

Kitzhaber, Hayes, Steyer, and the Green Web

What happens when fake science meets greed and lust for power, in Oregon and across the country?

By Steven J. Allen

Summary: As we reported last month in Part 1, four-term Oregon Governor John Kitzhaber resigned in February after a scandal centering on his girlfriend, Cylvia Hayes, who served as the state's First Lady and as Kitzhaber's top advisor on environmental issues, while she was on the payroll of various "green" interests. This month, we take a look at the ways in which the scandal has exposed the tangled web, hidden from public view, that ties the environmental movement to some of the wealthiest and most influential people in America, especially the nation's biggest political donor in 2014, billionaire activist Tom Steyer.



**GREEN SCHEME BRINGS DOWN GOV
DRUDGE REPORT**



Clockwise from left: Billionaire Tom Steyer; John Kitzhaber; Cylvia Hayes; and Dan Carol.

Global Warming beliefs corrupt. If you're saving the planet, what aren't you allowed to do?

The real scandal of Kitzhaber and Hayes isn't about the two of them. It's about the lengths and depths to which people will go when the end justifies the means, and the means can make people powerful and rich.

It's about the networks designed accidentally and on purpose to hide the true motivations underlying the policies that affect our lives in dramatic ways.

The *Wall Street Journal* noted in an editorial in February that "the Hayes-Kitzhaber operation exposes the underside of the big-money, insider politics that has come to dominate the environmental movement. The modern green machine is a network of wealthy foundations and consultant groups that finance activists who promote and advise sympathetic politicians. Putting or keeping people on the payroll who are close to influential politicians is their stock in trade."

As noted in our November issue, Cylvia Hayes, usually through her consulting firm 3E Strategies, was paid by environmental interests while her romantic partner, John Kitzhaber, was governor of Oregon. Those interests included the Clean Economy Development Center, an organization called Resource Media, a think tank and advocacy group named Demos, and—most importantly—the individuals and organizations that funded the organizations that funded Hayes. Often, money from one group was actually from another group, which received money from a third group. Where did the flow begin, and where did it end?

"Dan's concept"

Let's start with Dan Carol.

It was Carol who arranged for Hayes' "fellowship" with an organization based in Washington, D.C., the Clean Economy Development Center (CEDC). Then he was hired as a Kitzhaber staff member—

indeed, by far the highest paid member of the governor's staff at more than \$165,000 a year.

Carol has been a board member of the Tides Center [about which, see our sister publication *Foundation Watch*, October 2010]. According to his biographical information from NDN (New Democrat Network), where he was a senior fellow, Carol served as the Content & Issues Director for the Obama for President campaign and "guided the launch" of

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Clean Tech and Green Business Leaders for Obama (CT40). He was Research Director for the Democratic National Committee during the 1992 presidential cycle, has been a member of the Clinton Global Initiative, and co-founded the Clean Economy Network.

The NDN website states that Carol “spear-headed the creation” of the Apollo Alliance. An Apollo Alliance report describes its founding: “In 2004, Joel Rogers from the Center on Wisconsin Strategy, Bob Borosage from the Institute for America’s Future, and environmental visionary Dan Carol approached Steelworkers President Leo Gerard and SEIU President Andy Stern, among others, to propose a new alliance of labor, environmental groups, business and social justice leaders called the Apollo Alliance. The Alliance, which soon included over 200 supporting organizations, released a report that year arguing for a ten-year program of investment in a ‘clean energy, good jobs’ economy.”

According to the October 2009 issue of *Foundation Watch*, “Dan Carol hired Bracken Hendricks to be the first executive director of the Apollo Alliance. Hendricks was a former Clinton administration staffer at the Environmental Protection Agency and the National Oceanic and Atmospheric Administration who also had high-level ties to organized labor, including a stint as an economic advisor to the AFL-CIO. He was the perfect man to bring together the key factions of the Apollo coalition. In 2007, he and coauthor Jay Inslee, a member of Congress, wrote *Apollo’s Fire: Igniting*

Editor: Steven J. Allen

Publisher: Terrence Scanlon

Address: 1513 16th Street, NW
Washington, DC 20036-1480

Phone: (202) 483-6900

E-mail: sallen@CapitalResearch.org

Website: CapitalResearch.org

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America’s Clean-Energy Economy (with a foreword by Bill Clinton).” Inslee is now the governor of Washington, and was a key ally of John Kitzhaber. Kitzhaber and Inslee, along with California Governor Jerry Brown, formed an environmental alliance with British Columbia (about which, more in next month’s *Green Watch*).

As noted in the November *Green Watch*, Carol developed a plan, dubbed “Dan’s concept” in participants’ e-mails, to create a network in the various states to support President Obama’s environmental policies. E-mails obtained by Chris Horner of E&E Legal describe extensive coordination between White House staffers, aides to as many as 12 governors, and members of an environmentalist network with billionaire Tom Steyer’s organization at its hub.

The e-mails described White House meetings on Carol’s “concept” as “a useful and frank discussion about how a group of engaged Governors (not just from the West) could work with the WH on transformational multi-state work around 111d regulatory challenge, sub-national climate action, resilient infrastructure outcomes.” (“111d” refers to the section of the Clean Air Act under which EPA claims its authority to issue the so-called Clean Power Plan.) Lachlan Markay of the *Free Beacon* observed:

Around that time, Carol was meeting with Dan Utech, the special assistant to President Obama for energy and climate change, and Rohan Patel, the White House’s deputy director of intergovernmental affairs, emails show. He was also working to recruit Steyer as the figure who, with his deep pockets and established political infrastructure, could unite disparate state and federal administrators, and infuse the effort with the political, policy, and business backing needed to sell it to a skeptical public and their elected representatives. In January 2014, Carol emailed Ted White, the managing partner of Fahr LLC, which White’s law firm describes as “an umbrella entity for prominent investor and philanthropist Tom Steyer’s extensive business, policy, political, and philanthropic efforts.” . . .

In July 2013, emails show, [Steyer and White] lunched with the governor, his fiancée, and his chief of staff Curtis Robinhold. On July 30, Graham Richard, the CEO of Steyer’s Advanced Energy Economy (AEE) group, told Robinhold in an email, “Our AEE team stands ready to assist you and the governor.”

A month later, Carol provided Kitzhaber and Hayes with “a planning timeline that staff is using to promote strategic alignment around the various Steyer entities,” according to an email released by the governor’s office. The document, titled “West Coast Alignment Planning Timeline,” detailed ways in which the governor’s office hoped to work with Steyer’s network. One action item dated for October 2013 described AEE’s involvement: “Washington and Oregon leads work with AEE team to identify specific ‘business-led’ advocacy campaign elements in the region pegged to planned actions.” White’s email to Carol further indicates that Steyer’s team was already devising plans for his involvement in a multi-state effort backing EPA’s power plant rule, known as 111(d). . . .

Carol also detailed his envisioned role for Steyer in the process. “In a perfect world, Tom, [former New York City Mayor Michael] Bloomberg and [former Treasury Secretary Hank] Paulson would meet with [former White House climate advisor John] Podesta, [Special Assistant to the President for Energy and Climate Change Dan] Utech and a six pack of engaged Governors (west coast, east coast, Midwest) to cement a new strategic paradigm for maximizing state climate linkages and funder investments on the road to Paris 2015,” he wrote.

“Paris 2015” is a reference to the summit at which an international agreement on Global Warming was to be finalized early in December.

In addition to Steyer and Bloomberg, the Rockefeller Brother Fund and the Hewlett Foundation were also considered sources of funds for “Dan’s concept.”

In on the plan, according to the e-mails, were aides to the governors of Washington, New York, Maryland, Hawaii, New Hampshire, Vermont, Illinois, Minnesota, Virginia, and Kentucky.

Interestingly, Kentucky's governor, Steve Beshear, a Democrat leaving office this month, had publicly denounced the President's proposal as "disastrous" for his state.

Beshear's office "asserts that 'no records' exist in its files involving the Steyer campaign." Yet according to the report by E&E Legal, "Numerous emails from other governors copying a senior Beshear aide on her official account" exist, "emails which Beshear's office surely possesses, unless it has chosen to destroy politically damaging emails."

An April 2014 draft of Carol's plan identified Kentucky as one of five "states [that] have Governors or candidates that can't commit to the GCC [Governors Climate Compact] publicly now but would welcome quiet engagement." The others were Colorado, Arkansas, Pennsylvania, and Tennessee (the latter two with GOP governors at that time).

As part of "Dan's concept," utility companies would be employed to pressure Republican governors into supporting the President's proposal or, at least, not doing anything to stop it.

On Breitbart News, columnist Marita Noon noted that "The amount of coordination involved in the multi-state plan is shocking. The amount of money involved is staggering—a six-month budget of \$1,030,000 for the orchestrators [the state coordinators] and multi-state director and \$180,000 to a group to produce a paper supporting the plan's claims."

The "Dan's concept" plotters acknowledged the unpopularity of the policy they were pushing, and realized that they needed to demonize their opponents.

To develop their campaign, they received help from a major polling firm, Peter D. Hart Research Associates, whose past clients included such famous politicians as Hubert Humphrey, Lloyd Bentsen, and Jay Rockefeller. Other clients included left-wing organizations such as the American Civil Liberties Union, the Bill and Melinda

Gates Foundation, Fannie Mae, and Time-Warner (owner of HBO and CNN).

A memo based on Hart research and circulated to the group proposed that, in order to avoid losing the support of independents, young women, and moderate Democrats, the President's allies should "strongly and consistently sow doubts about our opponents [sic] motives."

The memo was written by Melissa Roy of Advocacy Associates. A National Public Radio profile described Roy as executive director of "They Work for Us." That's a campaign founded by left-wing activists at the SEIU (Service Employees International Union), MoveOn, and the American Association for Justice (plaintiffs' lawyers) and now sponsored by the National Treasury Employees Union. Roy is a former director of outreach for Hillary Clinton's political action committee, and a former deputy political director of America Coming Together. ACT was funded primarily by billionaires Peter Lewis (Progressive Insurance) and George Soros, along with labor unions such as the SEIU. In 2007, in a settlement with the Federal Election Commission, ACT agreed to pay \$775,000 in fines for violating federal election laws during the 2004 presidential campaign.

Under the subhead "Questioning the Motives of the Polluters is Effective," the memo states that opponents "will attack the Climate Action Plan and, in particular, the carbon pollution standard with claims of higher electricity bills for consumers and job losses in their communities. The central concept we should counter with is that the power companies who oppose the Climate Action Plan are monopolies that are protecting their profits at the expense of consumer health and pocketbooks." (Note: Environmentalists, rejecting science, refer to carbon dioxide as "carbon pollution.")

Although the President himself admitted, as a candidate in 2008, that his policies would make the price of electricity "necessarily skyrocket," the memo suggested a response to concerns about prices: "Big power companies are using pollution limits as an excuse to raise rates." Besides, "They'd rather poison the air than lose a penny in profits."

Hayes' CEDC plan

When the Clean Economy Development Center's payments to Gov. Kitzhaber's girlfriend Hayes were exposed by the *Willamette Weekly*, it was unclear what Hayes was supposed to have done for the money. The *Weekly* called it "work that Hayes and Kitzhaber's offices have yet to describe in any detail." But one Hayes e-mail dated December 9, 2011 seems to provide some clues.

The e-mail laid out a "Fellowship Media and Communications Plan" designed to promote Hayes and CEDC. Among the goals: "Aid in shifting the national narrative about clean energy and economic development. Build credibility for clean economy projects and strategies. Reduce impact of attacks on clean energy policies and investments. Shift Cylvia's identity from consultant (3EStrategies [her consulting firm]) to writer, commentator, analyst/advisor (CEDC). And expand from Northwest visibility to national visibility."

Hayes indicated that she would need help from CEDC in getting speaking engagements at key meetings such as those of the National League of Cities, the U.S. Conference of Mayors, and the National Governors Association, and at the Clinton Global Initiative. As part of the plan, she would write op-ed articles for "key newspapers, magazines, on-line publications." ("May need to hire a consultant to assist with op-ed placement.") She would "Establish a CEDC blog" featuring "my perspectives and interesting experiences given my unique combination of roles." And she would "Blog on other targeted outlets (Huff[ington] Post, Inside Climate, Bloomberg, Energy Bulletin, The Nation, Politico, The Hill, Grist)."

Under the category of "Social media," she wrote: "Not sure about this one. Facebook, Linked-In, Twitter?"

And she listed some of the types of people in her target audience, "audiences that I have unique connections with[:] Rural stakeholders, Governors and spouses, women, people who have dealt with poverty, aspiring patriots, environmentalists, entrepreneurs."

CEDC had an elaborate job description for Hayes. At least, that is what the organiza-

tion now claims on its website:

Hayes' fellowship focused on communicating the economic benefits of clean economy projects, on national publications such as the Huffington Post, and as part of the Gulf Coast Sustainable Communities project. Specific outcomes of her fellowship included: Generated public and media support for clean economy and climate change mitigation and adaptation efforts; Expanded the inventory of documented case studies that quantify the economic benefits of the clean economy that can be used to inform the media, elected officials and clean economy allies; Partnered with both the clean economy and ocean conservation advocates to develop mutually beneficial messaging based on an economic frame; Regularly submitted articles, essays and op-eds to targeted media outlets; Established clean economy blogs and e-communication; Delivered speeches at strategic events to targeted audiences; Catalyzed and supported multi-state clean economy and ocean conservation collaboration between the West Coast States; Aided in the development of a strategic and coordinated approach to the issue of ocean acidification. . . .

Cylvia Hayes was at no point on the payroll of CEDC. 3E Strategies, Hayes' consulting firm, provided a portion of Cylvia's time for CEDC's regional acceleration fellowship. Hayes' fellowship was funded by two foundations, Rockefeller Brothers Foundation and the Energy Foundation, in 2011 and 2012. All payments from CEDC were made to 3E Strategies. . . .

CEDC does not engage in any lobbying activities. . . . At no point did CEDC attend or request to attend any meetings at Mahonia Hall [the governor's mansion] or with the Governor and his staff; this includes the aforementioned April 9 2012 meeting. At no point did Hayes offer to engage CEDC with the Governor or his Administration. . . . CEDC has never solicited contributions from the State of California, the state of Oregon, nor any other state or state agency. The Energy

Foundation was a funder of CEDC prior to Cylvia Hayes' fellowship and continued to fund CEDC after Hayes' fellowship ended. . . . CEDC facilitated low-carbon fuel communication work in Oregon in 2014. Cylvia Hayes' fellowship ended in 2012.

The claim that "CEDC has never solicited contributions from the State of California" is in apparent response to reports that CEDC never registered with the state of California, a requirement in that state before contributions can be solicited.

The claim that "Cylvia Hayes was at no point on the payroll of CEDC" and "All payments from CEDC were made to 3E Strategies" is downright peculiar. For all practical purposes, "3E Strategies" was Cylvia Hayes, as has been acknowledged by all parties in the controversy.

The vanishing CEDC

CEDC itself seems to have almost disappeared, leaving a static website with a page describing the CEDC "Team" as a single individual. According to Hillary Borrud, a reporter covering the state capital in Oregon, CEDC filed a single federal tax return, one for 2010 that listed \$929,522 in revenue. Then, nothing. The organization's tax-exempt status was pulled by the Internal Revenue Service after it failed to file returns for the following three years, including the period of Hayes' "fellowship."

Databases provide different street addresses for CEDC in Washington, D.C. One address is on the fourth floor of the headquarters of the United Auto Workers. Two others are in residential buildings. A real estate database indicates that one of the residential buildings, the one listed by Google as the address for CEDC, housed an organization called the Center for Sustainable Development in the Americas, but the database does not list any other organizations with offices there. As for the other residential building, which is at the address currently listed on CEDC's website, a current resident told *Green Watch* that there are no offices in that building.

Inquiries can be sent to the organization only through a form on the website. The site does not include an e-mail address or telephone number for CEDC.

Google's listing for CEDC's telephone number is a number, currently out of service, that has also been used by an organization called the White Ribbon Alliance, which, according to its website, promotes healthy childbirth around the world. It also partners with an organization called We Care Solar to "deploy Solar Suitcases" to health facilities in poor countries. The Lexis-Nexis database provides a telephone number for CEDC's Washington, D.C. office that is actually in the Portland area code.

It appears that now-vanished pages from CEDC's website were blocked from inclusion in the Wayback Machine, a digital archive of World Wide Web sites and pages.

CEDC's Internet domain, CleanEconomyCenter.org, was registered on March 6, 2010 by Jason Lefkowitz, the online campaigns organizer for Change to Win, which has described itself as "a dynamic coalition of 7 of North America's most progressive labor unions and a leading force for social, racial and economic justice in our country today." The unions include the Teamsters, the United Farm Workers, and the union most closely associated with President Obama, the SEIU.

There's another connection between CEDC and Change to Win: A now-vanished "Who We Are" page that listed the organization's staff noted that the deputy director was Colin Bishopp, who was "the lead architect of the Gulf Coast Sustainable Economies Project, a collaborative effort to help twenty Gulf Coast communities diversify and strengthen their local economies. Prior to joining CEDC, Colin led various projects for the Change to Win Federation, first as Virginia State Director, then as State Policy Director for the Home Performance campaign." (Bishopp is currently listed on the White House website as "Deputy Director of the Clean Economy Development Center" and as one of the "Champions of Change" who are "Winning the Future Across America.")

CEDC, it appears, used to have a senior program manager and a director of finance and administration, but they're gone, too.

CEDC's chief economist, according to the vanished page, was Jim Barrett, formerly "Executive Director of Redefining Prog-

ress, a public policy think tank dedicated to promoting a healthy environment, a strong economy, and social justice. Prior to joining Redefining Progress, he was an economist at the Economic Policy Institute, senior economist on the Democratic staff of the Joint Economic Committee, and staff economist at the Institute for Biological Energy Alternatives.”

“Redefining Progress”? That’s the group that, on its website, claims credit for introducing, in 1995, the Genuine Progress Indicator, or GPI (about which, more next month). Redefining Progress lists among its partners the BlueGreen Alliance, the Congressional Black Caucus Foundation, the National Wildlife Federation, the Natural Resources Defense Council, the SEIU, and the Union of Concerned Scientists.

Just King

The CEDC website’s “Team” or “advisors” page, which formerly listed Hayes and others, now lists only one person, executive director Jeffrey King. King, according to the current site, “co-founded and served as Deputy Director of the Clean Economy Network (CEN), a national advocacy organization for business leaders focused on catalyzing clean development. Until 2009, Jeffrey was a Director at Pacific Crest Securities, the preeminent investment bank covering the technology markets. During his tenure at Pacific Crest, Jeffrey worked with Oregon State Representative Jules Bailey to develop a state-wide program to finance and scale retrofit and renewable energy projects in Oregon. . . . Jeffrey is also a founder and advisor for Clean Energy Works Oregon, which received \$20 million from the U.S. Department of Energy’s Better Buildings Program to help accelerate private-sector investment in Oregon’s energy efficiency industry. . . . [He was also] sustainable business advisor to both Oregon Treasurer Ben Westlund and Portland Mayor Sam Adams. He is a founding advisor of the D.C. Project, a member of the national HOME STAR and Green Bank Coalitions and has served on the board of the Portland Sustainability Institute.”

The Coalition for the Green Bank, mentioned above (with name slightly garbled), is a group that promoted, as part of Presi-

dent Obama’s “stimulus,” a slush fund that would make loans for various projects supposedly improving energy efficiency. One of the two co-chairmen of the Coalition was Reed Hundt, former chairman of the Federal Communications Commission and a prep school roommate of Al Gore.

King, as representative of the Clean Economy Network, was listed by the Coalition as a member. So was Dan Carol, who would later arrange for Cylvia Hayes’ CEDC fellowship. Carol was listed on the Coalition roster as a representative of Green Harvest Technology.

Green Harvest’s CEO, Greg Nelson, worked with John Podesta as a member of the Obama transition team, was deputy director of the President’s Jobs Council, and is now a special assistant to the President. According to Brendan Bordelon of the *Daily Caller*, Nelson was the “White House ‘green energy’ official who helped secure more than \$500 million in guaranteed loans for Solyndra, the now-bankrupt solar panel manufacturer backed by a prominent Barack Obama fundraiser. . . . He had been intimately involved in Solyndra’s lobbying activities, pushing the Energy Department to approve the company’s loan request, which was put on hold by the Bush Administration but rapidly approved by Obama in 2009.” When Bill and Hillary Clinton operative Terry McAuliffe was seeking assistance for his “green” car company (which produced no cars and was apparently part of a scheme to sell visas), it was Nelson with whom McAuliffe met at the White House. McAuliffe would later be elected governor of Virginia with the major financial support of Tom Steyer. [See *Green Watch*, January 2014.]

State Treasurer Westlund, a Democrat with whom CEDC’s Jeffrey King worked, died of lung cancer in 2010 while in office. He had previously served in the state House as a Republican and, in his final race for the House in 2002, defeated Democratic nominee Cylvia Hayes. (According to Hayes and Kitzhaber, it was during that campaign that the two met.) Former Portland Mayor Sam Adams is now director of U.S. climate initiatives for the World Resources Institute, which was founded in 1982 by James Gustave “Gus” Speth with funding from the John D. and Catherine T.

MacArthur Foundation.

The Clean Economy Network co-founded by King merged in 2011 with Advanced Energy Economy (AEE), which, according to a press release, “consist[ed] of chapters representing more than 700 companies in nine states promoting American companies as global suppliers of innovative energy technologies.” AEE was founded in 2011 by Hemant Teneja (General Catalyst Partners) and Tom Steyer.

In turn, AEE partnered in the “We Can Lead” campaign with BICEP, Business for Innovative Climate & Energy Policy. BICEP was itself a project of Ceres, an organization of environmentalist businesses and investors and their allies, including the AFL-CIO; the American Federation of State, County and Municipal Employees (AFSCME); Earth Island Institute; the Humane Society of the United States; the Presbyterian Church (USA) and the Unitarian Universalists; the SEIU; the Sierra Club; the Union of Concerned Scientists; and the World Resources Institute; along with offices that make investments for the states of California, Florida, Illinois, Maryland, New York, North Carolina, and Vermont, and for New York City.

Companies that are members of BICEP or that work directly with its parent organization, Ceres, include IKEA, Avon, Levi Strauss & Co., L’Oréal, Mars, Nestle, Nike, Starbucks, Best Buy, Bloomberg (which owns Bloomberg News), Dell, eBay, General Mills, Kellogg’s, Levi Strauss & Co., Unilever, the Portland Trail Blazers, Semantec, and The Walt Disney Company (which owns ABC and ABC News).

...and the rest

According to a now-vanished page on CEDC’s website, its board included Andy Stern, former head of the SEIU, who was the most frequent visitor to the White House in the early days of the Obama administration.

Another board member was Jules Bailey, a member of the Oregon House in 2009-2014 and now a county commissioner in Multnomah County (Portland). His CEDC biography noted that he “runs Pareto Global, an economic consulting and clean energy financing practice. Prior

to founding Pareto Global, Jules was an economist and sustainable development specialist at ECONorthwest,” an environmental consulting firm whose clients have ranged from the Natural Resources Defense Council to Facebook and Intel to the Environmental Protection Agency.

Also listed was Mike Casey, head of a media and public relations firm called Tigercomm that does polling and advertising work for billionaire Tom Steyer’s super-PAC, NextGen Climate Action. According to Lachlan Markay of the *Free Beacon*, “Casey reportedly wrote NextGen’s communications strategy for its involvement in elections in Massachusetts and Virginia in 2013. NextGen and another Steyer group, the CE Action Committee, paid Tigercomm \$387,000 that year. Casey denied having served on the group’s board, though he admitted to doing communications work for CEDC through Tigercomm.”

Yet another board member was Kate Gordon, a prominent activist with ties to Steyer and to efforts that, critics say, are designed to disguise the costs of measures that supposedly fight Global Warming. Gordon’s work with Steyer provides a link between the “green” billionaire and something called GPI, a concept to which we’ll return next month in *Green Watch*.

The Energy Foundation steps in

Hayes was paid a total of \$118,000 in 2011 and 2012 through the Clean Economy Development Center, in what was characterized as a “fellowship.” According to reports by Nick Gudnick and Laura Gunderson of the *Oregonian*, Hayes did not fully account for these payments on her tax returns.

The Energy Foundation contributed a total of \$75,000 toward the \$118,000 for Hayes. Later, when CEDC stopped funding Hayes, the foundation moved in to take up the slack, paying her directly in the amount of \$40,000 for eight months (or, by her account, \$50,000 for a longer period).

The *Oregonian* noted in an editorial that—the Energy Foundation gave another \$25,000 to the Clean Economy Development Center in 2013. The CEDC’s role this time, says the Energy Foundation, was to oversee the work of a public affairs firm, Hilltop Public

Solutions, to “help us achieve our goal of educating businesses, economic development organizations, and policymakers about the economic benefits that a continuation of the Clean Fuels Program would bring to Oregon communities.”

The Energy Foundation, in other words, was focused very specifically upon Oregon’s low-carbon fuel standard during a period in which it also was sending money to Hayes, who served as an energy policy adviser to Kitzhaber. In 2014, curiously, the governor decided to finish writing administrative rules for the low-carbon fuel standard even after lawmakers declined—again—to remove the sunset date.

The Energy Foundation was described in a 2014 report by the Republican staff of the U.S. Senate Committee on Environment and Public Works:

The Energy Foundation is a prime example of a “pass through” public charity, which receives massive amounts of funding from private foundations. The Energy Foundation then funds a variety of activist organizations. . . . The Energy Foundation was formed as a pass through with a \$20 million endowment donated by the Pew Charitable Trusts, the Rockefeller Foundation and the John D. & Catherine T. MacArthur Foundation. Currently, the Energy Foundation’s website lists the following partners: ClimateWorks Foundation, Children’s Investment Fund Foundation, David and Lucile Packard Foundation, Grantham Foundation, Lakeshore Foundation, The McKnight Foundation, Oak Foundation, Pisces Foundation, Robertson Foundation, Schmidt Family Foundation, Tilia Fund, TomKat Fund [Tom Steyer], TOSA Foundation, The William and Flora Hewlett Foundation, and Yellow Chair Foundation. . . .

In addition to funding from its partners, the Energy Foundation is the largest recipient of grants from the foreign-funded Sea Change Foundation, yet it appears the Energy Foundation wants to hide donations from Sea Change, as it is not listed as one of the

Energy Foundation’s partners. In fact, in 2011 Sea Change’s \$13,966,672 in grants to the Energy Foundation provided nearly 15% of the Energy Foundation’s total contributions and grants revenue . . .

The Energy Foundation is a quintessential example of a pass through frequently employed by [billionaire environmentalists]. The Energy Foundation receives money from several key foundations and redirects it to activists. In doing so, they are providing two services: distance between the donor and the activist, and enhancing the clout of the donors as their individual influence is maximized by pooling resources. One of the major funders of the Energy Foundation is Sea Change, which has gone to great lengths to hide the source of its money. This is especially concerning in light of recent revelations that environmental activists do not appear to be morally conflicted over where their money comes from—so long as it supports their goals.

The Energy Foundation has been the recipient of more than \$3 million from Tom Steyer, the top funder of political campaigns in 2014. [See *Foundation Watch*, August 2014.] Steyer, it should be noted, funneled \$100,000 to the Oregon Democratic Party from his NextGen Climate Action Group.

Regarding the Sea Change Foundation, Steven Malanga wrote in the Manhattan Institute’s *City Journal*:

. . . Sea Change Foundation receives substantial sums from a Bermuda entity, Klein Ltd., with undisclosed sources of revenue. Indeed, there’s little public information about Sea Change. The nonprofit’s entire online presence, described by Inside Philanthropy as “quite possibly the least informative [charitable organization] website,” is a single page announcing that it does not accept unsolicited grant requests. One reason for the secrecy may be that Klein Ltd. shares an address with a Bermuda law firm that represents investors in Russian energy companies—prompting reports that some of the money that Sea Change showers on environmental groups in

the U.S. may come from overseas oil interests, eager to kill fracking.

[For more on the mysterious Sea Change Foundation, which funds the Energy Foundation, see *Green Watch*, May 2015.]

The Energy Foundation, by the way, hosted a conference last month in Arlington, Virginia, just outside Washington, D.C., that presented an opportunity to “network with many of the people from across the country who are most engaged in implementing and analyzing state Renewable Portfolio Standards (RPS).” RPS is the mandate that forces electric utilities to use expensive forms of power generation such as wind and solar, and then pass the costs along to ratepayers.

Who were the other hosts of the conference? The Obama administration’s Department of Energy, and the Clean Energy States Alliance, whose executive director is the former deputy director for programs at the Union of Concerned Scientists (UCS), an organization known for its studies proving (falsely, it turned out) that missile defense is scientifically impossible. The leftist UCS grew out of protests on college campuses, particularly MIT, against the participation of academics in research funded by the U.S. government—which is ironic, given that today Global Warming scientists depend to a great degree on government money.

And what about that organization, Hilltop Public Solutions, which (according to the Energy Foundation) the CEDC was supposed to oversee? Hilltop is a major Democratic Party consulting firm with offices in Washington, D.C., and eight states, including Oregon. According to the public-relations website Flackpedia, “Hilltop focuses its campaign approach on what it calls ‘grassroots’ and ‘grasstops’ campaigning. ‘Grassroots’ means mobilizing individual members, customers, or employees (if the client is a business) towards a goal and building public support for the desired outcome. ‘Grasstops’ means engaging influential business, community, and political leaders to gain their support for public policy positions. Describing ‘grasstops’ campaigning on its website, the firm states: ‘our grasstop campaigns apply quality pressure where it matters.’”

The liberal journalism organization ProPublica reported that Hilltop, during the 2012 campaign, was involved in what political analysts call a “dirty trick”—in this case, liberal groups pretending to be conservative, encouraging conservatives to vote for a third-party candidate to drain votes away from the Republican in the race:

In the waning days of Montana’s hotly contested Senate race, a small outfit called Montana Hunters and Anglers, launched by liberal activists, tried something drastic.

It didn’t buy ads supporting the incumbent Democrat, Sen. Jon Tester. Instead, it put up radio and TV commercials that urged voters to choose the third-party candidate, libertarian Dan Cox, describing Cox as the “real conservative” or the “true conservative.” Where did the group’s money come from? Nobody knows. . . .

Many liberal groups active in Montana, including Montana Hunters and Anglers, were connected through Hilltop Public Solutions, a Beltway consulting firm. Barrett Kaiser, a former aide to Montana’s other Democratic senator, Max Baucus, is a partner at Hilltop and runs its office in Billings. The Hilltop website notes that Kaiser helped with Tester’s upset Senate win in 2006. Kaiser is also a good friend of [Jim] Messina, the manager of Obama’s 2012 campaign, who also once worked for Baucus. Kaiser was on the board of the Montana Hunters and Anglers dark money group. Another Hilltop employee in Billings served as the treasurer for the Montana Hunters and Anglers superPAC. Hilltop partners in Washington also helped run two other dark money groups that spent money on the Montana race: the Citizens for Strength and Security Fund and the Partnership to Protect Medicare.

The League of Conservation Voters and Planned Parenthood Advocates of Montana paid management fees to Hilltop.

The trick may have worked. Libertarian candidate Dan Cox received 32,000 votes, while the Republican candidate for the U.S. Senate lost by 18,000.

Coming next issue...

The Kitzhaber-Hayes scandal has had at least one positive aspect: it’s given us a rare peek not only into those two pols’ personal corruption but also into the much grander corruption of the entire “green” movement. Their world of power and privilege is not usually open to the rest of us. Following the paper trail of the former Governor and First Lady, we can see how they operate and what their priorities are.

Next month, in the final installment of the Kitzhaber-Hayes saga, we’ll examine how the scandal connects to two of the environmental Left’s key goals. One of those goals is a dramatic change in the way we measure the success of government programs. (Achieving this goal would ensure that the environmentalists and their cronies are never, ever held accountable for the consequences of their policies.) The second goal is the creation of new governmental entities such as “green” compacts between U.S. states, and even between states and foreign countries. (Achieving this goal would put added layers of protection between the environmentalist/political elite and voters like us.)

Thanks to the Kitzhaber-Hayes scandal and the documents spilling out of it, we have the rare good fortune to read the adversary’s playbook. The question is: Do we know what to do with it?

In the January issue of Green Watch: A trip to Shangri-La (well, Bhutan) ... how billionaires want to measure your happiness ... British Columbia takes a stand, as do Schleswig-Holstein and Thuringia ... Walmart cashes in on paper-drying ... and Cylvia, it seems, just can’t take a hint.

Dr. Steven J. Allen (JD, PhD) is editor of Green Watch.

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The Capital Research Center is a watchdog over politicians, bureaucrats, and special interests in Washington, D.C., and in all 50 states. Please remember CRC in your will and estate planning.

**Many thanks,
Terrence Scanlon
President**

GreenNotes

In 2000, **Jacques Chirac**, then-president of **France**, proclaimed that the **U.N.** treaty on climate change would be “the first component of an authentic global governance.” As we go press, **President Obama** and other world leaders are headed for **Paris**, where the ultimate climate deal is to be finalized. [See *Green Watch*, Feb. 2015.] The Paris agreement is expected to include, by 2020, \$100 billion a year to be paid by advanced countries into a slush fund for “developing” countries.

Not surprisingly, President Obama has rejected the proposed **Keystone XL pipeline**. Even “greens” admitted that the 1,200-mile **Canada-to-Texas** project wouldn’t cause Warming—the Canadian oil will presumably just go to **China** instead—but the President, announcing his decision, said, “America is now a global leader when it comes to taking serious action to fight climate change, and frankly, approving this project would have undercut that leadership.” Most observers translated that statement to mean: He needed to block the pipeline so that the U.S. can have credibility at the final negotiations on the Paris agreement.

Once upon a time, the oil and gas giant **ExxonMobil** contributed to organizations that take a scientific (“skeptical”) approach to the issue of Global Warming. Of course, the company was under constant pressure to change its ways—pressure from “green” activists and from those seeking to profit from the Warming scare. Then-CEO **Lee Raymond** said his company refused to pretend to research non-viable “alternative” energy like solar power: “I get this question a lot of times: ‘Why don’t you just go spend \$50 million on solar cells? Charge it off to the public affairs budget and just say it’s like another dry hole.’ The answer is: That’s not the way we do things.”

This position on Warming made the company a target of extremists. Warmers held rallies at Exxon stations, protested at shareholder meetings, and stalked the CEO when he made appearances on **Capitol Hill**. **New York Times** columnist **Paul Krugman**, a former adviser to **Enron** (the corrupt corporation that pushed ‘cap-and-trade’), declared ExxonMobil in 2006 to be the “Enemy of the Planet.” Then, in 2007, Raymond was replaced by **Rex Tillerson**, who announced that the company would cease contributing to nonprofit groups that question the Warming threat. One of the six or seven groups targeted by Tillerson was the **Capital Research Center**, publisher of *Green Watch*.

Shifting course on Warming, the company backed radical policies such as a carbon tax. In 2010, with the acquisition of **XTO Energy**, ExxonMobil became the largest producer of natural gas in the U.S.—which meant that, if it played its cards right, it might actually *make* a fortune from the Warming panic as the Obama administration shut down the coal industry.

The company became a major contributor to the **Clinton Foundation**, donating a reported \$1 million to \$5 million, and sponsoring annual meetings of the foundation and the **Clinton Global Initiative** (CGI). The **Clinton for President** campaign listed a company lobbyist as one of its top fundraisers. **Tony Podesta**, brother of the campaign chair, lobbied for **Golden Pass Products**, part-owned by ExxonMobil, and raised \$130,000 for the campaign. Two members of the company’s board were featured at the foundation’s conference this year.

Then things turned sour. In September, ExxonMobil was reported to be one of six corporations that had dropped their sponsorship of the CGI amid reports of corruption at the Clinton Foundation [see our sister publication *Foundation Watch*, May 2015] and reports of **Secretary Clinton’s** theft of some 66,000 government e-mails. In October, Clinton called for an investigation of the company for its funding of Warming skeptics, claiming “there’s a lot of evidence that they misled the public.” (The *Washington Free Beacon* headlined: “Clinton Calls for Exxon Probe After Company Cuts Off Foundation Funding.”) In November, **New York Attorney General Eric Schneiderman**—a top supporter of Clinton—launched an investigation into the company that, the *Wall Street Journal* noted, “marks a dangerous new escalation of the **Left’s** attempt to stamp out all disagreement on global-warming science and policy. . . . demanding Exxon’s documents on climate research from 1977 to 2015.”

As reported by the *New York Times*, the state Attorney General is investigating “whether the company lied to the public about the risks of climate change or to investors about how such risks might hurt the oil business. . . . For several years, advocacy groups with expertise in financial analysis have been warning that fossil fuel companies might be overvalued in the stock market, since the need to limit climate change might require that much of their coal, oil and natural gas be left in the ground.” Thus, New York A.G. Eric Schneiderman is looking into whether Exxon failed to sufficiently warn investors about the future effects on its business of ignorant, superstitious policies backed by extremists like—Eric Schneiderman!

In the words of **Winston Churchill**, “An appeaser is one who feeds a crocodile, hoping it will eat him last.” ExxonMobil, which once stood up to Warmers, sought to appease them and attempted, with its investments in natural gas, to make money off the panic. Now, as the President’s longtime pastor, **the Rev. Jeremiah Wright**, said of the September 11 attacks: “The chickens are coming home to roost.”