

# OGCI Climate Investments Q+A: New Investment Call for Methane Projects

## **What is OGCI Climate Investments, and what is the link to OGCI?**

OGCI Climate Investments is a \$1B+ fund that invests in solutions to decarbonize sectors across oil and gas, industrials, and commercial transport. We look for outcomes that reduce methane and carbon dioxide emissions, and that can recycle or store carbon dioxide.

The fund was established in 2016 by the Oil and Gas Climate Initiative (OGCI), a CEO-led consortium that aims to accelerate the industry response to climate change. OGCI's members include BP, Chevron, CNPC, Eni, Equinor, ExxonMobil, Occidental, Petrobras, Repsol, Saudi Aramco, Shell and Total.

## **What does OGCI Climate Investments do to reduce methane emissions?**

Identifying, finding, and fixing methane emissions is a crucial part of our mandate, and as an investment fund, we already have [six investments](#) in these areas. Outside of our new Investment Call, we will continue to make cost-effective investments in innovative methane reduction technologies and companies to work towards our ultimate goal of finding business models for methane mitigation.

We believe that once we have achieved this, others will follow in operationalizing these business models, which will attract broader investor participation in future emission reduction projects.

## **Have the OGCI member companies made commitments to reduce their own methane emissions? Does OGCI Climate Investments have any involvement with this?**

OGCI members are on track to meet the collective [methane intensity ambition](#) of 0.20% by 2025 that was announced in September 2018. We work closely with member companies to test and deploy our investees' innovative technologies. We also support the broader adoption of solutions to identify, find and fix methane emissions across the industry, beyond OGCI's members, which is why we have established this Investment Call. We want others to understand and see a clear path towards achieving these same targets and ambitions.

## **Why is methane reduction meaningful to OGCI Climate Investments?**

Finding and fixing methane emissions is core to Climate Investments' impact strategy. Methane emissions are responsible for 25% of current global warming. Methane is a far more potent greenhouse gas than CO<sub>2</sub>. However, since methane stays in the atmosphere for a much shorter time than CO<sub>2</sub> (around a decade, rather than centuries), reducing emissions urgently now can have a faster impact on the

pace of global warming than other climate efforts.<sup>1</sup> Reducing methane emissions – significantly and urgently – is essential if the world is to achieve the goals of the Paris Agreement.

### **Has Covid-19 impacted efforts to reduce methane emissions?**

OGCI Climate Investments' commitment and ambition remain unchanged. We believe now is the time to fund creative financing solutions to continue efforts on methane mitigation, in some cases alongside other public and private Covid-19 recovery funds.

### **What is an Investment Call, and what does it aim to achieve in this case?**

Our global Investment Call solicits projects that can demonstrate significant methane reduction at any point in the oil and gas value chain. We seek to invest in commercially and operationally viable projects that materially reduce methane emissions in oil and gas operations.

### **What are the requirements for projects to be eligible?**

As well as being capable of achieving a significant reduction in methane, these projects must have proven technology and need to be both economic and operationally viable with existing customers (we are not a grant-making body), so that we can make commercial investments. However, outside of these considerations, we have no limitations on where it is in the value chain, whether it's upstream, midstream or downstream.

### **What type of projects is OGCI Climate Investments looking for?**

Our Investment Call remit is broad because we believe that the wider the call, the more we will learn about how best to reduce methane emissions and the greater climate impact we will have. Successful project applications will demonstrate business models to serve customers that can be replicated.. Project proposals may include, but are by no means limited to, areas such as: reducing flare gas, venting and fugitives; complete combustion, and methane replacement in pneumatics.

### **Are there target countries that are being prioritized?**

Our Investment Call is a global one, and we welcome applications from around the world. Eliminating methane emissions is a global challenge, and we have structured this Investment Call accordingly.

### **How much is OGCI Climate Investments investing through this Investment Call?**

This is a new investment initiative, and we have not set any caps on the amount so that we can choose proposals based on value and impact.

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<sup>1</sup> M. Saunio et al, [Global Methane Budget 2020](#), Global Carbon Project

**Where are applications made?**

We accept applications through our website. The online application form can be found here: <http://info.oilandgasclimateinitiative.com/investment-call-form>

**When is the final date for submitting calls for proposals?**

We are accepting project submissions until September 14. We will look at all proposals as and when they come in.

**Are OGCI member companies involved in the call for projects?**

The Investment Call for viable methane mitigation projects is targeted explicitly at smaller oil and gas companies, which need financial support. We will not accept applications from projects in which OGCI's member companies are major players.

## 2020 Investment Call

# Projects to reduce methane emissions

OGCI Climate Investments is committed to driving significant **reductions in methane emissions** across the oil and gas value chain. We are launching a **new program to finance or invest in projects** around the world that **deliver significant near-term impact** by deploying proven methods and technologies. We welcome owners, operators, service companies, project developers and solution providers to submit their project proposals for investment consideration.

Flare minimization

Venting elimination

Fugitives reduction

Complete combustion

## What is an Investment Call?

An Investment Call is a broad solicitation for projects where OGCI Climate Investments can enable rapid implementation through investment.

- This Call seeks to invest in **commercially and operationally viable** projects that reduce methane emissions in oil and gas operations around the globe.
- Successful project applications will demonstrate business models that can **scale up, be replicated, and encourage broader industry adoption**.
- Apply through our website: [oilandgasclimateinitiative.com](http://oilandgasclimateinitiative.com)

Find out more information via our contact details below.

## Why does this matter?

The global warming potential of methane is **28 times** that of CO<sub>2</sub> over 100 years

(IPCC AR5, 2013)



Methane is responsible for around **25%** of today's global warming

(IPCC AR5, 2013)

Oil and gas operations created **~80Mt** of methane emissions in 2019

(IEA Global Methane Tracker 2020)

### UPSTREAM



Drilling



Production



Storage

### MIDSTREAM



Processing



Transportation

### DOWNSTREAM



Refining

## What is the impact?

- OCCI Climate Investments aims to accelerate the reduction of methane emissions by **closing the capital availability gap that is hindering commercially viable projects**.
- Successful demonstration of innovative business models will **attract broader investor participation** in future emission reduction projects.

## Timing

**Monday, June 15th, 2020**

Application window opens\*

\*Proposals will be reviewed as they are received

**Monday, September 14th, 2020**

Application window closes

## About OGCI Climate Investments

OGCI Climate Investments is a \$1B+ fund, launched in 2017 by the Oil and Gas Climate Initiative, a CEO-led consortium that aims to accelerate the industry response to climate change.

We look for outcomes that reduce methane and carbon dioxide emissions, and that can recycle or store carbon dioxide.

Achieving significant impact requires global implementation and commercial frameworks – at OGCI Climate Investments, we collaborate with innovators, investors and governments to fund and implement impactful solutions.

## OGCI Climate Investments member companies



Find out more



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