

Gas consumers should utilize bridge products: BP

The energy transition for natural gas consumers is complex, and bridge products should continue to be utilized to combat carbon emissions, a top BP energy transition director said today.

Managing director of low carbon and cross commodity origination at BP Mark Aufmuth cited renewable natural gas (RNG), carbon offset natural gas and certified natural gas as such bridge products in a presentation at the Midcontinent LDC Gas Forum in Chicago, Illinois.

Some bridge products for lower emissions gas use can be incorporated currently at scale while the markets for hydrogen blending and carbon capture utilization and sequestration continue to mature, Aufmuth said.

Already several US utilities have taken steps to incorporate these bridge products for consumers that wish to lower their emissions use, but additional steps may need to be considered in order to combat price volatility as these products become more mainstream.

According to Aufmuth, RNG can have price volatility because different types of RNG have different carbon intensities, but that issue could be managed through long term fixed RNG price contracts.

Voluntary carbon offsets, which include actions such as planting trees that were previously cut down, would also reduce carbon emissions and even promote other societal benefits such as habitat restoration. But similar to RNG, the price of carbon offsets is quite volatile and fixed price contracts were also recommended as a solution in the presentation.

Aufmuth described certified natural gas as a bridge product that can help gas consumers better quantify a reduction of upstream methane emissions, while he said hydrogen blending and carbon capture utilization and sequestration were the "next steps" for consumers in the energy transition.

"The markets are closely watching the results of these natural gas LDC hydrogen blending projects to really determine how much hydrogen you can safely and effectively blend into the existing natural gas infrastructure, and this could potentially send an important demand signal to the market", Aufmuth said.

Aufmuth further detailed the importance of educating industry stakeholders, such as public utilities commissioners and state legislators, to accurately articulate what the energy transition might look like to pursue a lower carbon future.