

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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### MEMORANDUM

December 9, 2022

**To: Members of the Committee on Oversight and Reform**

**Fr: Chairwoman Carolyn B. Maloney and Chairman Ro Khanna**

**Re: Investigation of Fossil Fuel Industry Disinformation**

This memorandum provides Committee Members with additional findings from the Committee’s investigation into the fossil fuel industry’s long-running campaign to mislead the American people about fossil fuels’ central role in causing the global climate crisis and to impede urgently needed efforts to curb climate change.

In September 2022, the Committee released internal corporate documents showing that fossil fuel companies have been misleading the public about their purported commitment to reduce emissions.<sup>1</sup>

Today, the Committee is releasing additional documents obtained in the Committee’s investigation. These documents demonstrate how the fossil fuel industry “greenwashed” its public image with promises and actions that oil and gas executives knew would not meaningfully reduce emissions, even as the industry moved aggressively to lock in continued fossil fuel production for decades to come—actions that could doom global efforts to prevent catastrophic climate change. The fossil fuel industry’s failure to make meaningful investments in a long-term transition to cleaner energy is particularly outrageous in light of the enormous profits these companies are raking in at the expense of consumers—including nearly \$100 billion in combined profits for Exxon, Chevron, Shell, and BP in just the last two quarters.

This memorandum also addresses how the fossil fuel industry has tried to obstruct the Committee’s investigation and withhold key documents to prevent Congress and the American people from learning the truth about Big Oil’s greenwashing campaign and its refusal to meaningfully reduce greenhouse gas emissions that are the primary driver of the climate crisis.

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<sup>1</sup> Committee on Oversight and Reform, *Press Release: Ahead of Hearing, Committee Releases Memo Showing Fossil Fuel Industry Is Misleading the Public About Commitment to Reduce Emissions* (Sept. 14, 2022) (online at <https://oversight.house.gov/news/press-releases/ahead-of-hearing-committee-releases-memo-showing-fossil-fuel-industry-is>).

Despite the companies' obstruction, the Committee has obtained evidence that the oil and gas industry is working to protect and entrench the use of fossil fuels, long past the timeline scientists say would be safe to prevent catastrophic climate change. Documents obtained by the Committee show:

- **Despite public promises that fossil fuels are merely a “bridge fuel” to cleaner sources of energy, Big Oil is doubling down on long-term reliance on fossil fuels with no intention of taking concrete actions to transition to clean energy.**
  - A strategy slide presented to the **Chevron** Board of Directors from Chief Executive Officer (CEO) Mike Wirth explains that while Chevron sees “traditional energy business competitors retreating” from oil and gas, “Chevron’s strategy” is to “**continue to invest**” in fossil fuels to take advantage of consolidation in the industry.
  - Even as it publicly announced support for Paris Agreement goals, BP continues to invest in a future dependent on fossil fuels. In an internal Q3 2017 Operational Performance Review for the lower 48 states, **BP** described its intent to “[s]**ignificantly increase development in regions with oil potential,**” and to “**focus primarily on projects in current basins that generate the highest rate of return.**”
  - An internal email from the American Petroleum Institute (**API**) shows that API’s 2021 Climate Action Framework was organized around the purpose of “**the continued promotion of natural gas in a carbon constrained economy.**”
- **The industry’s inadequate climate pledges and promised emissions reductions are intended to provide cover for Big Oil to continue raking in billions of dollars by selling fossil fuels for decades to come.**
  - In a March 2021 memorandum to API’s Board of Directors, CEO Mike Sommers explained that **API** strategically supports certain efforts to reduce climate pollution to secure legitimacy to continue produce fossil fuels, noting that reducing emissions from flaring presented “**an opportunity to further secure the industry’s license to operate.**”
  - In an internal presentation created for **BP**, a public relations firm suggested advocating for methane regulation to “**advance and protect the role of gas – and BP – in the future of energy conversation.**”
  - In May 2019 notes labeled “Chairman’s Report to BPA Board,” BP America’s Chairman admitted, “**We continue to balk at taking accountability for the emissions of our products.**” The Chairman was discussing shareholder resolutions regarding climate change initiatives

presented at that year's shareholder meeting. At the time, BP's climate pledges did not include emissions from the burning of BP's products—a position BP has since changed, but that Exxon continues to hold.

- **Shell's CEO Ben Van Beurden** complained that an environmental advocate's public speech at an industry event was "disingenuous" for "pointing out in front of the international press that **if you burden the gas value chain with all the emission of the oil industry, it would put gas on a par with coal.**"
- **Fossil fuel executives admit privately that they have pursued a strategy to "resist and block" climate regulations, that they will only cut emissions "where it makes commercial sense," and that a key part of their climate plans—selling assets to other oil companies—will not actually reduce emissions.**
  - In a 2016 email from a BP executive to John Mingé, Chairman and President of BP America, and others, about climate and emissions trading, an employee assessed that the company often adopted an obstructionist strategy with regulators, noting, "we wait for the rules to come out, we don't like what we see, and then **try to resist and block.**"
  - One **BP** executive asserted in an internal email that BP had "**no obligation to minimize GHG [greenhouse gas] emissions**" and that the company should only "minimize [GHG emissions] **where it makes commercial sense.**" The same BP executive concluded that "the benefits of any proposal to adopt a lower GHG option needs to be balanced against the cost to do so."
  - A **Shell** executive admitted privately: "True, **we transfer CO2 liability when we divest.** And now we've been called on it." In response, a second company executive defended the practice, writing, "[W]hat exactly are we supposed to do instead of divesting ... pour concrete over the oil sands and burn the deed to the land so no one can buy them?"
  - One BP executive privately admitted that divesting fossil fuel assets is "**an important part of our strategy**" even though "**these divestments may not directly lead to a reduction in absolute global emissions.**"
- **Fossil fuel entities have fought to hide the truth about their practices by refusing to fully comply with the Committee's subpoenas and attacking journalists who revealed the industry's conduct.**
  - The **Chamber of Commerce** has withheld internal documents from the Committee, despite being required to produce them by subpoena. The **American Petroleum Institute** has improperly withheld documents from

its Executive Committee and Board of Directors. **Exxon** inappropriately redacted responsive documents from its Board of Directors, while **Chevron, Shell, and BP** each withheld responsive information without valid justification.

- In 2015, **Exxon** baselessly accused a journalism student and her instructor of misrepresentations and ethical violations after her work contributed to press reporting on the fossil fuel industry—but internal company documents obtained by the Committee show that Exxon’s allegations were false.

## **I. DESPITE CLAIMS THAT FOSSIL FUELS ARE MERELY A “BRIDGE FUEL” TO CLEANER ENERGY, BIG OIL IS DOUBLING DOWN ON LONG-TERM FOSSIL FUEL INVESTMENTS**

Internal documents demonstrate that fossil fuel companies do not have concrete plans to transition their energy production at the pace required to address climate change. Each of the companies has publicly pledged to reach “net zero” greenhouse gas emissions by 2050.<sup>2</sup> However, experts have found that not one of the net zero pledges from BP, Shell, Exxon, or Chevron are aligned with the pace and scope of cuts necessary to meet the goals of the Paris Agreement and avert catastrophic climate change.<sup>3</sup>

Exxon has promised to cut only its *operational* emissions—which exclude 90% of total emissions from Exxon’s oil and gas—while continuing to increase overall production this decade.<sup>4</sup> Exxon’s plans to invest in lower carbon initiatives over the next six years represent only 10% to 12.5% of its intended capital investments—meaning that the vast majority of the company’s planned investments will be for the continued use of fossil fuels.<sup>5</sup>

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<sup>2</sup> United Nations’ High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities, *Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions* (Nov. 8, 2022) (online at [www.un.org/sites/un2.un.org/files/high-level\\_expert\\_group\\_n7b.pdf](http://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf)).

<sup>3</sup> Climate Action 100+, *Climate Action 100+ Net Zero Company Benchmark Shows Continued Progress on Net Zero Commitments Is Not Matched by Development and Implementation of Credible Decarbonisation Strategies* (Oct. 13, 2022) (online at [www.climateaction100.org/news/climate-action-100-net-zero-company-benchmark-shows-continued-progress-on-net-zero-commitments-is-not-matched-by-development-and-implementation-of-credible-decarbonisation-strategies/](http://www.climateaction100.org/news/climate-action-100-net-zero-company-benchmark-shows-continued-progress-on-net-zero-commitments-is-not-matched-by-development-and-implementation-of-credible-decarbonisation-strategies/)); MSCI, *ESG Ratings & Climate Search Tool* (online at [www.msci.com/our-solutions/esg-investing/esg-ratings-climate-search-tool/issuer/bp-plc/IID00000002140371](http://www.msci.com/our-solutions/esg-investing/esg-ratings-climate-search-tool/issuer/bp-plc/IID00000002140371)) (accessed Nov. 29, 2022); Carbon Tracker, *Oil Majors’ Net Zero Plans Still Far from Paris Targets* (May 27, 2021) (online at <https://carbontracker.org/oil-majors-net-zero-plans-still-far-from-paris-targets/>).

<sup>4</sup> *ExxonMobil Aims for Net Zero Greenhouse Gas Emissions from Operations by 2050*, Washington Post (Jan. 18, 2022) (online at [www.washingtonpost.com/business/2022/01/18/exxon-greenhouse-gas-net-zero/](http://www.washingtonpost.com/business/2022/01/18/exxon-greenhouse-gas-net-zero/)); *Exxon Pledges Net-Zero Carbon Emissions from Operations by 2050*, CNBC (Jan. 18, 2022) (online at [www.cnbc.com/2022/01/18/exxon-pledges-net-zero-carbon-emissions-from-operations-by-2050.html](http://www.cnbc.com/2022/01/18/exxon-pledges-net-zero-carbon-emissions-from-operations-by-2050.html)).

<sup>5</sup> ExxonMobil, *Press Release: ExxonMobil Announces Corporate Plans to 2027 – Supports Approximately Doubling Earnings and Cash Flow Potential, Reducing Emissions* (Dec. 1, 2021) (online at [https://corporate.exxonmobil.com/News/Newsroom/News-releases/2021/1201\\_ExxonMobil-announces-plans-to-2027-doubling-earnings-and-cash-flow-potential-reducing-emissions](https://corporate.exxonmobil.com/News/Newsroom/News-releases/2021/1201_ExxonMobil-announces-plans-to-2027-doubling-earnings-and-cash-flow-potential-reducing-emissions)).

Chevron too is focused primarily on emissions from the company's own operations, rather than the much larger amount of emissions released when Chevron's oil and gas products are burned. The company committed to reducing only 5% of its emissions beyond operational emissions by 2028 while increasing overall production.<sup>6</sup> Chevron's planned expenditure on low-carbon investments in the next six years represent only 10% to 12% of Chevron's planned capital expenditures for that period.<sup>7</sup>

The European giants, BP and Shell, have set more ambitious targets, re-aligning parts of their businesses to focus on renewables. BP has pledged to become a net-zero company throughout its supply chain, including its products, by 2050 or sooner and pledged to cut its own fossil fuel production by 40% by 2030.<sup>8</sup> Shell's target also covers its entire supply chain.<sup>9</sup>

However, experts agree that neither company's pledges are aligned with the Paris Agreement.<sup>10</sup> Shell is only spending 10% of its capital investments on alternative energy projects, and BP is only spending 17%, while the rest of the companies' capital investments remain committed to new fossil projects.<sup>11</sup> Shell's plans also remain heavily reliant on unproven methods of removing carbon from the atmosphere, such as carbon capture technology, and buying credits in not-yet-existent carbon markets to plant trees to offset its emissions.<sup>12</sup>

As demonstrated by these inadequate investments, these companies remain largely entrenched in the business of extracting fossil fuels. Internal documents further show that despite public rhetoric that natural gas products are a "bridge" in transition to cleaner energy they are trying to position fossil fuels as long-term assets for many decades to come.

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<sup>6</sup> *Id.*

<sup>7</sup> Chevron, *Press Release: Chevron Accelerates Lower Carbon Ambitions* (Sept. 14, 2021) (online at [www.chevron.com/stories/chevron-accelerates-lower-carbon-ambitions](http://www.chevron.com/stories/chevron-accelerates-lower-carbon-ambitions)).

<sup>8</sup> BP, *Sustainability Report 2021* (2021) (online at [www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/sustainability/group-reports/bp-sustainability-report-2021.pdf](http://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/sustainability/group-reports/bp-sustainability-report-2021.pdf)); BP, *Press Release: BP Update On Strategic Progress* (Feb. 8, 2022) (online at [www.bp.com/en/global/corporate/news-and-insights/press-releases/bp-update-on-strategic-progress.html](http://www.bp.com/en/global/corporate/news-and-insights/press-releases/bp-update-on-strategic-progress.html)); BP, *Net Zero Report 2022* (Mar. 2022) (online at [www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-net-zero-report-2022.pdf](http://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-net-zero-report-2022.pdf)).

<sup>9</sup> Shell, *Achieving Net Zero Emissions* (online at [www.shell.com/powering-progress/achieving-net-zero-emissions.html](http://www.shell.com/powering-progress/achieving-net-zero-emissions.html)) (accessed Nov. 18, 2022).

<sup>10</sup> Climate Action 100+, *Climate Action 100+ Net Zero Company Benchmark Shows Continued Progress on Net Zero Commitments Is Not Matched by Development and Implementation of Credible Decarbonisation Strategies* (Oct. 13, 2022) (online at [www.climateaction100.org/news/climate-action-100-net-zero-company-benchmark-shows-continued-progress-on-net-zero-commitments-is-not-matched-by-development-and-implementation-of-credible-decarbonisation-strategies/](http://www.climateaction100.org/news/climate-action-100-net-zero-company-benchmark-shows-continued-progress-on-net-zero-commitments-is-not-matched-by-development-and-implementation-of-credible-decarbonisation-strategies/)); MSCI, *ESG Ratings & Climate Search Tool* (online at [www.msci.com/our-solutions/esg-investing/esg-ratings-climate-search-tool/issuer/bp-plc/IID000000002140371](http://www.msci.com/our-solutions/esg-investing/esg-ratings-climate-search-tool/issuer/bp-plc/IID000000002140371)) (accessed Nov. 29, 2022); Carbon Tracker, *Oil Majors' Net Zero Plans Still Far from Paris Targets* (May 27, 2021) (online at <https://carbontracker.org/oil-majors-net-zero-plans-still-far-from-paris-targets/>).

<sup>11</sup> Influence Map, *Big Oil's Real Agenda on Climate Change 2022* (Sept. 2022) (online at <https://influencemap.org/report/Big-Oil-s-Agenda-on-Climate-Change-2022-19585>).

<sup>12</sup> *Shell Turns to Forests and the Earth to Soak up its Emissions*, Reuters (Feb. 11, 2021) (online at [www.reuters.com/article/us-shell-strategy/with-oil-past-peak-shell-sharpens-2050-zero-emissions-goal-idUSKBN2AB0LT](http://www.reuters.com/article/us-shell-strategy/with-oil-past-peak-shell-sharpens-2050-zero-emissions-goal-idUSKBN2AB0LT)).

Contrary to the industry’s talking points, the industry’s efforts to entrench fossil fuels for the long term are separate and distinct from goal of ensuring adequate oil and gas supply in the short term in response to Russia’s illegal and unprovoked invasion of Ukraine. As Secretary of Energy Jennifer Granholm explained, “We are in an emergency, and we have to responsibly increase short-term supply where we can right now to stabilize the market and minimize harm to American families.”<sup>13</sup> Indeed, domestic oil production has already rebounded from pandemic lows and is on track to break all-time record highs in 2023,<sup>14</sup> and domestic natural gas production reached record monthly levels this year and is projected to continue to increase in 2023.<sup>15</sup> However, the fossil fuel industry’s massive, long-term investments in new oil and gas production will provide little relief to consumers in the short run—and will extend fossil fuel production for decades, in a manner incompatible with adequately addressing the climate crisis.

#### **A. Chevron’s Long-Term Investments in Oil and Gas**

Documents obtained by the Committee reveal that Chevron’s business strategy revolves around the company’s long-term investments in oil and gas production. One example is Chevron’s strategy to expand liquified natural gas exports at its Gorgon facility in Australia, which began operation in March 2016.<sup>16</sup> On September 14, 2016, ahead of a trip by the Board of Directors to Fiji and Australia, then-CEO John S. Watson shared materials with the Board regarding major capital projects, including the Gorgon Project on Barrow Island, about 40 miles off the Australian coast.<sup>17</sup> Chevron discovered Barrow Island’s “billion barrel” oil field in 1964, and subsequently turned the island into “the largest onshore oil field in Australia, producing more than 320 million barrels of oil.”<sup>18</sup> Oil production peaked at the Barrow Island field in 1971, and has declined ever since.<sup>19</sup>

The Gorgon Project focuses on natural gas, in particular exporting it to Asian markets where demand for fossil fuels is growing.<sup>20</sup> Internal documents emphasize the long-term intentions for this project, despite climate concerns, and the profits Chevron predicts it will reap

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<sup>13</sup> *U.S. Energy Secretary Granholm Calls on Oil and Gas Companies to Raise Output*, CNBC (Mar. 9, 2022) (online at [www.cnbc.com/2022/03/09/us-energy-secretary-granholm-calls-on-oil-and-gas-companies-to-raise-output.html](http://www.cnbc.com/2022/03/09/us-energy-secretary-granholm-calls-on-oil-and-gas-companies-to-raise-output.html)).

<sup>14</sup> Energy Information Administration, *Short-Term Energy Outlook* (Nov. 2022) (online at [www.eia.gov/outlooks/steo/archives/nov22.pdf](http://www.eia.gov/outlooks/steo/archives/nov22.pdf)).

<sup>15</sup> *Id.*; see also Energy Information Administration, *U.S. Dry Natural Gas Production* (online at [www.eia.gov/dnav/ng/hist/n9070us2M.htm](http://www.eia.gov/dnav/ng/hist/n9070us2M.htm)) (accessed Nov. 28, 2022).

<sup>16</sup> Chevron, *Gorgon Project: An Australian Icon* (online at <https://australia.chevron.com/our-businesses/gorgon-project>) (accessed Nov. 29, 2022).

<sup>17</sup> CHEV-117HCOR-0005986.

<sup>18</sup> *Id.*; CHEV-117HCOR-0006079; CHEV-117HCOR-0006109; CHEV-117HCOR-0006114.

<sup>19</sup> Offshore Technology, *Barrow Island Conventional Oil Field, Australia* (May 6, 2022) (online at [www.offshore-technology.com/marketdata/barrow-island-conventional-oil-field-australia/](http://www.offshore-technology.com/marketdata/barrow-island-conventional-oil-field-australia/)).

<sup>20</sup> Chevron, *Gorgon: Explore the Largest Single-Resource Development in Australia’s History* (online at [www.chevron.com/projects/gorgon](http://www.chevron.com/projects/gorgon)); The Oxford Institute for Energy Studies, *Emerging Asia LNG Demand* (Sept. 2020) (online at <https://a9w7k6q9.stackpathcdn.com/wp-content/uploads/2020/09/Emerging-Asia-LNG-demand-NG-162.pdf>).

as a result. Materials included in a binder to the Board of Directors shared by Mr. Watson reveal that Chevron, by developing the Gorgon gas project on Barrow Island after 50 years of oil extraction there, is poised to continue fossil fuel extraction at the sensitive Class A Nature Reserve on an even larger scale.

Board documents obtained by the Committee explain that “the Chevron-operated Gorgon Project is one of the world’s largest natural gas projects and the largest single resource development in Australia’s history.”<sup>21</sup> The documents confirm Chevron’s public statements that the project is slated to operate “for at least 40 years,” and reveal that Gorgon will produce “2.6 billion barrels of oil equivalent” over that period—eight times larger than the company’s total extraction of oil over 50 years at Barrow Island.<sup>22</sup> While Chevron has touted its \$60 billion of direct investment in the Australian economy to develop the project, the board documents also reveal its benefit to Chevron: the company projected that Gorgon would generate between \$2.2 billion and \$4.9 billion per year, or up to \$200 billion over the estimated 40-year lifespan, and would be sustained well into the future with new gas exploration campaigns.<sup>23</sup>

Chevron has publicly claimed the Gorgon project in Australia will “provide a clean-burning fuel, both at home and overseas,” even though scientists have expressed significant concerns about continued reliance on natural gas in a warming climate.<sup>24</sup>

In the years since the Chevron Board’s 2016 trip to Australia, studies have made clear that current oil and gas production must decrease incrementally over time, and new oil and gas exploration must come to an end in order to meet the goal of holding global average temperature well below 2 degrees Celsius above pre-industrial levels, and particularly with the more

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<sup>21</sup> *Id.*

<sup>22</sup> Chevron, *Gorgon Project: An Australian Icon* (online at <https://australia.chevron.com/our-businesses/gorgon-project>) (accessed Nov. 28, 2022).

<sup>23</sup> *Id.*; CHEV-117HCOR-6109-16; Chevron, *Chevron’s 30+ Year Economic Impact in Australia* (online at <https://australia.chevron.com/news/2017/our-economic-contribution>) (accessed Nov. 22, 2022). The binder of materials distributed to the Board of Directors by Mr. Watson ahead of the trip to Fiji and Australia demonstrates that Gorgon is but one of Chevron’s long-term gas investments in the region. For example, documents reveal that Chevron projects the Wheatstone gas project, which includes gas fields immediately north of Barrow Island, will produce 1.3 billion barrels of oil equivalent—four times greater than the company’s extraction of oil at Barrow Island over the preceding 50 years—generating up to \$132 billion in its planned 30-year lifespan. In addition to 3.9 billion barrels of oil equivalent to be recovered from Gorgon and the nearby Wheatstone gas projects, the documents shared by Mr. Watson informed the Board that Chevron plans to continue gas extraction longer into the future, requiring more exploration. Due to “depletion over the long term”—40 years for Gorgon and 30 years for Wheatstone gas fields—documents suggested that Chevron’s additional “exploration efforts will help replenish our resource base and add gas supply to help keep the plants operating at capacity.” Chevron anticipated that the Gorgon and Wheatstone plants “will process more than 1.5 TCF [trillion cubic feet] of gas per year.” Replenishing the plants’ resource base could mean an opportunity to fully exploit Gorgon and Wheatstone’s 46 TCF of discovered gas resources, representing billions of barrels of oil equivalent. *Id.*; CHEV-117HCOR-0006115-16; CHEV-117HCOR-0006128; CHEV-117HCOR-0006118.

<sup>24</sup> Chevron, *Explore the Largest Single-resource Development in Australia’s History* (online at [www.chevron.com/projects/gorgon](http://www.chevron.com/projects/gorgon)) (accessed Nov. 29, 2022); *Explainer: Cleaner But Not Clean—Why Scientists Say Natural Gas Won’t Avert Climate Disaster*, Reuters (Aug. 18, 2020) (online at [www.reuters.com/article/us-usa-gas-climatebox-explainer/explainer-cleaner-but-not-clean-why-scientists-say-natural-gas-wont-avert-climate-disaster-idUSKCN25E1DR](http://www.reuters.com/article/us-usa-gas-climatebox-explainer/explainer-cleaner-but-not-clean-why-scientists-say-natural-gas-wont-avert-climate-disaster-idUSKCN25E1DR)).

ambitious goal of limiting warming to 1.5 degrees Celsius to “significantly reduce the risks and impacts of climate change.”<sup>25</sup>

A 2022 meta-analysis by the International Institute for Sustainable Development (IISD) reported a “large consensus across all published studies that developing new oil and gas fields is incompatible with the 1.5°C target.”<sup>26</sup> The IISD report also states that in all scenarios where warming is below 1.5 degrees Celsius, “global oil and gas production must decrease by at least 65% between 2020 and 2050.” Similarly, the International Energy Agency’s report *Net Zero by 2050: A Roadmap for the Global Energy Sector* is unequivocal that all fossil fuel use in the energy sector, including natural gas, must rapidly transition to decarbonized sources to stay below 1.5 degrees Celsius of warming.<sup>27</sup>

Despite the scientific consensus calling for a decrease in oil and gas production in the long term, recent Chevron board materials indicate that Chevron’s leadership team continues to focus on long-term fossil fuel investments, increasing oil and gas output throughout what it calls, “a decade of sustainable production.” The Committee obtained a draft 2020 “Corporate Overview” slide deck attributed to CEO Mike Wirth. The slide deck, apparently intending to demonstrate strong fundamentals to top Chevron officials, reveals that Chevron is targeting an “investment pace” of four to five billion dollars *per year* towards “building a legacy position in the Permian,” with potential to generate “free cash flow” profits greater than four billion dollars per year across decades.<sup>28</sup> Fossil fuel production in the Permian has been described as “a ticking climate time bomb in West Texas” due to runaway, under-regulated methane emissions and flaring of excess natural gas.<sup>29</sup> Yet the internal slide deck characterized Chevron’s position in the Permian as “sustainable for the long term.” The same document projects “\$75-80 B[illion] in shareholder distributions” through dividends and buybacks from 2020 to 2024 with a barrel of oil at \$60, consistent with Chevron’s public statements.<sup>30</sup>

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<sup>25</sup> United Nations Framework Convention on Climate Change Conference of the Parties: Twenty-First Session, *Adoption of the Paris Agreement* (Dec. 12, 2015) (online at <https://unfccc.int/resource/docs/2015/cop21/eng/109r01.pdf>).

<sup>26</sup> Carbon Brief, *New Fossil Fuels “Incompatible” with 1.5C Goal, Comprehensive Analysis Finds* (Oct. 23, 2022) (online at [www.carbonbrief.org/new-fossil-fuels-incompatible-with-1-5c-goal-comprehensive-analysis-finds/](http://www.carbonbrief.org/new-fossil-fuels-incompatible-with-1-5c-goal-comprehensive-analysis-finds/)); *see also* CHEV-117HCOR-0108370 (showing Chevron CEO Mike Wirth’s awareness and discussion of one such scenario); BPA\_HCOR\_00083554 (showing BP employees discussing another scenario).

<sup>27</sup> International Energy Agency, *Net Zero by 2050: A Roadmap for the Global Energy Sector* (Oct. 2021) (online at [https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector\\_CORR.pdf](https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf)).

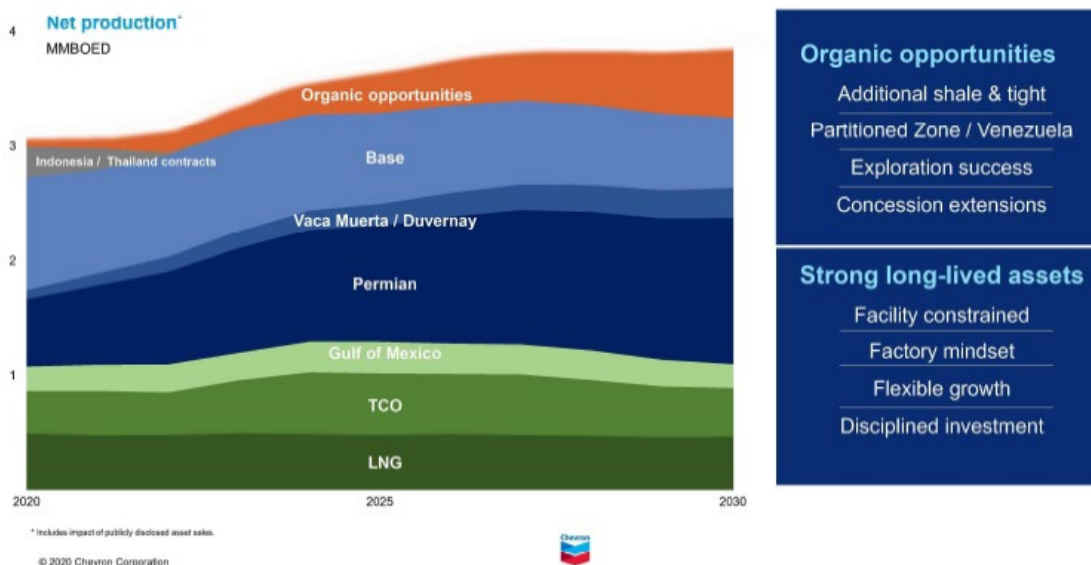
<sup>28</sup> CHEV-117HCOR-0128648, CHEV-117HCOR-0128650, CHEV-117HCOR-0128654.

<sup>29</sup> *There’s a Ticking Climate Time Bomb in West Texas*, Vox (June 1, 2021) (online at [www.vox.com/22407581/gas-texas-biden-climate-change-methane-permian-basin](http://www.vox.com/22407581/gas-texas-biden-climate-change-methane-permian-basin)).

<sup>30</sup> CHEV-117HCOR-0128648; CHEV-117HCOR-0128653; CHEV-117HCOR-0128657; *Chevron Plans to Return \$80 Bln to Shareholders by 2024*, Reuters (Mar. 3, 2020) (online at [www.reuters.com/article/chevron-outlook/chevron-plans-to-return-80-bln-to-shareholders-by-2024-idUKL4N2AW2YT](http://www.reuters.com/article/chevron-outlook/chevron-plans-to-return-80-bln-to-shareholders-by-2024-idUKL4N2AW2YT)).



## A decade of sustainable production



Although Chevron has ambitious plans to expand oil and gas production, the same cannot be said for its clean energy investments. The same draft 2020 presentation attributed to Mr. Wirth described Chevron’s “approach to the energy transition” as consisting of its “contribution to OGCI’s [Oil and Gas Climate Initiative] \$1 B[illion]+ fund” of an unspecified amount.<sup>31</sup> OGCI’s Climate Investment Fund has raised \$1.1 billion from 12 of the largest fossil fuel companies, and OGCI pledged to distribute the companies’ investments over the course of a decade.<sup>32</sup> Chevron has donated at least \$100 million to OGCI’s initiative through 2022, which amounts to only 2% of the \$5 billion Chevron has planned to invest in the Permian *each year*.<sup>33</sup>

Another presentation attributed to Mr. Wirth and shared with the Chevron Board of Directors in July 2021 states that Chevron sees its “traditional energy business competitors retreating” from oil and gas, noting that “diverging strategies create opportunities.”<sup>34</sup> The presentation states that “Chevron’s strategy” is to “continue to invest” in fossil fuels to take

<sup>31</sup> *Id.* at CHEV-117HCOR-0128656.

<sup>32</sup> Oil and Gas Climate Initiative, *OGCI Climate Investments’ Portfolio Companies Showcase Their Carbon Emissions Solutions at CERAWEEK* (online at [www.ogci.com/ogci-climate-investments-portfolio-companies-showcase-their-carbon-emissions-solutions-at-ceraweek/](http://www.ogci.com/ogci-climate-investments-portfolio-companies-showcase-their-carbon-emissions-solutions-at-ceraweek/)) (accessed Oct. 27, 2022); *OGCI in US \$1 Billion Low Emissions Tech Investment*, *Offshore Engineer* (Nov. 4, 2016) (online at [www.oedigital.com/news/448008-ogci-in-us-1-billion-low-emissions-tech-investment](http://www.oedigital.com/news/448008-ogci-in-us-1-billion-low-emissions-tech-investment)).

<sup>33</sup> Chevron, *Four Things to Know about Carbon Footprinting* (online at [www.chevron.com/newsroom/2022/q1/four-things-to-know-about-carbon-footprinting](http://www.chevron.com/newsroom/2022/q1/four-things-to-know-about-carbon-footprinting)) (accessed Oct. 27, 2022). Similarly, a 2021 presentation on “Delivering on Financial Priorities,” included precise figures and investment totals across myriad areas, including calling for greater than \$50 billion in stock buybacks, but failed to put a single dollar value on any of its “energy transition actions.” Chevron Draft Board Materials on Delivering Financial Priorities. See CHEV-117HCOR-0129451-56).

<sup>34</sup> CHEV-117HCOR-0013016.

advantage of “consolidation [that] will continue” in the oil and gas industry because “competitors [are] diversifying into renewable power now.”<sup>35</sup>








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CHEV-117HCOR-0013099

Another slide distributed to the Chevron Board by Mr. Wirth shows that Chevron is in fact growing fossil fuel production.<sup>36</sup>

### LTIP strategies continue to diverge

Grow or shrink traditional energy business

					
Headline	Higher returns, lower carbon	Strategy reconnect	Powering progress	IEC from IOC	Broad energy company
Upstream	Low-cost, short-cycle <b>Grow production</b>	Lower-cost deepwater, unconventional, LNG <b>Flat production</b>	High grade upstream; LNG growth <b>20% oil decline</b> <sup>1</sup> (by 2030)	Shrink oil & gas; balanced LNG <b>40% production decline</b> <sup>1</sup> (by 2030, end Permian)	Low-cost, short-cycle LNG growth <b>Flat oil, grow gas</b>
Downstream	<b>Strengthen value chains</b>	<b>Grow integrated positions</b>	<b>Grow convenience retail</b> Reduce refining		
Chemicals	Grow	Grow	Grow	Sold	Grow

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CHEV-117HCOR-0013095

<sup>35</sup> *Id.*; CHEV-117HCOR-0013099.

<sup>36</sup> CHEV-117HCOR-0013095.

In line with this plan, Chevron included “deliver higher returns and lower carbon” as part of its strategy to double down on oil and gas and reported to board members that, unlike other companies, Chevron’s strategy is to “grow production.”<sup>37</sup> This document suggests that even if other companies ultimately agree to reduce oil and gas production or substantially diversify into non-emitting energy, Chevron is prepared to swoop in and expand its own fossil fuel business. If it executes this strategy, Chevron would jeopardize carbon reductions other companies may pursue, as their emissions effectively shift to Chevron’s ledger.<sup>38</sup>

## **B. BP’s Mixed Record on Climate**

BP’s most recent climate promises and investments are more ambitious than Chevron’s and include investments in clean energy and reduced output of oil and gas.<sup>39</sup> Despite its relative ambition compared with its American counterparts, top environmental, social, and governance-rating firm MSCI notes that BP’s current climate plans are aligned with global warming of 2.4 degrees Celsius, meaning it “is misaligned with global climate goals and is in line with a business-as-usual scenario.”<sup>40</sup>

Internal documents reveal BP’s continued emphasis on its fossil fuel business. In July 2017, an internal position paper was distributed to BP employees, including John Mingé, then-Chairman and President of BP America, to proactively use in communications about the energy transition. In the memo, BP acknowledged the “urgency of the climate challenge,” noting that to address climate change, “reductions are required across the board” and “consumers need to change [their] behavior.”<sup>41</sup> While the company promised to help “advance the transition” “towards lower carbon sources, driven by technological advances and growing environmental concerns,” BP also noted, “we will shift our focus towards gas,” and touted new technologies that help “produce more oil, more efficiently from existing resources.”<sup>42</sup>

Talking points prepared for Mr. Mingé to use at a conference on October 12, 2016, cite BP’s own energy transition projections in support of this assertion, stating, “according to the most likely scenario outlined in BP’s latest Energy Outlook report” fossil fuels will still make up

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<sup>37</sup> *Id.*; CHEV-117HCOR-0013095; CHEV-117HCOR-0013099; *see also* CHEV-117HCOR-0011270; BPA\_HCOR\_00142006; BPA\_HCOR\_00041468; EM-HCOR3-00721732; EM-HCOR-00087199 (examples of the companies monitoring and discussing their competitors’ clean energy investments and activities).

<sup>38</sup> Chevron, *Climate Change Resilience: Advancing a Lower Carbon Future* (Oct. 2021) (online at [www.chevron.com/-/media/chevron/sustainability/documents/2021-climate-change-resilience-report.pdf](http://www.chevron.com/-/media/chevron/sustainability/documents/2021-climate-change-resilience-report.pdf)).

<sup>39</sup> BP, *Press Release: BP Sets Ambition for Net Zero by 2050, Fundamentally Changing Organisation to Deliver* (Feb. 12, 2020) (online at [www.bp.com/en/global/corporate/news-and-insights/press-releases/bernard-looney-announces-new-ambition-for-bp.html](http://www.bp.com/en/global/corporate/news-and-insights/press-releases/bernard-looney-announces-new-ambition-for-bp.html)).

<sup>40</sup> MSCI, *ESG Ratings & Climate Search Tool* (online at [www.msci.com/our-solutions/esg-investing/esg-ratings-climate-search-tool/issuer/bp-plc/IID000000002140371](http://www.msci.com/our-solutions/esg-investing/esg-ratings-climate-search-tool/issuer/bp-plc/IID000000002140371)) (accessed Nov. 29, 2022).

<sup>41</sup> BPA\_HCOR\_00017416; BPA\_HCOR00017417; *see also* BPA\_HCOR\_00041316 (a 2016 BP internal messaging document highlighting under “Climate Change Key Messages” that “consumers account for about 90% of CO2 emissions from oil products”).

<sup>42</sup> BPA\_HCOR\_00017416.

no less than “80 percent of the global energy supply in 2035.” Even under BP’s “faster transition scenario, fossil fuels will remain 70 percent of total energy in 2035.”<sup>43</sup>

When former President Trump announced his intention to remove the United States from the global Paris Agreement in 2017, BP released a public statement disapproving of the decision, stating: “BP has long supported the Paris agreement, and we hope the Trump administration follows through on its intention to find a way for the U.S. to reenter the [Paris Climate] accord ... .”<sup>44</sup> Nevertheless, just months after denouncing the decision to withdraw from the Paris Agreement, BP doubled down on its plans to explore for and produce oil and gas. BP’s Q3 2017 Operational Performance Review, an internal assessment evaluating the company’s strategic goals and outlook for the upcoming year, described BP’s future plans for the lower 48 states: “Significantly increase development in regions with oil potential” and “focus primarily on projects in current basins that generate the highest rate of return.”<sup>45</sup>

Two years later, in May 2019, notes labeled “Chairman’s Report to BPA Board” discussed climate change shareholder resolutions that had recently received a vote at BP’s annual stockholder meeting. The notes show the Chairman of BP America’s Board admitting, “we continue to balk at taking accountability for the emissions of our products.” At the time, BP’s climate pledges did not address the downstream emissions of its products—a position the company later softened, but that Exxon has clung to. In 2019, BP had opposed a shareholder proposal which would have required the company to pledge cuts in its downstream emissions, while supporting a separate resolution brought by investor group ClimateAction 100+ that would require BP to disclose in a report how its climate plan aligned with the Paris Agreement.<sup>46</sup>

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<sup>43</sup> BPA\_HCOR\_00017854; *see also* BPA\_HCOR\_00057309 (explaining BP’s objective at the EY event: “EY is currently BP’s external auditor. They reached out to Mike Robertson about having you participate in the panel to further our relationship. This also creates an opportunity for BP to provide thought leadership and commentary on the current transformation of the energy industry.”); Carbon Brief, *Five Charts Showing How BP’s Vision Differs from a Climate-Friendly Future* (Feb. 19, 2015) (online at [www.carbonbrief.org/five-charts-showing-how-bps-vision-differs-from-a-climate-friendly-future](http://www.carbonbrief.org/five-charts-showing-how-bps-vision-differs-from-a-climate-friendly-future)).

<sup>44</sup> BP, *Press Release: BP Statement on U.S. Exit from the Paris Climate Accord* (June 1, 2017) (online at [www.bp.com/en\\_us/united-states/home/news/press-releases/bp-statement-on-us-exit-from-the-paris-climate-accord.html](http://www.bp.com/en_us/united-states/home/news/press-releases/bp-statement-on-us-exit-from-the-paris-climate-accord.html)); *see also* BPA\_HCOR\_00124488 (showing that when President Trump was elected, BP hesitated to make a statement in support of the Paris Agreement, in order to preserve its relationship with the oncoming Trump Administration); SOC-HCOR-329442 (an example of Shell’s deliberations on how President Trump’s decision should impact its strategy).

<sup>45</sup> BPA\_HCOR\_00017956.

<sup>46</sup> BPA\_HCOR\_00046398; *Oil Majors Face Shareholder Resolutions on Climate Change*, *The Economist* (May 30, 2019) (online at [www.economist.com/business/2019/05/30/oil-majors-face-shareholder-resolutions-on-climate-change](http://www.economist.com/business/2019/05/30/oil-majors-face-shareholder-resolutions-on-climate-change)); *BP Shareholders Overwhelmingly Adopt Climate Resolution*, *Reuters* (May 21, 2019) (online at [www.reuters.com/article/us-bp-agm-vote/bp-shareholders-overwhelmingly-adopt-climate-resolution-idUSKCN1SR1HZ](http://www.reuters.com/article/us-bp-agm-vote/bp-shareholders-overwhelmingly-adopt-climate-resolution-idUSKCN1SR1HZ)).

BP is boosting oil and gas supplies in the short-term in response to the global energy crisis.<sup>47</sup> Continued oversight will be necessary to ensure that BP sticks to its long-term climate pledge to cut its oil and gas production by 40% by 2030.<sup>48</sup>

## II. THE INDUSTRY’S INADEQUATE CLIMATE PLEDGES AND ACTIONS ARE INTENDED TO PROVIDE COVER TO CONTINUE SELLING FOSSIL FUELS FOR DECADES TO COME

### A. Touting Climate Mitigation Efforts as a “Social License” to Prolong Fossil Fuel Reliance

Industry documents indicate that Big Oil supports some climate mitigation efforts—including carbon capture technologies and flaring management—as a means to secure a “social license” to continue producing fossil fuels. In a March 4, 2021, memo from API CEO Mike Sommers to API’s Board of Directors, Mr. Sommers presented a “5-point climate change proposal.” A series of internal emails and draft proposals show that this proposal was drafted by a team of policy staff in early 2021 and presented at board of directors and executive committee meetings, culminating in the public release and dissemination of API’s Climate Action Framework on March 25, 2021.<sup>49</sup>

The Climate Framework represented API’s first-ever climate action plan to incrementally lower the industry’s emissions. Reports indicate the Framework followed years of negotiations among API’s roughly 600 members, who significantly differ in their approach to climate change, and partially resulted from concerns that API’s oppositional approach to climate policy “won’t be relevant anymore.”<sup>50</sup>

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<sup>47</sup> *BP Looks to North Sea, U.S. Shale for Near-term Oil and Gas Boost*, Reuters (Oct. 7, 2022) (online at [www.reuters.com/business/energy/bp-looks-north-sea-us-shale-near-term-oil-gas-boost-2022-10-07/](http://www.reuters.com/business/energy/bp-looks-north-sea-us-shale-near-term-oil-gas-boost-2022-10-07/)).

<sup>48</sup> BP, *Press Release: BP Sets Ambition for Net Zero by 2050, Fundamentally Changing Organisation to Deliver* (Feb. 12, 2020) (online at [www.bp.com/en/global/corporate/news-and-insights/press-releases/bernard-looney-announces-new-ambition-for-bp.html](http://www.bp.com/en/global/corporate/news-and-insights/press-releases/bernard-looney-announces-new-ambition-for-bp.html)).

<sup>49</sup> American Petroleum Institute, *API Outlines Path for Low-Carbon Future in New Climate Action Framework* (Mar. 25, 2021) (online at [www.api.org/news-policy-and-issues/news/2021/03/24/climate-action-framework](http://www.api.org/news-policy-and-issues/news/2021/03/24/climate-action-framework)); see also API\_00011677; API\_00031603; API\_00011687; API\_00011717; API\_00011737; API\_00011856; API\_00013089; API\_00013102; API\_00013104; API\_00013112; API\_00013121; API\_00013126; API\_00013131; API\_00013136; API\_00013139; API\_00013204; API\_00013205; API\_00013215; API\_00013234; API\_00013236.

<sup>50</sup> *Washington’s Oil Lobby Pivoted on Climate Change—and Made No One Happy*, Wall Street Journal (July 28, 2021) (online at [www.wsj.com/articles/api-oil-gas-lobby-reckoning-climate-change-11627484072](http://www.wsj.com/articles/api-oil-gas-lobby-reckoning-climate-change-11627484072)).

One of the five points in the internal memo discusses reducing emissions from companies' natural gas production.<sup>51</sup> By mitigating “emissions from operations,” Sommers wrote that “there is an opportunity to further secure the industry’s *license to operate*.”<sup>52</sup>

Although the fossil fuel industry’s public messaging about flaring focuses on the industry’s commitment to climate mitigation,<sup>53</sup> this internal communication makes clear that API’s support for climate mitigation efforts like flaring is intended to secure social acceptance for the continued production of fossil fuels.<sup>54</sup> Notably, API redacted the reference to securing “the industry’s license to operate” in multiple copies of this proposal that it produced to the Committee, failing to redact the phrase in just one of these duplicates.<sup>55</sup> API did not provide a valid justification for these redactions.

On March 25, 2021, an internal email to API members highlighted that a key impetus for API’s Climate Action Framework was to promote natural gas. Jeffrey Stein, then a Senior Policy Advisor at API whose role was to “promote the competitive use of natural gas for cleaner electricity generation,” forwarded a communication summarizing the Climate Action Framework to API’s Natural Gas Markets Committee (whose membership consists of companies producing oil or natural gas in the United States, including Exxon and BP).<sup>56</sup> Mr. Stein wrote: “As you will see in the full report, so many of the issues that will guide API’s work on climate policymaking are related to the *continued promotion of natural gas in a carbon constrained economy*—hydrogen, low-carbon electricity generation, and differentiated natural gas are some

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<sup>51</sup> See BPA\_HCOR\_00137065 (a BP executive privately acknowledged that the scope of its US-based methane emissions is quite large, stating “current data shows that L48 currently reports ~50% of the BP Group Methane emissions footprint,” noting another BP executive’s request for more data and concern that “Environmental Advocates will demonize us as was done with the Power Industry. He needs the data to allow us to be ahead of the advocates”).

<sup>52</sup> API\_00014076-77 (emphasis added); see also BPA\_HCOR\_00137839; BPA\_HCOR\_00149749 (further examples of companies framing climate initiatives as opportunities to secure their license to operate).

<sup>53</sup> See also SOC-HCOR-110643 (internal acknowledgement by a Shell employee that “Flaring in the Permian is unfortunate” and must be addressed by a price on carbon, as the employee doesn’t “yet see a sufficiently strong catalyst to facilitate a positive industry response” to reduce or eliminate flaring. Contrary to public industry rhetoric, the employee admits, “Today gas is often regarded as a waste by-product – crude is the prize!”); *A Secret Recording Reveals Oil Executives’ Private Views on Climate Change*, New York Times (Sept. 12, 2020) (online at [www.nytimes.com/2020/09/12/climate/methane-natural-gas-flaring.html](http://www.nytimes.com/2020/09/12/climate/methane-natural-gas-flaring.html)).

<sup>54</sup> See also BPA\_HCOR\_00152670 (discussing another public relations campaign, organized by the National Association of Manufacturers, related to promoting public support for natural gas production).

<sup>55</sup> See API\_00011677; API\_00031603; API\_00011687; API\_00011717; API\_00011737; API\_00011856; API\_00013089; API\_00013102; API\_00013104; API\_00013112; API\_00013121; API\_00013126; API\_00013131; API\_00013136; API\_00013139; API\_00013204; API\_00013205; API\_00013215; API\_00013234; API\_00013236.

<sup>56</sup> See API\_00040563 and API\_00040676 (showing that the Natural Gas Markets Committee drafts and discusses comments to Federal and State agencies that promote the use of natural gas, and is comprised of companies including Exxon and BP, according to email metadata); *Securing America’s Energy Future*, Jeff Stein, Policy Advisor, American Petroleum Institute (online at <https://archive.secureenergy.org/jeff-stein/>) (accessed Nov. 29, 2022).

examples.”<sup>57</sup> API’s publicly released Climate Action Framework does not state that it is intended to promote natural gas.

API’s inconsistent internal and external messaging is common in the oil and gas industry, which advocates for government financial support for carbon capture technologies as a climate mitigation initiative—without public acknowledgement that the support entrenches reliance on fossil fuels, thereby directly benefiting the companies’ business-as-usual operation and delaying the transition to clean energy.<sup>58</sup> An October 9, 2018, letter to members of the National Petroleum Council (NPC) from John Mingé, BP America President and Chairman of the NPC Committee on Carbon Capture, Use, and Storage (CCUS), highlights the disconnect between the industry’s public and private rhetoric. The letter highlights an NPC carbon capture study finding that incorporating CCUS into “U.S. energy and environment plans would deliver benefits,” including “[i]ncreased usage of existing US fossil fuel resources, protecting state and federal revenue sources and supporting the license to operate.”<sup>59</sup> Those self-interested benefits to the fossil fuel industry are only noted internally to work group members, and are not mentioned in the NPC’s 2019 public report. Instead, the public report is presented as an altruistic effort to help the world provide “affordable, reliable energy.”<sup>60</sup>

Other internal documents refer to industry’s need for financial help from the government to develop a carbon capture industry in support of the license to continue to pump fossil fuels.<sup>61</sup>

## **B. Presenting Natural Gas as a Bridge Fuel to Secure its Future as a Destination Fuel**

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<sup>57</sup> API\_00016412 (emphasis added).

<sup>58</sup> See also SOC-HCOR-116937; SOC-HCOR-117979; SOC-HCOR-116846; SOC-HCOR-116855; SOC-HCOR-116837; SOC-HCOR-416643; BPA\_HCOR\_00045424; BPA\_HCOR\_00045437; BPA\_HCOR\_00045444; BPA\_HCOR\_00045557. Shell was initially hesitant to join Exxon’s “Houston Hub” CCUS project due to reputational concerns. Gretchen H. Watkins, President of Shell Oil Company, explained, “I do not support Shell publicly participating in any announcements, press releases or other public engagements of any kind at this time with XOM [Exxon]. Their reputation is severely damaged here, and we will only do harm to the strength of Shell’s reputation.” SOC-HCOR-116937. Shell eventually joined the Houston Hub months later when the partnership was made up of 14 total companies, thereby reducing the reputational risk of association with Exxon. Documents show BP, too, was interested in pursuing CCUS in the Houston region. BPA\_HCOR\_00045424; BPA\_HCOR\_00045437; BPA\_HCOR\_00045444; BPA\_HCOR\_00045557. BP announced a joint Houston CCS project with Linde in May 2022, but the company has not joined Exxon’s effort. BP, *Press Release: BP and Linde Plan Major CCS Project to Advance Decarbonization Efforts Across Texas Gulf Coast* (May 17, 2022) (online at [www.bp.com/en/global/corporate/news-and-insights/press-releases/bp-and-linde-plan-major-ccs-project-to-advance-decarbonization-efforts-across-texas-gulf-coast.html](http://www.bp.com/en/global/corporate/news-and-insights/press-releases/bp-and-linde-plan-major-ccs-project-to-advance-decarbonization-efforts-across-texas-gulf-coast.html)).

<sup>59</sup> BPA\_HCOR\_00138290; BPA\_HCOR\_00138292.

<sup>60</sup> National Petroleum Council, *Meeting the Dual Challenge: A Roadmap to At-Scale Deployment of Carbon Capture, Use, and Storage* (Dec. 12, 2019) (online at [https://dualchallenge.npc.org/files/CCUS\\_V1-FINAL.pdf](https://dualchallenge.npc.org/files/CCUS_V1-FINAL.pdf)).

<sup>61</sup> See SOC-HCOR-129049; SOC-HCOR-123455; SOC-HCOR-329442; SOC-HCOR-329980; BPA\_HCOR\_00045688; EM-HCOR3-00014447; EM-HCOR3-00013668; EM-HCOR3-00064999 (examples of documents related to the need to secure government subsidies in order to pursue carbon capture at scale, and documents that show efforts to engage governments around carbon capture policies).

In 2021, natural gas contributed to 34% of U.S. energy-related emissions and 22% of emissions globally.<sup>62</sup> Documents obtained by the Committee show fossil fuel companies and lobbying groups seek to publicly position natural gas as a clean source of energy and part of the transition to renewables, even as the industry is privately planning for expanded natural gas production over the long term.

In November 2017, a group of major oil companies, including Exxon, Shell, and BP, announced “Methane Guiding Principles.” The group acknowledged, “Since natural gas consists mainly of methane, a potent greenhouse gas, its part in the transition to a low-carbon future will be influenced by the extent to which the oil and gas industry reduces its methane emissions.”<sup>63</sup> Yet internal Shell documents suggest that the companies initially intended this document to serve as a defense of the long-term use of natural gas well beyond a mere “transition.” In a September 29, 2017, email, Dick Francis, Manager of Regulatory Policy for Shell Exploration & Production Company, distributed the first draft of the Guiding Principles document to his Shell colleagues, writing:

Also included in the document is an important preamble that clearly makes the case for natural gas and identifies the need to address methane emissions. Linking the natural gas preamble to the principles is an important element. Because supporting the principles will also signal acknowledgment of natural gas’s place in a low carbon future.

Internal BP documents from 2017 and 2018 reveal that the company engaged a public relations firm—the Brunswick Group—to develop an advocacy campaign for gas and methane.<sup>64</sup> A PowerPoint presentation prepared by Phil Drew, a Partner at the Brunswick Group, was presented to Robert Stout, BP’s Vice President & Head of Regulatory Affairs, and Mary Streett, BP’s Senior Vice President, U.S. Communications and External Affairs, describing the campaign that the Brunswick Group developed for BP. The overall goal of the campaign was to “Advance and protect the role of gas—and BP—in the future of energy conversation.”

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<sup>62</sup> Energy Information Administration, *Where Greenhouse Gases Come From* (online at [www.eia.gov/energyexplained/energy-and-the-environment/where-greenhouse-gases-come-from.php](http://www.eia.gov/energyexplained/energy-and-the-environment/where-greenhouse-gases-come-from.php)) (accessed Nov. 9, 2022).

<sup>63</sup> Climate and Clean Air Coalition, *Reducing Methane Emissions Across the Natural Gas Value Chain – Guiding Principles* (Nov. 2017) (online at [www.ccacoalition.org/en/resources/reducing-methane-emissions-across-natural-gas-value-chain-guiding-principles](http://www.ccacoalition.org/en/resources/reducing-methane-emissions-across-natural-gas-value-chain-guiding-principles)).

<sup>64</sup> BPA\_HCOR\_00024682.



## Campaign objectives

1. Position the positive role of gas – in the context of advancing the transition to a low carbon future
2. Protect BP's 'advantaged gas position' – best basins, efficient operations
3. Secure support for gas as a natural low carbon fuel by taking a leading commitment to methane reduction
4. Demonstrate how commitment to advancing low carbon is being driven through the core Upstream business – i.e. not just through renewables/ventures

Advance and protect the role of gas – and BP - in the future of energy conversation

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Other sections of the presentation identify governments, think tanks, academics, and “top tier media” as the campaign’s priority targets. Those targeted as BP’s “partners” include Princeton, the Financial Times, and the Economist, to be enlisted by BP to “create visibility of BP in a critical gas conversation and authenticating BP’s commitment to low carbon.” Notably, this document refers to methane as the “Achilles’ heel of gas case,” and suggests advocating for methane regulation to advance BP’s self interest in continuing to produce and sell natural gas.<sup>65</sup>

Shell similarly fretted over methane as problematic for its advocacy of natural gas. For example, in 2017, top Shell executives were displeased with public comments expressing concern about methane emissions from natural gas production by Fred Krupp, President of the Environmental Defense Fund.<sup>66</sup> In an email dated October 27, 2017, Ben van Beurden, CEO of Royal Dutch Shell, wrote to Brian Malnak, Vice President of Government Relations, and Bruce Culpepper, President of Shell Oil, complaining about Mr. Krupp’s presentation on a panel with Mr. van Beurden. Mr. van Beurden expressed concern that Mr. Krupp’s remarks suggested that a full accounting of the methane emissions from oil and gas production might lead to the conclusion that natural gas was not a clean fuel. Mr. van Beurden wrote:

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<sup>65</sup> *Id.*; see also BPA\_HCOR\_00027916 (showing discussion of BP’s strategy in engaging with academic partners, with a BP official noting, “We do not always agree on matters of policy, but we do get valuable intel on the evolving perspectives and priorities of the environmental community.”); BPA\_HCOR\_00041102 (recommendations BP received from Princeton’s Carbon Mitigation Initiative “on what an oil and gas company, like BP, should do to address climate change in a sustainable manner;” the recommendations include to “understand the potential for CCS to enable the full use of fossil fuels across the energy transition and beyond”).

<sup>66</sup> SOC-HCOR-151189; SOC-HCOR-152793; SOC-HCOR-116291.

I felt Fred was very disingenuous in his advocacy on CH<sub>4</sub> [methane] emission, essentially pointing out in front of the international press that if you burden the gas value chain with all the emission of the oil industry, it would put gas on a par with coal.<sup>67</sup>

Mr. van Beurden was so upset with Mr. Krupp's remarks in front of the media, he cancelled a previously scheduled meeting with Mr. Krupp, and Mr. Culpepper of Shell Oil conveyed to Mr. Krupp the company's "collective displeasure regarding his remarks."<sup>68</sup>

Other BP documents also display BP's internal maneuvering to publicly position natural gas as a "bridge fuel" in order to secure its placement as a post-energy transition "destination fuel." In an email sent on February 17, 2017, in response to a request from Geoff Morrell, BP's Executive Vice President of Communications and Advocacy, Robert Stout, BP's Vice President & Head of Regulatory Affairs, advised colleagues at BP on language for a "sustainability report letter."<sup>69</sup> Mr. Stout stated:

For sure the bridge is very long in any event, but it is conceivable that gas could serve as a destination fuel to back up intermittent renewables (possibly with CCS [carbon capture and sequestration]) in the much longer term. We would not want to spell all this out, but also not implicitly concede the point by referring to it mainly as a "bridge."<sup>70</sup>

**From:** Stout, Robert  
**Sent:** Friday, February 17, 2017 12:52 PM  
**To:** Morrell, Geoff; Bickerton, David  
**Cc:** van Hoogstraten, David Jan; Currie, Duncan  
**Subject:** RE: Updated RWD note for BRT  
**Importance:** High

This looks very good. David and I just spoke with Duncan and he will suggest 1 small edit to the second par. statement about natural gas so it is not characterized as a "bridge" only. For sure the bridge is very long in any event, but it is conceivable that gas could even serve as a destination fuel to back up intermittent renewables (possibly with CCS) in the much longer term. We would not want to spell all this out, but also not implicitly concede the point by referring to it mainly as a "bridge."

**Bob Stout**  
Robert L. Stout, Jr.  
Vice President & Head of Regulatory Affairs  
BP America Communications & External Affairs

An internal BP document dated March 2017, received by Bob Stout on April 4, 2017, and titled "Role of Gas," identified BP America's goal as: "Prevent further erosion of near-term support for gas vs. other fuels, protect role of gas as a bridge in a low-carbon transition, and position gas

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<sup>67</sup> SOC-HCOR-151189; SOC-HCOR-152793. The oil and gas value chain includes upstream (exploration and production), midstream (transportation and storage), and downstream (refining and retail markets) segments. Methane emissions are associated with each segment in both oil and gas production streams.

<sup>68</sup> SOC-HCOR-116291. In an email from Bruce Culpepper to Mr. van Beurden and others at Shell on November 17, 2017, Mr. Culpepper wrote: "Just a quick note to let you know that I had a candid and constructive conversation with Fred Krupp on Wednesday to convey our collective displeasure regarding his remarks at the end of the OGCI conference. I confirmed that he was aware that Ben was sufficiently upset to cancel their face-to-face meeting." *Id.*

<sup>69</sup> BPA\_HCOR\_00147166.

<sup>70</sup> *Id.*

as a destination fuel for the long-term.”<sup>71</sup> That same goal appeared as a company objective the following year, in an internal draft document entitled “2018 BP America Objectives.”<sup>72</sup>

### **III. OIL EXECUTIVES PRIVATELY ADMIT THAT KEY PARTS OF CLIMATE PLANS WILL NOT REDUCE EMISSIONS AND THAT THE INDUSTRY WILL ONLY CUT EMISSIONS IF IT BENEFITS THEM FINANCIALLY.**

#### **A. Selling Polluting Assets to Other Fossil Fuel Companies Rather than Offering Real Solutions**

As the Committee detailed in our September 14, 2022, memorandum, one strategy used by some Big Oil companies is to divest fossil fuel assets to decrease the company’s overall emissions.<sup>73</sup> Divestment does not reduce greenhouse gas emissions—it simply moves those emissions from one company’s balance sheet to another’s. Some companies claim that sales of carbon-intensive assets are advancing their net-zero pledges—even though these same assets are almost certain to be exploited by the fossil fuel companies that buy them. One study found that the top eight oil companies plan to divest \$111 billion worth of assets this decade to meet their climate goals.<sup>74</sup>

Documents suggest that BP employed this strategy and sought to characterize the sale of legacy assets as a reduction in emissions. A March 26, 2019, email from Jack Collins, then-Chief Financial Officer of BPX Energy, to Murray Auchincloss, then-Upstream Chief Financial Officer at BP, noted that in March 2018, BP had committed to reduce its emissions by 700,000 tons of carbon dioxide (CO<sub>2</sub>) emissions through 2025 from the company’s legacy assets, out of 1,350,000 tons of CO<sub>2</sub> that BP expected to be emitted from these assets.<sup>75</sup> Mr. Collins wrote:

As you know, nearly all of our legacy assets are slated for divestment. As a result, assuming divestments occur as planned, our reported emissions on assets not slated for divestiture (SoHa) will only be ~ 150 te CO<sub>2</sub>e.

Mr. Collins explained that, prior to the sale of these assets, BP had planned to reduce emissions of legacy assets through execution of a “solar pump project.” He wrote: “However, we have elected to halt nearly all of these projects in light of our divestment plans.” Rather than investing in solar technology designed to reduce emissions or winding down the use of these assets on a timeline in line with climate science targets, BP simply sold off its polluting assets to another entity.

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<sup>71</sup> BPA\_HCOR\_00153145.

<sup>72</sup> BPA\_HCOR\_00125167.

<sup>73</sup> Committee on Oversight and Reform, *Press Release: Ahead of Hearing, Committee Releases Memo Showing Fossil Fuel Industry Is Misleading the Public About Commitment to Reduce Emissions* (Sept. 14, 2022) (online at <https://oversight.house.gov/news/press-releases/ahead-of-hearing-committee-releases-memo-showing-fossil-fuel-industry-is>).

<sup>74</sup> *Tracking Carbon Emissions Becomes Harder When Big Oil Isn’t Involved*, Bloomberg (Apr. 15, 2021) (online at [www.bloomberg.com/graphics/2021-tracking-carbon-emissions-BP-hilcorp/](http://www.bloomberg.com/graphics/2021-tracking-carbon-emissions-BP-hilcorp/)).

<sup>75</sup> BPA\_HCOR\_00125857.

Internal documents make clear that BP is aware that these divestments have no direct impact on emissions. On March 17, 2021, Elizabeth Jackson, a BP executive, wrote to BP employees:

Divestments are, and continue to be, an important part of our strategy. They enable us to strengthen our balance sheet and high grade or diversify our portfolio. ... While these divestments may not directly lead to a reduction in absolute global emissions, they can accelerate the pace bp can grow low carbon businesses that underpin our aim to reduce our oil and gas production by around 40% by 2030.<sup>76</sup>

Divestment is also part of Shell’s net zero plan—yet internal emails show that Shell is also aware that divestment does not actually reduce carbon emissions. An email from Curtis Smith, Media Manager for Shell, defended the company’s divestment strategy with his colleagues:

True, we transfer CO2 liability when we divest. And now we’ve been called on it. It’s no different, however, when we are denied resource access in the US (or elsewhere) and that energy need is then met with resources in a country that (likely) has far fewer regulations than we do in a modern, civilized society.”

Anna Arata with Shell Media Relations replied:

I fully understand the logic behind their argument, but in the same breath, what exactly are we supposed to do instead of divesting ... pour concrete over the oil sands and burn the deed to the land so no one can buy them? (I suppose in a perfect world, governments could step in and administer buybacks of dirty resources, but that probably won’t be a popular expenditure when that cash could be used for, um, anything else.) Further, we didn’t just *happen* upon the oil sands. In that case, let’s chase the paper trail of pointed fingers to Suncor and the Pew family. Right?<sup>77</sup>

## **B. Posturing on Climate Issues While Avoiding Real Commitments**

Fossil fuel companies seek to portray themselves as part of the climate solution, but internal documents reveal how the companies avoid making meaningful commitments. BP, for example, states that the company strives to “be a net zero company by 2050 or sooner and to help the world get to net zero,” and “drive a 50% reduction in methane intensity of our

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<sup>76</sup> BPA\_HCOR\_00089348.

<sup>77</sup> SOC-HCOR-366373.

operations.”<sup>78</sup> But internal BP documents show the company’s recent operational plans do not match its current public rhetoric.<sup>79</sup>

In July 2017, Richard Mortimer, BP’s Vice President of Engineering, Dave O’Connor, BP’s Head of Global Projects, and other senior BP employees exchanged emails about whether to invest in methods for curbing emissions from the company’s Angelin gas project off the coast of Trinidad and Tobago. Mr. O’Connor questioned why the Angelin project’s design plans had been changed from a nitrogen purge system to a natural gas purge system—a move that would increase emissions and that employees believed was inconsistent with BP’s commitment to reducing carbon emissions. In response, Mr. Mortimer explained that BP had “no obligation to minimize GHG emissions” and that the company should only “minimize [GHG emissions] where it makes commercial sense,” is required by code, or fits into a regional strategy.<sup>80</sup>

Internal BP documents also show BP executives acknowledging that the company’s actions are often obstructionist towards the development of climate policy. A November 8, 2016, email from Seymour Khalilov, BP’s Vice-President, Communications and External Affairs, to John Mingé, Chairman and President of BP America, and others about climate and emissions trading, includes an assessment made by a BP employee within the “Integrated Supply and Trading” division under the heading “Political/Regulatory Landscape.”

- “We appear more defensive in the US vs. other places around the world
  - Don’t go proactively to the regulator to collaborate and help shape the policy
  - Instead we wait for the rules to come out, we don’t like what we see, and then try to resist and block.”

The email acknowledges that the company’s “Mindset is different elsewhere” and that in Germany and Australia, the company worked proactively with regulators to design regulations to help the company’s business. It concludes:

- The risk is if we have a democratic administration and continue with the same attitude, they can push ahead with regulations across the full infrastructure chain, forcing us to adjust.

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<sup>78</sup> BP, *Getting to Net Zero* (online at [www.bp.com/en/global/corporate/sustainability/getting-to-net-zero.html](http://www.bp.com/en/global/corporate/sustainability/getting-to-net-zero.html)) (accessed Nov. 11, 2022); BP, *Our Sustainability Aims* (online at [www.bp.com/en/global/corporate/sustainability/our-aims.html](http://www.bp.com/en/global/corporate/sustainability/our-aims.html)) (accessed Nov. 11, 2022).

<sup>79</sup> Another email discussion culminated in BP joining a campaign to oppose and kill a climate policy, Washington State’s proposed 2018 state carbon tax. BPA\_HCOR\_00137419. *See also* API\_00011531; API\_00015382; API\_00022792; API\_00031404; SOC-HCOR-175306; API\_00047110; API\_00015308 (showing further industry-level coordination efforts to advocate against climate policies).

<sup>80</sup> BPA\_HCOR\_00154029.

- Better option may be to engage early, and help to set up a well-designed policy that works and lets the market do its job, and slow the pace and price of demand erosion.<sup>81</sup>

#### Political/Regulatory Landscape

- We appear more defensive in the US vs. other places around the world
  - Don't go proactively to the regulator to collaborate and help shape the policy
  - Instead we wait for the rules to come out, we don't like what we see, and then try to resist and block
- Mindset is different elsewhere:
  - In Germany worked together with the regulator and created regulation that helped our biofuels business
  - In Australia, engaged proactively with the regulators and established advantaged position for refining
- The risk is if we have a democratic administration and continue with the same attitude, they can push ahead with regulations across the full infrastructure chain, forcing us to adjust
- Better option may be to engage early, and help to set up a well-designed policy that works and lets the market do its job, and slow the pace and price of demand erosion

In September 2017, members of BP's Issues Management Working Group (IMWG)—a group of BP employees tasked with preparing and approving BP's official positions on various public issues—met to consider BP's positions on carbon capture, net-zero emissions, and greenhouse gas accounting. Notes from the meeting show that the group recommended against BP adopting any specific position on net zero emission targets, indicating that the group felt “a specific position on net zero is not needed,” and instead decided that an internal “summary note [to other IMWG members] that explains the concept and uncertainties that can be used reactively is more helpful.”<sup>82</sup> It was not until 2020 that BP acknowledged net zero emissions as “essential.”<sup>83</sup>

Like BP, Chevron's internal climate decisions fail to match the public statements and rhetoric by the company. Chevron publicly claims it “supports the Paris Agreement” and is “committed to addressing climate change while continuing to deliver energy that supports society.”<sup>84</sup> Chevron also claims to support transparency into its climate actions, stating, “we believe transparent data and policies enable consumer choice and the most efficient GHG reductions.”<sup>85</sup>

In a December 11, 2020, memorandum, Mary A. Francis, Corporate Secretary and Chief Governance Officer, informed Board members that the company had received 11 stockholder proposals relating to the company's role in addressing climate change, for consideration at the 2021 annual stockholder meeting. The stockholder proposals included:

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<sup>81</sup> BPA\_HCOR\_00017627.

<sup>82</sup> BPA\_HCOR\_00017335.

<sup>83</sup> BPA\_HCOR\_00137368. The 2020 BPA Board Meeting Lunch “Framework for Discussion,” concludes: “Based on a number of conversations with academics, NGO's, investors, and consultants – feedback is that a net zero ambition for the company is essential and we have to get ahead of this.” *Id.*

<sup>84</sup> Chevron, *Environment: Chevron Supports Well-designed Climate Policy* (online at [www.chevron.com/sustainability/environment/climate-policy](http://www.chevron.com/sustainability/environment/climate-policy)), (accessed Nov. 9, 2022).

<sup>85</sup> *Id.*

- A “report on Scope 3 emissions from Chevron’s Liquefied Natural Gas operations and how the Company plans to offset ... these emissions to meet the goals of the Paris Agreement”;
- A “Report on Racial Equity and Community Impact ... analyzing how the Company’s policies, practices and the impacts of its businesses inflict harm on communities of color [and] ... assess[ing] the long-term contribution to climate change and health impacts to communities of color”;
- “[R]equests to substantially reduce the GHG emissions of Company energy products (Scope 3) in the medium- and long-term future;
- “[D]evising a method to set emissions reduction targets covering GHG emissions”; and
- “[A]n audited report on whether and how a significant reduction in demand, envisioned in the IEA Net Zero Scenario, would affect the Company’s financial position.”<sup>86</sup>

The memorandum to Board members indicated that Chevron was already “in the process of evaluating possible grounds to exclude any of the proposals through the SEC’s no-action letter process and contacting proponents to demonstrate our commitment to engagement and explore whether discussions might lead to the withdrawal of proposals.”<sup>87</sup> Chevron ultimately recommended a “no” vote for all of the climate-related proposals. One proposal to reduce emissions from Chevron’s products in the medium- and long-term passed over the Board’s objections, while the others were defeated or withdrawn before the shareholder vote.<sup>88</sup>

#### **IV. BIG OIL HAS TRIED TO AVOID ACCOUNTABILITY BY BULLYING JOURNALISTS AND OBSTRUCTING THE COMMITTEE’S INVESTIGATION**

##### **A. Bullying Journalists Who Expose the Truth**

Emails obtained by the Committee show Exxon privately pressured journalists about unfavorable news stories implicating the industry. In October 2015, the *Los Angeles Times*

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<sup>86</sup> CHEV-117HCOR-0011930-32.

<sup>87</sup> CHEV-117HCOR-0011930; *see also* CHEV-117HCOR-00127344-45 (showing the Chevron Board’s response to a narrowly defeated stockholder proposal demanding more transparency on its climate activities, with the Board’s Public Policy Committee recommending that Chevron “issue a report before the next Annual Meeting that demonstrates to its relevant stakeholders that it is responsibly managing its portfolio in light of potential changes resulting from the perceived risks of climate change”).

<sup>88</sup> Chevron, *2021 Proxy Statement* (online at [www.chevron.com/-/media/shared-media/documents/chevron-proxy-statement-2021.pdf](http://www.chevron.com/-/media/shared-media/documents/chevron-proxy-statement-2021.pdf)) (accessed Nov. 23, 2022); Securities and Exchange Commission, *Form- 8-K: Chevron Corporation* (May 26, 2021) (SEC-001-00368) (online at [www.sec.gov/ix?doc=/Archives/edgar/data/0000093410/000009341021000020/cvx-20210526.htm](http://www.sec.gov/ix?doc=/Archives/edgar/data/0000093410/000009341021000020/cvx-20210526.htm)); *Chevron Investors Back Proposal for More Emissions Cuts*, Reuters (May 26, 2021) (online at [www.reuters.com/business/energy/chevron-shareholders-approve-proposal-cut-customer-emissions-2021-05-26/](http://www.reuters.com/business/energy/chevron-shareholders-approve-proposal-cut-customer-emissions-2021-05-26/)).

published two articles written by students as part of the Energy and Environmental Reporting Project at the Columbia Journalism School. The articles, which drew on historic documents and more recent interviews and statements from current and former Exxon employees, showed that Exxon’s work to prepare its facilities for climate change belied its public statements downplaying or denying climate science.<sup>89</sup>

Documents uncovered by the Committee suggest that Exxon baselessly accused a Columbia Journalism instructor and a post-graduate fellow of wrongdoing in connection with these stories. On November 20, 2015, Exxon sent a letter to Columbia University’s President Lee Bollinger, criticizing the articles and alleging ethics violations by the students and the instructor. Exxon claimed that the journalists were made aware of “significant factual errors” in the articles and gave the company “less than 24 hours” to respond to a request to comment on the second story, published on October 23, 2015.<sup>90</sup> The letter singled out the team’s instructor Susanne Rust for alleged inaccuracies and for not giving the company ample time to respond.<sup>91</sup>

However, internal emails indicate that Exxon was given approximately a month to comment on essential questions and facts of the story prior to the October 23, 2015, publication, and that the company had resisted multiple requests by the team of journalists to provide detailed responses.<sup>92</sup>

Exxon also accused a post-graduate fellow, Sara Jerving, of “misrepresenting herself as a Columbia Arctic researcher and [making] no mention of the fact that she was affiliated with the

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<sup>89</sup> Columbia Journalism School, *Two-Year Long Investigation: What Exxon Knew About Climate Change* (online at <https://journalism.columbia.edu/two-year-long-investigation-what-exxon-knew-about-climate-change>) (accessed Nov. 22, 2022). The first two articles in the series were published in October 2015. The first article, *What Exxon Knew About the Earth’s Melting Arctic*, details how between 1986 and 1992 Exxon was already planning for the impacts that global warming would have on its operations in the Arctic, for example by hardening infrastructure. The second article, *How Exxon Went from Leader to Skeptic on Climate Change Research*, reveals how the company, contrary to its own research, “poured millions” into a public messaging campaign to sow doubt about the science of climate change. The article asserted that, despite being a leader in climate research, the company was publicly skeptical of climate change because it “feared a growing public consensus would lead to financially burdensome policies.”

<sup>90</sup> Letter from Kenneth Cohen, Vice President, ExxonMobil, to Lee Bollinger, President, Columbia University (Nov. 20, 2015) (online at [www.politico.com/f/?id=00000151-5a8a-d6a2-a155-dbca213c0000](http://www.politico.com/f/?id=00000151-5a8a-d6a2-a155-dbca213c0000)).

<sup>91</sup> *Id.*

<sup>92</sup> In an email from October 1, 2015, Susanne Rust followed up on questions she had previously sent to Exxon, noting that it had been a week since she sent her questions. Richard Keil and Alan Jeffers replied from Exxon with a statement that did not answer the specific questions posed by Ms. Rust. When Ms. Rust followed up about the questions again, Exxon only answered one of them, about the ownership structure of Imperial Oil. EM-HCOR3-00943405. The first *Los Angeles Times* article was published October 9, 2015. On October 22, 2015, Exxon emailed Ms. Rust to follow up on an earlier phone call about the next pending story. Mr. Keil wrote that the company was “surprised that your story is written and filed before we’d had any advance notice.” Ms. Rust replied, asking if the company had any response, and writing, “Right now I have lines from the response you sent a few weeks ago and reference to the 50+ docs you provided citations for.” The company provided another statement to Ms. Rust the following day. EM-HCOR3-00943399-403.



School of Journalism or that the research might eventually be published in a newspaper.”<sup>93</sup> Internal Exxon emails contradict these claims as well. These emails show that the company knew that Ms. Jerving had represented herself accurately as a journalism student at Columbia University to the people she interviewed for the stories.<sup>94</sup>

These exchanges also show industry insiders communicating with Exxon employees about their skepticism and denial of the science of climate change. For example, Peter Noble, a longtime oil and gas industry executive and consultant, wrote to Ken Croasdale, a former Exxon employee and then-consultant for Exxon:

I see nothing inconsistent twitch [sic] your quote from 1991 when we didn't knw [sic] much about global climate change to Exxon's current position in 2015 when we still don't know much about climate change even if our politicians claim it is “settled science.” This is a cross we have to bear for our oil industry connections I guess?<sup>95</sup>

Another oil and gas industry insider, Dan Masterson wrote to Mr. Croasdale:

The murky part of global warming and climate change seems to be whether it is anthropogenic or related to other very long term [sic] changes not related to human activity. I think the latter is the case and that the Exxon executives were correct in stating that the science was “murky.”<sup>96</sup>

Shell's internal documents similarly display a marked discomfort with press inquiries into the company's past and present climate efforts, even with journalists from whom they expect positive coverage. In October 2016, David Hone, Shell's Chief Climate Change Adviser, and Curtis Smith, Media Manager for Shell, discussed how to deal with a damaging story about climate denialism in the oil industry. Mr. Smith suggested reaching out to Paul Barrett from Bloomberg Businessweek, describing him as “the fellow who wanted to do a deep dive in our archives to prove Shell was a good actor in the climate space for a long time.” However, Mr.

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<sup>93</sup> Letter from Mr. Kenneth Cohen, Vice President, ExxonMobil, to Lee Bollinger, President, Columbia University (Nov. 20, 2015) (online at [www.politico.com/f/?id=00000151-5a8a-d6a2-a155-dbca213c0000](http://www.politico.com/f/?id=00000151-5a8a-d6a2-a155-dbca213c0000)).

<sup>94</sup> In a series of emails, Exxon consultant Ken Croasdale asked his contacts about their interactions with Ms. Jerving. In response, his contacts indicated they knew she was a journalist. For example, in an email from Peter Noble to Ken Croasdale on October 14, 2015, Mr. Noble confirmed meeting with Ms. Jerving and that she “[s]eemed like a nice young lady, a student of journalism at Columbia, I think she said but that just shows that I am a poor predictor of character?” EM-HCOR3-00943385-90. Moreover, in emails from October 15, 2015, from Anne Barker and Bob Frederking, a current employee and retired employee at the National Research Council of Canada, both acknowledged they knew Ms. Jerving was affiliated with Columbia and that their interviews with her came through the National Research Council's communications group. EM-HCOR3-00943393-94. In an email from October 15, 2015, Dan Masterson, another oil and gas industry contact of Mr. Croasdale's, wrote that, according to his diary entry, he “Met with Sara Jerving, a post-grad student in journalism at Colombia [sic] University. We talked for about 1.5 hours re what I did in my career and what took place in the 1970's, 1980's and thru the 90's to now.” EM-HCOR3-00943410-11.

<sup>95</sup> EM-HCOR3-00943388.

<sup>96</sup> EM-HCOR3-00943411; *see also* BPA\_HCOR\_00029193-94 for BP's treatment of later reporting from the Energy and Environmental Reporting Project.

Smith ultimately explained that the deep dive never happened because “we sort of chickened out” and chose not to give him access.<sup>97</sup>

Despite an extensive public relations campaign detailing their clean energy strategy, Shell executives were reluctant to engage with press questions comparing their investments in clean energy to continued investments in fossil fuels. On October 8, 2021, Mr. Smith received an inquiry from a Teen Vogue reporter who asked for comment on an op-ed “criticizing publications for working with fossil fuel companies and lobbying groups.” The journalist explained the disconnect between marketing and the fact that “fossil fuel companies’ clean-energy investments account for a small percentage of their total capital expenditure, compared to investments into finding new pockets of oil and gas.” Mr. Smith responded internally to other Shell employees, “Not with a ten foot pole.”<sup>98</sup>

## **B. Obstructing the Committee’s Investigation**

The Committee launched its investigation into the fossil fuel industry’s decades-long climate disinformation and greenwashing campaign in September 2021, requesting documents from Exxon, Chevron, BP, Shell, API, and the Chamber of Commerce.<sup>99</sup> On October 28, 2021, the Committee held a hearing with top executives from all six of these entities. At the hearing, executives acknowledged the dire threat to humanity posed by climate change and the central role played by burning fossil fuels, but they refused to pledge meaningful actions to avert the ongoing climate catastrophe.<sup>100</sup>

At the Committee’s October 2021 hearing, Chairwoman Maloney announced her intent to issue subpoenas to the six fossil fuel entities in the Committee’s investigation, each of which had failed to comply with the Committee’s voluntary requests for documents.<sup>101</sup> The Committee issued subpoenas to the fossil fuel entities on November 2, 2021. The Committee held another hearing on fossil fuel company pledges on February 8, 2022. Members of the boards of Exxon, Chevron, Shell, and BP were invited to testify, along with climate scientists and advocates, but they declined to appear. Board members were again invited to testify at a rescheduled

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<sup>97</sup> SOC-HCOR-106233; *see also* SOC-HCOR-107195-98.

<sup>98</sup> SOC-HCOR-407716; *see also* SOC-HCOR-396310, SOC-HCOR-396870, SOC-HCOR-397087, SOC-HCOR-396423, SOC-HCOR-396872 (showing pushback from Curtis Smith in response to journalism critical of Shell and the oil and gas industry).

<sup>99</sup> Committee on Oversight and Reform, *Press Release: Oversight Committee Launches Investigation of Fossil Fuel Industry Disinformation on Climate Crisis* (Sept. 16, 2021) (online at <https://oversight.house.gov/news/press-releases/oversight-committee-launches-investigation-of-fossil-fuel-industry>).

<sup>100</sup> Committee on Oversight and Reform, *Hearing on Fueling the Climate Crisis: Exposing Big Oil’s Disinformation Campaign to Prevent Climate Action* (Oct. 28, 2021) (online at <https://oversight.house.gov/legislation/hearings/fueling-the-climate-crisis-exposing-big-oil-s-disinformation-campaign-to>).

<sup>101</sup> Committee on Oversight and Reform, *Press Release: Chairwoman Maloney Subpoenas Top Fossil Fuel Entities for Key Documents* (Nov. 2, 2021) (online at <https://oversight.house.gov/news/press-releases/chairwoman-maloney-subpoenas-top-fossil-fuel-entities-for-key-documents>).

Committee hearing on September 15, 2022, but they again declined to appear on the requested date.<sup>102</sup>

Fossil fuel entities are legally required to comply with the Committee’s document subpoenas. Although these entities have produced voluminous sets of documents over the last year, each has withheld and redacted key documents without a valid basis for doing so.

Among other rationales, the fossil fuel entities have withheld documents by claiming that producing them would violate the First Amendment. However, this argument is erroneous. As the Committee has previously explained, the Committee’s investigation and its subpoenas do not burden the fossil fuel entities’ right to conduct constitutionally protected activities—including engaging in lobbying or speech protected by the First Amendment.<sup>103</sup> The Committee’s subpoenas do not include any demands specifically focused on constitutionally protected activity such as lobbying, and to the extent material related to protected activity may be responsive to broad categories in the subpoenas, producing these documents would not in any way impact the ability of fossil fuel companies to continue engaging in this activity.<sup>104</sup>

Fossil fuel companies have also withheld documents on the spurious grounds that they contain sensitive business information. Yet courts have long recognized Congress’s right to obtain confidential or competitively sensitive information, and sensitive, non-public materials are routinely obtained by the Committee as part of its investigations.<sup>105</sup>

Nonetheless, the fossil fuel entities have disregarded legal precedent and decades of congressional practice by withholding relevant and probative material. The fossil fuel entities

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<sup>102</sup> Memorandum from Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, and Chairman Ro Khanna, Subcommittee on Environment, to Members of the Committee on Oversight and Reform, *Investigation of Fossil Fuel Industry Disinformation* (Sept. 14, 2022) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2022.09.14%20FINAL%20COR%20Supplemental%20Memo.pdf>).

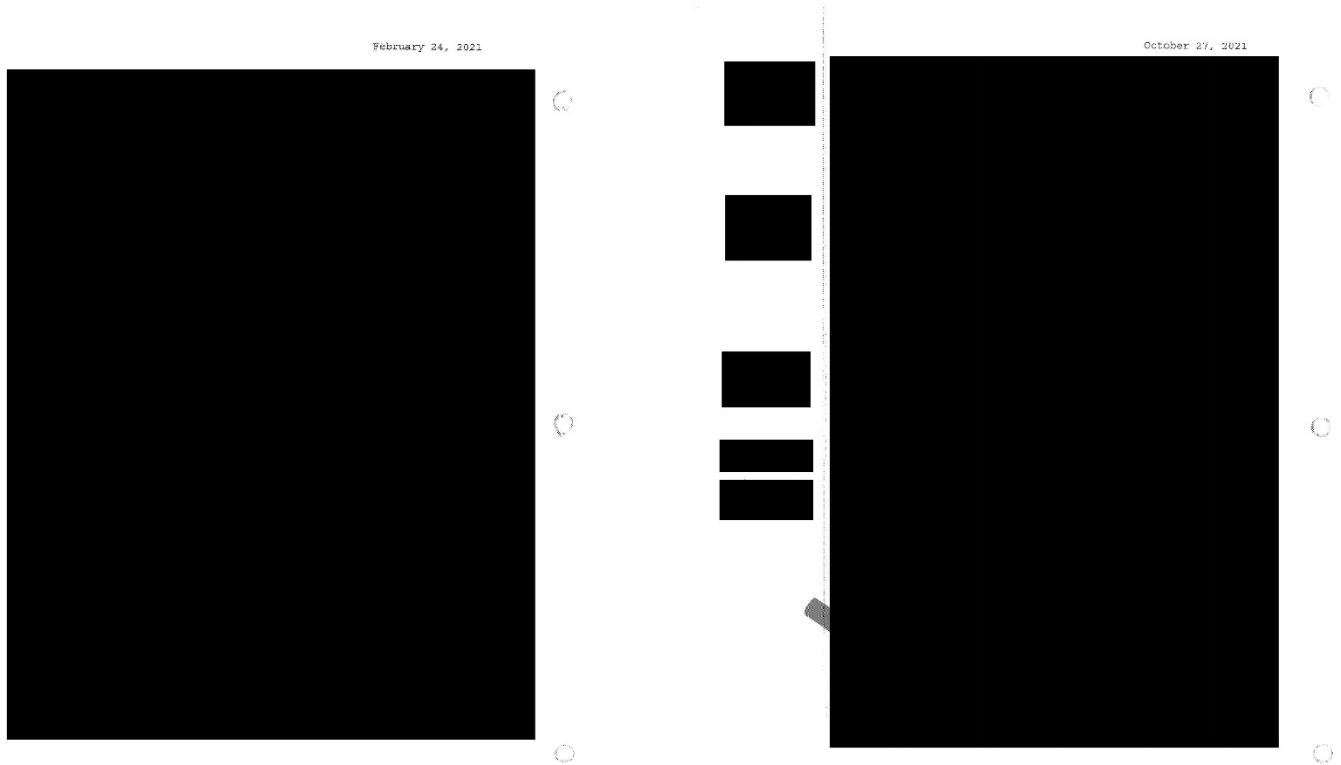
<sup>103</sup> Memorandum from Chairwoman Carolyn B. Maloney to Members of the Committee on Oversight and Reform, *Notice of Intent to Issue Subpoenas to Fossil Fuel Entities* (Nov. 2, 2021) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2021-11-2%20Fossil%20Fuel%20Subpoena%20Memo%20%28Final%29.pdf>).

<sup>104</sup> In the past, this Committee has conducted investigations that relate to lobbying, and Congress has repeatedly legislated in this area. *See, e.g.*, Letter from Ranking Member Jim Jordan, Committee on Oversight and Reform, and Ranking Member Mark Meadows, Subcommittee on Government Operations, to Lanny J. Davis, Counsel to Michael Cohen [(Feb. 21, 2019) (online at <https://republicans-oversight.house.gov/wp-content/uploads/2019/02/2019-02-21-JDJ-MM-to-Lanny-Davis-re-Cohen-Lobbying-due-2-25.pdf>)] (seeking “[a]ll documents and communications related to Michael Cohen’s lobbying and/or consulting agreements”); *see also* Lobbying Disclosure Act of 1995, Pub. L. 104-65 (stating that “responsible representative Government requires public awareness of the efforts of paid lobbyists to influence the public decisionmaking process in both the legislative and executive branches of the Federal Government.”).

<sup>105</sup> *See, e.g., Ashland Oil, Inc. v. Federal Trade Commission, et al.*, 409 F. Supp. 297, 308 (D.D.C. 1976) (holding that the laws forbidding the Federal Trade Commission from releasing trade secrets by corporations did not prohibit giving that information to a congressional committee). Moreover, while the Freedom of Information Act limits federal agencies’ disclosure of “trade secrets” to the public, Congress is expressly exempted from such restrictions and is not limited in obtaining trade secrets obtained by governmental agencies. *See* 5 U.S.C § 552(b)(4); 5 U.S.C § 552(d).

have failed to even provide privilege logs, as is required by the Committee’s subpoena instructions, to identify the documents they are withholding. In particular:

- **Exxon** redacted and withheld key documents despite repeated objections from the Committee. Exxon redacted the minutes of meetings of its Board of Directors as well as other related board and committee documents, without providing any basis for the redactions. Nearly 50 pages of these board materials were partially or wholly redacted. Exxon also refused to produce documents it claims are “proprietary and confidential” or business sensitive, even though this is not a valid basis to withhold documents required by a Committee subpoena.<sup>106</sup>



**Examples of Redacted Documents Produced to the Committee by Exxon.<sup>107</sup>**

- **Chevron** has gone to great lengths to conceal certain key information from the Committee. For example, Chevron heavily redacted a 2019 slide forecasting the company’s capital expenditure through 2030 in various energy categories, including “conventional,” “unconventionals,” “deepwater,” “LNG,” “Future Energies,” “Heavy Oil,” and more.<sup>108</sup>

<sup>106</sup> *Id.*

<sup>107</sup> EM-HCOR3-00132955; EM-HCOR3-00132951.

<sup>108</sup> CHEV-117HCOR-0011269.

### Capital allocation reflects differentiated strategies



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CHEV-117HCOR-0011269

### Example of Redacted Documents Produced to the Committee by Chevron.<sup>109</sup>

- **BP** has withheld a large volume of documents from the Committee, often without specifying the reason for the withholding and contrary to the Committee’s clear instructions.<sup>110</sup> BP also heavily redacted correspondence related to the company’s “guiding principles” on methane, often without specifying the privilege asserted, or with unfounded claims of “First Amendment” privilege.

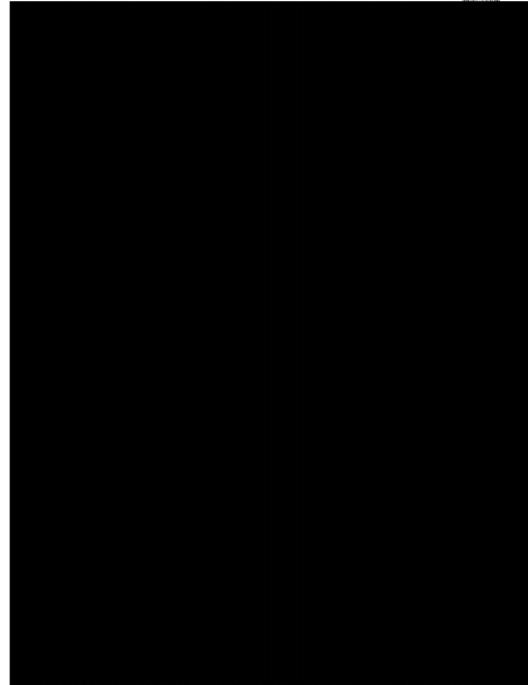
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<sup>109</sup> *Id.*

<sup>110</sup> BPA\_HCOR\_00157213-00157220.



Document Withheld for Privilege



BPA\_HCOR\_00157213

Updated: 14 May 2018

BPA\_HCOR\_00157213

### Examples of Redacted Documents Produced to the Committee by BP.<sup>111</sup>

- **Shell** has also redacted documents and withheld information from the Committee without valid justification. For example, Shell withheld a summary of a meeting of the company’s Executive Committee without providing any rationale.<sup>112</sup> In at least one instance, the Committee was able to determine that Shell attempted—unsuccessfully—to hide information that should have been produced. In a January 20, 2020, email produced by Shell, Shell executives were preparing a presentation on an enhanced oil recovery project, and a company engineer provided a summary of updates from the Government and External Relations team. Shell redacted text in the document, but the document’s metadata shows that the redacted text included a discussion of implementation of the federal tax credit for carbon sequestration and the administration of carbon sequestration permits by EPA and a state government—information that does not appear to be subject to any valid privilege.<sup>113</sup>

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<sup>111</sup> BPA\_HCOR\_00157213; BPA\_HCOR\_0013796.

<sup>112</sup> SOC-HCOR-083382. Another document from Shell, titled “Cross Business Leadership Forum,” also contains large redacted sections without a clearly stated rationale. SOC-HCOR-083979.

<sup>113</sup> SOC-HCOR-144037.

- The **American Petroleum Institute** also improperly withheld documents from the Committee, including materials prepared for its Executive Committee and Board of Directors and relating to API’s activities surrounding major federal climate policy proposals. For example, API redacted emails to representatives of other oil and gas trade associations, including the American Gas Association and Independent Petroleum Association of America with the subject line “reconciliation coordination,” referring to the budget reconciliation bill that culminated in President Biden’s Inflation Reduction Act.<sup>114</sup> API also redacted communications regarding pending Securities and Exchange Commission regulations that would require companies to disclose their climate impacts, and documents describing meetings with Administration officials, including a document outlining industry’s priorities for a March 22, 2021, meeting with President Biden’s then-National Climate Advisor Gina McCarthy.<sup>115</sup>
- The **U.S. Chamber of Commerce** has been especially obstructive and evasive in its response to the Committee’s subpoena. The Chamber excluded almost all internal documents from its production, preventing the Committee from evaluating whether external positioning and internal rhetoric are aligned. Instead, the Chamber produced documents that it knew were tangential to the Committee’s investigation, including mass mailer publications, newsletters, mass letters to Congress, mass emails to congressional staff, and press releases. The Chamber also produced printouts from its website, comment letters to federal agencies and departments, widely distributed event invitations, and daily news clippings—while refusing to produce the internal documents that are required by the Committee’s subpoena.

The Committee continues to seek full compliance with its subpoenas in this investigation. Despite obstruction from Big Oil over the last year, the Committee’s investigation has uncovered troubling evidence of a long-running greenwashing campaign by the fossil fuel industry—all while doubling down on long-term production of oil and gas and reaping record profits at the expense of American consumers. The evidence obtained by the Committee shows the vital importance of the Committee’s investigation to uncover the truth about Big Oil’s role in the climate crisis and the industry’s inaction and misinformation that continue to exacerbate the crisis.

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<sup>114</sup> API\_00015308; API\_00015312.

<sup>115</sup> API\_00016100; API\_00015448; API\_00015561; API\_00015434.