. As we discussed in our call, Shell's carbon and climate reputation has value as demonstrated by XOM's willingness to proceed if we say yes and no one else does. If the second part of the current situation remains the case, it is my sense that we would take on unacceptable risk by moving forward in the public, climate space with just the pectin and the Exxon logo as the only two the public will recognize.

Best,
Krista

Krista Johnson
Head, US Corporate Relations
Chief of Staff to the President, Shell Oil Company

From: Funk, Marnie SHLOIL-CRA/U [REDACTED]

Sent: Tuesday, August 24, 2021 10:20 PM

To: Johnson, Krista SHLOIL-CRA [REDACTED]; Stockwell, Lee L SERC-IGW/S [REDACTED]

Cuellar, Aura M SHLOIL-UPU [REDACTED]

Cc: Bucci, Maria N SEPCO-CRA [REDACTED]; Sinclair, Darci A SHLOIL-CRA/U [REDACTED]

Ebben, Tim D SEPCO-CRPA/C [REDACTED]; Meadors, Lauren E SHLOIL-ERUP/U

[REDACTED]; Sims, Chris C SHLOIL-CRA/UA [REDACTED]

Subject: Report-out of conversation with Exxon and other prospective signatories on Sept. 13 statement

SOC-HCOR-116940

Hi All,

As I mentioned on the 4 p.m. telecon, Exxon's advocacy advisor for low carbon solutions contacted me for a conversation about the Houston CCUS project. Separately, my colleague Kristin Whitman and I had conversations with other potential participants identified by Exxon. This note is a high level summary of all conversations. Some of this is new information. Some is confirmation of bits we already knew. At the bottom, please find my recommendations. Happy to answer questions.

Marnie

Convo with Exxon rep:

- The three companies that have agreed in writing to participate in the announcement are Ineos, Linde and Lyondellbassel. (Kristin spoke with Lyondellbassel. Undecided if they will participate in a project should one go forward. Committed only to the Sept. 13 statement.) Conversations are continuing with other companies with strong signals of interest. Exxon particularly referenced being in conversations with Dow, Marathon, Valero, P66 and Chevron.
- Exxon is elevating its advocacy in the coming days. Joe Blommaert, President of Exxon Mobil Low Carbon Solutions is speaking to senior leadership of companies that have not yet committed. (A telecon with a Shell leader is pending but Exxon rep did not know which Shell leader.) Exxon has not yet been in contact with one utility on its list, but all other conversations progressing.
- Sept. 13 launch is firm unless Exxon fails to get critical mass. 10 participants is not a firm definition of "critical mass." If Shell confirms, Exxon would proceed. "If Shell says yes, we are going forward."
- As noted, Sept. 13th announcement is intended to precede climate week – but Exxon was elusive on whether it has its own follow-up exec engagements planned around climate week or any other hook.
- Little if any opportunity to change the announcement, website, project name, social media or message points. Shell is welcome to submit redlines on announcement, but decision will be Exxon's. To quote: "It is not envisioned that the participants will be involved in branding the entity." We separately learned that Marathon is asking for statement changes. Stay tuned.
- The launch is a first step in what Exxon anticipates will be federal advocacy by the coalition to change 45Q funding/duration and get legislation through Congress that directs DOI to promulgate regulations for the permanent storage of CO2 in federal waters. (Such language is included in the bipartisan infrastructure package passed by the Senate earlier this month.)
- While joining onto the statement does not commit Shell to the project, it does link Shell to the Exxon message that a project of this magnitude requires \$100 a ton tax credit (tax credit is currently \$50) and a duration of 30 years (duration is currently 12) as the communications strategy related to the coalition announcement references this amount/duration and Exxon will continue to talk in those terms.
 - Exxon said, "We would welcome your advocacy at \$100" but there is more flexibility to be differentiated on advocacy than on comms. Coalition participants may focus on different elements of project advocacy depending on where they participate in the value chain.
- Exxon does not foresee EOR for this project – so the differences between Shell and Exxon on environmental standards for CO2 storage related to EOR should not be relevant.
- TBD if coalition members can align on DOI regulations for injector wells, monitoring, etc. Exxon envisions a collaborative discussion regarding what should be required. (Exxon and Shell are generally aligned on improvements and streamlining for Class VI wells for onshore geological sequestration. Offshore is TBD.)
- As Exxon has already signaled, signing onto the coalition is different from signing onto the project. Project architecture and participants is TBD. Taking a project forward is entirely dependent on getting dramatically expanded 45Q and congressional instruction to DOI to design regulations for offshore sequestration. If the government funding and regulations don't happen, Exxon's management team will not move forward.

Summary of conversations with other potential participants.

- Chevron internally divided but seriously considering. Chevron sees signing onto the ad in the Houston Chronicle and participating in a possible project as two distinct and perhaps unrelated decisions. Signing onto the ad seen as signaling this is what it takes to do CCUS at scale. Chevron deems Exxon's numbers related to tons stores, jobs

saved, jobs created to be inflated – but harmless inflation. Chevron internally divided about the Houston-centric theme – but considers that a small-stakes concern. Some minor unease in some Chevron quarters about Exxon reputational concerns. Chevron keen to see Shell participate. Likes the hint of OGCI.

- Valero is considering but internally divided.
- Marathon is considering, but uncomfortable with Exxon dictating the terms. Also uncomfortable with Houston-centric tone of statement as Marathon is not headquartered in Houston. Marathon is pushing for changes in announcement language to move away from Houston-centric tone.

My recommendations:

- Despite Exxon’s signal on messaging, Shell should identify key concerns with statement and push hard to get desired changes. Exxon wants us – let’s try harder to leverage that to make participation more acceptable.
- Shell should also push for review/approval of website, social media, etc. and full disclosure from Exxon on any CEO or senior exec level engagements related to the announcement Exxon has planned ahead of climate week. “No surprises” should be our price of entry.
- We should proceed with a conversation with the President of Carbon Capture Coalition (scheduled for early next week) to ensure broader understanding of implications.
- If we proceed, Shell should make sure we are not the only known, global company partnering with Exxon. We should insist and hold-out for agreed participation by one or more participants with reputable climate credentials and name recognition. (Though we wouldn’t frame it that way to Exxon.) From Exxon’s list of possible, I consider key adds to be Dow and Chevron. There may be space for Shell to have the “if you join, we will join” conversation with both. (There are other desirables on the list, but those two would considerably ease my concerns.)

Marnie Funk | Senior Advisor, Government Relations | SHELL | 1050 K Street, NW Suite 700 | Washington, DC 20001 | Desk Skype Tel: [REDACTED]
[REDACTED] | Mobile: [REDACTED]

Message

From: Stockwell, Lee L SERC-IGW/S [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=6F5072C562844D0C94C3637A77A72F34-LS832029]
Sent: 8/25/2021 9:06:31 AM
To: Cuellar, Aura M SHLOIL-UPU [REDACTED]
Subject: RE: CCUS - Exxon

Great. I think Marnie's recommendations provide a great path forward. DLR has a meeting with the president of XOM's Low Carbon Ventures today, so we will see what that brings as well.

Have a good day.
Lee

From: Cuellar, Aura M SHLOIL-UPU [REDACTED]
Sent: Wednesday, August 25, 2021 8:55 AM
To: Stockwell, Lee L SERC-IGW/S [REDACTED]
Subject: RE: CCUS - Exxon

Totally understand. No worries at all. I just want to make sure we stay connected so I can support you better.

I had a 1:1 with Natalia and shared some insights which I believe is helping the open dialog further with comms team so we can reach a win/win.

Talk soon,
Aura

From: Stockwell, Lee L SERC-IGW/S [REDACTED]
Sent: Wednesday, August 25, 2021 7:04 AM
To: Cuellar, Aura M SHLOIL-UPU [REDACTED]
Subject: RE: CCUS - Exxon

Will do. Wasn't intentionally excluding you, DLR wanted to talk straight with Krista and Brian and he set up the meeting.

From: Cuellar, Aura M SHLOIL-UPU [REDACTED]
Sent: Wednesday, August 25, 2021 6:20 AM
To: Stockwell, Lee L SERC-IGW/S [REDACTED]
Subject: RE: CCUS - Exxon

Hi Lee,

Indeed I am well aware of the meeting on Monday and several subsequent dialogs on the topic. Coincidentally last Friday during my 1:1 with Gretchen, she asked me to please stay connected with you. As you are well aware there are sensitivities with Exxon as partners and in general CCUS plays such a key role in the US Country ET agenda. Also, good for you to know Krista and I stay well synchronized. If you don't mind for future emails / meetings it would be great if you can include me.

I look forward to our reconnecting on Friday.

Thanks,
Aura

From: Stockwell, Lee L SERC-IGW/S <[REDACTED]>
Sent: Tuesday, August 24, 2021 7:18 AM
To: Cuellar, Aura M SHLOIL-UPU <[REDACTED]>
Cc: Angelides, Chris O SHLOIL-UPU/B <[REDACTED]>; Conrad, Katy E SEPCO-UPU <[REDACTED]>
Subject: RE: CCUS - Exxon

Thanks Aura. De la Rey, Syrie Crouch and I met with Brian Malnak and Krista Johnson yesterday morning to discuss. We're working the actions and I'm sure we'll come to the appropriate landing spot which we will test with Gretchen.

Looking for to the discussion on Friday.

Thanks
Lee

From: Cuellar, Aura M SHLOIL-UPU <[REDACTED]>
Sent: Monday, August 23, 2021 6:12 PM
To: Stockwell, Lee L SERC-IGW/S <[REDACTED]>
Cc: Angelides, Chris O SHLOIL-UPU/B <[REDACTED]>; Conrad, Katy E SEPCO-UPU <[REDACTED]>
Subject: CCUS - Exxon

Hi Lee,

I hope all is well. Kim set up time for us to reconnect on Friday.

In the meantime, I want to make sure you are aware of the sensitivities around partnerships with Exxon. My guess is that you are well aware of this context. However, since we have not had an opportunity to chat since I arrived and some items move fast, I opted to send you a note.

For what it is worth, I recognize the need to continue to progress in a tangible form CCUS projects and at the same time the importance of being mindful of our reputation as a company. I look forward to joining the conversation and being a thinking partner to achieve both goals.

I look forward to reconnecting on Friday.

Thanks,
Aura

Message

From: Golightly, Niel L SHLOIL-HR/CCUS [/O=SHELL/OU=AG1-SHELL/CN=RECIPIENTS/CN= [REDACTED]]
Sent: 7/10/2017 3:48:16 PM
To: Culpepper, Bruce B SHLOIL-HR/CCUS [REDACTED]
Subject: FW: Helping ETC sharpen 2017-2018 workprogram

This may be of interest/use to you.
Niel

From: Merchel, Ewa A SI-SX/B
Sent: Monday, July 10, 2017 3:01 AM
To: Tatarenko, Oleksiy SI-SX/B [REDACTED]; Whitaker, Madeline SI-GRO [REDACTED]; Kapila, Sachin SI-GRO [REDACTED]; Martin, Ivan BS-GRO [REDACTED]; Rathbun, Chris T SEPCO-PTS/OE [REDACTED]; Westley, Karen M GSMY-PTS/O [REDACTED]; Reilly, Jennifer LB SI-ERX [REDACTED]; Hone, David C SI-SX/B [REDACTED]; Golightly, Niel L SHLOIL-HR/CCUS [REDACTED]
Subject: Helping ETC sharpen 2017-2018 workprogram

Dear all

Please see below some of the key messaging that Chad and I are taking into the ETC in tomorrow's Commissioners call and in subsequent engagements. In a nutshell: ETC has to urgently step up and sharpen their work program (particularly around India, stakeholder engagement in EU, and getting CCS going in power+industry) if it's to make the impact it hopes. To be fair however, the member organizations also need to step up and help the ETC shape that program. In the next couple months, the ETC will gather the relevant Commission members for 1-2 proper working sessions to jointly design the detailed work plan (see below for what I think is needed). I discussed this idea with several member organizations (primarily private sector but also WB) and they're eager to do this together asap.

I'll be calling on your help to prepare for and potentially attend these working sessions: Oleksiy for India, Ivan and Madeline for EU stakeholder engagement, GCO2 and GR colleagues for CCS.

I'll revert with details after this week's discussions with the ETC. Shout if immediate questions please.

Key messages for the ETC Commissioners call July 11:

1. **There is an urgent need for the ETC to further sharpen their 2017-2018 work program to make it impactful/differentiated in a busy space, and relevant to members' business objectives. If ETC doesn't achieve the latter in the next 2-3 months, there's high risk of members (particularly private sector) re-thinking their membership.**
 - Focus must be weighted much more to evidencing impact through engagement rather than generation of more analysis
 - Member organizations (especially private sector ones) should clarify "what can ETC distinctly do in the next 12 months to help me reach my business imperatives" and help ETC sharpen their program to deliver that. Now we're experiencing "mutual frustration syndrome" – members feel that the ETC program is too skewed towards analysis and unclear how it'll deliver differentiated impact. The ETC is willing to adjust approach but needs guidance from the members.
2. **At the same time, now is NOT the time for members to give up/walk away from the ETC, but rather it's time to take all the hard analytical work of the last 2 years and bring it to fruition and actual impact, i.e. by influencing decision maker's mindsets, shaping policy outcomes, catalyzing action on CCS etc. To have a work program that stands a chance of achieving this, I've proposed to the ETC (and I'm happy to see it reflected in the pre-read for Commissioners call) to get a few relevant Commission members to hold 1-2 proper working sessions in next 2-3**

months and jointly design the detailed work plan. I raised this idea with several member organizations and they're eager to take this approach. This will need to crystalize:

- India: what exactly will we deliver in India and how to ensure it's of incremental value to government (they're already flooded with studies!)
- Stakeholder engagement in EU: whom exactly will we engage with in each country and in EU Commission? What do we want from them and why would they say yes? Shell and other ETC members engage with the same EU stakeholders on the same issues - how to ensure that our respective efforts complement each other for maximum impact?
- Hard to abate sectors: how to accelerate CCS in power and industry sectors? What are the barriers and enablers? How can ETC complement the member's existing efforts on this in the other international platforms such as OGCI, WBCSD?

3. Media pick-up and ETC engagements/communications since the April report launch fail to faithfully reflect the balanced story contained in the ETC main report. The focus is overwhelmingly around the socially palatable message of affordability of renewable power, but we need the ETC to instill the same optimism and urgency into a more balanced story around the other 'must-wins' in their report such as importance of carbon pricing, CCS, hydrogen, role of gas.

What is the distinct thing that the ETC do in the next 12 months to support business objectives that are critical to Shell?

1. **Getting CCS going:** comparing to other external organizations Shell is active in, ETC is unique in that it gathers all the actors who need CCS to happen and who hold a piece of the answer how to make it happen (private sector in power and industry, financiers, public policy influencers). With the right advocacy approach, ETC could be very impactful in ensuring that governments/policy makers/international multilaterals recognize (and reflect in policy choices) the role of CCS in power and industry as a critical technology for achieving net zero emissions with rapid deployment needed by 2030.
2. **Getting across a more balanced story (as described above) about the urgency of carbon pricing, CCS, hydrogen, role of gas** – e.g. can ETC facilitate events in key markets like the session on “role of gas in energy transitions” that we're discussing with the World Bank?

Thank you

Ewa

Ewa Merchel

Strategic Projects Manager

Group Strategy

Mobile: [REDACTED]

E-mail: [REDACTED]

US Gulf Coast CCS Opportunity Framing: Terms of Reference

Introduction

Shell recognises both the urgency to progress the CCS industry and the need for collaboration. The current deployment of CCS is well below needed estimates to make CCS a competitive technology in the energy transition. Additional projects are needed to drive down costs and enable infrastructure. The window for CCS to remain relevant with governments and society is closing quickly and action needs to occur within the next decade. The value of CCS to Shell is the ability to decarbonize our products, retain a larger market share for our products in the energy transition, in addition to reputational value. To enable the deployment there needs to be collaboration with industry and governments at local, regional and a global level, especially in establishing CO₂ transport and storage infrastructure.

The US Gulf Coast area may be a good location for large scale CCS infrastructure development: - the industrial corridors have clusters of large emitters, some of which are Shell assets (Norco, Convent, Deer Park, and Geismar) and some of which may be advantaged (hydrogen), - there is an existing CO₂ pipeline infrastructure utilised for CO₂ EOR, - there may be funding mechanisms available for CO₂ EOR and “45Q” if passed may be supportive for CO₂ EOR and CCS, - the region has been supportive of the hydrocarbon industry and infrastructure, - there are indications that onshore and near offshore storage potential may be available.

Draft Opportunity Statement

There may be an opportunity for Shell to be a catalyst for/lead a multiparty public/private coalition for a US Gulf Coast CCS & CO₂/EOR infrastructure development which can enable the progression of the CCS and CO₂ EOR industries. Such an infrastructure will be dependent on the parallel development of tangible affordable CO₂ sources and may enable CO₂ capture from our Shell assets in the region, contributing to the carbon intensity reduction of our manufacturing products.

Opportunity Framing Workshop

The Opportunity Framing Workshop (OFW) with key contributors involved will aim for the normal OFW output (business case, statement, roadmap, SWOT, stakeholders, etc.) including:

- a. Validation of potential partnering options, both commercial (ie, XOM, Oxy) and for advocacy (ie, CarbonSAFE) as partnerships will be essential to progress this initiative an early low key sensing will be done with a limited number of key potential partners on a non-confidential and non-committal basis.
- b. Stakeholder mapping (commercial and NTR) leading to a structured engagement process with external parties.
- c. Options for transport infrastructure development, collaborations, or acquisition (ie, “make vs buy” decision for pipelines), based on high level “source to sink” matching from inventory of CO₂ emission sources and potential EOR and storage locations.
- d. Screening of Shell owned / operated reservoirs as options for CO₂ storage sites and collaboration for their development.
- e. Verification and quantification of the scope for CO₂ capture and compression for selected Shell assets/sources, and contribution to GHG intensity reduction and TQ closure for those assets; (Note: This item may occur separately from and after the OFW, as Shell Manufacturing sites focus on Harvey recovery).

November 2017

- f. Options for GOM Shell CO₂ EOR upstream development.

As preparation¹ for the workshop it is proposed to make a pre-read with an internal inventory of:

- a. key players: industrial emitters, existing consortia & associations, regulators, pipeline operators, financiers, etc. ,
- b. policy and financing mechanisms,
- c. views/expectations of Shell Stakeholders (through interviews)
- d. Gulf Coast emission sources (specifically ours – at high level, not requiring Manufacturing site input),
- e. potential CO₂ storage sites - high level infrastructure concepts (specifically enabling capture at our assets),
- f. potential CO₂ EOR options.

As addition preparation for the OFW to appreciate the economic position of CCS and CO₂ EOR from our assets and commercial gaps to NPV0 with existing and future incentives for both CCS and CO₂ EOR, a short term economic screening will be conducted and consist of coarse economics modelling 3 cases.²

1. Low case - Pure CCS, no EOR (likely to strongly NPV negative)
2. Base case - CO₂ EOR – assuming 2.5bbls per t of CO₂ but no 45Q tax credit renewal / expansion
3. Upside – base case + 45Q renewal expansion (tax credit for storage)

A funding of 75 k\$ is available from IG/B for preparation and to conduct the OFW, with the functions contributing in kind. The OFW is proposed for late January/early February to accommodate schedules and to allow recovery time for Houston staff impacted by hurricane Harvey. Work has begun to support the OFW by; reviewing potential source of CO₂, review of CO₂ pipeline maps and capacities, review of the regulatory environment, commercial CO₂ EOR parties, and discussion with potential facilitators.

Proposed workshop participants:

Name	Role
Chris Rathbun	Shell CCS manager
Tim Wiwchar	Reis CCS BOM / Quest CCS BOM
Niel Golightly / Nil Sarkar	ETP
Tim Ebben	US CO ₂ Policy manager
Fred Palmer	Government Relations Manager- SE US
TBD	DS manufacturing (DP/site rep)
TBD	DS strategy/commercial
Allan McIntyre	Shell Pipeline rep
TBD	Upstream Commercial
TBD	Shell Gulf coast industry associations rep
Paul Schoenfeld	IG Ventures
Syrie Crouch (TBD)	Upstream Development

¹ Previous OFW (like Pearl CCS) have shown the value of prepared pre-read for the focus and quality of the OFW and the resulting action plan.

² Assumptions for each case will be a nominal 1mpta CO₂ captured from a Shell refining assets at \$80/t²/; Shared 10 Mt/a 200km of onshore pipeline construction & operation; existing Shell-owned reservoir (no acquisition costs); 15 years of CO₂ injection (and recovery, for EOR cases) & 20 years of post-injection reservoir monitoring (as per Quest template).

Economist TBD	Opportunity Framing Facilitator
Ian Craig	Technology Business Development
Deniz Dindoruk	CO ₂ EOR development
Wilfried Maas	GM CCS Deployment, Technology
Jack Buehler	Utility/Energy/CO ₂ engineer
Owain Tucker	CCS storage lead
TBD	Shell Trading – Environmental Products rep

Comparable global initiatives

There are comparable initiatives for CCS infrastructure ongoing globally where Shell is involved/has connections with.

- The Rotterdam Climate Initiative which for a long period aspires to develop an CCS infrastructure for a comparable industrial area. There is renewed interest for Shell participation in a transport and storage project (for Pernis gasifier CO₂ storage) after the announcement of closure of the ROAD Coal Power CCS project.
- Norway's Full Chain CCS project where Shell will join the development of the FEED's for the storage and potentially the Ship transport scope.
- The UK TEEside initiative.
- European Commission's SET-(TWG9) CCS and CCU Implementation Plan (ZEP), including "Delivery of regional CCS and CCU clusters".

The Global CCS team will be able to share the learnings of these initiatives to the US Gulf Coast CCS opportunity.

Potential Partners / Collaborators

- BP - with their Gulf of Mexico (GOM) presence and OGCI participation
- Exxon - with their GOM presence and their recent CO₂/CCS interest
- US Department of Energy (US DOE)
- [HYPERLINK "<https://www.txoga.org/>"] - the primary oil and gas association in Texas.
- [HYPERLINK "<http://www.lmoga.com/>"] – the primary oil and gas association in Louisiana.
- Southern States Energy Board (SSEB)
- Bureau of Economic Geology (BEG)
- Largest "well placed" GOM industrial emitter is specific sectors- Coal power, - Steel mill, - Hydrogen plant, -Cement factory

Appendix

Ongoing initiatives: SSEB, BEG, DOE projects, CarbonSAFE

We are in contact with the Southern States Energy Board (SSEB) which has been trying to progress a CCS infrastructure project in southern Louisiana.

The Bureau of Economic Geology (BEG) has been trying to launch CCS infrastructure for the Texas Gulf Coast.

We propose to build on these two developments and include these organisations in the forward plan.

The U.S. DOE is progressing the Carbon Storage Assurance and Facility Enterprise (CarbonSAFE) initiative which is intended to develop integrated CCS storage complexes, constructed and permitted for operation in the 2025 timeframe. BEG is progressing phase 1 CarbonSAFE activities (\$1.2mln, 5 years). CarbonSAFE phase 2 proposals are pending and joining them may be part of the opportunity plan forward

CCS FRD

A Shell CCS FRD (Focussed Result Delivery) project was completed with the aim to catalyse CCS investment decisions for Shell. The CCS FRDs intent was to frame the role of CCS in supporting CO₂ intensity reduction by reviewing future commercially viable business models/opportunities that can lead to market led carbon capture, utilization and storage (CCUS). The US Gulf Coast CCS opportunity aligns with the outcome of the CCS FRD that CCS associated with EOR is the immediate most commercial path for CCS rollout.

To: Funk, Marnie SHLOIL-GRA [REDACTED]; Minnitte, Joseph A SHLOIL-ERUP/US [REDACTED]; Palmer, Frederick B SHLOIL-GRA [REDACTED]; Sutton, Cody M SHLOIL-GRA [REDACTED]; O'Connor, Helen C SHLOIL-ERUP/U [REDACTED]
From: Guo, Wenni G SEPCO-UPU/N/L/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=1940DEBF1FB8414EA425C871A52D1DA7-[REDACTED]
Sent: Mon 1/20/2020 5:44:09 PM (UTC)
Subject: RE: El Camino DRB prep

Marnie, Fred, Joe, Helen

Below are the key messages I have for the GR and ER section. Please review and revert with any edits. Additionally, please send me any slides with more info that you'd like to add.

- Government & External Relations
 - OGCI approved Louisiana Hub (Shell lead Jan Sherman)
 - Holding industry workshop in Baton Rouge on Feb 10/11 (co-sponsored GCCSI, LMOGA and LSU); planning second workshop for Lake Charles
 - Introductory meeting with Climate Investments in December 2019—they are interested in industry sink opportunities in Louisiana
 - NPC Study released December 2019 provides roadmap for at-scale deployment of CCUS in the United States
<https://dualchallenge.npc.org/downloads.php>

• [REDACTED]
• [REDACTED]

Thanks,
Wenni

From: Sherman, Jan B SERC-UPU/N [REDACTED]
Sent: Thursday, January 16, 2020 6:19 PM
To: Dindoruk, Deniz D SIEP-PTD/E/N [REDACTED]; Funk, Marnie SHLOIL-GRA [REDACTED]; Minnitte, Joseph A SHLOIL-ERUP/US [REDACTED]; Lovold, Lucas L SEPCO-UPU/N/L [REDACTED]; Guo, Wenni G SEPCO-UPU/N/L [REDACTED]; KOSS, JOHN M SEPCO-UPU/N/L [REDACTED]; Palmer, Frederick B SHLOIL-GRA [REDACTED]; Sutton, Cody M SHLOIL-GRA [REDACTED]; Wiercinski, TJJ SHLOIL-FO/TO [REDACTED]; Hall, Greg G SOPUS-DME/6 [REDACTED]
Cc: O'Connor, Helen C SHLOIL-ERUP/US [REDACTED]
Subject: El Camino DRB prep
Importance: High

All, could you provide your input to the DRB materials so that we have a "close to finished" version by Monday. I will be reviewing it on Monday at 2:30 pm and we need to be in a position to get a final version of the pre-read for distribution by Wednesday afternoon.

Please work with Wenni to make sure that your workstreams are properly represented.

Jan B. Sherman
GM Special Projects & Gulf Coast CCUS
Shell Exploration & Production Company
200 North Dairy Ashford, Houston, Texas 77079-1197, USA
Tel: [REDACTED] **Mobile:** + [REDACTED]
Email: [REDACTED]
Internet: <http://www.shell.com/eandp-en>

Message

From: van Beurden, Ben CAM RDS-CEBB [/O=SHELL/OU=OPC/CN=RECIPIENTS/CN=GBBBE6]
Sent: 10/27/2017 11:42:41 AM
To: Malnak, Brian P SHLOIL-GRA [REDACTED]; Culpepper, Bruce B SHLOIL-HR/CCUS
[REDACTED]
CC: Gillespie, Angus J GSUK-PTS/O [REDACTED]
Subject: EDF

Brian, Bruce,

As you know I was on a OGCI panel this morning with a.o. Fred Krupp, who had also asked to see me to follow up on the DC discussion we had earlier in the year. Though I agreed to see him, I decided in the end not to honour the request after all. I felt Fred was very disingenuous in his advocacy on CH4 emission, essentially pointing out in front of the international press that if you burden the gas value chain with all the emission of the oil industry, it would put gas on a par with coal.

I know that Fred can be a passionate advocate for CH4 and is never content with the commitments we make. I can buy that but this went one step too far for me. I felt I should not reward him with a meeting, not in the least as I am not sure anymore we can rely on him to be honest about reflecting the input we give them.

Just wanted you to be aware in case he reaches out. I am quite OK for Fred to know I was mightily disappointed in his disservice to the good efforts we in principle should stand shoulder to shoulder on.

Ben

Regards,
Ben van Beurden

Chief Executive Officer Royal Dutch Shell plc
Carel van Bylandtlaan 16, 2596 HR The Hague, The Netherlands
Telephone: [REDACTED] Fax: [REDACTED]
E-mail: [REDACTED]
Internet <<http://www.shell.com>>
Registered office: Shell Centre, London SE1 7NA, United Kingdom
Place of registration and number: England 4366849

Message

From: Malnak, Brian P SHLOIL-GRA [/O=SHELL/OU=MSXSOC/CN=RECIPIENTS/CN=USBMA4]
Sent: 10/27/2017 12:07:22 PM
To: Gillespie, Angus J GSUK-PTS/O [REDACTED]
CC: Culpepper, Bruce B SHLOIL-HR/CCUS [REDACTED]
Subject: Re: EDF

Angus,

Don't think you will find any of us concerned about pushing back to where they are not being straight. Would be good to touch base and wondering if ok to set a call up with Bruce, marnie, greg you and I but probably not until Monday. Does that work.?

Sent from my iPhone

On Oct 27, 2017, at 8:03 AM, Gillespie, Angus J GSUK-PTS/O [REDACTED] wrote:

Brian, Bruce –

Happy to explain the circumstances in a short call later if that helps. Basically, in public, Fred contradicted Ben's numbers based point by adding oil related methane emissions and saying, on that basis, gas has a questionable basis for its climate related claims. Almost all the CEOs on the panel looked shocked, if not mad, with Fred's statement.

Rgds

Angus

From: van Beurden, Ben CAM RDS-CEBB
Sent: Friday, October 27, 2017 12:43 PM
To: Malnak, Brian P SHLOIL-GRA [REDACTED]; Culpepper, Bruce B SHLOIL-HR/CCUS [REDACTED]
Cc: Gillespie, Angus J GSUK-PTS/O [REDACTED]
Subject: EDF

Brian, Bruce,

As you know I was on a OGCI panel this morning with a.o. Fred Krupp, who had also asked to see me to follow up on the DC discussion we had earlier in the year. Though I agreed to see him, I decided in the end not to honour the request after all. I felt Fred was very disingenuous in his advocacy on CH4 emission, essentially pointing out in front of the international press that if you burden the gas value chain with all the emission of the oil industry, it would put gas on a par with coal.

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Just wanted you to be aware in case he reaches out. I am quite OK for Fred to know I was mightily disappointed in his disservice to the good efforts we in principle should stand shoulder to shoulder on.

Ben

Regards,

Ben van Beurden

Chief Executive Officer Royal Dutch Shell plc

Carel van Bylandtlaan 16, 2596 HR The Hague, The Netherlands

Telephone + [REDACTED] Fax + [REDACTED]

E-mail [REDACTED]

Internet <<http://www.shell.com>>

Registered office: Shell Centre, London SE1 7NA, United Kingdom

Place of registration and number: England 4366849

Message

From: Alexander Dominguez [REDACTED]
Sent: 4/14/2021 2:18:25 PM
To: [REDACTED]@listserv.api.org
Subject: House E&C Budget Hearing with EPA Administrator Regan April 29th

Think Secure. This email is from an external source.

DSC Members –

There is plenty to discuss after yesterday's Joint DSC – Fuels Subcommittee meeting, but in the immediate I want to flag for you the House Committee on Energy and Commerce just [announced](#) that their Environment and Climate Change Subcommittee will hold a hearing on Thursday, April 29, on President Biden's Environmental Protection Agency (EPA) budget request for fiscal year 2022. EPA Administrator Michael Regan will testify. I can begin working internally to develop a list of proposed questions that can be circulated to the Hill.

Please let me know if there are any questions and don't hesitate to reach out if you would like to discuss further.

Alex

Alex Dominguez

Director – Federal Affairs

o: [REDACTED]
m: [REDACTED]
[REDACTED]

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American
Petroleum
Institute



**EXECUTIVE COMMITTEE
ROYAL DUTCH SHELL PLC**

Title	Note for Discussion
Subject	United States Energy Transition Program (ETP)
Contact(s)	Gretchen Watkins, Country Chair United States Jason Klein, VP US Energy Transition Strategy
# pages of pre-read	[9] pages plus [X] pages appendices
Sponsoring EC member	Ben van Beurden and Ronan Cassidy
Objective	Support/ratification

Synopsis & Objectives:

The US energy transition is uniquely characterized by an abundant and diverse energy resource base, a patchwork of regulatory policies, an innovative technology sector and a diverse societal base that increasingly seeks cleaner and more convenient energy options that remain affordable.

In the near to medium term, oil and gas will continue to play a key role for the United States, both at home and globally. Shell's Upstream business therefore remains an important factor in the transition, requiring continuous improvement efforts to remain a profitable cash engine and to produce feedstocks for our leading Downstream business. Integrated Gas has an opportunity to leverage America's abundant shale gas for LNG and GTL (with CCS). These efforts must be balanced with an increasing demand for lower carbon energy alternatives from US consumers. Leveraging the strength of our existing businesses, our marketing and trading skills, our brand and our growing New Energies business creates significant commercial opportunity for Shell to co-create and deliver innovative customer-centric energy solutions in the US. With the significant number of opportunities across a broad value chain, Shell must develop novel ways of working to break down siloed thinking and behaviors in order to thrive and deliver a world class investment case.

There is a view that the United States' withdrawal from the Paris Agreement would create a much slower US energy transition. What we now see is that states, cities and B2C companies are stepping into the void to set climate targets and supporting regulatory frameworks. While this patchwork of policies and markets creates challenges for a coordinated US energy transition, it also creates opportunities for an integrated, respected energy company like Shell to take on an increased leadership role to shape effective policy at multiple levels as a credible leader in the transition, while maintaining a strong societal license to operate.

Desired outcome:

Support for the proposed path forward for the US ETP, including:

- 1) the proposed strategic intent;
- 2) implementation of a US Integrated Commercial Solutions Steering Group; and
- 3) implementation of internal and external engagement strategy and overall Country Transition Plan.

Signature sponsoring EC member & date

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NOTE TO THE EXECUTIVE COMMITTEE

ENERGY TRANSITION – UNITED STATES

1. CONTEXT

1.1 Economy and Politics

The United States is the largest global economy and has experienced a steady rise in US GDP over the past five years, fueled in part by a growing tech sector and a moderate resurgence in manufacturing.

~~A hyper-partisan media environment has fueled tribalization in politics, with Americans increasingly swayed by loyalty toward a political group or by their intense feelings on a single issue, rather than a broad analysis of issues or even their own personal economic interests. Climate change is one issue that provokes partisan tension. The United States political environment continues to become even more polarized, and as with most topics, energy and climate change remain areas of stark differentiation between Republicans and Democrats. The 2016 elections brought a sweeping change of ideas and use of executive power, and subsequent elections in 2018 reflected even greater polarity as the Democrats regained control of the House. Federal investigations, challenges of judicial appointments and rumblings of impeachment have created spectacles that make it challenging for policy and legislative issues to stay front and center.~~

1.2 Energy Resources

The United States has become the largest crude oil producing nation at 12.2 mbpd in 2018 and is set to become the world's largest exporter by 2024 according to the IEA. Combined with the US already being the number one natural gas producer globally, the energy sector represents approximately 8% of US GDP.

Renewable Portfolio Standards (RPS), Production Tax Credits, Investment Tax Credits and other incentives, along with rapidly declining technology costs, have led to a strong development of the wind and solar resource.

1.3 Climate Change

~~Global headlines often paint of the United States as a monolithic nation that approaches climate change with skepticism. President Trump's announced intent to withdraw from the Paris Agreement and the unwinding of many federal regulations designed to address climate change might suggest an unwillingness to follow through on previous US environmental commitments. Global headlines on the United States often paint a picture of a homogeneous nation that approaches the subject of climate change with a degree of skepticism. President Trump's announced intent to withdraw from the Paris Agreement and the unwinding of many federal regulations designed to address climate change would seemingly imply a reverse trend in prior US commitments.~~

However, if you look beyond the headlines, the US energy transition is being propelled by a consumer base, primarily in cities and along the coasts, that sees climate change as a national imperative and demands lower carbon alternatives. Although federal policy on climate and energy transition is lagging, states and cities are stepping into the void and adopting RPS, setting climate targets and supporting stricter regulations.

Between 2005 and 2017, greenhouse gas emissions in the US fell by 12%, largely as a result of shifts from coal to natural gas, an increased use of renewable energy and an overall leveling of

demand through improved energy efficiency. Despite the gains made over this period, the United States continues to be one of the world's largest GHG emitters, second only to China.

1.4 Regional Context

1.4.1 California and the West Coast

Within the broader West Coast region, California dominates economically, technologically and from a policy perspective. The state is unique for its extensive use of regulation to achieve ambitious environmental and social goals. California was an early leader in establishing RPS and is on track to surpass its initial goals that require 33% of power procurement by load-serving entities to come from eligible renewable resources by 2020. The State recently adopted legislation requiring 100% of retail power sales to California end-use customers to come from renewable and zero-emissions sources by 2045. Shell has a significant wholesale power business in California supporting commercial and industrial customers and the community choice aggregators that supply millions of retail customers in the State. California also has a regulatory framework that helps underpin Shell investments in low-carbon mobility, including the Low Carbon Fuel Standards (LCFS) that support investment in renewable natural gas, biofuels and hydrogen fueling infrastructure in the state.

1.4.2 US Gulf Coast

Texas and Louisiana are well-established petrochemical, manufacturing and transport hubs with policy frameworks that tend to be business friendly. Although neither state has shown any recent interest in regulating greenhouse gases, Texas is the largest producer of wind power (20 GW) in the United States. Texas was an early adopter of RPS in 1999 and invested in its transmission network. The build out of transmission infrastructure to bring wind power generated in the western part of the state to the growing population centers was accomplished without the permitting complexities that would have occurred had transmission lines needed to cross state lines. The Texas Public Utilities Commission allows retail competition, which creates a possibility for Shell to grow our customer-facing offers as a retailer. Texas is a key target market for growth in Shell's integrated power strategy, with a unique opportunity to couple generation and energy storage with the abundant gas in the state to address intermittency.

Although Texas and California have taken two very different approaches to power market design and regulation, both approaches have resulted in commercial opportunities for Shell, and both have allowed rapid acceleration in renewables penetration.

The business-friendly regulatory environment in Texas and Louisiana and the strong industry footprint can be leveraged to increase efficiencies and cost competitiveness in our existing businesses. It also provides ripe opportunities to develop scale-able CCUS solutions and coalitions where learnings can be transferred. The abundance of shale resources also means that the Gulf Coast presents opportunities for LNG exports to support energy transitions around the world as well as a crucial feedstock to some of Shell's Gulf Coast manufacturing sites.

1.4.3 Northeast

This region represents a patchwork of states that enjoy different advantages and face different challenges. Whereas the inland states of Pennsylvania, West Virginia and Kentucky are energy producers (gas and coal), the coastal states of New Jersey, Delaware, Virginia and Maryland are energy consumers. Overall, the policy environment has become more polarized in recent years, with coastal cities, New York and New Jersey opposing fracking and pipeline projects on environmental grounds. While this challenges our Appalachia gas business, it is helpful to Shell's New Energies business aspirations and supports affordable feedstock for our Pennsylvania Chemicals project.

As a result of this polarization, The the region's efforts to reduce greenhouse gases ~~consequently~~ are fragmented. Several states are considering or have adopted measures to build on the success of the Regional Greenhouse Gas Initiative (RGGI) to further reduce GHG. A regional collaboration of 13 Northeast and Mid-Atlantic jurisdictions is seeking to develop the clean energy economy, improve transportation, and reduce carbon emissions in the transportation sector. Aligning legislative and regulatory action to achieve a regional vision will remain a constant challenge for the many independent state governments in the region. In the meantime, individual states are competing for leadership--New York has adopted a 70% RPS by 2030 and set a target of 9GW of offshore wind by 2035, while New Jersey is targeting 3.5GW of offshore wind by 2030. These targets create world-class opportunities for Shell's two offshore wind JVs and possible integration with SENA's sizeable footprint in the region.

1.5 Thriving Through the US Energy Transition

The unparalleled innovation, entrepreneurialism and diverse energy resource base in the US bring a host of opportunities and challenges for Shell US to navigate in order to thrive through the transition, including:

1. delivering on the Emerging Power theme with integrated energy solutions from power supply and generation (offshore wind, Silicon Ranch), optimization and trading (SENA) and providing customer-focused solutions (Greenlots, Sonnen, MP2, GI Energy);
2. taking advantage of abundant oil and natural gas to supply the US domestic market and support our global oil, LNG, GTL and Chemicals portfolios with US exports;
3. improving efficiencies and reducing the Net Carbon Footprint of our assets;
4. leveraging and building on our existing footprint to deliver a scale-able, material CCUS project on the Gulf Coast; and
5. implementing an effective policy and engagement strategy, including playing a leading, vocal role to advocate for effective carbon pricing.

2. SHELL IN THE UNITED STATES

The US is home to the largest number of Shell employees, attracts the largest share of Shell's capital investment and is the only country where Shell has presence in every aspect of upstream and downstream operations. See [Appendix A](#) for the current US fact sheet.

3. US STRATEGIC INTENT & ENERGY TRANSITION THEMES

3.1 US Strategic Intent

The Shell US strategic intent considers the collective ambitions and goals for all lines of business represented, as well as the innovative and dynamic industry, economy and consumer base in the country. A consumer driven strategic intent will enable Shell US to differentiate itself and thrive through the energy transition by:

- Driving Value: Delivering commercial value by producing and supplying the energy products demanded globally---while reducing costs and our Net Carbon Footprint.
- Focusing on our Customers: Providing co-created, unique, integrated and affordable energy solutions that meet customers' evolving needs and deliver material profitability by leveraging the strength of our brand, capabilities, and value chain.

- **Leading Engagement:** Mobilizing change and attracting, retaining and empowering our people by being the trusted, leading industry voice on the US energy transition with consumers, regulators and key stakeholders.

3.2 Themes

There are four broad energy transition opportunity themes in the US, three focused on consumers and one on Shell assets:

- **Mobility/New Fuels:** ~~Includes Shell Recharge Shell has extensive opportunities ranging across a variety of energy products, including EV charging at retail sites in California, Hydrotreated Vegetable Oil (HVO) offtakes bio-fuels, Hydrogen fueling stations for heavy duty vehicles at the Port of Long Beach and dLNG and hydrogen for transport, GTL and others.~~
- **Examples:** ~~Hydrogen fueling stations for heavy duty vehicles at the Port of Long Beach, California. Capitalizing on Hydrotreated Vegetable Oil (HVO) offtakes. Delivering sustainable aviation fuels at SFO. Providing Shell Recharge EV charging at retail sites in California.~~
- **Lower Carbon Offerings (Non-Mobility):** ~~Includes These opportunities bring cleaner energy solutions to all other non-mobility sectors.~~
- ◉ **Examples:** ~~Offshore wind projects (Mayflower and Atlantic Shores JVs), Silicon Ranch, Renewable natural gas projects, Lake Charles LNG, and on-going. Ongoing efforts by Chemicals to convert plastic waste to advantaged feedstock.~~
- **Integrated Solutions to Customers:** ~~This includes comprehensive customer solutions where Shell leverages its fully integrated portfolio and sells a wide range of products and services to the same customer.~~
- ◉ **Examples:** ~~Includes Connected Energy's distributed energy resources offering to the city of Boulder, Colorado. The city has a decarbonization plan and is engaging with Shell via Connected Energy's, which could be a showcase for and City Solutions to help craft the City's plan, and then Shell intends to bid for both integrated behind-the-meter and front-of-meter solutions which can meet for commercial and residential energy needs. Recent acquisition in EV charging, storage and solar will enable Shell to deliver more end-to-end customer solutions.~~
- **Shell Emissions and Efficiency:** ~~Focused on our own Scope 1 and 2 emissions, including energy e. There are several initiatives across all the LoBs in the US to make Shell assets more efficient and lower emissions.~~
- ◉ **Examples:** ~~Energy efficiency efforts, cogen and renewable power at Manufacturing sites, eE-fracs and fugitive methane reduction efforts in Permian.~~

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The Energy Transition team maintains a funnel of the opportunities in each of these four themes. The funnel includes projects from all LoBs and at all stages of maturity. We will continually update the funnel and our understanding of the market, allowing Shell US to pivot and focus on those opportunities that match our customers' needs. A high-level summary of the funnel is included in [Appendix B](#). Those projects that are sufficiently specific and mature to have economics associated with them are identified.

4. CHALLENGES & UNCERTAINTIES

4.1 Integration

Given the vertical structure of our LoBs, Shell's offerings to customers are segmented and complex. This can result in customers not knowing the full breadth of products and services offered, especially as we expand our portfolio. An additional risk exists of internal disconnects related to simultaneous pursuits of opportunities.

Many of our customers have also been on an energy transition journey and have been working on various aspects of their own sustainability goals. We should be working with our customers to determine their needs and co-create an integrated "One Shell" solution.

~~By way of For example, throughout this year, over the last six months,~~ various representatives of the City of Houston have had conversations with Greenlots about municipal EV charging, with MP2 (a SENA company) about marketing power from local solar projects, with City Solutions and Connected Energies regarding behind-the-meter options, and with the Energy Transition team about decarbonization of the airports, Port of Houston and municipal vehicle fleets. ~~Recently, we have~~ We have since brought these efforts into a single conversation, leveraging our relationships with the Mayor, Chief Sustainability Officer and Chief Resilience Officer of the City to showcase a comprehensive Shell offering to the City, which we hope will result in. ~~This has not yet resulted in a contract award, but we are now positioned to leverage our relationships and offerings to the City of Houston in a much more integrated fashion by bringing all of these conversations into one cohesive dialogue.~~

- Proposed solution: Creation of a US Integrated Commercial Solutions Steering Group with representation from key customer-centric lines of business and functions. This Steering Group will focus on generating ideas and accelerating delivery of cross-LoB opportunities by removing obstacles and breaking through internal boundaries ~~in a manner that to~~ promotes innovation, maximizes value and delivers a compelling value proposition. This effort is not intended to duplicate any existing efforts (such as Project Alchemy), but rather to support the acceleration of those efforts and identify additional opportunities. This Steering Group will also serve as an integrator to deploy internal expertise as needed on projects and as a forum to generate a full "menu" of Shell's capabilities and customer offerings in the US.

4.2 Carbon Capture, Utilization and Storage (CCUS)

US CCUS has economic challenges. Project El Camino is on track for DG2 in mid-2020. The project team continues to refine both the potential sources of capture and reservoir sinks. Analysis suggests that permanent sequestration in depleted gas fields is the most economic option (on a lifecycle basis) for our Louisiana sources, due to proximity, scale-ability, low operating costs and simple execution. In Texas, onshore EOR shows more promise due to the number and size of onshore oil fields near Houston. Offshore saline sequestration may also be effective in Texas for a large-scale industry project. Deer Park does not have sufficient high purity CO2 sources to support a standalone project, so the project team is focused on broader industry coalition opportunities in Texas.

Although the recent extension and increase to the 45Q federal regulations for CCS/CCUS provides \$35/ton tax credit for EOR and \$50/ton for permanent sequestration, it is limited to 12 years from startup. El Camino scoping economics demonstrate positive economic cases only when 45Q is overlaid with Shell's CO2 Project Screening Values (PSVs). The mid-case US CO2 PSV starts at \$15/ton in 2026, rising to \$75/ton in 2050 (see Section 5 below for more details on potential federal carbon tax and our advocacy efforts). Shell is also participating in the National Petroleum Council report on CCUS, which is due to be delivered to the Secretary of Energy later this year. The NPC report will come to a similar conclusion, namely that 45Q alone is not sufficient for the US to be a leader in CCUS without additional incentives.

- ~~Proposed solution: Although El Camino does not provide a profitable, sanctionable project in 2019, we continue to mature the project due to the possibility of a carbon tax being introduced in the US post-2020; the potential need for CCS on critical Shell projects, including Lake Charles LNG and Azure GTL; and possible further federal incentives or industry collaboration coming from the National Petroleum Council study. We will continue to pace the project accordingly and work collaboratively with industry and policymakers to deliver a profitable investment opportunity for US CCUS.~~

Formatted: No bullets or numbering

4.24.3 Polarized Political Environment

The political landscape is polarized, dynamic and uncertain. Political dynamics in the US can lead to dramatic changes (i.e. more progressive cabinet in the case of a Trump loss in 2020 or more hardening of positions in case of a Trump re-election). The increasing use of executive authorities to make swift policy changes will continue to create uncertainty. (See Section 5 below for further details on policy and advocacy challenges and solutions.)

- ~~Proposed solution: Our regulatory and advocacy approach will need to be responsive and nimble to changes. With increased activity at the state and municipal level, we will need to deploy resources necessary to foster engagement and to be assured a role helping share as required to ensure a seat at the table to engage and help shape effective policy beyond the federal level.~~

4.31.1 Carbon Capture, Utilization and Storage (CCUS)

~~US CCUS has economic challenges. Project El Camino is on track for DG2 in mid-2020. The project team continues to refine both the potential sources of capture and reservoir sinks. Analysis suggests that permanent sequestration in depleted gas fields is the most economic option (on a lifecycle basis) for our Louisiana sources, due to proximity, scale ability, low operating costs and simple execution. In Texas, onshore EOR shows more promise due to the number and size of onshore oil fields near Houston. Offshore saline sequestration may also be effective in Texas for a large scale industry project. Deer Park does not have sufficient high purity CO2 sources to support a standalone project, so the project team is focused on broader industry coalition opportunities in Texas.~~

~~Although the recent extension and increase to the 45Q federal regulations for CCS/CCUS provides \$35/ton tax credit for EOR and \$50/ton for permanent sequestration, it is limited to 12 years from startup. El Camino scoping economics demonstrate positive economic cases only when 45Q is overlaid with Shell's CO2 Project Screening Values (PSVs). The mid case US CO2 PSV starts at \$15/ton in 2026, rising to \$75/ton in 2050 (see Section 5 below for more details on potential federal carbon tax and our advocacy efforts). Shell is also participating in the National Petroleum Council report on CCUS, which is due to be delivered to the Secretary of Energy later this year. The NPC report will come to a similar conclusion, namely that 45Q alone is not sufficient for the US to be a leader in CCUS without additional incentives.~~

- ~~Proposed solution: Although El Camino does not provide a profitable, sanctionable project in 2019, we continue to mature the project due to the possibility of a carbon tax being introduced in the US post-2020; the potential need for CCS on critical Shell projects, including Lake Charles LNG and Azure GTL; and possible further federal incentives or industry collaboration coming from the National Petroleum Council study. We will continue to pace the project accordingly and work collaboratively with industry and policymakers to deliver a profitable investment opportunity for US CCUS.~~

5. POLICY & ADVOCACY STRATEGY

Following the 2018 midterm elections, climate change has once again become a topic in Washington, DC. The recent Green New Deal proposal, while aiming at targets that are impractical and unrealistic, has helped propelled climate change onto the agendas of both the Democrats and Republicans. While it's unlikely that any new climate legislation will be enacted at a federal level prior to the 2020 elections, it is anticipated that climate change will be a key issue in the upcoming presidential campaigns.

In the absence of federal action on climate change, States on the US West Coast and Northeast have taken leadership roles in setting aggressive climate goals. The US also has multiple, distinct regulatory frameworks for power across the different regional power networks. These factors allow for Shell to test different business models in different regulatory regimes across the US, but it also means that Shell US's energy transition efforts in the policy and advocacy space will need to reflect these factors, with a strong voice at the state, regional and municipal level.

The role for policy advocacy will be focused on identifying and securing key enablers of our strategic intent and opportunity funnel. ~~When we consider the key policy enablers needed, they fall into four main categories:~~

- Sequestration: This includes both CCS/CCUS and nature-based solutions (NBS). The infrastructure components needed to finance, operate, maintain, and quantify sequestration of carbon in the US are not uniformly mature or in some cases even in place. In order to use the 45Q tax credits, CCS needs detailed implementing federal regulations must be resolved to build on the 45Q tax credits. Our efforts are focused on the detailed regulatory structures and rules necessary to underpin commercially and technically viable CCS projects.
- Carbon Pricing: Carbon pricing, be it a "carbon tax," "carbon dividend," "carbon fee," or "cap and trade structure," is a necessary element of advancing the energy transition. Although it is unlikely that a national carbon price will be established during the current administration, the volume on the conversation continues to increase, and several efforts are underway to create collaborations among varied business, academia, former government officials and other thought leaders. Shell has and will continue to advocate in favor of a carbon price, both on our own as well as in the context of collaborations like the Carbon Leadership Council and the CEO Climate Dialogue. Shell will also continue to have an active voice in regional and state conversations advocating for carbon pricing to assist in leveling the playing field and educating consumers.
- Emerging Power: Shell is actively engaged with the Independent System Operators (ISOs) that operate the power grids across the US and the state and local public utility commissions that set the rules for ISOs and their participants. We work to influence market design and regulation to enable Shell to commercialize integrated solutions to deliver to customers. We also work with state and local agencies that award some Power Purchase Agreements (PPAs), notably in the Northeast where individual states award offshore wind PPAs to developers. Shell and our partners' unsuccessful bids into New York and New Jersey offshore wind PPA auctions have shown the importance of engagement at the local level.
- Fuels: Advocacy efforts are ~~required-needed~~ at the federal, state and local level to support mobility innovation. Examples include our differentiated position on Corporate Average Fuel Economy (CAFE) standards and our work with local governments and airports around sustainable aviation fuels. Shell will continue to stand apart from some of our colleagues-industry peers on the ongoing need to incentivize the purchase of EV vehicles

Page [PAGE] of [NUMPAGES]

for consumers as well as fleets, and we will continue to showcase the journey to making our existing fuels as carbon neutral as possible. This will require us to find the balance between sustaining our cash engines while creating space for fuels of the future.

6. ENGAGEMENT PLAN

6.1 Engagement Plan

A detailed ~~Work has begun on an~~ Engagement Plan is being developed to support delivery of the strategic intent and commercialization of the opportunity funnel:

- Inputs: The Engagement Plan is informed by analysis of global and domestic economics; external monitoring of campaigns, opinions, discourse and investment trends; stakeholder mapping; and internal feedback from ongoing energy transition employee dialogues in the US.
- Outputs: The plan will outline each target audience; potential detractors and challenges given the current stakeholder landscape; objectives and engagement strategy; key messages; likely allies and non-traditional societal coalitions; channels for engagement and communication; and timelines, metrics of success, resourcing and budget considerations.
- Internal Communications: Given the breadth and depth of employee base in the US, the Engagement Plan will give particular focus to the Internal Communications requirements, with a goal to build staff enthusiasm and understanding around the Energy Transition, how Shell intends to thrive through the transition, and how each employee contributes to that success.

An outline of the Engagement Plan is included in Appendix C.

7. WAY FORWARD

7.1 Country Transition Plan

Feedback from the Executive Committee will be incorporated into a final Country Transition Plan (CTP). The CTP will be reviewed and endorsed by the US ETP Steering Board (a subset of the US CCT) and delivered to CEBC by Q4 2019 for final approval. During this period, we will take advantage of senior leader engagements during Q3 and Q4 to create awareness and understanding of the US Energy Transition strategic intent as we continue to refine the final Engagement Plan.

7.2 US Energy Transition Implementation

Upon approval of the final CTP, the US Energy Transition team will move into the Implementation Phase, focused on supporting delivery of the CTP by:

- Overseeing the Integrated Commercial Solutions Steering Group (see Section 4.1 above). This group will focus on accelerating ideation and delivery of cross-LoB, customer-centric opportunities;
- By Q2 2020, developing a revised opportunity funnel categorizing the opportunities by level of commercial viability or similar metrics;
- Ensuring a healthy opportunity funnel is maintained and refreshed, and tracking progress of delivering commercial value from those opportunities;

- Ensuring that the P&A strategy, Engagement Plan and CTP are updated as necessary to reflect the changing opportunity funnel and external landscape;
- Leading delivery of specific cross-LoB projects by specific agreement with the relevant LoBs (e.g. El Camino); and
- Providing quarterly updates to the US CCT on progress of all the above.

APPENDIX A: SHELL IN THE US



2018 FACTSHEET

SHELL IN UNITED STATES



SHELL'S PRESENCE IN THE UNITED STATES BEGAN MORE THAN A HUNDRED YEARS AGO AS A GASOLINE MARKETER ON THE PACIFIC COAST AND AN OIL PRODUCER IN THE MIDWEST

Today, Shell is one of America's leading energy, petrochemicals and refined products companies, with interests in 50 states employing more than 17,000 people. Shell, with its consolidated companies and share in equity companies, is one of America's foremost producers and marketers of oil, natural gas, petrochemicals, gasoline, lubricants and other refined products.

Shell is a prominent oil and gas producer in the deepwater Gulf of Mexico and a recognized pioneer in oil and gas exploration and production technology. Subsidiaries of Royal Dutch Shell constitute a global group of energy and petrochemical companies operating in more than 70 countries and territories, employing over 82,000 people.

SOCIAL INVESTMENT

2016-2018

Social Investment	\$59.1 million
Education	\$16.9 million
Conservation	\$11.6 million

TAXES, ROYALTIES AND FEES

2018

Paid to governments in U.S.* \$6.3 billion

STAFF COUNTS

2018

Employees	17,400
Pensioners	29,900

106 YEARS
IN THE U.S.

\$6.3 BILLION
TAXES, ROYALTIES,
OTHER FEES

4.8 MILLION
STUDENTS SUPPORTED
2015-2017

THIRTEEN MILLION ACRES
PROTECTED
SINCE 1999

318,000
TEACHERS TRAINED
2015-2017

11% OF U.S. LUBRICANTS
VOLUME PRODUCED

900,000
BARRELS/DAY
REFINING CAPACITY

13,000 SHELL-BRANDED
RETAIL STATIONS

1.5 BILLION BARRELS
OF OIL/CHEMICAL
PRODUCTS TRANSPORTED
IN SHELL PIPELINES

20 BILLION POUNDS
OF CHEMICALS
PRODUCED ANNUALLY

426,000
BARRELS OF OIL/
EQUIVALENT PRODUCTION
PER DAY

\$10 BILLION
CAPITAL SPEND

1/3 OF
SHELL INVESTORS
U.S.-BASED

#1 IN TOTAL GALLONS SOLD
PREMIUM GASOLINE
PREFERRED

7 BILLION
CUBIC FEET/DAY
NATURAL GAS SOLD

\$8.5 BILLION
SPENT WITH
U.S.-BASED SUPPLIERS¹

\$59 MILLION
SOCIAL INVESTMENT
BETWEEN 2016-2018

58,000 HOURS GIVEN BY
12,000
VOLUNTEERS

 facebook.com/shell
 twitter.com/Shell_US
 youtube.com/shell
 flickr.com/royaldutchshell

2018 FACTSHEET SHELL UNITED STATES

UPSTREAM

- 426,000 barrels of oil/equivalent produced per day
- 629 million barrels of proved crude oil and natural gas liquids
- 1,706 billion cubic feet of proved natural gas reserves
- 1.5 million developed oil and gas acreage
- 2.1 million undeveloped oil and gas acreage
- 15,200 productive oil wells
- 1,480 productive gas wells
- Key areas:
 - Pennsylvania, West Virginia – Marcellus and Utica shale gas formations

- West Texas – Permian Basin shale oil
- Gulf of Mexico – Offshore deep water oil
- New energies:
 - Eight wind projects co-owned (Shell 50% interest) – 722 turbines Total capacity – 900 MW
 - Trading and marketing renewable wholesale and retail power through Shell Energy North America
 - Minority interest holder in Silicon Ranch Corporation, leading U.S. developer, owner and operator of solar assets, including approx. 900 megawatts of operational contracted projects

DOWNSTREAM

Retail

- 13,000+ Shell-branded retail stations
- Jiffy Lube®

- Nearly 2,000 locations
- 20 million customers annually

Refining

- Five refineries:
 - Deer Park Refinery (50-50 joint venture with Pemex) – Deer Park, TX
 - Martinez Refinery – Martinez, CA
 - Puget Sound Refinery – Anacortes, WA
 - Port Arthur Refinery – Port Arthur, TX**
 - Convent Refinery – St. James Parish, LA**
 - Norco Manufacturing Complex – St. Charles Parish, LA**

Lubricants

- Five lube oil blending and packaging plants:
 - Newell, WV
 - Galena Park, TX
 - Wilmington, CA
 - Portland, OR
 - River Rouge, MI
- Three regional distribution centers:
 - Houston, TX
 - Vernon, CA
 - Columbus, OH
- Eleven distribution centers throughout U.S.

Chemicals

- Six chemical manufacturing facilities:
 - Mobile Plant – Mobile, AL
 - Norco Manufacturing Complex – St. Charles Parish, LA
 - Gaismar Plant – Ascension Parish, LA
 - Deer Park Plant – Deer Park, TX
 - Martinez Refinery – Martinez, CA
 - Puget Sound Refinery – Anacortes, WA

Trading

- Shell Trading (U.S.) Company:
 - Acquisition, sales and trades of domestic crude oil and products; crude oil lease acquisition; marketing and transport; marine chartering; risk management services.
 - Five+ million barrels of hydrocarbons bought and sold per day
- Shell Energy North America:
 - Trades and markets natural gas, wholesale and retail power, and environmental and risk management products
 - Natural gas sales volume of 7 billion cubic ft/day
 - 270 million megawatt hours sold annually
 - 10,000+ megawatts of generation capacity, with one-third coming from renewable sources

Pipeline

- 75 product terminals
- 1,120 storage tanks with more than 50 million barrels capacity
- Own/operate 3,800 miles of pipeline
- Partial ownership 8,000 miles of pipeline
- More than 1.5 billion barrels transported in pipelines annually

New Energies

- Three hydrogen fueling stations operating in California nine in development
- Provides bio-fuels, including bio-diesel, renewable diesel and ethanol, to California market
- Onshore wind in operations in California: Whitewater Hill and Cabazon

RESEARCH AND DEVELOPMENT

2018

Universities and other research partners \$70.3 million

PROCUREMENT

2018

Procurement Spend \$8.5 billion

= SWMBE* \$781 million

*Small/Women/Minority Business Enterprises

4,252 U.S.-BASED SUPPLIERS!

82% SMALL/WOMEN/MINORITY BUSINESS ENTERPRISES



INTERESTS IN **50 STATES**
EMPLOYING MORE THAN **17,000 PEOPLE**

OPERATING IN MORE THAN **70 COUNTRIES & TERRITORIES**
EMPLOYING OVER **82,000 PEOPLE**

SOCIAL INVESTMENT HIGHLIGHT

Make the Future Detroit, featuring Shell Eco-marathon Americas
Festival of innovation and collaboration in Detroit focused on global energy challenges, featuring an annual student competition to design, build and drive smarter, more energy-efficient vehicles.

2017:

- Thousands of visitors, including 10,000 Detroit Public Schools' students
- More than 100 teams, 1,200 participants
- Winning car achieved 2,713.1 mpg in gasoline-powered prototype

More information at: www.shell.com/semamericas



Headquartered in Houston, Texas, Jiffy Lube® International, Inc. is a wholly owned, indirect subsidiary of Shell Oil Company.
The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate entities. In this brochure, "Shell", "Shell group" and "Royal Dutch Shell" are sometimes used for convenience where reference is made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no real purpose is served by identifying the particular company or companies.

"Subsidiary", "Shell subsidiaries" and "Shell companies" as used in this document refer to companies over which Royal Dutch Shell plc either directly or indirectly has control.
Most information contained in this information sheet is current as of December 2018. Certain numbers have been updated as of 2017 or early 2019. Certain numbers in this material are rounded.
*Includes state income tax numbers for 2017. Motor Fuels and Sales and Use Taxes are paid or collected for states.

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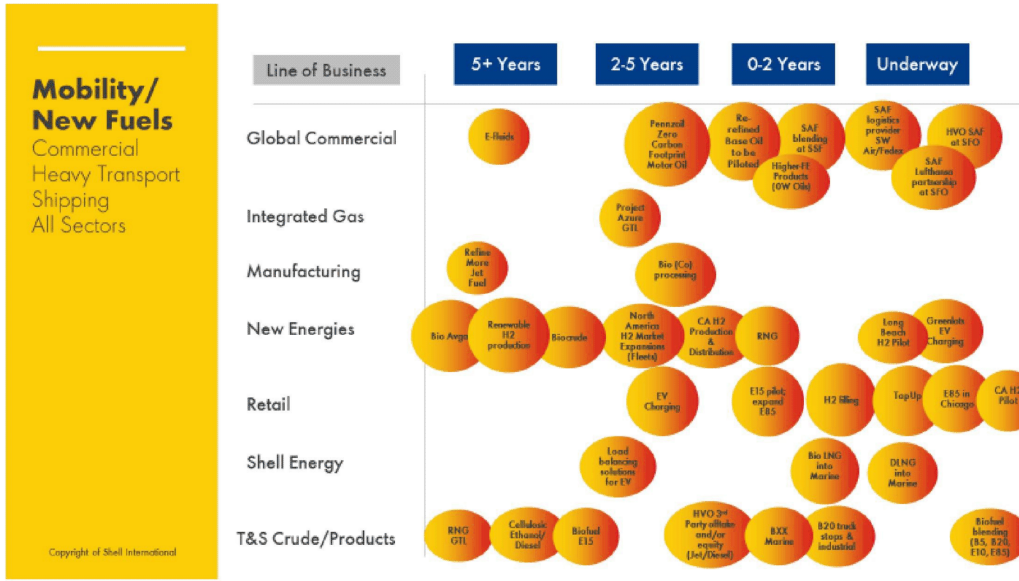
twitter.com/Shell_US

youtube.com/shell

flickr.com/royaldutchshell



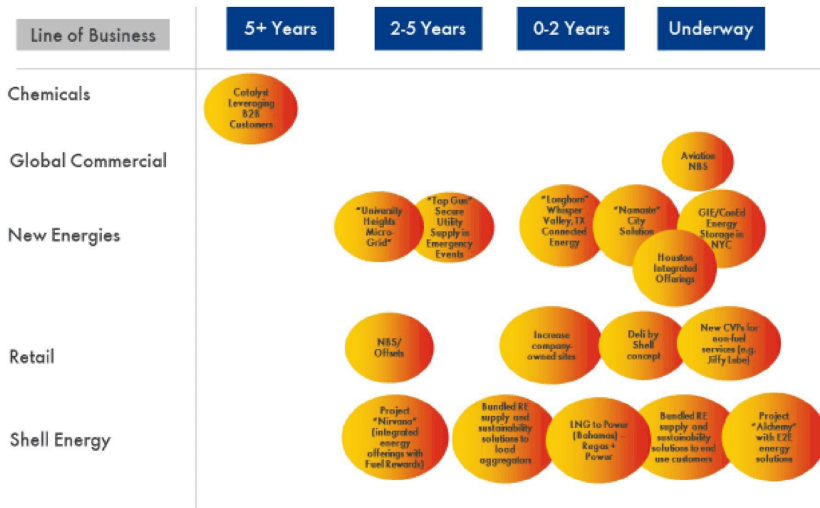
APPENDIX B: OPPORTUNITY FUNNELS



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Integrated Energy Solutions to Customers

Copyright of Shell International



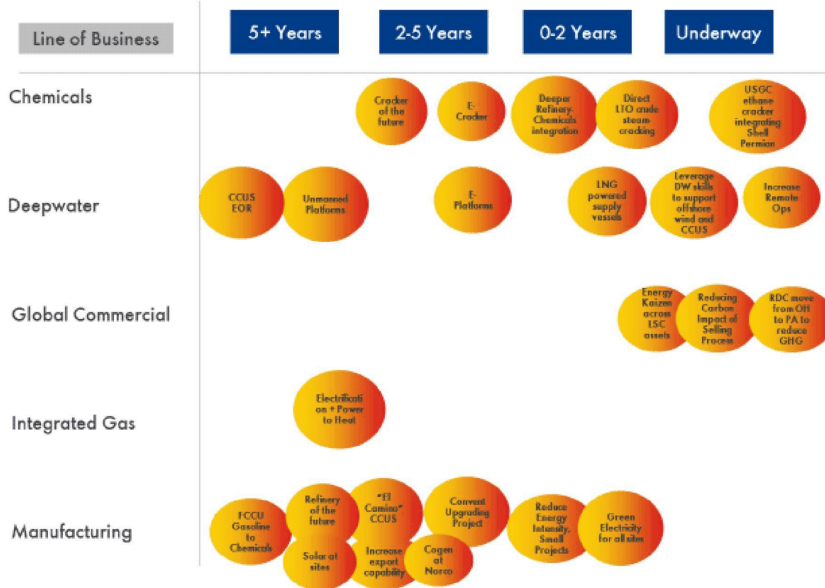
Lower Carbon Offerings (non-mobility, all sectors)

Copyright of Shell International



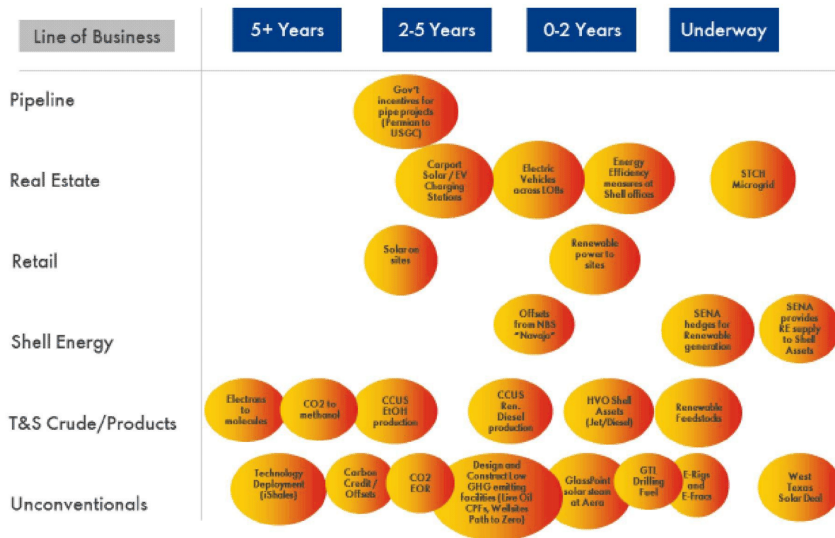
Own Emissions & Efficiency (Part 1)

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Own Emissions & Efficiency (Part 2)

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APPENDIX C: ENGAGEMENT PLAN

[insert outline of engagement plan]

Message

From: Blevins, Susan K [REDACTED]@exxonmobil.com]
Sent: 11/11/2019 3:26:47 PM
To: Kolenda, Sally [REDACTED]@bp.com]; Sherman, Jan B SERC-UPU/N/L [REDACTED]@shell.com]; Schulz, Nick [REDACTED]@exxonmobil.com]; Ryan Thomson [REDACTED]@npc.org]; Qamar, Natasha R SHLOIL-ERUP/U [REDACTED]@shell.com]
CC: Michael Kehs [REDACTED]@hkstrategies.com]; Ryan, Jason [REDACTED]@bp.com]; Ross Eisenberg [REDACTED]@nam.org]; O'Connor, Helen C SHLOIL-ERUP/U [REDACTED]@shell.com]; Joe Householder [REDACTED]@hkstrategies.com]; Easley, Daniel C [REDACTED]@exxonmobil.com]; Schulz, Nick [REDACTED]@exxonmobil.com]
Subject: RE: Updated Key Messages from H+K

A few thoughts following-up on our conversation on Friday, re: the narrative around \$110/tonne. Below sketches out a possible response that we worked on October 17. I wanted to make sure everyone had this in front of them.

1. The NPC recommends a carbon price of \$110/tonne. How do you respond?

- The NPC does not recommend a carbon price of \$110/tonne.
- The Secretary asked what it would take to deploy CCUS technologies at scale in the United States.
- The NPC found that, based on currently deployed technologies, it will require an incentive of ~\$110/tonne in 25 years.
- This incentive level does not factor investments in research, development and deployment (RD&D), which could lead to innovation.
- It also does not cherry pick technologies (i.e., pick winners and losers).
 - Governments, NGOs and energy companies are investing in promising technologies, which should continue as we begin work on these phases.
 - Petra Nova, corporate investments in direct air capture, OGCI investments
 - The study recommends Congress increase RD&D funds to \$15B over the next 10 years.
- Similarly, a project investor could stack incentives to create value. We have seen this with the 2018 amendment to 45Q and the Low Carbon Fuel Standard in California.

Also, in re-reading Chapter 2, I found the following statement that might be helpful:

“The cost per tonne gives an indication of the minimum financial revenue or benefit needed to incentivize supply chain development. Today, these incentives come from revenue generated through the sale of CO2 and from CO2 tax credits.”

Susan

From: Kolenda, Sally [REDACTED]@bp.com]
Sent: Friday, November 08, 2019 11:32 AM
To: Blevins, Susan K [REDACTED]@exxonmobil.com>; [REDACTED]@shell.com; Schulz, Nick [REDACTED]@exxonmobil.com>; Ryan Thomson [REDACTED]@npc.org>; [REDACTED]@shell.com
Cc: Michael Kehs [REDACTED]@hkstrategies.com>; Ryan, Jason [REDACTED]@bp.com>; Ross Eisenberg [REDACTED]@nam.org>; [REDACTED]@shell.com; Joe Householder <[REDACTED]@hkstrategies.com>; Easley, Daniel C [REDACTED]@exxonmobil.com>
Subject: Updated Key Messages from H+K

All,

Attached are the updated key messages for discussion on today's call.

Regards,

Sally

Sally Kolenda

BP America Inc. | Director, External Affairs

mobile: [REDACTED] | e-mail: [REDACTED]
BP America | 1101 New York Avenue, NW | Suite 700 | Washington, DC 20005

Message

From: Arata, Anna J SHLOIL-ERM/A [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=23ABC44272C0412D993131E1A599CFF2-USAASQ]
Sent: 10/8/2019 9:42:49 AM
To: Smith, Curtis A SHLOIL-ERM/A [REDACTED]; Fisher, Ray SHLOIL-ERM/A [REDACTED]; Babski, Cindy SHLOIL-ERM/A [REDACTED]; Rocha, Guilherme Md SBRASEP-ERM/A [REDACTED]
Subject: RE: ironic

This is super interesting – and I’m curious to see where the buck *really* stops. I fully understand the logic behind their argument, but in the same breath, what exactly are we supposed to do instead of divesting...pour concrete over the oil sands and burn the deed to the land so no one can buy them? (I suppose in a perfect world, governments could step in and administer buybacks of dirty resources, but that probably won’t be a popular expenditure when that cash could be used for, um, anything else.)

Further, we didn’t just *happen* upon the oil sands. In that case, let’s chase the paper trail of pointed fingers to Suncor and the Pew family. Right?

Anna Arata
Media Relations

[REDACTED] (office)
[REDACTED] (cell)

From: Smith, Curtis A SHLOIL-ERM/A [REDACTED]
Sent: Tuesday, October 8, 2019 8:51 AM
To: Fisher, Ray SHLOIL-ERM/A [REDACTED]; Arata, Anna J SHLOIL-ERM/A [REDACTED]; Babski, Cindy SHLOIL-ERM/A [REDACTED]; Rocha, Guilherme Md SBRASEP-ERM/A [REDACTED]
Subject: ironic

Morning.

I try not to make a habit of forwarding that which you already have. But this one is noteworthy because it plays into our hands. True, we transfer CO2 liability when we divest. And now we’ve been called on it. It’s no different, however, when we are denied resource access in the US (or elsewhere) and that energy need is then met with resources in a country that (likely) has far fewer regulations than we do in a modern, civilized society. So, denying energy access here only leads to a larger CO2 liability somewhere else. The problem, and the CO2 load, has essentially been transferred. And made worse.

As you were.

The Soapbox

INVESTORS SPLIT ON WHETHER OIL MAJORS SELLING DIRTY ASSETS IS ENOUGH.

[Bloomberg](#) (10/7, Gilblom, 4.73M) reports that although BP has touted its exit from Alaska as a move that lowers the company’s carbon footprint, Hilcorp Energy Co. – which bought BP’s assets – “plans to pour more money to boost production there than BP would have.” BP, Shell, and Total have each divested Canadian oil-sands businesses, selling to buyers that are looking to continue or expand operations. Church of England Pensions Board Director of Ethics and Engagement Adam Matthews said, “If one asset just passes to another and still operates at its maximum capacity, OK that may have helped the profile of that individual company, but does that actually do anything on a net effect of reduced emissions?” While some investors see this divestment as a shifting of carbon rather than progress, “for some...selling the

high-carbon projects makes the companies more resilient to future climate legislation, and that's a step in the right direction.”

Message

From: Smith, Curtis A SHLOIL-CRCI [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=9EB8BAD0D9ED4C3FA29CF7DF5EAC41A8-USCSMN]
Sent: 10/8/2021 4:49:26 PM
To: SITI No Reply SITI-ZZZ/ZF [REDACTED]; Gunnell, Natalie SHLOIL-CRCI/A [REDACTED]; Arata, Anna J SHLOIL-CRCI/A [REDACTED]; Babski, Cindy SHLOIL-CRCI/A [REDACTED]
Subject: RE: Media Inquiry

Not with a ten foot pole.

From: no-reply@shell.com <no-reply@shell.com>
Sent: Friday, October 8, 2021 3:41 PM
To: Gunnell, Natalie SHLOIL-CRCI/A [REDACTED]; Smith, Curtis A SHLOIL-CRCI [REDACTED]; Arata, Anna J SHLOIL-CRCI/A [REDACTED]; Babski, Cindy SHLOIL-CRCI/A [REDACTED]
Subject: Media Inquiry

Think Secure. This email is from an external source.



Formstack Submission For: [en_us_contact media team](#)

Submitted at 10/08/21 5:41 PM

Name:	Allegra Kirkland
Media Outlet:	Teen Vogue
Phone:	[REDACTED]
Email:	[REDACTED]@condenast.com
Twitter Handle:	Allegra Kirkland

Your Question: Hi there,
I'm reaching out about an op-ed criticizing publications for working with fossil fuel companies and lobbying groups. The piece mentions the campaigns that the New York Times' T Brand Studio has created for Shell. The ad in question "paints Shell

authors, even though fossil fuel companies' clean-energy investments account for a small percentage of their total capital expenditure, compared to investments into finding new pockets of oil and gas.

In brief, the piece claims that campaigns like this allow the fossil fuel industry to "misrepresent" itself as a force working to replace fossil fuels.

I wanted to see if Shell had any comment it would like to provide. Thanks very much

Your Deadline: Wednesday October 13

What energy topics do you typical cover?: Alternative Energies

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Formstack, 11671 Lantern Road, Suite 300, Fishers, IN 46038

Message

From: Gretchen Watkins [REDACTED]
Sent: 8/6/2021 3:26:31 PM
To: Cuellar, Aura M SHLOIL-UPU [REDACTED]
Subject: Fwd: Follow up on Houston Hub CCUS project statement

FYI as discussed

Best Regards,

Gretchen

Begin forwarded message:

From: "Johnson, Krista SHLOIL-GRA" [REDACTED]
Date: July 29, 2021 at 10:23:01 AM CDT
To: "Watkins, Gretchen H SERC-UP" [REDACTED] >
Subject: FW: Follow up on Houston Hub CCUS project statement

Gretchen,

Raising for us to discuss when you return. We are aware that as of today there are zero companies willing to move forward with this (as an external consortium, led by XOM). The reputational risk of doing so is too high given the daily flow of stories in which they continue to feature. Today's story was about the millions they have spent in places like CSIS and Brookings and the possible influence that has had on climate research in the think tank community, which followed yesterday's story in which the chairman of the subcommittee who intends to call oversight hearings demanded an interview with their lobbyist.

Appreciating that Lee's remit and lens for this is a commercial one I am obviously happy for his team to continue to pursue the opportunities available to capture value for Shell in the project where that is possible. I am not interested in participating in any advocacy effort led by XOM.

Best,
Krista

Krista Johnson
Head, US Government Relations

From: Stockwell, Lee L SERC-UP/CCUS [REDACTED] >
Sent: Wednesday, July 28, 2021 3:24 PM
To: Johnson, Krista SHLOIL-GRA [REDACTED] >; Funk, Marnie SHLOIL-GRA [REDACTED] >
Subject: RE: Follow up on Houston Hub CCUS project statement

Hi Krista,
Thanks for reaching out. In short, yes we will be participating in a Houston CCS hub. XOM has clearly taken the drivers seat here, but there is recognition that this is not something that could be accomplished

unilaterally. My guidance from senior leadership is to lean into this and work to take ownership of some of the workstreams of this forming consortia to solidify a place of influence in the direction of the concept.

In my mind, the general tenants of what this concept requires to succeed are what we will be working to move CCUS on the Gulf coast forward to enable our internal ambitions. So we will be linked to this at some point in time. This media concept seems to be lower risk to me as it isn't XOM branded and starts in a better position than then 2 or 3 company model were contemplating previously.

Personally, I think it is something we should join. But recognize that isn't my expertise.

Happy to discuss further.

Lee

From: Johnson, Krista SHLOIL-GRA [REDACTED]
Sent: Wednesday, July 28, 2021 11:58 AM
To: Stockwell, Lee L SERC-UP/CCUS [REDACTED]; Funk, Marnie SHLOIL-GRA [REDACTED]
Subject: FW: Follow up on Houston Hub CCUS project statement

Lee,

Hope you are well. Are we actively considering partnering in this project? I am trying to weigh the need to actively participate in driving the external campaign for the project which certainly has some benefits associated with it, with the risks of moving out with this particular group led by this particular company at this moment.

Best,
Krista

Krista Johnson
Head, US Government Relations

From: Bucci, Maria N SEPCO-ERIG [REDACTED]
Sent: Thursday, July 22, 2021 1:48 PM
To: Johnson, Krista SHLOIL-GRA [REDACTED]
Subject: Follow up on Houston Hub CCUS project statement

Krista,

I hope this email finds you well.

I wanted to connect briefly to share with you updated information on the project of reference. As your calendar looks very busy, to avoid delays I'd rather share with you here the information I gathered from Pat McCarthy at XOM, with more detailed outline and updated strategy plan on the CCUS project (summary attached):

- **Signatories:** Up to now, 14 out of the 15 biggest CO2 emission ranked companies from the project demonstrated firm interest in becoming signatories of the announcement, including all majors. (See attached file, slide 2 for list of companies)

- **Project entity:** They are working with a NY agency to develop a project name that makes it stand on its own, similar to the “Northern Lights CCS” by Shell, Equinor & Total. Companies would all be supporting and engaged in the project, but no company leading.
- **Comms Strategy:** No ExxonMobil branded comms. All companies would play the same role. Statement proposed is only an expression of interest with no commitments (See slide 4 for draft statement). The objective is to demonstrate that the project, after its early announcement in April, is moving forward to become a reality and that companies are actioning to materializing it. After the announcement, companies would start advocating in their areas of operation with own key stakeholders, through a specific plan to be agreed between the parties.
- **Comms Plan:** Under development, but expected to be print (full page Houston Chronicle & others) and amplification via signatory companies social media handles.
- **Coalitions:** I asked if they had considered identifying a coalition or organization to become the “champion advocate” (OGCI, GHP). He indicated OGCI is somewhat cumbersome. They are considering building an official coalition between the parties herewith involved as a next step. However, they have discussed with **Greater Houston Partnership** and are fully supportive. They will have a follow up meeting next week also to continue discussions.
- **Timeline:** Intent is that it is published **end of August**, prior to US Major’s Summit @Houston, hosted by Major Turner during 1st week of September, so he can mention and reference.
- **Follow Up actions:** Exxon will set a meeting in 1/2 weeks approx. to discuss with companies and share proposed plan (and likely update on project name, etc).

I would like to ask you if there are any additional concerns from your perspective that become show stoppers, or should be addressed. If none, would you be ok at this point to support participating in conversations towards becoming a signatory ? (Final decision can always be reverted if we are not comfortable with any of the final statements).

Given this format, and considering by joining we can influence any final outcome, I don’t see red flags in this approach but rather opportunities. I have discussed this with Curtis Smith and he agreed no red flags from his end with the proposal, and likely to become a potential game changer and positive big news.

If you agree, then we’d need to share for Gretchen’s approval – would you take that or shall I follow up with Melanie Kainer still? I’ll follow up with XOM to confirm our intention and be sure we are included in the meetings to come.

I have checked with Chris Angelides and Jesse Saldivar (Industry) also to ensure no clash from the *Houston Hub* pillars. Jesse has only asked that if we move forward, he’d like to share with Steve Hill as fyi, so would need to follow that once I have your confirmed support.

Many thanks in advance,

Natalia

Maria Natalia Bucci

Shell Exploration & Production Company
 External Relations Manager Integrated Gas Ventures
 Government Relations Argentina, Chile & Uruguay



150 North Dairy Ashford Rd.

Houston, TX77077

Message

From: Smith, Curtis A SHLOIL-ERM [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/[REDACTED]]
Sent: 10/1/2020 4:52:02 PM
To: Kainer, Melanie S SEPCO-ERUP [REDACTED]
CC: Powers, Marti D SHLOIL-ERUP [REDACTED]
Subject: Re: NYT Tweet awareness

Thanks Mel. My last note to her was a bit of a nastygram wrapped in chocolate. If justice is served, she won't have the opportunity to report on shell ever again.

Sent from my iPhone

On Oct 1, 2020, at 5:47 PM, Kainer, Melanie S SEPCO-ERUP [REDACTED] wrote:

P.S. just got a follow-up note from Meg @ API saying it appears the tweet has been deleted. And yes, that was appalling.

From: Smith, Curtis A SHLOIL-ERM [REDACTED]
Sent: Thursday, October 1, 2020 4:44 PM
To: Kainer, Melanie S SEPCO-ERUP [REDACTED]
Cc: Powers, Marti D SHLOIL-ERUP [REDACTED]
Subject: Re: NYT Tweet awareness

I deal w this reporter and she's totally biased. But this is extremely over the line. First time I've been called a supremest.

Sent from my iPhone

On Oct 1, 2020, at 5:35 PM, Kainer, Melanie S SEPCO-ERUP [REDACTED] wrote:

Curtis – see below for info.

m

From: Megan B. Bloomgren [REDACTED]
Sent: Thursday, October 1, 2020 4:26 PM
To: 'Communications Committee' [REDACTED]
Cc: Ben Marter [REDACTED] Cornelia F. Horner [REDACTED]
Subject: NYT Tweet awareness

Think Secure. This email is from an external source.

Dear Members of API's Communications Committee,

I want to draw your attention to two items this afternoon:

First, a tweet this afternoon by Hiroko Tabuchi – a climate reporter at the *New York Times* with whom many of you and your team engages and is responsive to daily.

“I’ve been thinking a lot about fossil fuels and white supremacy recently. Almost every single oil executive, lobbyist, spokesperson I’ve dealt with is white and male. It’s difficult not to see a link.”

<https://twitter.com/HirokoTabuchi/status/1311731075824132097?s=20>

Oct 1, 2020 | 2:13pm

Second, I want you to know what actions we took and our recommendation that we do not get into a public (Twitter) fight with the reporter who has consistently shown a lack of objectivity in her coverage on a platform like Twitter that gives the issue more public attention.

I conferred with our Committee’s Chair and Vice Chair (Gordon Pennoyer and Kent Robertson) and sent a note earlier this afternoon after the tweet was posted to the *New York Times’s* Executive Editor, Managing Editor, Climate Editor, and Associate Managing Editor of Standards (who provides guidance and advice to newsroom colleagues on issues of journalistic standards and ethics; review concerns and outside complaints about coverage; oversee the newsroom stylebook). As you may know, the *Times’s* Public Editor (Ombudsman) position was eliminated in 2017.

I encouraged them to do the right thing in addressing Ms. Tabuchi’s completely baseless link and offensive accusation. I also noted that in the meantime, any calls from Ms. Tabuchi to our industry, its executives, or the 10 million workers it supports will likely go unreturned given the extreme lack of objectivity/neutrality Ms. Tabuchi has shown – a position that undercuts the *Times’s* journalist reputation.

Let me know if you have any feedback for Ben and me and I’ll let you all know next steps when I hear back from the *Times*.

Thanks,
Meg

Megan Bloomgren
SVP, Communications
American Petroleum Institute

www.api.org

<image001.png>

Message

From: Clifford Krauss [REDACTED]
Sent: 10/1/2020 9:11:50 PM
To: Smith, Curtis A SHLOIL-ERM [REDACTED]
Subject: Re: We're done

Think Secure. This email is from an external source.

I obviously can't comment, but you wrote what you felt and that is good.

Clifford Krauss
National Energy Correspondent
New York Times Houston Bureau
[REDACTED]

On Thu, Oct 1, 2020 at 7:28 PM [REDACTED] wrote:

Didn't want to make a spectacle of this on social media but I couldn't let it go, entirely.

Here's to better days for all of us.

Curtis

Sent from my iPhone

Begin forwarded message:

From: "Smith, Curtis A SHLOIL-ERM" [REDACTED]
Date: October 1, 2020 at 6:33:00 PM EDT
To: Hiroko Tabuchi [REDACTED]
Subject: We're done

Hiroko,

The leap you make in your tweet is wildly inaccurate and extremely offensive.

My boss – the most senior Shell executive in the U.S., is a woman. To say nothing of the all-star media team I work with in the U.S. – all of them female. While the industry we represent has a long way to go when it comes to minority/gender representation, we're working hard on it. You might consider putting a similar level of effort into your journalism. But not with me – we're done.

Curtis

"I've been thinking a lot about fossil fuels and white supremacy recently. Almost every single oil executive, lobbyist, spokesperson I've dealt with is white and male. It's difficult not to see a link." <https://twitter.com/HirokoTabuchi/status/1311731075824132097?s=20> Oct 1, 2020 | 2:13pm

Please be informed that any personal data submitted and handled as a part of the Shell business relationship with its customers, supplier or partners is processed in accordance with the Shell Global Privacy Policy - Business Customers, Suppliers and Business Partners available at the relevant webpage under the domain www.shell.com, as supplemented by any further specific and/or local privacy statements. For any queries or concerns regarding processing of your personal data, please refer to the Shell Global Privacy Policy - Business Customers, Suppliers and Business Partners or contact your relevant Customer Service Centre.

Message

From: Whitman, Kristin P SHLOIL-GRA [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=5EE0E21B76A94C69B97930C347C0AC4C-USKWH5]
Sent: 9/1/2020 9:21:30 AM
To: Hines, John T SHLOIL-GRA [REDACTED] Smith, Curtis A SHLOIL-ERM [REDACTED] Johnson, Krista SHLOIL-GRA [REDACTED]
Subject: RE: Query from NYT reporters on ACC lobbying

Thank you. Let's work on taking away their birthdays next.

From: Hines, John T SHLOIL-GRA [REDACTED]
Sent: Tuesday, September 1, 2020 10:13 AM
To: Smith, Curtis A SHLOIL-ERM [REDACTED] Johnson, Krista SHLOIL-GRA [REDACTED]
Whitman, Kristin P SHLOIL-GRA [REDACTED]
Subject: RE: Query from NYT reporters on ACC lobbying

Thanks

From: Smith, Curtis A SHLOIL-ERM [REDACTED]
Sent: Tuesday, September 1, 2020 10:12 AM
To: Hines, John T SHLOIL-GRA [REDACTED] Johnson, Krista SHLOIL-GRA [REDACTED] Whitman, Kristin P SHLOIL-GRA [REDACTED]
Subject: FW: Query from NYT reporters on ACC lobbying

Please don't forward.

From: Smith, Curtis A SHLOIL-ERM
Sent: Tuesday, September 1, 2020 8:33 AM
To: 'Michael Corkery' [REDACTED]
Cc: Hiroko Tabuchi [REDACTED]
Subject: RE: Query from NYT reporters on ACC lobbying

Morning guys,

Actions by ACC are for them to answer to, but this is the conclusion you came to?

Big Oil Is in Trouble. Its Plan: Flood Africa With Plastic.

I honestly don't know where to start with this one, and I realize you don't write headlines, but pretty sure that's not "The Plan."

This conclusion (below) so misses the mark I have to look at myself and wonder if I've completely failed in conveying (to U.S. media) the essence of the philosophic change that is (and has been) underway in our company for years. Even if I did fail, I'm curious who from industry hinted they were *fearful* and *scrambling* to sell product?

The industry is fearful that climate change will force the world to retreat from burning fossil fuels. Producers are scrambling to find new uses for an oversupply of oil and gas.

I know you to be extremely sharp and fair journalists. It's my opinion this piece misses that mark by a wide margin.

C-

Message

From: Donaldson, Sally VH SI-ERM/U [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS, [REDACTED]
Sent: 9/1/2020 10:24:10 AM
To: Sherwin, Rob A SI-ER [REDACTED]; Smith, Curtis A SHLOIL-ERM [REDACTED]
Subject: RE: Query from NYT reporters on ACC lobbying

Thanks Curtis. Interested to hear if they reply to you!

By the looks of twitter, the Uearthed writer seemed pretty stoked and maybe quite surprised that the NYT ran her piece.

But agreed, definitely a topic we need to be on top of.

Sally

From: Sherwin, Rob A SI-ER [REDACTED]
Sent: 01 September 2020 15:44
To: Smith, Curtis A SHLOIL-ERM [REDACTED]; Donaldson, Sally VH SI-ERM/U [REDACTED]
Subject: RE: Query from NYT reporters on ACC lobbying

Thanks for at least letting them know that you're (we're) disappointed. Shame to see another publication fall the lure of accepting Uearthed's work 'hook, line & sinker'. But also weak response from ACC. And frankly we do have questions to answer about whether we're going to take any responsibility for where PennChem's output ends-up. This is one that's gonna run & run ... because we haven't even finished building a facility that will potentially churn out the raw material with which to produce single use plastic for 30 years ... R

From: Smith, Curtis A SHLOIL-ERM [REDACTED]
Sent: 01 September 2020 15:30
To: Sherwin, Rob A SI-ER [REDACTED]; Donaldson, Sally VH SI-ERM/U [REDACTED]
Subject: FW: Query from NYT reporters on ACC lobbying

FWIW – which seems like not much right now.

C-

From: Smith, Curtis A SHLOIL-ERM
Sent: Tuesday, September 1, 2020 8:33 AM
To: 'Michael Corkery' [REDACTED]
Cc: Hiroko Tabuchi [REDACTED]
Subject: RE: Query from NYT reporters on ACC lobbying

Morning guys,

Actions by ACC are for them to answer to, but this is the conclusion you came to?

Big Oil Is in Trouble. Its Plan: Flood Africa With Plastic.

I honestly don't know where to start with this one, and I realize you don't write headlines, but pretty sure that's not "The Plan."

This conclusion (below) so misses the mark I have to look at myself and wonder if I've completely failed in conveying (to U.S. media) the essence of the philosophic change that is (and has been) underway in our company for years. Even if I did fail, I'm curious who from industry hinted they were *fearful* and *scrambling* to sell product?

The industry is fearful that climate change will force the world to retreat from burning fossil fuels. Producers are scrambling to find new uses for an oversupply of oil and gas.

I know you to be extremely sharp and fair journalists. It's my opinion this piece misses that mark by a wide margin.

C-

Message

From: Smart, Kirsten SI-ERM [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/[REDACTED]]
Sent: 8/14/2020 2:23:47 AM
To: Smith, Curtis A SHLOIL-ERM [REDACTED]; Haslam, Anna L SI-ERM/U [REDACTED]
CC: Whitman, Kristin P SHLOIL-GRA [REDACTED]; van Mook, Ralph R SI-ERM/U [REDACTED]
Subject: RE: Query from NYT reporters on ACC lobbying

Thanks for the heads up Curtis. Disappointing.....

From: Smith, Curtis A SHLOIL-ERM [REDACTED]
Sent: 13 August 2020 22:05
To: Haslam, Anna L SI-ERM/U [REDACTED]; Smart, Kirsten SI-ERM [REDACTED]
Cc: Whitman, Kristin P SHLOIL-GRA [REDACTED]
Subject: FW: Query from NYT reporters on ACC lobbying

Well, there you go – the NYT is now following GP-planted stories. Which, among other unsavory actions, has me taking out my mini-utensils so I can better eat *fillet of cow*.

I do plan to chastise these fellows for not doing their own journalism, but that will be off the record and on the phone. In the meantime, I'm not inclined to offer much here and will keep our statement handy if they directly ask why we are still with the ACC:

"Shell companies participate in industry associations for many reasons. By nature they are consensus-based organisations, and their positions don't necessarily reflect the views as individual members. ACC is one of a handful of US-based trade organizations that allows Shell to exchange industry best practices around a range of issues, including safety, climate change, and the sustainable use, disposal and recycling of the products we collectively produce."

@ Kristin – feel free to alert ACC they are about to go prime time if they don't know that, already.

C-

From: Smith, Curtis A SHLOIL-ERM [REDACTED]
Sent: Thursday, August 13, 2020 4:57 PM
To: Hiroko Tabuchi [REDACTED]; Corkery, Michael [REDACTED]
Subject: RE: Query from NYT reporters on ACC lobbying

Hi Hiroko and Michael,

Thanks for reaching out. Just tried to call you. Lots to unpack in here. I'll check with my colleagues to understand what, if anything, we'd have to add.

My mobile is [REDACTED]

Best,
Curtis

From: Hiroko Tabuchi [REDACTED]
Sent: Thursday, August 13, 2020 4:24 PM
To: Smith, Curtis A SHLOIL-ERM [REDACTED] Corkery, Michael [REDACTED] Babski,
Cindy SHLOIL-ERM/A [REDACTED]
Subject: Query from NYT reporters on ACC lobbying

Think Secure. This email is from an external source.

Dear Cindy, Curtis

I wanted to give you a head's up that my colleague Michael Corkery and I are working on an article that examines some of the recent efforts by the Trump administration to forge a free trade agreement with Kenya, and lobbying by the American Chemistry Council on issues related to plastic production and consumption, and trade in plastic waste.

We have obtained USTR email correspondence, from Greenpeace's Unearthed journalism unit, showing how the American Chemistry Council lobbied for various provisions in the trade deal with Kenya. We are also citing a letter that an ACC representative sent to the USTR.

Specifically, we are going to make note of an April 28 letter in which Ed Brzytwa from the ACC calls for the Kenya trade deal to "prohibit imposition of domestic limits on production or consumption of chemicals and plastic and restrictions on cross-boundary trade of materials, feedstocks, and wastes."

The article will point out how environmental advocates in Kenya say that such a provision would roll back many of the strides, including a plastic bag ban and proposals for other limits on single use plastic, that the country has made in curbing plastic pollution. They say it was one of the most broad and aggressive efforts by an American plastics trade group to limit another country's attempts to regulate plastic usage,

"We anticipate that Kenya could serve in the future as a hub for supplying U.S.-made chemicals and plastics to other markets in Africa through this trade agreement," Mr. Brzytwa wrote. We note that Mr. Brzytwa, before becoming a lobbyist five years ago, worked for more than a decade in the Office of the U.S. Trade Representative and the trade section of the Department of Commerce.

We also point to examples from the emails that seem to show close coordination between ACC lobbyists and federal agency officials in discussing strategy relating to the Basel convention amendments. We note that in April 2019, the ACC invited a group of federal agency officials, including USTR official Maureen Hinman, to a meeting at ACC headquarters to discuss the Alliance to End Plastic Waste, an industry effort to fight pollution. Ms. Hinman responds, "What you are doing with the Alliance is an important counternarrative" and "If you have space, I'd love to join."

Finally, the story will make note that ACC representatives called on U.S. trade officials to guide Kenya in rejecting regulations of hazardous chemicals that were modeled after an approach favored by the European Union, writing in a letter that the United States must ensure Kenya adopts rules that protect "competitiveness and innovation" in addition to human health and the environment.

We mention in the article that Shell Chemical is a member of ACC.

Our questions:

- Please let us know asap if Shell or Shell Chemical has any clarification or comment on the above points.
- Specifically, does Shell or Shell Chemical have any comment on the criticism from within Kenya that the requests made in the letter intrude on domestic policy and threatens the progress the country has made in curbing plastics?
- Are there any independent positions taken by Shell or Shell Chemical regarding the U.S.-Kenya free trade negotiations that we should be aware of?

Our deadline is 4:30 p.m. tomorrow, Friday, Aug. 14. Please give me a call if you want to talk through any of this. I can be reached at [REDACTED]

Hiroko Tabuchi | Reporter | The New York Times | Phone [REDACTED]
| <http://www.nytimes.com/by/hiroko-tabuchi>