



Big Oil's Dark Money Ad Campaign Exposed

Ad paid for by Campaign for a Safe and Healthy California, sponsored by Environmental and Health Organizations. Ad Committee's top funders:

Advocacy Action Fund, Inc.
Center for Biological Diversity
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Big Oil's Dark Money Ad Campaign Exposed

This is an ongoing pillar of the fossil fuel industry's playbook in California: front groups organized and funded by the oil companies masquerade as "broad coalitions" of concerned citizens and business representatives but are functionally opaque entities with a single mission: furthering the oil and gas industry's agenda in the state.

Usually organized as 501(c)(4) nonprofits ("social welfare organizations"), such groups are referred to as "dark money" because they're able to spend money on certain types of campaigns without revealing their donors. Under California law, these types of groups are legally permitted to spend funds on "issue advocacy" campaigns without revealing their donors.

Because these "issue advocacy" campaigns don't explicitly advocate for or against ballot measures or referenda, millions of dollars can be spent to subtly influence voters without disclosing the true funders behind the messaging campaign. Because of the lack of donor disclosure, we refer to these groups as "dark money groups."

This report profiles three such groups that have been actively pushing an oil industry ad campaign to promote anti-SB1137 talking points (higher gas prices, losing good jobs, foreign oil); all three track back to the California Independent Petroleum Association (CIPA) and to the Western States Petroleum Association (WSPA), the top lobbyist for the oil industry in the western United States.

So, there's really no question at this point that the three "innocuous-sounding" organizations [[Californians Against Higher Taxes](#), [Californians for Affordable and Reliable Energy](#) and [Californians for Energy Independence](#)] are really fronting for Big Oil, or more specifically Western States, Chevron and the business roundtable. (*Capitol Weekly*, [July 11, 2023](#))

Together, these three groups have spent over \$11 million to produce and run ads across TV, digital platforms, and mail — money that they received in turn from Chevron and assorted oil & gas industry advocacy groups. (Data to support this assertion is drawn from two different kinds of state spending disclosures: "Lobbyist Employer" quarterly reports, from e.g. Chevron, WSPA, CBRT and similar, and "Payments to Influence" (Form 645), which entities not registered as lobbyists use to report advocacy spending.)

For examples of some of the ads in question, here are links to the groups' social media advertising in 2023:

- **Californians for Energy Independence**, Meta (Facebook & Instagram) ad campaign in [February, March, April, August, September, October 2023](#)
- **Californians Against Higher Taxes**, Meta (Facebook & Instagram) ad campaign in [February 2023](#).
- **Californians for Affordable and Reliable Energy**, Meta (Facebook & Instagram) ad campaign in [February & March 2023](#).

The below table shows the \$11M in expenditures we've flagged as related to the ad campaign; more detail is available on these groups and their funding in the sections that follow.

Dark Money Group	Payee	Amount Paid 1Q – 3Q 2023
Californians for Energy Independence	Winner & Mandabach ¹	\$6,860,500.00
Californians for Affordable and Reliable Energy	Applied Paradigms ²	\$3,151,662.00
Californians for Affordable and Reliable Energy	Uneath Campaigns, LLC ³	\$262,950.00
Californians Against Higher Taxes	Uneath Campaigns, LLC ⁴	\$530,950.00
Californians Against Higher Taxes	Media & Associates ⁵	\$260,623.54
TOTAL spending attributed to ad blitz		\$11,066,685.54

¹ Californians for Energy Independence's [1Q 2023 filing](#) and [3Q 2023 filing](#) both code the money paid to Winner & Mandabach as having been [A], for advertising. There is also past precedent: Winner & Mandabach was reportedly paid by this same front group for statewide TV & digital ads in [2019](#).

²Applied Paradigms is a firm headed by oil lobbyist Richie Ross' son Joaquin, and the filings reporting this \$3.2M expenditure spell out that the payments were for 'advertisements.'

³These payments to Uneath Campaigns were coded on [the disclosure](#) as [A], for advertising.

⁴Californians Against Higher Taxes' [1Q and 3Q filings](#) coded payments to Uneath as [A], for advertising.

⁵Californians Against Higher Taxes' [1Q and 3Q filings](#) double-coded payments to Media & Associates, as both [C] (consultants) and [P] public affairs, including grassroots campaigns. [P] would seem to cover advertising like the ones in question here, so we have counted this amount.

NOTE: For more on this coding, see [Instructions for Form 640](#): "Before the payee name include a code (including the brackets before and after) to describe the primary purpose of the payment: (1) [S] for salary of employees other than lobbyists who are engaged for 10% or more of their time in one month in activities related to lobbying; (2) [E] for expenses incurred by a lobbyist and paid directly by the filer, or expenses incurred by the filer for goods or services used by a lobbyist; (3) [L] for legislative related-services performed by a lobbying firm under Regulation 18614(b)(2); (4) [C] for consultants and government relations; (5) [P] for public affairs, including coalition building and grassroots campaigns; (6) [A] for advertising; (7) [R] for research including feasibility studies, analysis, polling and public opinion research; (8) [V] for lobbying events including event planning, rentals, equipment, and transportation for members or the public; and (9) [O] for all other payments not covered by one of the specific categories. (See Cal. Code Regs., tit. 2, section 18616.)"

Californians for Energy Independence

Californians for Energy Independence (CEI), the biggest spender of the three, is organized as a 501(c)(4) nonprofit (tax filings [HERE](#)). It currently files reports with the CA Secretary of State as a “payments to influence” entity (one that files reports during any given calendar quarter in which \$5,000 or more is spent to “influence legislative or administrative action,” e.g. lobby); ID# [1368757](#).

FOUNDED, OPERATED BY KEY PLAYERS IN THE VETO REFERENDUM

CEI cannot be considered truly separate from the oil industry’s efforts to overturn SB1137 in 2024. It’s a front group operated by two of the main figures behind the veto referendum: “Stop the Energy Shutdown” treasurer Steven Lucas and referendum sponsor CIPA’s CEO Rock Zierman.

Lucas and Zierman, who founded CEI in 2014, are listed on its [most recent tax filing](#) as the dark money group’s CFO and Secretary, respectively:

efile Public Visual Render		ObjectID: 202331019349301228 - Submission: 2023-04-11	TIN: 46-5063010
Form 990		Return of Organization Exempt From Income Tax	
Department of the Treasury Internal Revenue Service		OMB No. 1545-0047	
		2022	
		Open to Public Inspection	
A For the 2022 calendar year, or tax year beginning 01-01-2022, and ending 12-31-2022			
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Californians for Energy Independence		D Employer identification number 46-5063010
	Doing business as		E Telephone number (415) 389-6800
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2350 Kerner Blvd 250		G Gross receipts \$ 11,791,038
	City or town, state or province, country, and ZIP or foreign postal code San Rafael, CA 94901		
	F Name and address of principal officer: Catherine Reheis-Boyd 2350 Kerner Blvd 250 San Rafael, CA 94901		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "No," attach a list. See instructions. H(c) Group exemption number ▶
I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c)(4) (Insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: ▶ www.energyindependenceca.com			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 2014 M State of legal domicile: CA	
[...]			
Form 990 (2021) Page 7			
Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors			
Check if Schedule O contains a response or note to any line in this Part VII <input type="checkbox"/>			
Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees			
[...]			

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Catherine Reheis-Boyd Pres & Director	1.00 0.00	X		X				0	0	0
(2) Rock Zierman Director	1.00 0.00	X						0	0	0
(3) Steven S Lucas Secretary/CFO	1.00 0.00			X				0	0	0

(Form 990, Californians for Energy Independence, 2022)

AND HEADED BY THE PRESIDENT OF OIL LOBBYING GROUP WSPA

That same tax filing (see image directly above) also reveals that Catherine Reheis-Boyd, the [President/CEO of the Western States Petroleum Association](#) (WSPA), is also the President, Director, and principal officer of CEI.

ITS MISSION: FIGHT ANY REGULATION OF OIL INDUSTRY IN CA

CIPA’s 2020 Annual Report, which has an entire page dedicated to CEI’s doings, says that the dark money front group’s purpose is to serve as “a backstop to Governor Gavin Newsom and the California Legislature’s aggressive efforts to phase out production in California.”

Californians for Energy Independence (CEI) serves as a backstop to Governor Gavin Newsom and the California Legislature’s aggressive efforts to phase out production in California as well as in production regions throughout the state.

CEI operates on a statewide level while engaging outreach teams in Los Angeles, Ventura, and Fresno. Close communication and coordination between regional and statewide teams facilitates the flow of information regarding the migration of harmful industry policies that influence statewide policies, such as setbacks, water protection, permitting and climate (Green New Deal).

(CIPA Annual Report, 2020)

Among other things, CEI maintains [a website filled with pro-oil-industry propaganda](#) that denounces California officials’ attempts to limit fossil fuel drilling.

PAID STEVEN LUCAS’ LAW FIRM OVER \$1M IN 2022

CEI’s tax forms also reveal the organization paid a law firm at which Steven Lucas is a partner \$1,012,329 for “Legal Services” in 2022. Tax filings disclose details on these payments because Lucas, as CEI’s CFO, is an “interested person.”

Part IV Business Transactions Involving Interested Persons. Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.				
(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?
				Yes No
(1) See Part V	Business	1,012,329	Legal Services	No

Part V Supplemental Information Provide additional information for responses to questions on Schedule L (see instructions).	
Return Reference	Explanation
Schedule L, Part V Supplemental Information	Steven S. Lucas, Secretary/CFO, is a partner with the law firm that provides legal and administrative services to the Corporation and bills the Corporation on an hourly basis.


Schedule L (Form 990) 2021

(Schedule L, Form 990, Californians for Energy Independence, [2022](#))**"PROUD PARTNERS" WITH WSPA, CIPA**

Nor does the Californians for Energy Independence website make any attempt to hide its "proud partners:" veto referendum sponsor CIPA and oil industry lobbying group WSPA are the only two listed.

<https://www.energyindependenceca.com/concerned-mineral-owners-ca/>


PROUD PARTNERS



Western States Petroleum Association

Western States Petroleum Association (WSPA) is a non-profit trade association that represents companies that account for the bulk of petroleum exploration, production, refining, transportation and marketing in the five western states of Arizona, California, Nevada, Oregon, and Washington.

[Learn More](#)



California Independent Petroleum Association

The California Independent Petroleum Association (CIPA) is a non-profit, non-partisan trade association representing approximately 500 independent crude oil and natural gas producers, royalty owners, and service and supply companies operating in California.

[\(https://www.energyindependenceca.com/concerned-mineral-owners-ca/\)](https://www.energyindependenceca.com/concerned-mineral-owners-ca/)

REPORTED NEARLY \$12M IN REVENUE ON LATEST TAX FORM

The entity's most recent tax form, for fiscal year ending [December 31, 2022](#), reported gross receipts of \$11.8 million, as "contributions, gifts, grants" from unnamed sources.

MEMBERSHIP

CEI says it's a "coalition" working to protect "domestic energy production" and oppose "reliance on foreign oil." Depending on the audience, CEI's materials leave the details of its membership vague, as in this tombstone slug from its website's main splash page...

Californians for Energy Independence is a coalition that supports state and local policies that allow for continued domestic energy

production and opposes those policies - such as oil taxes and energy bans - that would hinder production and increase reliance on foreign oil.

(<https://www.energyindependenceca.com/>)

...or more tailored, e.g. on its "Concerned Mineral Owners of California" sub-page, where CEI specifies its members are "local oil and gas producers and community partners:"

A broad coalition of local oil and gas producers and community partners who work together to support safe, affordable and reliable local oil and natural gas production

(Californians for Energy Independence website, "Mineral Owners" sub-section; <https://www.energyindependenceca.com/concerned-mineral-owners-ca/>)

Its messaging is centered on:

- The alleged importance of "**local oil and gas production**"
- The alleged threat new regulation represents to "**50,000**" **oil & gas jobs**
- The alleged threat regulation represents to some "**\$1.5 billion in state and local tax revenues**" that oil and gas production allegedly generates in California

In a nutshell, [from CEI's website](#): "Restricting the ability for California to continue producing the energy it needs would increase foreign oil imports, result in higher gas prices at the pump and risk serious energy supply shortages."

PAST CAMPAIGN ACTIVITY

"Californians for Energy Independence" hasn't appeared in the name of any campaign finance committee yet for the 2023-24 cycle, but there have been similarly-named committees working to advance the oil industry agenda in the past. There was "[Californians for Energy Independence - Yes on 10](#)" (in 2008, a boondoggle pushed by billionaire oilman T. Boone Pickens, who hoped to line his pockets pushing CNG-fueled cars); "[No on Measure A - Major Funding by Californians for Energy Independence](#)," (in 2015, an unsuccessful attempt to ban new oil & gas wells and fracking in La Habra Heights, where Matrix Oil wanted to drill an 18 acre parcel owned by SoCal Gas); "[No on Measure Z](#)," (in 2016, a citizen ballot initiative banning fracking, new oil wells and wastewater injection in Monterey County; this committee began the cycle as "Californians for Energy Independence but was renamed "No on Measure Z;" see [Historical Names for This Committee](#), Filer No. 1365619); and "[No on Measure G](#)," (in 2018, a proposed ban on fracking and new oil wells in unincorporated San Luis Obispo County; this committee began the cycle as "Californians for Energy Independence" but was renamed "No

on Measure G;" see [Historical Names for This Committee](#), Filer No. 1365619)

ALSO LINKED TO CALIFORNIA CHAMBER OF COMMERCE, CBRT

CEI's third founder was Allen Zaremborg, the late president and CEO of the California Chamber of Commerce (Initial Registration, CA Attorney General Registry of Charitable Trusts, filed [April 21, 2014](#)).

The Independent Oil Producers' Agency was an original coalition member in CEI, as well.

Californians for Affordable and Reliable Energy

501(C)(4) ORGANIZED IN 2013 BY STEVEN LUCAS

Like Californians for Energy Independence, [Californians for Affordable and Reliable Energy](#), or "CARE," calls itself a broad-based coalition but is in fact a dark money 501(c)(4) (EIN 82-1426350) organized in [August 2013](#) by current veto referendum committee treasurer Steven Lucas.

FOUNDED AND FUNDED BY WSPA, CHEVRON, CBRT, OTHERS

It was reported at the time of its founding that CARE members included the "Western States Petroleum Association, the California Manufacturers & Technology Association and the California Chamber of Commerce." (SFGate, [August 19, 2013](#)); its current members include WSPA, CIOMA, and the California Business Roundtable (CBRT, of which Chevron and Valero are members).

Just as he does for Californians for Energy Independence, veto referendum committee treasurer Steven Lucas still serves as CARE's CFO (Form 990, [2022](#)); its president, Rob Lapsley, also heads the California Business Roundtable, and Chevron / CBRT lobbyist Richie Ross [is also CARE's lobbyist](#).

The *San Francisco Chronicle* described CARE in 2023 as "heavily funded by oil refineries and the Western States Petroleum Association, an industry trade group."

One attorney from the North Bay, who has a long history of working with oil companies and trade associations, was central in organizing all three groups.

Steven Lucas, a San Rafael attorney who specializes in political law, is listed as the CFO and secretary for two of the groups, Californians for Affordable and Reliable Energy and Californians for Energy Independence....

Lucas did not respond to emails and voicemails requesting comment. The groups he operated were heavily funded by oil refineries and the Western States Petroleum Association, an industry trade group.

(<https://www.sfchronicle.com/politics/article/newsom-oil-regulations-california-18156243.php>, June 19, 2023)

PART OF A DISINFORMATION CAMPAIGN THAT FOUGHT AB 32 (2014)

It was one of several front groups organized by the oil industry to “to spread an extensive disinformation campaign about the next phase of California’s groundbreaking Global Warming Solutions Act (AB 32),” as [NRDC explained](#) in 2014.

At least eight front groups are being propped up by the oil industry...[including] Californians for Affordable and Reliable Energy (CARE)-- members include WSPA, CIOMA, and the California Business Roundtable (of which Chevron is a member) (NRDC, [November 6, 2014](#))

CARE (Californians for Affordable and Reliable Energy), of which WSPA is a member, has helped to organize forums highlighting research it co-funded that attacks AB 32.³² KP Public Affairs, a lobbying firm whose largest client is WSPA, is under contract with CARE to provide services that include email communications.^{33.34} WSPA also runs a consumer-facing website that features what it terms the “Hidden Gas Tax Californians Know Nothing About,” along with the same misleading gas price statistics cited by Fed Up at the Pump and the California Drivers Alliance.³⁵ In addition, WSPA is a member of Californians Against Higher Taxes and Californians for Energy Independence, also purporting to speak for independent consumers. (NRDC Issue Brief, “Unmasked: The Oil Industry Campaign to Undermine California’s Clean Energy Future,” [November 2014](#))

Californians Against Higher Taxes

Yet another front group organized by Steven Lucas, “Californians Against Higher Taxes” is the last member of the dark-money triad behind the oil industry’s 2023 issue-advocacy ad blitz.

Lucas and his law firm organized this 501(c)4, and his long-term collaborator Allan Zaremborg, (the late) co-founder of Californians for Energy Independence, sat on its board. Californians Against Higher Taxes is now led by Jennifer Barrera, CEO of the Chamber of Commerce, and political attorney Thomas Hiltachk; Cathy Reheis-Boyd is a Director and its Assistant CFO (Form 990, [2022](#); filed by Californians Against Higher Taxes)

Together, Funded 2023 Ad Blitz; Mostly With Chevron's Money

CALIFORNIANS FOR ENERGY INDEPENDENCE: \$6.9M ON AD BLITZ

Californians for Energy Independence was one of three dark money groups to collectively spend at least \$11 million on a 2023 ad blitz hammering one of the key messaging pillars of the pro-veto-referendum campaign: that any restrictions on oil production in California will send gas prices soaring and eradicate important oil-related jobs in the state (more on that later in this document). Here's that language, applied to setbacks in a 2021 statement from WSPA:

"The oil and gas industry is not opposed to setbacks and in fact, has supported many local setbacks that are based on science, data and rigorous health assessments. But this approach by the state will eliminate tax revenues and community benefits, raise costs for everyone and put thousands of people out of work.

(WSPA statement, released [October 4, 2021](#))

CEI has [reported spending \\$6.9 million](#) on "payments to influence" in 2023; nearly all of which² went to Winner & Mandabach.

Californians for Energy Independence's Payments to Influence ¹		
Quarter	Total payments to influence reported	Amount Paid to Winner & Mandabach, for Ad Blitz
2023 Q3	\$2,862,000.00	\$2,860,500.00
2023 Q2	n/a	n/a
2023 Q1	\$4,038,100.00	\$4,000,000.00
TOTAL, Jan-Sept 2023	\$6,900,100.00	\$6,860,500.00²

¹Lobbying Activity: Financial Activity/Filing History, [Californians for Energy Independence](#)

²Of the \$6.9M CEI spent on influencing California policy in 2023, all but \$39,600 went to Winner & Mandabach.

...AND GOT IT MOSTLY FROM CHEVRON

It's quite clear where CEI got the money from: \$5,809,410 of the money Californians for Energy reported spending (84% of everything it spent in the first nine months of 2023) was given to it by Chevron, as the giant oil multinational reported in its [required lobbying disclosures](#).

Each quarter, Chevron (and other lobbying entities) discloses on its Form 640 any money it pays for lobbying, and any money it pays out to other organizations that would not have been paid but for attempts to influence legislative or administrative action (i.e. lobbying). Californians for Energy Independence (CEI) was by far the largest single recipient of Chevron's money listed in these filings. Here is a table that details Chevron's reported total payments to influence in each quarter of 2023, side-by-side with columns breaking out subtotals for what it paid to CEI, to WSPA, and to the CBRT.

Quarter	TOTAL, Chevron lobbying payments	(of total, amount paid) to CEI	(of total, amount paid) to WSPA	(of total, amount paid) to CBRT
2023 Q3	\$3,866,296.30	\$2,175,120.00	\$71,192.89	\$0.00
2023 Q2	\$1,204,139.89	\$0.00	\$0.00	\$540,031.50
2023 Q1	\$4,924,088.01	\$3,634,290.00	\$22,548.09	\$327,000.00
TOTAL	\$9,994,524.20	\$5,809,410.00	\$93,740.98	\$867,031.50

Here's the FPPC instructions that govern this section of the disclosure:

Itemize payments of \$250 or more made by state and local government agencies, or payments of \$2,500 or more made by all other lobbyist employers and \$5,000 filers, during the calendar quarter for goods or services used by a lobbyist or used to support a lobbyist in connection with his or her activities (but not made directly to the lobbyist). Also include payments that would not have been incurred but for the employer's lobbying activities. Do not include overhead expenses.

(FPPC Form 640, Section 4)

THE REST OF CEI'S MONEY, ~\$1M, CAME FROM AERA ENERGY

The rest of the \$6.9 million CEI reported spending came from Aera Energy, a major backer of the veto referendum. Aera disclosed that it had given CEI \$1,090,690 through September 30, 2023:

Attachment Form 640
(Continuation Sheet)

PERIOD COVERED: 07/01/2023-09/30/2023

NAME OF FILER: AERA ENERGY LLC

Name & Address of Payee	Amount This Quarter	Cumulative Amount Since January 1
[O] - CALIFORNIANS FOR ENERGY INDEPENDENCE SAN RAFAEL CA 94901	\$ 686880.00	\$ 1090690.00

ATTACHMENT FORM 640

CALIFORNIA
1993 FORM **640**

6/7

(Aera Energy LLC's FPPC Form 635, Attachment F640, covering [July 1 - September 30, 2023](#))

...which two payments add up to exactly \$6,900,100: the same amount CEI reported spending on payments to influence.

Total CEI reported spending on payments to influence (Jan. - Sept. 2023)	Total CEI received from Chevron (Jan. - Sept. 2023)	Total CEI received from Aera Energy (Jan. - Sept. 2023)	Total CEI received from Chevron + Aera, combined
\$6,900,100	\$5,809,410	\$1,090,690	\$6,900,100

CALIFORNIANS FOR AFFORDABLE & RELIABLE ENERGY SPENT \$3.2M

On top of the \$6.9M CEI reported spending on advertising, associated dark-money group Californians for Affordable & Reliable Energy

(CARE) reported making \$3,414,612 in “payments to influence” in the first quarter of 2023:

Californians for Affordable and Reliable Energy’s Payments to Influence	
Quarter	Amount
2023 Q3	did not file disclosure for Q3
2023 Q2	did not file disclosure for Q2
2023 Q1	\$3,414,612.00
TOTAL	\$3,414,612.00

(Lobbying Activity: Financial Activity/Filing History, [Californians for Affordable and Reliable Energy](#))

\$3,151,662 of this — nearly the entire amount – can be labeled as ad-related with confidence. The filing says CARE paid it to Applied Paradigms, a firm run by oil lobbyist Richie Ross’ son Joaquin, for what a note appended to the filing explains were “PAYMENTS PERTAIN TO GENERAL GASOLINE COST EDUCATION ADVERTISMENTS [*sic*].”

Also in Q1 2023, CARE reported it had lobbied the state legislature on “general issues regarding gasoline cost education” and on SBX 1-2, the newly passed state law intended to combat price gouging by the oil industry. (Lobbying Activity: Financial Activity/Filing History, [Californians for Affordable and Reliable Energy](#))

\$2.1M OF CARE’S SPENDING MONEY FROM CHEVRON-FUNDED CBRT

CARE received \$2.1 million from the California Business Roundtable (CBRT) in Q1 2023, or 61.5% of the \$3,414,612 CARE has reported spending in 2023.

PERIOD COVERED: 01/01/2023–03/31/2023
 NAME OF FILER: CALIFORNIA BUSINESS ROUNDTABLE

Name & Address of Payee	Amount This Quarter	Cumulative Amount Since January 1
[O] - CALIFORNIANS FOR AFFORDABLE AND RELIABLE ENERGY (CARE) SAN RAFAEL CA 94901	\$ 2100000.00	\$ 2100000.00

(California Business Roundtable’s FPPC Form 635, covering January 1 – March 31, 2023; filed [May 15, 2023](#))

Chevron, a member of CBRT (as is Valero), gave CBRT \$327,000 that same quarter.

PERIOD COVERED: 01/01/2023–03/31/2023
 NAME OF FILER: CHEVRON U.S.A. INC. AND AFFILIATES

Name & Address of Payee	Amount This Quarter	Cumulative Amount Since January 1 Biennial Legislative Session

[O] - CALIFORNIA BUSINESS ROUNDTABLE	327000.00	327000.00
SACRAMENTO CA 95814		

(Chevron USA Inc.'s FPPC Form 635, covering January 1 – March 31, 2023; filed [May 1, 2023](#))

CARE GOT ANOTHER \$235,950 FROM WSPA

As of the third quarter 2023, WSPA has reporting paying CARE a total of \$235,950.00 (WSPA Form 640, [3Q 2023](#))

CARE filed [tax forms for 2022](#) that reported just \$40,000 in revenue from contributions, so the source of the additional funds it spent on advertising remains unclear – added together, CBRT's \$2.1M and WSPA's \$236k don't account for all of the money it paid Applied Paradigms.

CBRT \$2,100,000

WSPA \$235,950

TOTAL \$2,335,950 CARE received from oil industry sources in 2023

CALIFORNIANS AGAINST HIGHER TAXES SPENT \$822K

Californians Against Higher Taxes reported making \$821,573.54 in payments to influence in the first two quarters of 2023 (the entity did not file for 3Q):

Californians Against Higher Taxes' Payments to Influence	
Quarter	Amount
2023 Q1	\$660,547.50
2023 Q2	\$161,026.04
TOTAL	\$821,573.54

(Source: Lobbying Activity: Financial Activity/Filing History, [Californians Against Higher Taxes](#))

\$791,574 of that went to two vendors, both for advertising:

Unearth Campaigns, LLC \$530,950.00 ([1st & 2Q 2023 only; no 3Q filing](#))

Media & Associates \$260,623.54 ([1st & 2Q 2023 only; no 3Q filing](#))

TOTAL \$791,573.54

ALL OF WHICH CAME FROM OIL TRADE GROUP WSPA

The Western States Petroleum Association gave Californians Against Higher Taxes a total of \$975,000 over the first three quarters of 2023, more than enough to cover the spending the group reported. (WSPA Form 640, [3Q 2023](#))

UNNAMED DONORS, UNDISCLOSED MEMBERS GAVE \$402K IN 2022

Californians Against Higher Taxes said on its [tax returns](#) that it received \$30,000 in membership dues and \$372,000 as contributions from unnamed donors, all in 2022. It also reported having paid Uneath Campaigns \$285,500 that year for “Advertising.”

Chevron Paid \$2.2M More to CEI Than Previously Known

Politico [has reported](#) on this issue, highlighting the \$4.9 million Chevron spent on California lobbying and influence campaigns, “including \$3.63 million it contributed to Californians for Energy Independence.”

But when Chevron’s third-quarter lobbying reports are counted into the mix, we found the gigantic oil company has actually given CEI millions more that was previously understood: disclosures show Chevron gave another \$2.2M to the dark money entity in the third quarter of 2023, on top of the \$3.6 given in 1Q, for a total of **\$5.8 million so far in 2023**. [These expenditures were reported on Chevron’s Attachment Form 640 and coded “O,” for “all other payments not covered by one of the specific categories” (Code Guidelines, Instructions for Form 640, Cal. Code Regs., tit. 2, section 18616)]

Here is a table showing those payments:

Quarter	TOTAL, Chevron lobbying payments	(of total, amount paid) to CEI
2023 Q3	\$3,866,296.30	\$2,175,120.00
2023 Q2	\$1,204,139.89	\$0.00
2023 Q1	\$4,924,088.01	\$3,634,290.00
TOTAL	\$9,994,524.20	\$5,809,410.00

(Chevron USA lobbying disclosures, [2023](#))

Front Groups Deny Referendum Agenda, But Watchdogs Scoff

Of course, all these groups deny any connection to SB1137 or next year’s ballot fight. But the messaging in question, about “limiting” oil production, and “importing” oil from other states, is also being used to argue against SB1137, and in favor of the ballot measure that seeks to roll it back....

[O]il and gas companies — or “Big Oil,” as the governor calls them — argue that the limits [imposed by SB1137] are not based in science

and will only force California to import oil from other states with weaker health and environmental regulations.

“That has a lot of ramifications,” said Rock Zierman, CEO of the California Independent Petroleum Association, which is among a coalition of industry groups that together spent roughly \$20 million to put the issue on the ballot. “Employment ramifications, tax ramifications.

(KQED, [February 14, 2023](#))

...and experienced watchdogs have waved off the oil front groups’ denials as so much obfuscation, pointing out that the blitz is “laying the groundwork for an argument that [oil companies] are going to use once the referendum has a [ballot] number and can be targeted.”

For the interests behind the ads, there’s an advantage to being vague, said Jamie Court, president at Consumer Watchdog. Under state and federal laws, any political ad that calls out a specific policy is required to list funders of the ad.

The timing of the ads, with the 2024 election approaching, is raising eyebrows among activists and academics.

“It can create this sort of framing, at the outset, that the problems with high energy prices in California” come from government policies and not industry said Elkind at UC Berkeley’s Center for Law, Energy & the Environment.

Going forward, he added, the groups or allies can follow up with ads asking voters to overturn the drilling law on next year’s ballot “or take other electoral actions.”

Court took a similar view.

“They are doing what we call issue advocacy, which is laying the groundwork for an argument that they are going to use once the referendum has a [ballot] number and can be targeted,” Court said in an email. “This is soft money, does not have to be reported, so it can be hidden, and there does not have to be disclosure about the true source of the money on the ad.”

(*Politico*, *ClimateWire*, [December 6, 2023](#))

For links to current content, see the following:

- Californians for Energy Independence, [Facebook](#) and [Google](#) Ad Libraries
- Californians for Affordable and Reliable Energy, [Facebook](#) Ad Library
- Californians Against Higher Taxes, [Facebook](#) Ad Library

A FAMILIAR PLAYBOOK

These three (and a handful of others besides) have carried out similar ad campaigns in 2014; 2018 ([against AB 1745](#), saying California legislators “[want to make gas cars illegal](#)”); and 2019 (various).

Oil & Gas Industry Spent \$22M YTD on Payments to Influence

The oil and gas industry has disclosed spending a total of [\\$21,973,138 on payments to influence](#) in California during the first nine months of 2023.

Other Entities to Watch

COALITION FOR CALIFORNIA CLIMATE AMBITION

The Coalition received \$22,500 from Shell Oil in the first three quarters of 2023. The coalition's address, as listed in the [Form 630](#) filed by Shell, was San Francisco, 94108, and an October 2023 letter from the entity's lawyer (Latham & Watkins) to the California Air Resource Board identifies it as "an informal, unincorporated association of stakeholders supporting a continued role for the Cap-and-Trade Program (the "Program") as the most efficient mechanism to achieve California's 2045 climate goals."

Appendix: Huge Multinationals, Meddling in CA

This appendix highlights selected examples of the ways some of the world's largest oil multinationals have waded into the industry's recent push to shut down California's drilling regulations, including the financial or other associations they have with the dark money groups we've discussed in this report.

Chevron

- Gave \$5.8M to dark money group "Californians for Energy Independence" (CEI) in the first 3 quarters of 2023 (reported as Form 640 [payments to influence](#)).
- Contributed \$327,000 to the \$2.1M in financing that California Business Roundtable (CBRT) gave dark money group "Californians for Affordable and Reliable Energy" (CARE) in the first quarter of 2023.
- Put a [lobbyist](#) for dark money group CARE on its payroll in 2022, and has continued to pay him to lobby on issues related to "energy production" [in 2023](#).
- Spent \$1.5M in 2022 [lobbying](#) legislators against SB 1137 (the setback law that was then moving through the legislature).
- Financed dark money group "Californians for Clean Affordable Safe Energy" in 2005, in an effort to persuade Californians to allow LNG terminals to be built offshore.
- Together with Aera Energy, spent \$8M to overturn Ventura County regulations in 2022 that required drillers to maintain fully up-to-date permits (2022 referendum campaign, Ventura County).
- Financed oil industry PAC "Coalition to Restore California's Middle Class" in 2022, as part of a [multimillion dollar effort](#) to elect oil-friendly politicians.
- Member¹ of California Independent Petroleum Association, which is sponsoring the veto referendum.
- Shares [legal counsel](#) with dark money group CARE, oil trade group WSPA, and the veto referendum's primary ballot measure committee "[Stop the Energy Shutdown](#)." The powerful firm they all employ, Nielsen Merksamer, is also [the lobbyist for multiple local governments in CA](#) (both counties and cities).
- Has installed [at least five board members](#) at California's public universities, which watchdogs like Alicia Colomer (Fossil Free Research) have said is part of the oil and gas industry's effort to affect regulation in California: "The reports and research that

comes out of prestigious universities actually goes on to influence lawmakers and policymakers and then goes on to create real harm in our communities.” (quoted by *The Guardian*, [October 4, 2023](#))

¹ Chevron was listed as a CIPA member in 2016 court filings that forced the oil industry group to disclose its membership. (Exhibit A, Second Crossclaim against Plaintiffs/Petitioners, *California Independent Petroleum Association v. Youth for Environmental Justice et al*, United States District Court, Central District of California, Case No. 2:16cv7381, filed October 3, 2016; available at https://www.biologicaldiversity.org/programs/climate_law_institute/pdfs/CIPA-Membership-list-16-10-03.pdf)

Valero

- Shares [legal counsel](#) with dark money group CARE, oil trade group WSPA, and the veto referendum’s primary ballot measure committee “[Stop the Energy Shutdown](#).” The powerful firm they all employ, Nielsen Merksamer, is also [the lobbyist for multiple local governments in CA](#) (both counties and cities).
- Spent \$110,150 in 2022 [lobbying](#) legislators against SB 1137 (the setback law that was then moving through the legislature).
- Donated [\\$10,000](#) to CIPA’s PAC in 2022
- Financed oil industry PAC “Coalition to Restore California’s Middle Class” in 2022, as part of a [multimillion dollar effort](#) to elect oil-friendly politicians.

ExxonMobil

- Shares [legal counsel](#) with dark money group CARE, oil trade group WSPA, and the veto referendum’s primary ballot measure committee “[Stop the Energy Shutdown](#).” The powerful firm they all employ, Nielsen Merksamer, is also [the lobbyist for multiple local governments in CA](#) (both counties and cities).
- Member² of California Independent Petroleum Association, which is sponsoring the veto referendum.
- Until 2023, joint owner of Aera Energy, which entity joined with Chevron to spend \$8M in 2022 on overturning Ventura County oil drilling permitting regulations.
- Its top lobbyist has admitted colluding with dark money and “shadow groups” is part of its company policy. See, e.g., ExxonMobil lobbyist and executive Keith McCoy telling an interviewer: “Did we join some of these 'shadow groups' to work against some of the early efforts [at climate action]? Yes, that's

true. But there's nothing ... illegal about that... We were looking out for our investments. We were looking out for our shareholders.” (Channel 4 News, Revealed: ExxonMobil's Lobbying War on Climate Change Legislation, YouTube, beginning [at the 01:05 mark](#) (June 30,2021)

² ExxonMobil was listed as a CIPA member in 2016 court filings that forced the oil industry group to disclose its membership. (Exhibit A, Second Crossclaim against Plaintiffs/Petitioners, *California Independent Petroleum Association v. Youth for Environmental Justice et al*, United States District Court, Central District of California, Case No. 2:16cv7381, filed October 3, 2016; available at https://www.biologicaldiversity.org/programs/climate_law_institute/pdfs/CIPA-Membership-list-16-10-03.pdf)

BP

- Shares [legal counsel](#) with dark money group CARE, oil trade group WSPA, and the veto referendum’s primary ballot measure committee “[Stop the Energy Shutdown](#).” The powerful firm they all employ, Nielsen Merksamer, is also [the lobbyist for multiple local governments in CA](#) (both counties and cities).
- Internal documents show BP America’s chairman and president was briefed on the company’s obstructionist strategy with regulators thusly: “We wait for the rules to come out, we don't like what we see, and then try to resist and block.” (See documents [released](#) on December 9, 2022 by the U.S. House Committee on Oversight and Reform; [p. 7 of 235](#))

Phillips 66

- Shares [legal counsel](#) with dark money group CARE, oil trade group WSPA, and the veto referendum’s primary ballot measure committee “[Stop the Energy Shutdown](#).” The powerful firm they all employ, Nielsen Merksamer, is also [the lobbyist for multiple local governments in CA](#) (both counties and cities).
- [Shares a lobbyist](#) with CIPA, the sponsor of the 2024 veto referendum.
- Spent \$238,567 in 2022 [lobbying](#) legislators against SB 1137 (the setback law that was then moving through the legislature).
- Financed oil industry PAC “Coalition to Restore California’s Middle Class” in 2022, as part of a [multimillion dollar effort](#) to elect oil-friendly politicians.

Tesoro

- Shares [legal counsel](#) with dark money group CARE, oil trade group WSPA, and the veto referendum's primary ballot measure committee "[Stop the Energy Shutdown](#)." The powerful firm they all employ, Nielsen Merksamer, is also [the lobbyist for multiple local governments in CA](#) (both counties and cities).

Marathon Petroleum

- [Shares a lobbyist with CIPA](#), the sponsor of the 2024 veto referendum.
- Financed oil industry PAC "Coalition to Restore California's Middle Class" in 2022, as part of a [multimillion dollar effort](#) to elect oil-friendly politicians.