Chevron

**Karen Y. Knutson**
Vice President & General Manager of Government Affairs

February 10, 2023

***Submitted via https://www.regulations.gov***

Lesley A. Field
Acting Administrator
Office of Federal Procurement Policy
Office of Management and Budget
Washington, DC 20503

Jeffrey A. Koses
Senior Procurement Executive
U.S. General Services Administration
1800 F Street NW
Washington, DC 20405

John M. Tenaglia
Principal Director
Defense Pricing and Contracting
Office of the Secretary of Defense
U.S. Department of Defense
Defense Pentagon
Washington, DC 20301

Karla S. Jackson
Assistant Administrator for Procurement
National Aeronautics and Space Administration
300 E Street SW
Washington, DC 20546

**Re: Proposed Rule Regarding "Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk" (FAR Case 2021–015, Docket No. FAR–2021–0015, Sequence No. 1)**

Dear FAR Council:

Chevron welcomes the opportunity to offer comments on the FAR Council's proposed "Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk" ("Proposed Rule").

Chevron Corporation (NYSE: CVX) is one of the world's leading integrated energy companies. We believe affordable, reliable and ever-cleaner energy is essential to achieving a more prosperous and sustainable world. Chevron produces crude oil and natural gas; manufactures transportation fuels, lubricants, petrochemicals and additives; and develops technologies that enhance our business and the industry. We are focused on lowering the carbon intensity in our operations and growing lower carbon businesses along with our traditional business lines.

Chevron understands the desires of the government to attempt to mitigate climate-related risk; however, we offer a suggested alternative and do not support the approach included in the Proposed Rule. If the Federal Government wishes to now include environmental performance in contracting decisions to supplement decisions based on reliability and affordability, the FAR Council should consider a revised approach that enables the agencies to compare the relative greenhouse gas ("GHG") emissions efficiencies of individual goods and services by using a lifecycle intensity analysis based on primary data for significant contributions to the value chain.

This lifecycle intensity analysis approach differs from corporate-level reporting comparisons that mistakenly suggest a positive correlation of a company's overall emissions reported to that of the individual products it produces, which may or may not hold true. Consolidated emissions reporting is done on an absolute basis and is often representative of a firm's size, strategy and portfolio, not its emissions performance related to an individual product or service. Lifecycle tracking and reporting of GHG emissions associated with a product or service's lifecycle from beginning to end use is often referred to as carbon footprinting. With carbon footprinting, a consumer can see the GHG emissions generated by a specific product, service, or activity.

Customer interest in a product's environmental performance is increasing. Historically, most GHG emissions reporting guidance has focused on a facility's emissions, for example under the US EPA GHGRP, or on a consolidated corporate basis from the voluntary GHG Protocol. Voluntary corporate emissions reporting standards have been under development for approximately 30 years and have recently started to address product-level emissions performance based on primary data. For example, Chevron, Pavilion Energy, and QatarEnergy collaborated on the development of The SGE Methodology in 2021 to enable emissions reporting for liquified natural gas (LNG).

This standardized, data-driven LNG carbon footprinting methodology is part of a larger effort on tracking emissions across supply chains. We believe that once a consumer understands the lifecycle carbon footprint of a product or service using standardized, data-driven approaches, they can better identify opportunities to balance reliability, affordability, and environmental performance in their purchasing decisions.

We welcome the opportunity to further discuss the FAR Council's approach. For additional comments representing a cross-sector perspective, the FAR Council should consider the recommendations provided in the letter submitted by the Chamber of Commerce.

Sincerely,

Karen Knutson