1	JASON M. HEATH (SBN 180501) County Counsel						
2 3	jason.heath@santacruzcountyca.gov MELISSA C. SHAW (SBN 232775) Lead Assistant County Counsel	ELECTRONICALLY FILED					
4	melissa.shaw@santacruzcountyca.gov OFFICE OF THE SANTA CRUZ COUNTY (Superior Court of California, County of San Francisco					
5	701 Ocean Street, Room 505 Santa Cruz, CA 95060	06/10/2024 Clerk of the Court BY: VERA MU					
6	Tel: (831) 454-2040 Fax: (831) 454-2115	Deputy Clerk					
7	VICTOR M. SHER (SBN 96197) vic@sheredling.com						
8	MATTHEW K. EDLING (SBN 250940)						
9 10	matt@sheredling.com KATIE H. JONES (SBN 300913) katie@sheredling.com						
10	MARTIN D. QUIÑONES (SBN 293318) marty@sheredling.com						
12	JACOB H. POLIN (SBN 311203) jacob@sheredling.com YUMEHIKO HOSHIJIMA (SBN 331376)						
13	yumehiko@sheredling.com MIRANDA C. HOLETON (SBN 341313)						
14	miranda@sheredling.com SHER EDLING LLP						
15	100 Montgomery St., Suite 1410 San Francisco, CA 94104 Tel: (628) 231-2500						
16	Fax: (628) 231-2929						
17 18	Attorneys for Plaintiffs The County of Santa Cruz, individually,						
19	and on behalf of the People of the State of California	rnia					
20	SUPERIOR COURT OF THE STATE OF CALIFORNIA IN AND FOR THE COUNTY OF SAN FRANCISCO						
21	COORDINATION PROCEEDING	JUDICIAL COUNCIL COORDINATION					
22	SPECIAL TITLE [CRC 3.550(c)]	PROCEEDING NO. 5310					
23	FUEL INDUSTRY CLIMATE CASES	Case No.: CJC-24-005310					
24	THIS CASE RELATES TO:	FIRST AMENDED COMPLAINT FOR:					
25		1. PUBLIC NUISANCE ON BEHALF					
26	The County of Santa Cruz, individually and on behalf of The People of the State of California	OF THE PEOPLE OF THE STATE OF CALIFORNIA;					
27 28	<i>v. Chevron Corporation et al.</i> , Santa Cruz County Superior Court,	 PUBLIC NUISANCE; STRICT LIABILITY – FAILURE TO 					
SHER	Case No.: 17CV03242 FIRST AMENDE						
EDLING LLP							

1 2 3 4 5 6 7 8	THE COUNTY OF SANTA CRUZ, individually and on behalf of THE PEOPLE OF THE STATE OF CALIFORNIA, Plaintiffs, vs. CHEVRON CORP.; CHEVRON U.S.A. INC.; EXXONMOBIL CORP.; EXXONMOBIL OIL CORP.; BP P.L.C.; BP AMERICA, INC.; SHELL PLC; SHELL USA, INC., SHELL OIL PRODUCTS COMPANY LLC; CITGO PETROLEUM CORP.; CONOCOPHILLIPS; CONOCOPHILLIPS COMPANY; PHILLIPS	WARN; 4. PRIVATE NUISANCE; 5. NEGLIGENCE; 6. NEGLIGENCE – FAILURE TO WARN; and 7. TRESPASS. JURY TRIAL DEMANDED
9	66; PHILLIPS 66 COMPANY; TOTAL E&P USA INC.; TOTAL SPECIALTIES USA INC.;	
10	ENI S.p.A.; ENI OIL & GAS INC.;	
11	ANADARKO PETROLEUM CORP.; OCCIDENTAL PETROLEUM CORP.;	
12	OCCIDENTAL CHEMICAL CORP.; REPSOL S.A.; REPSOL ENERGY NORTH AMERICA	
13	CORP.; REPSOL TRADING USA CORP.; MARATHON OIL COMPANY; MARATHON	
14	OIL CORPORATION; MARATHON	
15	PETROLEUM CORP.; HESS CORP.; DEVON ENERGY CORP.; DEVON ENERGY	
16	PRODUCTION COMPANY, L.P.; ENCANA CORP.; APACHE CORP.; and DOES 1	
17	through 100, inclusive,	
18	Defendants.	
19		
20		
21		
22		
23		
24		
25		
26		
27		
28	Ern og Avenung	
SHER EDLING LLP	First Amende	D COMPLAINT 2

1	TABLE OF CONTENTS					
2	I.	INT	INTRODUCTION			
3	П.	II. PARTIES				
4		A.	Plaintiffs	9		
6		B.	Defendants	12		
7		C.	Doe Defendants	39		
8		D.	Relevant Non-Parties: Defendants' Agents and Front Groups	39		
9	III.	AGE	ENCY	44		
10	IV.	JUR	ISDICTION AND VENUE	44		
11	$\ \mathbf{v}\ $	FAC	TUAL BACKGROUND	47		
12		A.	Global Warming—Observed Effects and Known Cause	47		
13		B.	Defendants Went to Great Lengths to Understand, and Either Knew or			
14			Should Have Known the Dangers Associated With Their Fossil Fuel Products	53		
15		C				
16		C.	Despite Their Early Knowledge That Global Warming Was Real and Posed Grave Threats, Defendants Did Not Disclose Known Harms Associated with			
17			the Extraction, Promotion, and Consumption of Their Fossil Fuel Products and Instead Affirmatively Acted to Obscure Those Harms and Engaged			
18			in a Campaign to Deceptively Protect and Expand the Use of their Fossil Fuel Products	74		
19		_		/4		
20		D.	Defendants Could Have Chosen to Facilitate, and Be Part of, a Lower-Carbon Future, but Instead Chose Corporate Profits and Continued			
21			Deception	96		
22		E.	In Contrast to Their Denial and Downplaying the Risks of Climate Change in Public, Defendants' Internal Actions Demonstrate Their Awareness of			
23			and Intent to Profit from Uses of Fossil Fuel Products They Knew Were			
24			Hazardous	97		
25		F.	Defendants' Actions Have Slowed the Development of Alternative Energy Sources and Exacerbated the Costs of Adapting to and Mitigating the			
26			Adverse Impacts of the Climate Crisis.	99		
20		G.	Defendants Intended for Consumers to Use Their Fossil Fuel Products			
28			in a Way Defendants Knew Was Harmful	. 104		
SHER			FIRST AMENDED COMPLAINT	3		
EDLING LLP						

	1			efendants' Deceit Only Recently Came to Light, and Their Misconduct Is ngoing	107
	2 3			ne County Has Suffered, Is Suffering, and Will Suffer Injuries From efendants' Tortious Conduct	112
	4		i.	Sea Level Rise-Related Conditions and Injuries	115
	5		ii.	Wildfire-Related Conditions & Injuries	122
	6		iii	. Extreme Precipitation & Landslide-Related Conditions & Injuries	126
	7		iv	. Drought-Related Conditions & Injuries	130
	8		v.	Public Health Conditions & Injuries	133
	9	VI.	CAUSES OF ACTION		136
	10		FIRST CAUSE OF ACTION		
	11		(Public Nuisance on Behalf of the People of the State of California)		
	12		SECOND CAUSE OF ACTION		
	13		(Public Nuisance on Behalf of the County of Santa Cruz)		
	14			CAUSE OF ACTION ability—Failure to Warn on behalf of the County of Santa Cruz)	143
	15		FOURTH	I CAUSE OF ACTION	
	16			Nuisance on behalf of the County of Santa Cruz)	147
	17			AUSE OF ACTION	1.40
	18		(Negligence on Behalf of the County of Santa Cruz)		149
	19		SIXTH CAUSE OF ACTION (Negligence - Failure to Warn on Behalf of the County of Santa Cruz)		151
	20		SEVENTH CAUSE OF ACTION		
	21		(Trespass on Behalf of the County of Santa Cruz)		156
	22	VII.	PRAYE	R FOR RELIEF	157
	23	VIII.	JURY D	EMAND	158
	24				
	25				
	26				
	27				
	28				
SHER		<u> </u>		FIRST AMENDED COMPLAINT	4
EDLING LI	ĹΡ				
		1			

I. <u>INTRODUCTION</u>

1

1. Defendants, major corporate members of the fossil fuel industry, have known for 2 3 decades that unrestricted consumption of their fossil fuel products creates greenhouse gas 4 pollution that warms the planet and changes our climate. They have known for decades that those 5 impacts could be catastrophic and that only a narrow window existed to take action before the consequences would become irreversible. They have nevertheless engaged in a coordinated, 6 multi-front effort to conceal and deny their own knowledge of those consequences, discredit the 7 growing body of publicly available scientific evidence connecting fossil fuel consumption to 8 9 climate change, and persistently create doubt in the minds of customers, consumers, the media, journalists, teachers, and the public about the reality and severity of climate change. At the same 10 time, Defendants have promoted and profited from a massive increase in the consumption of oil, 11 coal, and natural gas, which has in turn caused an enormous, foreseeable, and avoidable increase 12 in global greenhouse gas pollution and a concomitant increase in the concentration of greenhouse 13 14 gases,¹ particularly carbon dioxide ("CO₂") and methane, in the Earth's atmosphere. Those disruptions of the Earth's otherwise balanced carbon cycle have substantially contributed to a 15 wide range of dire climate-related effects, including global warming, rising atmospheric and 16 ocean temperatures, ocean acidification, melting polar ice caps and glaciers, more extreme and 17 volatile weather, and sea level rise. Plaintiffs, the People of the State of California and the 18 County of Santa Cruz,² along with the County's residents, taxpayers, and infrastructure, suffer 19 the consequences. 20

21

22

2. Defendants are vertically integrated extractors, producers, refiners, manufacturers, distributors, promoters, marketers, and sellers of fossil fuel products. Decades of scientific

- 23
- 24

² As used in this Complaint, "Santa Cruz" and "County" refer to all areas within the geographic
 ²⁷ boundaries of the County, excluding federal land and any area acknowledged in Paragraph 11 herein.
 28

¹ As used in this Complaint, "greenhouse gases" refers collectively to carbon dioxide, methane, and nitrous oxide. Where a source refers to a specific gas or gases, or when a process relates only to a specific gas or gases, this Complaint refers to them by name.

research show that pollution from Defendants' fossil fuel products plays a direct and substantial
 role in the unprecedented rise in emissions of greenhouse gas pollution and increased
 atmospheric CO₂ concentrations since the mid-20th century. This dramatic increase in
 atmospheric CO₂ and other greenhouse gases is the main driver of the gravely dangerous changes
 occurring to the global climate.

6 3. Anthropogenic (human-caused) greenhouse gas pollution, primarily in the form of
7 CO₂, is far and away the dominant cause of climate change and sea level rise.³ The primary
8 source of this pollution is the extraction, production and consumption of coal, oil, and natural
9 gas, referred to collectively in this Complaint as "fossil fuel products."⁴

4. The rate at which Defendants have extracted and sold fossil fuel products has
exploded since the Second World War, as have emissions from those products. The substantial
majority of all greenhouse gas emissions in history has occurred since the 1950s, a period known
as the "Great Acceleration."⁵ About three quarters of all industrial CO₂ emissions in history have
occurred since the 1960s,⁶ and more than half have occurred since the late 1980s.⁷ The annual
rate of CO₂ emissions from fossil fuels has increased by more than 60% since 1990.⁸

- 16
- 5. Defendants have known for more than 50 years that greenhouse gas pollution
- 17
- 18

19

- ³ <u>See IPCC, 2014: Climate Change 2014: Synthesis Report</u>. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change
- 20 [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland. Page 6, Figure SMP.3, https://www.ipcc.ch/report/ar5/syr/.
- 21 4 See C. Le Quéré et al., <u>Global Carbon Budget 2016</u>, Earth Syst. Sci. Data 8, 632 (2016), http://www.earth-syst-sci-data.net/8/605/2016/. Cumulative emissions since the beginning of the
- ²² industrial revolution to 2015 were 413 GtC attributable to fossil fuels, and 190 GtC attributable to land use change. <u>Id.</u> Global CO₂ emissions from fossil fuels and industry remained nearly constant at 9.9 GtC in 2015, distributed among coal (41.%), cil (34.%), gas (19.%), compart (5.6)
- constant at 9.9 GtC in 2015, distributed among coal (41 %), oil (34 %), gas (19 %), cement (5.6
 %), and gas flaring (0.7 %). <u>Id.</u> at 629.
- ⁵ Will Steffen et al., <u>The Trajectory of the Anthropocene: The Great Acceleration</u> (2015), http://journals.sagepub.com/doi/abs/10.1177/2053019614564785.
- 26 6 R. J. Andres et al., <u>A synthesis of carbon dioxide emissions from fossil-fuel combustion</u>,
 - Biogeosciences, 9, 1851 (2012), http://www.biogeosciences.net/9/1845/2012/.
- 27 || <u>'</u> <u>I</u>

28

 $||^{8}$ Le Quéré et al. (2016), <u>supra</u> note 4, at 630.

from their fossil fuel products has a significant impact on the Earth's climate and sea levels.
Defendants' awareness of the damaging consequences of their products' ordinary use
corresponds almost exactly with the Great Acceleration, and with skyrocketing greenhouse gas
emissions. Armed with that knowledge, Defendants took steps to protect their own assets from
these threats through immense internal investment in research, infrastructure improvements, and
plans to exploit new opportunities in a warming world.

6. But instead of warning consumers and the public about the dangers of fossil fuels, 7 Defendants mounted disinformation campaigns to undermine the burgeoning scientific 8 9 consensus on climate change; create doubt in the minds of consumers, the media, teachers, and the public about the dire consequences of burning fossil fuels; and delay the necessary transition 10 to a lower-carbon future. Defendants' climate deception campaigns, and their aggressive 11 promotion of fossil fuel products despite knowing of their dangers, had the purpose and effect of 12 unduly and substantially inflating and sustaining the market for fossil fuels. Defendants' tortious 13 14 and deceptive conduct, both individually and collectively, drove fossil fuel consumption and delayed the transition to a lower-carbon future. This caused an enormous, foreseeable, and 15 16 avoidable increase in anthropogenic GHG emissions and accelerated global warming, bringing devastating consequences to the County and its people. 17

18 7. Extreme flooding events will more than double in frequency on California's
19 Pacific coast by 2050.⁹ Flooding and storms will become more frequent and more severe, and
20 average sea level will rise substantially along California's coast, including in Santa Cruz County.
21 Disruptions to weather cycles, extreme precipitation and drought, increased frequency and
22 magnitude of wildfires, and associated consequences—all due to anthropogenic global
23 warming—will increase in Santa Cruz County. The County, flanked on its entire southern and

24

⁹ Sean Vitousek et al., <u>Doubling of Coastal Flooding Frequency Within Decades Due to Sea-Level Rise</u>, Scientific Reports, (May 18, 2017) ("Only 10 cm of SLR doubles the flooding potential in high-latitude regions with small shape parameters, notably the North American west coast; USGS, <u>In Next Decades</u>, <u>Frequency of Coastal Flooding Will Double Globally</u> (May 18, 2017), https://www.usgs.gov/news/next-decades-frequency-coastal-flooding-will-double-globally.

western boundaries by the Pacific Ocean, and otherwise surrounded by dense mountain forests
interspersed with commercial and residential activity, has already spent substantial sums to
study, mitigate, and adapt to the effects of global warming, which already impact the County and
jeopardize its utilities, beaches, parks, roads, municipal infrastructure, essential public services,
and communities. These impacts, as well as extreme heat, present myriad public health harms in
the County, and disproportionately impact the County's vulnerable, at-risk populations.

7

8

8. The County has engaged in several planning processes to prepare for the multitude of impacts from climatic shifts, and has recognized increasingly severe consequences.

9 9. Defendants' promotion, marketing, and sale of fossil fuel products, and their
10 simultaneous concealment of the known hazards of those products, substantially, actually, and
11 proximately caused Plaintiffs' injuries.

12 10. Accordingly, the County brings a claim against Defendants for Public Nuisance
13 on behalf of the People of California as well as itself, and claims for Strict Liability for Failure to
14 Warn, Private Nuisance, Negligence, Negligent Failure to Warn, and Trespass on behalf of itself.
15 11. Plaintiffs do not seek relief as to state-owned property and assets. Plaintiffs do not
16 seek any remedy for harms or violations for which the State or State agencies have exclusive
17 authority to recover damages or obtain injunctive relief.

18 12. Plaintiffs hereby disclaim injuries arising on federal property and those arising
19 from Defendants' provision of non-commercial, specialized fossil fuel products to the federal
20 government for military and national defense purposes. Plaintiffs seek no recovery or relief
21 attributable to these injuries.

13. Plaintiffs do not seek to impose liability on Defendants for their direct emissions
of greenhouse gases and do not seek to restrain Defendants from engaging in their business
operations.

14. By this action, Plaintiffs seek to ensure that the parties responsible for causing and
exacerbating climate change-related harms to the County bear the costs of its impacts, rather than
Plaintiffs, local taxpayers, or residents.

SHER EDLING LLP

28

1 II. PARTIES

2

A. Plaintiffs

15. Plaintiff, the People of the State of California ("the People"), by and through the
County Counsel of Santa Cruz County, brings this suit pursuant to Code of Civil Procedure
section 731, and Civil Code sections 3479, 3480, 3491, and 3494, to abate the nuisance caused
by the effects of climate change in the County's jurisdiction.

7 16. Plaintiff County of Santa Cruz ("the County" or "Santa Cruz") is a political
8 subdivision of the State of California. The County is located in the northern Monterey Bay along
9 the Central Coast of California, bordered by San Mateo County to the North, Santa Clara County
10 to the East, and Monterey County to the South.

11 17. The County is bordered by the Pacific Ocean to the West, and contains12 approximately forty miles of coastline.

13 18. The County covers 445.17 square miles of land, of which 417 square miles are
14 unincorporated and rural.¹⁰ Unincorporated County land is incredibly diverse, from redwood
15 forests on the steep mountains north of the County of Santa Cruz, to coastal terraces along the
16 Pacific, to alluvial soils in the southern portion of the County.

17 19. Sea level has already risen significantly along the County's ocean coast.¹¹ The
18 County will experience additional sea level rise over the coming decades through the year
19 2100.¹² The sea level rise impacts to the County associated with an increase in average mean sea
20 level height include, but are not limited to, building damage, restricted use of public amenities,
21 destruction of storm drains and tide gates, and limitations on road use and walkways with wave
22 run-up and overtopping; extensive rebuilding, changes in property use, or abandonment of

23

24

- ¹⁰ Central Coast Wetlands Group, Santa Cruz County Coastal Climate Change Vulnerability
 Report, at 4 (June 2017).
- $26 ||^{11} \underline{\text{Id.}} \text{ at } 16.$
- ¹² <u>Id.</u> at 27–28 (Employing sea level rise scenarios presented in National Research Council, <u>Sea-</u> 27 <u>I. Level Rise for the Coasts of California Oregon</u> and Washington: Past Present and Future
- 27 Level Rise for the Coasts of California, Oregon, and Washington: Past, Present, and Future, National Academies Press (2012)).

property due to cliff erosion and/or monthly high-tide flooding; localized flooding along river mouth estuaries and collocated agricultural operations and urban development; and injuries to agricultural fields and residential and commercial development from dune loss. Compounding these environmental impacts are cascading social and economic impacts, which are secondary and tertiary injuries that arise out of physical sea-level rise injuries to the County.

20. The County is already experiencing a climatic and meteorological shift toward 6 7 hotter, dryer, and longer summers, with more extreme and compressed precipitation in the 8 midwinter; increased ambient temperature with attendant increases in heat waves; and 9 increasingly frequent and severe drought. These changes have contributed to diminished annual water supply, which has led to increased wildfire risk, water shortages, groundwater overdraft, 10 11 saltwater intrusion, impacts to biodiversity, impacts to public health, and economic injuries to important industries in the County. The County must expend substantial funds to plan for and 12 respond to these phenomena, and to mitigate their secondary and tertiary impacts. 13

14 21. Compounding these environmental impacts are cascading social and economic
15 impacts, which are secondary and tertiary injuries to the County that will arise out of localized
16 climate-related damage.

17 22. The County owns, operates, and/or controls civil infrastructure in the County 18 including, but not limited to, coastal armoring and roads. The County owns, leases, and/or 19 controls real property within its jurisdiction. Much of the County's infrastructure and real 20 property has already suffered damage from rising sea levels and will suffer increasing damage in 21 the future through rising sea levels and through the exacerbation of natural climate-driven 22 phenomena such as heatwaves, drought, and wildfires.

23 23. The sea level rise impacts on the County associated with an increase in average
24 mean sea level height include, but are not limited to, increased inundation and flooding in natural
25 and built environments with higher tides and intensified wave and storm surge events;
26 aggravated wave impacts, including erosion, damage, and destruction of built structures, as well
27 as natural features like cliffs, beaches and dunes, with consequent landslides; changes in
28 sediment supply that could alter or destroy natural coastal habitats like beaches and wetlands,

which would otherwise naturally mitigate sea level rise impacts; saltwater intrusion on groundwater and infrastructure; and magnification of other climate change impacts, due to the superimposition of sea level rise on shifts in precipitation patterns that result in more rain and attendant flooding; increased frequency and severity of storms that cause erosion, flooding, and temporary sea level rise increases; and others. Compounding these environmental impacts are cascading social and economic impacts, which are secondary and tertiary injuries that arise out of physical sea level rise injuries to the County.

8 24. In addition, the County of Santa Cruz is and will continue to be impacted by 9 disruptions to the hydrologic cycle and extreme temperatures. The County is already experiencing a climatic and meteorological shift toward hotter, dryer, and longer summers, with 10 11 more extreme precipitation events; increased ambient temperature; and increasingly frequent and severe drought. These changes have led to increased water shortages, impacts to biodiversity, 12 impacts to public health, and economic injuries. The County will also experience public health 13 14 harms disproportionately borne by communities made vulnerable by geographic, racial, or 15 income disparities, including, but not limited to, illness and injury from extreme heat, extreme 16 weather, air quality impacts from wildfire smoke, and increased vector borne illnesses. The County must expend substantial funds to plan for and respond to these phenomena, and to 17 mitigate their secondary and tertiary impacts. 18

19 25. Compounding these environmental impacts are cascading social and economic
20 impacts, that cause injuries to the County that will arise out of localized climate change-related
21 conditions.

22 26. Municipal assets in the County that will be impacted by climate change and 23 consequent sea level rise and disruption of the hydrologic cycle include, but are not limited to, 24 housing and schools, water supply, wastewater infrastructure, stormwater infrastructure, 25 transportation infrastructure, flood management infrastructure, energy infrastructure, solid 26 waste/hazardous materials management, parks, natural areas, and ecosystems, some of which 27 have already suffered damage from rising sea levels and hydrologic regime shifts, and/or will 28 suffer increasing damage in the future through rising sea levels and through the exacerbation of

natural climate-driven phenomena such as drought and coastal erosion. 1

2

B. **Defendants**

3 27. When reference in this complaint is made to an act or omission of the Defendants, 4 unless specifically attributed or otherwise stated, such references should be interpreted to mean 5 that the officers, directors, agents, employees, or representatives of the Defendants committed or 6 authorized such an act or omission, or failed to adequately supervise or properly control or direct their employees while engaged in the management, direction, operation or control of the affairs 7 8 of Defendants, and did so while acting within the scope of their employment or agency.

9

28. **Chevron Entities: Chevron Corporation and Chevron U.S.A. Inc.**

10 a. Defendant Chevron Corporation is a multinational, vertically integrated 11 energy and chemicals company incorporated in Delaware, with its global headquarters and 12 principal place of business in San Ramon, California. Chevron Corporation, through its 13 predecessor Standard Oil Company of California, has been registered to do business in California 14 since 1926. Chevron Corporation was formerly known as, did or does business as, and/or is the 15 successor in liability to Standard Oil Company of California (also known as "Socal"), Texaco 16 Inc., and ChevronTexaco Corporation.

17

b. Chevron Corporation operates through a web of United States and 18 international subsidiaries at all levels of the fossil fuel supply chain. Chevron Corporation and its 19 subsidiaries' operations include, but are not limited to: exploration, development, production, 20 storage, transportation, and marketing of crude oil and natural gas; refining crude oil into 21 petroleum products and marketing those products; and manufacturing and marketing commodity 22 petrochemicals, plastics for industrial uses, and fuel and lubricant additives.

23

24

25

26

Chevron Corporation controls and has controlled group-wide decisions c. about the quantity and rate of fossil fuel production and sales, including those of its subsidiaries. Chevron Corporation determines whether and to what extent its corporate holdings market, produce, and/or distribute fossil fuel products.

27 d. Chevron Corporation controls and has controlled group-wide decisions, 28 including those of its subsidiaries, related to marketing, advertising, greenhouse gas emissions

and climate change resulting from the company's fossil fuel products, and communications
 strategies concerning climate change and the link between fossil fuel use and climate-related
 impacts on the environment and humans. Overall accountability for climate change within
 Chevron Corporation lies with Chevron Corporation's Board of Directors and Executive
 Committee.

Defendant Chevron U.S.A. Inc. is a wholly owned subsidiary of Chevron 6 e. Corporation that acts on Chevron Corporation's behalf and is subject to Chevron Corporation's 7 8 control. Chevron U.S.A. Inc. is a Pennsylvania corporation, with its principal place of business in 9 San Ramon, California. Through its predecessors, Chevron U.S.A. Inc. has been registered to do business in California since 1965. Chevron U.S.A. Inc. was formerly known as, did or does 10 11 business as, and/or is the successor in liability to Gulf Oil Corporation, Gulf Oil Corporation of Pennsylvania, Chevron Products Company, Chevron Chemical Company, and Chevron 12 Chemical Company LLC. 13

f. Defendants Chevron Corporation and Chevron U.S.A. Inc., together with
their predecessors, successors, parents, subsidiaries, affiliates, and divisions, are collectively
referred to herein as "Chevron."

g. Plaintiffs' claims against Chevron arise out of and are related to the acts
and omissions of Chevron in California and elsewhere that caused and will cause injuries in
California, including in the County of Santa Cruz.

h. Chevron has purposefully directed its tortious conduct toward California 20 by distributing, marketing, advertising, promoting, and supplying its fossil fuel products in 21 22 California, with knowledge that the intended use of those products for combustion has caused and will continue to cause climate change-related harms in Santa Cruz County, including 23 24 Plaintiffs' injuries. Chevron's statements in California and elsewhere made in furtherance of its 25 campaign of deception about and denial of climate change, and Chevron's affirmative promotion of its fossil fuel products as safe with knowledge of how the intended use of those products 26 27 would cause climate change-related harms, were designed to conceal and mislead consumers and the public, including the County of Santa Cruz and its residents, about the serious adverse 28

consequences that would result from continued use of Chevron's products. That conduct was 1 purposefully directed to reach the County of Santa Cruz and obscure the dangers of Chevron's 2 3 fossil fuel products from the County of Santa Cruz and its residents such that use of Chevron's 4 fossil fuel products in the County of Santa Cruz would not decline.

i. Over the last several decades and continuing to the present day, Chevron 5 spent millions of dollars on radio, television, online, social media, and outdoor advertisements in 6 the California market related to its fossil fuel products. Since at least 1970, and continuing to the 7 8 present day, Chevron has advertised in print publications circulated widely to California 9 consumers, including but not limited to the following: The Atlantic, Life, National Geographic, The New York Times, Sports Illustrated, Time Magazine, The Wall Street Journal, and The 10 Washington Post. As further detailed herein, these include advertisements containing false or 11 misleading statements, misrepresentations, and/or material omissions obfuscating the connection 12 between the production and use of Chevron's fossil fuel products and climate change, and/or 13 14 misrepresenting Chevron's products or Chevron itself as environmentally friendly.

Significant quantities of Chevron's fossil fuel products are or have been 15 i. 16 transported, traded, distributed, promoted, marketed, manufactured, sold, and/or consumed in California, from which activities Chevron derives and has derived substantial revenue. Chevron 17 conducts and controls, either directly or through franchise agreements, retail fossil fuel sales at 18 19 gas station locations throughout California, at which locations it promotes, advertises, and sells 20 its fossil fuel products under its various brand names, including Chevron, Texaco, and other brand names. Chevron operates over 1,500 Chevron-branded petroleum service stations in 21 22 California. Chevron has owned and operated an oil refinery in Richmond, California, since 1902, and has owned and operated an oil refinery in El Segundo, California, since 1911. During the 23 24 period relevant to this Complaint, Chevron sold a substantial percentage of all retail gasoline sold in California. 25

Chevron historically directed its fossil fuel product advertising, marketing, 26 k. and promotional campaigns to California, including through maps that identified the locations of 27 its service stations in California. Chevron markets and advertises its fossil fuel products in 28

1 California to California residents by maintaining an interactive website available to prospective customers by which it directs California residents to Chevron's nearby retail service stations. 2 3 Chevron markets and sells engine lubricants and motor oils to California customers under its 4 Delo, IsoClean, Techron, and Havoline brand names at retail outlets. Chevron offers a proprietary credit card known as the "Chevron Techron Advantage Credit Card," which allows 5 consumers in California to pay for gasoline and other products at Chevron-branded service 6 stations, and which encourages California consumers to use Chevron-branded service stations by 7 8 offering various rewards, including discounts on gasoline purchases at Chevron service stations 9 and cash rebates. Chevron further maintains two smartphone applications known as the "Chevron App" and the "Texaco App," both part of the "Chevron Texaco Rewards" program. 10 11 The program offers California consumers a cashless payment method for gasoline and other products at Chevron- and Texaco-branded service stations. California consumers utilize the 12 payment method by providing their credit card information through the application. California 13 14 consumers can also receive rewards, including discounts on gasoline purchases, by registering their personal identifying information in the apps and by using the applications to identify and 15 16 activate gas pumps at Chevron and Texaco service stations during a purchase.

17

29. <u>Exxon Entities:</u> Exxon Mobil Corporation and ExxonMobil Oil Corporation

Defendant Exxon Mobil Corporation is a New Jersey corporation a. 18 19 headquartered in Spring, Texas, and has been registered to do business in California since 1972. 20 Exxon Mobil Corporation is a multinational, vertically integrated energy and chemical company and one of the largest publicly traded international oil and gas companies in the world. Exxon 21 22 Mobil Corporation was formerly known as, did or does business as, and/or is the successor in 23 liability to Exxon Corporation; ExxonMobil Refining and Supply Company; Exxon Chemical 24 U.S.A.; ExxonMobil Chemical Corporation; ExxonMobil Chemical U.S.A.; ExxonMobil 25 Refining & Supply Corporation; Exxon Company, U.S.A.; Standard Oil Company of New Jersey; and Mobil Corporation. 26

b. Defendant ExxonMobil Oil Corporation is a wholly owned subsidiary of
Exxon Mobil Corporation, acts on Exxon Mobil Corporation's behalf, and is subject to Exxon

Mobil Corporation's control. ExxonMobil Oil Corporation is a New York corporation
 headquartered in Spring, Texas, and has been registered to do business in California since 1959.
 ExxonMobil Oil Corporation was formerly known as, did or does business as, and/or is the
 successor in liability to Mobil Oil Corporation. ExxonMobil Oil Corporation is engaged in the
 business of oil and natural gas production, refining, marketing, and distribution.

Exxon Mobil Corporation controls and has controlled group-wide 6 c. decisions about the quantity and rate of fossil fuel production and sales, including those of its 7 8 subsidiaries. Exxon Mobil Corporation's 2022 Form 10-K filed with the United States Securities 9 and Exchange Commission ("SEC") represents that its success, including its "ability to mitigate risk and provide attractive returns to shareholders, depends on [its] ability to successfully 10 11 manage [its] overall portfolio, including diversification among types and locations of [its] projects, products produced, and strategies to divest assets." Exxon Mobil Corporation 12 determines whether and to what extent its subsidiaries market, produce, and/or distribute fossil 13 14 fuel products. For example, on October 11, 2023, Exxon Mobil Corporation announced its 15 acquisition of Pioneer Natural Resources in a press release that referred to the corporate family generally as "ExxonMobil." 16

d. Exxon Mobil Corporation controls and has controlled group-wide 17 18 decisions, including those of its subsidiaries, related to marketing, advertising, greenhouse gas 19 emissions and climate change resulting from the company's fossil fuel products, and communications strategies concerning climate change and the link between fossil fuel use and 20 climate-related impacts on the environment and humans. Exxon Mobil Corporation's Board 21 22 holds the highest level of direct responsibility for climate change policy. Exxon Mobil 23 Corporation's Chairman of the Board and Chief Executive Officer, its President, and the other members of its Management Committee have been actively engaged in discussions relating to 24 25 greenhouse gas emissions and the risks of climate change on an ongoing basis. Exxon Mobil Corporation requires its subsidiaries, when seeking funding for capital investments, to provide 26 27 estimates of project costs related to greenhouse gas emissions.

28

e. Defendants Exxon Mobil Corporation, ExxonMobil Oil Corporation, and
 their predecessors, successors, parents, subsidiaries, affiliates, and divisions, are collectively
 referred to herein as "Exxon."

f. Plaintiffs' claims against Exxon arise out of and are related to the acts and
omissions of Exxon in California and elsewhere that caused and will cause injuries in California,
including in the County of Santa Cruz.

g. Exxon consists of numerous divisions and affiliates in all areas of the
fossil fuel industry, including exploration for and production of crude oil and natural gas;
manufacture of petroleum products; and transportation, promotion, marketing, and sale of crude
oil, natural gas, and petroleum products. Exxon is also a major manufacturer and marketer of
commodity petrochemical products.

h. Exxon has purposefully directed its tortious conduct toward California by 12 distributing, marketing, advertising, promoting, and supplying its fossil fuel products in 13 14 California, with knowledge that the intended use of those products for combustion has caused and will continue to cause climate change-related harms in the County of Santa Cruz, including 15 16 Plaintiffs' injuries. Exxon's statements in California and elsewhere made in furtherance of its campaign of deception about and denial of climate change, and Exxon's affirmative promotion 17 of its fossil fuel products as safe with knowledge of how the intended use of those products 18 19 would cause climate change-related harms, were designed to conceal and mislead consumers and the public, including the County of Santa Cruz and its residents, about the serious adverse 20 consequences that would result from continued use of Exxon's products. That conduct was 21 22 purposefully directed to reach the County of Santa Cruz and obscure the dangers of Exxon's 23 fossil fuel products from the County of Santa Cruz and its residents such that use of Exxon's 24 fossil fuel products in the County of Santa Cruz would not decline.

i. Over the past several decades and continuing to the present day, Exxon
spent millions of dollars on radio, television, online, social media, and outdoor advertisements in
the California market related to its fossil fuel products. Since at least 1972, and continuing to the
present day, Exxon has advertised its fossil fuel products in print publications circulated widely

to California consumers, including but not limited to: <u>The Atlantic, Life, National Geographic,</u>
<u>The New York Times, People, Sports Illustrated, Time, The Wall Street Journal, and The</u>
<u>Washington Post</u>. As further detailed herein, these include advertisements containing false or
misleading statements, misrepresentations, and/or material omissions designed to hide the
connection between the production and use of Exxon's fossil fuel products and climate change,
and/or misrepresenting Exxon's products or Exxon itself as environmentally friendly.

į. Significant quantities of Exxon's fossil fuel products are or have been 7 8 transported, traded, distributed, promoted, marketed, manufactured, sold, and/or consumed in 9 California, from which activities Exxon derives and has derived substantial revenue. Exxon owns and operates a petroleum storage and transport facility in the San Ardo Oil Field in San Ardo, 10 11 California. Exxon and its predecessors owned and operated an oil refinery in Torrance, California from 1966 to 2016; shortly after an explosion disabled the refinery. Exxon Co. USA, 12 an ExxonMobil subsidiary, operated a petroleum refinery in Benicia, California, from 1968 to 13 14 2000. Exxon also-both directly and through its subsidiaries and/or predecessors-in-interesthas supplied substantial quantities of fossil fuel products to California during the period relevant 15 16 to this Complaint. Currently, Exxon promotes, markets, and sells gasoline and other fossil fuel products to California consumers through approximately 600 Exxon- and Mobil-branded 17 petroleum service stations in California. During the period relevant to this Complaint, Exxon 18 19 sold a substantial percentage of all retail gasoline in California. Exxon also markets and sells 20 petroleum products, including engine lubricants and motor oils sold under the "Mobil 1" brand name, to California customers through local retailers. 21

k. Exxon historically directed its fossil fuel product advertising, marketing,
and promotional campaigns to California residents, including through maps that identify the
locations of its service stations in California. To this day, Exxon continues to market and
advertise its fossil fuel products in California to California residents by maintaining an
interactive website available to prospective customers that directs California residents to Exxon's
nearby retail service stations and lubricant distributors. Further, Exxon promotes its products in
California by regularly updating and actively promoting its mobile device application, "Exxon

Mobil Rewards+," throughout California, which encourages California users to consume fuel at 1 2 Exxon stations in California in exchange for rewards on every fuel purchase.

3

30. **<u>BP Entities:</u>** BP P.L.C. and BP America Inc.

a. Defendant **BP P.L.C.** is a multinational, vertically integrated energy and 4 5 petrochemical public limited company, registered in England and Wales with its principal place of business in London, England. BP P.L.C. consists of three main operating segments: 6 (1) exploration and production, (2) refining and marketing, and (3) "gas and low-carbon energy." 7 8 BP P.L.C. is the ultimate parent company of numerous subsidiaries, referred to collectively as 9 the "BP Group," which explore for and extract oil and gas worldwide; refine oil into fossil fuel products such as gasoline; and market and sell oil, gasoline, other refined petroleum products, 10 11 and natural gas worldwide. BP P.L.C.'s subsidiaries explore for oil and natural gas under a wide range of licensing, joint arrangement, and other contractual agreements. 12

13

b. BP P.L.C. controls and has controlled group-wide decisions about the 14 quantity and rate of fossil fuel production and sales, including those of its subsidiaries. BP P.L.C. is the ultimate decisionmaker on fundamental decisions about the BP Group's core business, i.e., 15 16 the volume of group-wide fossil fuels to produce and market, including among BP P.L.C.'s subsidiaries. For instance, BP P.L.C. reported that, in 2016–17, it brought online thirteen major 17 exploration and production projects. These contributed to a 12% increase in the BP Group's 18 overall fossil fuel product production. These projects were carried out by BP P.L.C.'s 19 subsidiaries. Based on these projects, BP P.L.C. expects the BP Group to deliver to customers 20 900,000 barrels of new product per day by 2021. BP P.L.C. further reported that in 2017 it 21 22 sanctioned three new exploration projects in Trinidad, India, and the Gulf of Mexico.

c. BP P.L.C. controls and has controlled group-wide decisions, including 23 24 those of its subsidiaries, related to marketing, advertising, climate change, and greenhouse gas 25 emissions from its fossil fuel products, as well as communications strategies concerning climate change and the link between fossil fuel use and climate-related impacts on the environment and 26 humans. BP P.L.C. makes decisions on production and use of fossil fuel reserves for the entire 27 BP Group based on factors including climate change. BP P.L.C.'s Board of Directors is the 28

company's highest decision-making body, with direct responsibility for the BP Group's policies
concerning climate change policies. BP P.L.C.'s chief executive is responsible for maintaining
the BP Group's system of internal control that governs the BP Group's business conduct. BP
P.L.C.'s senior leadership directly oversees a carbon steering group, which manages climaterelated matters and consists of two committees—both overseen directly by the board—focused
on climate-related investments.

d. Defendant **BP** America Inc. is a wholly owned subsidiary of BP P.L.C. 7 8 that acts on BP P.L.C.'s behalf and is subject to BP P.L.C.'s control. BP America Inc. is a 9 vertically integrated energy and petrochemical company incorporated in the state of Delaware with its headquarters and principal place of business in Houston, Texas. BP America Inc. is 10 registered to do business in California. BP America Inc. consists of numerous divisions and 11 affiliates in all aspects of the fossil fuel industry, including exploration for and production of 12 crude oil and natural gas; manufacture of petroleum products; and transportation, marketing, and 13 14 sale of crude oil, natural gas, and petroleum products. BP America Inc. was formerly known as, did or does business as, is or was affiliated with, and/or is the successor in liability to Amoco Oil 15 16 Company; Amoco Production Company; ARCO Products Company; BP Exploration & Oil, Inc.; BP Products North America Inc.; BP Amoco Corporation; BP Oil, Inc.; BP Oil Company; Sohio 17 Oil Company; Standard Oil of Ohio (SOHIO); Standard Oil (Indiana); and Atlantic Richfield 18 19 Company (a Pennsylvania Corporation) and its division, the Arco Chemical Company.

e. Defendants BP P.L.C. and BP America, Inc., together with their
predecessors, successors, parents, subsidiaries, affiliates, and divisions, are collectively referred
to herein as "BP."

f. Plaintiffs' claims against BP arise out of and are related to the acts and
omissions of BP in California and elsewhere that caused or will cause injuries in California,
including in the County of Santa Cruz.

g. BP has purposefully directed its tortious conduct toward California by
distributing, marketing, advertising, promoting, and supplying its fossil fuel products in
California, with knowledge that the intended use of those products for combustion have caused

and will continue to cause climate change-related harms in the County of Santa Cruz, including 1 Plaintiffs' injuries. BP's statements in California and elsewhere made in furtherance of its 2 3 campaign of deception about and denial of climate change, and BP's affirmative promotion of its 4 fossil fuel products as safe with knowledge of how the intended use of those products would 5 cause climate change-related harms, were designed to conceal and mislead consumers and the public, including the County of Santa Cruz and its residents, about the serious adverse 6 consequences that would result from continued use of BP's products. That conduct was 7 8 purposefully directed to reach the County of Santa Cruz and obscure the dangers of BP's fossil 9 fuel products from the County of Santa Cruz and its residents such that use of BP's fossil fuel products in the County of Santa Cruz would not decline. 10

h. 11 Over the last several decades and continuing to the present day, BPespecially BP p.l.c.—spent millions of dollars on radio, television, online, social media, and 12 outdoor advertisements in the California market related to its fossil fuel products. Since at least 13 14 1988 and continuing to the present day, BP has advertised in print publications circulated widely to California consumers, including but not limited to the following: The Atlantic, Life, National 15 Geographic, The New York Times, People, Sports Illustrated, Time, The Wall Street Journal, 16 and The Washington Post. As further detailed herein, these include advertisements containing 17 false or misleading statements, misrepresentations, and/or material omissions obfuscating the 18 19 connection between the production and use of BP's fossil fuel products and climate change, 20 and/or misrepresenting BP's products or BP itself as environmentally friendly.

i. Significant quantities of BP's fossil fuel products are or have been 21 22 transported, traded, distributed, promoted, marketed, manufactured, sold, and/or consumed in 23 California, from which activities BP derives and has derived substantial revenue. BP conducts 24 and controls, either directly or through franchise agreements, retail fossil fuel sales at gas station 25 locations in substantial portions of California, at which locations it promotes, advertises, and sells its fossil fuel products under its ARCO brand name. Among other operations, BP operates 26 more than 300 ARCO-licensed and branded gas stations in California. From 2000 to 2013, BP 27 also owned and operated an oil refinery in Carson, California. During the period relevant to this 28

Complaint, BP sold a substantial percentage of all retail gasoline sold in California. BP's
 marketing and trading business maintains an office in Irvine, California. BP maintains an energy
 research center in San Diego, California.

j. BP also markets and sells other fossil fuel products, including engine
lubricant and motor oils, to the County of Santa Cruz and California consumers under its Castrol
brand name.

k. BP historically directed its fossil fuel product advertising, marketing, and
promotional campaigns to California, including through maps that identified the locations of its
service stations in California. BP markets and advertises its fossil fuel products in California to
California residents by maintaining an interactive website available to prospective customers by
which it directs California residents to BP's nearby retail service stations and/or lubricant
distributors.

By BP's own description, its "retail stations in California serve more than
 640,000 customers every day."¹³ BP claims to support 3,000 jobs in California, including at least
 1,400 BP employees, and has invested over \$100 million through vendors in California.

16 31. <u>Shell Entities:</u> Shell plc, Shell USA, Inc., and Shell Oil Products Company
17 LLC

a. Defendant Shell plc (formerly Royal Dutch Shell plc) is a vertically
integrated multinational energy and petrochemical company. Shell plc is incorporated in England
and Wales, with its headquarters and principal place of business in The Hague, Netherlands.
Shell plc is the ultimate parent company of numerous divisions, subsidiaries, and affiliates,
referred to collectively as the "Shell Group," that engage in all aspects of fossil fuel production,
including exploration, development, extraction, manufacturing and energy production, transport,
trading, marketing, and sales.

25

26

27 ¹³ BP, <u>Bp in California</u>, https://www.bp.com/content/dam/bp/country-sites/en_us/united-states/home/documents/where-we-operate/states/bp% 20in% 20California.pdf.
 28 ¹³ BP, <u>Bp in California</u>, https://www.bp.com/content/dam/bp/country-sites/en_us/united-states/home/documents/where-we-operate/states/bp% 20in% 20California.pdf.

b. Shell plc controls and has controlled group-wide decisions about the
 quantity and extent of fossil fuel production and sales, including those of its subsidiaries. Shell
 plc's Board of Directors determines whether and to what extent Shell subsidiary holdings around
 the globe produce Shell-branded fossil fuel products.

c. Shell plc controls and has controlled group-wide decisions, including 5 those of its subsidiaries, related to marketing, advertising, greenhouse gas emissions and climate 6 change resulting from the company's fossil fuel products, and communications strategies 7 8 concerning climate change and the link between fossil fuel use and climate-related impacts on 9 the environment and humans. Overall accountability for climate change within the Shell Group lies with Shell plc's Chief Executive Officer and Executive Committee. For instance, at least as 10 11 early as 1988, Shell plc, through its predecessors and subsidiaries, was researching companywide CO₂ emissions and concluded that the Shell Group accounted for 4% of the CO₂ emitted 12 worldwide from combustion, and that climatic changes could compel the Shell Group, as 13 14 controlled by Shell plc, to examine the possibilities of expanding and contracting its business accordingly. 15

d. 16 Defendant Shell USA, Inc. (formerly Shell Oil Company) is a wholly owned subsidiary of Shell plc that acts on Shell plc's behalf and is subject to Shell plc's control. 17 Shell USA, Inc. is incorporated in Delaware, with its principal place of business in Houston, 18 19 Texas. Shell USA, Inc. has been registered to do business in California since 1949. Shell USA, 20 Inc. was formerly known as, did or does business as, and/or is the successor in liability to Shell Oil Company; Shell Oil; Deer Park Refining LP; Shell Oil Products US; Shell Chemical LP; 21 22 Shell Trading (US) Company; Shell Energy Resources Company; Shell Energy Services 23 Company, L.L.C.; The Pennzoil Company; and Pennzoil-Quaker State Company.

e. Defendant Shell Oil Products Company LLC is a wholly owned
subsidiary of Shell USA, Inc., that acts on Shell USA, Inc.'s behalf and is subject to Shell USA,
Inc.'s control. Shell Oil Products Company LLC is incorporated in Delaware, with its principal
place of business in Houston, Texas, and has been registered to do business in California since
2001. Shell Oil Products Company LLC was formerly known as, did or does business as, and/or

is the successor in liability to Shell Oil Products Company, which was a Delaware corporation
 that converted to a limited liability company in 2001.

f. Defendants Shell plc, Shell USA, Inc., Shell Oil Products Company LLC,
and their predecessors, successors, parents, subsidiaries, affiliates, and divisions are collectively
referred to herein as "Shell."

g. Plaintiffs' claims against Shell arise out of and are related to the acts and
omissions of Shell in California and elsewhere that caused and will cause injuries in California,
including in the County of Santa Cruz.

9 h. Shell has purposefully directed its tortious conduct toward California by distributing, marketing, advertising, promoting, and supplying its fossil fuel products in 10 11 California, with knowledge that the intended use of those products for combustion has caused and will continue to cause climate change-related harms in the County of Santa Cruz, including 12 Plaintiffs' injuries. Shell's statements in California and elsewhere made in furtherance of its 13 14 campaign of deception about and denial of climate change, and Shell's affirmative promotion of its fossil fuel products as safe with knowledge of how the intended use of those products would 15 16 cause climate change-related harms, were designed to conceal these harms and mislead consumers and the public, including the County of Santa Cruz and its residents, about the serious 17 adverse consequences that would result from continued use of Shell's products. That conduct 18 19 was purposefully directed to reach the County of Santa Cruz and obscure the dangers of Shell's 20 fossil fuel products from the County of Santa Cruz and its residents such that use of Shell's fossil fuel products in the County of Santa Cruz would not decline. 21

i. Over the last several decades and continuing to the present day, Shell
spent millions of dollars on radio, television, online, social media, and outdoor advertisements in
the California market related to its fossil fuel products. Since at least 1970, and continuing to the
present day, Shell has advertised its fossil fuel products in print publications circulated widely to
California consumers, including but not limited to the following: <u>The Atlantic, Life, National</u>
<u>Geographic, The New York Times, People, Sports Illustrated, Time, The Wall Street Journal,</u>
and <u>The Washington Post</u>. As further detailed herein, these include advertisements containing

false or misleading statements, misrepresentations, and/or material omissions obfuscating the
 connection between the production and use of Shell's fossil fuel products and climate change,
 and/or misrepresenting Shell's products or Shell itself as environmentally friendly.

į. Significant quantities of Shell's fossil fuel products are or have been 4 5 transported, traded, distributed, promoted, marketed, manufactured, sold, and/or consumed in California, from which activities Shell derives and has derived substantial revenue. Shell 6 7 conducts and controls, either directly or through franchise agreements, retail fossil fuel sales at 8 gas station locations throughout California, at which locations it promotes, advertises, and sells 9 its fossil fuel products under its Shell brand name. Shell operates over 1,000 Shell-branded petroleum service stations in California. During the period relevant to this Complaint, Shell sold 10 11 a substantial percentage of all retail gasoline sold in California. Shell also supplies, markets, and promotes its Pennzoil line of lubricants at retail and service stations throughout California. From 12 1924 to 1992, Shell owned and operated an oil refinery in Carson, California, where it now owns 13 14 and operates the property as a distribution facility for petroleum and petroleum products throughout Southern California. From 1915 to 2020, Shell owned and operated an oil refinery in 15 Martinez, California. From 1998 to 2007, Shell owned and operated an oil refinery in 16 Wilmington, California. From 1998 to 2005, Shell owned and operated an oil refinery in 17 Bakersfield, California. 18

19 k. Shell historically directed its fossil fuel product advertising, marketing, and promotional campaigns to California, including through maps that identified the locations of 20 its service stations in California. Shell markets and advertises its fossil fuel products in 21 22 California to California residents by maintaining an interactive website available to prospective 23 customers by which it directs California residents to Shell's nearby retail service stations. Shell 24 offers a proprietary credit card known as the "Shell Fuel Rewards Card," which allows 25 consumers in California to pay for gasoline and other products at Shell-branded service stations, and which encourages consumers to use Shell-branded gas stations by offering various rewards, 26 including discounts on gasoline purchases. Shell further maintains a smartphone application 27 known as the "Shell US App" that offers California consumers a cashless payment method for 28

gasoline and other products at Shell-branded service stations. California consumers utilize the
 payment method by providing their credit card information through the application. California
 consumers can also receive rewards, including discounts on gasoline purchases, by registering
 their personal identifying information in the Shell US App and using the application to identify
 and activate gas pumps at Shell service stations during a purchase.

6

32. Citgo Petroleum Corporation ("Citgo")

a. Citgo is a direct, wholly owned subsidiary of PDV America, Incorporated,
which is a wholly owned subsidiary of PDV Holding, Incorporated. These organizations'
ultimate parent is Petroleos de Venezuela, S.A. ("PDVSA"), an entity wholly owned by the
Republic of Venezuela that plans, coordinates, supervises and controls activities carried out by
its subsidiaries. Citgo is incorporated in the State of Delaware and maintains its headquarters in
Houston, Texas.

b. Citgo and its subsidiaries are engaged in the refining, marketing, and
transportation of petroleum products including gasoline, diesel fuel, jet fuel, petrochemicals,
lubricants, asphalt, and refined waxes.

16 Citgo is registered to do business in the State of California and has c. designated an agent for service of process in California. Citgo further does substantial fossil fuel 17 product-related business in California, and a substantial portion of its fossil fuel products are 18 19 extracted, refined, transported, traded, distributed, marketed, and/or sold in California. For 20 instance, Citgo sells significant volumes of fossil-fuel derived consumer motor oils and automobile lubricants through retail and wholesale distributers. Citgo further sells a wide variety 21 of greases and oils for use in construction, mining, agricultural, and metalworking machinery and 22 23 vehicles, and in many other industrial and commercial settings, through licensed distributors 24 in California.

25 33. <u>ConocoPhillips Entities:</u> ConocoPhillips, ConocoPhillips Company,
26 Phillips 66, and Phillips 66 Company.

a. Defendant ConocoPhillips is a multinational energy company
incorporated in Delaware, with its principal place of business in Houston, Texas. ConocoPhillips

consists of numerous divisions, subsidiaries, and affiliates that execute ConocoPhillips's 1 fundamental decisions related to all aspects of fossil fuel production, including exploration, 2 3 extraction, production, manufacture, transport, and marketing.

b. ConocoPhillips controls and has controlled group-wide decisions about the 4 quantity and rate of fossil fuel production and sales, including those of its subsidiaries. 5 ConocoPhillips determines whether and to what extent its corporate holdings market, produce, 6 7 and/or distribute fossil fuel products. ConocoPhillips's most recent annual report to the 8 Securities and Exchange Commission subsumes the operations of ConocoPhillips's subsidiaries 9 under its name. In ConocoPhillips's Form 10-K filed with the SEC for Fiscal Year 2022, the company represents that its value-for which ConocoPhillips maintains ultimate responsibility-10 11 is a function of its decisions to direct subsidiaries to develop crude oil, bitumen, natural gas, and natural gas liquids from ConocoPhillips's reserves into fossil fuel products and to explore for and 12 replace those reserves with more fossil fuels: "Unless we successfully develop resources, the 13 14 scope of our business will decline, resulting in an adverse impact to our business. . . . If we are not successful in replacing the resources we produce with good prospects for future organic 15 16 development or through acquisitions, our business will decline."

ConocoPhillips optimizes the ConocoPhillips group's oil and gas portfolio 17 c. to fit ConocoPhillips's strategic plan. For example, ConocoPhillips' 10-K in 2022 summarizes 18 19 the "continued development of onshore assets" in the United States and new exploration activities in Alaska, Canada, the North Sea, and elsewhere. Similarly, in November 2016, 20 ConocoPhillips announced a plan to generate \$5 billion to \$8 billion of proceeds over two years 21 22 by optimizing its business portfolio, including its fossil fuel product business, to focus on low 23 cost-of-supply fossil fuel production projects that strategically fit its development plans.

24 d. ConocoPhillips controls and has controlled group-wide decisions, including those of its subsidiaries, related to marketing, advertising, climate change and 25 greenhouse gas emissions from its fossil fuel products, and communications strategies concerning 26 climate change and the link between fossil fuel use and climate-related impacts on the environment 27 and communities. For instance, ConocoPhillips's board has the highest level of direct 28

responsibility for climate change policy within the company. ConocoPhillips has developed and
 purportedly implements a corporate Climate Change Action Plan to govern climate change
 decision-making across all entities in the ConocoPhillips group.

- e. Defendant ConocoPhillips Company is a wholly owned subsidiary of
 ConocoPhillips that acts on ConocoPhillips's behalf and is subject to ConocoPhillips's control.
 ConocoPhillips Company is incorporated in Delaware, with its principal place of business in
 Houston, Texas, and has been registered to do business in California since 1947. ConocoPhillips
 Company was formerly known as, did or does business as, and/or is the successor in liability to
 Phillips Petroleum Company.
- f. Defendant Phillips 66 is a multinational energy and petrochemical
 company incorporated in Delaware, with its principal place of business in Houston, Texas. It
 encompasses downstream fossil fuel processing, refining, transport, and marketing segments that
 were formerly owned and/or controlled by ConocoPhillips.
- 14 g. Defendant Phillips 66 Company is a wholly owned subsidiary of Phillips 66 that acts on Phillips 66's behalf and is subject to Phillips 66's control. Phillips 66 Company is 15 16 incorporated in Delaware, with its principal place of business in Houston, Texas, and has been registered to do business in California since 2011. Phillips 66 Company had been registered 17 since 1964 under a different name, Phillips Chemical Company, which was a wholly owned 18 19 subsidiary of the Phillips Petroleum Company. Phillips Chemical Company changed its name to 20 Phillips 66 Company in 1985, and that iteration of Phillips 66 Company was terminated in 1991. Phillips 66 Company was formerly known as, did or does business as, and/or is the successor in 21 22 liability to Phillips Petroleum Company; Phillips Chemical Company; Conoco, Inc.; Tosco 23 Corporation; and Tosco Refining Co.
- h. Defendants ConocoPhillips, ConocoPhillips Company, Phillips 66, and
 Phillips 66 Company, as well as their predecessors, successors, parents, subsidiaries, affiliates,
 and divisions, are collectively referred to herein as "ConocoPhillips."
- 27

28

i. Plaintiffs' claims against ConocoPhillips arise out of and are related to the
 acts and omissions of ConocoPhillips in California and elsewhere that caused and will cause
 injuries in California, including in the County of Santa Cruz.

5

į. ConocoPhillips has purposefully directed its tortious conduct toward 4 California by distributing, marketing, advertising, promoting, and supplying its fossil fuel 5 products in California, with knowledge that the intended use of those products for combustion 6 has caused and will continue to cause climate change-related harms in the County of Santa Cruz, 7 8 including Plaintiffs' injuries. ConocoPhillips's statements in California and elsewhere made in 9 furtherance of its campaign of deception about and denial of climate change, and ConocoPhillips's affirmative promotion of its fossil fuel products as safe with knowledge of how 10 11 the intended use of those products would cause climate change-related harms, were designed to conceal and mislead consumers and the public, including the County of Santa Cruz and its 12 residents, about the serious adverse consequences that would result from continued use of 13 14 ConocoPhillips's products. That conduct was purposefully directed to reach the County of Santa Cruz and obscure the dangers of ConocoPhillips's fossil fuel products from the County of Santa 15 16 Cruz and its residents such that use of ConocoPhillips's fossil fuel products in the County of Santa Cruz would not decline. 17

k. Over the last several decades and continuing to the present day, 18 19 ConocoPhillips spent millions of dollars on radio, television, online, social media, and outdoor 20 advertisements in the California market related to its fossil fuel products. Since at least 1970, and continuing to the present day, ConocoPhillips has advertised in print publications circulated 21 22 widely to California consumers, including but not limited to the following: The Atlantic, Life, 23 National Geographic, The New York Times, People, Sports Illustrated, Time, The Wall Street 24 Journal, and The Washington Post. As further detailed herein, these include advertisements 25 containing false or misleading statements, misrepresentations, and/or material omissions obfuscating the connection between the production and use of ConocoPhillips's fossil fuel 26 products and climate change, and/or misrepresenting ConocoPhillips's products 27 or ConocoPhillips itself as environmentally friendly. 28

1. Significant quantities of ConocoPhillips's fossil fuel products are or have 1 2 been transported, traded, distributed, promoted, marketed, manufactured, sold, and/or consumed 3 in California, from which activities ConocoPhillips derives and has derived substantial revenue. 4 ConocoPhillips conducts and controls, either directly or through franchise agreements, retail 5 fossil fuel sales at gas station locations throughout California, at which locations it promotes, advertises, and sells its fossil fuel products under its various brand names, including Conoco, 6 Phillips 66, and 76. ConocoPhillips also markets and sells to California customers at retail outlets 7 8 engine lubricants and motor oils under its Phillips 66, Kendall, and Red Line brand names. 9 ConocoPhillips operates hundreds of 76-branded petroleum service stations throughout California. During the period relevant to this Complaint, ConocoPhillips sold a substantial 10 11 percentage of all retail gasoline sold in California.

ConocoPhillips does substantial fossil fuel product-related business in 12 m. California, and a substantial quantity of its fossil fuel products are extracted, refined, transported, 13 14 traded, distributed, marketed, and/or sold in California. For instance, ConocoPhillips owns and/or operates oil and natural gas terminals in Richmond and Los Angeles, California; owns 15 16 and operates oil refineries in Arroyo Grande, Colton, and Wilmington, California; and distributes ConocoPhillips fossil fuel products throughout California. Phillips 66 also owns and operates oil 17 refineries in Rodeo, Santa Maria, and Los Angeles, California. All of these refineries were 18 19 owned and operated by ConocoPhillips and its predecessors-in-interest from 1997 to 2012.

ConocoPhillips has historically directed its fossil fuel product advertising, 20 n. marketing, and promotional campaigns to California, including through maps identifying its 21 22 services throughout California. ConocoPhillips markets and advertises its fossil fuel products in 23 California to California residents by maintaining an interactive website available to prospective 24 customers by which it directs California residents to ConocoPhillips's nearby retail service 25 stations. ConocoPhillips offers a proprietary credit card known as the "76 Credit Card," which allows consumers in California to pay for gasoline and other products at 76-branded service 26 stations, and which encourages California consumers to use 76-branded service stations by 27 offering various rewards, including discounts on gasoline purchases at 76-branded service 28

stations and cash rebates. ConocoPhillips further maintains a nationwide smartphone application 1 known as the "Fuel Forward App." The application offers California consumers a cashless 2 3 payment method for gasoline and other products at 76-branded service stations. California 4 consumers utilize the payment method by providing their credit card information through the 5 application. California consumers can also apply for a 76 Credit Card through the application. By registering their personal identifying information in the application and by using the application 6 to identify and activate gas pumps at 76-branded service stations, California consumers can 7 8 receive additional rewards, such as further discounts on ConocoPhillips gasoline purchases.

9

Total Entities: Total E&P USA Inc. and Total Specialties USA Inc. 34

Total E&P USA Inc. is a wholly owned subsidiary of Total S.A.-a 10 a. 11 French energy conglomerate—engaged in the North American segment of Total SA's fossil fuel products-related business. Total E&P USA Inc. and its subsidiaries are involved in the 12 exploration for, extraction, transportation, research, and marketing of Total S.A.'s fossil fuel 13 14 products. Total E&P USA Inc. is registered to do business in the State of California and has designated an agent for service of process in California. 15

- 16

b. Total Specialties USA Inc., is a wholly owned subsidiary of Total SA, involved in the marketing and distribution of Total S.A.'s fossil fuel products. Total Specialties 17 USA Inc. is incorporated in the State of Delaware and headquartered in Houston, Texas. Total 18 19 Specialties USA Inc. is registered to do business in the State of California and has designated an 20 agent for service of process in California. Total Specialties USA Inc. does substantial fossil fuel product-related business in California, and a substantial portion of its fossil fuel products are 21 22 extracted, refined, transported, traded, distributed, marketed, and/or sold in California. For instance, Total Specialties USA Inc. maintains regular distributorship relationships with several 23 24 California distributors of Total fossil fuel products, including engine oils, lubricants, greases, and 25 industrial petroleum products.

26

27

28

Eni Entities: Eni S.p.A and Eni Oil & Gas Inc. 35.

Eni S.p.A. is a vertically integrated, multinational energy company a. focusing on petroleum and natural gas. Eni is incorporated in the Republic of Italy, with its

principal place of business in Rome, Italy. With its consolidated subsidiaries, Eni engages in the 1 exploration, development, and production of hydrocarbons; in the supply and marketing of gas, 2 3 liquid natural gas, and power; in the refining and marketing of petroleum products; in the 4 production and marketing of basic petrochemicals, plastics and elastomers; in commodity 5 trading; and in electricity marketing and generation.

b. Eni Oil & Gas Inc. is incorporated in Texas, with its principal place of 6 business in Houston, Texas. Eni Oil & Gas Inc., is a wholly owned subsidiary of Eni America 7 8 Ltd., a Delaware corporation doing business in the United States. Eni America, Ltd. Is a wholly 9 owned subsidiary of Eni UHL Ltd., a British corporation with its registered office in London, United Kingdom. Eni UHL Ltd. is a wholly owned subsidiary of Eni ULT, Ltd., a British 10 11 corporation with its registered office on London, United Kingdom. Eni ULT, Ltd. is a wholly owned subsidiary of Eni Lasmo Plc, a British corporation with its registered office on London, 12 United Kingdom. Eni Investments Plc, a British corporation with its registered office in London, 13 14 United Kingdom, holds a 99.9% ownership interest in Eni Lasmo Plc (the other 0.01% ownership interest is held by another Eni entity, Eni UK Ltd, a British corporation with its 15 16 registered office in London, United Kingdom). Eni S.p.A owns a 99.99% interest in Eni Investments Plc. Eni UK Ltd. holds the remainder interest in Eni Investments Plc. Collectively, 17 these entities are referred to as "Eni." 18

19 c. Eni Oil & Gas Inc. is a successor-in-interest to Golden Eagle Refining Company, Inc. ("Golden Eagle"). At times relevant to this complaint, Golden Eagle did 20 substantial fossil fuel-related business in California. Specifically, Golden Eagle owned and/or 21 operated oil refineries in Carson (Los Angeles County) and Martinez (Contra Costa County), 22 23 California, and owned and/or operated oil pipelines in or near Long Beach (Los Angeles 24 County), California.

25

36. Anadarko Petroleum Corporation ("Anadarko")

Anadarko is incorporated in the State of Delaware and maintains its 26 a. 27 principal place of business in The Woodlands, Texas. Anadarko is a multinational, vertically integrated energy company comprised of multiple upstream and downstream segments. These 28

include exploration, production, gathering, processing, treating, transporting, marketing, and 1 selling fossil fuel products derived primarily from petroleum and natural gas. In the United 2 3 States, Anadarko entities operate fossil fuel product exploration and production concerns in 4 Texas, the Gulf of Mexico, Alaska, the Powder River Basin, Utah, Colorado, and the Marcellus 5 Shale Formation. Anadarko operates fossil fuel product production and exploration activities internationally in Algeria, Ghana, Mozambique, and Columbia, among others. Anadarko 6 Petroleum Corporation is registered to do business in California and has designated an agent for 7 service of process in California. 8

9 b. Anadarko is a successor-in-interest to HS Resources Inc. ("HS"). HS was an energy company headquartered in San Francisco, San Francisco County, California. It owned 10 11 natural gas reserves in Colorado, North Dakota, South Dakota, Montana, and along the coasts of Texas and Louisiana, which it extracted and imported to California. HS was acquired by Kerr-12 McGee Corporation in 2001. Kerr-McGee was an energy exploration and production company 13 14 owning oil and natural gas rights in the Gulf of Mexico, Colorado, and Utah, with its corporate headquarters in Oklahoma. Anadarko Petroleum Corporation acquired Kerr-McGee Corporation 15 in 2006. 16

17

37. Occidental Entities: Occidental Petroleum Corporation and Occidental **Chemical Corporation** 18

19 a. Occidental Petroleum Corporation is a multinational, vertically integrated energy and chemical company incorporated in the State of Delaware and with its 20 principal place of business in Houston, Texas. Occidental's operations consist of three segments: 21 22 Occidental's operations consist of three segments: (1) the exploration for, extraction of, and 23 production of oil and natural gas products; (2) the manufacture and marketing of chemicals and 24 vinyls; and (3) processing, transport, storage, purchase, and marketing of oil, natural gas, and 25 power. Occidental Petroleum Corporation is registered to do business in the State of California 26 and has designated an agent for service of process in the State of California.

b. 27 Occidental Chemical Corporation, a manufacturer and marketer of petrochemicals, such as polyvinyl chloride resins, is a wholly owned subsidiary of Occidental 28

Petroleum Corporation. Occidental Chemical Corporation is registered to do business in the State
 of California and has designated an agent for service of process in the State of California.

- 3 c. Defendants Occidental Petroleum Corporation and Occidental Chemical
 4 Corporation are collectively referred to as "Occidental."
- d. Occidental does substantial fossil fuel product-related business in the State
 of California, and a substantial portion of its fossil fuel products are extracted, refined,
 transported, traded, distributed, marketed and/or sold in California. For instance, Occidental
 extracted and transported its fossil fuel products from approximately 30,900 drilling locations
 within the San Joaquin, Los Angeles, Ventura, and Sacramento Basins in California.

In addition, Occidental conducts has conducted substantial activities in the 10 e. 11 state, including marketing and promotion; efforts to avoid or minimize regulation of greenhouse gas pollution in and from California; and efforts to influence statutory and regulatory debate 12 regarding fossil fuel consumption, electric power distribution, and greenhouse gas pollution 13 14 policies such that the exercise of jurisdiction comports with traditional notions of fair play and substantial justice. Since 1999, Occidental Petroleum Corp. and its subsidiaries have reported 15 16 more than \$4.6 million in lobbying expenditures directed at numerous statutory and regulatory proposals before the California legislature and executive agencies, including the California 17 Energy Commission, California Air Resources Board, and California Public Utilities 18 19 Commission, related to its fossil fuel products business.

20

21

38. <u>Repsol Entities:</u> Repsol S.A., Repsol Energy North America Corporation, and Repsol Trading USA Corporation

a. Repsol S.A. is a vertically integrated, multinational global energy
company, incorporated in the Kingdom of Spain, with its principal place of business in Madrid,
Spain. Repsol is involved in multiple aspects of the fossil fuel industry, including exploration,
production, marketing, and trading. Repsol engages in significant fossil fuel exploration and
production activities in the United States, including in the Gulf of Mexico, the Marcellus Shale
in Pennsylvania, the Eagle Ford Shale in South Texas, the Mississippi Lime in Oklahoma and
Kansas, the North Slope in Alaska, and the Trenton-Black River in New York

FIRST AMENDED COMPLAINT

b. Repsol does substantial fossil fuel product-related business in the State of 1 2 California, and a substantial portion of its fossil fuel products are extracted, refined, transported, 3 traded, distributed, marketed and/or sold in California. For instance, Repsol subsidiary Repsol 4 Energy North America Corporation, incorporated in the State of Texas and with its principal place of business in The Woodlands, Texas, is listed as a natural gas procurement, storage, 5 transportation, scheduling, and risk management provider by Pacific Gas and Electric, a 6 California utility. Repsol Energy North America Corporation is registered to do business in 7 8 California and has designated an agent for service of process in California. Repsol subsidiary 9 Repsol Trading USA Corporation, incorporated in the State of Texas and with its principal place of business in The Woodlands, Texas, is also registered do business in California and has 10 11 designated an agent for service of process in California. Additionally, Repsol represents on its website that it is engaging in strategic opportunities involving its fossil fuel products in 12 California, which may consist of crude oil, gasoline, diesel, and/or jet fuel. 13

14

15

39. <u>Marathon Entities</u>: Marathon Oil Company, Marathon Oil Corporation, and Marathon Petroleum Corporation

a. Marathon Oil Company is an energy company incorporated in the State
of Ohio and with its principal place of business in Houston, Texas. Marathon Oil Company is
registered to do business in California and has designated an agent for service of process in
California. Marathon Oil Company is a corporate ancestor of Marathon Oil Corporation and
Marathon Petroleum Company.

b. Marathon Oil Company is a successor-in-interest to Husky Oil Ltd.
("Husky"), which it acquired in 1984. During times relevant to this Complaint, Husky operated
oil production facilities near Santa Maria (Santa Barbara County), California, where it produced
nearly 1,100 barrels per day. During the period relevant to this litigation, Husky did substantial
fossil fuel product-related business in California.

26 c. Marathon Oil Corporation is a multinational energy company
27 incorporated in the State of Delaware and with its principal place of business in Houston, Texas.

28

Marathon Oil Corporation consists of multiple subsidiaries and affiliates involved in the
 exploration for, extraction, production, and marketing of fossil fuel products.

d. Marathon Petroleum Corporation is a multinational energy company
incorporated in Delaware and with its principal place of business in Findlay, Ohio. Marathon
Petroleum Corporation was spun off from the operations of Marathon Oil Corporation in 2011. It
consists of multiple subsidiaries and affiliates involved in fossil fuel product refining, marketing,
retail, and transport, including both petroleum and natural gas products.

8 e. Defendants Marathon Oil Company, Marathon Oil Corporation, and
9 Marathon Petroleum Corporation are collectively referred to as "Marathon."

f. Marathon has purposefully directed its tortious conduct toward California 10 11 by distributing, marketing, advertising, promoting, and supplying its fossil fuel products in 12 California, with knowledge that the intended use of those products for combustion has caused and will continue to cause climate change-related harms in the County of Santa Cruz, including 13 14 Plaintiffs' injuries. That conduct was purposefully directed to reach the County of Santa Cruz and obscure the dangers of Marathon's fossil fuel products from the County of Santa Cruz and its 15 16 residents such that the use of Marathon's fossil fuel products in the County of Santa Cruz would not decline. 17

18

40. Hess Corporation ("Hess")

a. Hess is a global, vertically integrated petroleum exploration and extraction
company incorporated in the State of Delaware with its headquarters and principal place of
business in New York, New York.

b. Hess is engaged in the exploration, development, production,
transportation, purchase, marketing and sale of crude oil and natural gas. Its oil and gas
production operations are located primarily in the United States, Denmark, Equatorial Guinea,
Malaysia, Thailand, and Norway. Prior to 2014, Hess also conducted extensive retail operations
in its own name and through subsidiaries. Hess owned and operated more than 1,000 gas stations
throughout the United States, including in California during times relevant to this complaint.

SHER

EDLING LLP

28

Prior to 2013, Hess also operated oil refineries in the continental United States and U.S.
 Virgin Islands.

3 c. Hess has purposefully directed its tortious conduct toward California by 4 distributing, marketing, advertising, promoting, and supplying its fossil fuel products in 5 California, with knowledge that the intended use of those products for combustion has caused and will continue to cause climate change-related harms in the County of Santa Cruz, including 6 Plaintiffs' injuries. That conduct was purposefully directed to reach the County of Santa Cruz 7 8 and obscure the dangers of Hess's fossil fuel products from the County of Santa Cruz and its 9 residents such that the use of Hess's fossil fuel products in the County of Santa Cruz would not decline. 10

11 41. <u>Devon Energy Entities</u>: Devon Energy Corporation and Devon Energy 12 Production Company, L.P.

a. Devon Energy Corp. is an independent energy company engaged in the
exploration, development, and production of oil, and natural gas. It is incorporated in the State of
Delaware and maintains its principal place of business in Oklahoma City, Oklahoma. Devon is
engaged in multiple aspects of the fossil fuel industry, including exploration, development,
production, and marketing of its fossil fuel products.

b. Devon Energy Production Company, L.P. is a Devon subsidiary
registered to do business in the State of California and with a designated agent for service of
process in California. Devon Energy does substantial fossil fuel product-related business in
California.

c. Devon Energy Corp. is a successor-in-interest to the Pauley Petroleum
Company ("Pauley"). At times relevant to this complaint, Pauley did substantial fossil-fuel
related business in California. Specifically, this included owning and operating a petroleum
refinery in Newhall (Los Angeles County), California from 1959 to 1989, and a refinery in
Wilmington (Los Angeles, Los Angeles County), California from 1988 to 1992. Pauley merged
with Hondo Oil and Gas Co. ("Hondo") in 1987. Subsequently, Devon Energy Corp. acquired
Hondo in 1992.

FIRST AMENDED COMPLAINT

d. Defendants Devon Energy Production Company, L.P. and Devon Energy
 Corp. are collectively referred to as "Devon."

3

42. Encana Corporation ("Encana")

a. Encana is a Canadian corporation with its principal place of business in
Calgary, Alberta, Canada. Encana is an extractor and marketer of oil and natural gas and has
facilities including gas plants and gas wells in Colorado, Texas, Wyoming, Louisiana, and
New Mexico. By approximately 2005, Encana was the largest independent owner and operator
of natural gas storage facilities in North America.

b. Encana has done and continues to do substantial fossil fuel product-related
business in California. Between 1997 and 2006, Encana owned and operated the Wild Goose
Storage underground natural gas storage facility in Butte County, California. In 2003, Encana
began transporting natural gas through a 25-mile pipeline from the Wild Goose Station to a
Pacific Gas & Electric Co. ("PG&E") compressor station in Colusa County, where gas entered
the main PG&E pipeline. Encana invested in a 100 billion cubic foot expansion of the facility in
2004, bringing gas storage capacity at Wild Goose to 24 billion cubic feet.

16

43. Apache Corporation ("Apache")

a. Apache is a publicly traded Delaware corporation with its principal place
of business in Houston, Texas. Apache is an oil and gas exploration and production company,
with crude oil and natural gas exploration and extraction operations in the United States, Canada,
Egypt, and in the North Sea.

b. During the time at issue, Apache extracted natural gas from wells
developed on approximately seven million acres of land held in the Canadian provinces of
British Columbia, Alberta, and Saskatchewan, and Apache did substantial fossil fuel productrelated business in California. Apache transported a substantial volume of the natural gas
extracted from its Canadian holdings to California, where it sold that gas to electric utilities, endusers, other fossil fuel companies, supply aggregators, and other fossil fuel marketers. Apache
directed sales of its natural gas to California in addition to markets in Washington state, Chicago,

and western Canada, to intentionally retain a diverse customer base and maximize profits from
 the differential price rates and demand levels in those respective markets.

3

C. <u>Doe Defendants</u>

4 44. The true names and capacities, whether individual, corporate, associate, or
5 otherwise of Defendants Does 1 through 100, inclusive, are unknown to Plaintiffs, who therefore
6 sue said Defendants by such fictitious names pursuant to California Code of Civil Procedure
7 Section 474. Plaintiffs are informed and believe, and on that basis allege, that each of the
8 fictitiously named Defendants is responsible in some manner for the acts and occurrences herein
9 alleged, and that Plaintiffs' damages were caused by such Defendants.

10

D. <u>Relevant Non-Parties: Defendants' Agents and Front Groups</u>

45. As detailed below, each Defendant had actual knowledge, or should have known,
that its fossil fuel products were hazardous because the intended use of the fossil fuel products
for combustion would substantially contribute to climate change and result in harms to Plaintiffs.
Defendants obtained knowledge of the hazards of their products independently and through their
membership and involvement in trade associations.

16 46. Defendants employed, financed, and participated in several industry-created front 17 groups to serve their mission of flooding the markets with climate change disinformation and 18 denialism. These organizations, acting on behalf of and under Defendants' supervision and 19 control, assisted the deception campaign by implementing public advertising and outreach 20 campaigns to discredit climate science, as well as funding scientists to cast doubt upon climate 21 science and upon the extent to which climate change is caused by human activity. In sum, 22 Defendants, through their front groups, engaged in a significant marketing campaign that 23 misrepresented and concealed the dangers of their fossil fuel products with the aim of protecting 24 or enhancing sales of these products to consumers, including consumers in California. 25 Defendants actively supervised, facilitated, consented to, and/or directly participated in the 26 misleading messaging of these front groups, from which Defendants profited significantly, 27 including in the form of increased sales in California.

SHER EDLING LLP

1

47.

The American Petroleum Institute (API)

a. API is a national trade association representing the oil and gas industry,
formed in 1919. With more than 600 members, API is the country's largest oil trade association.
API's purpose is to advance its members' collective business interests, which includes increasing
consumer consumption of oil and gas for the financial profit of Defendants and other oil and gas
companies. Among other functions, API also coordinates members of the petroleum industry,
gathers information of interest to the industry, and disseminates that information to its members.

8 b. Acting on behalf of and under the supervision and control of Defendants, 9 API has, since at least 1988, participated in and led several coalitions, front groups, and organizations that have promoted disinformation about the climate impacts of fossil fuel products 10 11 to consumers—including, but not limited to, the Global Climate Coalition, Partnership for a Better Energy Future, Coalition for American Jobs, Alliance for Energy and Economic Growth, 12 and Alliance for Climate Strategies. These front groups were formed to promote climate 13 14 disinformation and advocacy from a purportedly objective source, when in fact these groups were financed and controlled by Defendants and other oil and gas companies. Defendants have 15 16 benefited from the spread of this disinformation because, among other things, it has ensured a thriving consumer market for oil and gas, resulting in substantial profits for Defendants. In 17 effect, API acts and has acted as a marketing arm for its member companies, including 18 19 Defendants. Over the last several decades, API has spent millions of dollars on television, newspaper, radio, social media, and internet advertisements in the California market. 20

Member companies participate in API strategy, governance, and operation 21 c. 22 through their membership dues and by contributing company officers and other personnel to API 23 boards, committees, and task forces. Defendants have collectively steered the policies and trade 24 practices of API through membership, Executive Committee roles, and/or providing budgetary 25 funding for API. Defendants have used their control over and involvement in API to develop and execute a long-term advertising and communications campaign centered on climate change 26 27 denialism. The goal of the campaign was to influence consumer demand for Defendants' fossil fuel products. Defendants directly controlled, supervised, and participated in API's misleading 28

messaging regarding climate change. That conduct directly impacted California, as Defendants
 worked with API to create and disseminate misleading advertisements that promote consumption
 of fossil fuel products in California.

d. The following Defendants and/or their predecessors in interest are and/or 4 have been API members at times relevant to this litigation: Chevron, ExxonMobil, Shell, BP, 5 ConocoPhillips, Anadarko, Occidental, Repsol, CITGO, Hess, Marathon, EnCana, and Apache. 6 Each of these Defendants consistently holds API leadership positions, participates in API 7 8 committees and task forces formed to address climate change issues, makes decisions that 9 determine API's conduct, and works with other Defendants to achieve these ends. Their control of and leadership roles in API are longstanding, deeply rooted, and continuous throughout 10 11 relevant time periods.

For example, Defendants served as corporate officers of API in the 12 e. relevant time period, including executives from Exxon, Shell, Chevron, ConocoPhillips, 13 14 Marathon, Hess and BP serving as API Board Chairman and on the Board's Executive Committee. Exxon's CEO served on API's Executive Committee, including as President and 15 Chairman, for 21 of the 29 years between 1991 and 2020.¹⁴ Multiple high-level executives from 16 Exxon, such as Presidents, Vice Presidents, CEOs, COOs, and Chairmans, served on API's 17 Board in each year between 1994-2002. BP's CEO served as API Chairman in 1988, 1989, and 18 1998. Multiple high-level executives from BP served on API's Board of Directors between 1994-19 20 2002. The Chairman and CEO of BP's predecessor ARCO served as API treasurer in 1998 and Chairman in 1999. Chevron's CEO served as API Chairman in 1994, 1995, 1997, 1998, 2003, 21 and 2012. In 2002, Chevron's CEO served as API treasurer. Chairman and CEO of Chevron's 22 predecessor Texaco served as API Board Chairman in 2001, and as treasurer in 1999. Multiple 23 high-level executives from Chevron served on API's Board of Directors in each year between 24 25 1994-2002. Shell's President served as API treasurer in 1997 and sat on the Board's executive 26

- 27
- 28

¹⁴ 1991, 1996-1997, 2001, 2002, 2003, 2005-2016, 2018-2020.

committee from at least 2005-2006. Multiple high-level Shell executives served on API's Board 1 of Directors between 1994-2002. ConocoPhillips Chairman and CEO was API Chairman from 2 3 2016-2018, and currently serves on API's executive committee. In 2020, API elected Phillips 66 4 Chairman and CEO to serve a two-year term as its Board President, and Phillips 66's current President and CEO is on the API Board's executive committee. Multiple high-level 5 ConocoPhillips executives served on API's Board of Directors between 1994-2002. Marathon or 6 its predecessors' CEOs served on the API Board's executive committee across multiple decades, 7 8 for example Marathon's then-CEO was Treasurer and testified to Congress on behalf of API in 9 1994. Multiple high-level executives from Marathon served on API's Board of Directors between 1994-2002. Multiple CITGO high-level executives served on API's Board of Directors 10 11 between 1995 to 2002. Hess high-level executives served on API's Board of Directors in 1994 and 1995; and Hess' CEO currently serves on the API Board's Executive Committee and served 12 on API's Board of Directors from at least 2015 to 2021. Multiple high-level executives from 13 14 Occidental served on API's Board of Directors between 1994-2002. Anadarko or its predecessors' high-level executives served on API's Board of Directors between 1994-2002. 15 16 Anadarko's then-President and COO served on API's executive committee as treasurer in 2001.

f. Relevant information was shared among API and Defendants and 17 18 Defendants' predecessors-in-interest through the following: (1) API's distribution of information 19 to its members, and/or (2) participation of Defendants' officers and other personnel, and those of 20 Defendants' predecessors-in-interest, on API boards, committees, and task forces. This includes representatives of Exxon, Chevron, BP, Shell, and ConocoPhillips sitting on both API's 21 22 Committee for Air and Water Conservation and a special advisory group to API's Committee for 23 Public Affairs, which worked together to develop research reports on air emissions and other 24 environmental topics. Different representatives of Exxon, Chevron, BP, Shell, ConocoPhillips, 25 and Marathon rotated in and out of these positions throughout the time periods discussed in this complaint. Representatives from Marathon sat on the Executive Committee to API's Engineering 26 and Technical Research Committee and on the Committee for Air and Water Conservation. 27 Representatives from Chevron and Exxon chaired API's Engineering and Technical Research 28

Committee, and representatives from BP and Exxon chaired API's Health and Biological
 Research Committee, also developing research documents. Different representatives of Exxon,
 Chevron, BP, Shell and ConocoPhillips rotated in and out of these positions throughout the time
 periods discussed in this complaint.¹⁵

- 5 48. <u>The Information Council for the Environment (ICE)</u> was formed by coal
 6 companies and their allies, including Western Fuels Association and the National Coal
 7 Association. Associated companies included Pittsburg and Midway Coal Mining (Chevron).¹⁶
- 49. 8 The Global Climate Coalition (GCC) was an industry group formed to preserve 9 and expand consumer demand for fossil fuels by publicly casting doubt on climate science and opposing greenhouse gas emission reduction initiatives. The GCC was founded in 1989 in 10 11 reaction to the first meeting of the Intergovernmental Panel on Climate Change (IPCC), the United Nations body for assessing the science related to climate change, and to NASA scientist 12 James Hansen's presentation to the Senate Committee on Energy and Natural Resources, in 13 14 which Hansen emphasized that climate change was already happening and would lead to dire consequences if left unaddressed. The GCC disbanded in or around 2001. Founding members 15 included API, Shell Oil Company (currently, Shell); Texaco, Inc. (currently, Chevron); Amoco 16 (currently, BP); ARCO (owned by BP at the time); and Phillips Petroleum Company (currently, 17 ConocoPhillips). GCC board membership during its existence included high-level executives 18 19 from these founding members as well as Chevron, Exxon, and Mobil (Exxon). Tom Lambrix, 20 director of government relations for Phillips Petroleum, was the first chairman of the GCC. Exxon was also a corporate member of the GCC over the course of the GCC's existence. The 21 GCC Board of Directors was composed of high-level executives from the fossil fuel industry: in 22
- 23

- ¹⁵ American Petroleum Institute, Comm. for Air and Water Conservation & Comm. On Public Affairs, <u>Environmental Research: A Status Report</u> (1972) (listing members of relevant committees and their fossil fuel company affiliations), https://files.eric.ed.gov/fulltext/ED066339.pdf.
- 27 ¹⁶ Hereinafter, parenthetical references to Defendants indicate corporate ancestry and/or affiliation.

1994, for instance, the GCC Board was composed of executives from API, Exxon, Phillips 1 Petroleum Company (ConocoPhillips), and Texaco (Chevron).¹⁷ In 1995, GCC's Board of 2 Directors included high-level executives from Texaco (Chevron), American Petroleum Institute, 3 ARCO, and Phillips Petroleum Company.¹⁸ 4

III. 5 AGENCY

6

50. At all times herein mentioned, each of the Defendants was the agent, servant, 7 partner, aider and abettor, co-conspirator, and/or joint venturer of each of the remaining 8 Defendants herein and was at all times operating and acting within the purpose and scope of said 9 agency, service, employment, partnership, conspiracy, and joint venture and rendered substantial assistance and encouragement to the other Defendants, knowing that their conduct was wrongful 10 11 and/or constituted a breach of duty.

12

IV. JURISDICTION AND VENUE

51. This Court's personal jurisdiction over Defendants named herein is proper 13 14 because each Defendant maintains substantial contacts with California by and through their fossil fuel business operations in this state, as described above, and because Plaintiffs' injuries 15 described herein arose out of and relate to those operations and occurred in California. Each 16 Defendant purposefully availed itself of the California market, and thus of the benefits of the 17 laws of the State, during all times relevant to this Complaint, so as to render California courts' 18 19 exercise of jurisdiction over each Defendant consistent with traditional notions of fair play and 20 substantial justice. Each Defendant researched, developed, manufactured, designed, marketed, distributed, released, promoted, and/or otherwise sold its fossil fuel products in markets around 21 the United States, including within California. 22

- 23
- 24

25 ¹⁷ 1994 GCC Board Member List and Background Information, Climate Investigations Center, https://www.climatefiles.com/denial-groups/global-climate-coalition-collection/1994-board-26 member-list-general-info/.

¹⁸ 1995 GCC IRS 1024 and Attachments, Climate Investigations Center (1995), 27 https://www.documentcloud.org/documents/5798254-GCC-IRS-1023#document/p17 28

52. Additionally, jurisdiction is proper over each non-resident Defendant for the
 following reasons:

3 With respect to its subsidiaries, each non-resident Defendant controls and a. 4 has controlled its direct and indirect subsidiaries' decisions about the quantity and extent of its 5 fossil fuel production and sales; determines whether and to what extent to market, produce, and/or distribute its fossil fuel products; and controls and has controlled its direct and indirect 6 subsidiaries' decisions related to its marketing and advertising, specifically communications 7 8 strategies concerning climate change and the link between fossil fuel use and impacts on the 9 environment. Each subsidiary Defendant is the agent of its parent Defendant. As agents, the subsidiaries of each non-resident Defendant conducted activities in California at the direction 10 11 and for the benefit of its parent company. Specifically, the subsidiaries furthered each parent company's campaign of deception and denial through misrepresentations, omissions, and 12 affirmative promotion of the company's fossil fuel products as safe with knowledge of the 13 14 climate change-related harms that would result from the intended use of those products, all of which resulted in climate change-related injuries in the County of Santa Cruz and increased sales 15 16 to the parent company. The subsidiaries' jurisdictional activities are properly attributed to each parent company and serve as a basis to assert jurisdiction over each of the non-resident 17 Defendant parent companies. 18

b. Through their various agreements with dealers, franchises, or otherwise,
the Defendants direct and control the branding, marketing, sales, promotions, image
development, signage, and advertising of their branded fossil fuel products at their respectively
branded gas stations in California, including point-of-sale advertising and marketing. The
Defendants dictate which grades and formulations of their gasoline may be sold at their
respectively branded stations.

c. Defendants, in coordination with API and other organizations, conspired
to conceal and misrepresent the known dangers of burning fossil fuels, to knowingly withhold
material information regarding the consequences of using fossil fuel products, to spread
knowingly false and misleading information to the public regarding the weight of climate science

research, and to promote their fossil fuel products which they knew were harmful. Through their 1 own actions and through their membership and participation in climate denialist front groups, 2 3 API and each Defendant were and are members of that conspiracy. Defendants committed 4 substantial acts to further the conspiracy in California by making misrepresentations and 5 misleading omissions to California consumers about the existence, causes, and effects of global warming; by affirmatively promoting the Defendants' fossil fuel products as safe, with 6 knowledge of the disastrous impacts that would result from the intended use of those products; 7 8 and by failing to warn California consumers about the disastrous impacts of fossil fuel use. A 9 substantial effect of the conspiracy has also and will also occur in the County of Santa Cruz, as the County and its residents have suffered and will suffer injuries from Defendants' wrongful 10 11 conduct, including but not limited to the following: sea level rise, massive storms, flooding, extreme heat, reduced air quality, and other social and economic consequences of these 12 environmental changes. Defendants knew or should have known based on information provided 13 14 to them from their internal research divisions, affiliates, trade associations, and industry groups that their actions in California and elsewhere would result in these injuries in and to the County 15 16 of Santa Cruz and its residents. Finally, the climate effects described herein are direct and foreseeable results of Defendants' conduct in furtherance of the conspiracy. 17

18

53. The Superior Court of California for Santa Cruz County is a court of general 19 jurisdiction and therefore has subject matter jurisdiction over this action.

54. 20 Venue is proper in Santa Cruz County pursuant to Code of Civil Procedure sections 395 and 395.5 because the injury giving rise to the County's claims occurred in Santa 21 22 Cruz County. Defendants have contributed to the creation of a public nuisance in the County of 23 Santa Cruz, and the Santa Cruz County Counsel has the right and authority to seek abatement of 24 that nuisance on behalf of the People of the State of California. Injuries the County of Santa Cruz 25 has suffered personally have also occurred within Santa Cruz County.

55. 26 Additionally, venue is also proper in San Francisco County for pre-trial purposes pursuant to the February 5, 2024 order from Judge Treat in Contra Costa Superior Court and the 27

SHER EDLING LLP

February 9, 2024 order from the Judicial Council of California. Those orders coordinated this
 and other actions into JCCP 5310, Fuel Industry Climate Cases, in San Francisco County.

- V. <u>FACTUAL BACKGROUND</u>
- 4

5

3

A. Global Warming—Observed Effects and Known Cause

56. The Earth is warming at a rate unprecedented in human history.

57. The Earth's atmosphere is warming, sea level is rising, snow and ice cover is 6 7 diminishing, oceans are warming and acidifying, and hydrologic systems have been altered, 8 among other rapidly accelerating changes to our climate. These changes are directly harming 9 people's health, lives, lifestyles, and livelihoods, including in the County of Santa Cruz. According to the IPCC, the evidence that humans are causing this warming of the Earth is 10 unequivocal.¹⁹ Greenhouse gas emissions caused by human activities are the most significant 11 driver of climate change.²⁰ Over the past couple of decades, those emission rates have exceeded 12 those predicted under previous "worst case" global emissions scenarios. 13

14 58. Greenhouse gases are largely byproducts of human combustion of fossil fuels to
15 produce energy and use of fossil fuels to create petrochemical products. While there are several
16 greenhouse gases contributing to climate change, CO₂ is the primary greenhouse gas emitted as a
17 result of human activities.

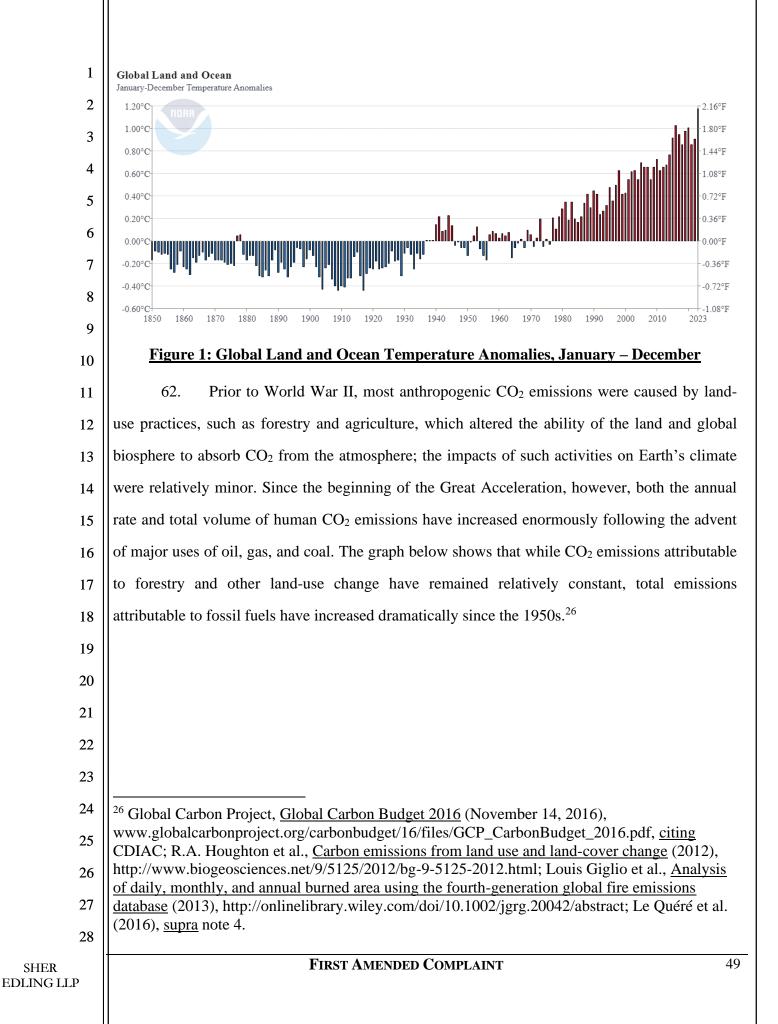
18 59. Atmospheric and ocean temperatures have both increased substantially since the
19 beginning of the global industrial revolution, and the rate of warming has also dramatically
20 increased since the end of World War II.

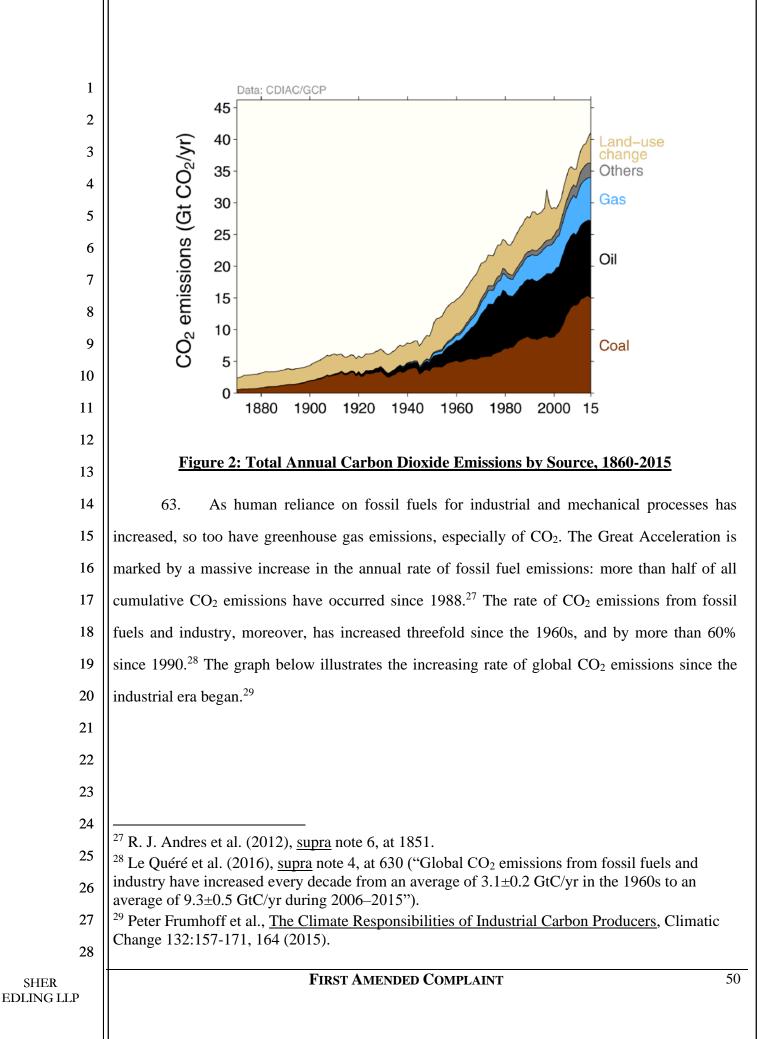
21 60. In the geological short term, ocean and land surface temperatures have increased
22 at a rapid pace during the late 20th and early 21st centuries:

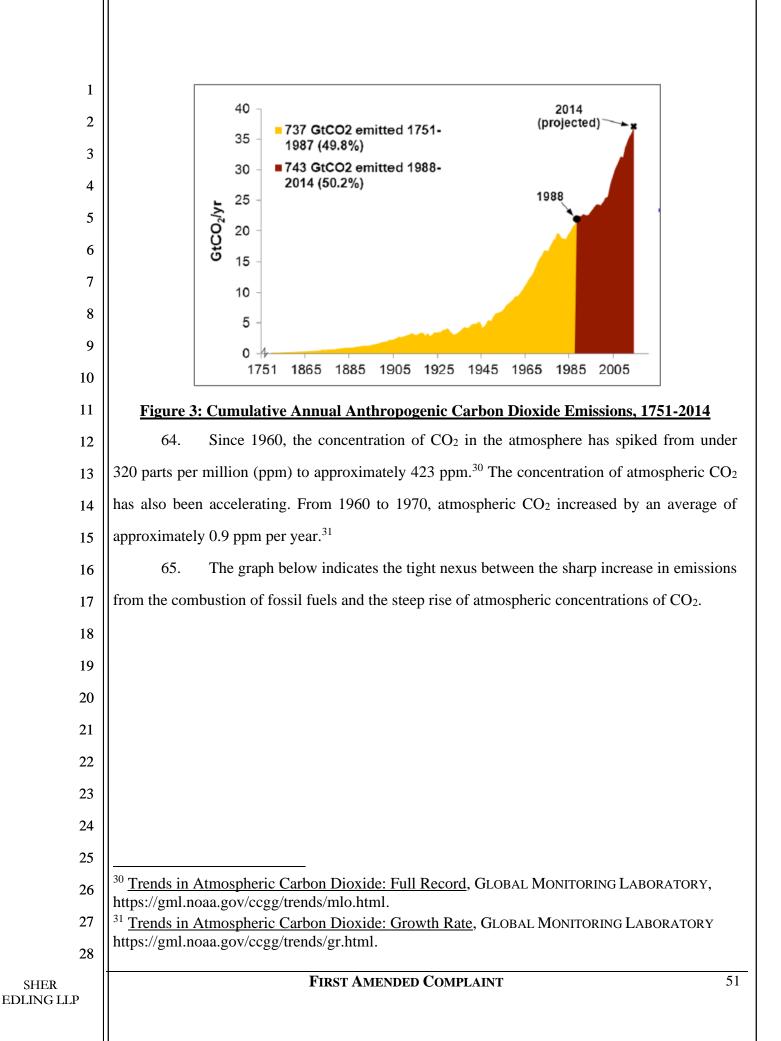
- a. 2023 was the hottest year on record by globally averaged surface
 temperatures, exceeding mid-20th century mean ocean and land surface temperatures by
 ¹⁹ Climate Change 2021: The Physical Science Basis, The Intergovernmental Panel on Climate
- 26 Climate Change 2021: The Physical Science Basis, The Intergovernmental Panel on Climate Change, at v, 4, 41, 63, 150, 425, 506 (2021),
- 27 https://report.ipcc.ch/ar6/wg1/IPCC_AR6_WGI_FullReport.pdf. ²⁰ Id. at 41.

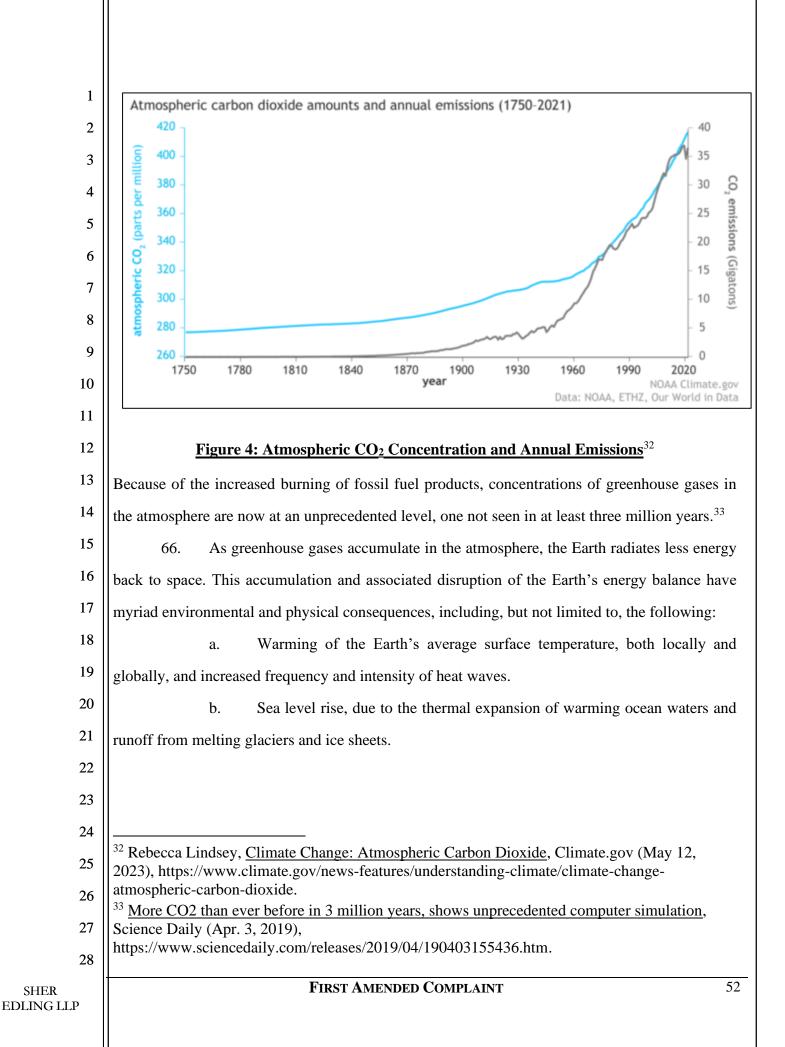
SHER EDLING LLP

1	approximately 2.12° F. Each month in 2023 was hotter by globally averaged surface
1	
2	temperatures than those respective months in any previous year. June, July, August, September,
3	October, November, and December 2023 were all the hottest average surface temperatures for
4	those months. ²¹
5	b. The second hottest year on record by globally averaged surface
6	temperatures was 2016, and the third hottest was 2020. ²²
7	c. The ten hottest years on record by globally averaged surface temperature
8	have all occurred since 2014. ²³
9	61. The average global surface and ocean temperature in 2023 was approximately
10	2.12° F warmer than the 20th century baseline, which is the greatest positive anomaly observed
11	since at least 1850. ²⁴ The increase in hotter temperatures and more frequent positive anomalies
12	during the Great Acceleration is occurring both globally and locally, including in the County of
13	Santa Cruz. The graph below shows the increase in global land and ocean temperature anomalies
14	since 1850, as measured against the 1901–2000 global average temperature. ²⁵
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	²¹ NOAA National Center for Environmental Information, NOAA, Annual 2023 Global Climate
25	Report (Jan. 2024), https://www.ncei.noaa.gov/access/monitoring/monthly-report/global/202313.
26	²³ <u>Id.</u>
27	²⁴ NOAA National Center for Environmental Information, NOAA, Annual 2023 Global Climate Report (Jan. 2024), https://www.ncei.noaa.gov/access/monitoring/monthly-report/global/202313.
28	25 See id.
SHER	FIRST AMENDED COMPLAINT 48
SHEK EDLING LLP	









c. Changes to the global climate generally, bringing about longer droughts
 and dry periods interspersed with fewer and more severe periods of precipitation, and associated
 impacts to the quantity and quality of water resources available to both human and ecological
 systems.

d. Increased frequency and intensity of extreme weather events due to
increases in evaporation, evapotranspiration, and precipitation, a consequence of the warming
atmosphere's increased ability to hold moisture.

8 e. Adverse impacts on human health associated with extreme weather,
9 extreme heat, worsening air quality, and vector-borne illnesses.

10 f. Flooding and inundation of land and infrastructure, increased erosion,
11 higher wave run-up and tides, increased frequency and severity of storm surges, saltwater
12 intrusion, and other impacts of higher sea levels.

13 g. Ocean acidification, primarily due to the increased uptake of atmospheric
14 carbon dioxide by the oceans.

h. Changes to terrestrial and marine ecosystems, and consequent impacts on
the populations and ranges of flora and fauna.

17 18

B. Defendants Went to Great Lengths to Understand, and Either Knew or Should Have Known the Dangers Associated With Their Fossil Fuel Products.

19 67. For decades, Defendants have known that their fossil fuel products pose risks of 20 "severe" and even "catastrophic" impacts on the global climate through the work and warnings 21 of their own scientists and/or through trade associations such as API. Defendants consistently 22 researched or funded research into significant issues relevant to fossil fuels, and were aware of 23 significant scientific reports on climate change science and impacts at the time they were issued. 24 Thus, Defendants developed a sophisticated understanding of climate change that far exceeded 25 the knowledge of the public, ordinary consumers, and Plaintiffs. Yet each Defendant decided to 26 continue its conduct and commit itself to massive fossil fuel promotion. This was a deliberate 27 decision to place company profits ahead of human safety and well-being, and to foist onto the 28 public the costs of abating and adapting to the public nuisance of global warming.

1	68. Although concealed at the time, the industry's knowledge was later uncovered by
2	journalists at Inside Climate News and the Los Angeles Times, among others. In 1954,
3	geochemist Harrison Brown and his colleagues at the California Institute of Technology wrote to
4	API, informing the trade association that preliminary measurements of natural archives of carbon
5	in tree rings indicated that fossil fuels had caused atmospheric carbon dioxide levels to increase
6	by about 5% since 1840. ³⁴ API provided those scientists funding for various research projects,
7	and measurements of carbon dioxide continued for at least one year and possibly longer,
8	although the results were never published or otherwise made available to the public. ³⁵ In 1957,
9	H.R. Brannon of Humble Oil Company (predecessor-in-interest to Exxon) measured an increase
10	in atmospheric carbon dioxide attributable to fossil fuels, similar to-and in agreement with-
11	that measured by Harrison Brown. ³⁶
12	69. In 1959, API organized a centennial celebration of the American oil industry at
13	Columbia University in New York City. ³⁷ High-level representatives of Defendants were in
14	attendance. One of the keynote speakers was nuclear physicist Edward Teller. Teller warned the
15	industry that "a temperature rise corresponding to a 10[%] increase in carbon dioxide will be
16	sufficient to melt the icecap and submerge [a]ll the coastal cities." Teller added that since "a
17	considerable percentage of the human race lives in coastal regions, I think that this chemical
18	contamination is more serious than most people tend to believe." ³⁸ Following his speech, Teller
19	was asked to "summarize briefly the danger from increased carbon dioxide content in the
20	
21	
22	³⁴ See Benjamin Franta, Early Oil Industry Knowledge of CO ₂ and Global Warming, 8 Nature
23	Climate Change 1024, 1024–25 (2018). ³⁵ <u>Id.</u>
24	³⁶ <u>Id.</u> ; H.R. Brannon, Jr. et al., <u>Radiocarbon Evidence on the Dilution of Atmospheric and</u> <u>Oceanic Carbon by Carbon from Fossil Fuels</u> , 38 Am. Geophysical Union Transactions 643,
25	644–46 (1957).
26	³⁷ <u>See</u> Allan Nevins & Robert G. Dunlop, <u>Energy and Man: A Symposium</u> (Appleton-Century-Crofts, N.Y. 1960). <u>See also</u> Franta (2018), <u>supra</u> note 34, at 1024–25.
27	³⁸ Edward Teller, <u>Energy Patterns of the Future</u> , in <u>Energy and Man: A Symposium</u> (1960), 53–72.
28	
SHER EDLING LLP	FIRST AMENDED COMPLAINT 54

atmosphere in this century." He responded that "there is a possibility the icecaps will start 1 2 melting and the level of the oceans will begin to rise."³⁹

3 70. In 1965, the president of API, Frank Ikard, relayed the findings of a recent report 4 to leaders of the fossil fuel industry at API's annual meeting, saying, "[o]ne of the most important predictions of the report is that carbon dioxide is being added to the earth's 5 atmosphere by the burning of coal, oil, and natural gas at such a rate that by the year 2000 the 6 heat balance will be so modified as possibly to cause marked changes in climate beyond local or 7 even national efforts," and quoting the report's finding that "the pollution from internal 8 9 combustion engines is so serious, and is growing so fast, that an alternative nonpolluting means of powering automobiles, buses, and trucks is likely to become a national necessity."⁴⁰ 10

71. Thus, by 1965, Defendants and their predecessors-in-interest were aware that the 11 scientific community had found that fossil fuel products, if used profligately, would cause global 12 warming by the end of the century, and that such global warming would have wide-ranging and 13 14 costly consequences.

72. By 1965, concern about the risks of anthropogenic greenhouse gas emissions 15 reached the highest level of the United States' scientific community. In that year, President 16 17 Lyndon B. Johnson's Science Advisory Committee Panel on Environmental Pollution reported that by the year 2000, anthropogenic CO_2 emissions would "modify the heat balance of the 18 atmosphere to such an extent that marked changes in climate . . . could occur."41 President 19 20 Johnson announced in a special message to Congress that "[t]his generation has altered the 21

³⁹ Id. at 70. 24

22

- ⁴⁰ Ikard, Meeting the Challenges of 1966, in Proceedings of the American Petroleum Institute 25 (1965) p.13, available at https://www.documentcloud.org/documents/5348130-1965- API-Proceedings. 26
- ⁴¹ President's Science Advisory Committee, Restoring the Quality of Our Environment: Report of the Environmental Pollution Panel, p. 9 (Nov. 1965), 27
- https://hdl.handle.net/2027/uc1.b4315678. 28

composition of the atmosphere on a global scale through . . . a steady increase in carbon dioxide
 from the burning of fossil fuels."⁴²

73. These statements from the Johnson Administration, at a minimum, put Defendants
on notice of the potentially substantial dangers to people, communities, and the planet associated
with use of their fossil fuel products. Moreover, Defendants had amassed a considerable body of
knowledge on the subject through their own independent efforts.

74. In 1968, API received a report from the Stanford Research Institute, which it had 7 hired to assess the state of research on environmental pollutants, including carbon dioxide.⁴³ The 8 9 assessment endorsed the findings of President Johnson's Scientific Advisory Council from three years prior, stating that carbon dioxide emissions were "almost certain" to produce "significant" 10 temperature increases by 2000, and that these emissions were almost certainly attributable to 11 fossil fuels. The report warned of "major changes in the earth's environment" and a "rise in sea 12 levels," and concluded: "there seems to be no doubt that the potential damage to our environment 13 14 could be severe." The scientists warned of "melting of the Antarctic ice cap" and informed API that "[p]ast and present studies of CO₂ are detailed and seem to explain adequately the present 15 state of CO₂ in the atmosphere." What was missing, the scientists said, was work on "air 16 pollution technology and . . . systems in which CO₂ emissions would be brought under control."⁴⁴ 17

18 75. In 1969, the Stanford Research Institute delivered a supplemental report on air
19 pollution to API, projecting with alarming particularity that atmospheric CO₂ concentrations
20 would reach 370 parts per million ("ppm") by 2000.⁴⁵ This projection turned out to almost exactly

- 21
- 22
- ²³
 ⁴² President Lyndon B. Johnson, <u>Special Message to Congress on Conservation and Restoration</u> of <u>Natural Beauty</u> (Feb. 8, 1965), http://acsc.lib.udel.edu/items/show/292.
- 25 ⁴³ Elmer Robinson & R.C. Robbins, <u>Sources, Abundance, and Fate of Gaseous Atmospheric</u> Pollutants, Stanford Rsch. Inst. (Feb. 1968),
- 26 https://www.smokeandfumes.org/documents/document16.
- 44 Id. at 108, 112.
- ⁴⁵ Elmer Robinson & R.C. Robbins, <u>Sources, Abundance, and Fate of Gaseous Atmospheric</u>
 <u>Pollutants Supplement</u>, Stanford Rsch. Inst. (June 1969).

1 match the actual CO₂ concentrations measured in 2000 of 369.64 ppm.⁴⁶ The report explicitly
2 connected the rise in CO₂ levels to the combustion of fossil fuels, finding it "unlikely that the
3 observed rise in atmospheric CO₂ has been due to changes in the biosphere."

4 76. By virtue of their membership and participation in API at that time, Defendants
5 received or should have received the Stanford Research Institute reports and were on notice of
6 their conclusions.

7 77. In 1969, Shell memorialized an ongoing 18-month project to collect ocean data
8 from oil platforms to develop and calibrate environmental forecasting theories related to
9 predicting wave, wind, storm, sea level, and current changes and trends.⁴⁷ Several Defendants
10 and/or their predecessors in interest participated in the project, including Esso Production
11 Research Company (Exxon), Mobil Research and Development Company (Exxon), Pan
12 American Petroleum Corporation (BP), Gulf Oil Corporation (Chevron), Texaco Inc. (Chevron),
13 and the Chevron Oil Field Research Company.

14 78. In 1972, API members, including Defendants, received a status report on all environmental research projects funded by API. The report summarized the 1968 SRI report 15 16 describing the impact of Defendants' fossil fuel products on the environment, including global warming and sea level rise. Industry participants who received this report include: American 17 Standard of Indiana (BP), Asiatic (Shell), Ashland (Marathon), Atlantic Richfield (BP), British 18 19 Petroleum (BP), Chevron Standard of California (Chevron), Cities Service (Citgo), Continental (ConocoPhillips), Dupont (former owner of Conoco), Esso Research (Exxon), Ethyl (formerly 20 21 affiliated with Esso, which was subsumed by Exxon), Getty (Lukoil/Exxon), Gulf (Chevron, 22 among others), Humble Standard of New Jersey (Exxon /Chevron/BP), Marathon, Mobil (Exxon), Pan American (BP), Phillips (ConocoPhillips), Shell, Standard of Ohio (BP), Texaco 23 24 (Chevron), Union (Chevron), Edison Electric Institute (representing electric utilities), 25

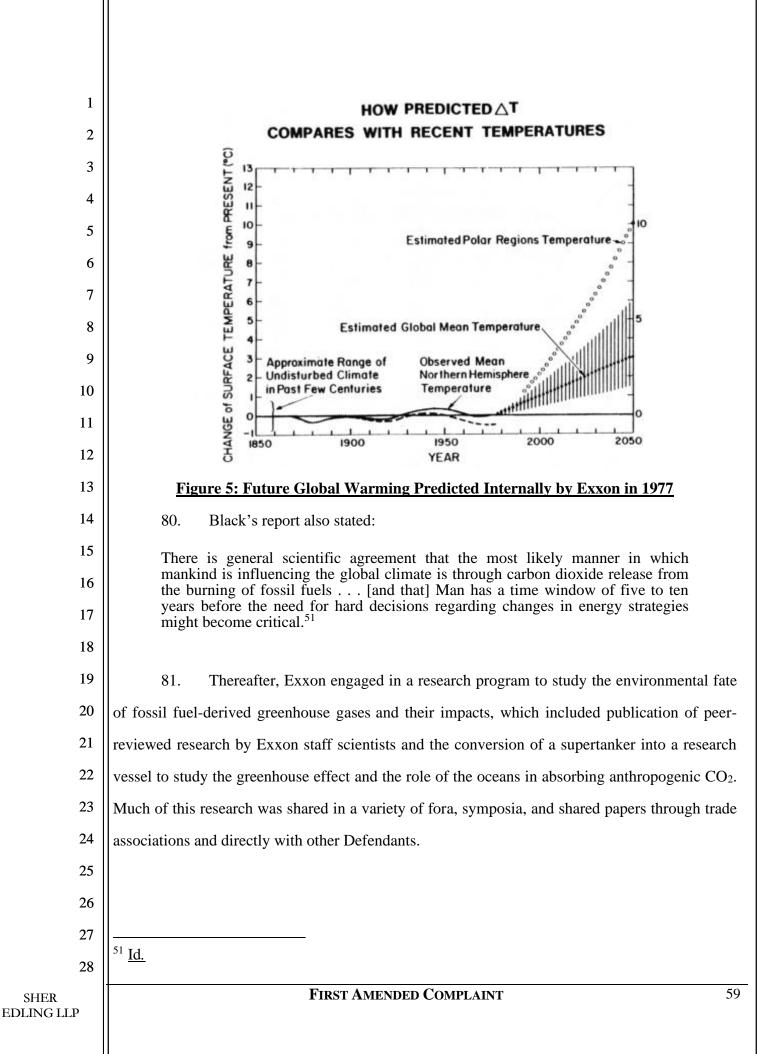
- 26 46 NASA Goddard Institute for Space Studies, <u>Global Mean CO2 Mixing Ratios (ppm):</u> <u>Observations</u>, https://data.giss.nasa.gov/modelforce/ghgases/Fig1A.ext.txt.
- ⁴⁷ M.M. Patterson, <u>An Ocean Data Gathering Program for the Gulf of Mexico</u>, Society of Petroleum Engineers (1969), https://www.onepetro.org/conference-paper/SPE-2638-MS.

Bituminous Coal Research (coal industry research group), Mid-Continent Oil & Gas Association
 (presently the U.S. Oil & Gas Association, a national trade association), Western Oil & Gas
 Association, National Petroleum Refiners Association (presently the American Fuel and
 Petrochemical Manufacturers Association, a national trade association), Champlin (Anadarko),
 Skelly (Lukoil/Exxon), Colonial Pipeline (ownership has included BP, Citgo, Exxon,
 ConocoPhillips, Chevron entities, among others) and Caltex (Chevron), among others.⁴⁸

79. In 1977, James Black of Exxon gave a presentation to Exxon executives on the 7 "greenhouse effect," which was summarized in an internal memo the following year. Black 8 reported that "current scientific opinion overwhelmingly favors attributing atmospheric carbon 9 dioxide increase to fossil fuel consumption," and that doubling atmospheric carbon dioxide 10 would, according to the best climate model available, "produce a mean temperature increase of 11 about 2°C to 3°C over most of the earth," with two to three times as much warming at the 12 poles.⁴⁹ Black reported that the impacts of global warming would include "more rainfall," which 13 14 would "benefit some areas and would harm others," and that "[s]ome countries would benefit, but others could have their agricultural output reduced or destroyed." "Even those nations which 15 are favored, however, would be damaged for a while since their agricultural and industrial 16 patterns have been established on the basis of the present climate." Finally, Black reported that 17 "[p]resent thinking holds that man has a time window of five to ten years before the need for 18 hard decisions regarding changes in energy strategies might become critical."50 The figure 19 below, reproduced from Black's memo, illustrates Exxon's understanding of the timescale and 20 magnitude of global warming that its products would cause. 21

- 22
- 23

⁴⁸ American Petroleum Institute, <u>Environmental Research, A Status Report</u>, Committee for Air and Water Conservation (January 1972), http://files.eric.ed.gov/fulltext/ED066339.pdf.
⁴⁹ J.F. Black, Exxon Research and Engineering Co., memorandum to F.G. Turpin, Exxon Research and Engineering Co. re The Greenhouse Effect (June 6, 1978), at 2, 23, available at https://www.documentcloud.org/documents/2805568-1978-Exxon-Presentation-on-GreenhouseEffect.
⁵⁰ Id. at 2.



82. Exxon scientists made the case internally for using company resources to build 1 2 corporate knowledge about the impacts of the promotion, marketing, and consumption of 3 Defendants' fossil fuel products. Exxon climate researcher Henry Shaw wrote in 1978: "The rationale for Exxon's involvement and commitment of funds and personnel is based on our need 4 to assess the possible impact of the greenhouse effect on Exxon business. Exxon must develop a 5 credible scientific team that can critically evaluate the information generated on the subject and 6 be able to carry bad news, if any, to the corporation."⁵² Shaw's internal memo to Exxon's John 7 W. Harrison reported that "[t]he climatic effects of carbon dioxide release may be the primary 8 limiting factor on energy production from fossil fuels[.]⁵³ Moreover, Shaw emphasized the need 9 to collaborate with universities and government to more completely understand what he called 10 the "CO₂ problem."⁵⁴ 11

12 83. In 1979, API and its members, including Defendants, convened a Task Force to monitor and share cutting edge climate research among the oil industry. The group was initially 13 14 called the CO₂ and Climate Task Force, but changed its name to the Climate and Energy Task Force in 1980 (hereinafter referred to as "API CO₂ Task Force"). API kept and distributed 15 meeting minutes to Task Force members. Membership included senior scientists and engineers 16 from nearly every major U.S. and multinational oil and gas company, including Exxon, Mobil 17 (Exxon), Amoco (BP), Phillips (ConocoPhillips), Texaco (Chevron), Shell, Sunoco, Sohio (BP) 18 19 as well as Standard Oil of California (Chevron) and Gulf Oil (Chevron, among others). The Task 20 Force was charged with assessing the implications of emerging science on the petroleum and gas industries and identifying where reductions in greenhouse gas emissions from Defendants' fossil 21 fuel products could be made.55 22

23

24 ⁵² Henry Shaw, <u>Memo to Edward David Jr. on the "Greenhouse Effect"</u>, Exxon Research and Engineering Company (Dec. 7, 1978).

- ²⁵ Henry Shaw, <u>Environmental Effects of Carbon Dioxide, Climate Investigations Ctr.</u> (Oct. 31, 1977), https://www.industrydocuments.ucsf.edu/docs/tpwl0228.
- ⁵⁴ <u>Id.</u>
- ²⁷
 ⁵⁵American Petroleum Institute, <u>AQ-9 Task Force Meeting Minutes</u> (March 18, 1980), http://insideclimatenews.org/sites/default/files/documents/AQ-

1	84. In 1979, API sent its members a background memo related to the API CO ₂ and
2	Climate Task Force's efforts, stating that CO ₂ concentrations were rising steadily in the
3	atmosphere, and predicting when the first clear effects of climate change might be felt. ⁵⁶
4	85. That same year, Exxon Research and Engineering reported that: "The most widely
5	held theory [about increasing CO ₂ concentration] is that the increase is due to fossil fuel
6	combustion, increasing CO ₂ concentration will cause a warming of the earth's surface, and the
7	present trend of fossil fuel consumption will cause dramatic environmental effects before the
8	year 2050." ⁵⁷ Further, the report stated that unless fossil fuel use was constrained, there would be
9	"noticeable temperature changes" associated with an increase in atmospheric CO ₂ from about
10	280 parts per million before the Industrial Revolution to 400 parts per million by the year 2010. ⁵⁸
11	Those projections proved remarkably accurate—atmospheric CO ₂ concentrations surpassed 400
12	parts per million in May 2013, for the first time in millions of years. ⁵⁹ In 2015, the annual
13	average CO ₂ concentration rose above 400 parts per million, and in 2016 the annual low
14	surpassed 400 parts per million, meaning atmospheric CO ₂ concentration remained above that
15	threshold all year. ⁶⁰ In 1980, API's CO ₂ Task Force members discussed the oil industry's
16	responsibility to reduce CO ₂ emissions by changing refining processes and developing fuels that
17	emit less CO ₂ .
18	
19	9%20Task%20Force%20Meeting%20%281980%29.pdf (AQ-9 refers to the "CO2 and Climate"
20	Task Force). ⁵⁶ Neela Banerjee, <u>Exxon's Oil Industry Peers Knew About Climate Dangers in the 1970s, Too</u> ,
21	Inside Climate News (December 22, 2015), https://insideclimatenews.org/news/22122015/exxon-mobil-oil-industry-peers-knew-about-
22	climate-change-dangers-1970s-american-petroleum-institute-api-shell-chevron-texaco.
23	⁵⁷ W.L. Ferrall, <u>Exxon Memo to R.L. Hirsch about "Controlling Atmospheric CO₂"</u> , Exxon Research and Engineering Company (October 16, 1979),
24	http://insideclimatenews.org/sites/default/files/documents/CO2%20and%20Fuel%20Use%20Projections.pdf.
25	⁵⁸ <u>Id.</u>
26	⁵⁹ Nicola Jones, <u>How the World Passed a Carbon Threshold and Why it Matters</u> , Yale Environment 360 (Jan. 26, 2017), http://e360.yale.edu/features/how-the-world-passed-a-carbon-
27	threshold-400ppm-and-why-it-matters.
28	⁶⁰ <u>Id.</u>

1	86. In or around February 29, 1980, Dr. John Laurmann, a "recognized expert in the
2	field of CO ₂ and climate," made a presentation to its members. ⁶¹ The meeting lasted for seven
3	hours and included a "complete technical discussion" of global warming caused by fossil fuels,
4	including "the scientific basis and technical evidence of CO2 buildup, impact on society,
5	methods of modeling and their consequences, uncertainties, policy implications, and conclusions
6	that can be drawn from present knowledge." His presentation identified the "scientific consensus
7	on the potential for large future climatic response to increased CO2 levels" as a reason for API
8	members to have concern with the "CO ₂ problem" and informed attendees that there was "strong
9	empirical evidence that rise [in CO ₂ concentration was] caused by anthropogenic release of CO ₂ ,
10	mainly from fossil fuel combustion." ⁶² Moreover, Dr. Laurmann warned that the amount of CO ₂
11	in the atmosphere could double by 2038, which he said would likely lead to a 2.5° C (4.5° F) rise
12	in global average temperatures with "major economic consequences." He then told the Task
13	Force that models showed a 5°C (9° F) rise by 2067, with "globally catastrophic effects." ⁶³ He
14	also suggested that, despite uncertainty, "THERE IS NO LEEWAY" in the time for acting. A
15	taskforce member and representative of Texaco leadership present at the meeting posited that the
16	API CO ₂ Task Force should develop ground rules for energy release of fuels and the cleanup of
17	fuels as they relate to CO ₂ creation. Attendees to the presentation also included scientists and
18	executives from API, Exxon, and SOHIO (a predecessor to BP), and the minutes of the meeting
19	were distributed to the entire Task Force. API minutes show that the Task Force discussed topics
20	including "the technical implications of energy source changeover," "ground rules for energy
21	release of fuels and the cleanup of fuels as they relate to CO ₂ creation," and researching "the
22	
23	⁶¹ J. J. Nelson, American Petroleum Institute, letter to AQ-9 Task Force re The CO ₂ Problem;
24	Addressing Research Agenda Development (Mar. 18, 1980) p.2,
25	https://www.industrydocuments.ucsf.edu/docs/gffl0228. ⁶² American Petroleum Institute, <u>AQ-9 Task Force Meeting Minutes</u> (March 18, 1980),
26	http://insideclimatenews.org/sites/default/files/documents/AQ- 9%20Task%20Force%20Meeting%20%281980%29.pdf (AQ-9 refers to the "CO ₂ and Climate"
27	Task Force).
28	⁶³ <u>Id.</u>
SHER EDLING LLP	FIRST AMENDED COMPLAINT 62

Market Penetration Requirements of Introducing a New Energy Source into World Wide Use."64 1 2 The Task Force even asked the question "what is the 50 year future of fossil fuels?"

3

87. In 1980, the API CO₂ Task Force also discussed a potential area for investigation: 4 alternative energy sources as a means of mitigating CO₂ emissions from Defendants' fossil fuel products. These efforts called for research and development to "Investigate the Market 5 Penetration Requirements of Introducing a New Energy Source into World Wide Use." Such 6 investigation was to include the technical implications of energy source changeover, research 7 timing, and requirements.⁶⁵ 8

By 1980, Exxon's senior leadership had become intimately familiar with the 9 88. greenhouse effect and the role of CO₂ in the atmosphere. In that year, Exxon Senior Vice 10 President and Board member George Piercy questioned Exxon researchers on the minutiae of the 11 ocean's role in absorbing atmospheric CO₂, including whether there was a net CO₂ flux out of 12 the ocean into the atmosphere in certain zones where upwelling of cold water to the surface 13 14 occurs, because Piercy evidently believed that the oceans could absorb and retain higher concentrations of CO₂ than the atmosphere.⁶⁶ This inquiry aligned with Exxon supertanker 15 research into whether the ocean would act as a significant CO₂ sink that would sequester 16 atmospheric CO₂ long enough to allow reckless emissions without triggering dire climatic 17 consequences. As described below, Exxon eventually scrapped this research before it produced 18 enough data from which to derive a conclusion.⁶⁷ 19

- ⁶⁴ I<u>d.</u> 22
- ⁶⁵ Id. 23
- ⁶⁶ Neela Banerjee, More Exxon Documents Show How Much It Knew About Climate 35 Years 24 Ago, Inside Climate News (Dec. 1, 2015),
- https://insideclimatenews.org/news/01122015/documents-exxons-early-co2-position-senior-25 executives-engage-and-warming-forecast.
- ⁶⁷ Neela Banerjee et al., Exxon Believed Deep Dive Into Climate Research Would Protect Its 26 Business, Inside Climate News (Sept. 17, 2015),
- https://insideclimatenews.org/news/16092015/exxon-believed-deep-dive-into-climate-research-27 would-protect-its-business. 28

1	89. Also in 1980, Imperial Oil (Exxon) reported to Esso and Exxon managers and
2	environmental staff that increases in fossil fuel usage aggravates CO ₂ in the atmosphere. Noting
3	that the United Nations was encouraging research into the carbon cycle, Imperial reported that
4	there was "no doubt" that fossil fuels were aggravating the build-up of CO ₂ in the atmosphere
5	and that "[t]echnology exists to remove CO2 from [fossil fuel power plant] stack gases but
6	removal of only 50% of the CO ₂ would double the cost of power generation." Imperial also
7	reported that its coordination department had been internally evaluating its and Exxon's products
8	to determine whether disclosure of a human health hazard was necessary. The report notes that
9	Section (8e) of Toxic Substances Control Act, 55 U.S.C. §§ 1601 et seq., requires that anyone
10	who discovers that a material or substance in commercial use is or may be a significant risk to
11	human health must report such findings to the Environmental Protection Agency within 15 days.
12	Although greenhouse gases are human health hazards (because they have serious consequences
13	in terms of global food production, disease virulence, and sanitation infrastructure, among other
14	impacts), neither Imperial, Exxon, nor any other Defendant has ever filed a disclosure with the
15	U.S. Environmental Protection Agency pursuant to the Toxic Substances Control Act.
16	90. Exxon scientist Roger Cohen warned his colleagues in a 1981 internal
17	memorandum that "future developments in global data gathering and analysis, along with

memorandum that "future developments in global data gathering and analysis, along with advances in climate modeling, may provide strong evidence for a delayed CO₂ effect of a truly substantial magnitude," and that under certain circumstances it would be "very likely that we will unambiguously recognize the threat by the year 2000."⁶⁸ Cohen had expressed concern that the memorandum mischaracterized potential effects of reckless CO₂ emissions from Defendants' fossil fuel products: ". . . it is distinctly possible that the . . . [Exxon Planning Division's]

- 24 25
- 26 ⁶⁸ Roger W. Cohen, <u>Exxon Memo to W. Glass about possible "catastrophic" effect of CO₂</u>, Exxon Inter-Office Correspondence (Aug. 18, 1981),
- 27 http://www.climatefiles.com/exxonmobil/1981-exxon-memo-on-possible-emissionconsequences-of-fossil-fuel-consumption/.

1	scenario will	produce effects which will indeed be catastrophic (at least for a substantial fraction
2	of the world's	s population)." ⁶⁹
3	91.	In 1981, Exxon's Henry Shaw, the company's lead climate researcher at the time,

4 prepared a summary of Exxon's current position on the greenhouse effect for Edward David Jr.,
5 president of Exxon Research and Engineering, stating in relevant part:

• "Atmospheric CO₂ will double in 100 years if fossil fuels grow at $1.4\%/a^2$.

- 3°C global average temperature rise and 10°C at poles if CO₂ doubles.
 - Major shifts in rainfall/agriculture

8

6

7

• Polar ice may melt"⁷⁰

9 92. In 1982, another report prepared for API by scientists at the Lamont-Doherty 10 Geological Observatory at Columbia University recognized that atmospheric CO₂ concentration 11 had risen significantly compared to the beginning of the industrial revolution from about 290 12 parts per million to about 340 parts per million in 1981 and acknowledged that despite 13 differences in climate modelers' predictions, all models indicated a temperature increase caused 14 by anthropogenic CO₂ within a global mean range of 4° C (7.2° F). The report advised that there 15 was scientific consensus that "a doubling of atmospheric CO₂ from [] pre-industrial revolution 16 value would result in an average global temperature rise of (3.0 ± 1.5) °C [5.4 ± 2.7 °F]." It went 17 further, warning that "[s]uch a warming can have serious consequences for man's comfort and 18 survival since patterns of aridity and rainfall can change, the height of the sea level can increase 19 considerably and the world food supply can be affected."⁷¹ Exxon's own modeling research 20 21 22 ⁶⁹ <u>Id.</u> 23

Provide the second secon

25 https://insideclimatenews.org/sites/default/files/documents/Exxon%20Position%20on%20CO2% 20%281981%29.pdf.

- 26 ⁷¹ American Petroleum Institute, <u>Climate Models and CO₂ Warming: A Selective Review and</u> Summary, Lamont-Doherty Geological Observatory (Columbia University) (March 1982),
- 27 https://assets.documentcloud.org/documents/2805626/1982-API-Climate-Models-and-CO2-Warming-a.pdf.
 28 Warming-a.pdf.

confirmed this, and the company's results were later published in at least three peer-reviewed 1 scientific papers.⁷² 2

3	93. Also in 1982, Exxon's Environmental Affairs Manager distributed a primer on
4	climate change to a "wide circulation [of] Exxon management intended to familiarize Exxon
5	personnel with the subject." ⁷³ The primer also was "restricted to Exxon personnel and not to be
6	distributed externally." ⁷⁴ The primer compiled science on climate change available at the time,
7	and confirmed fossil fuel combustion as a primary anthropogenic contributor to global warming.
8	The report estimated a CO ₂ doubling around 2090 based on Exxon's long-range modeled
9	outlook. The author warned that the melting of the Antarctic ice sheet could result in global sea
10	level rise of five feet which would "cause flooding on much of the U.S. East Coast, including the
11	State of Florida and Washington, D.C." ⁷⁵ Indeed, it warned that "there are some potentially
12	catastrophic events that must be considered," including sea level rise from melting polar ice
13	sheets. It noted that some scientific groups were concerned "that once the effects are measurable,
14	they might not be reversible." ⁷⁶
15	94. In a summary of Exxon's climate modeling research from 1982, Director of
16	Exxon's Theoretical and Mathematical Sciences Laboratory Roger Cohen wrote that "the time
17	required for doubling of atmospheric CO ₂ depends on future world consumption of fossil fuels."
18	Cohen concluded that Exxon's own results were "consistent with the published predictions of
19	
20	
21	⁷² See Roger W. Cohen, Exxon Memo summarizing findings of research in climate modeling,
22	Exxon Research and Engineering Company (September 2, 1982),
23	https://insideclimatenews.org/sites/default/files/documents/%2522Consensus%2522%20on%20 CO2%20Impacts%20(1982).pdf. (discussing research articles).
24	⁷³ M. B. Glaser, <u>Exxon Memo to Management about "CO₂ 'Greenhouse' Effect'</u> , Exxon Research and Engineering Company (November 12, 1982),
25	http://insideclimatenews.org/sites/default/files/documents/1982%20Exxon%20Primer%20on%2
26	0CO2%20Greenhouse%20Effect.pdf. ⁷⁴ Id.
27	⁷⁵ <u>Id.</u>
28	76 Id.
SHER EDLING LLP	FIRST AMENDED COMPLAINT 66

1	more complex elimete models" and "in accord with the acientific concensus on the effect of
1	more complex climate models" and "in accord with the scientific consensus on the effect of
2	increased atmospheric CO ₂ on climate." ⁷⁷
3	95. At the fourth biennial Maurice Ewing Symposium at the Lamont-Doherty
4	Geophysical Observatory in October 1982, attended by members of API, Exxon Research and
5	Engineering Company president E.E. David delivered a speech titled: "Inventing the Future:
6	Energy and the CO ₂ 'Greenhouse Effect.'" ⁷⁸ His remarks included the following statement:
7	"[F]ew people doubt that the world has entered an energy transition away from dependence upon
8	fossil fuels and toward some mix of renewable resources that will not pose problems of CO ₂
9	accumulation." He went on, discussing the human opportunity to address anthropogenic climate
10	change before the point of no return:
11	It is ironic that the biggest uncertainties about the CO_2 buildup are not in predicting what the climate will do, but in predicting what people will do [It]
12	appears we still have time to generate the wealth and knowledge we will need to
13	invent the transition to a stable energy system.
14	96. Throughout the early 1980s, at Exxon's direction, Exxon climate scientist Henry
15	Shaw forecasted emissions of CO ₂ from fossil fuel use. Those estimates were incorporated into
16	Exxon's 21st century energy projections and were distributed among Exxon's various divisions.
17	Shaw's conclusions included an expectation that atmospheric CO ₂ concentrations would double
18	in 2090 per the Exxon model, with an attendant 2.3–5.6° F average global temperature increase.
19	Shaw compared his model results to those of the U.S. EPA, the National Academy of Sciences,
20	and the Massachusetts Institute of Technology, indicating that the Exxon model predicted a
21	
22	
23	
24	⁷⁷ Roger W. Cohen, <u>Exxon Memo summarizing findings of research in climate modeling</u> , Exxon
25	Research and Engineering Company (Sept. 2, 1982), https://insideclimatenews.org/sites/default/files/documents/%2522Consensus%2522%20on%20
26	CO2%20Impacts%20(1982).pdf.
27	⁷⁸ E. E. David, Jr., <u>Inventing the Future: Energy and the CO₂ Greenhouse Effect: Remarks at the</u> Fourth Annual Ewing Symposium, Tenafly, NJ (1982),
28	http://sites.agu.org/publications/files/2015/09/ch1.pdf.
SHER	FIRST AMENDED COMPLAINT 67
EDLING LLP	

longer delay than any of the other models, although its temperature increase prediction was in the 1 mid-range of the four projections.⁷⁹ 2 3 97. During the 1980s, many Defendants formed their own research units focused on 4 climate modeling. The API, including the API CO₂ Task Force, provided a forum for Defendants to share their research efforts and corroborate their findings related to anthropogenic greenhouse 5 gas emissions.⁸⁰ 6 During this time, Defendants' statements express an understanding of their 98. 7 obligation to consider and mitigate the externalities of reckless promotion, marketing, and sale of 8 9 their fossil fuel products. For example, in 1988, Richard Tucker, the president of Mobil Oil, presented at the American Institute of Chemical Engineers National Meeting, the premier 10 educational forum for chemical engineers, where he stated: 11 [H]umanity, which has created the industrial system that has transformed 12 civilities, is also responsible for the environment, which sometimes is at risk because of unintended consequences of industrialization. . . . Maintaining the 13 health of this life-support system is emerging as one of the highest priorities.... 14 [W]e must all be environmentalists. 15 The environmental covenant requires action on many fronts...the lowatmosphere ozone problem, the upper-atmosphere ozone problem and the 16 greenhouse effect, to name a few. . . . Our strategy must be to reduce pollution 17 before it is ever generated – to prevent problems at the source. 18 Prevention means engineering a new generation of fuels, lubricants and chemical products. . . . Prevention means designing catalysts and processes that minimize 19 or eliminate the production of unwanted byproducts. . . . Prevention on a global scale may even require a dramatic reduction in our dependence on fossil fuels-20 and a shift towards solar, hydrogen, and safe nuclear power. It may be possible 21 that—just possible—that the energy industry will transform itself so completely that observers will declare it a new industry. . . . Brute force, low-tech responses 22 and money alone won't meet the challenges we face in the energy industry.⁸¹ 23 24 25 ⁷⁹ Banerjee (2015), supra note 66. ⁸⁰ Banerjee (2015), supra note 56. 26 ⁸¹ Richard E. Tucker, High Tech Frontiers in the Energy Industry: The Challenge Ahead, AIChE National Meeting (November 30, 1988), 27 https://hdl.handle.net/2027/pur1.32754074119482?urlappend=%3Bseq=522. 28 FIRST AMENDED COMPLAINT 68 EDLING LLP

SHER

99. In 1987, Shell published an internal "brief for companies of the Royal
 Dutch/Shell Group" titled "Air pollution: an oil industry perspective." In this report, the
 company described the greenhouse effect as occurring "largely as a result of burning fossil fuels
 and deforestation."⁸² Shell further acknowledged the "concern that further increases in carbon
 dioxide levels could cause climatic changes, notably a rise in overall temperature, having major
 environmental, social and economic consequences."⁸³

100. In 1988, the Shell Greenhouse Effect Working Group issued a confidential 7 internal report, "The Greenhouse Effect," which acknowledged global warming's anthropogenic 8 9 nature: "Man-made carbon dioxide, released into and accumulated in the atmosphere, is believed to warm the earth through the so-called greenhouse effect." The authors also noted the burning of 10 fossil fuels as a primary driver of CO₂ buildup and warned that warming could "create 11 significant changes in sea level, ocean currents, precipitation patterns, regional temperature and 12 weather." They further pointed to the potential for "direct operational consequences" of sea level 13 14 rise on "offshore installations, coastal facilities and operations (e.g. platforms, harbors, refineries, depots)."84 15

16 101. Similar to early warnings by Exxon scientists, the 1988 Shell report noted that "by
17 the time the global warming becomes detectable it could be too late to take effective
18 countermeasures to reduce the effects or even to stabilize the situation." The authors mentioned
19 the need to consider policy changes on multiple occasions, noting that "the potential implications
20 for the world are . . . so large that policy options need to be considered much earlier" and that

- 21 22
- 23

24

25

⁸² Shell Briefing Service, <u>Air pollution: an oil industry perspective</u> (1987), at 4, https://www.documentcloud.org/documents/24359057-shell-briefing-service-air-pollution-anoil-industry-perspective-nr1-1987.

 $26 = \begin{bmatrix} 0.1 & \text{industry} \\ 8^3 & \text{Id. at 5.} \end{bmatrix}$

- ²⁰
 ⁸⁴ Shell Internationale Petroleum, Greenhouse Effect Working Group, <u>The Greenhouse Effect</u>
 ²⁷
 ⁸⁴ Shell Internationale Petroleum, Greenhouse Effect Working Group, <u>The Greenhouse Effect</u>
 ²⁷
 ⁸⁴ Shell Internationale Petroleum, Greenhouse Effect Working Group, <u>The Greenhouse Effect</u>
 ⁸⁴ Shell Internationale Petroleum, Greenhouse Effect Working Group, <u>The Greenhouse Effect</u>
 ⁸⁴ Shell Internationale Petroleum, Greenhouse Effect Working Group, <u>The Greenhouse Effect</u>
- 28 Document3.html#document/p9/a411239.

research should be "directed more to the analysis of policy and energy options than to studies of
 what we will be facing exactly."⁸⁵

~

3 102. In 1989, Esso Resources Canada (Exxon) commissioned a report on the impacts 4 of climate change on existing and proposed natural gas facilities in the Mackenzie River Valley and Delta, including extraction facilities on the Beaufort Sea and a pipeline crossing Canada's 5 Northwest Territory.⁸⁶ It reported that "large zones of the Mackenzie Valley could be affected 6 7 dramatically by climatic change" and that "the greatest concern in Norman Wells [oil town in North West Territories, Canada] should be the changes in permafrost that are likely to occur 8 under conditions of climate warming." The report concluded that, in light of climate models 9 showing a "general tendency towards warmer and wetter climate," operation of those facilities 10 would be compromised by increased precipitation, increase in air temperature, changes in 11 permafrost conditions, and significantly, sea level rise and erosion damage.⁸⁷ The authors 12 recommended factoring these eventualities into future development planning and also warned 13 14 that "a rise in sea level could cause increased flooding and erosion damage on Richards Island."

15 103. In the mid-1990s, Exxon, Shell and Imperial Oil (Exxon) jointly undertook the
16 Sable Offshore Energy Project in Nova Scotia. The project's own Environmental Impact
17 Statement declared: "The impact of a global warming sea-level rise may be particularly
18 significant in Nova Scotia. The long-term tide gauge records at a number of locations along the
19 N.S. coast have shown sea level has been rising over the past century For the design of
20 coastal and offshore structures, an estimated rise in water level, due to global warming, of 0.5 m
21 [1.64 feet] may be assumed for the proposed project life (25 years)."⁸⁸

- 22
- 23 $\| \overline{}^{85}$ Id. at 1, 6.
- 24 ⁸⁶ Stephen Lonergan and Kathy Young, <u>An Assessment of the Effects of Climate Warming on</u> Energy Developments in the Mackenzie River Valley and Delta, Canadian Arctic, Energy
- ²⁵ Exploration & Exploitation, Vol. 7, Issue 5 (Oct. 1, 1989),
- 26 http://journals.sagepub.com/doi/abs/10.1177/014459878900700508.
- $||^{87}$ <u>Id.</u>
- 27
 ⁸⁸ ExxonMobil, Sable Project, Development Plan, <u>Volume 3 Environmental Impact Statement</u> http://soep.com/about-the-project/development-plan-application/.

1 104. Climate change research conducted by Defendants and their industry associations
 2 frequently acknowledged uncertainties in their climate modeling—those uncertainties, however,
 3 were merely with respect to the magnitude and timing of climate impacts resulting from fossil
 4 fuel consumption, not that significant changes would eventually occur. Defendants' researchers
 5 and the researchers at their industry associations harbored little doubt that climate change was
 6 occurring and that fossil fuel products were, and are, the primary cause.

7 105. In 1991, Ken Croasdale, a senior ice researcher for Exxon's subsidiary Imperial
8 Oil, stated to an audience of engineers that greenhouse gas concentrations are rising "due to the
9 burning of fossil fuels. Nobody disputes this fact."⁸⁹

106. Defendants also meticulously examined plausible scenarios if they failed to act in 10 the face of their internal knowledge. For instance, Shell evaluated in a 1989 internal confidential 11 planning document the issue of "climate change – the greenhouse effect, global warming," which 12 the document identified as "the most important issue for the energy industry."⁹⁰ The document 13 14 compared a scenario in which society "addresses the potential problem" with one in which it does not. Acknowledging that "[c]hanging emission levels ... and changing atmospheric CO2 15 concentration has been likened to turning around a VLCC [very large crude carrier]," even 16 17 "substantial efforts" by 2010 would have "hardly any impact on CO₂ concentration." In later years, however, the impacts are "strikingly different"; early efforts "will not prevent the problem 18 19 arising, but ... could mitigate the problem." The document described the consequences of failing 20 to address the problem right away:

These seem small changes but they mask more dramatic temperature changes which would take place at temperate latitudes. There would be more violent weather – more storms, more droughts, more deluges. Mean sea level would rise

- ²⁴ ⁸⁹ Jerving et al., <u>Special Report: What Exxon Knew About Global Warming's Impact on the</u>
 <u>Arctic</u>, L.A. Times (Oct. 10, 2015), https://www.latimes.com/business/la-na-advexxon-arctic-20151011-story.html.
- 26 ⁹⁰ Shell, <u>Scenarios 1989–2010: Challenge and Response</u> (Oct. 1989), at 33,
- https://www.documentcloud.org/documents/23735737-1989-oct-confidential-shell-group planning-scenarios-1989-2010-challenge-and-response-disc-climate-refugees-and-shift-to-non fossil-fuels.

21

22

1 2 3	at least 30 cm. Agricultural patterns would be most dramatically changed. Something as simple as a moderate change in rainfall pattern disrupts eco- systems, and many species of trees, plants, animals and insects would not be able to move and adapt.
4 5 6 7	The changes would, however, most impacthumans. In earlier times, man was able to respond with his feet. Today, there is no place to go because people already stand there. Perhaps those in industrial countries could cope with a rise in sea level (the Dutch examples) but for poor countries such defenses are not possible. The potential refugee problem could be unprecedented. Africans would push into Europe, Chinese into the Soviet Union, Latins into the United States, Indonesians into Australia. Boundaries would count for little –
8 9	overwhelmed by the numbers. Conflicts would abound. Civilization could prove a fragile thing. ⁹¹
10	107. In another 1989 confidential internal planning document, Shell anticipated that
11	"public/media pressures" to "adopt[] environmental programmes" such as "much tighter targets
12	for CO ₂ emissions" could prompt "effective consumer responses" that "will lead to intense and
13	unpredictable pressures on business."92 The scenario envisioned that "[c]oncerns about global
14	warming and depletion will depress production of fossil fuels, their market share declining as
15	renewables are actively promoted," given that "[w]here there can be real consumer choice it will
16	be a dominant force, especially where interest is heightened by obvious environmental impact." ⁹³
17	108. In yet another scenario published in a 1998 internal report, Shell paints an eerily
18	prescient scene:
19	In 2010, a series of violent storms causes extensive damage to the eastern coast
20	of the U.S. Although it is not clear whether the storms are caused by climate change, people are not willing to take further chances. The insurance industry
21	refuses to accept liability, setting off a fierce debate over who is liable: the insurance industry or the government. After all, two successive IPCC reports
22	since 1993 have reinforced the human connection to climate change
23	Following the storms, a coalition of environmental NGOs brings a class-action suit against the US government and fossil-fuel companies on the grounds of
24	
25	$\frac{1}{91}$ <u>Id.</u> at 36.
26	⁹² See Shell UK, <u>UK Scenarios 1989</u> (Nov. 1989), at 31, 34, https://embed.documentcloud.org/documents/24359062-snippets-of-confidential-shell-uk-
27	november-1989-scenarios.
28	93 <u>Id.</u> at 34.
SHER EDLING LLP	FIRST AMENDED COMPLAINT 72

neglecting what scientists (including their own) have been saying for years: that something must be done. A social reaction to the use of fossil fuels grows, and individuals become 'vigilante environmentalists' in the same way, a generation earlier, they had become fiercely anti-tobacco. Direct-action campaigns against companies escalate. Young consumers, especially, demand action.⁹⁴

109. Fossil fuel companies did not just consider climate change impacts in scenarios; they also incorporated those impacts in their on-the-ground planning. In the mid-1990s, Exxon, 6 Shell, and Imperial Oil (Exxon) jointly undertook the Sable Offshore Energy Project in Nova Scotia. The project's own Environmental Impact Statement declared, "The impact of a global 8 warming sea-level rise may be particularly significant in Nova Scotia. The long-term tide gauge records at a number of locations along the N.S. coast have shown sea level has been rising over 10 the past century.... For the design of coastal and offshore structures, an estimated rise in water level, due to global warming, of 0.5 m [1.64 feet] may be assumed for the proposed project life 12 (25 years)."95

13

22

23

24

25

1

2

3

4

5

7

9

11

110. Despite the overwhelming information about the threats to people and the planet 14 posed by continued use of their fossil fuel products, Defendants failed to act as they reasonably 15 should have to mitigate or avoid those dire adverse impacts. Defendants instead adopted the 16 position, as described below, that they had a license to continue the unfettered pursuit of profits 17 from those products—including by intentionally misleading and deceiving the public regarding 18 these threats. This position was an abdication and contravention of Defendants' responsibility to 19 consumers and the public, including the County, to act on their unique knowledge of the 20 reasonably foreseeable hazards of reckless promotion and consumption of their fossil fuel products. 21

⁹⁴ Royal Dutch/Shell Group, Group Scenarios 1998–2020 115, 122 (1998), 26 http://www.documentcloud.org/documents/4430277-27-1-Compiled.html. 27 ⁹⁵ ExxonMobil, Sable Project Development Plan, vol. 3, Environmental Impact Statement (Feb. 1996), at 4–77. 28

C. Despite Their Early Knowledge That Global Warming Was Real and Posed Grave Threats, Defendants Did Not Disclose Known Harms Associated with the Extraction, Promotion, and Consumption of Their Fossil Fuel Products and Instead Affirmatively Acted to Obscure Those Harms and Engaged in a Campaign to Deceptively Protect and Expand the Use of their Fossil Fuel **Products.**

5 111. Notwithstanding Defendants' early knowledge of climate change, Defendants 6 have engaged in advertising and communications campaigns intended to promote their fossil fuel 7 products by downplaying the harms and risks of global warming. Initially, the campaigns tried to 8 show that global warming was not occurring. More recently, the campaigns have sought to 9 minimize the risks and harms from global warming. The deception campaigns had the purpose 10 and effect of inflating and sustaining the market for fossil fuels, which-in turn-drove up 11 greenhouse gas emissions, accelerated global warming, delayed the energy economy's transition 12 to a lower-carbon future, and brought about devastating climate change impacts to the County of 13 Santa Cruz and its vulnerable, at-risk and disadvantaged communities—sometimes referred to as 14 environmental justice communities.

15 112. By 1988, Defendants had amassed a compelling body of knowledge about the role 16 of anthropogenic greenhouse gases, and specifically those emitted from the use of Defendants' 17 fossil fuel products, in causing global warming and sea level rise and the attendant consequences 18 for human communities and the environment. On notice that their deception and products were 19 causing global climate change and dire effects on the planet, Defendants were faced with the 20 decision of whether to take steps to limit the damages their fossil fuel products were causing and 21 would continue to cause for virtually every one of Earth's inhabitants, including the People of 22 the State of California, and the County of Santa Cruz and its residents.

23

27

1

2

3

4

Defendants at any time before or thereafter could and should reasonably have 113. 24 taken any of a number of steps to mitigate the damage caused by their deception and fossil fuel 25 products, and their own comments reveal an awareness of what some of these steps may have 26 been. For example, Defendants should have issued reasonable warnings to consumers and the public of the dangers known to Defendants of the consumption of their fossil fuel products. 28 Doing so would have allowed consumers to act sooner and faster to reduce their fossil fuel

consumption, and would have stimulated consumer demand for non-carbon energy alternatives
 whose use does not imperil the Earth. This process is now stutteringly underway, but was
 wrongfully delayed by Defendants' deception and continued downplaying of the reality and
 severity of climate change—and of fossil fuels' role in causing it.

5 114. Several key events during the period between 1988 and 1992 prompted
6 Defendants to pivot from researching and discussing climate change internally to affirmatively
7 deceiving consumers and the public about the climatic dangers of fossil fuels. As climate
8 change—and the role of fossil fuels in causing it—became an increasingly prominent concern,
9 Defendants realized that accurate consumer and public understanding of the dangers of fossil
10 fuels would pose a paramount threat to their business model, their assets, and their profits. Key
11 events that precipitated the shift from research to deception included the following:

a. In 1988, National Aeronautics and Space Administration (NASA)
scientists confirmed that human activities were actually contributing to global warming.⁹⁶ On
June 23 of that year, NASA scientist James Hansen's presentation of this information to
Congress engendered significant news coverage and publicity for the announcement, including
coverage on the front page of the <u>New York Times</u>.

b. On July 28, 1988, Senator Robert Stafford and four bipartisan co-sponsors 17 introduced S. 2666, "The Global Environmental Protection Act," to regulate CO₂ and other 18 19 greenhouse gases. Four more bipartisan bills to significantly reduce CO₂ pollution were 20 introduced over the following ten weeks, and in August, U.S. Presidential candidate George H.W. Bush pledged that his presidency would "combat the greenhouse effect with the White 21 House effect."97 Political will in the United States to reduce anthropogenic greenhouse gas 22 23 emissions and mitigate the harms associated with Defendants' fossil fuel products was gaining 24 momentum.

25

28

26 $\frac{}{9^6}$ See Frumhoff et al. (2015), supra note 29, at 161.

27 ⁹⁷ N.Y. Times, <u>The White House and the Greenhouse</u>, May 9, 1998,

http://www.nytimes.com/1989/05/09/opinion/the-white-house-and-the-greenhouse.html.

1	c. In December 1988, the United Nations formed the Intergovernmental
2	Panel on Climate Change (IPCC), a scientific panel dedicated to providing the world's
3	governments with an objective, scientific analysis of climate change and its environmental,
4	political, and economic impacts.
5	d. In 1990, the IPCC published its First Assessment Report on anthropogenic
6	climate change, ⁹⁸ in which it concluded that (1) "there is a natural greenhouse effect which
7	already keeps the Earth warmer than it would otherwise be," and (2) that
8	emissions resulting from human activities are substantially
9	increasing the atmospheric concentrations of the greenhouse gases carbon dioxide, methane, chlorofluorocarbons (CFCs) and nitrous
10	oxide. These increases will enhance the greenhouse effect, resulting on average in an additional warming of the Earth's
11	surface. The main greenhouse gas, water vapour, will increase in response to global warming and further enhance it. ⁹⁹
12	The IPCC reconfirmed these conclusions in a 1992 supplement to the First Assessment report. ¹⁰⁰
13	e. The United Nations began preparation for the 1992 Earth Summit in Rio
14	de Janeiro, Brazil, a major, newsworthy gathering of 172 world governments, of which 116 sent
15	their heads of state. The Summit resulted in the United Nations Framework Convention on
16	Climate Change ("UNFCCC"), an international environmental treaty providing protocols for
17	future negotiations aimed at "stabiliz[ing] greenhouse gas concentrations in the atmosphere at a
18	level that would prevent dangerous anthropogenic interference with the climate system." ¹⁰¹
19	115. But rather than issuing warnings commensurate with their own understanding of
20	the risks posed by the expected and intended uses of fossil fuel products, Defendants embarked
21	
22	
23	⁹⁸ <u>See</u> IPCC, <u>Reports</u> , http://www.ipcc.ch/publications_and_data/
24	publications_and_data_reports.shtml. ⁹⁹ IPCC, <u>Climate Change: The IPCC Scientific Assessment</u> , Policymakers Summary (1990),
25	http://www.ipcc.ch/ipccreports/far/wg_I/ipcc_far_wg_I_spm.pdf.
26	¹⁰⁰ IPCC, <u>1992 IPCC Supplement to the First Assessment Report</u> (1992), http://www.ipcc.ch/publications_and_data/publications_ipcc_90_92_assessments_far.shtml.
27	¹⁰¹ United Nations, <u>United Nations Framework Convention on Climate Change</u> , Article 2 (1992),
28	https://unfccc.int/resource/docs/convkp/conveng.pdf.
SHER EDLING LLP	FIRST AMENDED COMPLAINT 76

on a decades-long series of campaigns designed to maximize continued dependence on their
 products.

3 116. Defendants' campaigns, which focused on concealing, discrediting, and/or 4 misrepresenting information that tended to support restricting consumption of (and thereby 5 decreasing demand for) Defendants' fossil fuel products, took several forms. The campaigns enabled Defendants to accelerate their business practice of exploiting fossil fuel reserves, and to 6 concurrently externalize the social and environmental costs of their fossil fuel products. These 7 8 activities directly contradicted Defendants' internal recognition that the science of anthropogenic 9 climate change was clear and that the greatest uncertainties involved responsive human behavior, not scientific understanding of the issue. 10

Defendants—both on their own and jointly through industry and front groups 11 117. such as API, ICE, and the GCC—funded, conceived, planned, and carried out a sustained and 12 widespread campaign of denial and disinformation about the existence of climate change and 13 14 their products' contribution to it. The campaign included a long-term pattern of direct misrepresentations and material omissions to consumers, as well as a plan to influence 15 consumers indirectly by affecting public opinion through the dissemination of misleading 16 research to the press, government, and academia. Although Defendants were competitors in the 17 marketplace, they combined and collaborated with each other and with API on this public 18 19 campaign to misdirect and stifle public knowledge in order to increase sales and protect profits. 20 The effort included promoting hazardous fossil fuel products through advertising campaigns that failed to warn of the existential risks associated with the use of those products, and that were 21 designed to influence consumers to continue using Defendants' fossil fuel products irrespective 22 23 of those products' damage to communities and the environment.

24

25

26

27

28

118. In a secretly recorded video from 2021, an Exxon executive stated:

Did we aggressively fight against some of the science? Yes. Did we join some of these shadow groups to work against some of the early efforts? Yes, that's true. There's nothing illegal about that.

1 We were looking out for our investments. We were looking out for our shareholders."102 2 3 119. In 1988, Joseph Carlson, an Exxon public affairs manager, described the "Exxon 4 Position," which included among others, two important messaging tenets: (1) "[e]mphasize the 5 uncertainty in scientific conclusions regarding the potential enhanced Greenhouse Effect;" and 6 (2) "[r]esist the overstatement and sensationalization [sic] of potential greenhouse effect which could lead to noneconomic development of non-fossil fuel resources."103 7 8 120. Reflecting on his time as an Exxon consultant in the 1980s, Professor Martin 9 Hoffert, a former New York University physicist who researched climate change, expressed 10 regret over Exxon's "climate science denial program campaign" in his sworn testimony before 11 Congress: 12 [O]ur research [at Exxon] was consistent with findings of the United Nations Intergovernmental Panel on Climate Change on human impacts of fossil fuel 13 burning, which is that they are increasingly having a perceptible influence on 14 Earth's climate... If anything, adverse climate change from elevated CO_2 is proceeding faster than the average of the prior IPCC mild projections and fully 15 consistent with what we knew back in the early 1980's at Exxon. . . . I was greatly distressed by the climate science denial program campaign that Exxon's front 16 office launched around the time I stopped working as a consultant-but not 17 collaborator—for Exxon. The advertisements that Exxon ran in major newspapers raising doubt about climate change were contradicted by the scientific work we 18 had done and continue to do. Exxon was publicly promoting views that its own 19 scientists knew were wrong, and we knew that because we were the major group working on this.¹⁰⁴ 20 21 22 ¹⁰² Jeff Brady, Exxon Lobbyist Caught on Video Talking About Undermining Biden's Climate Push, NPR (July 1, 2021, 11:37 AM ET), https://www.npr.org/2021/07/01/1012138741/exxon-23 lobbyist-caught-on-video-talks-about-undermining-bidens-climate-push. 24 ¹⁰³ Joseph M. Carlson, Exxon Memo on "The Greenhouse Effect" (August 3, 1988), https://assets.documentcloud.org/documents/3024180/1998-Exxon-Memo-on-the-Greenhouse-25 Effect.pdf. ¹⁰⁴ Examining the Oil Industry's Efforts to Suppress the Truth About Climate Change, Hearing 26 Before the Subcomm. on Civil Rights and Civil Liberties of the Comm. on Oversight and 27 Reform, 116th Cong. 7–8 (Oct. 23, 2019) (statement of Martin Hoffert, Former Exxon Consultant, Professor Emeritus, Physics, New York University), 28 FIRST AMENDED COMPLAINT

1	121. Likewise, Shell "shaped a series of influential industry-backed publications that
2	downplayed or omitted key risks; emphasized scientific uncertainties; and pushed for more fossil
3	fuels, particularly coal." ¹⁰⁵ In 1992, for instance, Shell released a publication for wide external
4	distribution purporting to describe the "Basic Scientific Facts" of the "Potential Augmented
5	Greenhouse Effect." ¹⁰⁶ This document downplayed the scientific consensus (that Shell internally
	acknowledged) by referring to the "relatively few established scientific fundamentals" regarding
6	
7	the causes of climate change. ¹⁰⁷ It also misleadingly suggested that a "particular cause" of global
8	warming was "difficult" to identify, even though Shell had identified the use of its products as a
9	significant contributor to the greenhouse effect in the previous decade. ¹⁰⁸ (For example, in 1985,
10	a Shell UK environmental scientist had published an article laying out the scientific fact that
11	"[b]urning of fossil fuels which have taken millions of years to form has effectively upset the
12	balance [of the Carbon Cycle] leading to an increase in CO_2 in the atmosphere." ¹⁰⁹).
13	122. A 1994 Shell report entitled "The Enhanced Greenhouse Effect: A Review of the
14	Scientific Aspects" similarly emphasized scientific uncertainty, noting, for example, that "the
15	postulated link between any observed temperature rise and human activities has to be seen in
16	relation to natural variability, which is still largely unpredictable." ¹¹⁰ In 1996, Exxon released a
17	
18	https://oversight.house.gov/legislation/hearings/examining-the-oil-industry-s-efforts-to-suppress-
19	the-truth-about-climate-change. ¹⁰⁵ Matthew Green, <u>Lost Decade: How Shell Downplayed Early Warnings Over Climate Change</u> ,
20	DeSmog, (Mar. 31, 2023, 21:00 PDT), https://www.desmog.com/2023/03/31/lost-decade-how-
21	shell-downplayed-early-warnings-over-climate-change/. ¹⁰⁶ Jan Kuyper, <u>Shell Group Planning, Business Environment Occasional Paper, Potential</u>
22	<u>Augmented Greenhouse Effect: Basic Scientific Facts</u> (Sept. 1992), at 3, https://www.documentcloud.org/documents/24359060-1992-internal-shell-group-planning-
23	report-potential-augmented-greenhouse-effect-and-depletion-of-the-ozone-layer.
24	$\frac{107}{108}$ Id. at 5.
	¹⁰⁹ T.G. Wilkinson, <u>Why and How to Control Energy Pollution: Can Harmonisation Work?</u> , 8
25	Conservation & Recycling 7, 19 (1985), https://www.documentcloud.org/documents/24359067-1985-03-why-and-how-to-control-energy-pollution-by-tg-wilkinson-shell.
26	¹¹⁰ P. Langcake, Shell Internationale Petroleum, <u>The Enhanced Greenhouse Effect: A Review of</u>
27	the Scientific Aspects (Dec. 1994), https://www.documentcloud.org/documents/4411099- Document11.html#document/p15/a411511.
28	-
LP	FIRST AMENDED COMPLAINT 79

publication called "Global Warming: Who's Right? Facts about a debate that's turned up more 1 2 questions than answers." In the publication's preface, Exxon CEO Lee Raymond stated that 3 "taking drastic action immediately is unnecessary since many scientists agree there's ample time 4 to better understand the climate system." The subsequent article described the greenhouse effect as "unquestionably real and definitely a good thing," while ignoring the severe consequences that 5 would result from the influence of the increased CO₂ concentration on the Earth's climate. 6 Instead, it characterized the greenhouse effect as simply "what makes the earth's atmosphere 7 8 livable." Directly contradicting their own internal reports and peer-reviewed science, the article 9 ascribed the rise in temperature since the late 19th century to "natural fluctuations that occur over long periods of time" rather than to the anthropogenic emissions that Exxon and other 10 scientists had confirmed were responsible. The article also falsely challenged the computer 11 models that projected the future impacts of fossil fuel product consumption, including those 12 developed by Exxon's own employees, as having been "proved to be inaccurate." The article 13 14 contradicted the numerous reports circulated among Exxon's staff, and by API, by stating that "the indications are that a warmer world would be far more benign than many imagine . . . 15 moderate warming would reduce mortality rates in the US, so a slightly warmer climate would 16 be more healthful." Raymond concluded his preface by attacking the basis for reducing 17 consumption of his company's fossil fuel products as "drawing on bad science, faulty logic, or 18 19 unrealistic assumptions"-despite the important role that Exxon's own scientists had played in compiling those same scientific underpinnings.¹¹¹ 20 123. Imperial Oil CEO Robert Peterson falsely denied the established connection 21 between Defendants' fossil fuel products and anthropogenic climate change in the Summer 1998 22

23 Imperial Oil Review, "A Cleaner Canada":

[T]his issue [referring to climate change] has absolutely nothing to do with pollution and air quality. Carbon dioxide is not a pollutant but an essential ingredient of life on this planet. . . . [T]he question of whether or not the trapping

27 1¹¹¹ Exxon Corp., Global warming: who's right? (1996),

https://www.documentcloud.org/documents/2805542-Exxon-Global-Warming-Whos-Right.html.

24

25

26

1	of 'greenhouse gases will result in the planet's getting warmerhas no connection whatsoever with our day-to-day weather.
3	There is absolutely no agreement among climatologists on whether or not the
	planet is getting warmer, or, if it is, on whether the warming is the result of man- made factors or natural variations in the climate I feel very safe in saying that
4	the view that burning fossil fuels will result in global climate change remains an
5	unproved hypothesis. ¹¹²
6	124. Exxon and Mobil (Exxon) paid for a series of "advertorials," advertisements
7	located in the editorial section of The New York Times and meant to look like editorials rather
8	than paid ads. These ads discussed various aspects of the public discussion of climate change and
9	sought to undermine the justifications for tackling greenhouse gas emissions as unsettled science.
10	For example, the 1993 Mobil advertorial below argued that "what's wrong with so much of the
11	global warming rhetoric" is "[t]he lack of solid scientific data," and quoted a purportedly neutral
12	scientific expert who insisted that "there is a large amount of empirical evidence suggesting that
13	the apocalyptic vision is in error and that the highly touted greenhouse disaster is most
14	improbable." ¹¹³ It also quoted another purportedly neutral scientist who asserted that "the net
15	impact [of a modest warming] may yet be beneficial."
16	
17	
18	
19	
20	
20	
21	
22	
24	
25	¹¹² Robert Peterson, <u>A Cleaner Canada</u> in <u>Imperial Oil Review</u> (1998), http://www.documentaloud.org/documents/2827818_1008_Imperial Oil Bohart Peterson A
26	http://www.documentcloud.org/documents/2827818-1998-Imperial-Oil-Robert-Peterson-A-Cleaner-Canada.html.
27	¹¹³ Mobil, <u>Apocalypse No</u> (1993) N.Y. Times, A19 (Feb. 25, 1993), https://www.documentcloud.org/documents/357243-1993-2-25-mob-nyt-apocalypse-no.
28	
SHER EDLING LLP	FIRST AMENDED COMPLAINT 81

Apocalypse no

For the first half of 1992, America was inundated by the media with dire predictions of global warming catastrophes, all of which seemed to be aimed at heating up the rhetoric from the Earth Summit in Rio de Janeiro last June.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

Unfortunately, the media hype proclaiming that the sky was failing did not properly portray the consensus of the scientific community. After the Earth Summit, there was a noticeable lack of evidence of the sky actually failing and subsequent colder than normal temperatures across the country cooled the warming hysteria as well.

Everybody, of course, remembers the Earth Summit and the tons of paper used up in reporting on it—paper now buried in landfills around the world. But few people ever heard of a major document issued at the same time and called the "Heidelberg Appeal." The reason? It just didn't make "news."

Perhaps that is because the Appeal urged Summit attendees to avoid making important environmental decisions based on "pseudoscientific arguments or false and non-relevant data."

The Heidelberg Appeal was issued initially by some 264 scientists from around the world, including 52 Nobel Prize winners. Today, the Appeal carries the signatures of more than 2,300 scientists — 65 of them Nobel Prize winners—from 79 countries. If nothing else, its message is illustrative of what's wrong with so much of the global warming rhetoric. The lack of solid scientific data.

Scientists can agree on certain facts pertaining to global warming. First, the greenhouse effect is a natural phenomenon; it accounts for the moderate temperature that makes our planet habitable. Second, the concentration of greenhouse gases (mainly carbon dioxide) has increased and there has been a slight increase in global temperatures over the past century. Finally, if present trends continue, carbon dioxide levels will double over the next 50 to 100 years.

Controversy arises when trying to link past changes in temperatures to increased concentrations of greenhouse gases. And it arises again when climate prediction models are used to conclude Earth's temperature will climb drastically in the next century and—based on such models—to propose policy decisions that could drastically affect the economy.

According to Arizona State University climatologist Dr. Robert C. Balling In his book, *The Heated Debate* (San Francisco: Pacific Research Institute for Public Policy, 1992), until knowledge of the interplay between oceans and the atmosphere improves, "model predictions must be treated with considerable caution." Moreover, models don't simulate the complexity of clouds, nor do they deal adequately with sea ice, snow or changes in intensity of the sun's energy.

And they don't stand up to reality testing. Comparing actual temperatures over the last 100 years against model calculations, the models predicted temperature increases higher than those that actually occurred. Moreover, most of the earth's temperature increase over the last century occurred <u>before</u> 1940. Yet, the real buildup in man-made CO, didn't occur until <u>after</u> 1940. Temperatures actually <u>fell</u> between 1940 and 1970.

Sifting through such data, Dr. Balling has concluded, "there is a large amount of empirical evidence suggesting that the apocalyptic vision is in error and that the highly touted greenhouse disaster is most improbable."

Other scientists have an even more interesting viewpoint. Notes atmospheric physicist S. Fred Singer, president of the Washington, D.C.-based Science & Environmental Policy Project, "the net impact [of a modest warming] may well be beneficial."

All of which would seem to suggest that the jury's still out on whether drastic steps to curb CO₂ emissions are needed. It would seem that the phenomenon— and its impact on the economy— are important enough to warrant considerably more research before proposing actions we may later regret.

Perhaps the sky isn't failing, after all.



Figure 6: New York Times Advertisement

	FIRST AMENDED COMPLAINT	83
28	climate-change-was-nothing.	
20	¹¹⁹ ExxonMobil, <u>Unsettled Science</u> (Mar. 23, 2000), reproduced in https://www.theguardian.com/environment/2021/nov/18/the-forgotten-oil-ads-that-told-us-	
26	https://www.documentcloud.org/documents/705549-mob-nyt-1997-11-20- ccwherewecomeout.html.	
25	lessheatmorelight.html. ¹¹⁸ Mobil, <u>Climate Change: Where We Come Out</u> , N.Y. Times (Nov. 20, 1997),	
24	https://www.documentcloud.org/documents/705544-mob-nyt-1996-jul-18-	
23	climateprudentapproach.html. ¹¹⁷ Mobil, <u>Less Heat, More Light on Climate Change</u> , N.Y. Times (July 18, 1996),	
22	¹¹⁶ Mobil, <u>Climate change: a prudent approach</u> , N.Y. Times (Nov. 13, 1997), https://www.documentcloud.org/documents/705548-mob-nyt-1997-11-13-	
21	Press, 1st ed. 2011). ¹¹⁶ Mobil Climate change: a prudent approach N.V. Times (New 13, 1007)	
20	¹¹⁵ Naomi Oreskes & Erik M. Conway, <u>Merchants of Doubt: How a Handful of Scientists</u> Obscured the Truth on Issues from Tobacco Smoke to Global Warming, 150–54 (Bloomsbury	
19	¹¹⁴ DeSmog, <u>Robert C. Balling, Jr.</u> , https://www.desmog.com/robert-c-balling-jr/.	
18		
17	temperature increases to human causes." ¹¹⁹	
16	• "[I]t is impossible for scientists to attribute the recent small surface	
15	answers on the science lie ahead." ¹¹⁸	
14	warming. It could be at least a decade before climate models will be able to link greenhouse warming unambiguously to human actions. Important	
13	• "Even after two decades of progress, climatologists are still uncertain how— or even if—the buildup of man-made greenhouse gases is linked to global	
12		
11	• "[G]reenhouse-gas emissions, which have a warming effect, are offset by another combustion product—particulates—which leads to cooling." ¹¹⁷	
10	contribute to increases in Earth's temperature." ¹¹⁶	
9	• "We don't know enough about the factors that affect global warming and the degree to which—if any—that man-made emissions (namely, carbon dioxide)	
8	sample of these untruthful statements includes:	
7	the state of climate science research to the readership of The New York Times' op-ed page.	. A
6	126. Many other Exxon and Mobil advertorials falsely or misleadingly characteriz	zed
5	the scientific claim that exposure to second-hand smoke causes cancer. ¹¹⁵	
4	second, S. Fred Singer, had previously been funded by tobacco companies to spread doubt ab	out
3	funding from the fossil fuel industry over the past decade, including from ExxonMobil. ¹¹⁴	The
2	acknowledged five years after the advertorial ran that he had received \$408,000 in resear	rch
1	125. The first of those purportedly neutral scientific experts, Robert C. Balli	ng,

1 "Within a decade, science is likely to provide more answers on what factors 2 affect global warming, thereby improving our decision-making. We just don't have this information today. Answers to questions about climate change will 3 require more reliable measurements of temperature at many places on Earth, better understanding of clouds and ocean currents along with greater computer 4 power."120 5 6 127. A quantitative analysis of ExxonMobil's climate communications between 1989 7 and 2004 found that, while 83% of the company's peer-reviewed papers and 80% of its internal 8 documents acknowledged the reality and human origins of climate change, 81% of its 9 advertorials communicated doubt about those conclusions.¹²¹ ExxonMobil's tendency to 10 contradict its own peer-reviewed research in statements meant for lay audiences also appeared at 11 a year-to-year scale. Based on this "statistically significant" discrepancy between internal and external communications, the authors concluded that "ExxonMobil misled the public."¹²² 12 13 128. Defendants-individually and through API, other trade associations, and various front groups—mounted a deceptive public campaign in order to continue wrongfully promoting 14 15 and marketing their fossil fuel products, despite their own knowledge and the growing national 16 and international scientific consensus about the hazards of doing so. 17 One of the key organizations formed by Defendants to coordinate the fossil fuel 129. 18 industry's response to the world's growing awareness of climate change was the International 19 Petroleum Industry Environmental Conservation Association ("IPIECA"). In 1987, the IPIECA 20 formed a "Working Group on Global Climate Change" chaired by Duane LeVine, Exxon's 21 manager for science and strategy development. The Working Group also included Brian 22 Flannery from Exxon, Leonard Bernstein from Mobil, Terry Yosie from API, and representatives 23 24 ¹²⁰ Mobil, Science: What We Know and Don't Know, (1997), reproduced in https://www.theguardian.com/environment/2021/nov/18/the-forgotten-oil-ads-that-told-us-25 climate-change-was-nothing. ¹²¹ Geoffrey Supran & Naomi Oreskes, <u>Assessing ExxonMobil's Climate Change</u> 26 Communications (1977–2014), 12 Envtl. Research Letters, IOP Publishing Ltd. 12 (2017), 27 https://iopscience.iop.org/article/10.1088/1748-9326/aa815f/pdf. ¹²² Id. 28 FIRST AMENDED COMPLAINT 84 EDLING LLP

SHER

from BP, Shell, and Texaco (Chevron). In 1990, the Working Group sent a strategy memo
 created by LeVine to hundreds of oil companies around the world, including Defendants. This
 memo explained that, to forestall a global shift away from burning fossil fuels for energy, the
 industry should emphasize uncertainties in climate science, and the need for further research.¹²³

In 1991, the Information Council for the Environment ("ICE"), whose members 5 130. included affiliates, predecessors and/or subsidiaries of Defendants, including Pittsburg and 6 Midway Coal Mining (Chevron) and Island Creek Coal Company (Occidental), launched a 7 national climate change science denial campaign with full-page newspaper ads, radio 8 commercials, a public relations tour schedule, "mailers," and research tools to measure campaign 9 success. Included among the campaign strategies was to "reposition global warming as theory 10 (not fact)." Its target audience included older less-educated males who are "predisposed to favor 11 12 the ICE agenda, and likely to be even more supportive of that agenda following exposure to new info."124 13

14 131. An implicit goal of ICE's advertising campaign was to change public opinion. A
15 memo from Richard Lawson, president of the National Coal Association noted that "[p]ublic
16 opinion polls reveal that 60% of the American people already believe global warming is a
17 serious environmental problem. Our industry cannot sit on the sidelines in this debate."¹²⁵

18 132. The following images are examples of ICE-funded print advertisements
19 challenging the validity of climate science, which sought to obscure the scientific consensus on
20 anthropogenic climate change in order to inflate consumer demand for fossil fuels:¹²⁶

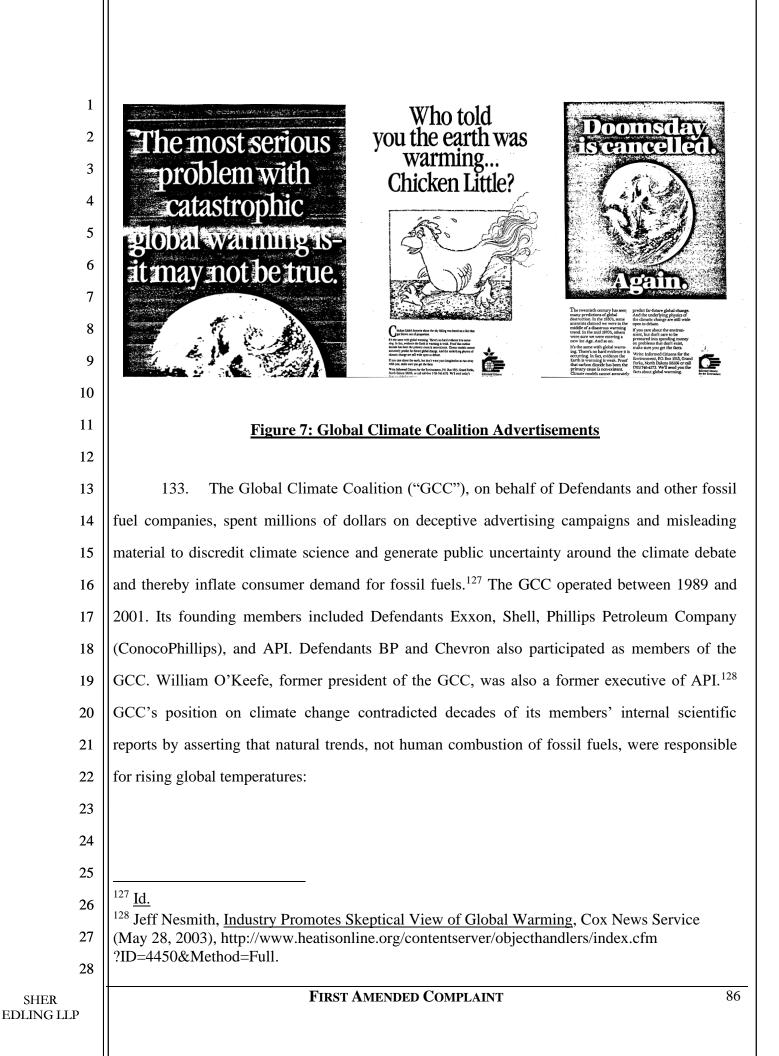
21

22	
22	1^{23} D \cdot \cdot A E (D C 1 2 G (\cdot D (C 1 1 W) \cdot 1050 2020 140
	¹²³ Benjamin A. Franta, <u>Big Carbon's Strategic Response to Global Warming</u> , 1950–2020, 140
23	(2022), https://purl.stanford.edu/hq437ph9153.
-	¹²⁴ <u>Id.</u>

 ²⁴ ¹²⁵ Naomi Oreskes, <u>My Facts Are Better Than Your Facts: Spreading Good News about Global</u>
 ²⁵ Warming (2010), <u>in Peter Howlett et al.</u>, <u>How Well Do Facts Travel?: The Dissemination of</u> <u>Reliable Knowledge</u>, 136–166. Cambridge University Press.

26 doi:10.1017/CBO9780511762154.008.8.

¹²⁶ Union of Concerned Scientists, <u>Deception Dossier #5: Coal's "Information Council on the Environment" Sham</u>, 47–49 (1991), http://www.ucsusa.org/sites/default/files/attach/2015/07/
 ²⁸ Climate-Deception-Dossier-5_ICE.pdf.



The GCC believes that the preponderance of the evidence indicates that most, if not all, of the observed warming is part of [a] natural warming trend which began approximately 400 years ago. If there is an anthropogenic component to this observed warming, the GCC believes that it must be very small and must be superimposed on a much larger natural warming trend.¹²⁹

5 134. The GCC's promotion of overt climate change skepticism also contravened its 6 internal assessment that such theories lacked scientific support. In December 1995, the GCC's 7 Science and Technology Advisory Committee ("GCC-STAC"), whose members included 8 employees of Mobil Oil Corporation (an Exxon predecessor) and API, drafted a primer on the 9 science of global warming for GCC members. The primer concluded that the GCC's contrarian 10 theories "do not offer convincing arguments against the conventional model of greenhouse gas 11 emission-induced climate change." However, the GCC excluded this section from the publicly released version of the report.¹³⁰ Nonetheless, for years afterward, the GCC and its members 12 13 continued to tout their contrarian theories about global warming, even though the GCC had 14 admitted internally these arguments were invalid. Between 1989 and 1998, the GCC spent \$13 15 million on one ad campaign to obfuscate the public's understanding of climate science and 16 undermine its trust in climate scientists.¹³¹ For example, the GCC distributed a video to hundreds 17 of journalists, which claimed that carbon dioxide emissions would increase crop production and 18 feed the hungry people of the world.¹³² 19 20 21 ¹²⁹ Global Climate Coalition, Global Climate Coalition: An Overview, 2 (Nov. 1996), 22 http://www.climatefiles.com/denial-groups/global-climatecoalition-collection/1996-globalclimate-coalition-overview/. 23 ¹³⁰ Memorandum from Gregory J. Dana, Assoc. of Int'l Auto. Mfrs., to AIAM Technical 24 Committee, Global Climate Coalition (GCC) - Primer on Climate Change Science - Final Draft (Jan. 18, 1996), http://www.webcitation.org/6FyqHawb9. 25 ¹³¹ Wendy E. Franz, Kennedy School of Government, Harvard University, Science, Skeptics and

Non-State Actors in the Greenhouse, ENRP Discussion Paper E-98-18 13 (Sept. 1998), https://www.belfercenter.org/sites/default/files/legacy/files/Science%20Skeptics%20and%20Non -State%20Actors%20in%20the%20Greenhouse%20-%20E-98-18.pdf.

28 132 http://www.sourcewatch.org/index.php/Global_Climate_Coalition.

26

27

1

2

3

1	135. In a 1994 public report, the GCC stated that "observations have not yet confirmed
2	evidence of global warming that can be attributed to human activities," and that "[t]he claim that
3	serious impacts from climate change have occurred or will occur in the future simply has not
4	been proven." ¹³³ In 1994, GCC Board of Directors was composed of high-level executives from
5	API, Exxon, Phillips Petroleum Company (ConocoPhillips), and Texaco (Chevron).
6	Representatives from Shell, Amoco (BP), and BP were also GCC members at that time. ¹³⁴ In
7	1995, the GCC published a booklet called "Climate Change: Your Passport to the Facts," which
8	stated, "While many warnings have reached the popular press about the consequences of a
9	potential man-made warming of the Earth's atmosphere during the next 100 years, there remains
10	no scientific evidence that such a dangerous warming will actually occur." ¹³⁵ In 1995, GCC's
11	Board of Directors included high-level executives from Texaco (Chevron), American Petroleum
12	Institute, ARCO, and Phillips Petroleum Company. ¹³⁶
13	136. In 1997, William O'Keefe, chairman of the GCC and executive vice president of
14	API, falsely wrote in a <u>Washington Post</u> op-ed, "[c]limate scientists don't say that burning oil,
15	gas, and coal is steadily warming the earth." ¹³⁷ This statement contradicted the established
16	scientific consensus as well as Defendants' own knowledge. Yet Defendants did nothing to
17	correct the public record, and instead continued to fund the GCC's anti-scientific climate
18	skepticism.
19	
20	¹³³ GCC, <u>Issues and Options: Potential Global Climate Change</u> , <u>Climate Files</u> (1994), http://www.climatefiles.com/denial-groups/global-climate-coalition-collection/1994-potential-
21	global-climate-change-issues.
22	¹³⁴ 1994 GCC Board Member List and Background Information, Climate Investigations Center, https://www.climatefiles.com/denial-groups/global-climate-coalition-collection/1994-board-
23	member-list-general-info/ ¹³⁵ GCC, <u>Climate Change: Your Passport to the Facts</u> , <u>Climate Files</u> (1995),
24	http://www.climatefiles.com/denial-groups/global-climate-coalition-collection/1995-climate-
25	change-facts-passport. ¹³⁶ 1995 GCC IRS 1024 and Attachments, Climate Investigations Center (1995),
26	https://www.documentcloud.org/documents/5798254-GCC-IRS-1023#document/p17 ¹³⁷ William O'Keefe, <u>A Climate Policy</u> , The Washington Post (July 5, 1997),
27 28	https://www.washingtonpost.com/archive/opinions/1997/07/05/a-climate-policy/6a11899a-c020- 4d59-a185-b0e7eebf19cc/.
SHER	FIRST AMENDED COMPLAINT 88
EDLING LLP	

1	137. In addition to publicly spreading false and misleading information about the
2	climate science consensus, the GCC also sought to undermine credible climate science from
3	within the IPCC. After becoming a reviewer of IPCC's Second Assessment Report in 1996, the
4	GCC used its position to accuse the convening author of a key chapter in the Report of
5	modifying its conclusions. The GCC claimed that the author, climatologist Ben Santer, had
6	engaged in "scientific cleansing" that "understate[d] uncertainties about climate change causes
7	and effect to increase the apparent scientific support for attribution of changes to climate to
8	human activities." ¹³⁸ The GCC also arranged to spread the accusation among reporters, editors of
9	scientific journals, and even the op-ed page of the Wall Street Journal. ¹³⁹ This effort "was widely
10	perceived to be an attempt on the part of the GCC to undermine the credibility of the IPCC." ¹⁴⁰
11	138. In the late 1990s, Defendants shifted away from openly denying anthropogenic
12	warming toward peddling a subtler form of climate change skepticism. Defendants became
13	alarmed by significant legal judgments Big Tobacco now faced as a result of decades spent
14	publicly denying the health risks of smoking cigarettes, with a Shell employee explaining that
15	the company "didn't want to fall into the same trap as the tobacco companies who have become
16	trapped in all their lies." ¹⁴¹ Defendants began to shift their communications strategy, claiming
17	they had accepted climate science all along. ¹⁴² Several large fossil fuel companies, including BP
18	and Shell, left the GCC (although all Defendants remained members of API). ¹⁴³ At this point in
19	time, Defendants publicly claimed to accept the reality that the climate is changing (or Earth is
20	warming) and that climate change is anthropogenic.
21	
22	
23	
24	 ¹³⁸ Franz (1998), <u>supra</u> note 131, at 14. ¹³⁹ Oreskes & Conway (2011), <u>supra</u> note 115, at 205–13; <u>see also</u> S. Fred Singer, <u>Climate</u>
25	<u>Change and Consensus</u> , Science vol. 271, no. 5249 (Feb. 2, 1996); Frederick Seitz, <u>A Major</u> Deception on 'Global Warming', Wall Street Journal (June 12, 1996).
26	¹⁴⁰ Franz (1998), <u>supra</u> note 131, at 15.
27	¹⁴¹ Nathaniel Rich, <u>Losing Earth: A Recent History</u> , London: Picador 186 (2020). ¹⁴² Franta (2022), <u>supra</u> note 123, at 170.
28	¹⁴³ <u>Id.</u> at 177.
SHER EDLING LLP	FIRST AMENDED COMPLAINT 89

1	139. Despite the shift in official public messaging, Defendants surreptitiously
2	continued to organize and fund programs designed to deceive the public about the weight and
3	veracity of the climate science consensus. In 1998, API convened a Global Climate Science
4	Communications Team ("GCSCT") whose members included representatives from Exxon,
5	Chevron, and API. ¹⁴⁴ There were no scientists on the "Global Climate Science Communications
6	Team." Steve Milloy (a key player in the tobacco industry's front group) and his organization,
7	The Advancement of Sound Science Coalition ("TASSC"), were founding members of the
8	GCSCT. TASSC was a fake grassroots citizen group created by the tobacco industry to sow
9	uncertainty by discrediting the scientific link between exposure to second-hand cigarette smoke
10	and increased rates of cancer and heart disease. Philip Morris had launched TASSC on the advice
11	of its public relations firm, which advised Philip Morris that the tobacco company itself would
12	not be a credible voice on the issue of smoking and public health. TASSC, through API and with
13	the approval of Defendants, also became a front group for the fossil fuel industry beyond its role
14	in GCSCT, using the same tactics it had honed while operating on behalf of tobacco companies
15	to spread doubt about climate science. Although TASSC posed as a grassroots group of
16	concerned citizens, it received significant funding from Defendants. For example, between 2000
17	and 2004, Exxon donated \$50,000 to Milloy's Advancement of Sound Science Center; and an
18	additional \$60,000 to the Free Enterprise Education Institute and \$50,000 to the Free Enterprise
19	Action Institute, both of which were registered to Milloy's home address. ¹⁴⁵ The GCSCT,
20	
21	
22	¹⁴⁴ In 1998, the GCC Board included executives from API, Amoco (BP), Chevron, Exxon, Mobil
23	(Exxon), and Texaco (Chevron); and CEOs from ARCO (BP) and Amoco (BP) were on the
24	executive committee for API's Board of Directors, and high-level executives from ConocoPhillips, ARCO, Anadarko, Marathon, BP, Shell, Chevron, Citgo, and Exxon also served
25	as Board members; see 1998 GCC Membership, Climate Investigations Center,
26	https://www.climatefiles.com/denial-groups/global-climate-coalition-collection/1998- membership/.
27	¹⁴⁵ Union of Concerned Scientists, <u>Smoke, Mirrors & Hot Air: How ExxonMobil Uses Big</u> <u>Tobacco's Tactics to Manufacture Uncertainty on Climate Science</u> (July 16, 2007),
28	https://www.ucsusa.org/resources/smoke-mirrors-hot-air.
20	FIRST AMENDED COMPLAINT 90
Р	

1 including TASSC, represented a continuation of Defendants' concerted actions to sow doubt and 2 confusion about climate change in order to inflate consumer demand for fossil fuels.

3 140. The GCSCT continued Defendants' efforts to expand the market for fossil fuels 4 by convincing the public that the scientific basis for climate change was in doubt. The multimillion-dollar, multi-year plan, among other elements, sought to: (a) "[d]evelop and implement a 5 national media relations program to inform the media about uncertainties in climate science to 6 generate national, regional, and local media coverage on the scientific uncertainties"; 7 (b) "[d]evelop a global climate science information kit for media including peer-reviewed papers 8 that undercut the 'conventional wisdom' on climate science"; (c) "[p]roduce . . . a steady stream 9 of op-ed columns"; and (d) "[d]evelop and implement a direct outreach program to inform and 10 educate members of Congress . . . and school teachers/students about uncertainties in climate 11 12 science"¹⁴⁶—a blatant attempt to deceive consumers and the general public in order to ensure a continued and unimpeded market for their fossil fuel products. 13

14 141. Exxon, Chevron, and API directed and contributed to the development of the plan, which plainly set forth the criteria by which the contributors would know when their efforts 15 to manufacture doubt had been successful. "Victory," they wrote, "will be achieved when . . . 16 average citizens 'understand' (recognize) uncertainties in climate science" and "recognition of 17 uncertainties becomes part of the 'conventional wisdom.'"¹⁴⁷ In other words, the plan was part of 18 19 Defendants' goal to use disinformation to plant doubt about the reality of climate change in an 20 effort to maintain consumer demand for their fossil fuel products and their large profits.

21 22 23

28

142.

In furtherance of these strategies, Defendants made misleading statements to consumers about climate change, the relationship between climate change and their fossil fuel products, and the urgency of the problem. Defendants made these statements in public fora and 24 in advertisements published in newspapers and other media with substantial circulation to the 25

¹⁴⁶ Email from Joe Walker to Global Climate Science Team, Draft Global Climate Science 26 Communications Plan (Apr. 3, 1998), https://assets.documentcloud.org/documents/784572/api-27 global-climate-science-communications-plan.pdf. ¹⁴⁷ Id.

County of Santa Cruz and California, including national publications such as The New York 1 2 Times, The Wall Street Journal, and The Washington Post.

3 143. Another key strategy in Defendants' efforts to discredit scientific consensus on climate change and the IPCC was to bankroll scientists who, although accredited, held fringe 4 opinions that were even more questionable given the sources of their research funding. These 5 scientists obtained part or all of their research budget from Defendants directly or through 6 Defendant-funded organizations like API,¹⁴⁸ but they frequently failed to disclose their fossil fuel 7 industry underwriters.¹⁴⁹ During the early- to mid-1990s, Exxon directed some of this funding to 8 Dr. Fred Seitz, Dr. Fred Singer, and/or Seitz and Singer's Science and Environmental Policy 9 Project ("SEPP") in order to launch repeated attacks on mainstream climate science and IPCC 10 conclusions, even as Exxon scientists participated in the IPCC.¹⁵⁰ Seitz, Singer, and SEPP had 11 12 previously been paid by the tobacco industry to create doubt in the public mind about the hazards of smoking.¹⁵¹ Seitz and Singer were not climate scientists. 13 14 144. At least one industry-funded scientist, Dr. Wei-Hock Soon, contractually agreed

to allow donors to review his research before publication, and his housing institution agreed not 15 to disclose the funding arrangement without prior permission from his fossil fuel donors.¹⁵² 16 17 Between 2001 and 2012, various fossil fuel interests, including Exxon and API, paid Soon over

- 18
- 19

20 ¹⁴⁸ Willie Soon & Sallie Baliunas, Proxy Climatic and Environmental Changes of the Past 1000 Years, Climate Research 23, 88-110 (January 31, 2003), http://www.int-21 res.com/articles/cr2003/23/c023p089.pdf.

- 22 ¹⁴⁹ Newsdesk, Smithsonian Statement: Dr. Wei-Hock (Willie) Soon, Smithsonian (February 26, 2015), http://newsdesk.si.edu/releases/smithsonian-statement-dr-wei-hock-willie-soon. 23
- ¹⁵⁰ Union of Concerned Scientists (2007), <u>supra</u> note 145.
- 24 ¹⁵¹ Frederick Seitz, SourceWatch, http://www.sourcewatch.org/index.php/S._Fred_Singer; http://www.sourcewatch.org/ index.php/Frederick_Seitz.
- 25 ¹⁵² Union of Concerned Scientists, Climate Deception Dossier #1: Dr. Wei-Hock Soon's Smithsonian Contracts, (July 2015), 26
- https://www.ucsusa.org/sites/default/files/attach/2015/07/The-Climate-Deception-Dossiers.pdf 27 [https://perma.cc/JL2V-XYGL] & https://s3.amazonaws.com/ucs-documents/globalwarming/Climate-Deception-Dossier-1 Willie-Soon.pdf.

1	\$1.2 million. ¹⁵³ "Dr. Soon, in correspondence with his corporate funders, described many of his
2	scientific papers as 'deliverables' that he completed in exchange for their money." ¹⁵⁴ His
3	Defendant-funded research includes articles in scientific journals accusing the IPCC of
4	overstating the negative environmental effects of carbon dioxide emissions and arguing that the
5	sun is responsible for recent climate trends. Soon was also the lead author of a 2003 article that
6	argued that the climate had not changed significantly. The article was widely promoted by other
7	denial groups funded by Exxon, including via "Tech Central Station," a website supported by
8	Exxon. ¹⁵⁵ Soon published other bogus "research" in 2009, attributing global warming to solar
9	activity, for which Exxon paid him \$76,106.156 This 2009 grant was made several years after
10	Exxon had publicly committed not to fund global warming deniers. ¹⁵⁷
11	145. Defendants intended for the papers of authors they funded to be distributed to and
12	relied on by consumers when buying Defendants' products, including by consumers in the
13	County of Santa Cruz.
14	146. Defendants have also funded dozens of think tanks, front groups, lobbyists, and
15	dark money foundations pushing climate change denial. These include the Competitive
16	Enterprise Institute, the Heartland Institute, Frontiers for Freedom, Committee for a Constructive
17	Tomorrow, and Heritage Foundation. From 1998 to 2014, ExxonMobil spent almost \$31 million
18	funding numerous organizations misrepresenting the scientific consensus that Defendants' fossil
19	
20	
21	
22	¹⁵³ Justin Gillis & John Schwartz, <u>Deeper Ties to Corporate Cash for Doubtful Climate</u>
23	<u>Researcher</u> , New York Times (Feb. 21, 2015), https://www.nytimes.com/2015/02/22/us/ties-to-corporate-cash-for-climate-change-researcher-Wei-Hock-Soon.html?mcubz=1.
24	154 <u>Id.</u> 155 Union of Concerned Scientists (2007) summer note 145, et 12, 14
25	 ¹⁵⁵ Union of Concerned Scientists (2007), <u>supra</u> note 145, at 13–14. ¹⁵⁶ Willie Soon, <u>Grants</u>, https://www.documentcloud.org/documents/682765-willie-soon-foia-
26	grants-chart-02-08-2011.html. ¹⁵⁷ ExxonMobil, <u>2007 Corporate Citizenship</u> Report,
27	http://www.socialfunds.com/shared/reports/1211896380_ExxonMobil_2007_
28	Corporate_Citizenship_Report.pdf.
SHER EDLING LLP	FIRST AMENDED COMPLAINT 93

fuel products were causing climate change, sea level rise, and injuries to the County of Santa 1 2 Cruz, among other coastal communities.¹⁵⁸

3

147. Philip Cooney, an attorney at API from 1996 to 2001, testified at a 2007 Congressional hearing that it was "typical" for API to fund think tanks and advocacy groups that 4 minimized fossil fuels' role in causing climate change.¹⁵⁹ 5

148. Creating a false sense of disagreement in the scientific community (despite the 6 7 consensus that its own scientists, experts, and managers had previously acknowledged) has had an evident impact on public opinion. A 2007 Yale University-Gallup poll found that while 71% 8 9 of Americans personally believed global warming was happening, only 48% believed that there was a consensus among the scientific community, and 40% believed there was a lot of 10 disagreement among scientists over whether global warming was occurring.¹⁶⁰ Eight years later, 11 12 a 2015 Yale-George Mason University poll found that "[o]nly about one in ten Americans understands that nearly all climate scientists (over 90%) are convinced that human-caused global 13 warming is happening, and just half . . . believe a majority do."¹⁶¹ Further, it found that 33% of 14 Americans believe that climate change is mostly due to natural causes, compared to the 97% of 15 peer-reviewed papers that acknowledge that global warming is real and at least partly human-16 17 caused.¹⁶² The lack of progress, and even regress, in the public understanding of climate science over this period—during which Defendants professed to accept the conclusions of mainstream 18 19

- ¹⁵⁸ ExxonSecrets.org, ExxonMobil Climate Denial Funding 1998–2014 20 http://exxonsecrets.org/html/index.php.
- 21 ¹⁵⁹ Allegations of Political Interference with Government Climate Change Science: Hearing Before the Comm. on Oversight and Government Reform, 110th Cong. 324 (Mar. 19, 2007)
- 22 (statement of Philip A. Cooney), https://www.govinfo.gov/content/pkg/CHRG-
- 110hhrg37415/html/CHRG-110hhrg37415.htm). 23
- ¹⁶⁰ American Opinions on Global Warming: A Yale/Gallup/Clearvision Poll, Yale Program on 24 Climate Change Communication (July 31, 2007),
- http://climatecommunication.yale.edu/publications/american-opinions-on-global-warming/. 25
- ¹⁶¹ Leiserowitz et al., Climate Change in the American Mind (Yale Program on Climate Change Comm. & Geo. Mason U., Ctr. for Climate Change Comm eds., Oct. 2015), 26
- https://climatecommunication.yale.edu/wp-content/uploads/2015/11/Climate-Change-American-27 Mind-October-20151.pdf.
 - ¹⁶² Id. at 7.

climate science—testifies to the success of Defendants' deception campaign in thwarting
 dissemination of accurate scientific expertise to the public regarding the effects fossil fuel
 consumption.

4 149. Beginning in 2015, journalists began to uncover mounting evidence of
5 Defendants' campaign of deception. In September 2015, journalists at <u>Inside Climate News</u>
6 reported that, as far back as the 1970s, Exxon had sophisticated knowledge of the causes and
7 consequences of climate change and of the role its products played in contributing to climate
8 change.¹⁶³

9 150. Between October and December 2015, several journalists at the Energy and
10 Environment Reporting Project at Columbia University's Graduate School of Journalism and the
11 Los Angeles Times also exposed the fact that, as far back as the 1970s, Exxon and other
12 members of the fossil fuel industry had superior knowledge of the causes and consequences of
13 climate change and the role their products played in causing it.¹⁶⁴

14 151. In November 2017, the Center for International Environmental Law issued a
15 report revealing that Defendants, including API, had superior knowledge of the causes and
16 consequences of climate change and the role fossil fuel products played in causing it as early as
17 the 1970s.¹⁶⁵

18 152. In September 2023, the <u>Wall Street Journal</u> reported that Exxon worked "behind
19 closed doors" to sow public doubt about climate change. The article was based on "documents
20 reviewed by the Journal, which haven't been previously reported."¹⁶⁶

21

23	 ¹⁶³ Neela Banerjee et al., <u>Exxon: The Road Not Taken</u>, Inside Climate News, https://insideclimatenews.org/project/exxon-the-road-not-taken/. ¹⁶⁴ The <u>L.A. Times</u> published a series of three articles between October and December 2015. ¹⁶⁵ Carol Muffett & Steven Feit, <u>Smoke and Fumes: The Legal and Evidentiary Basis for</u> <u>Holding Big Oil Accountable for the Climate Crisis</u>, Center for Int'l Env't L. (2017), https://www.ciel.org/reports/smoke-and-fumes. ¹⁶⁶ Christopher M. Matthews & Collin Eaton, <u>Inside Exxon's Strategy to Downplay Climate</u> <u>Change</u>, The Wall Street J. (Sept. 14, 2023), https://www.wsj.com/business/energy-oil/exxon- climate-change-documents-e2e9e6af.
24	^{164} The <u>L.A. Times</u> published a series of three articles between October and December 2015.
25	¹⁶⁵ Carol Muffett & Steven Feit, <u>Smoke and Fumes: The Legal and Evidentiary Basis for</u> <u>Holding Big Oil Accountable for the Climate Crisis</u> , Center for Int'l Env't L. (2017),
26	https://www.ciel.org/reports/smoke-and-fumes.
	¹⁶⁶ Christopher M. Matthews & Collin Eaton, <u>Inside Exxon's Strategy to Downplay Climate</u>
27	Change, The Wall Street J. (Sept. 14, 2023), https://www.wsj.com/business/energy-oil/exxon-
28	climate-change-documents-e2e9e6af.

2

1

D. Defendants Could Have Chosen to Facilitate, and Be Part of, a Lower-Carbon Future, but Instead Chose Corporate Profits and Continued Deception

153. Defendants could have contributed to the global effort to mitigate the impacts of
greenhouse gas emissions by, for example, issuing warnings commensurate with their own
understanding of the risks posed by the expected and intended uses of fossil fuel products.
Instead, Defendants undertook a momentous effort to deceive consumers and the public about
the existential hazards of burning fossil fuels– all with the purpose and effect of perpetuating and
hyperinflating fossil fuel consumption and delaying the advent of alternative energy sources not
based on fossil fuels.

10 154. As a result of Defendants' tortious, false and misleading conduct, consumers of 11 Defendants' fossil fuel products in the County of Santa Cruz as elsewhere, have been 12 deliberately and unnecessarily deceived about: the role of fossil fuel products in causing global 13 warming, sea level rise, disruptions to the hydrologic cycle, and increased extreme precipitation, 14 heat waves, drought, and other consequences of the climate crisis; the acceleration of global 15 warming since the mid-twentieth century and the continuation thereof; and the fact that the 16 continued increase in fossil fuel consumption creates severe environmental threats and 17 significant economic costs for coastal communities, including the County of Santa Cruz. 18 Consumers in the County of Santa Cruz and elsewhere have also been deceived about the depth 19 and breadth of the state of the scientific evidence on anthropogenic climate change, and in 20 particular about the strength of the scientific consensus demonstrating the role of fossil fuels in 21 causing both climate change and a wide range of potentially destructive impacts, including sea 22 level rise, disruptions to the hydrologic cycle, extreme precipitation, heat waves, drought, and 23 associated consequences.

155. By sowing doubt about the future consequences of unrestricted fossil fuel
consumption, Defendants' deception campaign successfully delayed the transition to alternative
energy sources, which Defendants forecasted could penetrate half of a competitive energy
market in 50 years if allowed to develop unimpeded. This delay caused emission of huge
amounts of avoidable greenhouse gases, thereby ensuring that the damage caused by climate

change will be substantially more severe than if Defendants had acted forthrightly,
 commensurate with their internal knowledge of climate risks.

3

4

5

E. In Contrast to Their Denial and Downplaying the Risks of Climate Change in Public, Defendants' Internal Actions Demonstrate Their Awareness of and Intent to Profit from Uses of Fossil Fuel Products They Knew Were Hazardous.

6 156. In contrast to their public-facing efforts challenging the validity of the scientific 7 consensus about anthropogenic climate change, Defendants' acts and omissions evidence their 8 internal acknowledgement of the reality of climate change and its likely consequences. Those 9 actions include, but are not limited to, making multi-billion-dollar infrastructure investments for 10 their own operations that acknowledge the reality of coming anthropogenic climate-related 11 change. Those investments included (among others), raising offshore oil platforms to protect 12 against sea level rise; reinforcing offshore oil platforms to withstand increased wave strength and storm severity; developing technology and infrastructure to extract, store, and transport fossil 13 14 fuels in a warming arctic environment; and developing and patenting designs for equipment 15 intended to extract crude oil and/or natural gas in areas previously unreachable because of the 16 presence of polar ice sheets.

17 157. For example, oil and gas reserves in the Artic that were not previously reachable
18 due to sea ice are becoming increasingly reachable as sea ice thins and melts due to climate
19 change.¹⁶⁷ In 1973 Exxon obtained a patent for a cargo ship capable of breaking through sea
20 ice¹⁶⁸ and for an oil tanker¹⁶⁹ designed specifically for use in previously unreachable areas of the
21 Arctic.

- 22
- 23
- ¹⁶⁷ Henderson & Loe, <u>The Prospects and Challenges for Arctic Oil Development</u>, Oxford Institute for Energy Studies (Nov. 2014) p. 1, https://www.oxfordenergy.org/publications/theprospects-and-challenges-for-arctic-oildevelopment/.
- 26 ¹⁶⁸ ExxonMobil Research Engineering Co., Patent <u>US3727571A</u>, <u>Icebreaking cargo vessel</u>, (granted April 17, 1973), https://www.google.com/patents/US3727571.
- ¹⁶⁹ ExxonMobil Research Engineering Co., Patent <u>US3745960A</u>, <u>Tanker vessel</u>, (granted July 17, 1973), https://www.google.com/patents/US3745960.

1 158. In 1974, Chevron obtained a patent for a mobile arctic drilling platform designed
 2 to withstand significant interference from lateral ice masses,¹⁷⁰ allowing for drilling in areas with
 3 increased ice floe movement due to elevated temperature.

4 159. That same year, Texaco (Chevron) worked toward obtaining a patent for a method
5 and apparatus for reducing ice forces on a marine structure prone to being frozen in ice through
6 natural weather conditions,¹⁷¹ allowing for drilling in previously unreachable Arctic areas that
7 would become seasonally accessible.

8 160. Shell obtained a patent for an Artic offshore platform adapted for conducting
9 operations in the Beaufort Sea in 1984.¹⁷²

10 161. In 1989, Norske Shell, Royal Dutch Shell's Norwegian subsidiary, altered designs
11 for a natural gas platform planned for construction in the North Sea to account for anticipated sea
12 level rise. Those design changes were ultimately carried out by Shell's contractors, adding
13 substantial costs to the project.¹⁷³

a. The Troll field, off the Norwegian coast in the North Sea, was proven to
contain large natural oil and gas deposits in 1979, shortly after Norske Shell was approved by
Norwegian oil and gas regulators to operate a portion of the field.

b. In 1986, the Norwegian parliament granted Norske Shell authority to
complete the first development phase of the Troll field gas deposits, and Norske Shell began
designing the "Troll A" gas platform, with the intent to begin operation of the platform in
approximately 1995. Based on the very large size of the gas deposits in the Troll field, the Troll
A platform was projected to operate for approximately 70 years.

- 23 ¹⁷⁰ Chevron Research & Technology Co., Patent <u>US3831385A</u>, <u>Arctic offshore platform</u> (granted Aug. 27, 1974), https://www.google.com/patents/US3831385.
- 24 ¹⁷¹ Texaco Inc., Patent <u>US3793840A</u>, <u>Mobile, arctic drilling and production platform</u>, (granted Feb. 26, 1974), https://www.google.com/patents/US3793840.
- ²⁵
 ¹⁷² Shell Oil Co., Patent <u>US4427320A</u>, <u>Arctic offshore platform</u>, Shell Oil Company (granted Jan. 24, 1984), https://www.google.com/patents/US4427320.
- ¹⁷³ Greenhouse Effect: Shell Anticipates A Sea Change, N.Y. Times (Dec. 20, 1989),
- http://www.nytimes.com/1989/12/20/business/greenhouse-effect-shell-anticipates-a-sea change.html.

The platform was originally designed to stand approximately 100 feet 1 c. above sea level—the amount necessary to stay above waves in a once-in-a-century strength 2 3 storm. d. 4 In 1989, Shell engineers revised their plans to increase the above-water 5 height of the platform by 3 to 6 feet, specifically to account for higher anticipated average sea levels and increased storm intensity due to global warming over the platform's 70-year 6 operational life.¹⁷⁴ 7 8 e. Shell projected that the additional 3 to 6 feet of above-water construction 9 would increase the cost of the Troll A platform by as much as \$40 million. F. **Defendants' Actions Have Slowed the Development of Alternative Energy** 10 Sources and Exacerbated the Costs of Adapting to and Mitigating the 11 Adverse Impacts of the Climate Crisis. 12 162. As greenhouse gas pollution accumulates in the atmosphere, some of which does 13 not dissipate for potentially thousands of years (namely CO₂), climate changes and consequent 14 adverse environmental changes compound, and their frequencies and magnitudes increase. As 15 those adverse environmental changes compound and their frequencies and magnitudes increase, 16 so too do the physical, environmental, economic, and social injuries resulting therefrom. 17 163. Delayed societal development and adoption of alternative energy sources have 18 therefore increased environmental harms and increased the magnitude and cost to remediate 19 harms that have already occurred or are locked in by previous emissions. Therefore, Defendants' 20 campaign to obscure the science of climate change and to expand the use of fossil fuels greatly 21 increased and continues to increase the harms and rate of harms suffered by Plaintiffs. Had 22 market demand to transition away from fossil fuels—and for affordable, reliable sources of clean 23 energy—developed earlier, the subsequent impacts of climate change could have been avoided 24 or mitigated. 25 26 ¹⁷⁴ Id.; Amy Lieberman & Suzanne Rust, Big Oil braced for global warming while it fought 27 regulations, L.A. Times (Dec. 31, 2015), http://graphics.latimes.com/oil-operations/. 28 99 FIRST AMENDED COMPLAINT EDLING LLP

SHER

1	164. Defendants have been aware for decades that clean energy presents a feasible
2	alternative to fossil fuels. In 1980, Exxon forecasted that non-fossil fuel energy sources, if
3	pursued, could penetrate half of a competitive energy market in approximately 50 years. ¹⁷⁵ This
4	internal estimate was based on extensive modeling within the academic community, including
5	research conducted by the Massachusetts Institute of Technology's David Rose, which
6	concluded that a transition to non-fossil energy could be achieved in around 50 years. Exxon
7	circulated an internal memo approving of Rose's conclusions, stating they were "based on
8	reasonable assumptions." ¹⁷⁶ But instead of pursuing a clean energy transition or warning
9	consumers about the dangers of burning fossil fuels, Defendants chose to deceive consumers to
10	preserve Defendants' profits and assets. As a result, much time has been lost during which
11	consumers and market forces would have spurred a societal transition away from fossil fuels,
12	which would have reduced or eliminated entirely the harmful effects of climate change in the
13	County of Santa Cruz.
14	165. The costs of inaction and the opportunities to confront anthropogenic climate
15	change and sea level rise caused by normal consumption of their fossil fuel products were not
16	lost on Defendants. In a 1997 speech by John Browne, Group Executive for BP America, at
17	Stanford University, Browne described Defendants' and the entire fossil fuel industry's
18	responsibility and opportunities to reduce use of fossil fuel products, reduce global CO2
19	emissions, and mitigate the harms associated with the use and consumption of such products:
20	"A new age demands a fresh perspective of the nature of society and
21	responsibility.
22	We need to go beyond analysis and to take action. It is a moment for change and for a rethinking of corporate responsibility
23	for a realinking of corporate responsionity
24	$\frac{1}{175} \text{ Charge } \theta \text{ Marcall France } D_{\text{result}} = 1 France in a france in a$
25	¹⁷⁵ Shaw & McCall, <u>Exxon Research and Engineering Company's Technological Forecast: CO₂</u> <u>Greenhouse Effect</u> (Dec. 18, 1980), at 5, https://insideclimatenews.org/wp-
26	content/uploads/2015/09/Technological-Forecast-on-CO2-Greenhouse-Effect-1980.pdf. ¹⁷⁶ Exxon Research and Engineering Company, Coordination and Planning Division, <u>CO2</u>
27 28	<u>Greenhouse Effect: A Technical Review</u> (Apr. 1, 1982), at 17–18, https://insideclimatenews.org/ wp-content/uploads/2015/09/1982-Exxon-Primer-on-CO2-Greenhouse-Effect.pdf.
SHER EDLING LLP	FIRST AMENDED COMPLAINT 100

1	
2	[T]here is now an effective consensus among the world's leading scientists and serious and well informed people outside the scientific community that there is a discernible human influence on the climate, and a link between the concentration
3	of carbon dioxide and the increase in temperature.
4	The prediction of the IPCC is that over the next century temperatures might rise
5	by a further 1 to 3.5 degrees centigrade $[1.8^{\circ} - 6.3^{\circ} \text{ F}]$, and that sea levels might rise by between 15 and 95 centimeters [5.9 and 37.4 inches]. Some of that impact
6	is probably unavoidable, because it results from current emissions
7	[I]t would be unwise and potentially dangerous to ignore the mounting concern.
8	
9	The time to consider the policy dimensions of climate change is not when the link between greenhouse gases and climate change is conclusively proven but
10	when the possibility cannot be discounted and is taken seriously by the society of which we are part
11	We [the fossil fuel industry] have a responsibility to act, and I hope that through
12	our actions we can contribute to the much wider process which is desirable and
13	necessary.
14	BP accepts that responsibility and we're therefore taking some specific steps.
15	To control our own emissions.
16	To fund continuing scientific research.
17	To take initiatives for joint implementation.
18	To develop alternative fuels for the long term.
19	And to contribute to the public policy debate in search of the wider global
20	answers to the problem." ¹⁷⁷
21	166. Despite Defendants' knowledge of the foreseeable, measurable harms associated
22	with the consumption and use of their fossil fuel products, and despite the existence and
23	Defendants' knowledge of technologies and practices that could have helped to reduce the
24	foreseeable dangers associated with their fossil fuel products, Defendants continued to
25	misleadingly market and promote heavy fossil fuel use and conceal the connection between use
26	
27	¹⁷⁷ John Browne, BP Climate Change Speech to Stanford, Climate Files (May 19, 1997),
28	http://www.climatefiles.com/bp/bp-climate-change-speech-to-stanford/.
	FIRST AMENDED COMPLAINT 101
SHER EDLING LLP	

of their products and the climate crisis, dramatically increasing the cost of abatement. This
 campaign was intended to and did reach and influence the County of Santa Cruz consumers,
 along with consumers elsewhere.

4 167. At all relevant times, Defendants were deeply familiar with opportunities to
5 reduce the use of their fossil fuel products, reduce global CO₂ emissions associated therewith,
6 and mitigate the harms associated with the use and consumption of such products. Examples of
7 that recognition include, but are not limited to the following:

a. In 1961, Phillips Petroleum Company filed a patent application for a
method to purify gas, among other things, as "natural gas containing gasoline hydrocarbons can
contain undesirable amounts of sulfur and other compounds such as carbon dioxide which are
undesirable in the finished gasoline product."¹⁷⁸

b. In 1963, Esso (Exxon) obtained multiple patents on technologies for fuel
cells, including on the design of a fuel cell and necessary electrodes,¹⁷⁹ and on a process for
increasing the oxidation of a fuel, specifically methanol, to produce electricity in a fuel cell.¹⁸⁰

c. In 1970, Esso (Exxon) obtained a patent for a "low-polluting engine and
drive system" that used an interburner and air compressor to reduce pollutant emissions,
including CO₂ emissions, from gasoline combustion engines (the system also increased the
efficiency of the fossil fuel products used in such engines, thereby lowering the amount of fossil
fuel product necessary to operate engines equipped with this technology).¹⁸¹

 20
 d. In 1980, Imperial Oil wrote in its "Review of Environmental Protection

 21
 Activities for 1978–79": "There is no doubt that increases in fossil fuel usage and decreases in

22

23

¹⁷⁸ Phillips Petroleum Co., Patent US3228874A, <u>Method for recovering a purified component</u> <u>from a gas</u> (filed Aug. 22, 1961), https://patents.google.com/patent/US3228874.

²⁴ Patents, <u>Fuel cell and fuel cell electrodes</u>, Exxon Research Engineering Co. (Dec. 31, 1963) https://www.google.com/patents/US3116169.

26 Patents, <u>Direct production of electrical energy from liquid fuels</u>, Exxon Research Engineering Co. (Dec. 3, 1963) https://www.google.com/patents/US3113049.

27 ¹⁸¹ Patents, <u>Low-polluting engine and drive system</u>, Exxon Research Engineering Co. (May 16, 1970) https://www.google.com/patents/US3513929.

SHER EDLING LLP forest cover are aggravating the potential problem of increased CO₂ in the atmosphere.
 Technology exists to remove CO₂ from stack gases but removal of only 50% of the CO₂ would
 double the cost of power generation."¹⁸²

A 1987 company briefing produced by Shell on "Synthetic Fuels and e. 4 Renewable Energy" noted that while "immediate prospects" were "limited," "nevertheless it is 5 by pursuing commercial opportunities now and in the near future that the valuable experience 6 needed for further development will be gained." The brief also noted that "the task of replacing 7 oil resources is likely to become increasingly difficult and expensive and there will be a growing 8 9 need to develop lean, convenient alternatives. Initially these will supplement and eventually replace valuable oil products. Many potential energy options are as yet unknown or at very early 10 stages of research and development. New energy sources take decades to make a major global 11 contribution. Sustained commitment is therefore needed during the remainder of this century to 12 ensure that new technologies and those currently at a relatively early stage of development are 13 available to meet energy needs in the next century."¹⁸³ 14

f. A 1989 article in a publication from Exxon Corporate Research for 15 company use only stated: "CO₂ emissions contribute about half the forcing leading to a potential 16 enhancement of the Greenhouse Effect. Since energy generation from fossil fuels dominates 17 modern CO₂ emissions, strategies to limit CO₂ growth focus near term on energy efficiency and 18 long term on developing alternative energy sources. Practiced at a level to significantly reduce 19 the growth of greenhouse gases, these actions would have substantial impact on society and our 20 industry-near-term from reduced demand for current products, long term from transition to 21 entirely new energy systems."184 22

- 23
- ¹⁸² Imperial Oil Ltd., <u>Review of Environmental Protection Activities for 1978–1979</u> 2 (Aug. 6, 1980), http://www.documentcloud.org/documents/2827784-1980-Imperial-Oil-Review-of-Environmental.html#document/p2.
 ¹⁸³ Synthetic Fuels and Renewable Energy, Shell Service Briefing, no. 2, 1987,

26 https://assets.documentcloud.org/documents/4411089/Document2.pdf.

 ¹⁸⁴ Brian Flannery, <u>Greenhouse Science</u>, <u>Connections: Corporate Research</u>, <u>Exxon Research</u> and <u>Engineering Company</u> (Fall 1989), http://www.climatefiles.com/exxonmobil/1989-exxon-mobilarticle-technologys-place-marketing-mix. 1 168. Defendants could have taken other practical, cost-effective steps to reduce the risk
 2 created by their fossil fuel products and marketing. These alternatives could have included,
 3 among other measures:

a. Accepting scientific evidence on the validity of anthropogenic climate
change and the damages it will cause people and communities, including Plaintiffs, and the
environment. Mere acceptance of that information would have altered the debate from <u>whether</u> to
combat climate change and sea level rise to <u>how</u> to combat it; and avoided much of the public
confusion that has ensued over nearly 30 years, since at least 1988;

b. Forthrightly communicating with Defendants' shareholders, consumers,
banks, insurers, and Plaintiffs about the climatic hazards of Defendants' fossil fuel products that
were known to Defendants, which would have enabled those groups to make material, informed
decisions about whether and how to address climate change and sea level rise vis-à-vis
Defendants' products;

c. Refraining from affirmative efforts, whether directly, through coalitions,
or through front groups, to distort consumer awareness of the climatic dangers of fossil fuels, and
to cause many consumers and business leaders to think the relevant science was far less certain
that it actually was; and

18 d. Sharing their internal scientific research with consumers and the public,
19 and with other scientists and business leaders, so as to increase public understanding of the
20 scientific underpinnings of climate change its relation to Defendants' fossil fuel products.

21

22

28

G. Defendants Intended for Consumers to Use Their Fossil Fuel Products in a Way Defendants Knew Was Harmful.

169. Consumer use of fossil fuel products, particularly by driving gasoline-powered
cars and other vehicles, is a significant contributor to climate change. However, as a result of
Defendants' sustained and widespread campaign of disinformation, many consumers in Santa
Cruz County and elsewhere have been unaware of the magnitude of the threat posed by their use
of fossil fuels, or of the relationship between their purchasing behavior and climate change.

SHER EDLING LLP 1 170. By misleading the consumers about the climate impacts of using fossil fuel 2 products, even to the point of claiming that certain of their products may benefit the 3 environment, and by failing to disclose the climate risks associated with their purchase and use 4 of those products, Defendants have deprived and are continuing to deprive consumers of 5 information about the consequences of their purchasing decisions.

6 171. Defendants intended for consumers to rely on their omissions and concealments
7 and to continue purchasing Defendants' fossil fuel products without regard for the damage such
8 products cause.

9 172. Knowledge of the risks associated with the routine use of fossil fuel products is material to consumers' decisions to purchase and use those products. As with cigarettes, history 10 11 demonstrates that when consumers are made aware of the harmful effects or qualities of the products they purchase, they often choose to stop purchasing them, to reduce their purchases, or 12 to make different purchasing decisions. This phenomenon holds especially true when products 13 14 have been shown to harm public health or the environment. For example, increased consumer awareness of the role of pesticides in harming human health, worker health, and the environment 15 16 has spurred a growing market for food grown organically and without the use of pesticides. With access to information about how their food is grown, consumers have demanded healthier 17 choices, and the market has responded. 18

19 173. A consumer who received accurate information that fossil fuel use was a primary
20 driver of climate change, and about the resultant dangers to the environment and to public health,
21 would have decreased the consumer's use of fossil fuel products and/or demanded lower-carbon
22 transportation options. Indeed, recent studies and surveys have found that consumers with
23 substantial awareness of climate change are largely willing "to change their consumption habits
24 . . . to help reduce the impacts of climate change."¹⁸⁵ If consumers were aware of what the

¹⁸⁵ The Conference Board, <u>Changes in Consumers' Habits Related to Climate Change May</u>
 <u>Require New Marketing and Business Models</u> (Oct. 26, 2022), https://www.conference board.org/topics/consumers-attitudes-sustainability/changes-in- consumer-habits-related-to climate-change.

SHER EDLING LLP

1 Defendants knew about climate change when the Defendants knew it, consumers would have 2 opted to avoid or minimize airplane travel; avoid or combine car travel trips; carpool; switch to 3 more fuel-efficient vehicles, hybrid vehicles, or electric vehicles; demand more charging 4 infrastructure for electric vehicles; use a car-sharing service; seek transportation alternatives all or some of the time, if and when available (e.g., public transportation, biking, or walking); or 5 adopt any combination of these choices. In addition, informed consumers often attempt to 6 contribute toward solving environmental problems by supporting companies that they perceive to 7 be developing "green" or more environmentally friendly products.¹⁸⁶ 8

9 174. As described herein, by casting doubt upon the scientific consensus on climate
10 change, Defendants deceived consumers about the relationship between consumption of fossil
11 fuels and climate change, and the magnitude of the threat posed by fossil fuel use. Consumers
12 equipped with complete and accurate knowledge about the climate and the public health effects
13 of continued consumption of fossil fuels would have likely formed a receptive customer base for
14 clean energy alternatives decades before such demand in fact developed. Instead, Defendants'
15 campaign of deception allowed them to exploit public uncertainty to reap substantial profits.

16 175. The delayed emergence of a scalable market for non-fossil fuel energy is
attributable to consumers' industry-induced ignorance of the reality and severity of the climatic
consequences associated with normal use of fossil fuels. The societal transition to a low-carbon
economy would have been far cheaper and more efficient had Defendants publicly
acknowledged the conclusions reached by their own scientists and the broader scientific
community. As a result of this delay, huge quantities of avoidable greenhouse gas emissions

- 22
- 23

²⁴
¹⁸⁶ See, e.g., Leiserowitz et al., Program on Climate Change Communication, Yale University, and Center for Climate Change Communication, George Mason University, Consumer Activism on Global Warming, September 2021 (2021), https://climatecommunication.yale.edu/wp-content/uploads/2021/12/consumer-activism-on-global-warming-september-2021.pdf. About a third of American consumers surveyed report "reward[ing] companies that are taking steps to reduce global warming by buying their products" and "punish[ing] companies that are opposing steps to reduce global warming by not buying their products" (<u>Id.</u> at 3).

have been released into the atmosphere, causing greater total emissions, higher peak emissions,
 and all associated climatic effects.

3

H.

Defendants' Deceit Only Recently Came to Light, and Their Misconduct Is Ongoing.

5 176. The fact that Defendants and their proxies knowingly provided incomplete and
6 misleading information to the public, including Santa Cruz County consumers, only recently
7 became discoverable due to, among other things:

8 a. Defendants' above-described deception campaigns, which continues to
9 this day;

b. Defendants' concealment and misrepresentations regarding the fact that
their products cause catastrophic harms; and

12 c. the fact that Defendants used front groups such as API, the GCC, and ICE
13 to obscure their involvement in these actions, which put Plaintiffs off the trail of inquiry.

14 177. Moreover, Defendants' tortious misconduct—in the form of misrepresentations,
15 omissions, and deceit—began decades ago and continues to this day. Now, rather than engaging
16 in outright denials of the existence of climate change, Defendants deflect attention from their
17 role in causing climate change by falsely portraying fossil fuel products as environmentally
18 friendly, climate-friendly, or otherwise less environmentally damaging than those products really
19 are.

20 178. Defendants have continued to mislead the public about the impact of fossil fuel 21 products on climate change through "greenwashing." Through recent advertising campaigns and 22 public statements in California and/or intended to reach California, including but not limited to 23 online advertisements and social media posts, Defendants falsely and misleadingly portray these 24 products as "green," and the Defendants portray themselves as climate-friendly energy 25 companies that are deeply engaged in finding solutions to climate change. In reality, Defendants 26 continue to primarily invest in, develop, promote, and profit from fossil fuel products and 27 heavily market those products to consumers, with full knowledge that those products will 28 continue to exacerbate climate change harms.

1	179. Defendants' greenwashing exploits consumers' concerns about climate change
2	and their desire to purchase "green" products and spend their consumer dollars on products and
3	businesses that are taking substantial and effective measures to combat climate change.
4	Defendants' false advertisements are likely to mislead consumers by giving the impression that
5	in purchasing the Defendants' fossil fuel products, consumers are supporting genuine,
6	substantial, and effective measures to mitigate climate change through these companies' alleged
7	investments in clean energy. Defendants' greenwashing ultimately attempts to persuade
8	consumers to support Defendants' purported attempts to contribute to climate change solutions
9	by purchasing and consuming these products, including the Defendants' fossil fuel products.
10	180. As described above, Defendants, directly and/or through membership in other
11	organizations, continue to misrepresent their own activities, the fact that their products cause
12	climate change, and the danger presented by climate change. Exemplars of Defendants'
13	continuing misrepresentations, omissions, and deceit follow below.
14	181. As recently as June 2018, a post on the official Shell blog stated: "the potential
15	extent of change in the climate itself could now be limited. In other words, the prospect of
16	runaway climate change might have passed."187 However, this statement is not supported by
17	valid scientific research, and was and is contradicted by various studies. ¹⁸⁸
18	182. In March 2018, Chevron issued a report entitled "Climate Change Resilience: A
19	Framework for Decision Making," which misleadingly stated that "[t]he IPCC Fifth Assessment
20	Report concludes that there is warming of the climate system and that warming is due in part to
21	
22	¹⁸⁷ David Hone, <u>Has Climate Change Run Its Course?</u> , <u>Shell Climate Change Blog</u> (June 14, 2018), https://blogs.shell.com/2018/06/14/has-climate-change-run-its-course.
23	¹⁸⁸ <u>See, e.g.</u> , Fiona Harvey, <u>Carbon Emissions from Warming Soils Could Trigger Disastrous</u> <u>Feedback Loop</u> , <u>The Guardian</u> (Oct. 5, 2017), https://www.theguardian.com/environment/2017/
24	oct/05/carbon-emissions-warming-soils-higher-than-estimated-signalling-tipping-points;
25	Jonathan Watts, <u>Domino-Effect of Climate Events Could Move Earth into a 'Hothouse' State</u> , <u>The Guardian</u> (Aug. 7, 2018), https://www.theguardian.com/environment/2018/aug/06/domino-
26	effect-of-climate-events-could-push-earth-into-a-hothouse-state; Fiona Harvey, <u>'Tipping Points'</u> <u>Could Exacerbate Climate Crisis, Scientists Fear, The Guardian</u> (Oct. 9, 2018),
27 28	https://www.theguardian.com/environment/2018/oct/09/tipping-points-could-exacerbate-climate-crisis-scientists-fear.
SHER EDLING LLP	FIRST AMENDED COMPLAINT 108

human activity."¹⁸⁹ In reality, the Fifth Assessment report concluded that "[i]t is extremely likely 1 2 [defined as 95–100% probability] that human influence has been the dominant cause of the observed warming since the mid-20th century."¹⁹⁰ 3

4

Despite this fact, in April 2017, Chevron CEO and Chairman of the Board John 183. Watson said on a podcast, "There's no question there's been some warming; you can look at the 5 temperatures data and see that. The question and debate is around how much, and how much is 6 caused by humans."¹⁹¹ 7

Similarly, ConocoPhillips's "Climate Change Position" as it appeared on the 8 184. 9 company's website through 2020 stated that human activity is "contributing to" climate change and emphasizes "uncertainties," even though the science is clear: "ConocoPhillips recognizes 10 that human activity, including the burning of fossil fuels, is contributing to increased 11 concentrations of greenhouse gases in the atmosphere that can lead to adverse changes in global 12 climate.... While uncertainties remain, we continue to manage greenhouse gas emissions in our 13 14 operations and to integrate climate change related activities and goals into our business planning."192 15

185. On May 27, 2015, at Exxon's annual shareholder meeting, then-CEO Rex 16 Tillerson misleadingly downplayed global warming's risks by stating that climate models used to 17 predict future impacts were unreliable: "What if everything we do it turns out our models are 18 lousy, and we don't get the effects we predict? Mankind has this enormous capacity to deal with 19

20

21

22

¹⁸⁹ Chevron, Climate Change Resilience: A Framework for Decision Making, at 20 (Mar. 2018), 23 https://www.chevron.com/-/media/shared-media/documents/climate-change-resilience.pdf. ¹⁹⁰ IPCC, Summary for Policymakers: Working Group I Contribution to the Fifth Assessment 24 Report 17 (2013), https://www.ipcc.ch/site/assets/uploads/2018/02/WG1AR5 SPM FINAL.pdf. ¹⁹¹ Columbia Energy Exchange Podcast, John Watson, CEO, Chevron (Apr. 10, 2017), 25 https://www.energypolicy.columbia.edu/us-energy-markets-policy. ¹⁹² ConocoPhillips, Climate Change Position (Oct. 28, 2020), 26

https://web.archive.org/web/20201028115814/https://www.conocophillips.com/sustainability/int 27 egrating-sustainability/sustainable-development-governance/policies-positions/climate-changeposition/. 28

adversity, and those solutions will present themselves as those challenges become clear."¹⁹³ But 1 2 as noted above, in 1982 Exxon's scientific staff stated, based upon the climate models, that there was a "clear scientific consensus" with respect to the level of projected future global warming 3 and starting shortly thereafter Exxon relied upon the projections of climate models, including its 4 own climate models, in order to protect its own business assets. Tillerson's statement reached 5 consumers because it was reported in the press, including in California,¹⁹⁴ as is common when 6 7 fossil fuel company CEOs make statements regarding climate change and as Exxon had reason to know would occur. 8

9 186. Until approximately early 2017, Exxon's website continued to emphasize the
10 "uncertainty" of global warming science and impacts: "current scientific understanding provides
11 limited guidance on the likelihood, magnitude, or time frame" of events like temperature
12 extremes and sea level rise.¹⁹⁵ Exxon's insistence on crystal-ball certainty was clear misdirection,
13 since Exxon knew that the fundamentals of climate science were well settled and showed global
14 warming to present a clear and present danger.¹⁹⁶

15 187. Until approximately early 2016, API's website referred to global warming as
16 "possible man-made warming" and claimed that the human contribution is "uncertain." API
17 removed this statement from its website in 2016 when journalistic investigations called attention
18 to API's misleading statements on global warming and its participation in the climate change
19 Task Force during the late 1970s and early 1980s.

- 20
- 21

	$\mathbf{F}_{\mathbf{T}} = \mathbf{F}_{\mathbf{T}} $
28	
20	Policymakers, http://www.ipcc.ch/pdf/assessment-report/ar5/wg2/ar5_wgII_spm_en.pdf.
27	¹⁹⁶ See IPCC, Climate Change 2014, Impacts, Adaptation, and Vulnerability, Summary for
26	global-needs/managing-climate-change-business-risks.
	 ¹⁹³ Dallas Morning News, <u>Exxon CEO: Let's Wait for Science to Improve Before Solving</u> <u>Problem of Climate Change</u> (May 27, 2015), https://www.dallasnews.com/business/energy/2015/05/28/ exxon-ceo-let-s-wait-for-science-to-improve-before-solving-problem-of-climate-change. ¹⁹⁴ See, e.g., David Koenig, <u>Exxon shareholders to vote on climate change, fracking</u>, San Diego Union-Tribune, May 27, 2015, http://www.sandiegouniontribune.com/news/2015/may/27/exxon- shareholders-to-vote-on-climate-change/ ¹⁹⁵ Formerly found at http://corporate.exxonmobil.com/en/current-issues/climate-policy/meeting- global-needs/managing-climate-change-business-risks. ¹⁹⁶ See IPCC, Climate Change 2014, Impacts, Adaptation, and Vulnerability, Summary for Policymakers, http://www.ipcc.ch/pdf/assessment-report/ar5/wg2/ar5_wgII_spm_en.pdf.
25	shareholders-to-vote-on-climate-change/
	Union-Tribune, May 27, 2015, http://www.sandiegouniontribune.com/news/2015/may/27/exxon-
24	¹⁹⁴ See, e.g., David Koenig, Exxon shareholders to vote on climate change, fracking, San Diego
23	exxon-ceo-let-s-wait-for-science-to-improve-before-solving-problem-of-climate-change.
	https://www.dallasnews.com/business/energy/2015/05/28/
22	Problem of Climate Change (May 27, 2015),
	¹⁹³ Dallas Morning News, Exxon CEO: Let's Wait for Science to Improve Before Solving

1 188. Defendants bombard the public and consumers with the following advertisements,
 2 although these are a mere sliver of Defendants' extensive campaigns. Defendants'
 3 advertisements must be understood in their proper context—as following Defendants' substantial
 4 early knowledge on global warming risks and impacts, and following a decades-long campaign
 5 of misleading statements on global warming that primed the pump for massive use of their fossil
 6 fuel products.

a. Exxon's "Lights Across America" website advertisement states that
natural gas is "helping dramatically reduce America's emissions"¹⁹⁷ even though natural gas is a
fossil fuel causing widespread planetary warming and harm to coastal counties like Santa Cruz
and the use of natural gas competes with wind and solar, which have no greenhouse gas
emissions.

b. In 2017, Shell's CEO promoted massive fossil fuel use by stating that the
fossil fuel industry could play a "crucial role" in lifting people out of poverty.¹⁹⁸ A Shell website
promotion states: "We are helping to meet the world's growing energy demand while limiting
CO₂ emissions, by delivering more cleaner-burning natural gas."¹⁹⁹

16 c. BP touts natural gas on its website as "a vital lower carbon energy source"
17 and as playing a "crucial role" in a transition to a lower carbon future.²⁰⁰ BP promotes continued
18 massive fossil fuel use as enabling two billion people to be lifted out of poverty.²⁰¹

19d.Chevron's website implores the public that "we produce safe, reliable20energy products for people around the world."202Chevron also promotes massive use of fossil

21

22

¹⁹⁷ https://www.youtube.com/watch?v=tMu1CBjXfq4&list=PLIrXlHj7zayYGaExfTp_ B4t6gqTtkGf9A&index=6 (at 0:46).

²³
 ¹⁹⁸ Shell CEO speech, Mar. 9, 2017, http://www.shell.com/media/speeches-and-articles/2017/deliver-today-prepare-for-tomorrow.html.

¹⁹⁹ Shell United States, Transforming Natural Gas, http://www.shell.us/energy-and-innovation/transforming-natural-gas.html.

26 ²⁰⁰ https://www.bp.com/content/dam/bp/en/corporate/pdf/sustainability-report/group-reports/bp-sustainability-report-2016.pdf; http://www.bp.com/energytransition/shifting-towards-gas.html.

27 || ²⁰¹ BP energy outlook, http://www.bp.com/en/global/corporate/energy-economics/energy-outlook.html.
 28 || ²⁰¹ BP energy outlook, http://www.bp.com/en/global/corporate/energy-economics/energy-

fuels as the key to lifting people out of poverty: "Reliable and affordable energy is necessary for 1 2 improving standards of living, expanding the middle class and lifting people out of poverty. Oil 3 and natural gas will continue to fulfill a significant portion of global energy demand for decades to come – even in a carbon-constrained scenario."203 A prior Chevron advertisement still 4 available on the web promotes Chevron fossil fuels on a massive scale by stating that "our lives 5 demand oil."²⁰⁴ 6

7

8

9

ConocoPhillips promotes its fossil fuel products by stating that it e. "responsibly suppl[ies] the energy that powers modern life."²⁰⁵ Similarly, ConocoPhillips has the following advertising slogan on its website: "Providing energy to improve quality of life."²⁰⁶

10

11

I. The County Has Suffered, Is Suffering, and Will Suffer Injuries From **Defendants' Tortious Conduct.**

12 189. Defendants' individual and collective conduct—including, but not limited to, their 13 failures to warn of the threats their fossil fuel products posed to the climate; their wrongful 14 promotion of fossil fuel products and their concealment of known hazards associated with the 15 use of those products; and their public deception campaigns designed to obscure the connection 16 between their products and climate change and its environmental, physical, social, and economic 17 consequences—is a direct and proximate cause that brought about or helped bring about climate 18 change and consequent harms to the County. Such harms include the increase in global mean 19 temperature and consequent increase in sea level rise and attendant flooding; disruptions to the 20 hydrologic cycle, including, but not limited to, more frequent and extreme droughts, more 21 frequent and extreme precipitation events and resulting flooding, erosion, and landslides, higher

22

- 23 ²⁰² Chevron, Products and Services, https://www.chevron.com/operations/products-services.
- ²⁰³ Chevron, managing climate change risks, https://www.chevron.com/corporate-24 responsibility/climate-change/managing-climate-risk.
- 25 ²⁰⁴ Chevron TV ad (2009), https://www.youtube.com/watch?v=-KyjTGMVTkA.
- ²⁰⁵ ConocoPhillips, the changing energy landscape, http://www.conocophillips.com/who-we-26 are/our-company/spirit-values/responsibility/Pages/the-changing-energy-landscape.aspx.
- ²⁰⁶ ConocoPhillips, Producing energy, http://www.conocophillips.com/what-we-do/producing-27 energy/Pages/default.aspx. 28

groundwater levels and an accompanying increased risk of contaminant spread from hazardous,
superfund, landfills, and similar sites; more frequent and extreme heat waves; more frequent and
extreme wildfires; reduced air quality; and the cascading social, economic, health, and other
consequences of these environmental changes. These adverse impacts will continue to increase
in frequency and severity in Santa Cruz and disproportionately impact the County's most
vulnerable communities.

- 7 190. Santa Cruz's topography, geography, and land use patterns make it particularly
 8 susceptible to injuries from sea level rise. Sea level in California, including Santa Cruz County,
 9 will continue to rise significantly through at least 2150.²⁰⁷
- 10 191. Without Defendants' fossil fuel-related greenhouse gas pollution, current sea level
 11 rise would have been far less than the observed sea level rise to date.²⁰⁸ Similarly, committed sea
 12 level rise that will occur in the future would also be far less.²⁰⁹
- 13 192. In Santa Cruz County, anthropogenic climate change is compressing precipitation
 14 into mid-winter (January–February) months, which will create drier than normal conditions in
 15 the County in the fall (November–December) and spring (March–April), effectively extending
 16 the summer "dry" season and compressing the winter "wet" season.

17 193. California is moving toward a regime in which annual rainfall is increasingly
18 either extremely abundant, or extremely lacking, with fewer "normal" rainfall years occurring in
19 1982–2015 as compared to 1949–1981.²¹⁰

20

21	²⁰⁷ <u>See</u> Gary Griggs et al., <u>Rising Seas in California: An Update on Sea-Level Rise Science</u> ,
	California Ocean Science Trust, p. 26, Table 1(b) (2017),

- http://www.opc.ca.gov/webmaster/ftp/pdf/docs/rising-seas-in-california-an-update-on-sea-level rise-science.pdf.
- ²⁰⁸ Robert E. Kopp et al., <u>Temperature-driven Global Sea-level Variability in the Common Era</u>,
 Proceedings of the National Academy of Sciences, Vol. 113, No. 11, E1434-E1441, E1438 (2016), http://www.pnas.org/content/113/11/E1434.full.
- ²⁵ ²⁰⁹ Peter U. Clark et al., <u>Consequences of Twenty-First-Century Policy for Multi-Millennial</u>
 <u>Climate and Sea-Level Change</u>, Nature Climate Change Vol. 6, 365 (2016).
- ²¹⁰ Daniel L. Swain et al., <u>Trends in Atmospheric Patters Conducive to Seasonal Precipitation</u> and <u>Temperature Extremes in California</u>, Science Advances, e10501344, p. 5 (2016); U.S.
 ²¹⁰ Caselagical Survey. Simulation of Climate Change in San Erangiage Pay Paging California; Caselagical Survey. Simulation of Climate Change in San Erangiage Pay Paging California; Caselagical Survey. Simulation of Climate Change in San Erangiage Pay Paging California; Caselagical Survey.

1 194. The upshot is that the same amount of rain will fall in a shorter period via more
 2 intense storms in Santa Cruz County. The water supply generated from those events evaporates
 3 more quickly, resulting in diminished surface water availability and diminished groundwater
 4 recharge. In turn, this will diminish water supply for both human and ecological demand.
 5 Decreased soil moisture will result in increased fuel aridity—that is, vegetation will dry out
 6 quickly and completely in the absence of water, increasing its flammability.

7 195. Because of anthropogenic global warming, Santa Cruz County's hydrologic
8 regime is shifting toward one that is characterized by more frequent and severe drought, more
9 extreme precipitation events, more frequent and severe heatwaves, and more frequent and severe
10 wildfires.

196. 11 Defendants have actually and proximately caused sea levels to rise, increased the destructive impacts of storm surges, increased coastal erosion, exacerbated the onshore impact of 12 regular tidal ebb and flow, caused saltwater intrusion, disrupted the hydrologic cycle, caused 13 14 increased frequency and severity of drought, caused increased frequency and severity of extreme precipitation events, caused increased frequency and severity of heat waves, caused increased 15 frequency and severity of wildfires, and caused consequent social and economic injuries 16 associated with the aforementioned physical and environmental impacts, among other impacts, 17 resulting in inundation, destruction, and/or other interference with Plaintiffs' property and 18 19 citizenry.

197. Plaintiffs have already incurred, and will foreseeably continue to incur, injuries,
and damages because of sea level rise and disruptions to the hydrologic cycle including increased
frequency and severity of drought, increased frequency and severity of extreme precipitation
events, increased frequency and severity of heat waves, increased frequency and severity of
wildfires, and consequent social and economic injuries associated with those physical and

26

27 Studies in the Russian River Valley and Santa Cruz Mountains, Scientific Investigations Report
 28 2012-5132, at 36 (2012).

environmental changes, all of which have been caused and/or exacerbated by Defendants'
 conduct.

But for Defendants' conduct, Plaintiffs would have suffered no or far less injuries
and damages than they have endured, and foreseeably will endure, due to anthropogenic sea level
rise, disruption of the hydrologic cycle, and associated consequences of those physical and
environmental changes.

- 7
- 8

i. Sea Level Rise-Related Conditions and Injuries

9 199. Santa Cruz County has experienced significant sea level rise over the last half
10 century attributable to Defendants' conduct.²¹¹ Santa Cruz County will experience additional,
11 significant, and dangerous sea level rise through at least the year 2150,²¹² and the increases will
12 continue and accelerate. Additionally, Santa Cruz County will experience greater committed sea
13 level rise due to the "locked in" greenhouse gases already emitted.²¹³ The County will suffer
14 greater overall sea level rise than the global average.²¹⁴

15 200. In addition to weather and climate changes already observed, the County is at an
16 increased risk of suffering extreme injuries in the future. For example, there is a 98% chance that
17 the County experiences a devastating three-foot flood before the year 2050, and a 22% chance
18 that such a flood occurs before 2030.²¹⁵ Average sea level rise along the County's shores will
19 increase substantially over the course of the next several decades. For instance, sea level in the

- 20
- 21 See NOAA, Mean Sea Level Trend at Tide Station 9413450 (Monterey, CA),
- https://tidesandcurrents.noaa.gov/sltrends/sltrends_station.shtml?stnid=9413450 (accessed Nov.
 3, 2017).
- 23 ²¹² Griggs et al. (2017), <u>supra</u> note 207, at 26, Table 1(b) (describing sea level rise at the Golden Gate, approximately 80 miles from Santa Cruz County).
- 24 $||^{213}$ Clark et al. (2016), <u>supra</u> note 209, at 363–65.
- 25 ²¹⁴ Global sea level rise is projected to be 82.7 cm (32.6 inches) above 2000 levels by 2100. <u>See</u> National Research Council, <u>Sea-Level Rise for the Coasts of California, Oregon, and</u>
- 26 Washington: Past Present and Future (2012), at 107 at Table 5.2; page 117 at Table 5.3.
- ²¹⁵ Climate Central, <u>Surging Seas Risk Finder: Santa Cruz County</u>,
- https://riskfinder.climatecentral.org/county/santa-cruz-county.ca.us?comparisonType=postal-code&forecastType=NOAA2017_int_p50&level=3&unit=ft (accessed Nov. 3, 2017).

County will eventually increase in the County by over five feet by the year 2100 if emissions
 continue largely unabated,²¹⁶ causing multiple, predictable impacts, and exacerbating the impacts
 of extreme events.

4 201. With 0.3 feet of sea level rise, anticipated by 2030, the County will endure extensive coastal flooding. Over 850 buildings in unincorporated Santa Cruz County are at risk 5 from that level of sea level rise. More than half of these are private residences, flooding of which 6 can and will displace County citizens. 105,000 linear feet of roadway and highway are in the 7 pathway of flooding and erosion damage, as well as 120,000 feet of storm and sewer 8 9 infrastructure. Two emergency services buildings in the County are identified as at risk from 0.3 feet of sea level rise. 1,300 acres of parks and more than half of the coastal access points in the 10 County are at risk, as are half of the coastal wetlands in the County, and 2% of its dune 11 ecosystems, which protect upland activities from flooding and inundation.²¹⁷ The County 12 estimates that the economic value of assets at-risk with 0.3 feet of sea level rise is approximately 13 \$742 million.²¹⁸ 14

202. With 2.4 feet of sea level rise, the County will endure greater flooding, erosion, 15 16 and other injuries. Moreover, that level of sea level rise – projected by 2060 – will be coupled 17 with the failure of coastal armoring and water control structures that are already in place. With that level of sea level rise, an additional 800 buildings in unincorporated areas of the County are 18 19 under flood, inundation, or erosion risk. 35,000 additional feet of roadway and 55,000 feet of wastewater and storm drain pipes will be in the path of sea level rise hazards.²¹⁹ The County 20 estimates that the economic value of assets at risk with 2.4 feet of sea level rise is approximately 21 \$1.52 billion.²²⁰ 22

23

203. With 5.2 feet of sea level rise, the County will suffer even greater injuries. At that

24

25

²¹⁶ Central Coast Wetlands Group (2017), <u>supra</u> note 10, at 28, Table 2.

26 $\int_{218}^{217} \underline{\text{Id.}}$ at 38–39.

 $\begin{bmatrix} 218 \\ 1219 \end{bmatrix} \frac{1}{219} \frac{1}{1} \frac{1}{1} \frac{1}{219} \frac{1}{1} \frac$

 $\frac{1}{220}$ Id. at 60 Table 7.

 $28 || \frac{10.}{28} at 001 ab$

level, more than 1,800 residential properties within the unincorporated County will be impacted
by sea level rise hazards, as are 170,000 feet of roadway and 210,000 feet of water and sewer
pipes.²²¹ The County estimates that the economic value of assets at risk with 5.2 feet of sea level
rise is approximately \$2.15 billion.²²²

5 204. Specific infrastructure in the County at risk of injury or destruction from
6 anticipated increases in mean sea level includes all of, but is not limited to, the following:

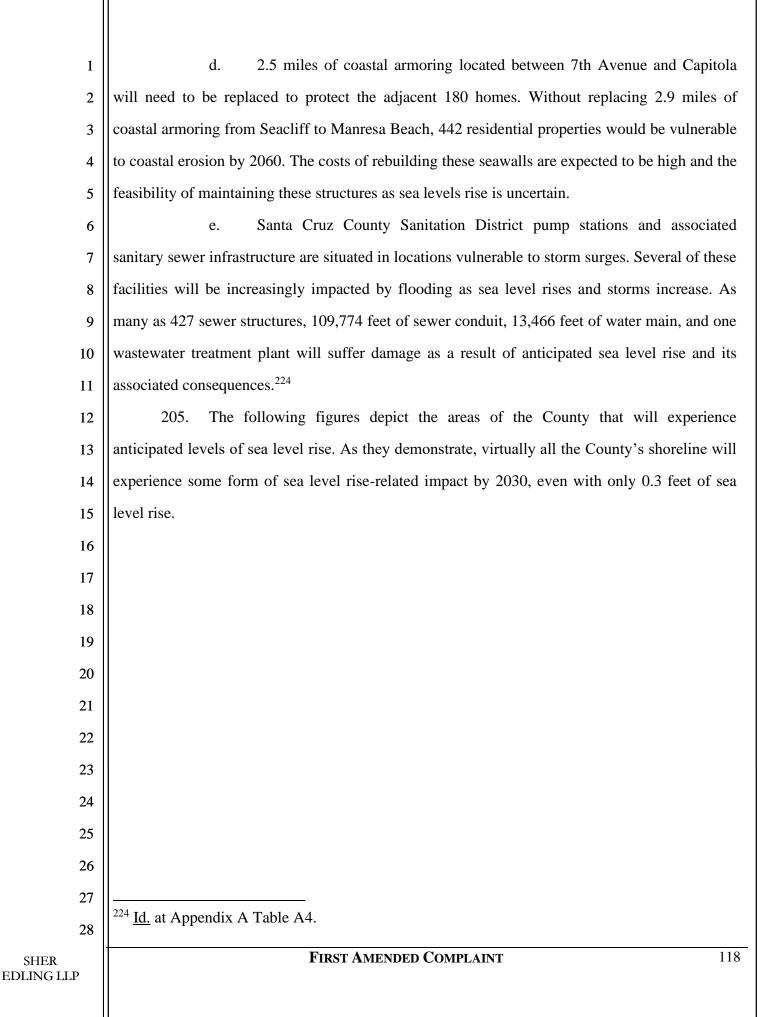
a. Highway 1 north of the City of Santa Cruz will suffer from coastal
erosion. Three sections of the highway are predicted to be vulnerable by 2030, four sections by
2060, and eleven separate locations are within erosion hazard areas by 2100. Key infrastructure
within hazard areas includes bridges over Scott and Waddell creeks. Almost 3.5 miles of coastal
armoring will be necessary to protect the current north county highway alignment through
2100.²²³

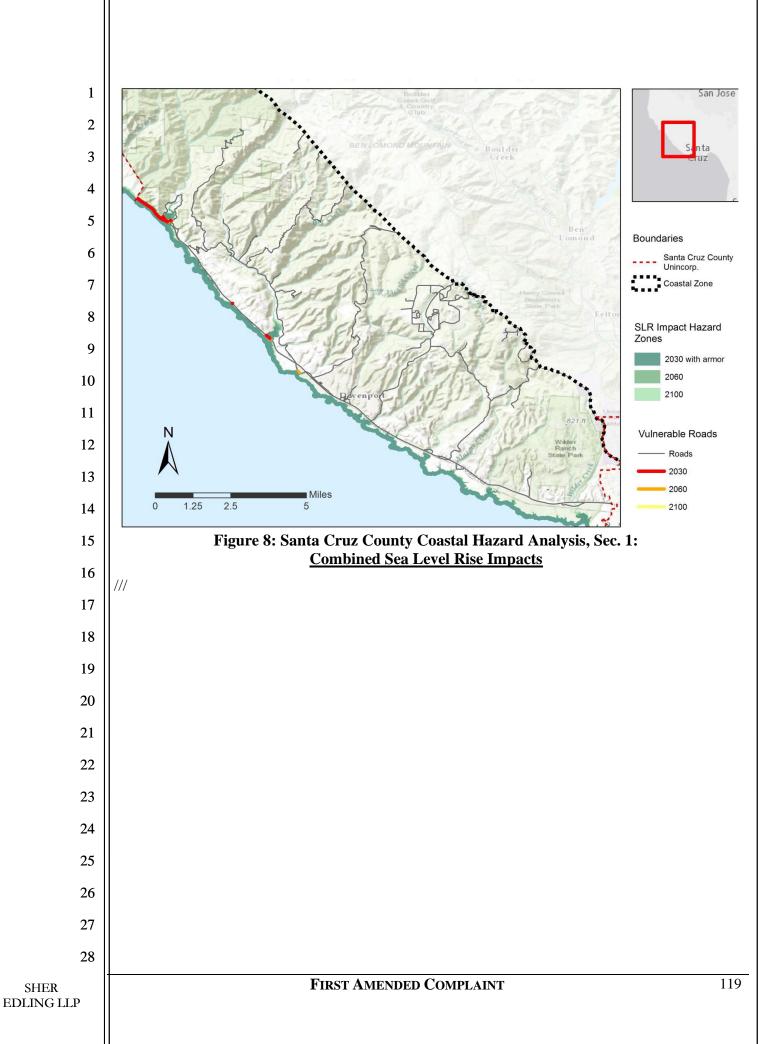
b. Roads along East Cliff Drive will experience monthly tidal flooding by
2030. Some sections of road, especially those crossing creek and lagoon mouths between 7th
Avenue and Capitola, are already vulnerable to coastal flooding. Portions of West Beach Street
will be vulnerable to tidal flooding by 2060 and much of the road and parking area within the
Pajaro Dunes development will be flooded monthly by 2100. Approximately 1.8 miles of the rail
line and 3.5 miles of County roads in the Pajaro Valley area are vulnerable to coastal flooding by
2060.

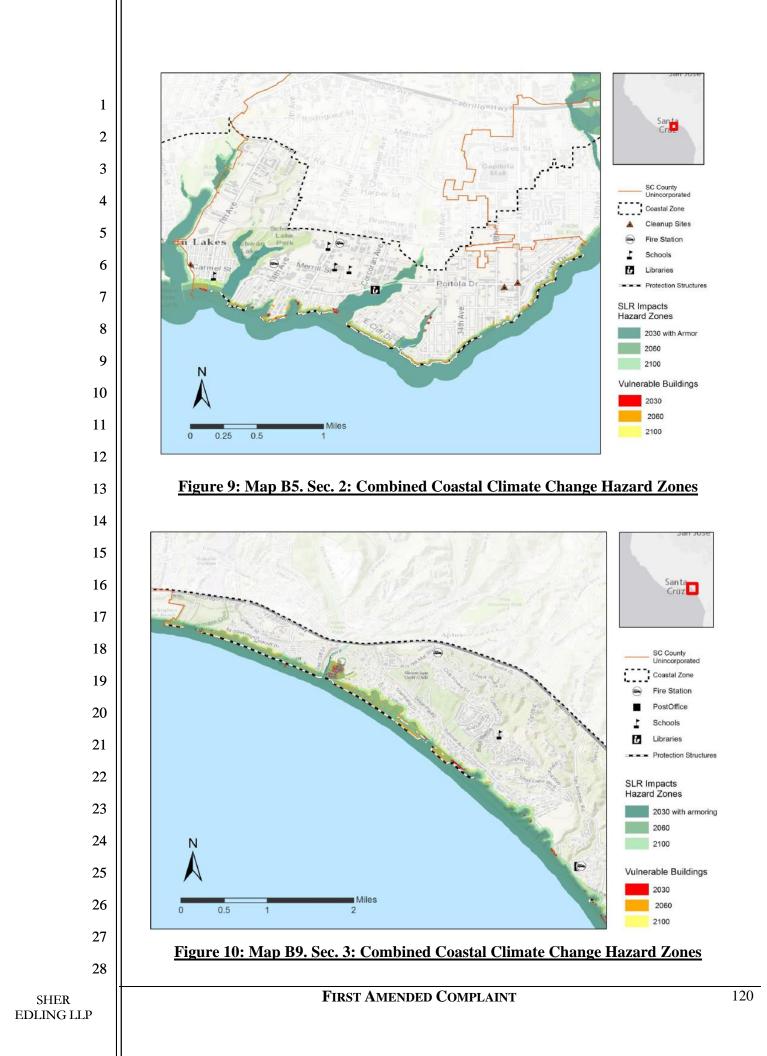
c. Many coastal access points adjacent to Moran Lake and within the lowlying sections of Rio Del Mar will suffer coastal flooding as early as 2030. By 2060, beach areas
between Pleasure Point and Capitola will be submerged during high tides. By 2100 most of
Seacliff, Aptos and Manresa beaches will be flooded during high tides if coastal bluffs are not
allowed to erode inland.

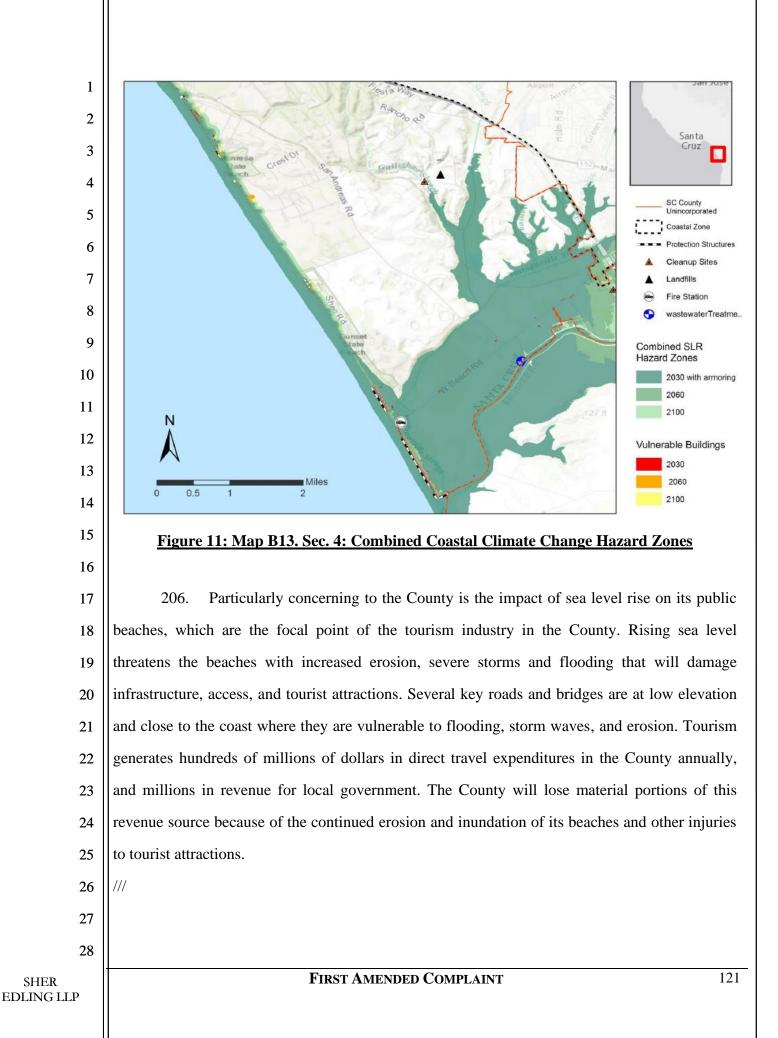
- 25

SHER EDLING LLP







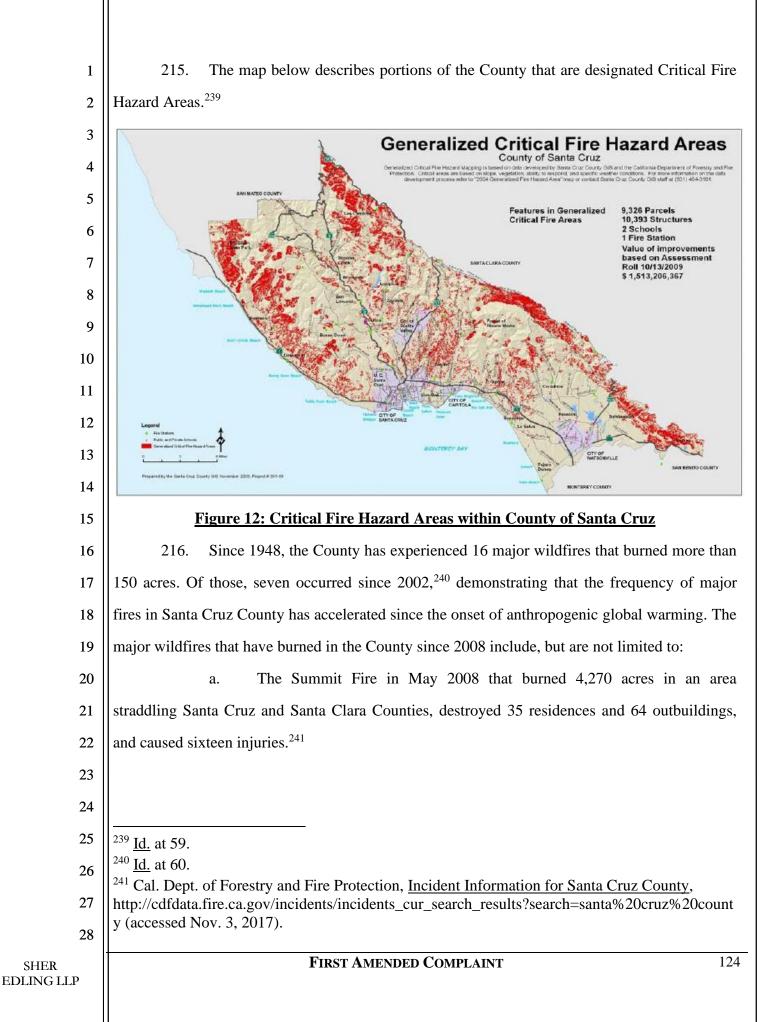


1

ii. Wildfire-Related Conditions & Injuries

2	207. The climatic and meteorological trends toward longer, hotter, drier summers in
3	Santa Cruz County are key indicia of increased fire occurrence, area burned, and fire behavior. ²²⁵
4	Climate drives moisture availability and weather conditions that increase fire risk. ²²⁶ Wet
5	conditions during winter and spring promote fuel (vegetation) growth, while dry conditions prior
6	to and during fire season increase the flammability of live and dead fuels that sustain wildfires. ²²⁷
7	Factors that limit and/or facilitate wildfires that are interrelated to moisture availability include
8	fuel aridity, ²²⁸ fuel density, ambient meteorological conditions (temperature, relative humidity,
9	wind, and precipitation), availability of ignition sources (lightning and anthropogenic sources),
10	and fire suppression rates. ²²⁹
11	208. In Northern California, including Santa Cruz County, there is a positive
12	correlation between autumn-winter temperatures and the area burned in the subsequent fire
13	season (i.e. higher temperature in a given autumn-winter correlates with larger areas burned in
14	the following fire season), and a negative correlation between moisture availability and the area
15	burned during the fire season (i.e. less moisture correlates to more area burned). ²³⁰ Thus, as
16	temperatures increase, and moisture availability decreases with anthropogenic global warming's
17	effects on the hydrologic cycle, conditions have and will continue to become more conducive to
18	wildfires in the County.
19	
20	
21	²²⁵ John T. Abatzoglou & Crystal A. Kolden, <u>Relationships Between Climate and Macroscale</u> Area Burned in the Western United States, International Journal of Wildland Fire at A (2013).
22	²²⁶ A.L. Westerling & B.P. Bryant, <u>Climate Change and Wildfire in California</u> , Climatic Change,
23	87 (Suppl. 1) S231-S249, S233 (2007). ²²⁷ Id.
24	²²⁸ John T. Abatzoglou & A. Park Williams, <u>Impact of Anthropogenic Climate Change on</u> Wildfires Across Western US Forests, Proceedings of the National Academy of Sciences, Vol.
25	113, No. 42, E11770-11775, E11770 (2016) (citations omitted).
26	²²⁹ O. Pechony & D.T. Shindell, <u>Driving Forces of Global Wildfires Over the Past Millenium</u> and the Forthcoming Century, Proceedings of the National Academy of Sciences, Vol. 107, No.
27	45, 19167-19170, 19167 (2010). ²³⁰ Abatzoglou & Kolden (2013), <u>supra</u> note 225, at F.
28	
SHER EDLING LLP	FIRST AMENDED COMPLAINT 122

1	200 Fire estivity including the number of large fires total area humad and fire
1	
2	
3	Man-made global warming has and will continue to exacerbate the areal extent and frequency of
4	extreme fire risk in California, including Santa Cruz County. ²³²
5	210. Anthropogenic climate change is responsible for increasing the number of days in
6	which there is a high fire potential in the western United States, including Santa Cruz County, by
7	a substantial number per year over the period 1979–2015. ²³³
8	211. Anthropogenic forcing, in the form of greenhouse gas pollution attributable to the
ç	defendants' fossil fuel products, is responsible for nearly doubling the land surface area burned
10	by wildfires in the western United States, which includes Santa Cruz County, over the period
11	1984-2015. ²³⁴ The net increase in burned area attributable to anthropogenic climate change in the
12	Western United States during that timeframe is approximately 10.4 million acres. ²³⁵
13	212. The annual average area burned by wildfires in Santa Cruz County has increased
14	substantially from the period 1961–1990 to the period 2006–2017. ²³⁶
15	213. The average area in Santa Cruz County annually burned by wildfires will continue
16	to increase substantially at least through 2099 relative to the historical baseline. ²³⁷
17	214. Santa Cruz ranks 14th among California Counties for fire risk. ²³⁸ This owes to the
18	County's steep and remote inland mountains, covered with dense vegetation ranging from
19	chaparral to eucalyptus to conifer forest, and the typical cold and damp weather pattern in the
20	Count that is interspersed with extremely hot, dry, and windy conditions.
21	
22	231 Abatzoglou & Williams (2016), <u>supra</u> note 228, at E11770 (citations omitted).
23	²³² <u>See</u> Jin-Ho Yoon et al., <u>Extreme Fire Season in California: A Glimpse into the Future?</u> , Bulletin of the American Meteorological Society.
24	²³³ Abatzoglou & Williams (2016), <u>supra</u> note 228, at E11771.
25	$\begin{bmatrix} 2^{34} & \underline{\text{Id.}} \\ 2^{35} & \underline{\text{Id.}} \end{bmatrix}$
26	²³⁶ See California Energy Commission, <u>Cal-Adapt: Exploring California's Climate Change</u>
27	<u>Research, Wildfire Tool</u> , http://cal-adapt.org.
28	²³⁸ County of Santa Cruz, Local Hazard Mitigation Plan: 2015–2020, 62 (2015).
	FIRST AMENDED COMPLAINT 123
SHER EDLING LLP	r iksi Amended Complaini 123



The Martin Fire in June 2008 that burned 520 acres, destroyed three b. 1 residences and eight outbuildings, seven miles north of Santa Cruz at Bonny Doon and Martin 2 Road near Hwy 9 in Santa Cruz County.²⁴² 3 The Trabing Fire in June 2008 that burned 630 acres, destroyed ten 4 c. residences and ten outbuildings, in Larkin Valley north of Watsonville near Highway 1 in Santa 5 Cruz County.²⁴³ 6 d. The Lockheed Fire in August 2009 that burned 7,817 acres in the Bonny 7 Doon and Swanton areas of Santa Cruz County, destroying thirteen outbuildings.²⁴⁴ 8 The Loma Fire in October 2009 that burned 485 acres in the area of 9 e. Maymens Flat - Highland Road, Eureka Canyon and Ormsby in Santa Cruz County.²⁴⁵ 10 f. The Bear Fire in October 2017 that burned 391 acres in the vicinity of 11 Bear Canyon Road and Deer Creek Road in Boulder Creek, Santa Cruz County. Six structures 12 were destroyed in this fire.²⁴⁶ 13 14 217. The County contracts with the California Department of Forestry and Fire Protection ("CalFire") to provide fire suppression services that are not included in autonomous 15 fire protection districts.²⁴⁷ The County bears costs related to fire suppression in its jurisdiction. 16 218. Due to the increase in temperature and decrease in moisture availability in Santa 17 Cruz County, the frequency and intensity of wildfires is increasing. Coincident with that 18 19 increase, the destructive force of and costs to suppress wildfires are also increasing. 20 219. The County estimates that over a billion dollars of improvements are located in Critical Fire Hazard Areas of the County. Assets within the County that are at risk of wildfire 21 include thousands of residences, several schools including the University of California, Santa 22 23 24 ²⁴² Id. ²⁴³ Id. 25 ²⁴⁴ Id. 26 ²⁴⁵ Id. ²⁴⁶ Id. 27 ²⁴⁷ County of Santa Cruz, Local Hazard Mitigation Plan: 2015–2020, supra note 238, at 58. 28 125 FIRST AMENDED COMPLAINT EDLING LLP

SHER

Cruz, several youth camps, numerous commercial facilities, five local public water systems with
 extensive infrastructure, three state highways, and three major power transmission Rights of
 Way. Wildfire injury to any of these assets will cause secondary and tertiary injuries to the
 County in the form of response costs, displacement of residents, landslides, and others.

5

iii. Extreme Precipitation & Landslide-Related Conditions & Injuries

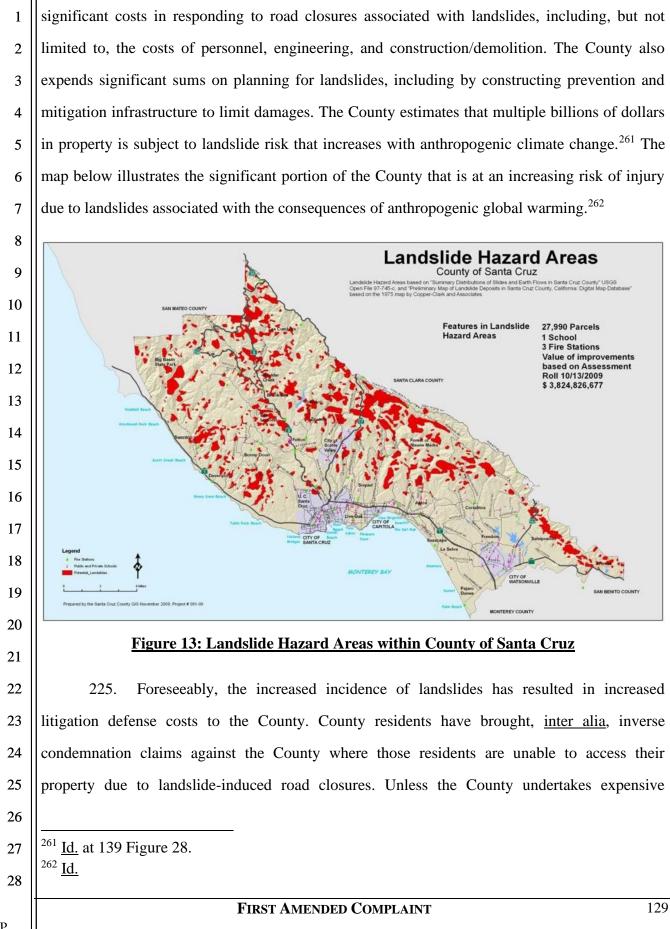
6 220. Extreme precipitation events (the upper 0.1% of daily rain events) have increased
7 substantially over the past 100 years in the United States, by about 33%.²⁴⁸ In California, the
8 weather phenomena that drive extreme precipitation events are increasing in both frequency and
9 magnitude.

221. Historically, the most dangerous storms in California have been warm and wet 10 storms that strike in winter, producing intense rains over large areas, melting snowpack in the 11 Sierra Nevada, and unleashing many of the State's largest floods.²⁴⁹ These storms are delivered 12 via atmospheric rivers – bands of warm, moist air containing water vapor evaporated in southerly 13 latitudes that transport water from the tropics to the western U.S.²⁵⁰ When atmospheric rivers hit 14 the mountainous topography of California, Pacific moisture is forced out of the atmosphere as 15 very intense precipitation, the magnitude of which can rival the intensity of landfalling 16 17 hurricanes in the tropics.²⁵¹ Atmospheric river storms are the primary meteorological cause of extreme precipitation and flooding in California.²⁵² Projections indicate that major atmospheric 18 river storms with attendant winter flooding will increase with warming of the climate.²⁵³ Winters 19 with exceptionally large numbers of atmospheric river storms will increase in the 21st 20 21

- 21
- ²⁴⁸ P.Y.A. Groisman et al., <u>Trends in intense precipitation in the climate record</u>, J. Clim. 18, 1326–1350 (2005).
- ²⁴⁹ Michael Dettinger, <u>Climate Change, Atmospheric Rivers, and Floods in California A</u> <u>Multimodel Analysis of Storm Frequency and Magnitude Changes</u>, Journal of the American
 Water Resources Association Vol. 47, No. 3, 515 (2011).
- 26 $\frac{250}{251}$ <u>Id.</u>
- $^{26} \parallel^{251} \underline{\text{Id.}}$
- 27 $\begin{vmatrix} 252 \\ 253 \\ Id. \\ at 518. \end{vmatrix}$
- 28 $||^{255}$ <u>Id.</u> at 5

	254
1	Century. ²⁵⁴ Moreover, the amount of precipitation delivered by future atmospheric rivers will
2	increase with anthropogenic global warming. ²⁵⁵ Projections show that future atmospheric river
3	storms may exceed the intensity of any atmospheric river storm previously observed. ²⁵⁶
4	222. Due to anthropogenic climate change, heavy precipitation events (defined as
5	rainfall equal to or greater than the historical 95th percentile) will increase in frequency by 3.1
6	events per year by the year 2100. ²⁵⁷
7	223. Among other impacts, extreme precipitation events cause, contribute to, or
8	exacerbate disruption of surface substrate, thereby leading to increased frequency and magnitude
9	of landslides.
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	254
25	$ \begin{array}{c} \overset{254}{\underline{\text{See id.}}} \\ \overset{255}{\underline{\text{Id.}}} \text{ at 520.} \end{array} $
26	²⁵⁶ <u>Id.</u> at 521.
27	²⁵⁷ Xiang Gao et al., <u>21st Century Changes in U.S. Heavy Precipitation Frequency Based on</u> <u>Resolved Atmospheric Patterns</u> , MIT Joint Program on the Science and Policy of Global
28	Change: Report 302, 15 (2016).
SHER EDLING LLP	FIRST AMENDED COMPLAINT 127

SHER EDLING LLP	FIRST AMENDED COMPLAINT 128
28	
27	²⁵⁹ <u>Id.</u> at 140. ²⁶⁰ <u>Id.</u> at 141.
26	$\overline{^{258}}$ <u>Id.</u> at 137.
25	
24	
23	
22	
21	
20	
19	
18	
17	
16	
15	
14	
13	cable and telephone utilities that service the County and its residents. ²⁶⁰ The County incurs
12	roadways, damage to roads will often disrupt sewers, water systems, gas and electricity, and
11	9, Branciforte Road, and Amensti Road. ²⁵⁹ Because utilities in the County generally follow
10	people in one instance, and severe storms have damaged major thoroughfares such as Highway
9	instance, severe storms have caused landslides in the Santa Cruz mountains that killed at least ten
8	cause loss of life, property damage, and destruction of infrastructure, among other impacts. For
7	initiate landslides ²⁵⁸ due to the loss of root structures that maintain soil cohesion. Landslides may
6	Additionally, in areas burned by forest and brush fires, a lower threshold of precipitation may
5	loose substrate can cause it to dislodge, at which point gravity will carry material downslope.
4	precipitation events increase, so too will the occurrence of landslides. Runoff that seeps into
2 3	such activity is centered primarily along the steeper slopes in the hills and mountains, along stream corridors, and along coastal bluffs and inlets. The County anticipates that as extreme
1	224. The topography in Santa Cruz County is conducive to destructive landslides, and



SHER EDLING LLP 1 projects to mitigate the effects of anthropogenic global warming, specifically increased risk and 2 occurrence of landslides, it will continue to be exposed to these litigation-related expenses.

- 3 226. Additionally, increasingly extreme precipitation events in the County will 4 contribute to relatively diminished groundwater storage in groundwater basins in the County (due to the shorter time in which runoff is present on the surface), which will reduce 5 groundwater storage and dry season stream baseflows, which will have adverse impacts on water 6 supply.²⁶³ 7
- Extreme precipitation events, and consequent extreme surface runoff, injure 8 227. 9 wastewater collection and treatment infrastructure. Stormwater infiltration inflow that enters wastewater collection systems in the County increases the total amount of water that the systems 10 11 treat, causing increased costs of operating, maintaining, and powering wastewater treatment 12 facilities, and increasing the wear and tear on treatment and conveyance infrastructure.
- 228. Increasingly extreme precipitation events have caused and will continue to cause 13 14 increased inland flooding and associated damage, including interference with or destruction of roads and county infrastructure. Intense storms in the recent past have destroyed or rendered 15 impassable approximately 230 roads in the County, for which the County has incurred hundreds 16 17 of millions of dollars in expenses in planning, permitting, and actual repair. The County will continue to suffer similar injuries and on-going expenses in the coming years. 18
- 19

iv. **Drought-Related Conditions & Injuries**

20 229. As a result of anthropogenic global warming, Santa Cruz County's hydrologic regime is shifting toward one that is characterized by more frequent, more intense drought.²⁶⁴ 21

230. 22 California and Santa Cruz County most recently experienced a record-setting 23 drought in 2012-2016, which featured the lowest multi-year precipitation total recorded in the

- 24
- 25

26

28

²⁶³ Id. at 101. ²⁶⁴ Union of Concerned Scientists, Causes of Drought: <u>What's the Climate Connection?</u> (webpage), http://www.ucsusa.org/global_warming/science_and_impacts/impacts/causes-of-27 drought-climate-change-connection.html#.WgCiK2i3w0F (accessed Nov. 6, 2017).

state, as well as the highest annual temperature.²⁶⁵ Anthropogenic warming was a substantial
 contributing cause of the severity of that drought, ²⁶⁶ which caused significant and material
 injuries in Santa Cruz County.

- 4 231. As annual rainfall concentrates into a shorter time span, the annual dry period is
 5 growing longer, resulting in conditions of moisture deficiency over longer periods. Even in the
 6 absence of substantial changes in average precipitation in the County, precipitation will fall in a
 7 shorter time span and therefore be less susceptible to capture and use.
- 8 232. An increase in the frequency and persistence of unusual atmospheric pressure
 9 patterns also have contributed to the frequency of meteorological drought in California and the
 10 County. For instance, multi-year persistence of an atmospheric high-pressure ridge off the
 11 California coast that diverted atmospheric moisture away from California was a substantial
 12 contributor to the absence of precipitation during the 2012-2016 California drought.²⁶⁷
- 233. The co-occurrence of the precipitation/moisture deficits that constitute "drought" 13 14 with extremely warm temperatures induced by anthropogenic global warming exacerbates the impacts of precipitation deficits by amplifying evapotranspiration and inducing increased 15 groundwater withdrawal and surface water diversion, thereby magnifying the impacts of drought 16 17 in Santa Cruz County.²⁶⁸ Continued global warming is likely to cause a transition to a regime in which essentially every seasonal, annual, and multiannual precipitation deficit co-occurs with 18 historically warm ambient temperatures.²⁶⁹ Thus, future droughts in the County are expected to 19 20 be more severe than historical droughts, with an attendant exacerbation of drought impacts.
- 21 22

23

- 234. Nearly all of the public water supply systems in Santa Cruz County are already impacted by climate-related shifts to a hotter, dryer meteorological regime in the County and an
- ²⁶⁵ Noah S. Diffenbaugh et al., <u>Anthropogenic Warming Has Increased Drought Risk in</u> <u>California</u>, Proceedings of the National Academy of Sciences, 3931–3936, 3931 (2015).
 ²⁶⁶ See A. Park Williams et al., <u>Contribution of Anthropogenic Warming to California Drought</u> <u>During 2012–2014</u>, Geophysical Research Letters, 42, 6819–6828 (2015).
 ²⁶⁷ Diffenbaugh et al. (2015), <u>supra</u> note 265, at 3931.
 ²⁶⁸ <u>Id.</u>
- $28 ||^{269} \underline{\text{Id.}} \text{ at } 3934.$

increased climatic water deficit. These water suppliers and County residents and businesses are
suffering from either reduction in surface water supply due to increasingly frequent and intense
drought, or from groundwater overdraft due to increased reliance on that source in the face of
diminished surface water supply. With continued global warming and attendant climatic and
meteorological shifts, the County and its residents will continue to be negatively impacted in
several ways, including, but not limited to, being forced to adapt water sources and water use
habits, and incur attendant costs.

8 235. Almost all of the groundwater basins in the County are in a condition of
9 overdraft.²⁷⁰ This is due to increased reliance on groundwater as surface water availability
10 decreases due to drought, and reduced groundwater recharge due to the same decrease in surface
11 water availability. Current average groundwater pumping levels in the County cannot be
12 sustained on a long-term basis.²⁷¹

13 236. The County projects that that water demand will outstrip supply during drought
14 years moving forward. As soon as 2020, the County projects that a single drought year will result
15 in a deficit of tens of millions of gallons.²⁷² Water supply deficits will be exacerbated by
16 increasing frequency and severity of droughts, and the increasing likelihood of multi-year
17 drought conditions.

237. Because groundwater extraction rates in the County's groundwater basins exceed 18 19 sustainable pumping rates, groundwater levels have dropped significantly, resulting in saltwater intrusion and rendering some coastal groundwater wells unsuitable for use.²⁷³ With the rise in sea 20 level and current groundwater overdraft conditions, saltwater intrusion will be exacerbated. 21 Consequences of saltwater intrusion in the County include, but are not limited to, County 22 23 agricultural operations fallowing fields in the County. This diminishes the productivity of the 24 25 ²⁷⁰ County of Santa Cruz, Local Hazard Mitigation Plan: 2015-2020, supra note 238, at 95. 26

 $26 ||_{271} \underline{\text{Id.}}$

28

27 $\begin{bmatrix} 272 \\ Id. \\ at 98-99. \end{bmatrix}$ 273 Id. at 159.

SHER EDLING LLP County's agricultural economy, thereby diminishing tax revenue to the County, among other
 injuries.

3

v. Public Health Conditions & Injuries

238. The County has and will continue to incur expenses in planning and preparing for,
and treating, the public health impacts associated with anthropogenic global warming. In Santa
Cruz County, the predicted public health effects of anthropogenic climate change include, but are
not limited to, impacts associated with extreme weather, extreme heat, drought, vector borne
illnesses, and sea level rise.

9 239. Extreme weather-induced public health impacts in the County will increase risk of
10 fatal and nonfatal injuries from drowning, being struck by objects, fire, explosions, electrocution,
11 or exposure to toxic materials, among others. A widespread weather-related natural disaster may
12 destroy or ruin housing, schools and businesses, and cause temporary or permanent
13 displacement. Individuals and families may experience post-traumatic stress, depression, and
14 increased risk of suicide.²⁷⁴

15 240. The annual average number of extreme heat days²⁷⁵ has increased in Santa Cruz
16 County relative to the historical baseline.²⁷⁶

17 241. With future emissions, the annual average number of extreme heat days will
18 continue to increase substantially in the County.²⁷⁷

19 242. Extreme heat-induced public health impacts in the County will result in increased
20 risk of heat-related illnesses (mild heat stress to fatal heat stroke) and the exacerbation of pre21 existing conditions in the medically fragile, chronically ill, and vulnerable. Increased heat also

22

²⁷⁴ N. Maizlish et al., <u>Climate Change and Health Profile Report: Santa Cruz County Office of</u> Health Equity, California Department of Public Health, p.12 (2017).

²⁷⁵ Defined as days in April–October that meet or exceed the 98th percentile of historical maximum temperatures between April 1 and October 31 based on observed daily temperature data from 1961–1990.

²⁷⁶ See California Energy Commission, <u>Cal-Adapt: Exploring California's Climate Change</u>
 ²⁷⁷ Research, Number of Extreme Heat Days Tool, accessed Nov. 30, 2017, http://cal-adapt.org.



intensifies the photochemical reactions that produce smog and ground level ozone and fine 1 2 particulates (PM2.5), which contribute to and exacerbate respiratory disease in children and 3 adults. Increased heat and carbon dioxide enhance the growth of plants that produce pollen, 4 which are associated with allergies. Increased temperatures add to the heat load of buildings in urban areas and exacerbate existing urban heat islands adding to the risk of high ambient 5 temperatures.²⁷⁸ 6

7

243. Increased frequency and intensity of wildfires will increase fire-related injuries and increase respiratory and cardiovascular risks from smoke, ash, and fine particles.²⁷⁹ 8

9 244. Increased frequency and intensity of drought will create human health impacts by reducing water availability to fight wildfires. Drought will also increase risk of exposure to 10 health hazards including wildfires, dust storms, extreme heat events, flash flooding, degraded 11 12 water quality, and reduced water quantity. Dust storms associated with drought conditions have been associated with increased incidents of Valley fever, a fungal pathogen.²⁸⁰ 13

14 245. Disease-related public health impacts in the County may include, but are not limited to, increased incidence of emerging diseases with migration of animal and insect disease 15 vectors; physical and mental health impacts associated with severe weather events, such as 16 17 flooding, when they cause population dislocation and infrastructure loss; exacerbation of existing respiratory disease, cardiovascular disease, and stroke as a result of heatwaves and increased 18 average temperature; respiratory distress; and exacerbation of existing disease.²⁸¹ 19

20 246. Sea level rise will increase risk of public health impacts including, but not limited to, salt water intrusion into coastal aquifers reducing quality and quantity of water supply; loss of 21 recreational venues and hazards to infrastructure and public safety due to coastal erosion; and; 22 and indoor air quality problems from mold resulting from water intrusion.²⁸² 23

- 24
- ²⁷⁸ Id. at 13. 25
- ²⁷⁹ Id. 26 ²⁸⁰ Id. 281 Id. 27
- ²⁸² <u>Id.</u> 28

SHER EDLING LLP 247. Public health impacts are likely to be disproportionately borne by communities
 made vulnerable by geographic, racial, or income disparities.²⁸³

_

3 248. As a direct and proximate result of the acts and omissions of the Defendants' 4 alleged herein, Plaintiffs have incurred substantial expenses related to planning for and 5 predicting future climate change-related injuries to its real property, improvements thereon, civil infrastructure, and citizens, to preemptively mitigate and/or prevent such injuries. This includes, 6 but is not limited to, performing a coastal climate change vulnerability assessment finalized in 7 8 2017 at significant expense to the County, which found that billions of dollars in assets located in 9 the County are at risk with expected increases in mean sea levels adjacent to the County. Plaintiffs have also expended substantial sums in planning for increasing frequency and severity 10 11 of drought, increasing frequency and severity of extreme precipitation events, increasing frequency and severity of heatwaves, increasing frequency and severity of wildfires, and 12 increasing magnitude of the associated consequences of those physical and environmental 13 14 changes.

249. As a direct and proximate result of Defendants' acts and omissions alleged herein, 15 16 Plaintiffs have incurred sea level rise- and hydrologic cycle change-related injuries and damages. 17 These include, but are not limited to, infrastructural repair and reinforcement of roads, beach and access; installation of coastal armoring infrastructure (sea walls and rip rap), much of which will 18 19 need to be repaired, replaced, or supplemented after 2030; erosion of ocean-adjacent public land; 20 flooding and/or inundation of property; increased emergency response costs including to wildfires; costs of addressing public health consequences of elevated temperatures; displacement 21 22 of residents within the County; decreases in County revenue; and others.

- 23 250. Defendants' conduct as described herein is therefore an actual, substantial, and
 24 proximate cause of Plaintiffs' injuries that result from sea level rise, changes to the hydrologic
 25 cycle, increasing frequency and severity of drought, increasing frequency and severity of
 26
- 27 28

²⁸³ <u>Id.</u>

SHER EDLING LLP

extreme precipitation events, increasing frequency and severity of heatwaves, increasing 1 frequency and severity of wildfires, and the associated consequences of those physical and 2 3 environmental changes. VI. 4 **CAUSES OF ACTION** FIRST CAUSE OF ACTION 5 (Public Nuisance on Behalf of the People of the State of California) 6 (Against All Defendants) 7 251. The People incorporate by reference each and every allegation in §§ I-V 8 9 contained above, as though set forth herein in full. 252. The People of the State of California, acting by and through the County of Santa 10 11 Cruz County Counsel, bring this claim seeking abatement pursuant to California public nuisance law, including section 731 of the California Code of Civil Procedure, and sections 3479, 3480, 12 3491, and 3494 of the California Civil Code. 13 14 253. Defendants, individually and in concert with each other, by their affirmative acts and omissions, have caused, created, assisted in the creation of, and/or maintained harmful 15 16 climate change-related conditions, and continue to engage in that conduct. The climate changerelated conditions include higher sea level, increased storm frequency and intensity, more 17 frequent and extreme heat events, reduced air quality, and increased flooding, with compounding 18 19 effects in the County's most vulnerable, at-risk and disadvantaged communities. They (1) are 20 harmful and dangerous to human health; (2) are indecent and offensive to the senses of the ordinary person; (3) obstruct and threaten to obstruct the free use of the People's property so as 21 22 to interfere with the comfortable enjoyment of life and property; and (4) obstruct and threaten to 23 obstruct the free passage and use of public parks, squares, streets, bodies of water, and/or 24 highways within the County of Santa Cruz. They therefore constitute a nuisance. 25 254. Defendants, individually and in concert with each other, created, caused, contributed to, and assisted in the creation of these and other climate change-related harms in the 26 27 County of Santa Cruz by, among other things, affirmatively and deceptively promoting the sale and use of fossil fuel products in the County of Santa Cruz which Defendants knew would cause 28

1 or exacerbate climate change and its impacts in the County of Santa Cruz including without limitation sea level rise, more frequent and extreme precipitation events, coastal and inland 2 3 flooding, more frequent and extreme heat events, and reduced air quality. The affirmative 4 misconduct also includes disseminating and funding the dissemination of information intended to 5 mislead consumers and the public regarding the risks of climate change and its consequences that Defendants knew would inevitably follow from the intended or reasonably foreseeable use of 6 their products. It also includes engaging in other conduct to manipulate and induce the public 7 8 into continued and elevated consumption of fossil fuels and delaying the shift to renewable 9 energy in a way that exacerbates climate change harms.

255. Defendants' nuisance-creating conduct included egregiously making untruthful, 10 11 deceptive, and/or misleading environmental marketing claims, explicit and implied, in violation of Cal. Bus. & Prof. Code § 17580.5. The People are within the class of persons that statute 12 seeks to protect. Defendants' misleading environmental marketing claims include, but are not 13 14 limited to, deceptively marketing fossil fuel products claimed to be "low carbon," "emissionsreducing," "clean" and/or "green," or otherwise environmentally beneficial or benign when in 15 16 reality those products contribute to climate change and are harmful to the health of the planet and its people; and deceptively marketing their companies and their products as contributing to 17 solutions to climate change when in reality their investments in clean energy and alternative fuels 18 19 pale in comparison to their investments in expanding fossil fuel production.

20 256. The climate change-related harms that Defendants created, caused, contributed to,
21 and assisted in the creation of, constitute a substantial and unreasonable interference with and
22 obstruction of public rights and property, including, inter alia, the public rights to health, safety,
23 welfare, peace, comfort, and convenience of the County of Santa Cruz residents and other
24 citizens. These interferences with public rights, which Defendants knew their affirmative
25 wrongful promotion would cause or exacerbate, include without limitation:

26 a. Interference with the public's rights so regular and severe as to cause
27 permanent inundation;

SHER EDLING LLP

28

b.

The destruction of real and personal property, rather than mere annoyance;

The loss of property and infrastructure within the County of Santa Cruz, 1 c. which will actually be borne by Plaintiff's residents as a loss of the use of public property and 2 3 infrastructure and the diversion of tax dollars away from other public services to sea level rise; d. Plaintiff's coastal property, which serves myriad uses including industrial, 4 5 residential, infrastructural, commercial and ecological, is not suitable for regular inundation; Sea level rise, coastal inundation and flooding, and groundwater changes, 6 e. which obstruct the free passage and use of roads and property, impair water quality in 7 8 groundwater aquifers, damage critical public infrastructure, and lead to unprecedented and 9 dangerous storm surges that can cause injury or even deaths; f. More frequent and extreme precipitation events, including atmospheric 10 rivers, which cause flooding that can damage public infrastructure, obstructing the free passage 11 and use of property; 12 More frequent and extreme heat events, which increase the risk of injury 13 g. 14 or death from dehydration, heat stroke, heart attack, and respiratory problems; and h. Public health harms including reduced air quality from smoke and 15 16 dangerous pollutants caused by more frequent and intense wildfires across California, which exacerbates existing health conditions, damages lungs and increases rates of childhood asthma, 17 respiratory and heart disease, and death, and which reduces visibility and obstructs scenic views. 18 19 257. The harms caused by Defendants' nuisance-creating conduct are extremely grave and far outweigh the social utility of that conduct. 20 258. This public nuisance affects and/or interferes with the rights of an entire 21 22 community and/or the rights of a considerable number of persons in the County of Santa Cruz 23 and the State of California to health, safety, peace, comfort, and convenience. 24 259. The People's injuries and threatened injuries from each Defendant's affirmative 25 acts or omissions are indivisible injuries. Each Defendant's past and ongoing conduct is a direct and proximate cause of the People's injuries and threatened injuries. As a direct and proximate 26 27 result of Defendants' acts and omissions, Plaintiffs will be required to expend significant public resources to mitigate the impacts of climate-related harms throughout the County of Santa Cruz. 28

1	260. As a direct and proximate result of Defendants' conduct, as set forth above, the
2	common rights enjoyed by the People of the State of California and by the general public in the
3	County of Santa Cruz have been unreasonably interfered with because Defendants knew or
4	should have known that their conduct would create a continuing problem with long-lasting
5	significant negative effects on the rights of the public.
6	261. Defendants' actions are a direct and legal cause of the public nuisance.
7	262. Defendants' acts and omissions as alleged herein are indivisible causes of the
8	People's injuries and damages as alleged herein.
9	263. Defendants are jointly and severally liable to the People for committing a public
10	nuisance.
11	264. The People of the State of California, acting through the County of Santa Cruz,
12	have a clearly ascertainable right to have the public nuisance created by Defendants abated. ²⁸⁴
13	265. Wherefore, the People of the State of California also pray for relief as set forth
14	below.
15	SECOND CAUSE OF ACTION
16	(Public Nuisance on Behalf of the County of Santa Cruz)
17	(Against All Defendants)
18	266. Plaintiff incorporates by reference each and every allegation in §§ I–V contained
19	above, as though set forth herein in full.
20	267. Defendants, individually and in concert with each other, by their affirmative acts
21	and omissions, have caused, created, assisted in the creation of, and/or maintained harmful
22	climate change-related conditions, and continue to engage in that conduct. The climate change-
23	related conditions include higher sea level, increased storm frequency and intensity, more
24	frequent and extreme heat events, reduced air quality, and increased flooding, with compounding
25	effects in the County's most vulnerable, at-risk and disadvantaged communities. They (1) are
26	
27	
28	²⁸⁴ The People do not seek abatement with respect to any federal lands.
TD	FIRST AMENDED COMPLAINT 139

harmful and dangerous to human health; (2) are indecent and offensive to the senses of the
ordinary person; (3) obstruct and threaten to obstruct the free use of the County's property so as
to interfere with the comfortable enjoyment of life and property; and (4) obstruct and threaten to
obstruct the free passage and use of public parks, squares, streets, bodies of water, and/or
highways within the County of Santa Cruz. They therefore constitute a nuisance.

268. Defendants, and each of them, created, caused, contributed to, and assisted in the 6 7 creation of these and other climate change-related harms in the County of Santa Cruz by, among 8 other things, affirmatively and deceptively promoting the sale and use of fossil fuel products in 9 the County of Santa Cruz which Defendants knew would cause or exacerbate climate change and its impacts in the County of Santa Cruz including without limitation sea level rise, more frequent 10 11 and extreme precipitation events, coastal and inland flooding, more frequent and extreme heat events, and reduced air quality. The affirmative misconduct also includes disseminating and 12 funding the dissemination of information intended to mislead consumers and the public 13 14 regarding the risks of climate change and its consequences that Defendants knew would inevitably follow from the intended or reasonably foreseeable use of their products. It also 15 16 includes engaging in other conduct to manipulate and induce the public into continued and elevated consumption of fossil fuels and delaying the shift to renewable energy in a way that 17 exacerbates climate change harms. 18

19 269. Defendants' nuisance-creating conduct included egregiously making untruthful, deceptive, and/or misleading environmental marketing claims, explicit and implied, in violation 20 of Cal. Bus. & Prof. Code § 17580.5. The County is within the class of persons that statute seeks 21 22 to protect. Defendants' misleading environmental marketing claims include, but are not limited 23 to, deceptively marketing fossil fuel products claimed to be "low carbon," "emissions-reducing," 24 "clean" and/or "green," or otherwise environmentally beneficial or benign when in reality those 25 products contribute to climate change and are harmful to the health of the planet and its people; and deceptively marketing their companies and their products as contributing to solutions to 26 27 climate change when in reality their investments in clean energy and alternative fuels pale in comparison to their investments in expanding fossil fuel production. 28

270. The climate change-related harms that Defendants created, caused, contributed to,
 and assisted in the creation of, constitute a substantial and unreasonable interference with and
 obstruction of public rights and property, including, inter alia, the public rights to health, safety,
 welfare, peace, comfort, and convenience of the County of Santa Cruz residents and other
 citizens. These interferences with public rights, which Defendants knew their affirmative
 wrongful promotion would cause or exacerbate, include without limitation:

7 a. Interference with the public's rights so regular and severe as to cause
8 permanent inundation;

9

b. The destruction of real and personal property, rather than mere annoyance;

10 c. The loss of property and infrastructure within the County of Santa Cruz,
11 which will actually be borne by Plaintiff's residents as a loss of the use of public property and
12 infrastructure and the diversion of tax dollars away from other public services to sea level rise;

d. Plaintiff's coastal property, which serves myriad uses including industrial,
residential, infrastructural, commercial and ecological, is not suitable for regular inundation;

e. Sea level rise, coastal inundation and flooding, and groundwater changes,
which obstruct the free passage and use of roads and property, impair water quality in
groundwater aquifers, damage critical public infrastructure, and lead to unprecedented and
dangerous storm surges that can cause injury or even deaths;

19 f. More frequent and extreme precipitation events, including atmospheric
20 rivers, which cause flooding that can damage public infrastructure, obstructing the free passage
21 and use of property;

g. More frequent and extreme heat events, which increase the risk of injury
or death from dehydration, heat stroke, heart attack, and respiratory problems; and

h. Public health harms including reduced air quality from smoke and
dangerous pollutants caused by more frequent and intense wildfires across California, which
exacerbates existing health conditions, damages lungs and increases rates of childhood asthma,
respiratory and heart disease, and death, and which reduces visibility and obstructs scenic views.

SHER EDLING LLP

28

271. The harms caused by Defendants' nuisance-creating conduct are extremely grave
 and far outweigh the social utility of that conduct.

3 272. This public nuisance affects and/or interferes with the rights of an entire
4 community and/or the rights of a considerable number of persons in the County of Santa Cruz to
5 health, safety, peace, comfort, and convenience.

6 273. In addition to the harms suffered by the public at large, Plaintiff has suffered
7 special injuries different in kind. Among other harms,

8 a. Plaintiff has been forced to spend or set aside significant funds to assess,
9 plan for, and enact infrastructure changes needed to mitigate rising sea levels on Plaintiff's
10 publicly owned beaches and other public coastal property;

b. Plaintiff has had to plan for and provide additional emergency and other
public services in response to more frequent and more intense flooding and storm surges on both
properties owned by Plaintiff, and properties owned, leased, and utilized by residents and visitors
to Plaintiff's communities.

15 274. Plaintiff's injuries and threatened injuries from each Defendant's affirmative acts
16 or omissions are indivisible injuries. Each Defendant's past and ongoing conduct is a direct and
17 proximate cause of Plaintiff's injuries and threatened injuries. As a direct and proximate result of
18 Defendants' acts and omissions, Plaintiff will be required to expend significant public resources
19 to mitigate the impacts of climate-related harms throughout the County of Santa Cruz.

20 275. Defendants' wrongful conduct was oppressive, malicious, and fraudulent, in that
21 their conduct was willful, intentional, and in conscious disregard for the rights of others.
22 Defendants' conduct was so vile, base, and contemptible that it would be looked down upon and
23 despised by reasonable people, justifying an award of punitive and exemplary damages in an
24 amount subject to proof at trial, and justifying equitable disgorgement of all profits Defendants
25 obtained through their unlawful and outrageous conduct.

26 276. As a direct and proximate result of Defendants' conduct, as set forth above, the
27 common rights enjoyed by the general public in the County of Santa Cruz have been
28 unreasonably interfered with because Defendants knew or should have known that their conduct

1	would create a continuing problem with long-lasting significant negative effects on the rights of
2	the public.
3	277. Defendants' actions are a direct and legal cause of the public nuisance.
4	278. Defendants are jointly and severally liable to Plaintiff for committing a public
5	nuisance.
6	279. Plaintiff has a clearly ascertainable right to have the public nuisance created by
7	Defendants abated. ²⁸⁵
8	280. Wherefore, Plaintiff prays for relief as set forth below.
9	THIRD CAUSE OF ACTION
10	(Strict Liability—Failure to Warn on behalf of the County of Santa Cruz)
11	(Against All Defendants)
12	281. Plaintiff incorporates by reference each and every allegation in §§ I–V contained
13	above, as though set forth herein in full.
14	282. Defendants, individually and in concert with each other, heavily marketed,
15	promoted, and advertised fossil fuel products and their derivatives, which were sold or used by
16	their respective affiliates and subsidiaries. Defendants received direct financial benefit from their
17	affiliates' and subsidiaries' sales of fossil fuel products. Defendants' role as promoter and
18	marketer was integral to their respective businesses and a necessary factor in bringing fossil fuel
19	products and their derivatives to the consumer market, such that Defendants had control over,
20	and a substantial ability to influence, the manufacturing and distribution processes of their
21	affiliates and subsidiaries.
22	283. As manufacturers, advertisers, promoters, and/or sellers of fossil fuel products
23	and their derivatives, Defendants had a duty to warn consumers, the public, and Plaintiff of
24	reasonably foreseeable environmental and health risks posed by those products and derivatives.
25	
26	
27	
28	²⁸⁵ Plaintiff does not seek abatement with respect to any federal lands.
SHER EDLING LLP	FIRST AMENDED COMPLAINT 143

284. Throughout the times at issue, Defendants individually and collectively knew or 1 2 should have known—based on information passed to them from their internal research divisions 3 and affiliates, trade associations and entities, and/or from the international scientific 4 community-that fossil fuel products, whether used as intended or misused in a foreseeable 5 manner, release greenhouse gases into the atmosphere, causing global warming, sea level rise, increased intensity and frequency of precipitation events and flooding, increased intensity and 6 frequency of storm surges, more frequent and severe heat waves and extreme temperatures, 7 8 reduced air quality, and the consequences and injuries associated with those physical and 9 environmental changes, which result in risks to human health and safety, damage to property and infrastructure, and loss of use of public services in the County of Santa Cruz. 10

11 285. Throughout the times at issue and continuing today, Defendants' fossil fuel 12 products and their derivatives were used, distributed, and sold in a manner in which they were 13 reasonably foreseeably intended to be used, distributed, and sold, including but not limited to 14 being combusted for energy, combusted to power automobiles, refined into petrochemicals, and 15 refined and/or incorporated into petrochemical products including, but not limited to, fuels and 16 plastics.

17 286. Defendants and their affiliates and subsidiaries knew, or should have known, that
18 these fossil fuel products and their derivatives would be used by the County, its residents, and
19 others within the County's limits, amongst others, in the manner reasonably foreseeably
20 intended.

287. Throughout the times at issue and continuing today, fossil fuel products presented 21 22 and still present a substantial risk of injury to Plaintiff through the climate effects described 23 above, whether used as intended or misused in a reasonably foreseeable manner. They were not 24 reasonably safe at the time they left Defendants' control because they lacked adequate warnings 25 and instructions. Defendants' actual and/or constructive knowledge described above also encompassed all of the risks described in this paragraph. The fossil fuel products and their 26 27 derivatives reached consumers and the environment substantially unchanged from that in which they left the Defendants' control. Defendants and their affiliates and subsidiaries knew, or should 28

have known, that these fossil fuel products and their derivatives would be used by Plaintiff, their
 residents, and others within the County of Santa Cruz's limits, amongst others, in the manner
 reasonably foreseeably intended.

288. Throughout the times at issue, the ordinary consumer would not recognize that the
use or foreseeable misuse of fossil fuel products causes global and localized changes in climate,
including those effects described herein.

7 289. At the time of manufacture, merchandising, advertising, promotion, or sale,
8 Defendants could have provided warnings or instructions regarding the full and complete risks
9 fossil fuel products and their derivatives posed because they knew, and/or should have known, of
10 the unreasonable risks of harm associated with the use of these products, as described herein.

11 290. Throughout the times at issue, Defendants individually and in concert widely 12 disseminated marketing materials, refuted the scientific knowledge generally accepted at the time 13 concerning climate change, and advanced pseudo-scientific theories of their own, and developed 14 public relations campaigns and materials that prevented reasonable consumers from recognizing 15 or discovering the latent risk that Defendants' fossil fuel products and their derivatives would 16 cause grave climate changes. Defendants also represented, asserted, claimed, and warranted that 17 their fossil fuel products and derivatives were safe for their intended and foreseeable uses.

18 291. Despite the Defendants' superior and unequal knowledge of the risks posed by
19 fossil fuel products and their derivatives, Defendants, and each of them, breached their duty to
20 warn by failing to adequately warn Plaintiff, customers, and the public of the risks of climate
21 change and other dangers that Defendants knew would inevitably follow from the intended or
22 reasonably foreseeable use of Defendants' fossil fuel products.

23

24

25

26

27

28

292. Any warnings the Defendants may have issued as to the risks of their fossil fuel products and their derivatives were rendered ineffective and inadequate by Defendants' false and misleading public relations campaigns and statements about fossil fuel products, and their decades-long efforts to conceal and misrepresent the dangers that follow from the intended or reasonably foreseeable use of such products.

SHER EDLING LLP Accordingly, throughout the times at issue, the ordinary consumer would not
 recognize that the use of fossil fuel products and their derivatives causes global and localized
 changes in climate, and consequent injuries to the County of Santa Cruz and its communities, as
 described herein.

5 294. Had the Defendants provided adequate warnings and not waged a deceptive 6 campaign against climate science, their fossil fuel products and their derivatives would not have 7 had widespread acceptance in the marketplace, and alternatives to fossil fuel products could have 8 been developed faster, investment in fossil fuel alternatives would be greater, and/or fossil fuel 9 alternatives would be used in greater amounts.

295. Moreover, had the Defendants provided adequate warnings about the adverse
impacts to public health and the environment that result from the intended and reasonably
foreseeable use of fossil fuel products and their derivatives, Plaintiff and its residents would have
taken measures to decrease fossil fuel dependency in order to avoid or lessen the climate related
harms described herein and property damage that would inevitably follow.

15 296. As a result of the Defendants' failure to warn about the unreasonably dangerous
16 conditions of their fossil fuel products and their derivatives, Defendants are strictly liable to
17 Plaintiff.

18 297. Defendants' wrongful conduct was oppressive, malicious, and fraudulent, in that
19 their conduct was willful, intentional, and in conscious disregard for the rights of others.
20 Defendants' conduct was so vile, base, and contemptible that it would be looked down upon and
21 despised by reasonable people, justifying an award of punitive and exemplary damages in an
22 amount subject to proof at trial, and justifying equitable disgorgement of all profits Defendants
23 obtained through their unlawful and outrageous conduct.

24 298. As a direct and proximate result of the defects previously described, fossil fuel
25 products caused Plaintiff to sustain the injuries and damages set forth in this Complaint,
26 including damage to publicly owned infrastructure and real property, and the creation and
27 maintenance of a nuisance that interferes with the rights of the County, its residents, and of the
28 People.

FIRST AMENDED COMPLAINT

1	299. As a direct and proximate result of Defendants' acts and omissions as alleged		
2	herein, Plaintiff has suffered monetary losses and damages in amounts to be proven at trial.		
3	300. Defendants' acts and omissions as alleged herein are indivisible causes of		
4	Plaintiff's injuries as alleged herein.		
5	301. Wherefore, Plaintiff prays for relief as set forth below.		
6	FOURTH CAUSE OF ACTION		
7	(Private Nuisance on behalf of the County of Santa Cruz)		
8	(Against All Defendants)		
9	302. Plaintiff incorporates by reference each and every allegation contained in §§ I–V		
10	above, as though set forth herein in full.		
11	303. Plaintiff owns and manages extensive property within the County of Santa Cruz		
12	borders that has been injured and will be injured by climate change.		
13	304. Defendants, and each of them, by their acts and omissions, have intentionally and		
14	unreasonably created a condition on Plaintiff's property, and permitted that condition to persist,		
15	which constitutes a nuisance by increasing sea level, increasing the frequency and intensity of		
16	flooding, increasing the frequency and intensity of extreme heat events (including fire smoke),		
17	and increasing the intensity and frequency of storms.		
18	305. The condition created by Defendants substantially and negatively affects		
19	Plaintiff's interest in its own real property. In particular, higher sea level, increased storm		
20	frequency and intensity, increased frequency and intensity of extreme heat events (including fire		
21	smoke), and increased flooding frequency and intensity are:		
22	a. harmful and dangerous to human health;		
23	b. indecent and offensive to the senses of the ordinary person;		
24	c. threatening to obstruct the free use of Plaintiff's property and property		
25	owned by Plaintiff's residents and citizens, so as to interfere with the comfortable enjoyment of		
26	life and property; and		
27	d. threatening to obstruct the free passage and use of public parks, squares,		
28	streets, bodies of water, and/or highways within the County of Santa Cruz.		
	FIRST AMENDED COMPLAINT 147		

306. The condition described above created by Defendants' conduct substantially 1 interferes with Plaintiff's use and quiet enjoyment of its properties. 2

3

307. Plaintiff has not consented to Defendants' conduct in creating the condition that 4 has led to climate change and its associated harms.

308. The ordinary person, and the ordinary County or public entity in Plaintiff's 5 position, would be reasonably annoyed and disturbed by Defendants' conduct and the condition 6 created thereby, because, inter alia, it infringes on Plaintiff's ability to provide public space and 7 8 safe property to residents and visitors, and has forced Plaintiff to plan for and provide additional 9 emergency and other public services in response to more frequent and more intense flooding and storm surges on properties owned by Plaintiff. 10

309. 11 The seriousness of rising sea levels, increased weather volatility, flooding, and extreme heat events (including fire smoke) is extremely grave, and outweighs the social utility of 12 Defendants' conduct. The seriousness of the harm to Plaintiff outweighs the benefit of 13 14 Defendants' and each of their conduct.

310. Defendants' conduct was a direct and proximate cause of Plaintiff's injuries, and 15 16 a substantial factor in the harms suffered by Plaintiff as described in this Complaint.

311. Defendants' acts and omissions as alleged herein are indivisible causes of 17 Plaintiff's injuries and damages as alleged herein. 18

19 312. Defendants' wrongful conduct was oppressive, malicious, and fraudulent, in that their conduct was willful, intentional, and in conscious disregard for the rights of others. 20 Defendants' conduct was so vile, base, and contemptible that it would be looked down upon and 21 22 despised by reasonable people, justifying an award of punitive and exemplary damages in an 23 amount subject to proof at trial, and justifying equitable disgorgement of all profits Defendants 24 obtained through their unlawful and outrageous conduct.

25 313. Defendants are jointly and severally liable to the Plaintiff for causing a private nuisance. 26

27

28

314. Wherefore, Plaintiff prays for relief as set forth below.

FIFTH CAUSE OF ACTION 1 (Negligence on Behalf of the County of Santa Cruz) 2 3 (Against All Defendants) 4 315. Plaintiff incorporates by reference each and every allegation contained in §§ I–V above, as though set forth herein in full. 5 316. Defendants knew or should have known of the climate effects inherently caused 6 7 by the normal use and operation of their fossil fuel products, including the likelihood and likely 8 severity of global and local climate change and its consequences, and including Plaintiff's 9 injuries and damages described herein. 317. For decades, Defendants possessed knowledge-based on information passed to 10 11 them from their internal research divisions and affiliates, from trade associations and industry groups, and from the international scientific community—that fossil fuels are the primary cause of 12 climate change and that, if unabated, climate change would cause climate-related harms, 13 14 including but not limited to: sea level rise, more frequent and extreme precipitation events, increased frequency and severity of heat waves and extreme temperatures, reduced air quality, 15 16 and other adverse environmental changes, and the associated consequences of those physical and environmental changes in the County of Santa Cruz and elsewhere, with compounding effects in 17 the most vulnerable, at-risk and disadvantaged communities. Defendants possessed knowledge 18 19 that these climate-related harms would result in risks to human health and safety, damage to 20 property and infrastructure, and loss of use. 318. Given the scientific evidence available to and conducted by Defendants, as 21 22 referenced herein, such injury was likely and reasonably foreseeable. 23 319. Under California law, each Defendant had a duty to Plaintiff and its residents to 24 exercise reasonable care in the marketing, promoting, sale, and/or labeling of their fossil fuel 25 products and to act reasonably for the protection of the County of Santa Cruz and its residents to avoid inflicting the injuries described herein. All Defendants had a duty to exercise reasonable 26 27 care in the production and dissemination of information regarding the climate impacts of fossil

28

FIRST AMENDED COMPLAINT

fuel products to users of those products and to the public.

320. Defendants had superior knowledge of the risk posed by fossil fuel products at all
 times relevant to this Complaint.

3 321. Defendants, collectively and individually, had a duty to use due care in
4 developing, testing, inspecting, selling, and marketing their fossil fuel products. That duty
5 obligated Defendants collectively and individually to, inter alia, prevent defective products from
6 entering the stream of commerce, and prevent reasonably foreseeable harm that could have
7 resulted from the ordinary use or reasonably foreseeable misuse of Defendants' products.

8 322. Defendants, and each of them, breached their duty of due care by engaging in a 9 campaign of disinformation regarding global warming and the climatic effects of fossil fuel products that prevented customers, consumers, and the general public from taking steps to 10 11 mitigate the inevitable consequences of fossil fuel consumption, and incorporating those consequences into either short-term decisions or long-term planning. This includes when they 12 advertised, promoted, and/or sold fossil fuel products and their derivatives, while failing to 13 14 include warnings of the risk of harm associated with fossil fuel products and their derivatives, in 15 a manner that they knew or should have known would result in injury to human health and 16 safety, damage to Plaintiff's property and infrastructure, loss of use of Plaintiff's services, and other damages to the Plaintiff. Any warnings provided by Defendants were rendered ineffective 17 by the years-long deceptive marketing practices and public relations campaigns, which 18 19 promulgated false and misleading statements, casted doubt on the consensus of climate scientists, 20 and advanced pseudo-scientific theories.

21 22

23

323. Defendants' individual and collective acts and omissions were actual, substantial causes of climate change and its consequences, including Plaintiff's injuries and damages set forth herein.

324. Defendants' individual and collective acts and omissions were proximate causes
of climate change and its consequences, including Plaintiff's injuries and damages set forth
herein. No other act, omission, or natural phenomenon intervened in the chain of causation
between Defendants' conduct and Plaintiff's injuries and damages, or superseded Defendants'
breach of their duties' substantiality in causing Plaintiff's injuries and damages.

FIRST AMENDED COMPLAINT

150

1	325. As a direct and proximate result of Defendants' and each of their acts and		
2	omissions, Plaintiff sustained injuries and damages as set forth herein.		
3	326. Defendants' acts and omissions as alleged herein are indivisible causes of		
4	Plaintiff's injuries and damage as alleged herein.		
5	327. A reasonably careful company would not engage in a decades-long deceptive		
6	marketing and public relations campaign to promulgate such false and misleading statements,		
7	would not manufacture or distribute fossil fuel products and their derivatives without warning,		
8	would warn of these products' hazardous properties, and/or would take steps to enhance the		
9	safety and/or reduce the risk of the products.		
10	328. Defendants' wrongful conduct was oppressive, malicious, and fraudulent, in that		
11	their conduct was willful, intentional, and in conscious disregard for the rights of others.		
12	Defendants' conduct was so vile, base, and contemptible that it would be looked down upon and		
13	despised by reasonable people, justifying an award of punitive and exemplary damages in an		
14	amount subject to proof at trial, and justifying equitable disgorgement of all profits Defendants		
15	obtained through their unlawful and outrageous conduct.		
16	329. Defendants are jointly and severally liable to the Plaintiff for causing a private		
17	nuisance.		
18	330. Wherefore, Plaintiff prays for relief as set forth below.		
19	SIXTH CAUSE OF ACTION		
20	(Negligence - Failure to Warn on Behalf of the County of Santa Cruz)		
21	(Against All Defendants)		
22	331. Plaintiff incorporates by reference each and every allegation in §§ I–V contained		
23	above, as though set forth herein in full.		
24	332. At all relevant times, Defendants and their affiliates and subsidiaries were		
25	engaged in the business of manufacturing, advertising, promoting, and/or selling fossil fuel		
26	products and their derivatives.		
27	333. Defendants, individually and in concert with each other, heavily marketed,		
28	promoted, and advertised fossil fuel products and their derivatives, which were sold or used by		
LР	FIRST AMENDED COMPLAINT 151		

SHER EDLING LLP

their respective affiliates and subsidiaries. Defendants received direct financial benefit from their affiliates' and subsidiaries' sales of fossil fuel products. Defendants' role as promoter and marketer was integral to their respective businesses and a necessary factor in bringing fossil fuel products and their derivatives to the consumer market, such that Defendants had control over, and a substantial ability to influence, the manufacturing and distribution processes of their affiliates and subsidiaries.

7 334. As manufacturers, advertisers, promoters, and/or sellers of fossil fuel products
8 and their derivatives, Defendants had a duty to warn consumers, the public, and Plaintiff of
9 reasonably foreseeable environmental and health risks posed by those products and derivatives.

335. Throughout the times at issue, Defendants individually and collectively knew or 10 11 should have known—based on information passed to them from their internal research divisions and affiliates, trade associations and entities, and/or from the international scientific 12 community-that fossil fuel products, whether used as intended or misused in a foreseeable 13 14 manner, release greenhouse gases into the atmosphere, causing global warming, sea level rise, 15 increased intensity and frequency of precipitation events and flooding, increased intensity and 16 frequency of storm surges, more frequent and severe heat waves and extreme temperatures, reduced air quality, and the consequences and injuries associated with those physical and 17 18 environmental changes, which result in risks to human health and safety, damage to property and 19 infrastructure, and loss of use of public services in the County of Santa Cruz.

336. Defendants knew or should have known, based on information passed to them
from their internal research divisions and affiliates, their trade organizations, and/or from the
international scientific community, that the climate effects described above rendered their fossil
fuel products dangerous, or likely to be dangerous, when used as intended or misused in a
reasonably foreseeable manner.

337. Throughout the times at issue and continuing today, Defendants' fossil fuel
products and their derivatives were used, distributed, and sold in a manner in which they were
reasonably foreseeably intended to be used, distributed, and sold, including but not limited to
being combusted for energy, combusted to power automobiles, refined into petrochemicals, and

refined and/or incorporated into petrochemical products including, but not limited to, fuels and
 plastics.

3 338. Defendants and their affiliates and subsidiaries knew, or should have known, that
4 these fossil fuel products and their derivatives would be used by the County, its residents, and
5 others within the County's limits, amongst others, in the manner reasonably foreseeably
6 intended.

339. Throughout the times at issue and continuing today, fossil fuel products presented 7 8 and still present a substantial risk of injury to Plaintiff through the climate effects described 9 above, whether used as intended or misused in a reasonably foreseeable manner. They were not reasonably safe at the time they left Defendants' control because they lacked adequate warnings 10 11 and instructions. Defendants' actual and/or constructive knowledge described above also encompassed all of the risks described in this paragraph. The fossil fuel products and their 12 derivatives reached consumers and the environment substantially unchanged from that in which 13 14 they left the Defendants' control. Defendants and their affiliates and subsidiaries knew, or should have known, that these fossil fuel products and their derivatives would be used by Plaintiff, its 15 16 residents, and others within the County of Santa Cruz's limits, amongst others, in the manner reasonably foreseeably intended. 17

18 340. At the time of manufacture, merchandising, advertising, promotion, or sale,
19 Defendants could have provided warnings or instructions regarding the full and complete risks
20 fossil fuel products and their derivatives posed because they knew, and/or should have known, of
21 the unreasonable risks of harm associated with the use of these products, as described herein.

341. Throughout the times at issue, Defendants individually and in concert widely disseminated marketing materials, refuted the scientific knowledge generally accepted at the time concerning climate change, and advanced pseudo-scientific theories of their own, and developed public relations campaigns and materials that prevented reasonable consumers from recognizing or discovering the latent risk that Defendants' fossil fuel products and their derivatives would cause grave climate changes. Defendants also represented, asserted, claimed, and warranted that their fossil fuel products and derivatives were safe for their intended and foreseeable uses.

1 342. Despite the Defendants' superior and unequal knowledge of the risks posed by 2 fossil fuel products and their derivatives, Defendants, and each of them, breached their duty to 3 warn by failing to adequately warn Plaintiff, customers, and the public of the risks of climate 4 change and other dangers that Defendants knew would inevitably follow from the intended or 5 reasonably foreseeable use of Defendants' fossil fuel products.

343. Any warnings the Defendants may have issued as to the risks of their fossil fuel
products and their derivatives were rendered ineffective and inadequate by Defendants' false and
misleading public relations campaigns and statements about fossil fuel products, and their
decades-long efforts to conceal and misrepresent the dangers that follow from the intended or
reasonably foreseeable use of such products.

344. Accordingly, throughout the times at issue, the ordinary consumer would not
recognize that the use of fossil fuel products and their derivatives causes global and localized
changes in climate, and consequent injuries to the County of Santa Cruz and its communities, as
described herein.

15 345. Had the Defendants provided adequate warnings and not waged a deceptive
16 campaign against climate science, their fossil fuel products and their derivatives would not have
17 had widespread acceptance in the marketplace, and alternatives to fossil fuel products could have
18 been developed faster, investment in fossil fuel alternatives would be greater, and/or fossil fuel
19 alternatives would be used in greater amounts.

346. Moreover, had the Defendants provided adequate warnings about the adverse
impacts to public health and the environment that result from the intended and reasonably
foreseeable use of fossil fuel products and their derivatives, Plaintiff and their residents would
have taken measures to decrease fossil fuel dependency in order to avoid or lessen the climate
related harms described herein and property damage that would inevitably follow.

25 347. As a result of the Defendants' failure to warn about the unreasonably dangerous
26 conditions of their fossil fuel products and their derivatives, Defendants are liable to Plaintiff.

27 348. Defendants further breached their duty of care by making untruthful, deceptive,
28 and/or misleading environmental marketing claims, explicit and implied, in violation of Cal. Bus.

& Prof. Code § 17580.5. By violating the greenwashing statute, Defendants are presumed to
 have breached their duty per se under Evidence Code § 669.

a. Defendants violated § 17580.5 with such conduct including deceptively
marketing fossil fuel products claimed to be "low carbon," "emissions-reducing," "clean" and/or
"green," or otherwise environmentally beneficial or benign when in reality those products
contribute to climate change and are harmful to the health of the planet and its people; and
deceptively marketing their companies and their products as contributing to solutions to climate
change when in reality their investments in clean energy and alternative fuels pale in comparison
to their investments in expanding fossil fuel production.

10b.This conduct was the proximate cause of Plaintiff's climate related11injuries.

12 c. Plaintiff's injuries resulted from an occurrence of the nature which the13 greenwashing statute was designed to prevent.

14 d. Plaintiff is among the class of persons for whose protection the15 greenwashing statute was adopted.

16 349. Defendants' wrongful conduct was oppressive, malicious, and fraudulent, in that 17 their conduct was willful, intentional, and in conscious disregard for the rights of others. 18 Defendants' conduct was so vile, base, and contemptible that it would be looked down upon and 19 despised by reasonable people, justifying an award of punitive and exemplary damages in an 20 amount subject to proof at trial, and justifying equitable disgorgement of all profits Defendants 21 obtained through their unlawful and outrageous conduct.

350. As a direct and proximate result of the defects previously described, fossil fuel
products caused Plaintiff to sustain the injuries and damages set forth in this Complaint,
including damage to publicly owned infrastructure and real property, and the creation and
maintenance of a nuisance that interferes with the rights of the County, its residents, and of the
People.

27 351. Defendants' acts and omissions as alleged herein are indivisible causes of
28 Plaintiff's injuries as alleged herein.

1	352. As a direct and proximate result of Defendants' acts and omissions as alleged		
2	herein, Plaintiff has suffered monetary losses and damages in amounts to be proven at trial.		
3	353. Wherefore, Plaintiff prays for relief as set forth below.		
4	SEVENTH CAUSE OF ACTION		
5	(Trespass on Behalf of the County of Santa Cruz)		
6	(Against All Defendants)		
7	354. Plaintiff incorporates by reference each and every allegation in §§ I–V contained		
8	above, as though set forth herein in full.		
9	355. Plaintiff owns, leases, occupies, and/or controls real property within the County of		
10	Santa Cruz boundaries and within communities located within the County.		
11	356. Defendants, and each of them, have intentionally, recklessly, or negligently		
12	caused ocean waters, storm surges, flood waters, extreme precipitation, and airborne pollutants		
13	including smog and wildfire smoke to enter Plaintiff's property, by advertising, promoting,		
14	marketing, and/or selling fossil fuel products in a manner which, knowing those products in their		
15	normal operation and use or foreseeable misuse would cause global and local sea levels to rise,		
16	cause flooding to become more frequent and more intense, and cause storm surges to become		
17	more frequent and more intense.		
18	357. Plaintiff did not give permission for Defendants, or any of them, to cause ocean		
19	water to enter its property.		
20	358. Plaintiff has been and continues to be actually injured and continues to suffer		
21	damages as a result of Defendants and each of their having caused ocean water to enter their real		
22	property, by inter alia permanently submerging real property owned by Plaintiff, causing		
23	flooding which have invaded and threatens to invade real property owned by Plaintiff and		
24	rendered it unusable, and causing storm surges which have invaded and threatened to invade real		
25	Property owned by Plaintiff and rendered it unusable.		
26	359. Defendants' and each Defendant's conduct, including their decades-long		
27	campaign of deception, which had the purpose and effect of inflating and sustaining the market		
28	for fossil fuels, drove up greenhouse gas emissions, accelerated global warming, delayed the		
D	FIRST AMENDED COMPLAINT 156		

1 energy economy's transition to a lower-carbon future, and brought about devastating climate 2 change impacts to the County of Santa Cruz, was a substantial factor in causing the injuries and 3 damages to Plaintiff's public and private real property.

- 4 360. Defendants' acts and omissions as alleged herein are indivisible causes of Plaintiff's injuries and damage as alleged herein. 5
- 6

361. Defendants' wrongful conduct was oppressive, malicious, and fraudulent, in that 7 their conduct was willful, intentional, and in conscious disregard for the rights of others. 8 Defendants' conduct was so vile, base, and contemptible that it would be looked down upon and 9 despised by reasonable people, justifying an award of punitive and exemplary damages in an amount subject to proof at trial, and justifying equitable disgorgement of all profits Defendants 10 11 obtained through their unlawful and outrageous conduct.

12

13

15

16

19

20

26

27

28

362. Defendants are jointly and severally liable to the Plaintiff for causing trespass.

363. Wherefore, Plaintiff prays for relief as set forth below.

14 VII. PRAYER FOR RELIEF

> 1. Compensatory damages in an amount according to proof;

- 2. Equitable relief to abate the nuisances complained of herein;
- 3. Reasonable attorneys' fees pursuant to California Code of Civil Procedure 1021.5 17 or otherwise: 18
 - 4. Punitive damages;

5. Disgorgement of profits;

6. Finding Defendants jointly and severally liable for causing, creating, assisting in 21 22 the creation, of, contributing to, and/or maintaining a public nuisance;

7. 23 Ordering an abatement fund remedy to be paid for by Defendants to provide for 24 infrastructure and other support necessary for the People to abate the nuisances complained of 25 herein;

- 8. Pre- and post-judgment interest as permitted by law;
- 9. Costs of suit and expenses; and
 - 10. For such and other relief as the court may deem proper.

1	1 VIII. JURY DEMAND		
2	2 Plaintiff the County of Santa Cruz demands a jury trial on all issues so triable.		
3			
4	Dated: June 10, 2024OFFICE OF THE COUNTY COUNSEL COUNTY OF SANTA CRUZ		
5			
6	By: <u>/s/ Jason M. Heath</u> JASON M. HEATH, County Counsel		
7	MELISSA C. SHAW, Lead Assistant County Counsel		
8			
9	SHER EDLING LLP		
10	<u>/s/ Katie H. Jones</u> VICTOR M. SHER		
11	MATTHEW K. EDLING KATIE H. JONES		
12	MARTIN D. QUIÑONES JACOB H. POLIN		
13	YUMEHIKO HOSHIJIMA MIRANDA C. HOLETON		
14	Attorneys for The County of Santa Cruz,		
15	individually and on behalf of the People of the		
16	State of California		
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
SHER EDLING LLP	FIRST AMENDED COMPLAINT 1.	58	

1 PROOF OF SERVICE		OF SERVICE	
2	2 I am employed in the County of San Francisco, State of California. I am over		
3	3 eighteen (18) years and not a party to the action. My business address is 100 Montgom		
4	Ste. 1410, San Francisco, CA 94104. I am re	adily familiar with Sher Edling LLP's practice for	
5	collection and processing of documents for ma	uiling.	
6	On June 10, 2024, I served copies of the	following document:	
7	7		
8	FIKSI AMENDED COMPLAINI		
9		-	
10	Gregory L. Evans Athena G. Rutherford	Mortimer H. Hartwell Vinson & Elkins LLP	
	McGuirewoods LLP	555 Mission Street Suite 2000	
11	Two Embarcadero Center, Suite 1300	San Francisco, CA 94105 mhartwell@velaw.com	
12	San Francisco, California 94111 gevans@mcguirewoods.com	minartwen@veraw.com	
13	arutherford@mcguirewoods.com		
14	Theodore J. Boutrous, Jr.		
15	GIBSON, DUNN & CRUTCHER LLP 333 South Grand Avenue		
	Los Angeles, CA 90071		
16	Telephone: 213.229.7000		
17	tboutrous@gibsondunn.com		
18			
19	19 upon the counsel listed below via email as follows:		
20	Yardena R. Zwang-Weissman, Deanne L.	Dawn Sestito	
21	Miller, and David L. Schrader	O'Melveny & Myers LLP	
	Morgan, Lewis & Bockius LLP	400 South Hope Street, 18th Floor	
22	300 South Grand Avenue, 22nd Floor Los Angeles, CA 90071	Los Angeles, CA 90071 dsestito@omm.com	
23	Yardena.zwang-		
24	weissman@morganlewis.com deanne.miller@morganlewis.com		
25	david.scrader@morganlews.com		
25	Ethan D. Dettmer	Theodore V. Wells, Jr., Daniel J. Toal, and	
26	Gibson, Dunn & Crutcher LLP	Kannon K. Shanmugam	
27	555 Mission Street, Suite 3000 San Francisco, CA 94105	Paul, Weiss, Rifkind, Wharton & Garrison LLP	
28	edettmer@gibsondunn.com	1285 Avenue of the Americas	
SHER EDLING LLP	First Amende	D COMPLAINT 159	

27	San Francisco, CA 94104 dbona@ccplaw.com	Los Angeles, CA 90071 bmerryman@whitecase.com
25 26	Carlson, Calladine & Peterson LLP One Post Street, Suite 500	White & Case 555 South Flower Street, Suite 2700
24	dan.brody@bartlitbeck.com David Bona and Michael C. Cooper	Bryan A. Merryman
	jameson.jones@bartlitbeck.com	mfhealy@shb.com
22	1801 Wewatta Street, Suite 1200 Denver, CO 80202	555 Mission Street, Suite 2300 San Francisco, CA 94105
21 22	Jameson R. Jones and Daniel R. Brody Bartlit Beck LLP	Michael Healy Shook, Hardy & Bacon LLP
20	MLFox@duanemorris.com	rcardozo@reedsmith.com cocarroll@reedsmith.com
19 20	One Market Plaza, Suite 2200 San Francisco, CA 94105	101 Second Street, Suite 1800 San Francisco, CA 94105
18	Spear Tower	Reed Smith LLP
	Michael Fox Duane Morris LLP	Raymond A. Cardozo and T. Connor O'Carroll
17	cvierra@eimerstahl.com	
16	San Jose, CA 95113 rdunn@eimerstahl.com	Los Angeles, CA 90017 john.lombardo@arnoldporter.com
15	99 South Almaden Boulevard, Suite 600	777 South Figueroa Street
14	Robert E. Dunn and Collin J. Viera Eimer Stahl LLP	John D. Lombardo Arnold & Porter
13	San Francisco, CA 94111 jonathan.hughes@arnoldporter.com	Dallas, Texas 75201 mstammel@velaw.com
12	Three Embarcadero Center, Tenth Floor	2001 Ross Avenue, Suite 3900
11	Arnold & Porter	Vinson & Elkins LLP
	pmizell@velaw.com Jonathan W. Hughes	Matthew R. Stammel
10	Houston, TX 77002	jlipshutz@gibsondunn.com
9	845 Texas Avenue, Suite 4700	Washington, D.C. 20036
8	Vinson & Elkins LLP Texas Tower	Gibson, Dunn & Crutcher LLP 1050 Connecticut Avenue, N.W.
7	Patrick W. Mizell	Joshua S. Lipshutz
		jpernick@be-law.com atrigg@be-law.com
6		dbergeson@be-law.com.com
5	333 West Santa Clara Street, Suite 910 San Jose, CA 95113	111 N. Market St., Suite 600 San Jose, CA 95113
4	Ropers, Majeski, Kohn & Bentley	Bergeson LLP
3	Sobieski	Adam Trigg
	James C. Hyde, Michael Iannou, and Marie E.	dtoal@paulweiss.com Daniel J. Bergeson, John D. Pernick, and
2		twells@paulweiss.com
1		New York, New York 10019-6064

	FIRST AMENDED COMPLAINT	
20	New York, NY 10166-0136	Richmond, VA 23219-3916 D COMPLAINT 161
28	200 Park Avenue	800 East Canal Street
27	Hunton Andrews Kurth LLP	McGuire Woods LLP
~	Shawn Patrick Regan	Joy C. Fuhr and Brian D. Schmalzbach
26		lmeyer@EimerStahl.com
	scott.janoe@bakerbotts.com	neimer@EimerStahl.com
25	Houston, Texas 77002	Chicago, IL 60604
24	910 Louisiana Street	224 South Michigan Avenue, Ste. 1100
24	Baker Botts LLP	Eimer Stahl LLP
23	J. Scott Janoe	Nathan P. Eimer and Lisa S. Meyer
	gevans@mcguirewoods.com	
22	Los Angeles, CA 90071-3103	
<u>~1</u>	355 S. Grand Avenue, Suite 4200	bnoble@velaw.com
21	South Tower	Austin, Texas 78701
20	Wells Fargo Center	200 West 6th Street, Suite 2500
	McGuire Woods LLP	Vinson & Elkins LLP
19	Gregory Evans	Brooke A. Noble
10	-	Heather_McLaughlin@ci.richmond.ca.us
18	diana.reiter@arnoldporter.com	Dave_Aleshire@ci.richmond.ca.us
17	nancy.milburn@arnoldporter.com	Richmond, CA 94804
	New York, NY 10019-9710	450 Civic Center Plaza
16	250 West 55th Street	City of Richmond
10	Arnold & Porter Kaye Scholer LLP	City Attorney's Office for City of Richmond
15	Nancy G. Milburn and Diana E. Reiter	Dave Aleshire and Heather McLaughlin
14	jsilverstein@sgklaw.com	
14	hstern@sgklaw.com	chris.keegan@kirkland.com
13	Florham Park, NJ 07932	San Francisco, CA 94104
	325 Columbia Turnpike, Suite 110	555 California Street, 27th Floor
12	Stern & Kilcullen, LLC	Kirkland & Ellis LLP
11	Herbert J. Stern and Joel M. Silverstein	Christopher W. Keegan
11	melissa.shaw@santacruzcounty.us	
10	Jason.Heath@santacruzcounty.us	margaret.tough@lw.com
	Santa Cruz, CA 95060	steven.bauer@lw.com
9	701 Ocean Street, Room 505	San Francisco, CA 94111
U	County of Santa Cruz	505 Montgomery Street, Suite 2000
8	Santa Cruz Office of the County Counsel	Lathan & Watkins LLP
7	bchun@lkclaw.com Jason M. Heath and Melissa Shaw	AMortimer@HuntonAK.com Steven M. Bauer and Margaret A. Tough
	glafayette@lkclaw.com	SBroome@HuntonAK.com
6	Oakland, CA 94612	San Francisco, CA 94111
5	1300 Clay Street, Suite 810	50 California Street, Suite 1700
5	Lafayette & Kumagi LLP	Hunton Andrews Kurth LLP
4	Gary T. Lafayette and Brian H. Chun	Shannon S. Broome and Ann Marie Mortimer
	mgilhuly@bargcoffin	
3	slewis@bargcoffin.com	megan.berge@bakerbotts.com
2	San Francisco, CA 94111	San Francisco, CA 94111
	600 Montgomery Street, Suite 525	101 California Street, Suite 3200
1	Barg Coffin Lewis & Trapp, LLP	Baker Botts LLP

1	SRegan@HuntonAK.com	jfuhr@mcquirewoods.com
2		bschmalzbach@mcguirewoods.com
	David C. Frederick, James M. Webster, III, Daniel S. Severson, and Grace W.	Sterling A. Marchand Baker Botts LLP
3	Knofczynski	700 K Street N.W.
4	Kellogg, Hansen, Todd, Figel & Frederick,	Washington, D.C. 20001
	P.L.L.C.	sterling.marchand@bakerbotts.com
5	1615 M Street, N.W., Suite 400	
6	Washington, DC 20036 dfrederick@kellogghansen.com	
7	jwebster@kellogghansen.com	
/	dseverson@kellogghansen.com	
8	gknofczynski@kellogghansen.com	
9	Joshua D. Dick	Mark McKane, P.C. (SBN 230552)
,	Gibson, Dunn & Crutcher LLP 555 Mission Street, Suite 3000	Kirkland & Ellis LLP 555 California Street
10	San Francisco, CA 94105-0921	San Francisco, California 94104
11	jdick@gibsondunn.com	mark.mckane@kirkland.com
12	I declare under penalty of perjury that	the foregoing is true and correct. Executed in San
13		
1.4	Francisco, CA on June 10, 2024.	
14		
15		/s/ Oni Strawn
16		Oni Strawn
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
SHER	FIRST AMENDE	ED COMPLAINT 162
EDLING LLP		