



Energy & Environment Legal Institute Report:

Big Donors...Big Conflicts: How Wealthy Donors Use the Sierra Club to Push Their Agenda



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Executive Summary

[In a report](#) published in the fall of 2014, E&E Legal details how eight of the Sierra Club Foundation's 18 directors own or operate organizations that directly benefit from its *Beyond Coal* campaign, the Sierra Club Foundation's single most expensive program. *Beyond Coal* is sometimes referred to as the "war on coal," described by Politico as "the most extensive, expensive and effective campaign...maybe in the history of the environmental movement."

These directors are owners, founders, and CEOs of business interests, which stand to gain financially from the actions of *Beyond Coal*. Their endorsement of the war on coal represents a blatant conflict of interest and constitutes "self-dealing," an act specifically prohibited by the IRS. In a 1985 IRS report, the agency said, "In order to qualify for exemption, an organization has had to demonstrate that it is organized and operated exclusively for exempt purposes and that no part of its net earnings inure to the benefit of any private shareholder or individual...[I]f certain IRC 501(c)(3) organizations and related persons engaged in 'prohibited transactions, the organization would lose its tax exempt status for at least one year." The IRS's definition of "self-dealing" includes between a "private foundation and a disqualified person, includes the furnishing "of goods, services, or facilities."¹

The 2014 E&E Legal report detailing the "self-dealing" of eight of the Sierra Club Foundation's directors was a clear case of a private individual receiving "goods and services" from the Sierra Club to their direct and personal benefit. In response, E&E Legal filed a referral with the IRS pointing this out.

In this report, E&E Legal documents similar benefits accruing to some of Sierra Club's largest donors. Specifically, the report provides an insight into those donors and how they benefit the Sierra Club effectively serving as their proxy for market manipulation. Such self-dealing by donors is also prohibited by the IRS.

What comes to the fore when researching the Sierra Club donors is that they have formulated a strategy to "fundamentally transform" the U.S., in Barack Obama's memorable phrase, through government policy and eventually the world's energy portfolio. This strategy appears to have been put in place in the late 1980s and early 1990s. The Energy Foundation, for example, was launched in 1991 by three extremely wealthy family foundations, including the Rockefeller Foundation. Looking back, what emerges is that these influential elites, or "one-percenters", dedicated themselves to sounding alarms about "global warming", which morphed into "climate change" as conditions demanded.

¹ Internal Revenue Service, Q. IRC 4941 - [The Nature of Self-Dealing](#), 1985.

Other billionaires, all large contributors to the Sierra Club and including Michael Bloomberg, Nathaniel Simons, and Roger Sant, jumped into the fray. Their strategy is simple. Phase I targeted coal as the threat that must be arrested, claiming anthropogenic CO₂ emissions are the root cause of “climate change” and threaten a catastrophic future. The group’s unprecedented contributions allowed them to engage in one of the most intense and thorough public relations, political, and grassroots assaults ever waged.

Phase II of their campaign was a heavy push on government policies promoting renewable energy – primarily wind and solar. These intermittent energy sources are not an alternative to what is known as “dispatchable” energy sources such as coal and natural gas-based electricity and thus cannot replace the older, cheaper coal and gas generation. In 2009, this second phase accelerated in earnest with the Obama Administration’s policies to prop up renewable interests, while disabling coal through regulatory policy. Similarly, states pushed renewable energy rules requiring a percentage of a state’s consumption be composed of wind and solar.

In addition to serving the obvious financial and generally ideological interests of Sierra’s donors, the Sierra Club’s policies also serve donors who succor population control. These include the family foundations of William Hewlett and David Packard, dedicated to population control and view environmental issues as a means to curb and ultimately reduce human involvement in the world as well. This, of course, is nothing short of a war on the poor, the antithesis of a war on poverty.

Some of these donor/beneficiaries appear obviously hypocritical. For example, Roger Sant, co-founder of AES Energy Services, dedicates a tremendous amount of money to bashing coal and pushing renewables, though his energy empire includes a significant amount of coal-fired power. Although AES has renewable energy interests that directly benefit from the Sierra Club’s activities, they are planning a new coal-fired plant to open in Vietnam this year.

It is fair to view Sierra Club leadership as mercenary in service to these donors’ interests. With significant amounts of money flowing from these wealthy foundations, the Sierra Club was either manipulated to turn their 100-year grassroots movement into whatever these billionaires wanted, or did so to reap the rewards of promoting the billionaires’ interests. Seemingly abandoning the core mission of founder John Muir, in recent years, the group’s *Beyond Coal* campaign is instrumental in carrying out its donors’ wishes to tear down an industry that its donors are heavily invested in betting against.

This report begins to tell this story of how a relatively small group of individuals, through extremely wealthy foundations, are succeeding in imposing harmful policies in the United States and around the world, causing great harm to those least able to protect themselves but greatly benefitting the group’s wealthy supporters. It is an original piece of research that independently confirms reports by three other organizations.

E&E Legal will follow this report with a more detailed analysis of the market manipulation underlying much of these major donors' efforts. At this point, E&E Legal has observed is an emerging campaign to create what these donors call a "carbon bubble", one that, when it bursts, will bring down industries against which the same interests have bet, mandating the use of uneconomic alternatives in which they are invested, resulting in billions in wealth transfers. Underlying this self-dealing is the growing admission that the alternatives to coal-powered electricity just don't work a bona fide replacements. The political side of this group's effort is obvious, as witnessed by the unprecedented amounts of resources dumped into U.S. elections these past few years for "environmental" purposes. Future reports will address that companion problem.

Big Donors...Big Conflicts: How Wealthy Donors Use the Sierra Club to Push Their Agenda

Michael Bloomberg

Michael Bloomberg emerged as a crusader against “global warming” while still Mayor of New York City. In a November 2007 address to the U.S. Conference of Mayors, Bloomberg said “if we’re serious about putting the brakes on global warming, the question is not whether we should put a value on greenhouse gas pollution, but how we should do it.”²

This New York City former mayor and Wall Street mogul, is Number 14 on Forbes’s list of the *World’s Billionaires: The Richest People on the Planet 2015* with a current estimated net worth of \$37.1 billion.³ This spring, he made headlines with his announcement that he was donating \$30 million to the Sierra Club’s *Beyond Coal* campaign, adding to his 2011 pledge of \$50 million to same effort. Bloomberg also identified 12 other donors who would match his \$30 million, and chillingly said, “Coal’s days are numbered. It’s holding back our economy.”⁴

Bloomberg Philanthropies/Bloomberg Family Foundation

Bloomberg coordinates his “philanthropic” activities through “Bloomberg Philanthropies,” which is also known as the “Bloomberg Family Foundation, Inc.” [According to the non-profit’s 2013 990 filing](#), Bloomberg’s personal charity had total net assets of more than \$4.5 billion at the end of this tax year. Bloomberg Philanthropies has five areas of focus, “public health, arts and culture, the environment, education and government innovation.”⁵

The environment, and specifically addressing “climate change,” however, is Bloomberg’s primary focus now as shown by his financial commitment to groups like the Sierra Club, and his public crusade. “Michael R. Bloomberg has been one of the most vocal leaders, at any level of government, when it comes to sounding the alarm about what climate change is doing, and will continue to do, to our planet.”⁶

And what is Bloomberg’s plan to save the planet from “climate change”? It begins by destroying coal as an energy source in the United States. In an op-ed Bloomberg co-authored in 2011 with the Sierra Club Executive Director, he said:

² Kevin McCarty, “[New York Mayor Bloomberg Praises Mayoral Leadership On Climate Protection.](#)” The U.S. Conference of Mayors Webpage, Nov. 19, 2007, Accessed June 25, 2015.

³ *Forbes*: The World’s Billionaires, [Michael Bloomberg](#), Accessed June 25, 2015.

⁴ Valerie Volcovici, *Reuters*, [Bloomberg charity donates \\$30 million to shutter U.S. coal plants](#), April 8, 2015, Accessed June 25, 2015.

⁵ [Bloomberg Philanthropies Web site](#), Accessed March 2, 2015

⁶ Andrew Revkin, “[Bloomberg’s Climate Challenge.](#)” *on earth*, September 19, 2014, Accessed June 25, 2015.

The truth is, we can't afford not to quit coal...Ending our reliance on coal will clean our air, improve our health, create jobs, and expand our economy. That's a reality that America has to act on -- town by town, power plant by power plant.⁷

His premise is, of course, without scientific foundation.⁸ Nevertheless, if your goal is to effectively outlaw coal as an energy source in the United States, the Sierra Club's *Beyond Coal* is certainly a logical place to invest money. "Beyond Coal is pushing to close existing coal-fired power plants ...That is why Bloomberg Philanthropies has committed \$50 million over four years to the Beyond Coal campaign."⁹ The following is a closer look at the contributions Bloomberg Philanthropies has made to the Sierra Club starting in 2011.

Grants To Sierra Club / Sierra Club Foundation

Name Of Organization	Year	Amount	Purpose	NOTES
Sierra Club Foundation	2011	\$15,000,000	Encourage The Use Of Clean Energy And The Reduction Of Coal Dependency In The US	Source: The Bloomberg Family Foundation 990 For 2011
Sierra Club Foundation	2011	\$25,000,000	Encourage The Use Of Clean Energy And The Reduction Of Coal Dependency In The US	Source: The Bloomberg Family Foundation 990 For 2011
Sierra Club Foundation	2012	\$15,000,000	Encourage The Use Of Clean Energy And The Reduction Of Coal Dependency In The US	Source: The Bloomberg Family Foundation 990 For 2012

⁷ Michael Bloomberg and Michael Brune, Sierra Club Executive Director, "[Op-Ed: Why America Has to Get Off Coal](#)," *CNN*, Accessed June 25, 2015.

⁸ EPA has the responsibility to regulate air pollutants in order to protect public health and the environment and has done so. Nearly all coal-fired power plants are in full compliance with EPA rules.

⁹ Michael Bloomberg and Michael Brune, Sierra Club Executive Director, "[Op-Ed: Why America Has to Get Off Coal](#)," *CNN*, Accessed June 25, 2015.

Name Of Organization	Year	Amount	Purpose	NOTES
Sierra Club Foundation	2012	\$10,000,000	Encourage The Use Of Clean Energy And The Reduction Of Coal Dependency In The US	Source: The Bloomberg Family Foundation 990 For 2012
Sierra Club Foundation	2013	\$5,000,000	To Encourage The Use Of Clean Energy And The Reduction Of Coal Dependency In The US	Source: The Bloomberg Family Foundation 990 For 2013
Sierra Club Foundation	2013	\$5,000,000	To Encourage The Use Of Clean Energy And The Reduction Of Coal Dependency In The US	Source: The Bloomberg Family Foundation 990 For 2013
Sierra Club Foundation	2015	\$30,000,000	<i>Beyond Coal Campaign</i>	Public announcement; press accounts

Bloomberg Puts His Weight Behind Renewables

Coal is a significant portion of the energy portfolio in the United States, and around the world. So if Bloomberg advocates its elimination, what does he say should replace it? *Bloomberg Philanthropies* website provides the answer: “Through our Clean Energy Program – a portfolio that includes our Clean Energy Initiative and support for the Sierra Club’s Beyond Coal campaign – we’re helping to combat climate change while also protecting public health and transitioning the economy to cleaner energy sources.”¹⁰ More specifically, Bloomberg’s *Clean Energy Initiative* will:

[B]olster collaborative, state-based approaches that encourage utilities to adopt technologies that have only recently become available and affordable. Since 2010, solar energy prices have plummeted by 80 percent, wind energy prices have been cut in half, and the cost of LED lighting has fallen by 80 percent...More than half of the Bloomberg Philanthropies grant funding will go to support more than two dozen state and local partners... The initiative will include analysis to determine grid optimization for different power types, potential for enhanced efficiency and methods to make the grid more robust. This analysis will help identify the biggest

¹⁰ [Bloomberg Philanthropies Web site](#), Accessed March 2, 2015

opportunities for new technologies and support regulatory strategies that ensure reliable and affordable energy for Americans. The Clean Energy Initiative will also help states implement the U.S. Environmental Protection Agency's Clean Power Plan, a set of draft rules for reducing carbon pollution from the power sector.¹¹

Again, the premise that wind and solar energy is less expensive than hydro-carbon-based energy is simply unfounded.¹²

Bloomberg's Day Job a Conflict-of-Interest?

Michael Bloomberg is not just an average person advocating for the elimination of coal, and for replacing it with "clean" or "renewable energy" as a power source. As one of the most successful and recognized Wall Street moguls, Bloomberg is in a uniquely powerful position to impact how the investment community, and by extension, policymakers and then the public (who pay for these schemes) view renewables as viable investments.

His empire, known as Bloomberg LLP, connects "decision makers to a dynamic network of information, people and ideas, Bloomberg quickly and accurately delivers business and financial information, news and insight around the world."¹³ A New York Times headline succinctly lays out Bloomberg's goal: "At Bloomberg, Modest Strategy to Rule the World." Added Andrew Lack, who oversees the company's television, radio, and online offerings, "We want to be the world's most influential news organization."¹⁴

With Bloomberg's purchase of niche public policy publisher Bureau of National Affairs (BNA), he's expanded his reach "to offer a unique combination of premium content, deep subject matter expertise, proprietary data and world-class technological capabilities," as a company press release explains.¹⁵ In reality, with the purchase of BNA's well-respected "inside-the-beltway" insiders, viewed by many as a credible guide on core environmental public policy issues, Bloomberg now drives much of the "news" as viewed by the most important and influential people on Wall Street, and now Washington, D.C. And these outlets, though considered in large part to be straight news operations, reflect Bloomberg's perspective, and his agenda.

Bloomberg's personal "philanthropic" focus on eliminating coal and replacing it with renewables — or rather, using policy to attempt to replace dispatchable energy with intermittent sources — permeates his operation's coverage of the topic. A report, "New

¹¹ Bloomberg Philanthropies press release, "[Bloomberg Philanthropies and Partners Launch New Clean Energy Initiative to Limit Carbon Pollution From Power Plants and Spur Clean Energy Investments](#)," Accessed June 25, 2015.

¹² See, Taylor & Tanton, "[The Hidden Costs of Wind Electricity](#)" (2012), Energy & Environmental Legal Institute. Accessed June 29, 2015; and see, Stacy & Taylor, "[The Levelized Cost of Electricity from Existing Generation Resources](#)," [Institute for Energy Research](#). Accessed June 29, 2015.

¹³ [Bloomberg LLP website](#), Accessed June 25, 2015.

¹⁴ Stephanie Clifford & Julie Creswell, "[At Bloomberg, Modest Strategy to Rule the World](#)," *New York Times*, November 14, 2009, Accessed June 25, 2015.

¹⁵ BloombergBusiness press release, "[Bloomberg Completes Acquisition of BNA](#)," September 30, 2011, Accessed June 25, 2015.

Energy Outlook 2015: Powering a Changing World,” describes “Bloomberg New Energy Finance’s annual long-term view of how the world’s power markets will evolve in the future.” The report emphatically states, “By 2040, the world’s power-generating capacity mix will have transformed: from today’s system composed of two-thirds fossil fuels to one with 60% from zero-emission energy sources. Renewables will command just under 60% of the 9,786GW of new generating capacity and two-thirds of the \$12.2 trillion of investment.”¹⁶ This, of course, defies engineering reality as even the U.S. Energy Information Agency was forced to accede to E&E Legal’s argument that it must distinguish between the energy sources that can be dispatched (the base—load energy that is reliable) and those that cannot be dispatched (and thus cannot reliably produce energy when it is needed).¹⁷

The report includes “Power Findings,” which are: The 5 shifts that will shake the global electricity system:

1. **Solar, solar everywhere.** The further decline in the cost of photovoltaic technology will drive a \$3.7 trillion surge in investment in solar, both large-scale and small-scale.
2. **Power to the people.** Some \$2.2 trillion of this will go on rooftop and other local PV systems, handing consumers and businesses the ability to generate their own electricity, to store it using batteries and – in parts of the developing world – to access power for the first time.
3. **Demand undershoots.** The march of energy-efficient technologies in areas such as lighting and air conditioning will help to limit growth in global power demand to 1.8% per year, down from 3% per year in 1990-2012. In OECD countries, power demand will be lower in 2040 than in 2014.
4. **Gas flares only briefly.** Natural gas will not be the “transition fuel” to wean the world off coal. North American shale will change the gas market, but coal-to-gas switching will be mainly a US story. Many developing nations will opt for a twin-track of coal and renewables.
5. **Climate peril.** Despite investment of \$8 trillion in renewables, there will be enough legacy fossil-fuel plants and enough investment in new coal-fired capacity in developing countries to ensure global CO₂ emissions rise all the way to 2029, and will still be 13% above 2014 levels in 2040.¹⁸

These themes emerge over and over from Bloomberg-affiliated outlets carrying policy “news”. In addition, Bloomberg’s various publications regularly portray coal negatively, and trumpet the coming of “renewables”, thereby serving as a remarkable megaphone to

¹⁶ Bloomberg New Energy Finance, “[New Energy Outlook 2015: Powering a Changing World](#),” Accessed June 25, 2015.

¹⁷ Taylor and Tanton, “[The Hidden Cost of Wind](#)”, E&E Legal (2012).

¹⁸ Bloomberg New Energy Finance, “[New Energy Outlook 2015: Powering a Changing World](#),” Accessed June 25, 2015.

advance the message of the pressure-group advocacy he underwrites. Examples of headlines include:

- “Shareholder Pressure Increasing Over Climate Change Risks”¹⁹
- “Fossil Fuels Just Lost the Race Against Renewables.”²⁰
- “Can regions, cities become 100% dependent on renewable energy? Absurd? Not anymore.”²¹

The artifice of infusing news with Bloomberg’s opinions, heavy with claims untethered to the reality of actual energy generation, suggests a desire to manipulate perception, which enables more accommodating financial and capital markets, rather than honestly reporting on the issue. Bloomberg’s empire benefits directly by the Sierra Club’s war on coal, justifying his donations to the club. This is not philanthropy. It is self-dealing.

Nathaniel Simons

Nathaniel Simons is the 47-year old “son of legendary hedge fund manager and Renaissance Technologies founder Jim Simons. Nathaniel manages billions as leader of San Francisco’s Meritage Group.”²² Meritage is an offshoot of his father’s firm, and Nathaniel’s wife Laura works as counsel for the hedge fund. He has a net worth of \$12 billion, and “the younger Simonses may be the most powerful philanthropic couple working on climate change today.”²³ That power put toward advancing activist causes which, in turn, enhance their investments.

Sea Change Foundation

The principal vehicle Simons and his wife employ to “work on climate change” is Sea Change Foundation. Its Board consists of only Nathaniel, who is the president, and wife Laura, who is identified as its secretary.²⁴ “Nathaniel established the San Francisco-based Sea Change Foundation in 2006, and he and wife Laura Baxter-Simons are the only trustees. Sea Change has granted between \$45 million and \$55 million annually in recent years, in the form of large sums to prominent climate change groups.”²⁵

¹⁹ Tara Patel & Stefan Nicola, [“Shareholder Pressure Increasing Over Climate Change Risks.”](#) *BloombergBusiness*, May 21, 2015, Accessed June 25, 2015.

²⁰ Tom Randall, [“Fossil Fuels Just Lost the Race Against Renewables.”](#) *BloombergBusiness*, April 14, 2015, Accessed June 25, 2015.

²¹ Climate Blog, [“Can regions, cities become 100% dependent on renewable energy? Absurd? Not anymore.”](#) *BloombergBNA*, May 20, 2015, Accessed June 25, 2015.

²² Brian Dumaine and Anne VanderMay, “The World’s Top 25 Eco-Innovators,” *Fortune*, May 1, 2014.

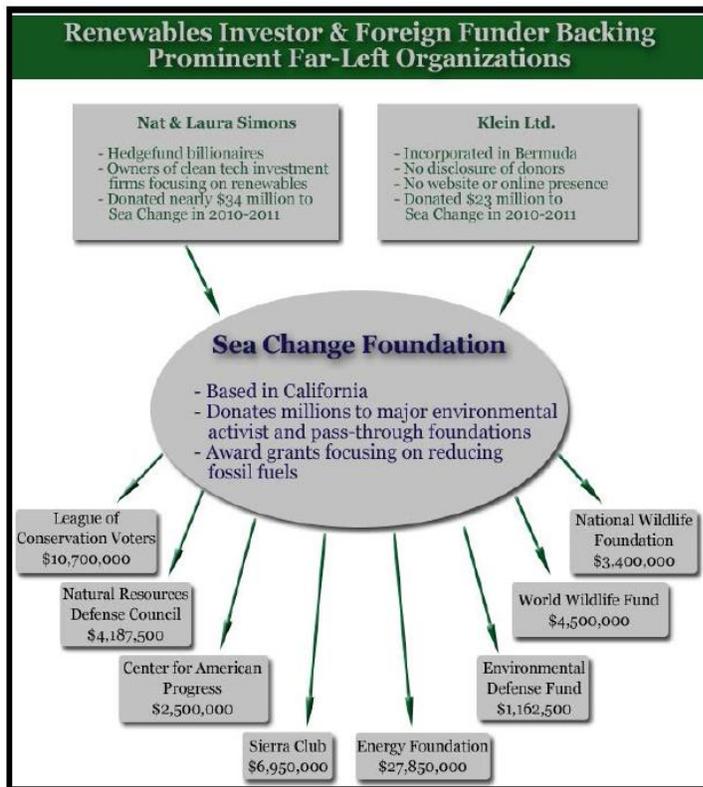
²³ Tate Williams, [“The Quiet Hedge Fund Heir Who’s Engaged in Massive Climate Giving,”](#) *Inside Philanthropy*, April 3, 2014, Accessed June 25, 2015.

²⁴ Sea Change Foundation 990 for FY2013 and FY 2011.

²⁵ Tate Williams, [“The Quiet Hedge Fund Heir Who’s Engaged in Massive Climate Giving,”](#) *Inside Philanthropy*, April 3, 2014, Accessed June 25, 2015.

According to their website, the “Sea Change Foundation is dedicated to achieving meaningful social impact through leveraged philanthropy that addresses the most pressing problems facing the world today. The Foundation’s initial focus is addressing the serious threats posed by global climate change.”²⁶ Adds *Inside Philanthropy*, “The Sea Change Foundation gives tens of millions annually to fighting climate change, making six- and seven-figure grants to some of the most progressive groups working on the issue. While Sea Change is notably lacking a public presence, the philanthropist behind it is a powerful player on climate and energy, and part of a family known for its big giving.”²⁷

Grants To The Sierra Club Foundation



The Sierra Club and the Sierra Club Foundation are two of a select few environmental organizations that receive Sea Change Foundation money. The chart above from a U.S. Senate Committee on Environment and Public Works report, “[The Chain of Environmental Command: How a Club of Billionaires and Their Foundations Control the Environmental Movement and Obama’s EPA](#)” (“Billionaire’s report”), issued in July 2014 shows how the Sea Change Foundation is used, in the report’s description, as a money laundering organization. It also details how Sea Change Foundation grants to major environmental organizations in 2010 and 2011 included \$6,950,000 to the Sierra Club Foundation (see chart on left).

The following table, based on the Sea Change Foundation IRS Form 990s, provides a closer look at the grants the group provided to the Sierra Club from 2009 through 2013.

²⁶ [Sea Change Foundation Web site](#), Accessed March 3, 2015.

²⁷ Tate Williams, “[The Quiet Hedge Fund Heir Who’s Engaged in Massive Climate Giving](#),” *Inside Philanthropy*, April 3, 2014, Accessed June 25, 2015.

Name Of Organization	Year	Amount	Purpose	NOTES
Sierra Club Foundation	2009	\$3,800,000	Reduce reliance on energy production from coal power plants	Source: Sea Change Foundation 990 For FY2009
Sierra Club Foundation	2009	\$400,000	Educating public about climate and clean energy policy.	Source: Sea Change Foundation 990 For FY2009
Sierra Club Foundation	2009	\$144,000	Educating public about climate and clean energy policy.	Source: Sea Change Foundation 990 For FY2009
Sierra Club Foundation	2009	\$86,100	Educating public about climate and clean energy policy.	Source: Sea Change Foundation 990 For FY2009
Sierra Club Foundation	2009	\$159,900	Educating public about climate and clean energy policy.	Source: Sea Change Foundation 990 For FY2009
Sierra Club Foundation	2011	\$1,500,000	Reduce reliance on high carbon energy	Source: Sea Change Foundation 990 For FY2011
Sierra Club Foundation	2012	\$1,500,000	Reduce reliance on high carbon energy	Source: Sea Change Foundation 990 For FY2012

Name Of Organization	Year	Amount	Purpose	NOTES
Sierra Club Foundation	2012	\$700,000	Educate public about climate and clean energy	Source: Sea Change Foundation 990 For FY2012
Sierra Club Foundation	2012	\$1,625,000	Reduce reliance on high carbon energy	Source: Sea Change Foundation 990 For FY2012
Sierra Club Foundation	2012	\$1,625,000	Reduce reliance on high carbon energy	Source: Sea Change Foundation 990 For FY2012
Sierra Club Foundation	2013	\$1,500,000	Mitigate climate change	Source: Sea Change Foundation 990 For FY2013
Sierra Club Foundation	2013	\$1,500,000	Mitigate climate change	Source: Sea Change Foundation 990 For FY2013

Hedge Funds, Sea Change, and the Russians

In 2011, Sea Change Foundation received \$13 million from Klein Ltd.,²⁸ and another \$10 million from the group in 2012,²⁹ for a total of \$23 million over two years. According to Lachlan Markay of the *Washington Free Beacon*, “A sizable portion of the Sea Change Foundation’s revenue since 2011 has come from a single company, incorporated in Bermuda, called Klein Ltd. The company’s only officers are employees of a Bermuda law firm, and neither provided information on what Klein actually does...Documents filed with

²⁸ Sea Change Foundation 990 for FY2011, Page 15.

²⁹ Sea Change Foundation 990 for FY2012, Page 15.

the Bermudan government suggest that the company exists only on paper.”³⁰ Will Coggin, a research analyst at the *Environmental Policy Alliance*, says that a “search of U.S. nonprofit tax records turns up only one foundation that has received money from Klein: the Sea Change Foundation, based in San Francisco and run by hedge fund billionaire and environmental activist Nat Simons.”³¹

Coggin adds, “In 2011, a mysterious company called Klein Ltd., was formed in Bermuda. According to its articles of incorporation, Klein was formed to give money to charitable causes.”³² Nicholas Hoskins is listed as a director of Klein Ltd. He is also “a director at a hedge fund management firm that has invested heavily in Russian oil and gas. He is also senior counsel at the Bermudan law firm Wakefield Quin and the vice president of a London-based investment firm whose president until recently chaired the board of the state-owned Russian oil company Rosneft.”³³

Coggin adds that the two names signing the Klein Ltd. articles of incorporation are employees of Wakefield Quin, a Bermuda law firm,³⁴ which also shares the same address as Klein Ltd.³⁵

The interest of Russian oil companies and American environmentalist financiers intersect at a Bermuda-based law firm called Wakefield Quin. The firm acts as a corporate registered agent, providing office space for clients, and, for some, ‘managing the day to day affairs,’ according to its website. As many as 20 companies and investment funds with ties to the Russian government are Wakefield Quin clients. Many list the firm’s address on official documentation.³⁶

Coggin also notes that two Simons family hedge funds, Medallion and Meritage Holdings, are run out of Wakefield Quin. Nat Simons, Sea Change’s largest benefactor, also serves as managing director of his family’s hedge fund operations, Meritage and Medallion. From 2010 to 2012, Sea Change invested over \$80 million in those hedge funds, which are operated out of the same Wakefield Quin office that housed Klein Limited. The circular nature of funds flowing from Klein Limited to Sea Change to be reinvested in Meritage and Medallion raises laundering questions, especially given Nat Simons’s close ties to each entity.³⁷

³⁰ Lachlan Markay, “[Liberal Foundation Distributed Money from Bermuda to Liberal Nonprofits](#),” *Washington Free Beacon*, Aug. 1, 2013, Accessed June 8, 2015.

³¹ Will Coggin, “[The New ‘Useful Idiots’](#),” *Green Watch*, May 2015, Accessed June 8, 2015.

³² *Id.*

³³ Lachlan Markay, “[Foreign Firm Funding U.S. Green Groups Tied To State Owned Russian Oil Company](#),” Jan. 27, 2015, Accessed June 8, 2015.

³⁴ Will Coggin, “[The New ‘Useful Idiots’](#),” *Green Watch*, May 2015, Accessed June 8, 2015.

³⁵ Lachlan Markay, “[Foreign Firm Funding U.S. Green Groups Tied To State Owned Russian Oil Company](#),” Jan. 27, 2015, Accessed June 8, 2015.

³⁶ *Id.*

³⁷ Will Coggin, “[The New ‘Useful Idiots’](#),” *Green Watch*, May 2015, Accessed June 8, 2015.

So why would a Bermuda shell company related to a law firm with direct ties to Russian political leaders and oil companies - as well as to Simon's hedge funds - be interested in channeling millions of dollars to Sea Change Foundation, and ultimately to environmental groups like the Sierra Club? Markay explains, "With oil prices plunging as a result of a fracking-induced oil glut in the United States, experts say the links between Russian oil interests, secretive foreign political donors, and high-profile American environmentalists suggest Russia may be backing anti-fracking efforts in the United States."³⁸ Fracking, or hydraulic fracturing, is colloquial for new technologies but newer techniques which have produced a bounty of hydrocarbon energy, to the environmentalists' chagrin.

Adds Coggin, "The Russian government - along with the nominally 'private sector' alliance of Putin-linked oligarchs who have become rich off the country's resources - has a strong interest in closing down American energy production, as do regimes in the Middle East and socialist Venezuela. The budgets of these nations are highly dependent on oil exports and high oil prices, both of which have been hit by the rising U.S. domestic production of shale oil."³⁹

Already, the green parties in at least two of Russia's neighbors, Lithuania and Bulgaria, have felt compelled to deny claims that their efforts are being underwritten by Russia.

The hedge fund managers have an additional interest, one we will discuss in a future report. For purposes of this discussion, imagine the profits to be made knowing exactly when your proxy (e.g., the Sierra Club and the League of Conservation Voters) is going to make a big public splash intended to depress the value of stock in one industry or another or one company or another.

In addition, "Simons...recently created a clean-tech venture fund through his family office, Elan Management. Called Prelude Ventures, it will invest in clean energy."⁴⁰ Hence, he is apparently using the Sierra Club and other environmental alarmists as part of his campaign to influence markets he is betting on, and against.

In addition to its highly publicized "Beyond Coal" campaign, the Sierra Club is also a vocal critic of fracking, in the U.S. and Canada. For example, a 2013 Sierra Club press release said, "The Sierra Club stands with anti-fracking protesters in New Brunswick, Canada, and around the world who are protecting their land and their families from the real danger that fracking brings to the health and safety of their communities. All Canadians and all Americans should ask themselves whether a police response with tactical units and snipers was meant to serve public safety, or squelch opposition to fracking in the service of the oil industry."⁴¹

³⁸ Lachlan Markay, "[Foreign Firm Funding U.S. Green Groups Tied To State Owned Russian Oil Company](#)," Jan. 27, 2015, Accessed June 8, 2015.

³⁹ Will Coggin, "[The New 'Useful Idiots'](#)," *Green Watch*, May 2015, Accessed June 8, 2015.

⁴⁰ Brian Dumaine and Anne VanderMay, "[The World's Top 25 Eco-Innovators](#)," *Fortune*, May 1, 2014.

⁴¹ Sierra Club Press Release, "[Statement: The Sierra Club Stands With Anti-Fracking Protesters In New Brunswick, Canada](#)," October 18, 2013, Accessed June 9, 2015.

Renewable Energy Conflict

Nathaniel Simons's efforts to eliminate coal-fired power plants are likely more than just an altruistic campaign to "save the world." In addition to serving as president of Sea Change, he is also the CEO of Elan Management "where he manages the early stages of clean tech companies with a focus on solar and wind energy sources."⁴² "Simons is a hedge fund manager, but he also provides venture capital for early-stage green energy companies through Elan Management and an offshoot VC firm, Prelude Ventures."⁴³

Elan created Prelude Venture in 2009, which invests in early stage renewable energy and clean-tech companies. "We partner with inspired entrepreneurs who share our passion for technology innovation as a means to reduce global CO2 and believe that the best way to truly make a difference is to build successful companies."⁴⁴

Simons' tools for building "successful companies" appears to be funneling tens of millions of dollars through his Sea Change Foundation to the Sierra Club in order to attack one of renewable energy's biggest competitors: coal-fired power plants.

In addition, Simon's extensive political contributions to Democratic candidates have helped him secure significant federal money. "Simons was a major supporter of both of Barack Obama's presidential campaigns, personally maxing out to both in addition to five-figure contributions to organs of the Democratic Party."⁴⁵

Starting in 2009, the year Prelude was launched, seven of the 12 companies in its portfolio listed on its website:

...have received federal grants, loans, contracts, or other government assistance...Prelude-backed solar cell manufacturing firm Suniva was awarded a \$141 million stimulus-funded Department of Energy loan guarantee in 2010. The company passed on the award, saying it was "uncomfortable" with its terms. But it has since received additional federal support: a \$5 million DOE grant last year, a \$2 million loan guarantee from the U.S. Export-Import Bank, and more than \$750,000 in Justice Department contracts to build solar panels for federal prisons. Another Prelude-backed company, Solarbridge Technologies, has received about \$3.5 million in DOE grants, the latest of which came in March. Another, Acquion Energy, got a \$5.1 million DOE grant in 2010 and a \$550,000 taxpayer-backed loan in 2012 from the Department of Agriculture. Additional federal assistance for the firm's portfolio

⁴² James Delingpole, "[Exposed: Sea Change – The Shadowy One-Percenter Foundation Waging War On Affordable Energy](#)," Breitbart, July 30, 2014, Accessed June 25, 2015.

⁴³ Lachlan Markay, "[How Dem Moneyman Nat Simons Profits from Political Giving](#)," *Washington Free Beacon*, Nov. 4, 2014, Accessed June 25, 2015.

⁴⁴ [Prelude website](#), Accessed June 25, 2015.

⁴⁵ Lachlan Markay, "[How Dem Moneyman Nat Simons Profits from Political Giving](#)," *Washington Free Beacon*, Nov. 4, 2014, Accessed June 25, 2015.

has come by way of grants from the National Science Foundation and contracts from the Defense Department.⁴⁶

Washington Free Beacon's Lachlan Markay sums up this cozy relationship: "As Simons' firm has invested in cleantech firms, he has promoted increased federal involvement in the energy sector. Policies advanced by Simons and the Sea Change Foundation, which he runs with his wife Laura, would benefit green energy companies such as those backed by Prelude."⁴⁷

Roger Sant

Roger Sant has an impressive resume. He graduated from Brigham Young University in 1955, received an MBA from Harvard Business School in 1960, and began working for Hewlett-Packard in 1960 as a Financial Analyst.⁴⁸ He served as the Assistant Administrator for Energy Conservation and the Environment of the U.S. Federal Energy Administration (FEA) from 1974 to 1976 and then joined the Mellon Institute at Carnegie-Mellon University as the Director of Energy Productivity Center from 1977-1981.⁴⁹

In 1981, Sant teamed up with Dennis Bakke, who had held positions in "the U.S. federal government's Office of Management and Budget and the Department of Health, Education and Welfare,"⁵⁰ to co-found Applied Energy Services (AES). He was an AES director since its inception, and served as President through 1986, CEO through 1993, and Chairman of the Board through May 1, 2003.⁵¹ Sant retired from the AES Board effective May 10, 2006,⁵² but remains as *Chairman Emeritus* of AES.⁵³

Applied Energy Services (AES)

Applied Energy Services "provides affordable and reliable energy to customers around the world through its distribution businesses and thermal and renewable power generation facilities." It offers a "diverse mix of generation and utility sources [that] provides...strength and flexibility to adapt to local and regional market needs, maximize plant efficiency and deliver reliable, affordable electricity."⁵⁴

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ Harvard Business School Webpage, "[Roger W. Sant, MBA 1960](#)" Accessed April 6, 2015.

⁴⁹ [The AES Corporation Schedule 14A](#), as filed with the U.S. Securities and Exchange Commission, March 30, 2005.

⁵⁰ "[Executive Profile: Dennis W. Bakke](#)", Bloomberg *BusinessWeek*. Accessed May 18, 2015.

⁵¹ [The AES Corporation Schedule 14A](#), as filed with the U.S. Securities and Exchange Commission, March 30, 2005.

⁵² [The AES Corporation Schedule 14A](#), as filed with the U.S. Securities and Exchange Commission, April 5, 2006.

⁵³ Roger Sant, "[Solving the Carbon Problem Together.](#)" Accessed May 18, 2015.

⁵⁴ AES Webpage, "[Overview.](#)" Accessed April 6, 2015.

AES identifies three primary business areas: **AES Generation**, which boasts of businesses in 18 countries on four continents with 35,000 megawatts capacity in operation, and another 7,141 megawatts under construction; **AES Utilities**, which includes 8 distribution companies around the world, more than 10 million customers, and 95,691 GWh of energy sold; and **AES Product & Services**, which only lists AES Transformer Fleet under this category.⁵⁵

AES Utilities Reliance on Coal

According to its own website, fuel sources associated with AES utilities include “biomass, diesel, **coal** [*emphasis added*] gas and hydro.”⁵⁶

Of AES’s eight distribution companies, two are based in the United States: Indianapolis Power & Light Company and Dayton Power and Light.⁵⁷ According to its website, Dayton Power and Light has 3,066 megawatts of generation, 2078 megawatts (or 2/3rds) from “[l]ow cost, coal fired generation capacity.”⁵⁸ Indianapolis Power & Light Company owns and operates four power plants with a total generating capacity of 3,353 megawatts, 79% of which came from coal and ash in 2007. “Our current plans will include 45% natural gas, 44% coal, 10% wind and solar, and 1% oil by 2017.”⁵⁹

Despite the campaign, described herein, against coal-fired power plants AES announced that it will commission a new 1,240 megawatt coal-fired power plant in the Quang Ninh province of Vietnam.⁶⁰ In a May 11, 2015 press release, AES proudly announced “that it has achieved commercial operation of its 1,240 MW coal-fired Mong Duong 2 power plant in Vietnam six months ahead of schedule.” The release went on to explain:

The plant was built under a Build-Operate-Transfer (BOT) agreement and has a 25-year Power Purchase Agreement (PPA) with Electricity of Vietnam (EVN), a state-owned utility, **as well as 25-year coal supply agreement with Vinacomin** [*emphasis added*], a state-owned entity. The PPA includes a capacity payment denominated in U.S. Dollars and a fuel pass-through that protects the project from fluctuations in coal prices. AES has a 51% equity interest in the \$1.95 billion power plant, while PSC Energy Global Co., Ltd., a wholly-owned subsidiary of POSCO Power Corp., and Stable Investment Corporation, a wholly-owned subsidiary of China Investment Corporation, own 30% and 19%, respectively. Mong Duong 2 was financed with \$1.5 billion in non-recourse debt. The plant is the largest private sector power project in Vietnam and is the

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ AES Webpage, [“Utilities.”](#) Accessed April 6, 2015.

⁵⁸ Dayton Power & Light website, [“Corporate Overview.”](#) Accessed April 6, 2015.

⁵⁹ Indiana Power & Light website, [“Power Generation.”](#), Accessed April 6, 2015.

⁶⁰ AES Webpage, [“Generation.”](#) Accessed April 6, 2015.

country's first new private sector power plant to be commissioned in the last ten years.⁶¹

While seemingly incoherent, business interests underwriting the campaign against coal-fired power where a company has bet against coal, while investing in the abundant energy source in areas exempt from its and its allies campaign, is not new. It was pioneered by Enron under Ken Lay, according to E&E Legal Senior Fellow Chris Horner, who was introduced to the global warming industry during a brief stint with that company, in which capacity he was tasked with meeting with alarmist pressure group "Baptists" and their rent-seeking "Bootlegger" private sector allies.

Sant Emerges as a "Climate Change" Crusader

This history adds context to the fact that Sant, despite co-founding a large energy company invested in hydrocarbon energy and continuing to serve in the role as Chairman Emeritus, is very involved in the "climate change" and "global sustainability" movement.

The Summit Foundation

Sant currently serves as the chair of the Board of Trustees of the Summit Foundation where his wife Victoria Sant is the president. The Summit Foundation, established in 1991, supports organizations "working to improve our world and the quality of life for its inhabitants" through a "commitment to global sustainability."⁶²

Ties to the Sierra Club Foundation Climate Recovery Partnership

As recently as 2010, Sant was a member of the Sierra Club's "Climate Recovery Partnership," which:

...focuses the Club's comprehensive work with activists, entrepreneurs, and environmentalists fighting against the human causes of climate change. Together, we are battling and defeating the worst contributors to global warming, repowering America with renewable energy and more energy efficient buildings and transportation systems, and protecting wilderness and communities most at risk in a changing climate. To date, Sierra Club has prevented 131 new coal-fired power plants from breaking ground, preventing more than 515 MMT of carbon from entering the atmosphere every year. Mr. Baruch will be instrumental in helping to push appropriate clean energy alternatives forward to fill the gap created by this massive shut down of the dirtiest fuel on the planet. Tom [Baruch] joins energy

⁶¹ AES Press Release, "[AES Achieves Commercial Operation of 1,240 MW Mong Duong 2 Plant in Vietnam](#)," Accessed May 18, 2015.

⁶² Summit Foundation website, "[About](#)," Accessed May 18, 2015.

entrepreneurs Tom Dinwoodie, founder of SunPower; Roger Sant, Founder of Applied Energy Services, among others.⁶³

Contributions to the Sierra Club

The first donation from Roger Sant to any Sierra Club entity that E&E Legal has identified came on October 21, 2004 when he gave \$50,000 to the Sierra Club Voter Education Fund.⁶⁴ Since then, as the table below illustrates, Roger and Victoria Sant, along with the Summit Foundation, have been generous supporters of the Sierra Club Foundation since 2006:

Year	Name (Listed On Sierra Club Foundation Annual Report)	Amount (Range)	NOTES
2006	Roger & Victoria Sant	\$100,000 - \$999,999	
2007	Roger & Victoria Sant	\$100,000 - \$999,999	
2008	-	-	Roger & Victoria Sant were listed on National Advisory Council in the 2008 Sierra Club Foundation's Annual Report. The Summit Foundation is listed in the donor section in the 2008 Sierra Club Foundation's Annual Report.
2009	-	-	Roger & Vicki Sant were listed on National Advancement Council in the 2009 Sierra Club Foundation's Annual Report.
2010	-	-	The Summit Charitable Foundation and the Summit Fund of Washington were listed in the donor section in the 2010 Sierra Club Foundation's Annual Report.

⁶³ Sierra Club press release, "[Sierra Club Welcomes Tom Baruch to the Climate Cabinet of the Climate Recovery Partnership](#)," Oct. 8, 2010, Accessed May 9, 2015.

⁶⁴ [Sierra Club Voter Education Fund's Political Organization Report of Contributions and Expenditures for the period beginning Oct. 14, 2004, and ending Nov. 22, 2014](#), as filed with the Department of Treasury's Internal Revenue Service.

2011	Roger & Vicki Sant	\$15,000 - \$24,999	The Summit Charitable Foundation was listed in the donor section in the 2011 Sierra Club Foundation's Annual Report – it could not be determined if this was the same as The Summit Foundation.
2012	Roger & Vicki Sant	\$100,000 - \$999,999	Roger & Vicki Sant were listed on the Summit Circle in the 2012 Sierra Club Foundation's Annual Report. According to the annual report, "The Summit Circle is a major donor network for supporters who give \$10,000 or more annually to the Sierra Club or The Sierra Club Foundation." The Summit Fund of Washington was listed in the donor section in the 2012 Sierra Club Foundation's Annual Report – it could not be determined if this was the same as The Summit Foundation.
2013	Roger & Vicki Sant	\$100,000 - \$999,999	Roger & Vicki Sant were listed on the Summit Circle in the 2013 Sierra Club Foundation's Annual Report. According to the annual report, "The Summit Circle is a major donor network for supporters who give \$10,000 or more annually to the Sierra Club or The Sierra Club Foundation."

Sources: Sierra Club Foundation Annual Reports

Sant's Approach to Addressing Carbon Dioxide Emissions

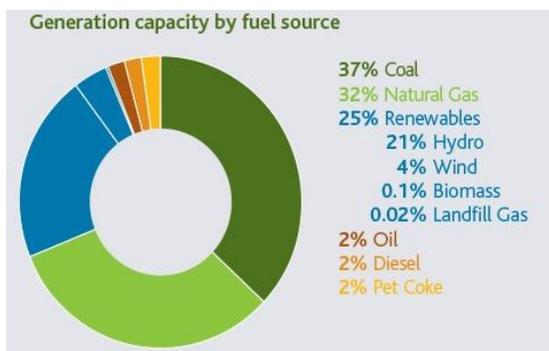
In November 2014, Kelly Andrejasich wrote an article for SNL Electric Utility Report, "AES co-founder: Price on carbon is 'essential' to getting cuts," in which Roger Sant provides an insight into dealing with CO2 emissions. Following are some of his main points⁶⁵:

- "The United States needs more than regulation and voluntary action to cut carbon dioxide emissions, according to AES Corp. co-founder and Chairman Emeritus Roger Sant. It needs a market incentive as well."

⁶⁵ Kelly Andrejasich, "[AES co-founder: Price on carbon is 'essential' to getting cuts](#)," SNL Electric Utility Report, Nov. 3, 2014.

- “A price on carbon is ‘essential,’ and while some states may choose to do that through the proposed EPA Clean Power Plan, a federal price on carbon - via a carbon tax - would be more valuable, Sant said.”
- “Sant called the EPA [Clean Power Plan] proposal ‘thoughtful’ and ‘creative’ and something that will give the U.S. a chance to exert leadership on climate change. However, he later floated the idea of using the proposed rule as a way of gaining support for a nationwide carbon tax. Responding to a question about whether to hold out for a carbon tax or work around such a market mechanism to cut emissions, Sant admitted to being ‘Machiavellian enough to say use the EPA [regulations] as a lever.’”
- “‘EPA is moving so quickly at this point that I believe there is a deal to be done at some point where somebody will say, ‘Uncle. Would you trade EPA regs for a carbon tax?’” he said.”

Renewable Energy Conflict



In addition to working for the elimination of coal-fired power plants because of their supposedly climate-killing nature, while simultaneously making money from new and existing coal plants, Sant, like other 1%ers, benefits from government schemes supporting renewable energy. His extensive investment in the “climate change” crusade helps prop up a sector within the energy market where he personally profits. As the chart from AES’ website illustrates, renewable energy

represents more than 1/4th of the company’s generation capacity with hydroelectricity (dams) as the most significant share.

Recurrent Energy Development

The Sierra Club’s 2012 Annual Report lists Recurrent Energy Development under its Foundations, Corporations, and Organizational donors.⁶⁶

According to its webpage, “Recurrent Energy, a subsidiary of Canadian Solar Inc., is a leading solar project developer, with a fleet of utility-scale solar plants that provide competitive clean electricity. Our mission is to transform our world sustainably to meet its energy needs with clean electricity.” With A 3.3 gigawatt project in the pipeline and more

⁶⁶ [2012 Sierra Club Annual Report](#), “Foundations, Corporations, and Organizations,” Page 28, Accessed May 9, 2015.

than 1.1 gigawatts of signed contracts, Recurrent Energy is one of the largest solar development portfolio's in North America.⁶⁷

Greentech Solar explained in a Feb. 2, 2015 article that in “December of last year, the *Nikkei Business Daily* reported that Sharp had finally sold off Recurrent Energy, an active solar project developer, to Canadian Solar for approximately \$247 million...Today, it's finally official. Canadian Solar has acquired Recurrent Energy from Sharp Corporation for \$265 million.”⁶⁸

Recurrent Energy's Relationship with NRG Energy

In 2013, Recurrent Energy sold two California solar PV facilities totaling 40 megawatts to NRG Energy, Inc. through NRG's wholly owned subsidiary, NRG Solar. NRG Solar's President and CEO Tom Doyle said at the time about the deal, this “is our first transaction with Recurrent Energy and the beginning of what I hope will be a long lasting business relationship.”⁶⁹

NRG Energy and its subsidiary, NRG Solar, received a total of more than \$3 billion in taxpayer-funded loan guarantees from the U.S. Department of Energy's 1705 loan program in 2011 for three solar generation projects. The 1705 loan program was created by the American Recovery and Reinvestment Act of 2009, commonly known as President Obama's “Stimulus bill,” and was the same loan program that provided guarantees to failed solar company Solyndra.⁷⁰

According To the U.S. Department of Energy webpage NRG Energy and its subsidiary, NRG Solar, received the following loan guarantees from the 1705 Loan Program:⁷¹

Program	Technology	Date of Agreement	Status	Jobs	Location	Amount
NRG Energy, Inc. (BrightSource)	Solar Generation	4/2011	Closed	86/1,000	Baker, CA	\$1.6 billion

⁶⁷ Recurrent Energy website, “[A Powerful Vision](#),” Accessed May 9, 2015.

⁶⁸ Eric Wesoff, “[Canadian Solar Finally Acquires Recurrent Energy for \\$265 Million in Cash](#),” *Greentech Solar*, Feb. 2, 2015, Accessed May 9, 2015.

⁶⁹ Recurrent Energy Press Release, “[NRG Solar achieves commercial operation of two solar PV projects in California developed by Recurrent Energy](#),” July 12, 2013, Accessed May 9, 2015.

⁷⁰ D'Angelo Gore, “[Obama's Solyndra Problem](#),” *Annenberg Public Policy Center*, Factcheck.org. October 7, 2011, Accessed May 9, 2015.

⁷¹ U.S. Department of Energy webpage, “[Projects 1705](#),” Accessed May 9, 2015.

NRG Solar (California Valley Solar Ranch)	Solar Generation	9/2011	Closed	15/350	San Luis Obispo, CA	\$1.237 billion
NRG Solar, LLC (Agua Caliente)	Solar Generation	8/2011	Closed	10/400	Yuma County, AZ	\$967 million

Recurrent Energy Pulls in Google and KKR

In December 2011 Google partnered with Kohlberg Kravis Roberts and Company (KKR) to invest in four Recurrent Energy solar PV facilities that serve the Sacramento Municipal Utility District, which total 88 megawatts of power. As *Fortune* explains, while “KKR didn’t invent the leveraged buyout, in the 1980s it became undisputed king of the field—the only firm that could have pulled off the \$25 billion RJR Nabisco deal in 1989, still the largest LBO on record.”

According to a 2011 Recurrent Energy press release detailing the Google-KKR deal, the “portfolio of projects is financed with a combination of debt and equity, which includes a significant equity investment from Google in addition to equity from SunTap Energy RE LLC (‘SunTap’), a new venture formed today by KKR to invest in solar projects in the U.S. “‘The investment is a clear demonstration of solar’s ability to attract private capital from well-established investors like Google and KKR,’ said Arno Harris, CEO of Recurrent Energy. ‘This transaction provides an example of the direction solar is headed as a viable, mainstream part of our energy economy.’”⁷²

In late 2013, Google and KKR paired up again for an additional six PV Recurrent Energy facilities, located in California and Arizona, with a combined capacity of roughly 106 megawatts. A November 2013 Recurrent Energy press release notes that “[c]apital for the projects was provided by equity investments from Google and KKR, as well as debt financing.”⁷³

The Sierra Club Foundation’s 2012 Annual Report identifies Google as a contributor associated with their “Matching Gifts Program.”⁷⁴ The Sierra Club defines its “Matching Gifts Program” as follows: “Make your gift to the environment worth twice as much through The Sierra Club Foundation Matching Gifts Program. By asking your employer to match your donation to The Sierra Club Foundation, you can double the value of your gift

⁷² Recurrent Energy Press Release, “[Google & KKR Partner to acquire portfolio of solar PV projects in California from Recurrent Energy](#),” Dec. 20, 2011, Accessed May 9, 2015.

⁷³ *Id.*

⁷⁴ 2012 Sierra Club Annual Report, “[Foundations, Corporations, and Organizations](#),” Page 28, Accessed May 9, 2015.

and double your support to preserve and protect our natural environment for generations to come.”⁷⁵

Recurrent Energy, Goggle and KKR all put their philanthropic money where their business interests lie when they fund Sierra Club’s war on coal, which campaign cloaks itself in the rhetoric of environmental salvation to promote an economically harmful and climatically meaningless agenda that does happen to benefit its donors. Because even EPA has admitted that its regulatory war on coal will not result in meaningful reductions in global temperature, the public gets no benefit while these donors benefit directly from their donations. According to the IRS, this is classical self-dealing as described above.

The Tides Foundation & The Tides Center

Drummond Pike, a California activist, founded the Tides Foundation in 1976, naming it after a bookstore that catered to leftist patrons. The Foundation served as a vehicle where donors seeking anonymity could funnel money to radical causes and not have their names revealed publicly. “By letting the Tides Foundation, in effect, ‘launder’ the money for them and pass it along to the intended beneficiaries, donors can avoid leaving a ‘paper trail.’ Such contributions are called “donor-advised,” or donor-directed, funds.”⁷⁶ Explains Drummond himself, “Anonymity is very important to most of the people we work with.”⁷⁷

In 1979, Pike created the Tides Center to: “(a) function as a legal firewall insulating the Tides Foundation from potential lawsuits filed by people whose livelihoods or well-being may have been harmed by Foundation-funded projects, and (b) incubate new political advocacy groups and provide them with whatever organizational help they might need.”⁷⁸ This is tantamount to an admission that the actual money sources are self-dealing.

In 1996, the Tides Center legally separated from the Tides Foundation “probably to ensure that anyone who sued one of Tides’ politically active offspring would find a firewall separating a disruptive activist group from the Foundation and its outside donors. But Pike remained the head of both organizations until he finally stepped down in late 2010. The two groups still share directors and office space.”⁷⁹

Since 1998, the Tides Center has raised between \$48 and \$71 million a year and “the bulk of this revenue is contributed back to far left groups. The closely-aligned Tides Foundation has reported revenues of between \$59 and \$77 million every year since 2002.”⁸⁰ Adds its website, “We provide fiscal sponsorship for over 230 groups across the country, operate

⁷⁵ Sierra Club Foundation website, “[Workplace Giving & Matching Gifts](#),” Accessed May 18, 2015,

⁷⁶ Discoverthenetworks.org, [Tides Foundation and Tide Center](#), Accessed June 25, 2015.

⁷⁷ Steve Baldwin, “[Who Funds the Radical Left In America?](#),” *Western Journalism*, Accessed June 25, 2015.

⁷⁸ Discoverthenetworks.org, [Tides Foundation and Tide Center](#), Accessed June 25, 2015.

⁷⁹ Scott Walter, [The Tides Foundation and Center: Selling Foundation Philanthropy on the Idea of “Structural Racism”](#), July 3, 2011, Accessed June 25, 2015.

⁸⁰ Steve Baldwin, “[Who Funds the Radical Left In America?](#),” *Western Journalism*, Accessed June 25, 2015

and support green nonprofit centers, and grant millions each year to charitable organizations across the globe.”⁸¹

“Climate change” is now a key focus of Tides. In a recent report, the Tides Foundation states, “The pressing need to do something about dramatic climate change has reached a critical mass across the globe and across the country. And it is an issue that has also reached into every aspect of our lives.”⁸²

In reality, however, the group is promoting, and as an extremely powerful force, a radical leftist agenda. “Tides says it's working to ‘promote and support emerging social change and educational programs.’ In fact, its programs are a checklist of liberalism's most ambitious agenda: the Open Society Institute of George Soros, AFL-CIO, the Iraq Peace Fund, the Arab American Action Network, American Civil Liberties Union, the pro-Castro groups United for Peace and Justice and Center for Constitutional Rights, along with groups opposing free trade and gun ownership while advocating green energy and government-funded abortion.”⁸³ Adds *Washington Examiner* opinion columnist Ron Arnold, “Tides has been one of the most secretive Big Green groups since it was founded by Drummond Pike in 1976 and now has risen to such access and power. While claiming to be poor little Birkenstock-wearing greenie groups, in actuality they are exercising undue influence under false pretenses to change public policy.”⁸⁴

The U.S. Senate Committee on Environmental and Public Works 2014 Minority Staff Report, “The Chain of Environmental Command: How a Club of Billionaires and Their Foundation Control the Environmental Movement and Obama’s EPA”, identifies the Tides Foundation, with its 2012 total assets of \$141,039,613, as one of the country’s largest public charities. “Tides Inc., a group of separate yet closely intertwined organizations, sets the standard in inventing the infrastructure behind the fiscal sponsor relationship. Tides heavily funds green organizations and its setup provides one stop shopping for the Billionaire’s Club.”⁸⁵

Grants To Sierra Club/Sierra Club Foundation

Not surprisingly, one of the environmental groups to receive funding from the Tides Foundation is the Sierra Club, as outlined in the chart below.

⁸¹ Tides Foundation Web site, Accessed March 4, 2015.

⁸² [Changing the Social Climate](#), A conversation with Michel Gelobter and Catherine Lerza, Tides Foundation, Accessed June 25, 2015.

⁸³ Tori Richards, “[SUNSHINE WEEK: A look inside an obscure foundation of undue influence](#),” *Washington Examiner*, March 14, 2013, Accessed June 25, 2015.

⁸⁴ *Id.*

⁸⁵ “[The Chain of Environmental Command: How a Club of Billionaires and Their Foundation Control the Environmental Movement and Obama’s EPA](#),” U.S. Senate Committee on Environment and Public Works Minority Staff Report, July 30, 2014, Accessed June 25, 2015.

Name Of Organization	Year	Amount	Purpose	NOTES
Sierra Club	2009	\$25,000	Passing a Climate Bill that Moves Us Beyond Coal and Advances Clean Energy Solutions	Source: Tides Foundation 990 For 2009
Sierra Club Foundation	2011	\$85,000	Work to transition coal-fired power plants in Arizona, Montana, Nevada, and New Mexico through community organizing, administrative and legal advocacy, and participation in various coalitions.	Source: Tides Foundation 990 For 2011
Sierra Club Foundation	2012	\$10,000	Beyond Coal campaign	Source: Tides Foundation 990 For 2012
Sierra Club Foundation	2013	\$170,000	Beyond Coal project	Source: Tides Foundation 990 For 2013

Tides & ACORN

It should come as no shock that outfits like the Tides Foundation and the Tides Center ,which effectively wash donors' funds to remove any ties to their end recipients, would find themselves in the middle of controversy, particularly considering the amount of money that flows through the organizations.

One such instance was the Association of Community Organizations for Reform Now (ACORN) scandal. In the summer of 2008, it came to light that the brother of Wade Rathke, ACORN founder, had embezzled nearly \$1 million from ACORN.⁸⁶ Rathke is also a Board member of the Tides Foundation, and other Tide related organizations. ACORN initially announced “that an anonymous supporter had agreed to make it whole.⁸⁷ That supporter was Drummond Pike, the founder and chief executive of the Tides Foundation, which channels money to what it describes as progressive nonprofits, including some Acorn charitable affiliates.”⁸⁸

⁸⁶ Stephanie Strom, “[Head of Foundation Bailed Out Nonprofit Group After Its Funds Were Embezzled](#),” August 16, 2008, Accessed June 25, 2015.

⁸⁷ *Id.*

⁸⁸ *Id.*

A year later, ACORN was once again thrust into the national spotlight, this time when “ACORN's troubles [spun] out of control after independent filmmaker James O'Keefe and conservative activist Hannah Giles pose as a pimp and a prostitute and secretly videotape workers in several ACORN offices giving them advice on dodging taxes and establishing a brothel with underage girls.”⁸⁹ The group shut down in April 1, 2010.⁹⁰

Tides & The Clinton Foundation

The Tides Foundation has been embroiled in a more recent controversy, that involving former President Bill Clinton and his wife and now presidential candidate Hillary Clinton and their various “charitable” enterprises. “The Soros-funded Tides Foundation, which mostly acts as a pass-through organization that draws a curtain over ties between donors and various left-wing causes that receive their money, doled out \$48,500 to the Clinton Foundation in 2013, another \$12,000 to the Clinton Health Access Initiative, and another \$3,000 to the foundation in 2012; as well as \$19,000 to the Clinton Global Initiative in 2011 and \$5,000 to the foundation in 2009.”⁹¹

Until the IRS investigates the Tides organizations,, which helpfully “draw a curtain over ties between donors and left-wing causes”, the public and policymakers will not know what interests are actually behind the massive campaign of climate alarmism and the related lobbying campaign to impose energy-scarcity policies on the U.S..

The Energy Foundation

The Energy Foundation was launched in 1991 by the heads of three powerful U.S. foundations – Adele Simmons of the MacArthur Foundation, Rebecca Rimel of the Pew Foundation, and Peter Goldmark of the Rockefeller Foundation. These three foundations provided the Energy Foundation with an initial \$20 million promissory grant to launch the new entity in San Francisco, California. Its originally stated goal, which remains operative today, is “to assist in the nation’s transition to a sustainable energy future by promoting energy efficiency and renewable energy.”⁹² The group webpage further elaborates, “The Energy Foundation works to build markets for energy efficiency and renewable power sources, to increase our energy independence, create new jobs at home, and reduce the carbon pollution that comes from conventional coal-fired power plants. We coordinate powerful networks of diverse allies who work across the country to advance clean, affordable energy.”

⁸⁹ Staff reporting, “[The fall of ACORN: A timeline](#),” The Week, March 23, 2010, Accessed June 25, 2015.

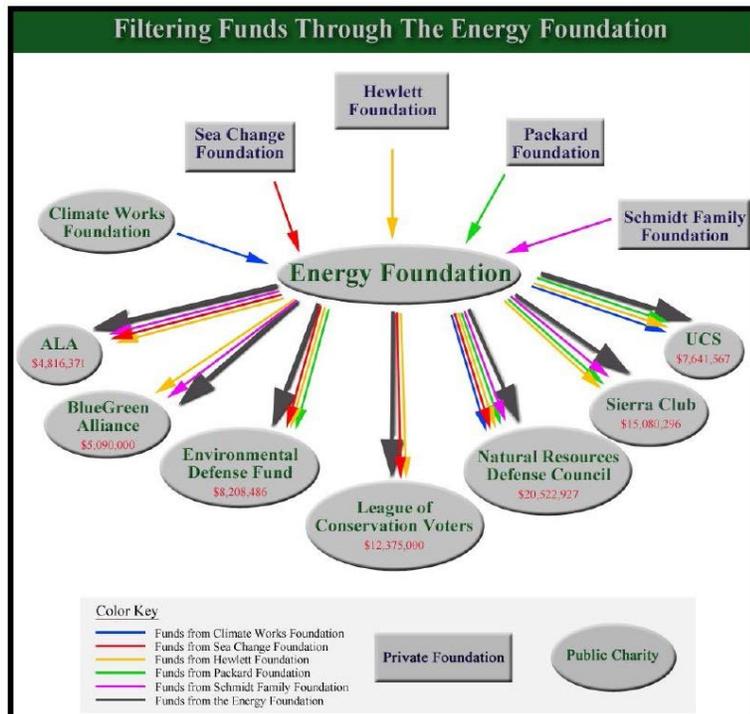
⁹⁰ Staff reporting, “[The fall of ACORN: A timeline](#),” The Week, March 23, 2010, Accessed June 25, 2015.

⁹¹ CRC Staff, “[The Clinton Foundation: A cauldron of conflicts and cronyism](#),” Capital Research Center, May 12, 2015, Accessed June 25, 2015..

⁹² “[American Foundations: An Investigatory History](#),” Mark Dowie, 2001, p. 141-142, Accessed May 19, 2015.

The Energy Foundation turned to Hal Harvey to run the organization. At the time, Harvey was a 30-year old from Aspen, Colorado, who after receiving a Master's Degree from

Stanford University, spent much of the 1980s working for nuclear-arms control non-profits. The initial funding foundations "together pledge \$10 million a year for a decade to create a philanthropic wholesaler of sorts to funnel money to front-line environmental groups."⁹³ The chart on the left from the U.S. Senate Billionaire's report shows its pass-through function operates.



The Energy Foundation added three additional heavyweight foundations to its original leadership – Joyce Mertz-Gilmore, McKnight, and Packard Foundations. In his 2001 book,

author Mark Dowie wrote, "Today [the Energy Foundation] is the largest of a new breed of grantmaker known as a *pass through foundation*. Its primary function is to pass through its books money that might just as easily be granted directly by its donor foundations...Among the fifteen members of its board are five who represent the foundations, including four from the donor foundations."⁹⁴

Today, the Energy Foundation boasts of even more partners. The Senate EPW Committee Billionaire's report identifies the Energy Foundation partners through last summer (the information in the report originated from the Energy Foundation webpage, but it is no longer available, possibly due to the organization's involvement in the Kitzhaber scandal discussed below.) Energy Foundation partners as of July 2014 include:

- Climate Works Foundation
- Children's Investment Fund Foundation
- David and Lucile Packard Foundation
- Grantham Foundation
- Lakeshore Foundation
- The McKnight Foundation
- Oak Foundation
- Pisces Foundation
- Robertson Foundation

⁹³ Jeffrey Ball, "[The Green Machine](#)," The Wall Street Journal, February 12, 2007, Accessed May 17, 2015.

⁹⁴ "[American Foundations: An Investigatory History](#)," by Mark Dowie, 2001, p. 142, Accessed May 19, 2015.

- Schmidt Family Foundation
- Tilia Fund
- TomKat Fund
- TOSA Foundation
- The William and Flora Hewlett Foundation
- Yellow Chair Foundation⁹⁵

Dowie, analyzing the grants distributed by the Energy Foundation for his book, identifies an alarming trend that continues today:

The largest recipients of Energy Foundation largess are three mainline environmental organizations: the Natural Resources Defense Council (NRDC), the Conservation Law Foundation (CLF), and the Environmental Defense Fund (EDF). The foundation-funded work of these nonprofits counters, at times even undermines, the efforts of smaller grantees by promoting an approach to energy restructuring that could easily have been hatched in the boardroom of any private utility in the country – and in at least one case actually was... It’s difficult to define or categorize what the Pew, MacArthur, Rockefeller, and Joyce Mertz-Gilmore foundations have accomplished with the \$100 million they have routed through the Energy Foundation since 1991. But the largest portions of it given to NRDC, EDF, and CLF can hardly be called “environmental grantmaking,” though that’s what they call it. It’s an ironic category, because sound environmental practices call for diversity, and diversity was lost when five different foundations, with five different philosophies, decided to pass all of their grants through a single foundation run by two engineers educated at this same university.⁹⁶

Contributions to the Sierra Club

You can now add the Sierra Club to the list of the Energy Foundation’s “mainline environmental organizations.” As the table below illustrates, the Energy Foundation gave the Sierra Club nearly \$6.5 million in grants from 2005 through 2012 for the same thing: opposing coal-fired power in several localities.

⁹⁵ [“The Chain of Environmental Command: How a Club of Billionaires and Their Foundation Control the Environmental Movement and Obama’s EPA,”](#) U.S. Senate Committee on Environment and Public Works Minority Staff Report, July 30, 2014, Accessed June 25, 2015.

⁹⁶ [“American Foundations: An Investigatory History,”](#) by Mark Dowie, 2001, p. 145; 164, Accessed May 19, 2015.

Name Of Organization	Year	Amount	Purpose	NOTES
Sierra Club Foundation	2005	\$180,000	To oppose permitting of new coal-fired power plants in the Midwest	Source: Energy Foundation 990 For 2005
Sierra Club Foundation	2006	\$150,000	To oppose permitting of new coal-fired power plants in the Midwest	Source: Energy Foundation 990 For 2006
Sierra Club Foundation	2007	\$1,116,750 (SEE NOTE)	SEE NOTE	Source: Energy Foundation 990 For 2007 In 2007, the Energy Foundation made 17 anti-coal-related grants totaling more than \$1 million.
Sierra Club Foundation	2008	\$400,000	To oppose new coal-fired power plants.	Source: Energy Foundation 990 For 2008
Sierra Club Foundation	2009	\$220,000	To oppose new coal-to-liquid power plants.	Source: Energy Foundation 990 For 2009
Sierra Club Foundation	2009	\$200,000	To oppose existing coal-fired power plants and promote clean energy.	Source: Energy Foundation 990 For 2009
Sierra Club Foundation	2009	\$1,081,000	To defeat new coal-fired power plants in Kentucky, Louisiana, Michigan, Pennsylvania, South Dakota and	Source: Energy Foundation 990 For 2009

Name Of Organization	Year	Amount	Purpose	NOTES
			Wyoming.	
Sierra Club Foundation	2009	\$790,000	To oppose new coal-fired power plans [sic] in Michigan and Arkansas, intervene in a proposed transmission line, and promote rulemakings that encourage shutdowns of existing coal plants.	Source: Energy Foundation 990 For 2009
Sierra Club Foundation	2010	\$900,000	To oppose construction of new coal-fired power plants and retire existing conventional coal plants.	Source: Energy Foundation 990 For 2010
Sierra Club Foundation	2010	\$348,677	To support a national campaign to stop the development of new coal-fired plants and accelerate the retirement of heavily polluting coal plants.	Source: Energy Foundation 990 For 2010

Name Of Organization	Year	Amount	Purpose	NOTES
Sierra Club Foundation	2011	\$375,000	To support strong federal EPA regulations of coal plants in order to phase out reliance on electric coal-fired power generation in the U.S.	Source: Energy Foundation 990 For 2011
Sierra Club Foundation	2011	\$50,436	To reduce pollution impacts resulting from expansion of coal transport infrastructure.	Source: Energy Foundation 990 For 2011
Sierra Club Foundation	2012	\$500,000	To apply legal pressure to accelerates [sic] the retirement of coal-fired power plants in the U.S.	Source: Energy Foundation 990 For 2012
Sierra Club Foundation	2012	\$160,223	To accelerate the retirement of coal-fired power plants in the U.S.	Source: Energy Foundation 990 For 2012

Energy Foundation’s Involvement in the Kitzhaber Scandal

This past winter, a political scandal exploded in Oregon involving then-Governor John Kitzhaber’s fiancée, Cylvia Hayes, which eventually cost Kitzhaber his job.⁹⁷ In January, reports surfaced that Hayes was paid \$118,000, previously undisclosed, from the Clean Economy Development Center while she was advising the Governor, her future husband, on clean energy policy.⁹⁸

The January 2015 revelation was not the first time Hayes had found controversy. “Those first two years of Gov. John Kitzhaber's third term followed a controversy surrounding Hayes' Bend [OR]-based company, 3E Strategies, and a contract with the Oregon

⁹⁷ Alexandra Jaffe, [“Oregon Governor John Kitzhaber Resigns.”](#) CNN, Feb. 13, 2015.

⁹⁸ Les Zaitz, [“Cylvia Hayes discloses another \\$118,000 for consulting fees.”](#) *The Oregonian*, Jan. 28, 2015.

Department of Energy. Hayes and her company were cleared of any wrongdoing after a state Department of Justice investigation.”⁹⁹

Even though Hayes and her company were cleared of wrongdoing, she and Kitzhaber “gave assurances to media and constituents that they'd instituted a series of changes to avoid any potential ethical issues in the future. For his part, Kitzhaber said that he created a conflict of interest process within his office requiring Hayes to disclose -- and share copies of -- her contracts with the governor's staff attorney.” In short, the Governor's office said it would treat Hayes in her “First Lady role” as a public official, and she would have to comply with state ethics laws.¹⁰⁰

Despite the assurances, and the newly implemented conflict of interest procedures, Hayes did not complete disclosure forms for her contract with the Clean Energy Economy Development Center as well as three other organizations – Waste to Energy, HDR One Company, and Rural Development Initiatives.¹⁰¹

The Hayes-Kitzhaber scandal ensnared the Energy Foundation as well. As the story broke, the Energy Foundation confirmed that it had “footed some of the bill” for Hayes's fellowship at the Clean Economy Development Center, including \$50,000 in 2011 and \$25,000 in 2012 to support Hayes' work. “The foundation hired Hayes directly in 2013, paying her \$50,000 for work between May and December 2013, according to terms described by the foundation. The sum and terms vary from the contract Hayes gave the governor's office. That document said the fee was \$40,000 and that the work extended into 2014.”¹⁰²

In the wake of the scandal, the Energy Foundation felt compelled to address their involvement. “Some recent media coverage of Oregon Governor John Kitzhaber's resignation has included misleading statements about the Energy Foundation and our work. These voices are making claims based on mischaracterizations and exaggerations, so it is time we set the record straight.”¹⁰³

It's hard to set the record straight when the funding is kept secret in order to “draw a curtain over ties between donors and various left-wing causes that receive their money.”

Renewable Energy Conflict

The Energy Foundation claims: “Renewable energy technologies such as wind, geothermal, solar, and biomass provide clean, domestic energy, and diversify our energy portfolio. We promote policies that harness market forces to make these technologies commercially

⁹⁹ *Id.*

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ The Energy Foundation website, [“Setting the Record Straight on the Energy Foundation in the Kitzhaber Media Coverage,”](#) Feb. 19, 2015, Accessed May 9, 2015.

competitive, such as state renewable power standards. We also promote policies that remove barriers, develop infrastructure, and drive down costs.”¹⁰⁴ They don’t mention that these are high-cost alternatives – costs that crush the opportunity the poorest in this nation seek and whom traditional philanthropists have most sought to help.

Energy Foundation “Partners” Funding Sierra Club Directly

As explained, the Energy Foundation receives significant funding from a relatively small group of high dollar donors, ideologically driven and activist foundations. Following are two Foundations, which support both the Energy Foundation and also the Sierra Club.

The William and Flora Hewlett Foundation

William R. Hewlett along with David Packard founded the Hewlett-Packard Corporation. Hewlett, along with his wife Flora, and their oldest son Walter established the William and Flora Hewlett Foundation in 1966 to “promote the well-being of humanity.” Upon his death in 2001, William Hewlett “bequeathed the Foundation more than \$5 billion, making it one of the America’s largest philanthropic organizations (in 2011, the Foundation had more than \$7.2 billion in assets). Now chaired by Walter Hewlett, the Foundation focuses primarily on ‘solving social and environmental problems.’”¹⁰⁵

Population Control: Conflict of Worldviews

Addressing a supposedly overcrowded world through various “population control” programs has been a primary focus of some of the richest people in the world, for decades, like the Rockefellers, Ted Turner, Bill Gates, David Packard, and William Hewlett. Turner, usually more outspoken than his counterparts, provided a telling look at what lies at the root of this movement’s ideology when he advocated that if “everybody voluntarily had one child for 100 years, we’d basically be back to two billion people, and we could do it without a mass die- off...[W]e’ve been stupid to let the world’s population get to six billion.”¹⁰⁶

The William and Flora Hewlett Foundation is a bit more subtle than Turner in its description of the “problem,” as its 1997 Annual Report declared, “Rapid population growth continues to be a significant worldwide problem.”¹⁰⁷ Nonetheless, the Foundation with billions of dollars at its disposal advocate for similar approaches: abortion on demand, access to contraception, particularly in developing parts of the world, and a significant focus on “environmental” issues.

¹⁰⁴ [Energy Foundation Web site](#), Accessed March 5, 2015.

¹⁰⁵ Discoverthenetworks.org, [The William and Flora Hewlett Foundation](#), Accessed June 28, 2015.

¹⁰⁶ Nicholas Eberstadt, “[The World Population ‘Crisis,’](#) Philanthropy Roundtable, December, 1998.

¹⁰⁷ *Id.*

How does environmentalism fit into the Hewlett Foundation's efforts (and other likeminded groups) to address an "overcrowded world"? The answer:

The Hewlett Foundation funds *both* environmental and population control groups not by coincidence, but because it thinks that an increase in human population must degrade the environment. The Hewlett Foundation website states, for example, that "as populations have grown in size and affluence, so too has the negative impact on the environment caused by their greater fossil-fuel use." The foundation's population project is focused on "helping women and families choose the number and spacing of children, protecting against sexually transmitted infections, and eliminating unsafe abortion." Such language is a thinly veiled defense of abortion-on-demand, which the Hewlett Foundation supports generously.¹⁰⁸

The William and Flora Hewlett Foundation invested heavily in the "global warming" and "climate change" movement that was gathering momentum in the last decade. And they echoed the same call as the other large foundations, as their website notes. "Making grants to organizations whose work involves reducing dependence on coal and other high-carbon fuels is essential, but not enough to solve our problem. To meet the world's energy needs, Foundation grantees also work to support the production of energy from renewable sources like solar, wind, and geothermal; increase energy efficiency; and adopt and implement clean transportation policies that include fuel economy standards, mass transit, and bike lanes."¹⁰⁹

Put more directly, the foundations of the Rockefellers, Ted Turner, Bill Gates, David Packard, and William Hewlett support high-cost and unreliable energy sources, surely knowing this will cause the premature death of millions, perhaps billions of people worldwide – something they think is not merely acceptable, but even desirable. Of course, they know it will have no effect on their families.

In 2001, Harvey left the Energy Foundation for the Hewlett Foundation to run its Environmental program, which gave him control over tens of millions of dollars annually, one of the biggest "war chests" in the green movement "to curb the fossil-fuel emissions linked to global warming."¹¹⁰ Harvey distributed "that money to an international network of scientists, lawyers, pollsters and campaigners. The group, which he called 'the machine,' has been instrumental in most major global-warming policies under way around the world today: new caps on emissions in California, new automatic-fuel-economy standards in China, and new rules pushing for alternative fuels such as ethanol in California and Europe."¹¹¹ Harvey is now the CEO of Energy Innovation, a company that among other

¹⁰⁸ Institute on Religion & Democracy and the Acton Institute for the Study of Religion & Liberty, "[From Climate Control to Population Control: Troubling Background on the "Evangelical Climate Initiative."](#)" joint paper.

¹⁰⁹ [William & Flora Hewlett Foundation Web site](#), Accessed March 4, 2015.

¹¹⁰ Jeffrey Ball, "[The Green Machine.](#)" The Wall Street Journal, February 12, 2007, Accessed May 17, 2015.

¹¹¹ *Id.*

things believes “Technological innovation finally makes it possible to decarbonize the electricity sector.”¹¹²

And one of the grantees is the Sierra Club, as outlined below.

Grants To Sierra Club / Sierra Club Foundation

Name Of Organization	Year	Amount	Purpose	NOTES
Sierra Club Foundation	2010	\$800,000	For The Beyond The Coal Campaign	Source: William & Flora Hewlett Foundation Web site
Sierra Club Foundation	2011	\$1,600,000	For The Beyond The Coal Campaign	Sources: William & Flora Hewlett Foundation 990 For 2011, William & Flora Hewlett Foundation Web site
Sierra Club Foundation	2013	\$1,000,000	For The Beyond The Coal Campaign	Source: William & Flora Hewlett Foundation Web site

Mertz Gilmore Foundation

The Mertz Gilmore Foundation became a funding member of the Energy Foundation in 1997, “a funder collaborative that promotes permanent shifts in energy policy and practice. That partnership resulted in nearly \$24 million in grants over 14 years.”¹¹³

Initially named the Mertz Foundation, The Mertz Gilmore Foundation is a family charity established in 1959 by Joyce Mertz and her parents, LuEsther and Harold, who six years prior had founded Publishers Clearing House in New York – “the largest multi-periodical subscription agency in the magazine industry.”¹¹⁴ After Mertz’s marriage in 1964 “to the peace-and-disarmament activist Robert Wallace Gilmore (1921-1987), the Foundation added “Gilmore” to its existing name.”¹¹⁵ The grant focus initially focused on peace, civil rights, issues pertaining to New York City, and in environmental issues.¹¹⁶

¹¹² [Energy Innovation website](#), Accessed June 28, 2015.

¹¹³ [Mertz Gilmore Foundation Web site](#), Accessed March 2, 2015.

¹¹⁴ DiscoverTheNetworks.org, [Mertz Gilmore Foundation](#), Accessed June 23, 2015.

¹¹⁵ *Id.*

¹¹⁶ [Mertz Gilmore Foundation Web site](#), Accessed March 2, 2015.

Joyce Gilmore died in 1974, leaving a large endowment to the Foundation, which her husband Robert changed to the Joyce Mertz-Gilmore Foundation in her honor. He passed away in 1988, and his heirs gave a significant portion of his estate to the Foundation. By the time of his death, Gilmore had expanded governance of the charity to include a board beyond just family members. In 2002, the board renamed the Foundation to its current Mertz Gilmore Foundation in honor of both its founders.¹¹⁷ Today, the Foundation makes grants in three principle areas, one of which stands out somewhat incongruously from the other two: 1) Climate Change Solutions; 2) NYC Communities; and 3) NYC Dance.¹¹⁸

Climate Change = Shutting Down Coal-Fired Power Plants

The Mertz Gilmore Foundation was early to the “global warming” game, identifying it as a “critical long-term issue in 1984, and immediately began making grants that emphasized the need for domestic policy and public education to address the crisis.”¹¹⁹ According to its website, “The Foundation’s Climate Change Solutions program builds on past Mertz Gilmore investments to study climate change, promote climate-friendly energy usage, and develop renewable energy sources in the U.S...[By] 1987, global warming had become a primary focus of environmental grant making, with an emphasis on domestic policy and public education.”¹²⁰

In 2007, the Mertz Gilmore Foundation was an early funder of a broad-based national strategy among left-liberal groups to shut down coal-fired power plants in the United States, supposedly to be replaced with intermittent renewables:

Beginning in 2007, the Foundation was an early partner in a national effort to prevent and reduce the global warming pollution from coal-fired power plants. The diligent efforts of local, regional, and national non-profit environmental advocates, working in collaboration, helped communities avoid building unnecessary coal plants and helped utilities begin to transition the oldest and most polluting plants to cleaner, more efficient sources of energy. Beginning in 2014, program support in this category began to shift away from coal plant campaigns and to focus on hastening the clean energy transition, especially by promoting offshore wind, with a continued focus on the Southeast region.¹²¹

Grants To Sierra Club/Sierra Club Foundation

Toward its goal of ‘reducing’ what it calls “global warming pollution” from coal-fired power plants, like many other organizations, the Mertz Gilmore Foundation “invested in”, or

¹¹⁷ *Id.*

¹¹⁸ DiscoverTheNetworks.org, [Mertz Gilmore Foundation](#), Accessed June 23, 2015.

¹¹⁹ [Mertz Gilmore Foundation Web site](#), Accessed March 2, 2015.

¹²⁰ *Id.*

¹²¹ *Id.*

enlisted the help of mercenary Sierra Club. Following are the grants the Sierra Club received from the Mertz Gilmore Foundation from 2007-2011.

Name Of Organization	Year	Amount	Purpose	NOTES
Sierra Club Foundation	2007	\$20,000	Virginia Smart Energy Solutions Campaign Preventing New Coal-fired Power Plants in Virginia	Source: Mertz Gilmore Foundation 990 For 2007
Sierra Club Foundation	2008	\$18,000	Preventing New Coal-fired Power Plants in Kentucky	Source: Mertz Gilmore Foundation 990 For 2008
Sierra Club Foundation	2008	\$50,000	National Coal Campaign	Source: Mertz Gilmore Foundation 990 For 2008
Sierra Club Foundation	2008	\$20,000	Campaign to Stop New Coal-fired Plants in Virginia	Source: Mertz Gilmore Foundation 990 For 2008
Sierra Club Foundation	2009	\$1,500	Beyond Coal Campaign	Source: Mertz Gilmore Foundation 990 For 2009
Sierra Club Foundation	2011	\$25,000	Virginia Beyond Coal Campaign	Source: Mertz Gilmore Foundation 990 For 2011

Conclusion

This report begins to provide a holistic picture, explaining of the objectives and methodology of a small if extremely wealthy group of individuals underwriting a network of “public interest” advocates pushing policies and agendas all aimed at the same goal: claiming a “carbon bubble” exists among hydrocarbon industries, slandering energy sources that work as planet-killing menaces which require government-imposed scarcity and design of the global energy portfolio to destroy these industries the principals are betting against, and directing many hundreds of billions every year to “renewables” in which the principals are invested. In the U.S., they have already successfully pushed through renewable energy mandates in thirty states, and now seek to do the same with the

federal “Clean Energy Plan.” At the global level, they aspire to engineer a global agreement that would make hydrocarbon assets nearly worthless,¹²² while also ensuring a stream of “rents” for uneconomic renewable investments in the form of transfer payments from the taxpayer.

E&E Legal will next reveal in further detail this aspect of what those manufacturing a “carbon bubble”, effectively manipulating markets and asset values, are actually doing in the marketplace. For example, it will examine efforts already underway to use the Securities and Exchange Commissioner (SEC) to require energy companies to highlight the “risk” associated with their coal holdings, effectively confessing that catastrophic man-made climate change is real, they are a cause, and their assets can no longer be reported in the same way (also setting up a new securities fraud industry for the trial bar). It will delve more deeply into the supposedly grassroots “divest now” movement aimed at shaming large institutions into selling off their oil and coal stock holdings, driving down the price of assets the environmental movement’s benefactors are betting against.

In the meantime, E&E Legal will continue providing the IRS relevant facts such as those contained in this report, and to Congress for its use in IRS oversight.

¹²² See e.g., “G20: fossil fuel fears could hammer global financial system: Top energy watchdog says two thirds of all assets booked by coal, oil and gas companies may be worthless under the 'two degree' climate deal” Ambrose Evans-Pritchard, *Telegraph* (UK), April 29, 2015.