



Argus News & analysis

Renewable natural gas not 'major' for climate: Chevron

13 Jun 24, 19:34 - Natural gas, Biomethane, Corporate, Fundamentals, Supply, Infrastructure, E and P, Net zero

New York, 13 June (Argus) – The growth of renewable natural gas (RNG) production is great news for the climate, but "to say that it is having a major impact by itself is difficult," the president of Chevron's global gas division said this week at an industry gathering.

The US oil major, which has invested in RNG facilities in [California](#), Michigan and elsewhere in recent years, has also boosted its conventional gas production on the heels of a crude-focused acquisition of a Denver-based producer.

"I don't want to get called out (for) greenwashing or whatever because the volume is just very small compared to the overall portfolio," Chevron gas division president Freeman Shaheen said at the Northeast LDC Gas Forum in Boston, Massachusetts.

Advocates for RNG hail the fuel, comprising methane from landfills and animal waste projects that is processed into pipeline-quality gas, as a boon for the climate. This is not only because its use displaces conventional natural gas produced in hydrocarbon drilling – so-called 'fossil gas' – but because its production takes methane that would have been released directly into the atmosphere and burns it as fuel, releasing CO₂ – a less potent greenhouse gas – instead.

But RNG today comprises just 0.5pc of the North American gas market. Even with continued policy support and technological development, Wood Mackenzie projects it will grow to just 4 Bcf/d (113mn m³/d), or 3pc of the market, by 2050. This is why some policymakers, such as Massachusetts' utilities regulatory, have rejected gas distributors' calls to decarbonize the gas system with RNG.

The energy industry simply has not invested enough in RNG over the past several decades for it to reach the scale needed to play bigger role in cutting emissions, Shaheen said.

By Julian Hast

Send comments and request more information at feedback@argusmedia.com

Copyright © 2024. [Argus Media group](http://www.argusmedia.com/) (http://www.argusmedia.com/). All rights reserved.

19624209