

Raya Salter, Esq.
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Testimony of Raya Salter, Esq.

Founder and Executive Director, Energy Justice Law and Policy Center and

Member, New York State Climate Action Council.

Before the

United States House Committee on Oversight and Reform,

Fueling the Climate Crisis: Examining Big Oil's Prices, Profits, and Pledges.

September 15, 2022.

Dear Committee Chairwoman Maloney, Committee Ranking Member Comer, Environment Subcommittee Chair Khanna, Environment Subcommittee Ranking Member Herrell and distinguished Members,

Thank you for this opportunity to testify today. My name is Raya Salter. I am an energy attorney and founder and executive director of the Energy Justice Law and Policy Center, based in New Rochelle, NY with offices in Birmingham, AL. The Energy Justice Law and Policy Center is an energy justice think tank and the nation's first grassroots public interest law firm dedicated to energy justice. I am also a Member of the New York State Climate Action Council, the body tasked with developing the scoping plan for New York to achieve its statewide greenhouse gas (GHG) emissions goal of 85% from 1990 levels by 2050.

I started my legal career as an energy associate with the law firm of Dewey & LeBoeuf in New York City. In prior roles I was a Regulatory Attorney for the Environmental Defense Fund and a Senior Attorney with the Natural Resources Defense Council. I have worked with utilities, community stakeholders, activists and other thought leaders in multiple jurisdictions, including New York, Hawaii, Tonga and Fiji to promote the just and equitable integration of clean and renewable energy onto the electric grid. I was also the policy director for NY Renews, a coalition of over 300 environmental justice, labor, environmental and community groups, and the force behind the 2019 New York Climate Leadership and Community Protection Act, the state predicate for the Biden administration's "Justice40 Initiative." I am an adjunct professor of law at Cardozo Law School and my book, "Energy Justice, Domestic and International Perspectives" was published in 2018.

This may well be the most important inquiry of our lifetimes. The 2021 Intergovernmental Panel on Climate Change's (IPPC) reports¹ caused United Nations Secretary-General António Guterres to declare "a code red for humanity." Human-induced climate change is widespread, rapid, and intensifying, and some trends are now irreversible.²

¹ The IPCC is now in its sixth assessment cycle, in which the IPCC is producing the Sixth Assessment Report with contributions by its three Working Groups and a Synthesis Report, three Special Reports, and a refinement to its latest Methodology Report. The Working Group I contribution to the Sixth Assessment Report, Climate Change 2021: The Physical Science Basis was released on 9 August 2021 (WG1). The Working Group II contribution, Climate Change 2022: Impacts, Adaptation and Vulnerability was released on 28 February 2022 (WG2). The Working Group III contribution, Climate Change 2022: Mitigation of Climate Change was released on 4 April 2022 (WG3).

² WG2.

The evidence is irrefutable: greenhouse gas emissions from fossil fuel burning are choking our planet and putting billions of people at immediate risk.³ The world's biggest polluters are guilty of arson of our only home.⁴ On the face of this "atlas for human suffering,"⁵ the scientists of the world have told us that our mitigation window is closing and we have 10 years to act. This is the most decisive decade in human history. Yet progress is stalled on all levels. How can this be?

The answer: the climate crisis is an unprecedented global crime and the smoking gun lies in the hands of big oil and gas. They have known with precision for over 40 years that they were doing no less than creating a mass extinction event.⁶ As over 20 pending lawsuits by US states and cities now attest, the response from the oil and gas industry was to hide the truth in a coordinated and well financed "big tobacco-style campaign that has spanned my lifetime."⁷

During this time, GHG emissions have intensified. Global net anthropogenic GHG emissions during the last decade (2010-2019) were higher than at any previous time in human history.⁸ By 2019, the largest growth in absolute emissions occurred in CO₂ from fossil fuels and industry. According to the US Energy Information Administration, petroleum use in 2020 alone was the source of nearly half (45%) of total U.S. energy-related CO₂ emissions and natural gas accounted for 36%.

Our only hope - international collaboration on climate - is falling short. The goal of the Paris Agreement, the world's landmark legally binding international treaty on climate change,⁹ is to limit global warming to below 1.5 degrees Celsius compared to pre-industrial levels. To accomplish this, emissions must be reduced by 45% by 2030 and reach net zero by 2050.¹⁰

The Paris Agreement requires countries to communicate their plans to take action on reducing GHG emissions, known as nationally determined contributions (NDCs). Yet, according

³ Secretary-General's video message to the Press Conference Launch of IPCC WGII Report, February 28, 2022 (Secretary-General 2022 Video), available at <https://www.un.org/sg/en/content/sg/statement/2022-02-28/secretary-generals-video-message-the-press-conference-launch-of-ipcc-report-scroll-down-for-languages> (last visited September 2022).

⁴ Secretary-General 2002 Video.

⁵ *Id.*

⁶ See the Commonwealth of Mass. v. Exxon Mobil Corporation Complaint, Oct. 24, 2019.

⁷ There are at least 20 pending lawsuits filed by cities and states across the U.S., alleging major players in the fossil fuel industry misled the public on climate change to devastating effect. See B. Gil, Frontline, Aug. 1, 2002, available at: <https://www.pbs.org/wgbh/frontline/article/us-cities-states-sue-big-oil-climate-change-lawsuits/> (last viewed Sep. 2022).

⁸ WGIII at Chapter 2.

⁹ The Paris Agreement was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016.

¹⁰ IEA (2021), Net Zero by 2050, IEA, Paris <https://www.iea.org/reports/net-zero-by-2050> (IEA Net Zero by 2050).

to the United Nations, the combined 2020 NDCs are not sufficient to meet the goals of the Paris Agreement.¹¹ According to the IPCC and the International Energy Agency, the only way to achieve the goals of the Paris Agreement is to rein in big oil and gas. This is because existing and currently planned fossil fuel projects are already more than the climate can handle and more projects will make it impossible to meet the IPCC targets.¹² The oil and gas industry works furiously against the Paris agreement and climate action at all levels,¹³ and had the largest delegation to COP 26 than any single country.¹⁴ No decisive action was taken at COP 26 in Glasgow last year. **Put plainly, the world has failed to act on climate because it has failed to take on the fossil fuel industry and lobby.**

In addition to battling climate action, big oil uses its vast marketing muscle to increase production and perpetuate their business model, all while promising emission reductions.¹⁵ In truth, big oil's emissions trajectories are nowhere close to meeting the targets of the Paris Agreement, and many of the solutions they promise amount to greenwashing.¹⁶ Take, for example, the 2022 ExxonMobil announcement of its "ambition" to reach net zero by 2050 and meet "Paris-aligned pathways."¹⁷ Upon closer inspection, however, this so-called pledge withers. This ExxonMobil commitment covers operational emissions, known as scope 1 and 2.¹⁸ These emissions make up only a small portion of the global warming emissions associated with ExxonMobil's business.¹⁹ ExxonMobil's goals make no mention of Scope 3 emissions, which

¹¹ The UN Full NDC Synthesis Report states that the available NDCs of all 191 Parties taken together imply a sizable increase in global GHG emissions in 2030 compared to 2010, of about 16%. According to the latest IPCC findings, such an increase, unless actions are taken immediately, may lead to a temperature rise of about 2.7C by the end of the century, available at <https://unfccc.int/news/full-ndc-synthesis-report-some-progress-but-still-a-big-concern> (last visited September 2022).

¹² WGIII at B7; IEA Net Zero by 2050 Summary for Policymakers at 11.

¹³ Big Oil's Real Agenda on Climate Change 2022, An InfluenceMap Report, September 2022 (Big Oil's Real Agenda), available at: <https://influencemap.org/report/Big-Oil-s-Agenda-on-Climate-Change-2022-19585> (last visited Sep. 2022).

¹⁴ See M. McGrath, BBC News, "COP26: Fossil fuel industry has largest delegation at climate summit," Nov. 8, 2021, available at <https://www.bbc.com/news/science-environment-59199484> (last visited Sep. 2022).

¹⁵ Big Oil's Real Agenda. See ExxonMobile's Integrated Climate Profile, attached hereto.

¹⁶ Big Oil's Real Agenda indicates that the big oil producers, including ExxonMobil, are spending around \$750 million each year cumulatively on climate-related communication activities to "say" they are taking action. In truth, actual forecasted capital expenditure dedicated to "low carbon" activities are limited.

¹⁷ The Exxon Mobil Advancing Climate Solutions 2022 Report, July Update, available at: <https://corporate.exxonmobil.com/Climate-solutions/Advancing-climate-solutions-progress-report> (last accessed Sep. 2022).

¹⁸ *Id.*

¹⁹ See Catherine Thorbeck, ABC News, "Experts slam oil giant Exxon Mobil's net-zero 'ambition,'" Jan. 19, 2022, available at: <https://abcnews.go.com/Business/experts-slam-oil-giant-exxon-mobil-s-net-ambition/story?id=82325190> (last accessed Sep. 2022).

are the emissions that result from the fossil fuels they sell. For an oil and gas company like ExxonMobil, up to 90% of their emissions are scope 3.²⁰ This “ambition” is insufficient to meet the Paris Agreement on its face and paints the consumer, rather than big oil, as the primary climate crisis villain.

While big oil shifts blame, reaps profit and avoids accountability, the impacts of the climate crisis, and big oil and gas, are fundamentally unjust, unfair and uneven. Up to 3.6 billion people live in areas highly vulnerable to the most immediate effects of climate change.²¹ The global south, while contributing the least GHG emissions, face the highest vulnerability to climatic hazards. Between 2010–2020, human mortality from floods, droughts and storms was 15 times higher in highly vulnerable regions. Importantly, the IPCC notes that present development challenges causing high vulnerability are influenced by historical and ongoing patterns of inequity.²²

For proof of this, look no further than widespread environmental injustice from big oil and gas in the United States. The extraction, processing, transportation, refining and combustion of fossil fuels places disproportionate environmental burdens on Black, Brown, Indigenous and poor communities.²³ These fossil-fuel life-cycle impacts include but are not limited to exposure to significant health hazards, eviction from and desecration of ancestral lands, the poisoning of air, land, and water, fires, explosions, and industrial accidents, and loss of subsistence fishing and hunting rights.²⁴

Oil and gas extraction and processing is associated with a wide range of hazardous pollutants, including carcinogens and endocrine disruptors.²⁵ Fossil fuel transportation

²⁰ *Id.*

²¹ Secretary-General 2002 Video.

²² WGIII, summary for policymakers.

²³ Greenpeace, the Gulf Coast Law and Policy Center, the Movement for Black Lives, “Fossil Fuel Racism, How Phasing Out Oil, Gas, and Coal Can Protect Communities,” Apr. 13, 2021, available at <https://www.greenpeace.org/usa/wp-content/uploads/2021/04/Fossil-Fuel-Racism.pdf> (last accessed Sept. 2022) (Fossil Fuel Racism).

²⁴ Racial Capitalism at 118.

²⁵ Greenpeace, the Gulf Coast Law and Policy Center, the Movement for Black Lives, “Fossil Fuel Racism, How Phasing Out Oil, Gas, and Coal Can Protect Communities,” Apr. 13, 2021, available at <https://www.greenpeace.org/usa/wp-content/uploads/2021/04/Fossil-Fuel-Racism.pdf> (last accessed Sept. 2022) (Fossil Fuel Racism). Nationally, 17.6 million people live within one mile of an active oil or gas well and more than 6.1 million people live within three miles of an oil and gas refinery. Oil refineries and petrochemical facilities are among the worst polluting sectors of the economy, a toxic burden that disproportionately burdens Black, Indigenous, brown and poor communities. Oil and gas extraction particularly burdens Black American people.

infrastructure is also prone to leaks, spills, explosions, and other disasters.²⁶ Fossil fuel combustion drives devastating and disproportionate health impacts. Black Americans have 1.54 times the exposure to particulate matter compared to the overall population.²⁷ Blacks and Hispanics on average bear a ‘pollution burden’ of 56% and 63% excess exposure, respectively, relative to the exposure caused by their consumption. People of color are also more likely to live in areas that violate air quality standards.²⁸

The underlying causes of fossil fuel racism are systemic and include segregation, poor housing and practices like redlining. Climate, environmental and energy justice are interlinked, and environmental racism and other historical inequity lie at the heart of the climate crisis.²⁹ Like the climate crisis itself, fossil fuel racism can only be addressed by phasing out fossil fuels.

The devastating irony is that while the fossil fuel industry stands to lose profits from climate action, it is the world who stands to gain. Deloitte research found that inaction on climate change could cost the world’s economy US\$178 trillion by 2070. If global leaders were to achieve a net-zero transition, however, the global economy could see new five-decade gains of US\$43 trillion - a boost to global GDP of 3.8% in 2070.³⁰ Further, air pollution from fossil fuels is responsible for 1 in 5 deaths worldwide- climate action saves lives.³¹ This is the power of the big oil lobby. The interest of one industry trump immense global wealth creation and preservation of life.

Despite these disturbing trends, international collaboration remains our only way out of climate catastrophe. The world simply must agree and act on emissions reductions. To do so, America and the world must hold big oil to account. Absolutely everything depends on curtailing GHG emissions from big oil.

²⁶ Fossil Fuel Racism. Pipeline construction, like the Dakota Access pipeline in 2016, the Transmountain Expansion and the Line 3 Expansion have been strongly opposed by Indigenous and First Nations activists, among other communities around the pipeline routes.

²⁷ *Id.*

²⁸ *Id.*

²⁹ Gonzalez, C. G. (2021) “Racial capitalism, climate justice, and climate displacement”, *Oñati Socio-Legal Series*, 11(1), pp. 108–147 (Racial Capitalism). Available at: <https://opo.iisj.net/index.php/osls/article/view/1214> (last accessed: Sep. 2022).

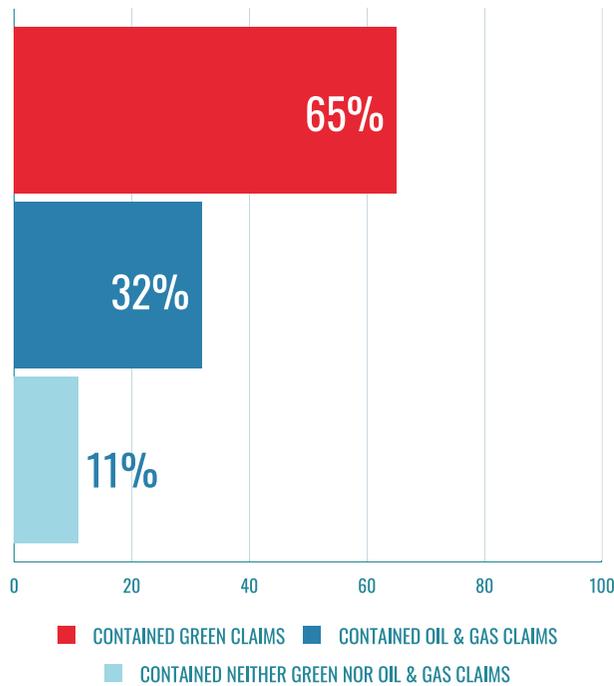
³⁰ Deloitte, *The Turning Point: A Global Summary*, May 2022, available at: <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/gx-global-turning-point-report.pdf> (last visited Sep. 2022).

³¹ “Global Mortality From Outdoor Fine Particle Pollution Generated by Fossil Fuel Combustion,” Karn Vohra, Alina Vodonos, Joel Schwartz, Eloise A. Marais, Melissa P. Sulprizio, Loretta J. Mickley, *Global mortality from outdoor fine particle pollution generated by fossil fuel combustion: Results from GEOS-Chem, Environmental Research*, Volume 195, 2021, 110754, ISSN 0013-9351.

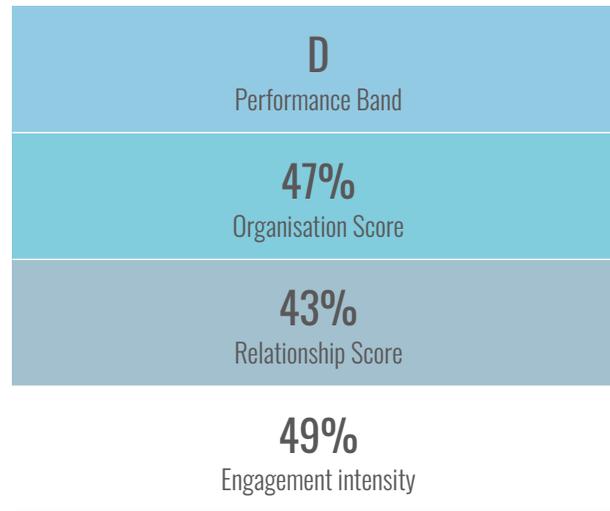
Big Oil's Real Agenda on Climate Change: ExxonMobil's Integrated Climate Profile

CEO	Darren Woods	Headquarters	Irving, Texas, United States	Net income in 2021	\$23 billion
Communications		Policy Engagement		Business Operations	
65% of ExxonMobil's total messaging contained green claims		D (Negative engagement on Paris Aligned Climate Policy)		8% of 2022 capital expenditure forecast to be dedicated towards 'Low Carbon Solutions' (including CCS, hydrogen, & biofuels) ¹	

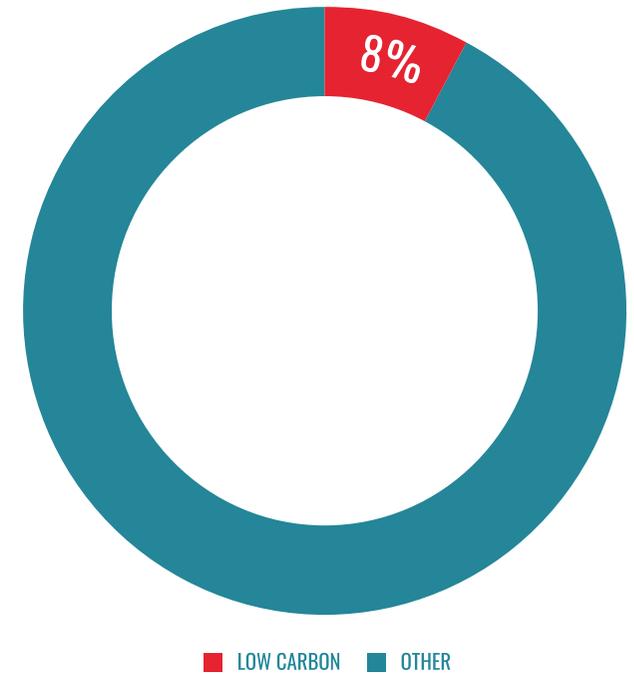
ExxonMobil's Communications
% of ExxonMobil's public communications



Policy Engagement – LobbyMap Profile
ExxonMobil's full LobbyMap profile can be found [here](#)



ExxonMobil 2022
Planned "Low Carbon Solutions" CAPEX Outlook



¹ 'Low Carbon Solutions' capital expenditure for 2022 estimated based on information in company disclosures

This integrated profile summarizes the key aspects of the analysis of ExxonMobil from InfluenceMap's new report '[Big Oil's Real Agenda on Climate Change 2022](#).' Please see the report for a full explanation of the methodologies used for this analysis.

ExxonMobil's Communications:

InfluenceMap has assessed a range of ExxonMobil's public-facing communication channels used for marketing and public relations purposes over the course of 2021 to assess the frequency and spread of pro-climate and pro-fossil fuel narratives

ExxonMobil's communications in 2021 involved a high concentration of content related to emissions reductions and the energy transition, with 65% of evidence pieces containing green claims. ExxonMobil's primary focus appears to be on emissions reductions, with 58% of all communications containing an emissions reduction claim, while only 20% of the evidence analyzed contained energy transition claims. Meanwhile, 32% of ExxonMobil's messaging included claims promoting the benefits of oil and gas.

ExxonMobil's Policy Engagement:

InfluenceMap's LobbyMap platform assesses company climate policy engagement against independent, Paris-aligned science and policy-based benchmarks. All links in the text below go back to evidence items in ExxonMobil's LobbyMap [profile](#), where a more detailed summary of, and full access to the primary evidence underpinning, the analysis can be found. An explanation of the LobbyMap methodology can be [found here](#).

ExxonMobil has an overall grade of a D in InfluenceMap's LobbyMap system, indicating that the company is holding positions that are misaligned with the

goals of the Paris Agreement. This overall grade consists of an organization score of 47% (for direct engagement) and a relationship score of 43% (for ExxonMobil's industry associations' engagement), indicating ExxonMobil and its industry associations hold overall negative positions on climate policy.

While ExxonMobil does appear to offer high level support for climate action, for example supporting the [Paris Agreement](#) and [net zero by 2050](#), it also appears to be simultaneously lobbying for the advancement of fossil fuels. For example, in April 2022, Darren Woods, CEO of ExxonMobil, [advocated](#) for policies that encourage investment into oil and gas in the Subcommittee on Oversight and Investigations' hearing in the US. In April 2021, according to an Freedom of Information request of a meeting between ExxonMobil and DG Move (The European Commission's Department of Mobility and Transport), ExxonMobil [advocated](#) for the EU include low-carbon combustion fuels as an option for decarbonizing light-duty vehicles, alongside electrification. In January 2022, the company submitted a [mixed](#) position on the US EPA's proposed methane standards, supporting some aspects of the proposal while advocating against others.

ExxonMobil's relationship score of 43% indicates that the industry associations that the company holds memberships to have overall oppositional positions to climate policy. These include the [American Fuel & Petrochemical Manufacturers \(F\)](#), [American Petroleum Institute \(API\) \(F\)](#) and [the Canadian Association of Petroleum Producers \(CAPP\) \(E\)](#).

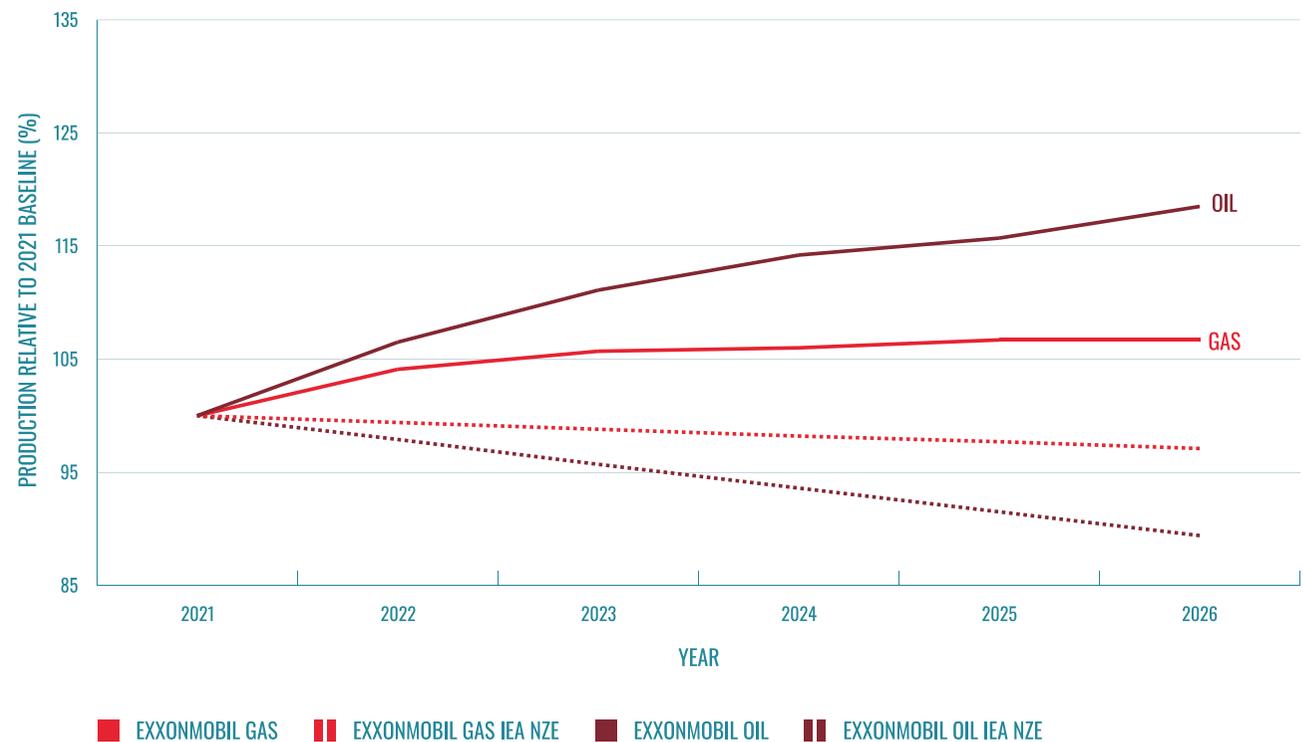
ExxonMobil has conducted a review of its industry associations and their climate policy engagement. InfluenceMap's detailed assessment of ExxonMobil's industry association review can be found [here](#).

ExxonMobil's Business Activities:

For this analysis, InfluenceMap has referred to several mainstream business metrics, to compare these against the findings on each companies' public communications and policy engagement. 'Low carbon' and/or "renewable" capital expenditure (CAPEX) figures have been estimated based on information in company disclosures, whereas data on future projected oil and gas output to 2026 from a 2021 baseline has been taken from Asset Resolution. [Asset Resolution](#) is an independent data provider that is used by financial institutions and regulators to measure financial portfolios' and companies' climate alignment, emissions, and related climate risks and opportunities. It bases its assessments on the company's currently owned physical assets and utilizes industry-standard databases to map physical assets to companies and financial securities.²

² The use of asset-based forecast data by a third-party provider (Asset Resolution) rather than stated production plans allows for fair comparison of consistent data between the companies. This data is based on the equity-owned assets of the companies as of Q4 2021. This is the most recent full dataset available from the data provider and correlates best to InfluenceMap's analysis of the companies' public communications in this research. It does not consider any company announcements or decisions related to oil, gas and renewables investments/divestments after Q4 2021.

ExxonMobil Oil & Gas Assets-based Production Forecast

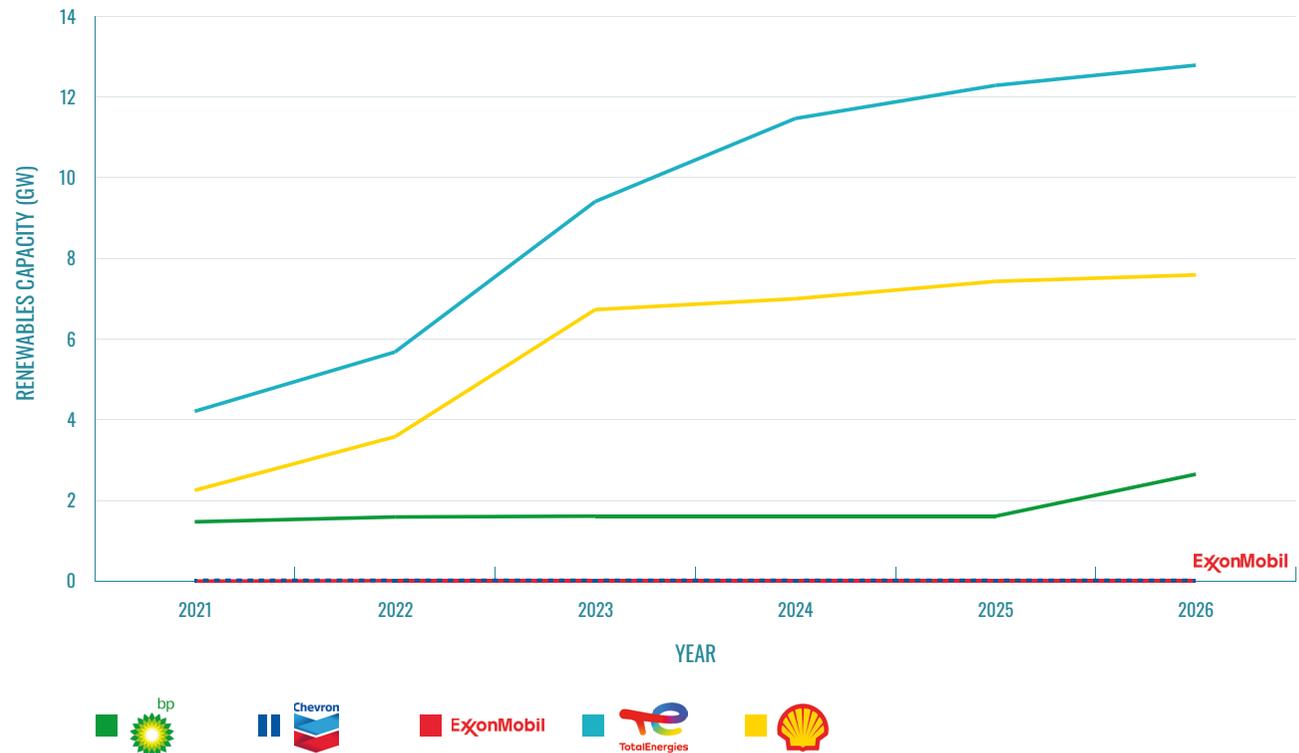


ExxonMobil's oil, gas and renewables production forecasts to 2026, data provided by [Asset Resolution](#)

Based on the company's *2021 Corporate Plan Update* on 2022 CAPEX data, only 8% of 2022 CAPEX is forecast to be dedicated 'Low Carbon Solutions' ³, *investing in technologies* such as carbon capture and storage, hydrogen, and biofuels.

According to production forecast data from independent data provider *Asset Resolution*, ExxonMobil appears to be planning to increase its oil production continuously in the period between 2021 and 2026. Meanwhile, its gas production forecast shows that an expected increase of 7% by 2026, with both oil and gas production being well above the IEA's Net Zero Emissions Scenario by 2026.

Supermajors' Renewable Assets-based Capacity Forecast



ExxonMobil's oil, gas and renewables production forecasts to 2026, data provided by *Asset Resolution*

³ ExxonMobil's 'Low Carbon Solutions' 2023 CAPEX was *disclosed* to be around \$1.7 billion. ExxonMobil's total 2022 CAPEX is estimated by the company to be *\$20-25 billion*. Using \$1.7 billion and \$22.5 billion as estimates respectively, it appears that about 8% of ExxonMobil's CAPEX will be dedicated to 'Low Carbon Solution' in 2022.