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Chairwoman Maloney, Chairman Khanna, Ranking Member Comer, Ranking Member Herrell, members of the House Committee on Oversight and Reform, and members of the Subcommittee on Environment, thank you for inviting me to testify today.

My name is Mijin Cha. I am an Associate Professor of Urban and Environmental Policy at Occidental College, a Fellow at the Worker Institute at Cornell University, and a Member of the Climate and Community Project. I hold a JD and a PhD and am a member of the California Bar. In January, I will join the Environmental Studies department at the University of California at Santa Cruz. My research focuses on the intersection of labor, climate, and inequality and the idea of “just transition” – how to transition fossil fuel workers and communities equitably into a low-carbon future. My testimony today is based on my research and my views are my own.

Today, I will first discuss how the major oil companies, often referred to as “Big Oil,” obscure their lack of progress on meeting their own stated emissions reduction goals and the emissions reductions targets in the Paris Agreement through greenwashing. Then, I will discuss how these companies also engage in equity-washing by promoting efforts to protect workers and communities, particularly when it comes to the energy transition, when in reality their activities are harmful to these interests. Finally, I will discuss what is needed for a truly just energy transition and why oil and gas companies should finance these efforts.

I join you today from Sacramento, California where we have just endured over a week of 100+ degree temperatures, which shattered not just daily heat records but also the record for most days of 100+ degree heat in a year. Not only were daytime temperature records broken but so were nighttime temperature records. While less covered, higher nighttime temperatures are another consequence of the climate crisis and do not allow for any reprieve from the unrelenting heat. At the same time, there was a constant threat of evacuation from the Mosquito Fire, which encompassed over 46,000 acres and added dangerous air pollution conditions to the oppressive heat. There is no doubt that the climate crisis exacerbated both the heatwave and the intensity of the wildfire. Climate change is no longer a concern for the future. We are in a climate crisis now.

Yet, despite the urgency of the moment, action to reduce greenhouse gas emissions has been limited at the Federal level until the recently signed Inflation Reduction Act. No doubt the IRA is the most significant investment in climate action to date. Yet, even this historic bill is not enough.¹ The original Build Back Better legislation included over \$500 billion just in climate and environmental justice spending.² So we must see the IRA as only a down payment on what is needed, not the end-all of meaningful climate action.

When discussing the lack of climate action, however, we cannot overlook the role that Big Oil and other fossil fuel companies played in obstructing climate policy, including through their extensive misinformation campaigns. Peer-reviewed research conclusively shows how fossil fuel companies misled the public and distorted their role in driving the climate crisis. First, fossil fuel companies funded a significant misinformation campaign to foster climate denial to dissuade any support for climate action.³ They have also engaged in extensive lobbying, spending orders of

¹ Patrick Bigger et al., “Inflation Reduction Act: The Good, the Bad, and the Ugly,” August 2, 2022, https://www.climateandcommunity.org/_files/ugd/d6378b_f05b177ba6b142aaa50ca7111a91f08b.pdf.

² “Congress Must Pass the Build Back Better Act To Combat Climate Change,” *Center for American Progress* (blog), November 18, 2021, <https://www.americanprogress.org/article/congress-must-pass-the-build-back-better-act-to-combat-climate-change/>.

³ See e.g. Geoffrey Supran and Naomi Oreskes, “Rhetoric and Frame Analysis of ExxonMobil’s Climate Change Communications,” *One Earth* 4, no. 5 (May 21, 2021): 696–719, <https://doi.org/10.1016/j.oneear.2021.04.014>; Geoffrey Supran and Naomi Oreskes, “Reply to Comment on ‘Assessing ExxonMobil’s Climate Change Communications (1977–2014)’ Supran and Oreskes (2017 Environ. Res. Lett. 12 084019),” *Environmental Research Letters* 15, no. 11 (October 2020): 118002, <https://doi.org/10.1088/1748-9326/abbe82>; Amy Westervelt,

magnitude more than environmental groups in Washington, DC.⁴ Recently, their new form of climate denialism is to shift the blame for emissions onto the consumer to deflect from their own culpability while also spending millions on public relations campaigns to tout their efforts to reduce greenhouse gas emissions while doing little to nothing to meet these pledges.⁵

Big Oil greenwashing and misinformation campaigns are well documented

A comprehensive study of 12 years of quantitative and qualitative data on the top four largest oil companies- British Petroleum, Chevron, ExxonMobil, and Shell- released in 2022 found that while there was a noticeable increase in discourse related to climate change and clean energy, the actions of these companies showed little to no change in their operations.⁶ If anything, their business model remains firmly focused on increasing oil and gas production.

For example, though voicing support for a carbon tax in public, all four companies lobbied to weaken or prevent carbon pricing policies. They also exaggerated their scale of investment in clean energy while also promoting fossil fuels as “green”. These tactics are commonly referred to as “greenwashing,” where companies use the rhetoric and messaging of environmental sustainability but their actions are not aligned and/or in the case of the major oil companies, completely contrary to their claims. Based on their extensive and peer-reviewed analysis, the authors state, “we conclude that accusations of greenwashing by oil majors are well-founded.” The study concluded that despite all the pledges and public statement, “no major [oil company] is currently on the way to a clean energy transition.”

“Our Climate Solutions Are Failing - and Big Oil’s Fingerprints Are All over Them,” *The Guardian*, March 7, 2022, sec. <https://www.theguardian.com/commentisfree/2022/mar/07/climate-solutions-big-oil-ipcc-report>.

⁴ Robert J. Brulle, “The Climate Lobby: A Sectoral Analysis of Lobbying Spending on Climate Change in the USA, 2000 to 2016,” *Climatic Change* 149, no. 3 (August 1, 2018): 289–303, <https://doi.org/10.1007/s10584-018-2241-z>.

⁵ Geoffrey Supran and Naomi Oreskes, “The Forgotten Oil Ads That Told Us Climate Change Was Nothing,” *The Guardian*, November 18, 2021, <https://www.theguardian.com/environment/2021/nov/18/the-forgotten-oil-ads-that-told-us-climate-change-was-nothing>.

⁶ Mei Li, Gregory Trencher, and Jusen Asuka, “The Clean Energy Claims of BP, Chevron, ExxonMobil and Shell: A Mismatch between Discourse, Actions and Investments,” *PLOS ONE* 17, no. 2 (February 16, 2022): e0263596, <https://doi.org/10.1371/journal.pone.0263596>.

Other research analyzing the major oil companies and the Paris Agreement targets found all of the companies were not reducing emissions in line with what is called for in the Agreement.⁷ Moreover, the major oil companies are not even meeting their own stated emissions reduction goals.⁸ Researchers specifically noted that ExxonMobil and Chevron were grossly insufficient in reducing emissions.

In addition to this research, a court in the Netherlands, which has jurisdiction over Shell, ruled that the company must reduce its emissions 45 percent by the end of 2030. In its ruling, the court highlighted Shell's greenwashing and stated, "In the court's view, RDS' [Royal Dutch Shell] policy, policy intentions and ambitions for the Shell group largely amount to rather intangible, undefined and non-binding plans for the long-term (2050)."⁹

The failure to reduce emissions has not stopped these companies from claiming otherwise, however. Recent analysis of public communications from BP, Shell, Chevron, ExxonMobil, and TotalEnergies found that in 2021, sixty percent had at least one green claim.¹⁰ Moreover, considering they are in the business of producing oil and gas, less than a quarter of their communications promoted oil and gas. These activities are the literal definition of greenwashing.

Fossil fuel industries also engage in "equity-washing," hiding the harm it causes to workers and communities

Greenwashing is not the only deception that fossil fuel companies engage in. Fossil fuel companies are also "equity-washing," by messaging concern for communities of color and workers in the energy transition while engaging in activities that actively harm these same interests. Fossil fuel companies have falsely claimed that efforts to reduce oil and gas production

⁷ "Big Oil Reality Check — Updated Assessment of Oil and Gas Company Climate Plans," *Oil Change International*, May 24, 2022, <https://priceofoil.org/2022/05/24/big-oil-reality-check-2022/>.

⁸ "Tricks of the Trade - 2022: Deceptive Practices, Climate Delay and Greenwashing in the Oil and Gas Industry," Earthworks, April 12, 2022, <https://earthworks.org/resources/tricks-of-the-trade-oil-and-gas-report-2022/>.

⁹ ECLI:NL:RBDHA:2021:5339, Rechtbank Den Haag, C/09/571932 / HA ZA 19-379 (engelse versie), No. ECLI:NL:RBDHA:2021:5339 (Rb. Den Haag May 26, 2021).

¹⁰ InfluenceMap, "Big Oil's Real Agenda on Climate Change 2022," September 2022, [//influencemap.org/report/Big-Oil-s-Agenda-on-Climate-Change-2022-19585](https://influencemap.org/report/Big-Oil-s-Agenda-on-Climate-Change-2022-19585).

would disproportionately harm communities of color and Tribal nations.¹¹ In reality, the ways in which fossil fuel activities disproportionately harm vulnerable communities are well-established through many peer-reviewed studies.¹²

The Chevron refinery in Richmond, California illustrates how disadvantaged communities suffer from fossil fuel activities.¹³ The Chevron refinery is located in a community that is approximately two-thirds people of color with a poverty rate higher than the national average.¹⁴ It is the second largest greenhouse gas emitter in the state of California.¹⁵ In addition to greenhouse gases, the refinery releases hundreds of tons of air pollutants a year into the air.¹⁶ This pollution is from normal refinery activity. The Chevron refinery also regularly has flaring events where toxic gases are burned and then released into the air. From 2005 to 2019, there were 116 flaring incidents at the refinery.¹⁷ Pollution released from the refinery is also not limited to water. The refinery released nearly 38,000 pounds of toxic chemicals into surface waters just in 2021.¹⁸

¹¹ Sammy Roth, “The Fossil Fuel Industry Wants You to Believe It’s Good for People of Color,” Los Angeles Times, November 23, 2020, <https://www.latimes.com/business/story/2020-11-23/clean-energy-fossil-fuels-racial-justice>.

¹² See e.g. Jill Johnston and Lara Cushing, “Chemical Exposures, Health, and Environmental Justice in Communities Living on the Fenceline of Industry,” *Current Environmental Health Reports* 7, no. 1 (March 1, 2020): 48–57, <https://doi.org/10.1007/s40572-020-00263-8>; Jill E. Johnston et al., “Environmental Justice Dimensions of Oil and Gas Flaring in South Texas: Disproportionate Exposure among Hispanic Communities,” *Environmental Science & Technology* 54, no. 10 (May 19, 2020): 6289–98, <https://doi.org/10.1021/acs.est.0c00410>; Idna Castellón, “Cancer Alley and the Fight Against Environmental Racism,” *Villanova Environmental Law Journal* 32, no. 1 (February 12, 2021): 15, <https://digitalcommons.law.villanova.edu/elj/vol32/iss1/2>.

¹³ I note that the Chevron refinery is not unique, in any way. Much fossil fuel activity follows a similar pattern.

¹⁴ “U.S. Census Bureau QuickFacts: Richmond City, California,” July 1, 2021, <https://www.census.gov/quickfacts/richmondcitycalifornia>.

¹⁵ Alfredo Angulo et al., “Taking Stock: Visioning Beyond the Refinery,” August 31, 2022, <https://belonging.berkeley.edu/taking-stock-visioning-beyond-refinery?emci=3a57370b-ae24-ed11-bd6e-281878b83d8a&emdi=79e2c2f9-4529-ed11-ae83-281878b83d8a&ceid=7504492>; “EPA Facility Level GHG Emissions Data,” 2020, <https://ghgdata.epa.gov/ghgp/main.do>.

¹⁶ “Pollution Mapping Tool - Sources In Your Community | California Air Resources Board,” accessed September 11, 2022, <https://ww2.arb.ca.gov/capp-resource-center/data-portal/carb-pollution-mapping-tool>.

¹⁷ https://www.baaqmd.gov/~/_media/files/compliance-and-enforcement/flares/graphs/flare-emissions-charts/2019/frequency_of_flaring_2019-pdf.pdf?la=en

¹⁸ U.S. EPA, “TRI Facility Report: Chevron Products Co Richmond Refinery,” 2022, <https://enviro.epa.gov/facts/tri/ef-facilities/#/Release/94802CHVRN841ST>.

While the negative health impacts of the refinery are well-established, the economic benefits are limited. Just 0.2 percent of Richmond residents work in oil refinery jobs, which means the vast majority of workers employed by the refinery live outside of the region.¹⁹ And, workers at the refinery face difficult working conditions. Earlier this year, the refinery workers went on strike for two months over unfair labor practices.²⁰ The Bay Area is one of the most expensive regions in the country and workers were not receiving adequate cost of living adjustments. They struggled to make ends meet while Chevron posted a profit of \$6.3 billion just in the first three months of this year.²¹ Understaffing also meant that workers regularly worked 70 hours a week.²² In the two months of the strike, Chevron experienced 9 flare incidents—an average of more than one a week.

Moreover, thousands of workers in the oil and gas industry lost their jobs during the pandemic. Yet, the industry workforce has not returned to its pre-pandemic size, though production has expanded. Reporting indicates that despite record profits, average hourly wages in the oil and gas industry are below pre-pandemic levels.²³ Workers in the industry are also reluctant to return to poor working conditions, remote locations, and insufficient pay. In another example of equity-washing, oil and gas companies' stated concern for their workforce is not matched by actions.²⁴

But, the major oil and gas companies' actions do match their rhetoric when it comes to company executives and shareholders. While the average customer faced gas prices that soared to over \$6

¹⁹ Angulo et al., "Taking Stock: Visioning Beyond the Refinery."

²⁰ Summer Lin, "Hundreds of Chevron Steelworkers Strike over 'Unfair Labor Practices' at Richmond Refinery," *The Mercury News* (blog), March 21, 2022, <https://www.mercurynews.com/2022/03/21/hundreds-of-chevron-steelworkers-strike-over-unfair-labor-practices-at-richmond-refinery>.Lin.

²¹ Ted Goldberg, "Chevron Richmond Refinery Workers OK Deal to End First Strike in Over 40 Years," KQED, May 28, 2022, <https://www.kqed.org/news/11915426/chevron-richmond-refinery-workers-ok-deal-to-end-first-strike-in-over-40-years>.Goldberg.

²² Olga Rodriguez, "Workers Go on Strike at California Refinery Owned by Chevron," AP NEWS, March 21, 2022, <https://apnews.com/article/business-california-san-francisco-strikes-chevron-corp-9f78fd2b57ffc3f03227464f47171934>.

²³ Liz Hampton et al., "North American Oil Companies Scramble to Find Workers despite Boom," *Reuters*, April 29, 2022, sec. Energy, <https://www.reuters.com/business/energy/n-american-oil-companies-scramble-find-workers-despite-boom-2022-04-29/>.

²⁴ It should also be noted that the fossil fuel industry, in general, is a dangerous work environment. See e.g. Daniel J. Weiss, "Fossil Fuel Industries Kill and Injure an Awful Lot of Their Workers," *Grist*, April 20, 2011, <https://grist.org/fossil-fuels/2011-04-19-fossil-fuel-industries-kill-injure-workers/>.

a gallon in some regions, fossil fuel companies made record profit. In 2021, the top 25 companies made over \$205 billion in profit.²⁵ The top oil companies' profits are even greater this year. In just three months, Shell, ExxonMobil, BP, Chevron, and ConocoPhillips posted \$35 billion in profit, more than 200 percent more than the same period in 2021.

These record-setting profits are not the result of a shift in their business model to low-carbon energy-- they are from oil and gas production. Despite this reality, in another example of equity and greenwashing, Shell has a page on their website dedicated to, "A Fair and Just Transition," which claims to support the Paris Agreement goal to limit warming to 2 degrees Celsius.²⁶ They include messaging around supporting workers and the importance of climate action. Yet, as detailed throughout this testimony, what they say and what they do are at opposites. Fundamental to a just transition is a transition- we must shift away from fossil fuel extraction and use. Instead, Shell is increasing oil and gas production.

A true "just transition," is possible- and it should be financed by the oil and gas industry

A just transition is possible, but not by relying on Big Oil to lead the way. We must enact transition policies now so that when fossil fuel production meaningfully declines, plans are already in place to support workers and communities. In recent peer-reviewed research, colleagues and I analyzed transition cases across the country and across the world to see what a just transition requires. We determined that four pillars are crucial: strong governmental support, dedicated funding streams, economic diversification, and strong diverse coalitions.²⁷

²⁵ Center for American Progress, "These Top 5 Oil Companies Just Raked In \$35 Billion While Americans Pay More at the Pump," *Center for American Progress* (blog), May 17, 2022, <https://www.americanprogress.org/article/these-top-5-oil-companies-just-raked-in-35-billion-while-americans-pay-more-at-the-pump/>.

²⁶ Shell, "A Fair and Just Transition," accessed September 11, 2022, <https://www.shell.com/energy-and-innovation/the-energy-future/a-fair-and-just-transition.html>.

²⁷ J. Mijin Cha, Madeline Wander, and Manuel Pastor, "Environmental Justice, Just Transition, and a Low-Carbon Future for California," *Environmental Law Reporter* 50 ELR 10216 (March 2020), <https://elr.info/news-analysis/50/10216/environmental-justice-just-transition-and-low-carbon-future-california>.

Pillar #1: Strong Governmental Support

The transition away from fossil fuels is best achieved with consistent, strong governmental support. Transitioning into a low-carbon future will require both short-term and long-term policies. Short-term policies provide immediate support to communities and workers negatively impacted by plant and mine closures and decreasing oil and gas extraction. Short-term supports for displaced workers, such as unemployment benefits and retraining programs, are already administered through federal and state programs. Longer-term restructuring of local economies and transforming former fossil fuel sites is also best done through public programs. Long-term planning for regional redevelopment requires a reimagining of economic development without the pressure of short-term profits or returns. Investing in small business development and seeding new industries through tax incentives or subsidies and training infrastructure, such as vocational schools, is also already done through state or federal government programs and efforts.

Pillar #2: Dedicated Funding Streams

Both short-term and long-term transition support will require substantial funding. Programs need robust and consistent financing. Dedicated funding streams, where a consistent revenue stream is allocated to a particular program, community, or a sector, provide the predictability and stability necessary for long-term planning. Funding is needed for short-term needs—such as wage replacement or replacing lost tax revenue when a plant shuts down—and for long-term needs—such as seeding new business development and funding long-term training and retraining programs.

There have been recent efforts in Congress to provide funding and support for energy transition workers and communities. H.R. 5193 introduced last session by Representative Leger-Fernandez would provide funding to Tribal government and energy communities to help them transition.²⁸

²⁸ Teresa Leger Fernandez, “Text - H.R.5193 - 117th Congress (2021-2022): Just Transition for Energy Communities Act,” legislation, September 8, 2021, 2021/2022, <http://www.congress.gov/>.

Also in 2021, Senator Sherrod Brown introduced S. 2966, which would provide wage and benefit support for displaced energy workers.²⁹

Financing is an instance where the private sector can, and should, take the lead. The oil and gas industry is extremely profitable yet continues to receive billions in government aid and support. During the pandemic, oil and gas companies received an \$8.2 billion tax bailout from the CARES Act while cutting nearly 60,000 jobs.³⁰ This tax bailout was on top of the \$20 billion in subsidies the fossil fuel industry receives *every year*.³¹ The industry is currently enjoying record-setting profits and some of these resources should go towards helping the workers and communities that are economically dependent upon fossil fuel extraction and use. Moreover, in line with the polluter pays principle, the oil and gas industry should be required to finance efforts to address the climate crisis it is primarily responsible for causing.

Pillar #3: Economic Diversification

The next pillar of just transition is diversifying the economic base. Overreliance on a single industry or sector leaves communities and workers extremely vulnerable when the industry or sector declines. Investing in emerging and growing sectors provides a more diverse economy and climate policy itself can help diversify economies. For example, since the adoption of AB 32 ten years ago, California has reduced emissions while also growing the state's economy, refuting the idea that reducing emissions harms economic growth. In fact, bold climate policy sparks innovation and, as California demonstrates, the ambitious greenhouse gas reduction targets created demand for new products and technologies. Businesses, with state support, responded with clean technological and market innovations that reduced emissions. Ensuring quality job creation, strong local economic growth, and attracting and retaining new industries is fundamental to creating a healthy economy and a pathway to a just transition.

²⁹ Sherrod Brown, "Text - S.2966 - 117th Congress (2021-2022): American Energy Worker Opportunity Act of 2021," legislation, October 7, 2021, 2021/2022, <http://www.congress.gov/>.

³⁰ Climate Nexus, "Fossil Fuels Received an \$8.2 Billion Tax Bailout and Slashed Nearly 60,000 Jobs Last Year," accessed September 11, 2022, <https://bailoutwatch.org/analysis/fossil-fuel-firmsslashed-nearly-60000-jobs-in-2020>.

³¹ "Fossil Fuel Subsidies & Finance," *Oil Change International* (blog), accessed September 11, 2022, <https://priceofoil.org/fossil-fuel-subsidies/>.

Pillar #4: Strong, Diverse Coalitions

Finally, just transition requires support for workers and communities that will be economically displaced by a movement away from fossil fuel production *and* environmental justice communities that have long been left behind. Environmental justice communities working in coalition with labor unions and workers' organizations recognize that both groups have the shared interest of protecting their communities and livelihood in the transition to a low-carbon economy. Transition plans that are supported by a diverse coalition and represent different interests are stronger and more likely to identify and address the needs of workers and communities. When these coalitions stay together, the resulting transition addresses workers and communities more holistically and ensures that the solutions to climate change do not exacerbate existing inequalities.

The importance of strong, diverse coalitions does not ignore the challenges that come with bringing different interest groups together. Fossil fuel facilities can be the main source of employment and tax revenue in communities. The loss of these jobs and revenues can make workers and unions oppose closing facilities. Community members, who experience the negative environmental and social impacts of these facilities and did not have access to the jobs associated, can advocate for closing these facilities on a very short timeline. These tensions are real but focusing on shared goals can bring diverse interests together.

Conclusion

The oil and gas industry's well-funded misinformation and deception campaigns have successfully delayed much-needed climate action. While time is running out, we can still act to curb emissions and protect our planet. We must show the fossil fuel industry that people matter over profit and enact a truly just transition.

Thank you, and I look forward to your questions.