



# Letters

Spring 2021

## ExxonMobil Gets the Leftist Tiger in Its Tank

by Steve Milloy, Senior Policy Fellow  
As Appearing on *RealClearEnergy.com*

Control over one-third of ExxonMobil's board of directors was captured by climate activists at the recent annual shareholder meeting. Wall Street Journal columnist Holman Jenkins dismissed the astonishing accomplishment as a "pseudo-event" -- one "arranged or brought about merely for the sake of the publicity it generates." That is just wrong.

The oil giant has now contracted a chronic management-level cancer that may very well spread and be fatal in just a few years - not only to ExxonMobil's oil business but to our (relatively) free market economy, standard of living and political system.

First, it's important to note that the activists don't actually own one-third of ExxonMobil. But they are able to exert that much control over the company because, acting through ideologically aligned institutional investors, they have now succeeded in installing four of ExxonMobil's 12 board members. Keep in mind that the institutional investors don't even rally own ExxonMobil for themselves but rather own it on behalf of pension plans and other investors who don't necessarily align with the institutional investors left-wing politics.

The climate activists did not get their agents elected to ExxonMobil's

board for publicity purposes as Jenkins suggests or, as they advertise, to save ExxonMobil from being stuck in the oil business as the world moves to save the planet with green energy.

Climate has always has been about political power. UK Prime Minister Margaret Thatcher promoted climate alarm in the 1980s as a means of breaking the death grip coal miners had on the British economy. President Obama, whose policies drove the destruction of 95 percent of the coal industry market value from 2011-2016, didn't destroy the coal industry during the 2010s to improve the climate. He destroyed it because it was a well-moneyed and powerful political force standing in the way of his radical socialist agenda. And at any climate protest nowadays, you will see people carrying signs that proclaim, "System Change, Not Climate Change."

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Appearing at the ExxonMobil Shareholder Meeting in May, Milloy, who presented his own proposal, accused the CEO of appeasing climate radicals and said he should step down.

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## 20% of CA Electric Vehicle Owners Replaced Cars with Gas Ones

by Katie Grimes, Senior Media Fellow  
As Appearing in the California Globe



*As rolling blackouts become a way of life in California, how will EVs charge?*

With California Gov. Gavin Newsom's mandated phase-out of gas-powered automobiles, we learn that one in five plug-in electric vehicle (PEV) owners switched back to owning gas-powered cars, because charging the batteries was a hassle, new research reports.

Business Insider reported on the research published in the journal *Nature Energy* by University of California Davis researchers Scott Hardman and Gil Tal that surveyed Californians who purchased an electric vehicle between 2012 and 2018, that 20% of EV car owners say charging the battery takes too long and is a hassle. They also discovered nearly two-thirds of PEV drivers in the survey said they didn't use Public charging stations, the electric version of the gas station.

Gov. Newsom's Executive Order requires sales of all new passenger vehicles to be zero-emission by 2035 and "additional measures to eliminate harmful emissions from the transportation sector."

The Governor's Executive Order also addresses "closure and remediation of former oil extraction sites."

Newsom announced last fall he will aggressively move the state further away from its reliance on "climate change-causing" fossil fuels. Newsom plans to abolish the use of natural gas and propane appliances.

He hasn't addressed coal-powered electric vehicles, however. Coal

is primarily used as fuel to generate electric power in the United States, according to the USGS, which also reports the largest coal deposit in the U.S. by volume is the Powder River Basin in Wyoming and Montana, which the USGS estimated to have 1.07 trillion short tons of in-place coal resources, 162 billion short tons of recoverable coal resources, and 25 billion short tons of economic coal resources (also called reserves) in 2013.

Californians may not accept the mandate away from natural gas and propane so easily, as rolling blackouts are fast becoming a way of life in California, and often are due to solar and wind power only providing intermittent energy. Power shutoffs are the new way energy companies now deal with the threat of wildfires in regions with exposed power lines.

The cost and hassle of installing an electric plug-in charging station at your home is what keeps many from either purchasing an electric car, or those who do have to find a location near work to charge it. The installation of the electric car home charging station must be permitted, a specially-licensed/authorized electrician must do the work, and the station itself can run \$1,600. This is why many use EV parking spaces public parking garages to charge their vehicles.

And Tesla had a little "whoops" to address. The electric car maker cancelled its "no questions asked" 7 day return policy. "Now sources familiar with the matter told Electrek that Tesla has discontinued the policy last night," Electrek reported. "The support page for the policy now redirects to Tesla's general support page without any replacement policy."

Business Insider reported weighed in on home outlets: *Standard home outlets generally put out about 120 volts of power at what*

*electric vehicle aficionados call "Level 1" charging, while the high-powered specialty connections offer 240 volts of power and are known as "Level 2." By comparison, Tesla's "Superchargers," which can fully charge its cars in a little over an hour, offer 480 volts of direct current.*

The governor has not said what electric car owners will do for a charge this summer during rolling energy blackouts.

Yet, Gov. Newsom has admitted that "the state's transition away from fossil fuels is a contributing factor to the state's rolling blackouts," the *Daily Caller* reported last August. "The elimination of fossil fuel products as a major form of energy production and the shift to solar power and other forms of green energy has led to what Newsom called 'gaps' in the energy grid's reliability, the Democratic governor said during a press conference."

The blackouts last summer were "due to the unexpected loss of a 470 megawatt power plant, as well as a loss of nearly 1,000 megawatts from wind power," according to CAISO, the state's energy system operator, California Independent System Operator.

All-of-the-above-energy would make the most sense in California – hydroelectric, natural gas, solar, wind, coal, etc... After all, California isn't Norway, which is mostly-electric thanks to living on 1,600 glaciers and having abundant hydroelectric power. However, Norway is also one of the world's largest producers of oil due to huge oil reserves in the North Sea, most of which is exported, since they don't need all of it.

The point is, electric cars pull power off of California's already tapped grid.

During the upcoming energy blackouts, how will Californians charge their Teslas, Chevy Volts and Bolts, Nissan LEAFs, and plug-in Volvos, Porsches, Toyotas, BMWs, Audis and Kias?

## Where do you plug this in?

by Greg Walcher, Senior Policy Fellow  
As appearing in *The Daily Sentinel*



A friend who bought a Tesla electric car was understandably proud, joining the green revolution with such a cool car. For a while I made fun of it, telling him my car ran on oil and his on coal, so we both produced a similar carbon footprint. Then, after a year, he suddenly traded it in, and not for another electric.

I was surprised, knowing his tenacity for the electric vehicle movement, but it seems he was not alone. A new study says roughly 20% of all electric vehicle owners in California have replaced their cars with gas ones, not because they no longer care about clean energy. Most of these switchers simply cited the inconvenience of charging the batteries. Still, it leaves a nagging suspicion that deciding, as a nation, to eliminate the use of fossil fuels may be easier than actually doing so.

The electric vehicle market is still embryonic, to say the most. Scarcely 2% of the cars on America's roads are electric, and virtually none of the trucks. As my friend Steve Moore, the renowned economist, pointed out in a recent post called "The 100% Electric Car Fantasy," the simple fact is that "98 percent of all cars on the road would have to be replaced for that goal to become a possibility."

Actually, even if Americans

replaced all 280 million cars, 37 million trucks, and 13 million motorcycles, with electrics, most of the nation's fleet would still be powered by fossil fuels. Natural gas and coal still provide over 60% of America's electricity. Only 8% percent comes from wind and 2% from solar, despite decades of tax credits and other incentives to encourage their development.

Nevertheless, more than a million Americans have made the choice to buy electric cars, though many apparently changed their minds. The study, published in the journal *Nature Energy* by University of California-Davis researchers, determined that of electric vehicle buyers between 2012 and 2018, about 20% have switched back to gas-powered cars, mostly because, as the researchers put it, "charging the batteries was a pain in the trunk."

I can fill my car's gas tank in about 5 minutes, and drive more than 400 miles, not knowing where the next stop will be, because gas stations are everywhere. By contrast, a Bloomberg automotive analyst tried a new electric Ford Mustang Mach-E, which he plugged into a regular home outlet for an hour, and got just three miles of range. Plugged in overnight, he got 36 miles, a common experience with electric cars.

Regular home outlets only provide 120 volts, which the industry calls Level 1 charging. Level 2, provided by the charging stations seen at airports and large buildings, provides 240 volts, like an oven or clothes dryer. Tesla "Superchargers," by comparison, fully charge a car in about 90 minutes, with 480 volts of direct current. Nobody's home has that.

The Cal-Davis study says of the electric owners who switched back to gas, more than 70% had no access even to Level 2 at home, and even fewer had it at work. The Bloomberg analyst said the fastest-charging car he tested, a Chevy Bolt, still needed six hours to fully charge from empty, and it only has a 259-mile range. Unlike regular car owners, electric owners must do some research before hitting the road, knowing where their next stop must be, and hoping it is working when they arrive. There are still no superchargers on any corner, in most towns.

This does not mean we should abandon the search for better automotive technologies. Battery technology is just not catching up fast enough, so the infrastructure to quickly recharge cars at locations across the country is still nonexistent. Hopefully the system will evolve soon. But in the meantime, do we want to bet that gasoline engines can be abolished in the next few years? General Motors says it will eliminate the internal combustion engine by 2035, beginning with Cadillac, which will stop manufacturing gasoline engines next year.

GM hopes to spur a massive new industry of electric service stations everywhere, but that has to be built before most Americans will buy electric cars. My guess is that infrastructure will develop considerably slower, and that GM will either revise its grandiose plan when it finds the electric cars not selling, or demand another bailout. Because at the end of the day, American consumers are going to buy the car they want, not the one they are supposed to want. □

## Biden's Climate Road to Nowhere

by Steve Milloy, Senior Policy Fellow  
As Appearing on *InsideSources*



President Joe Biden is proposing to spend hundreds of billions of dollars on various “climate-related” projects as part of his \$2.3 trillion infrastructure plan. As public debate over the proposal develops, the Biden administration should be compelled to provide clear answers to three questions.

The first question should be answered by Biden and White House climate envoy John Kerry.

In July 1997, as the Clinton administration was preparing to sign the Kyoto Climate Accord later that year, the Senate unanimously passed the Byrd-Hagel Resolution against emissions cuts by the U.S. unless developing countries like China, India, Russia, Mexico, and Brazil also agreed to make similar cuts. Then-Sens. Biden and Kerry were part of the unanimous vote against unilateral cuts.

Among other things, the resolution noted that: (1) “Greenhouse gas emissions of [China, India and other developing countries] are rapidly increasing and are expected to surpass emissions of the U.S. and other OECD countries as early as 2015”; and (2) an “exemption for [China, India and other developing countries] is inconsistent with the need for global

action on climate change and is environmentally flawed.”

The Senate was (unanimously) concerned that unilateral emissions cuts “could result in serious harm to the U.S. economy, including significant job loss, trade disadvantages, increased energy and consumer costs, or any combination thereof.”

So the question for Biden and Kerry is, why do they now support unilateral emissions cuts when the Senate’s 1997 concerns remain unchanged?

China surpassed the U.S. in emissions in 2006, nine years earlier than the “as early as 2015” timeframe the Senate feared. In 1997, the U.S. was responsible for about 25 percent of emissions. Currently, China is responsible for about 25 percent of global emissions and the U.S. has slipped to about 15 percent.

India has also dramatically increased its emissions and even has plans to mine twice as much coal as the U.S. by 2024. As U.S. emissions decline as a percentage of global emissions, the UN forecasts that global emissions are increasing with no end in sight. Finally, China and India fundamentally do not believe their development should be hindered by past emissions from developed countries.

The next question is, what will we get or achieve by spending hundreds of billions of borrowed or digitally created dollars on climate?

Will the climate or weather improve? How and when? Biden implied at a recent news conference that his infrastructure plan would reduce frequency and inten-

sity of hurricanes hitting the U.S. Can this actually be true? Is there a guarantee?

What is the precise state of our climate so that we will know whether or not we are making progress by spending money on climate? With other environmental expenditures, we usually get concrete outcomes, like better air quality, cleaned-up toxic waste sites, cleaner waterways and the like. What’s the tangible climate outcome from the infrastructure plan, especially when the U.S. is an ever-shrinking percentage of global emissions?

The final question is a natural follow-up. If hundreds of billions of dollars are going to be thrown at climate projects with no clear goals in mind, how do we know that the money won’t just become a giant patronage system for Democrat politicians?

The infrastructure package calls for spending over the next eight years, conveniently concerning the years 2022, 2024, 2026, and 2028. When Democrats have previously talked about government-funded elections, the presumption was that they meant both funding both sides. But the vague infrastructure bill, particularly if it can be passed with only Democrat votes in Congress via reconciliation, looks to be little more than a giant political slush fund.

The eyes of Republican politicians often seem to glaze over when the subject of climate comes up, that is if they don’t just head for the hills. But there are some very simple but key questions Biden must be asked. □

## If CA is Facing a Mega-Drought, Why is it Releasing Water

by Katie Grimes, Senior Media Fellow

As Appearing in the California Globe



*Water shortages, lack of groundwater recharge, contaminated drinking water, and subsidence are all man-made in California*

Last week, when California Gov. Gavin Newsom was in Oroville, with a 60% empty Oroville Dam Reservoir as his backdrop, he said he is not ready to declare an official drought emergency. “Instead, he promised he can manage the situation without resorting to an emergency declaration, which could help his administration clamp down on water use,” the San Francisco Chronicle reported. They also reported that the threat of a recall election could be at the root of his decision.

Maybe someone can ask the governor why in the last two weeks, 91% of Delta inflow went to the sea. State pumps are at -97%, federal pumps at -85%. Outflows show 6,060,828,600 gallons. While he still has his emergency powers, can’t the governor order stoppage of this outflow if California really is on the precipice of severe water shortages and a “rare mega drought?”

People forget the winter of 2019 brought 200 percent of average rains and snow pack. Yet the state still held back on water to farmers, and residents are facing rationing, the Globe reported May 2019.

The state uses about 47.5 percent of its developed water supply for the environment, including wild river flows, managed wetlands and wildlife preserves, habitat and water quality control for fish, and required Delta outflows, according to the Department of Water Resource. Water is diverted in times of drought and times of plenty to the Sacramento-San Joaquin Delta, leaving much less for irrigation or for Californians to drink, residents will be limited to 55 gallons per day.

The Globe recently reported, as for water storage, AccuWeather says:

*Lake Shasta, California’s largest surface-level reservoir, recorded 65% of*

*what is considered average.*

*Lake Oroville, the largest reservoir within the State Water Project, a 700-mile-long water storage and delivery system, is at 53% of average. The State Water Project supplies water for over 27 million people and irrigates about 750,000 acres of farmland.*

*Statewide, Sean De Guzman, chief of snow surveys for the California Department of Water Resources, said the largest reservoirs are holding around half of their total capacity. When current snowpack melts, reservoirs in the state are still only expected to be filled up to 58% of average capacity.*

*California farmer and water expert Kristi Diener explains “The Pumps:”*

*California’s water supply flows from north to south. To reach the lower 2/3 of the state and 25 million users, that water must travel through the Delta first. At the south end, water is pumped by the State Water Project and Central Valley Project pumps, put into San Luis Reservoir, and distributed south, east, and west. If those pumps don’t operate, the water supply that enabled California to be developed, inhabited, and cultivated, goes out into the Pacific Ocean instead.*

*You will hear the radical environmentalists rage that the Central Valley and Southern California are diverting so much water that fish are suffering. The fact is, in the last 14 days alone, 90.8% of delta inflow became seawater. On average, about 80% is not pumped to supposedly protect fish.*

*This is devastating right now because the temperatures are rising, the modest amount of high country snow we received is melting, and we should be capturing as much water as we can, while we can. Pumping has been ratcheted back to a trickle instead. State pumping today is at 2.9% of capacity, and federal pumping today is 15%.*

*We are now living the intentional deconstruction of the aquifers and the groundwater. We are watching our home-grown food supply, and the most fertile farmland on the planet being destroyed. We are drinking water from the bottom of the barrel where contaminants are in concentrated form without the freshwater dilution for wells. Our infrastructure—canals, roads, and bridges, are sinking because without water to plump it up, land drops.*

*This is happening at the hands of man, not climate change. Water shortages, lack of groundwater recharge, contaminated drinking water, and subsidence are all man-made in California. Today an amount of water equal to a year’s supply for 264,000 people became unusable saltwater.*

What AccuWeather didn’t say is that the state has been letting water out of reservoirs across California for months now. And it’s not going to farmers, growers, ranchers or urban use. Environmental policy says the water “flows” from reservoirs are necessary to produce a rebound of endangered Delta smelt and Chinook salmon. However, these policies are a failure as neither species have been collected in all of the latest trawling surveys, where they spend several days a month searching in more than 200 spots. This practice of releasing water and hoping fish improve, has been unsuccessful for nearly 30 years, according to Diener. Both species are close to extinction.

California’s drought conditions are actually historically normal, and just as California’s last drought was billed as the driest period in the state’s recorded rainfall history, this drought is being called a Rare Mega-Drought.” So why is the government breaking up hydroelectric dams, and letting much-needed water rush to the sea for Coho salmon instead, unless turning California into a wasteland is the goal.

Who decides that this is good policy? Environmentalists? And why do enviros have such a stranglehold on the state’s politicians? Don’t they need water too?

The human cost of over-regulation is bleeding California businesses, agriculture and middle-class families.

California’s population has increased dramatically while water storage has not. The population in California has doubled since 1977. And lousy planning in the hands of environmentalists and government has left the state in dire need during this and other recent droughts.

California’s last drought, five years long, ended in 2017, which allowed Gov. Jerry Brown’s State Water Resources Control Board to restrict outdoor watering in urban areas by as much as 36% – but it’s clearly not urban areas that use the bulk of the water in the state since 50% of California’s water supply goes to environmental uses. □

## ExxonMobil's Leftists (Cont.)

The left-wing activists leading today's radical climate movement aren't stupid people. They know that even if there were no ExxonMobil, global emissions would still be increasing with no end in sight. They know nothing happens in our world without fossil fuels. They've heard of China. And they know that the U.S. could stop emitting today and forever and it would not matter to climate. Even President Biden and his climate envoy John Kerry have both publicly admitted this.

Since the 1917 Bolshevik Revolution, leftists have been looking to spread their revolution. In what they spend their full-time jobs doing. While they have had a mixed track record in capturing and permanently seizing nations (e.g., the Soviet Union failed but Communist China is alive and kicking), they have had a fairly steady track record of infiltrating and capturing U.S. institutions - think unions, universities, charities and just about everything else. Leftists are focused, disciplined, persistent and patient. They plan and execute their plans well.

In his 2004 book, "Biz-War and the Out-of-Power Elite: The Progressive-Left Attack on the Corpo-

ration," George Washington University professor Jarol Mannheim described how wealthy left-wing activists got together after the 1980 election of President Ronald Reagan to plan their attack to capture and turn corporations into tools of the left.

Fast forward 40 years and we can see how this has worked out. From corporate media to Big Tech to professional sports to the U.S. Chamber of Commerce and beyond, left-wing activists have had incredible success in steadily infiltrating, capturing and turning large brand-name businesses to their own political ends. Just look at how big companies have funded and participated in political issues like race, gender, COVID and election reform.

But as a hostile takeover, ExxonMobil is their boldest effort to date.

ExxonMobil management has been trying to appease the climate movement since 2006 when Rex Tillerson took over as CEO. ExxonMobil now claims to support a carbon tax and the Paris climate accord. But it has never lobbied for either very hard and it has certainly never taken its eye off the ball of profiting immensely from producing oil. As recently as 2020, Tillerson's successor Darren Woods

stated quite clearly that ExxonMobil planned to sell all the oil it could to meet ever-increasing demand.

This year, though, the activists mobilized enough institutional shareholder support to prevail in placing like-minded directors on ExxonMobil's board. As more directors retire or directors come up for re-election as soon as next year, the activists and their institutional shareholder allies will be able to actually take control of the company.

But it's not that the activists will shut down ExxonMobil's oil production when they do gain control. After all, even their vision of a socialist future will require serious energy, that is fossil fuels. But until they acquire permanent power, they will turn ExxonMobil's profitable business and resources into a machine for more power-grabbing left-wing politics - just corporate media, Big Tech, pro sports and the rest do now.

I would like to think that the two-thirds of the ExxonMobil board not controlled by the climate activists will awake from its stupor and its failed appeasement strategy, and take action to save the company from the activists. But they will need to do so before the 2022 shareholder meeting. □

## Milloy Calls on ExxonMobil CEO to Resign Over Greenwashing

On May 27, E&E Legal Senior Policy Fellow and Junkscience.com Founder Steve Milloy once again appeared at the ExxonMobil Annual Stockholder Meeting. As a stockholder, he put forth a proposal seeking to reign in the company's expensive and damaging greenwashing programs. Following is an excerpt from his statement at the meeting.

"[W]e are in crisis.

Political activists, masquerading as shareholders, stand to gain even more control over Exxon through... guess what... shareholder proposals.

These activists hate our business and our country...

This year I proposed that Exxon push back on climate idiocy by disclosing the actual costs and benefits of cutting emissions...

Climate hysteria is a hoax... one being used to hijack our company and country.

Yet Mr. Woods coddles the Exxon haters. He is complicit in their campaign to undermine our company...

[W]hen it comes to climate politics, Mr. Woods and his management team are just dumb as a box of rocks.

So what is the path forward for Exxon's genuine investors?

Mr. Woods and the board need to go." □

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**Energy & Environment Legal Institute**  
1350 Beverly Rd., Suite 115-445  
McLean, VA 22101  
(202)-758-8301  
Info@eelegal.org  
www.eelegal.org