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# Big Oil Companies Warm to Biden After Years of Bad Blood

*Collin Eaton*

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Heading into an election in which energy prices figure to be a key issue, President Biden and some of the country's biggest oil companies have reached a surprising detente.

The truce comes [after years of acrimony](#): The White House routinely slammed windfall oil-and-gas profits as pump prices surged in 2022, and industry executives bemoaned Biden's campaign promise to transition the U.S. away from oil.

Lately though, top executives from , and other producers say they have enjoyed cozier relations with the White House, spending more time discussing—and sometimes influencing—the administration's thinking on [climate investments](#), energy policy and global oil markets with top Biden officials.

Exxon Chief Executive Darren Woods said that, unlike the administration's early days, the oil giant is now welcome at the White House table.

“If you want a game plan, you want people who have played the game,” Woods said in an interview. “So, I think there's been a pragmatic approach that's been brought into the administration.”

The relationship could soon be put to the test. [Gasoline prices are up](#) more than 40 cents from the start of the year and are expected to increase further in the [summer driving season](#). If Americans are experiencing pain at the pump as the election nears, the oil industry may once again be a useful foil for Biden.

A White House spokesman didn't respond to requests for comment.

The oil-and-gas industry remains overwhelmingly in favor of Republican energy policies. Many executives are incensed that the Energy Department paused approvals for newly proposed liquefied natural-gas export projects. Last week, executives said new rules raising rates for companies to drill on federal lands would hurt the economy.

"We're dealing with a regulatory onslaught from this administration," said Mike Sommers, chief executive of the oil industry trade group American Petroleum Institute. He acknowledged the administration's rhetoric has shifted, but attributed the change to global supply shocks that followed geopolitical crises.

### **Shared interests**

Oil-and-gas companies also have developments to cheer about. Biden has presided over [record U.S. energy production](#) and exports, and oversaw the start of several major pipelines and infrastructure projects. There is also broad support for the Inflation Reduction Act, which contains [enormous tax credits](#) for clean-energy projects, including those favored by the industry such as carbon capture and hydrogen production.

For both of the top presidential candidates this year, there is a gulf between their campaign rhetoric and the governing reality. Biden stresses his green agenda and often criticizes the industry, but his administration is relatively pragmatic on many issues, oil executives say. Whereas Trump's "drill, baby, drill" slogan is a regular part of his stump speech, his first administration was often chaotic and lacked regulatory thoroughness, which stalled some oil-and-gas projects in court. Trump has also been sharply critical of the industry-popular IRA.

Oil executives said John Podesta, Biden's point person on implementation of the IRA, is now intensely focused on bringing clean-energy projects to life and often discusses the effort with big fossil-fuel producers.

"We're seeking their help in cleaning up, globally," Podesta said last month.

Occidental CEO Vicki Hollub said she has enjoyed an open dialogue with Podesta, and Energy Secretary Jennifer Granholm. Hollub said she had always appreciated Biden's push to reduce greenhouse-gas emissions.

"We support those goals, and we want that to happen," she said. "I think the [Energy Department] has been one of the agencies that's been very open in wanting to help move things along."

Several major energy projects that stalled in court during the Trump years moved forward under Biden, such as the Dakota Access Pipeline and the Mountain Valley Pipeline. The Biden administration approved ' controversial Willow project in Alaska and a Gulf Coast oil-export terminal capable of handling supertankers, only the second such facility in the region.

“No one has done more damage to the American oil-and-gas industry than [Joe Biden](#),” said Karoline Leavitt, a spokeswoman for Trump’s campaign. “President Trump made America a net exporter of energy for the first time because he cut red tape and gave the industry more freedom.”

## Complicated politics

Fossil-fuel politics are tricky for Biden. Many in the Democratic Party seek a rapid move away from oil and gas to curb climate change, but Biden also needs to attract moderate voters in key swing states, including Pennsylvania, [where fracking is an economic boon](#).

During the 2020 election, Biden said he would ban new oil-and-gas permitting on public land, and in his first year in office, Granholm urged drillers to diversify to avoid becoming the next or , whose business models became obsolete as technology evolved.

Biden has also needed American frackers [to help quell rising fuel prices](#). In 2021 and 2022, as the U.S. emerged from the pandemic and fuel prices climbed, he asked the Federal Trade Commission to investigate oil companies’ [“anti-consumer behavior,”](#) and called on U.S. producers and the Organization of the Petroleum Exporting Countries to grow production.

Communications about prices are better as oil executives said they have discussed energy supplies often with Biden’s lieutenants and tried to make clear that various global market forces move prices, outside of their control.

Many of the smaller drillers who fueled the shale boom don’t share the kinder view of the White House held by the likes of Exxon.

Mary Landrieu, a former U.S. senator (D., La.) from a big fossil-fuel state who has worked as a lobbyist for oil-and-gas companies, said smaller companies are harder hit by costly regulations and sharp ebbs and flows in the administration's messaging about the industry.

"It's been complicated and confusing," Landrieu said. "The Biden administration has sent different signals at different times, and the signposts go in different directions."

Under Biden, antitrust enforcers are scrutinizing a recent wave of big oil-and-gas deals. Earlier this month, natural-gas frackers and postponed the closing date of [their merger](#) following an information request from the FTC.

### **Lines of communication**

U.S. Rep. Lizzie Fletcher, a Democrat from Houston, has helped nurture relationships between energy companies and her party. She said they are making progress in collaborating to shape the IRA and provisions around methane emissions.

"You hear the Republicans all the time saying the administration is so terrible for domestic production of oil and gas, and yet we are at a record peak of crude-oil production," Fletcher said.

After extensive meetings with fossil-fuel interests, the Securities and Exchange Commission [killed a proposed requirement](#) for oil companies to report emissions stemming from customers using their products when the agency rolled out its new climate accounting rules last month.

Exxon CEO Woods said the White House sought his advice on energy crises such as the weeklong Colonial Pipeline shutdown in

2021 and Russia's invasion of Ukraine. It also embraced Exxon's idea for a giant Gulf Coast carbon-capture hub, which Woods said helped influence the administration's thinking on what became the IRA.

Officials have learned more about what it takes to bring low-carbon projects to fruition, and the myriad stakeholders involved, said Jeff Gustavson, who leads 's new energies business, which is investing in renewable fuel, hydrogen and carbon capture.

"Do the politics complicate that? Obviously. But we try to take the long-term view, and we've had constructive discussions and conversations," Gustavson said.

Benoît Morenne and Phred Dvorak contributed to this article.

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