From: fhuard [mailto:fhuard@net1plus.com]
Sent: Tuesday, September 15, 2015 4:56 PM
To: Patterson, Rorie
Cc: Drew, Tim
Subject: NH SEC # IR 15-124

It is corporate greed by million dollar publicly trades companies beginning with exploration, drilling transportation, generation and transmission of electricity that is the cause of our high electricity prices. To allow this to continue is negligent on the part of the PUC. The reports on the ISO NE website show that the power plants are not operating to capacity. There are also reports on ISO NE that show NE is both exporting and importing electricity. To create a greater dependence is negligent.

http://www.iso-ne.com/

In addition to the information that is provided in this attached report, you can find details of the salary, benefit and dividend practices of these companies in the gas, oil and electricity industry.

https://www.eversource.com/Content/nh/about/investors
http://investors.nationalgrid.com/
http://ir.kindermorgan.com/sec-filings (NED)
http://investors.spectraenergy.com/phoenix.zhtml?c=204494&p=irol-sec (Access Northeast)

Please consider the implications to this information on your final recommendations to reduce the ratepayers cost for electricity.

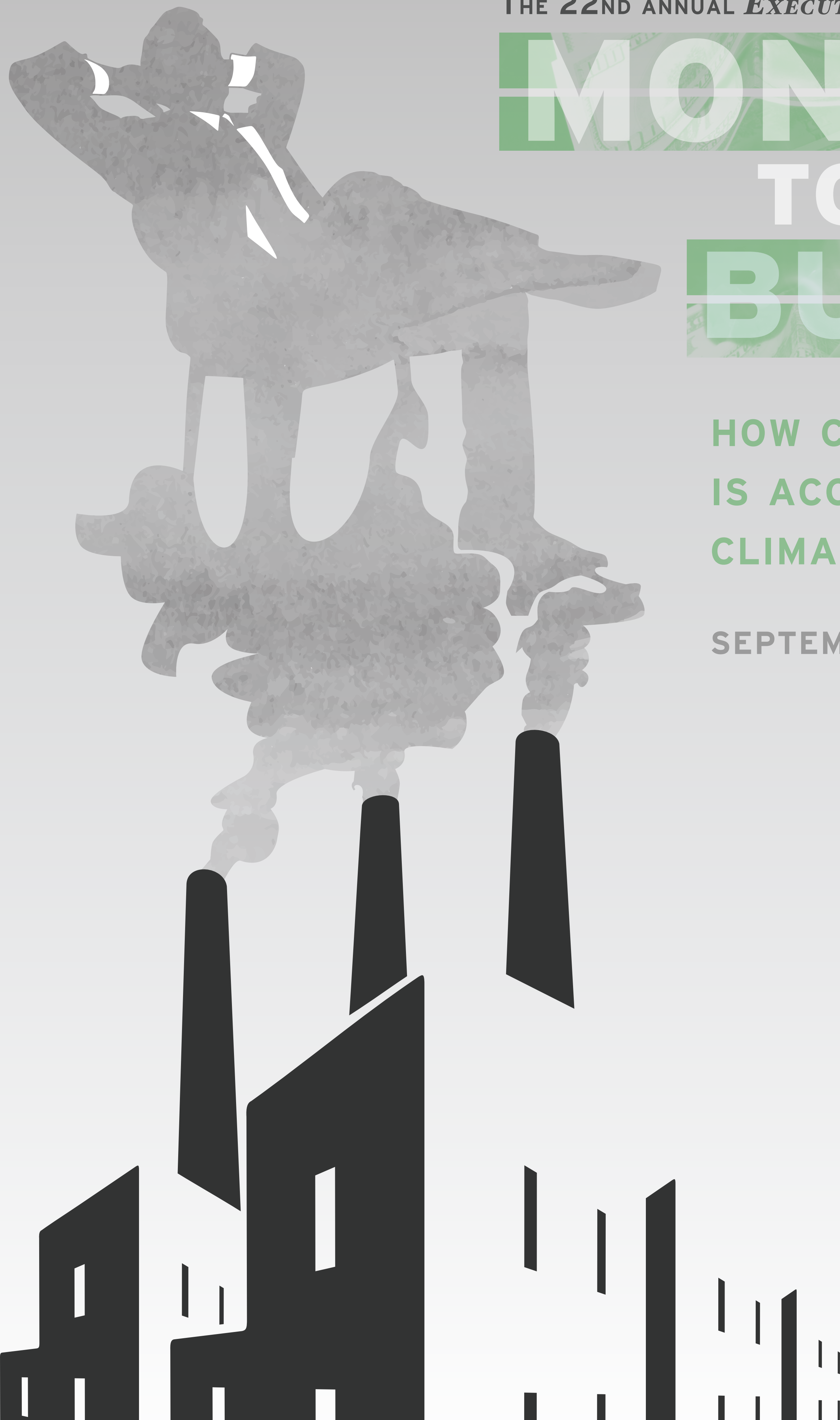
Peggy Huard

The 22nd annual *Executive Excess* report

MONEY TO BURN

HOW CEO PAY IS ACCELERATING CLIMATE CHANGE

SEPTEMBER 2, 2015



Institute for Policy Studies

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The **Institute for Policy Studies** (www.IPS-dc.org) is a multi-issue research center that has conducted path-breaking research on executive compensation for more than 20 years.

The IPS Inequality.org website (http://inequality.org/) provides an online portal into all things related to the income and wealth gaps that so divide us, in the United States and throughout the world**. Twitter: @inequalityorg**

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Key Findings

Insulated from the real costs of the climate degradation they help create, fossil fuel executives are enjoying stratospheric pay.

Beating the S&P 500 average: CEOs of the 30 largest U.S. publicly held oil, gas, and coal companies averaged $14.7 million in total 2014 compensation, over 9 percent more than the $13.5 million S&P 500 CEO average. The top executives at ExxonMobil and ConocoPhillips each earned more than twice the S&P 500 average.

Five years, $6 billion: The management teams of America's top 30 fossil fuel giants — the CEO, CFO, and next three highest-paid officers of each company — have together taken home nearly $6 billion over the past five years.

- At the international level, $6 billion would be enough to double the current $3 billion U.S. pledge to the Green Climate Fund, the new institution tasked with helping our globe's most vulnerable nations — and their more than 1 billion residents — address their most pressing climate change challenges.

- In the United States, $6 billion could cover the cost of weatherizing the homes of 3,321,881 low-income families or installing the residential solar panels that would leave 269,342 homes energy independent.

Fossil fuel executive compensation packages incentivize behaviors that put our planet at risk.

Equity-based pay: More than half of executive pay at the 30 largest U.S. publicly held oil, gas, and coal companies comes in the form of option and stock grants. Such grants encourage a short-term fixation on pumping up share prices, no matter the long-term cost to the environment. Executives at just two major distressed coal companies, Peabody and Alpha Natural Resources, cashed in stock options worth $47 million and $33 million, respectively, in the four years before their industry began to implode.

Buybacks: In 2014, 23 out of the top 30 fossil fuel companies spent a combined $38.5 billion repurchasing shares, a total six times the $6.6 billion corporations spent that year globally on research into renewable energy. Stock buybacks are a controversial form of financial engineering that artificially inflates a company's share price. Artificially inflated share prices, in turn, inflate the value of equity-based executive pay. While executives claim they repurchase only undervalued stocks, Exxonmobil, with $13.2 billion in 2014 buybacks, and Chevron, with $4.4 billion, are prime examples of "buying high" as their stocks continue to decline.

Pay for non-performance: Between 2010 and the end of 2014, the top 10 U.S. publicly held coal companies saw their combined share price value plummet by 58 percent. Over these same years, executives in this imploding sector received an 8 percent *increase* in the salary and bonus checks that make up their cash compensation. Executives who see their take-homes rise even as their businesses sink have little incentive to change their corporate ways and shift to a new energy future.

Bonus incentives: None of the 30 oil, gas, and coal companies on our list reward their executives for diversifying into green energy or reducing greenhouse gas emissions. A review of the 13 oil producers on our list revealed that all of them reward executives for expanding carbon reserves.

Retirement security: The ongoing disregard for our environment that fossil fuel executives have shown has left the future much less secure for billions of people around the world. These same executives, meanwhile, can all look forward to lavishly secure futures. Executives at America's top 30 oil, gas, and coal firms have accumulated company-provided retirement assets worth a combined $1.2 billion, enough to cover the entire flood control budget of the U.S. Army Corps of Engineers for nearly three years.

Introduction

Our contemporary executive pay incentives, analysts believe, directly encouraged the reckless behavior of Wall Street executives that led to the 2008 financial crisis. These same misplaced incentives are today encouraging the recklessness of fossil fuel executives — and deepening our global climate crisis.

The world's largest fossil fuel companies are currently holding vast stocks of carbon reserves. These reserves, if all burned, would emit approximately 2,795 gigatons of carbon dioxide, five times the amount of carbon that researchers tell us would push the globe into catastrophic climate change, everything from extreme flooding and drought to a significant rise in sea level. Yet the fossil fuel industry, fixated on the extreme short term by perverse CEO pay incentives, is now spending over $600 billion a year to locate *additional* carbon reserves.

Today's executive pay packages, these pages will show, give the leaders of America's oil, gas, and coal giants an enormous personal financial incentive to spend billions per year developing new fossil fuel reserves that cannot be exploited without destabilizing the climate. These fossil fuel executives spend billions more on new infrastructure — pipelines, power plants, drilling platforms, and more — that lock us into fossil fuels at a time when our nation should be investing in conservation and renewable energy options.

Funding Climate Deniers

The top 30 U.S. publicly held oil, mining, and gas companies contributed $4.4 million in the 2014 campaign cycle to candidates for Congress who have either denied or express skepticism about climate science.

The quick easy windfalls our fossil fuel executives chase after don't just mean bad news for our planet. They mean bad news for investors as well. Fossil fuel executives rushing to cash out before the worst of climate change hits are ignoring the financial risks that "stranded assets" pose for their corporations.[1] These companies, by failing to diversify away from fossil fuels, may find themselves stuck with massive quantities of devalued assets, much like the financial firms pre-2008 that had invested heavily in high-risk mortgage-based securities. The collapse of the value of these securities helped bring on the Great Recession. Today's even larger "carbon bubble" has already burst for coal, and losses have begun mounting in oil and gas.

Our perverse pay incentives are also encouraging executives to deploy their considerable corporate political clout against attempts to end fossil fuel subsidies, put a price on carbon, or introduce regulations that could speed the transition to a safe energy future. In the 2014 campaign cycle, the top 30 U.S. publicly held oil, mining, and gas companies contributed $4.4 million to congressional candidates who had either denied climate change science or expressed skepticism about it.[2]

For all these reasons, we are devoting our 22nd annual *Executive Excess* report to exposing a system of corporate compensation that essentially rewards CEOs for putting our planet at risk.

The stratospheric pay of oil, gas, and coal executives

Insulated from the real costs of the climate damage they help create, fossil fuel executives are today reaping outrageously large financial rewards. The CEOs of the 30 largest U.S. publicly held fossil fuel companies took in an average $14.7 million in 2014, over 9 percent more than the average $13.5 million that went that year to S&P 500 CEOs (see appendix for details). The 30 fossil fuel CEOs had outsized pay packages, despite leading companies with market caps that are smaller on average than the S&P 500.[3]

Ordinary American taxpayers prop up this stratospheric pay for oil, gas, and coal executives through federal subsidies to fossil fuel companies. According to Oil Change International, these subsidies run about $37.5 billion per year.

At the CEO pay summit: ExxonMobil and ConocoPhillips

The top two highest-paid fossil fuel executives — the CEOs of ExxonMobil and ConocoPhillips — made more than twice the S&P 500 average in 2014.

ExxonMobil CEO Rex Tillerson: $33 million in 2014 total compensation

A regular on lists of America's highest-paid corporate executive, Rex Tillerson pocketed $33 million in 2014, raising his total compensation over the past five years to $165 million. His gargantuan reward package doesn't just reflect the massive size of his firm, the nation's second-largest. As detailed later in this report, ExxonMobil aggressively uses stock repurchases to boost share prices, a move that in turn inflates Tillerson's equity-based pay. Between 2003 and 2013, buybacks accounted for an estimated 51 percent of ExxonMobil earnings per share growth. As of year-end 2014, Tillerson, who became ExxonMobil chair and CEO in 2006, was sitting on more than $166 million worth of unvested stock grants.[4]

In the midst of all this share repurchasing, ExxonMobil has also been spending generously to support climate deniers. In the 2014 election cycle, ExxonMobil's PAC dished out $715,000 in campaign contributions to candidates who have either denied or raised questions about climate science.[5] ExxonMobil, adds the Union of Concerned Scientists, also continues to quietly fund climate denial organizations.

Shareholders have pushed hard for change at ExxonMobil. They've introduced 62 climate-related resolutions over the past 25 years. Management has opposed every one. CEO Tillerson, ironically, has little tolerance for environment-threatening behavior in his own backyard. Last year, his efforts to block a fracking project in his posh Dallas suburb made the front page of the *Wall Street Journal*.

ConocoPhillips CEO Ryan Lance: $27 million in 2014 total compensation

ConocoPhillips CEO Ryan Lance in 2014 ranked as the second-highest-paid among the top 30 oil, gas, and coal companies. His personal pay haul: $27 million, an 18 percent raise over 2013. ConocoPhillips employees had a more difficult time last year. Some 1,500 of them lost their jobs to layoffs. ConocoPhillips has warned that more cuts are coming.

Environmentalists recently tagged ConocoPhillips as the world's biggest generator of pollution from methane, a greenhouse gas associated with natural gas production. On a 20-year time scale, methane has a global warming potential 86 times greater than carbon dioxide,.

ConocoPhillips CEO Lance has been a major advocate of expansion into "unconventional" carbon-based assets such as oil shale and tar sands. The company boasts of being the "holder of one of the largest land and resource positions" in the Alberta tar sands area. According to the Natural Resources Defense Council, extracting from tar sands and turning bitumen into crude oil causes three times more global warming pollution than conventional crude oil production — and consumes vast amounts of energy and water, causing significant air and water pollution.

Total top management compensation

All combined, the 30 largest U.S. publicly held oil, coal, and gas companies have handed out compensation worth nearly $6 billion to their top management teams over the past five years.[6]

30 LARGEST OIL, GAS, AND COAL COMPANIES	
Year	Total compensation of top five executives at each firm (2014 dollars)
2010	1.23 billion
2011	1.22 billion
2012	1.23 billion
2013	1.19 billion
2014	1.10 billion
TOTAL	5.97 billion

Note: The top five include "named executive officers": CEO, CFO, and next three highest-paid executives. Because of turnover, the 30 companies combined reported on an average of 163 executives each year.

What else could $6 billion pay for?

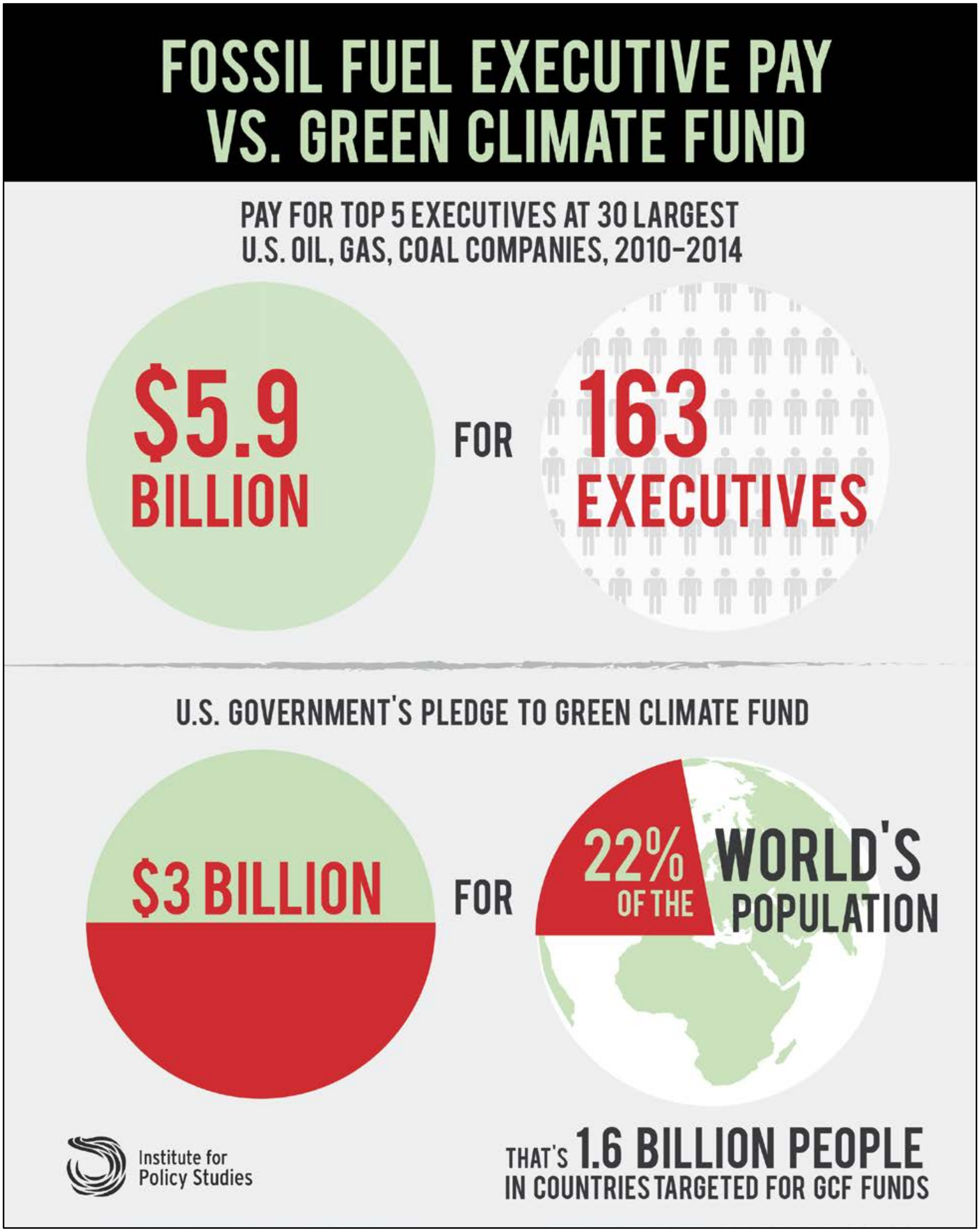
To put these fossil fuel executive compensation figures in perspective, we can compare them to several urgent climate-related challenges and opportunities at the U.S. and global levels.

Green Climate Fund

At the global level, $6 billion could double the U.S. governments' $3 billion pledge to the Green Climate Fund, the new institution tasked with helping the world's most vulnerable countries mitigate and adapt to climate change. The Fund is targeting their support to "least developed countries," small island developing states, and nations in Africa. Together, these societies have a combined population of 1.6 billion.[7] The U.S. pledge, part of $10 billion in commitments rich countries have made to cover the GCF's first four years of operation, provides what many analysts consider the absolute minimum developing countries need to invest to avoid the worst effects of climate change. The current Republican-led Congress has not yet authorized even the modest amount the Obama administration has pledged.

Just Transition in the United States

In the United States, $6 billion could cover a substantial share of the cost of shifting to a green economy and protecting communities and families at all income levels from the burdens of climate change. This $6 billion, for example, could cover the cost of weatherizing 3,321,881 homes to help low-income families lower their energy bills. It could also cover the cost of installing residential solar panels that could leave 269,342 homes energy independent. The same sum could create 99,823 green jobs for a year, provide temporary housing for 99,656 families displaced by natural disasters, or build wind power infrastructure that could meet the yearly residential energy needs of several states, including Iowa or Kansas.[8]

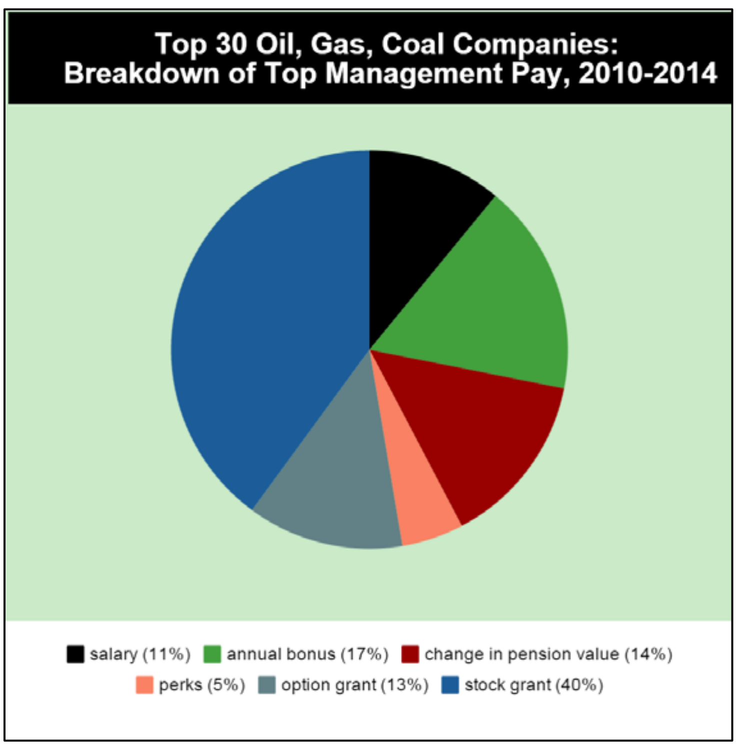


FOSSIL FUEL EXECUTIVE PAY
VS. GREEN CLIMATE FUND
PAY FOR TOP 5 EXECUTIVES AT 30 LARGEST
U.S. OIL, GAS, COAL COMPANIES, 2010–2014
$5.9
BILLION
FOR
163
EXECUTIVES
U.S. GOVERNMENT'S PLEDGE TO GREEN CLIMATE FUND
$3 BILLION
FOR
22%
OF THE
WORLD'S
POPULATION
Institute for
Policy Studies
THAT'S 1.6 BILLION PEOPLE
IN COUNTRIES TARGETED FOR GCF FUNDS

Five ways CEO pay is accelerating climate change

1. *Equity-based pay encourages a short-termism that, at fossil fuel companies, can be particularly dangerous.*

Stock options and stock grants make up more than half of total compensation at the top 30 U.S. publicly held oil, gas, and coal companies. Stock grants typically vest (i.e., become the executive's property) over three years and option grants over three to four years. Only corporate boards could consider these vesting timelines "long-term." Climate change plays out over decades. Executives who can realize stock-based rewards in a mere three or four years time will be likely to reap massive windfalls before the climate change their behaviors nurture start hitting.



Our figures for total compensation include equity-based awards valued at the time of their grant. (Other components include: salary, bonus, increase in pension value, and perks). Actual payouts from equity-based awards often run much higher. Former CEO James Mulva of ConocoPhillips, for instance, pocketed more than $140 million in realized stock options in 2011. In that same year, the ConocoPhillips annual report boasted about the company's ownership of one million acres of Alberta tar sands.[9]

Executives also often negotiate "accelerated vesting" of equity-based awards in the event they get fired. Gary Halverson served as the CEO of coal and iron ore company Cliffs Natural Resources for only six months. Upon his job's termination in August 2014, Halverson's $3.6 million worth of stock awards vested immediately. That tidy sum sat on top of about $8.6 million in severance pay, pension benefits, and other perks, including more than $142,000 in services to help him land a new job.[10]

In September 2014, the embattled coal company Alpha Natural Resources forced Vaughn R. Groves, the company's executive vice president and general counsel, to retire. Groves pocketed a severance package worth $1.5 million, including nearly $300,000 in stock awards he had just received in 2012 and 2013.[11] Less than a year later, Alpha filed for bankruptcy.

Another problem with equity-based pay: A huge loophole in the tax code allows corporations to deduct nearly all of this expense off their federal corporate income taxes. Current rules place a $1 million limit on the deductibility of executive pay, but with an exception for "performance pay," a category that includes exercised stock options as well as vested stock grants tied to "performance" metrics. This "performance pay" loophole shifts a significant chunk of the federal tax burden off of corporations and onto ordinary American taxpayers.[12]

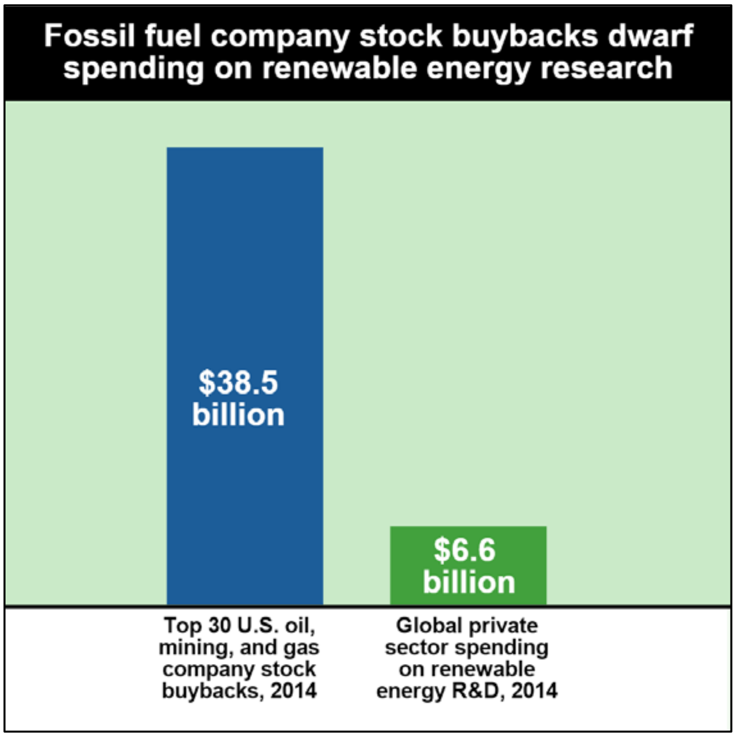
2. *Stock buybacks boost CEO pay and drain capital from our desperately needed national transition to renewable energy.*

Stock repurchase programs enable companies to go into the marketplace and buy back their own shares. These buybacks have become increasingly common among large U.S. corporations. Business analyst William Lazonick and other economists and investment observers have argued that buybacks constitute a form of stock manipulation that ought to be banned.[13] Buybacks within the fossil fuel industry can be particularly dangerous, for two prime reasons:

- Funneling profits into buybacks drains the capital available for investment in renewable energy. In 2014, 23 out of the 30 leading U.S. oil, gas, and coal companies repurchased shares worth a combined $38.5 billion (see appendix for details). This $38.5 billion amounts to nearly six times the $6.6 billion spent globally by the private sector on renewable energy research in 2014, according to the United Nations Environment Program, and 107 times the 2014 budget for the U.S. Department of Energy's National Renewable Energy Laboratory.

- By artificially increasing the value of shares, stock buybacks inflate the equity-based pay that goes to top fossil fuel executives, further insulating these business leaders from pressure they might otherwise feel to shift to more sustainable — and less environmentally harmful — business models.

The most buyback-happy fossil fuel corporation by far: ExxonMobil. In 2014, this oil giant dropped $13.2 billion on repurchases, followed by Chevron, with $4.4 billion. The S&P 500 average was $1.1 billion that year.[14] In spite of these massive expenditures, total shareholder return declined at both oil companies by 6 percent in 2014. Executives claim they repurchase only undervalued stocks, but ExxonMobil and Chevron have been "buying high" as their stock continues to decline.



3. *Executives who see their take-home pay rise even as their businesses sink have little incentive to change their corporate ways and shift to a new energy future.*

The U.S. coal industry offers an extreme example of the "pay for non-performance" phenomenon that pervades corporate America and shields executives from personal financial risk. The coal sector is currently imploding for reasons that range from falling prices for natural gas and solar and wind power to new U.S. power plant regulations that will further lower domestic demand. Between the end of 2010 and the end of 2014, the top 10 U.S. publicly held coal companies saw the combined value of their shares plummet by 58 percent (see chart).[15] By contrast, the S&P 500 index increased 67 percent over this same period.

The picture has grown even dimmer in 2015. On August 3, Alpha Natural Resources filed for bankruptcy. The firm has now been delisted from the New York Stock Exchange. Just four years ago, Alpha became the largest U.S. producer of metallurgical coal after acquiring Massey Energy, the company notorious for the West Virginia mine explosion that killed 29 workers in 2011. Among the other nine coal companies on our list, the average share price dropped an additional 36 percent, to $13.83 per share, between the end of 2014 and July 31, 2015.

How coal companies are shielding executives from the coal industry crisis.

Some might argue that the crisis in the coal sector proves executives do feel the pain for poor performance. Many of the industry's top executives are, to be sure, sitting on piles of equity-based pay currently worth next to nothing. But Corporate America's perverse compensation practices neatly cushion top executives from any real personal squeeze, even when investors, workers, and communities are suffering mightily. Among the cushioning strategies:

Rake in equity pay when times are good: Executives can cash out their share-based pay before the investing public catches on. Coal executives sucked out enormous sums before the coal crash began.

Peabody: Top executives cashed in stock options worth a combined $47 million between 2008 and 2011. CEO Greg Boyce made the biggest haul, pocketing $26 million over the four years before the crash, including a $13.4 million exercise in 2010. On July 30, 2015, Peabody stock closed at $1.20 per share, compared to $63.98 at the end of 2010.

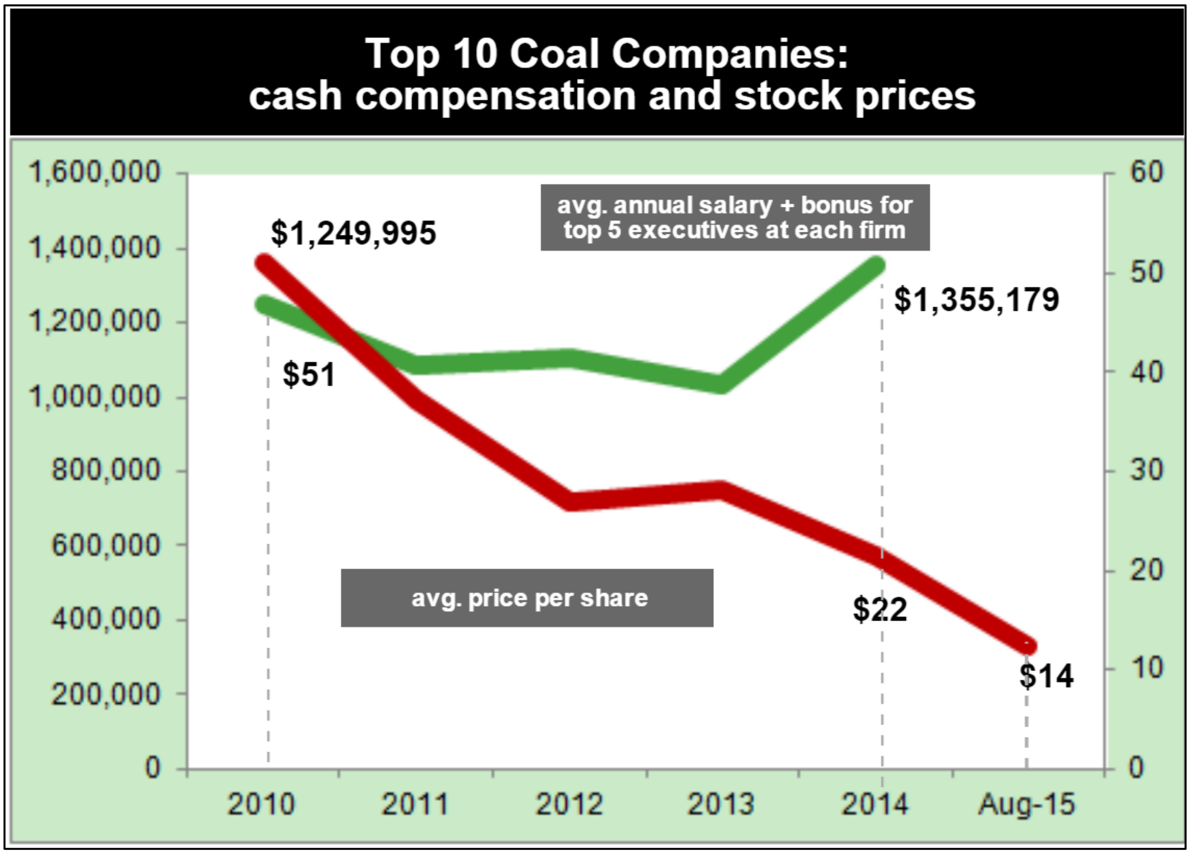
Alpha Natural Resources: At the now-bankrupt firm, top management cashed in stock options worth a combined $33 million between 2008 and 2011. Former CEO James Roberts pocketed more than $15 million in 2008 and 2009 before retiring.

Consol Energy: CEO J. Brett Harvey cashed in $19.4 million in options between 2010 and 2012. Consol shares were down more than 66 percent at the end of July 2015, compared to the end of 2010. On top of laying off about 600 workers, the company has announced it will stop paying retiree benefits for about 4,400 former employees by the end of 2015. The company had previously planned to phase the benefits out by 2019. CEO Harvey is sitting on company-provided retirement assets worth $26.3 million.[16]

Pile on the cash: Companies experiencing nose-diving share prices can hand out more cash compensation to their executives. The boards of the 10 top coal companies doled out eight percent more salary and annual cash bonus pay to their top five executives in 2014 than in 2010, before the coal meltdown began. At Arch Coal, cash compensation increased 94 percent, to $2.3 million on average among their top five executives. CEO John Eaves enjoyed a $3.1 million bonus in 2014. The company also doled out $9,185 for Eaves's country club dues and $14,700 for his personal financial planning services.[17]

Multiply equity grants: Corporations also lower the performance bar by super sizing the number of equity-based rewards they grant executives during stock slumps. Several of America's biggest banks pulled off this maneuver after the 2008 crash to position their executives for massive windfalls if share prices increased even slightly. The top 10 coal companies are now using the same trick. In 2014, they awarded on average nearly three times the number of shares and options to their CEOs as they did in 2011.[18]

The pain that top coal executives should be feeling is shifting to taxpayers. With the coal industry's demise, taxpayers will be on the hook for worker pensions and health care. Many miners have been disabled by black lung disease and other work-related hazards. Taxpayers will also face expenses to keep communities safe from toxics in nearby shuttered coal mines.



Will oil and gas companies be next?

Pay for non-performance has become common in the coal sector. The oil and natural gas sectors could see similar dynamics in coming years. According to the Carbon Tracker Initiative, declining demand could mean that $71 billion in possible U.S. liquefied natural gas projects will not be needed over the next ten years. With electric cars becoming more popular, with renewable energy overall gaining market share, and with policy changes like the lifting of sanctions on Iran's oil exports, America's oil and gas sector could also face crisis pressures.

But executives in oil and gas, like executives in coal, know they face virtually no personal financial risk. They will have, under our current executive pay system, little incentive to innovate and shift to a new, more sustainable energy future.

4. Bonus plans incentivize behaviors that degrade our planet.

A handful of major U.S. companies have incorporated greenhouse gas reduction targets in their executive bonus targets. But the top 30 U.S. publicly held oil, gas, and coal companies have refused to do so. In fact, none of the 30 firms incentivize a transition to green energy.

Even worse, fossil fuel company bonus targets encourage behaviors that further lock the companies into fossil fuel dependency. All the 13 oil exploration and production companies in our sample tied executive bonuses to achieving a positive "reserves replacement ratio," a piece of energy industry jargon that expresses the amount of proven carbon reserves added to a company's reserve base over a year's time relative to the amount extracted.[19]

At Marathon Oil, CEO Lee Tillman won an "above-target" bonus of $1.2 million in 2014, in part for achieving a proved reserve replacement of 183 percent.[20] The most significant increase in their reserves had come from their U.S. oil shale projects. The company holds approximately 290,000 net acres in the Bakken oil shale formation underlying North Dakota and eastern Montana.[21] Fracking shale gas poses a variety of well-documented environmental risks, including water contamination, earthquakes, and dangerous exposures through extraction and transportation.

Five of the oil exploration and production companies we have examined also include bonus metrics that simply track execution of projects, no matter their consequences for the environment. ExxonMobil, for example, cited successful drilling in "the first ExxonMobil-Rosneft Joint Venture Kara Sea exploration well in the Russian Arctic" among the reasons for awarding high executive payouts in 2014.[22] The Russian government-owned Rosneft has a dismal environmental, safety, and transparency record, according to Greenpeace. Within months of the ExxonMobil bonus awards, international sanctions against Russia led to the scrapping of this controversial joint venture.

Shareholder attempts to change these sorts of bonus metrics have revealed just how entrenched the short-term mindset of fossil fuel executives has become. In 2014, ConocoPhillips attempted to squash a shareholder proposal that aimed to exclude tar sands and other costly carbon assets from reserve-related executive performance metrics. The company cited SEC rules allowing corporate boards to exclude proposals that relate to tasks that are "so fundamental to management's ability to run a company on a day-to-day basis" that they could not be subject to direct shareholder oversight.[23] In other words, a CEO's ability to put the planet at even greater risk makes up part of the ConocoPhillips core business model.

5. Massive pensions cushion executives from risks they impose on billions of others.

Most large U.S. corporations allow top executives to make unlimited contributions to a special tax-deferred defined contribution retirement plan the company has set up for top brass. In contrast, ordinary U.S. workers face an annual cap of $24,000 in tax-deferred contributions to regular 401(k)s.

The top five executives of America's top 30 oil, gas, and coal firms are sitting on company-provided retirement assets worth a combined $1.2 billion. This $1.2 billion would be enough to cover the U.S. Army Corps of Engineers flood control budget for nearly three years.[24]

Among the 30 CEOs in our sample, the average retirement nest egg in 2014 totaled $17 million. Richard Adkerson of Freeport-McMoRan had the largest, worth more than $76 million, followed by ExxonMobil's Rex Tillerson, with $68 million. The median retirement account for an American family headed by a 55 to 64-year-old: $103,200 in 2013.

Fossil fuel executives, in short, can look forward to gilded futures. For future generations, by contrast, their executive performance has created extreme environmental risk.

Private Jets: A Symbol of the Climate Clash

Sixteen of the top 30 oil, gas, and coal firms pay for executive travel on company-owned jets. These private jets burn about 12 times more fuel per passenger than commercial aircraft.[25] For tax purposes, firms typically claim this form of transport is necessary for security reasons.[26] Freeport-McMoRan paid the highest jet bill in 2014, $1.2 million for the CEO and two other top executives. Phillips 66 reimburses its CEO for any personal income tax consequences if he invites his family and friends to ride along. The environmental impact of these perks may be small compared to the overall environmental degradation these companies are fostering, but these jets offer up a powerful symbol of a corporate compensation system at cross purposes with a healthy planet.

Annual IPS executive pay reform scorecard

Reducing the fossil fuel industry's enormous contribution to environmental degradation will require action on a variety of fronts. We support, among other climate solutions, the growing movement to divest from fossil fuel companies and invest instead in wind and solar energy.

We also applaud shareholder efforts to recast, within fossil fuel companies, executive incentives to encourage a longer-term, sustainable vision. Several shareholder action groups have filed resolutions calling on major fossil fuel companies to de-link executive pay from corporate action that increases carbon reserves and link pay incentives to greenhouse gas emission reductions and other sustainability metrics.

Still other activists are calling for proxy access reforms that would allow shareholders to place candidates on corporate board of director election ballots. Proxy access could lead to a diversification of corporate boards that include climate science experts. In 2015, 49 out of 84 such proxy access shareholder resolutions passed. These resolutions, even if they fail to gain a majority, help draw attention to the dangers of current short-term CEO pay incentives.

But at the end of the day we still need new rules to govern executive pay, not just at oil, coal, and gas companies, but throughout Corporate America. Given the risks, we cannot rely on investor activists alone to change this perverse system that affects us all.

Fortunately, creative and practical proposals for reining in executive excess do abound. We update and catalog the status of these proposals in this annual Executive Pay Reform Scorecard.

Principles for a Better CEO Pay System

This Executive Pay Reform Scorecard covers proposals that have been either introduced in the U.S. Congress or enacted into law in recent years, as well as other promising reform approaches either proposed or put into place elsewhere in the world. We have based our pay reform rating system in this scorecard on five principles that advance economic fairness and stability in executive pay policy and practice.

1. Encourage narrower CEO-worker pay gaps.

Extreme pay gaps — situations where top executives regularly take home hundreds of times more in compensation than average employees — run counter to basic principles of fairness and endanger enterprise effectiveness. Management guru Peter Drucker believed that the ratio of pay between worker and executive can run no higher than 20-to-1 without damaging company morale and productivity. Researchers have documented that Information-Age enterprises operate more effectively when they tap into — and reward — the creative contributions of employees at *all* levels.[27]

2. Eliminate taxpayer subsidies for excessive executive pay.

Ordinary taxpayers should not have to foot the bill for excessive executive compensation. And yet they do. Government contracts and subsidies routinely make mega millionaires out of corporate executives. Only chief executives benefit from the tax provision that lets corporations deduct unlimited amounts from their income taxes for the expense of executive pay.

3. Encourage reasonable limits on total compensation.

The greater the annual reward an executive can receive, the greater the temptation to make reckless decisions that generate short-term earnings at the expense of long-term health for the corporation and the broader economy and planet. Government policies can encourage more reasonable compensation levels without micromanaging pay levels at individual firms.

4. Bolster accountability to shareholders.

On paper, the corporate boards that determine executive pay must answer to shareholders. Recent reforms have made some progress toward forcing corporate boards to justify to shareholders the compensation they award to executives.

5. Extend accountability to broader stakeholder groups.

Executive pay practices, as the 2008 financial crisis and the deepening climate crisis vividly demonstrate, impact far more people than shareholders. Effective pay reforms need to encourage management decisions that take into account both the long-term health of the planet and the interests of all corporate stakeholders, including consumers, employees, and the communities where corporations operate.

In the tables that follow, we grade each reform by assigning a rating for each of these five principles.

Progress Ratings
1 = Represents a small step toward achieving the principle
2 = Represents substantial progress
3 = Represents major progress
4 = Achieves the principle

Passed

Recently enacted through statute or regulation

		Progress Ratings					
		CEO-worker gap	Taxpayer subsidies	Total pay limits	Shareholders	Stakeholders	Total
Disclosure							
CEO-worker pay ratio	The 2010 Dodd-Frank financial reform law (Sec. 953b) requires all U.S. corporations to compute and report the median annual total compensation of their employees, excluding the CEO, and reveal the ratio between CEO and employee pay. In the face of fierce corporate lobbying to water down or block the provision, the SEC finally voted to adopt this regulation on August 5, 2015. This provision will, for the first time ever, require major U.S. firms to reveal how much they value the contributions of all employees, not just top executives. Enterprises operate more effectively when they tap the creativity of all who labor within them. This provision could boost efforts (see **Pending**) to limit pay excess via tax and procurement policies that leverage the public purse.	2		2	1	2	7
Pay versus performance	The Dodd-Frank financial reform law (Sec. 953a) requires all U.S. corporations to disclose the relationship between executive pay and corporate financial performance, including changes in share prices over the previous year. The SEC finally issued a proposed rule in April 2015. The proposed rule uses “total shareholder return” as the key company performance measure. But many factors beyond executive control affect TSR. We need to broaden the definition of performance to advance long-term investor and stakeholder interests.				1		1
Employee and director hedging	Section 955 of Dodd-Frank rquires firms to disclose whether they have a policy on hedging by employees or directors. The SEC finally issued a proposed rule in February 2015. Top executives use hedging contracts to bet against their own firm’s success. This means they win even if their company and community lose. But merely requiring disclosure may not end this practice.				1	1	2
Government contractor pay	The 2008 Government Funding Transparency Act requires contractors to annually disclose their five top-paid officers’ pay. The rule applies to companies that earn at least 80% of their revenue from federal contracts, grants, and loans and that have received $25 million in fed funding the previous year. This reform expands requirements that already apply to publicly held companies to privately held firms that rely heavily on federal contracts. This data could build support for procurement reforms that encourage more reasonable pay.		2	1		1	4

		Progress Ratings					
Passed Recently enacted through statute or regulation		CEO-worker gap	Taxpayer subsidies	Total pay limits	Shareholders	Stakeholders	Total
Governance							
Shareholder 'Say on Pay'	The 2010 Dodd-Frank financial reform law (Sec. 951) requires firms to provide shareholders the right to a nonbinding vote on the compensation of executives. Dodd-Frank also requires an advisory vote regarding compensation arrangements ("golden parachutes") triggered by a merger or acquisition. "Say on pay" has encouraged many companies to consult with shareholders before the vote and encouraged some companies to reform their executive pay practices. But "say on pay" has not lowered total executive pay in either the United States or in Europe, where "say on pay" mandates have been on the books for over a decade.	1		1	2		4
Proxy access	The Dodd-Frank financial reform law (Sec. 972) gives the SEC the authority to adopt rules allowing shareholders to place candidates on the ballots for board of director elections. A federal court in 2011 threw out SEC proxy access regulations on cost-benefit grounds. But 2015 has seen an upsurge in shareholder proxy access proposals. Shareholders voted on 84 proposals, up from 18 in 2014, and 49 of these passed. With proxy access, institutional investors have a greater capacity to challenge incumbents and incumbents may become more attentive to broader perspectives on executive compensation. Behind the recent upsurge in proxy access shareholder resolutions: a desire to ensure representation of climate science experts on corporate boards.	1		1	4		6
Compensation committee and consultant independence	The Dodd-Frank financial reform law (Sec. 952) requires securities exchanges to set listing standards related to the independence of board compensation committees and their advisers. The SEC adopted rules to implement Section 952 in June 2012.[28] Unfortunately, the SEC's ruling will have limited impact. The SEC ignored recommendations to bar stock exchanges from listing companies that do not have compensation committees and failed to give guidance to the exchanges on defining "independence."[29] Legal analyst J. Robert Brown Jr. argues that the rule may actually provide an incentive for companies to avoid creating compensation panels, a move that could give CEOs a greater say in the hiring of pay consultants.			1	2		3

		Progress Ratings					
Passed Recently enacted through statute or regulation		CEO-worker gap	Taxpayer subsidies	Total pay limits	Shareholders	Stakeholders	Total
Tax Policy							
Capping the deductibility of executive pay in the health insurance industry	Since 1993, all U.S. companies have been subject to a $1 million cap on the tax deductibility of executive pay, but this cap comes with a giant loophole that exempts “performance-based” pay. The Affordable Care Act eliminated this loophole for the health insurance industry and lowered the cap to $500,000, starting in 2013.[30] This reduces taxpayer subsidies for excessive executive pay and provides an incentive for lowering overall CEO compensation. This provision could encourage the adoption of proposals noted below to cap the tax deductibility of executive pay at all U.S. firms.	1	3	1			5
Other							
Pay restrictions on executives of large financial institutions	The Dodd-Frank financial reform law (Sec. 956) prohibits large financial institutions from granting incentive-based compensation that “encourages inappropriate risks.” After issuing a quite weak initial proposal in 2011, regulators have still not produced a final rule for this provision. The jury remains out o the significance of this rule. Americans for Financial Reform has urged SEC regulators to add to their proposal provisions that: • Prohibit or severely restrict equity-based pay, which encourages excessive risk-taking. • Extend bonus deferral for a much longer time period. Apply to any employee who could put a firm at substantial risk, not just top officers.						?
Clawbacks	The Dodd-Frank law (Sec. 954) requires executives to repay compensation gained as a result of erroneous data in financial statements. Executives must repay “excess” incentive compensation received during the three-year period preceding an accounting restatement. The SEC finally issued a proposed rule in July 2015. This takes an important step toward ensuring executives do not get to keep pay based on unachieved performance goals. Previous clawback provisions in the Sarbanes-Oxley law only apply to restatements resulting from misconduct. But the new rule applies only to top execs, leaving high-bonus traders off the hook. And the clawback period — three years — falls far short of new UK rules that subject top managers to clawbacks for up to 10 years.			1	2	1	4

		Progress ratings					
Passed Recently enacted through statute or regulation		**CEO-worker gap**	**Taxpayer subsidies**	**Total pay limits**	**Shareholders**	**Stakeholders**	**Total**
Federal Reserve guidance on incentive compensation	In 2010, the Fed released guidelines on financial firm incentive pay. Unlike the European Union (see below), the Fed does not require firms to impose standard formulas for bonus payouts or set compliance deadlines. Instead, the Fed's general principles encourage longer-term performance and the avoidance of undue risks for the firm or financial system. Given the vagueness of the guidelines and the confidentiality of the Federal Reserve's reviews of company compliance, evaluating the impact of this guidance on actual pay practices has been next to impossible.						**0**
Limiting the executive compensation that contractors can bill the federal government	Every year, the Office of Management and Budget establishes a maximum benchmark for contractor compensation. A budget deal approved in December 2013 lowered the cap from $952,000 to $487,000 per executive. This reform represents a positive step towards reducing taxpayer subsidies for executive pay, but only limits the executive pay a company can directly bill the government for reimbursement. It does not curb the windfalls that government contracts routinely generate for top executives.	**1**	**3**	**1**		**1**	**6**

		Progress ratings					
Proposed Introduced in the U.S. Congress		**CEO-worker gap**	**Taxpayer subsidies**	**Total pay limits**	**Shareholders**	**Stakeholders**	**Total**
Ending the preferential capital gains treatment of carried interest	Hedge and private equity fund managers pay taxes at a 15 percent capital gains rate on the profit share — "carried interest" — they get paid to manage investment funds, rather than the 39.6 percent rate they would pay under normal tax schedules. In 2007, a House proposal, H.R. 3996, that defined "carried interest" as ordinary income died in the Senate. The Obama administration and Democratic Party White House hopefuls have pushed for an end to this extreme example of Wall Street privilege. A new 2015 analysis in the *New York Times* suggests that taxing carried interest at ordinary tax rates would raise $180 billion over 10 years, 18 times more than earlier estimates.	**1**	**4**	**3**			**8**

		Progress ratings					
Proposed Introduced in the U.S. Congress		**CEO-worker gap**	**Taxpayer subsidies**	**Total pay limits**	**Shareholders**	**Stakeholders**	**Total**
Limiting the deductibility of executive compensa-tion	In 1993 Congress set a $1 million cap on the individual executive pay corporations could deduct from their income taxes. But that cap did not apply to "performance-based" pay, including stock options and other "incentive" pay. Related bills: • The Stop Subsidizing Multimillion Dollar Corporate Bonuses Act (S. 1127) would eliminate the "performance pay" exemption. • The CEO-Employee Paycheck Fairness Act (H.R. 620) would deny corporate tax deductions for any executive compensation over $1 million, unless the firm raises salaries for lower-level workers. • The Income Equity Act (H.R. 1305) would deny employers a tax deduction for any excessive pay that runs greater than 25 times the median compensation paid to full-time employees or $500,000. A meaningful tax deductibility cap would eliminate a perverse incentive for excessive compensation. The Joint Committee on Taxation estimates that simply eliminating this loophole would generate $50 billion in revenue over 10 years.	**2**	**4**	**2**		**1**	**9**
Ending the stock option accounting double standard	Current accounting rules allow companies to lower their tax bill by claiming deductions for stock options that are much higher than the option value they report in their financial statements. This tax incentive encourages corporate boards to hand executives huge stock option windfalls. In the last session, Senators Carl Levin (D-Mich.) and Sherrod Brown (D-Ohio) included a provision in the Cut Unjustified Tax Loopholes Act (S. 268) that would require the corporate tax deduction for stock option compensation to be not greater than the stock option book expense shown on a corporation's financial statement. The Joint Committee on Taxation has estimated that ending this tax break would raise $24.6 billion over 10 years.	**1**	**3**	**1**			**5**

		Progress ratings					
Proposed Introduced in the U.S. Congress		**CEO-worker gap**	**Taxpayer subsidies**	**Total pay limits**	**Shareholders**	**Stakeholders**	**Total**
Limiting deferred compensa-tion	Most CEOs at large companies now legally shield unlimited amounts of compensation from taxes through special deferred accounts set up by their employers. By contrast, ordinary taxpayers face strict limits on how much income they can defer from taxes via 401(k) plans. These special deferred compensation plans but a burden on other U.S. taxpayers widen the divide between executives and ordinary workers, whose pension benefits have declined significantly at most firms.[31] . In 2007, the Senate passed a minimum wage bill that would have limited annual executive pay deferrals to $1 million, but the provision was dropped in conference committee.	2	1	1			4
Leveraging government procurement dollars to discourage excessive executive compensa-tion	A Rhode Island state Senate bill would give companies with narrow CEO-worker pay gaps an edge in competing for state contracts. Rep. Jan Schakowsky's has introduced the Patriot Employer Tax Credit Act (H.R. 2619), which would extend tax breaks and federal contracting preferences to companies that meet good behavior benchmarks, including not compensating any executive at more than 100 times the income of the company's lowest-paid worker. By law, the U.S. government denies contracts to companies that discriminate, in their employment practices, on race or gender. This public policy clearly states that our tax dollars should not subsidize racial or gender inequality. In a similar way, this reform would tap the power of the public purse to discourage extreme economic inequality.	2	3	2		3	10
Fannie Mae and Freddie Mac executive pay caps	In July 2015, the House Financial Services Committee voted nearly unanimously in favor of a bill (H.R. 2243) to cap the paychecks of the Fannie and Freddie chief executives to no more than $600,000. These quasi-private financial institutions were founded by the federal government to make housing affordable for lower-income families.	4	2	6		3	15
Progressive taxation	Executive pay can be affected indirectly through reforms that tax income in top brackets at high rates. A number of proposals before Congress are designed to ensure the ultra rich pay their fair share. As we saw during the quarter century after World War II, steeply graduated progressive taxation can serve as a significant disincentive for excessive executive compensation.	2	4	1			7

Promising

Not yet before the U.S. Congress

		Progress ratings					
		CEO-worker gap	Taxpayer subsidies	Total pay limits	Shareholders	Stakeholders	Total
Ban stock buybacks	Since 1982, SEC Rule 10b-18 has allowed corporations to repurchase their shares on the open market, with certain limitations. This rule should be rescinded and manipulative stock buybacks should be banned. As Professor William Lazonick and others have pointed out, stock buybacks artificially inflate executive pay and drain capital that could be put to productive purpose. Buybacks have become a pervasive form of legal stock market manipulation.	**4**		**3**	**4**	**4**	**15**
Banker bonus limits	New EU rules introduced in 2014 limit banker bonuses to no more than annual salary, or up to 200 percent of annual salary with shareholder approval. The cap applies to bankers in non-EU banks located in the EU, as well as senior staff (including Americans) working for EU-based banks anywhere in the world. In June 2015, UK regulators released a proposal that would allow banker bonuses to be clawed back up to a decade after they were awarded. These approaches aim to help counter the “bonus culture” that encourages high-risk investing. Regulators are working to crack down on some banks that have been circumventing the new rules by raising base salaries and converting bonuses into “allowances.”	**3**		**3**	**2**	**2**	**10**
Signing and merger bonus ban	In 2013, Swiss voters adopted a national ballot initiative that, among other provisions, prohibits executive sign-on and merger bonuses. “Golden hellos” and merger bonuses give executives a powerful incentive to wheel and deal instead of working to build enterprises fit for long-term success.	**3**		**3**	**2**	**2**	**10**
‘Skin in the game’ mandate	Investment adviser Vincent Panvini has proposed that executives be required to place a share of their own financial assets in escrow for five or ten years. If a CEO’s company lost value over that time, the CEO would forfeit money from that escrow. Small-scale entrepreneurs seldom behave recklessly because they have their own personal wealth tied up in their business. This proposal aims to give corporate executives a similar incentive for responsible behavior.				**3**	**3**	**6**
Strict caps on executive compensation for bailout firms — before the next crisis	In 2009, the Senate approved an amendment that would have capped pay at bailout companies at $400,000, the salary of the U.S. President. The EU enacted similar rules in 2014. Bailed out banks now have to cap their executive pay at no more than 15 times the national average salary or 10 times the wage of the average worker at the bank. New UK rules ban bonuses for executives of banks receiving bailouts. Given a clear warning about the consequences for their own paychecks, executives might think twice about taking actions that endanger their own future — and ours.	**3**	**3**	**3**	**3**	**3**	**15**

		Progress ratings					
Promising Not yet before the U.S. Congress		**CEO-worker gap**	**Taxpayer subsidies**	**Total pay limits**	**Shareholders**	**Stakeholders**	**Total**
A CEO pay limit for firms in bankruptcy	The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (Sec. 331) prohibits companies in bankruptcy from giving executives any "retention" bonus or severance pay that runs over ten times the average bonus or severance awarded to regular employees in the previous year. This legislation could be strengthened by closing a loophole that exempts "performance-based pay." This reform would help end the unjust practice whereby executives, after declaring bankruptcy and eliminating workers' jobs and pensions, then turn around and pocket millions in severance.	**2**			**2**	**1**	**5**
CEO pay limits at public-funded institutions	A 2013 New York State executive order prohibits service providers that annually average over $500,000 in state support and receive at least 30 percent of their annual in-state revenue from state funds from using more than $199,000 in state funds to pay individual executive compensation. A state court decision to strike the order is being appealed. Unions pushed ballot initiatives in both Massachusetts and California in 2014 aimed at limiting CEO pay at hospitals that receive taxpayer subsidies. In both cases, the unions withdrew the initiatives after popular support helped them win other concessions. Moves like these help redefine what society at large considers a responsible level of executive compensation. If the New York rule withstands the legal challenges, state agencies will be able to use revenue from non-taxpayer sources to boost pay over $200,000, but must first file a waiver to gain approval.	**3**	**4**	**4**		**2**	**13**
Overall CEO pay limit	A massive corporate ad blitz was needed to block Swiss voters from passing a popular initiative to limit executive compensation to no more than 12 times worker pay in 2013. Egypt in July 2014 limited paychecks for top public sector executives to 35 times the nation's minimum wage, about $157 a month. But lawsuits and a failure of political will have bogged down the cap's implementation. Current pay ratios at major firms in Switzerland are running neat 100 to 1. As late as the 1990s, the Swiss corporate pay gap only averaged 14 times. Publicly owned companies in Egypt currently employ about 835,000 employees, with another 5.8 million Egyptians working in public administration.	**4**		**4**	**3**	**3**	**14**
Corporate board diversity	At least a dozen EU countries require firms above a certain size to include worker representatives on their boards. Just as investment portfolio diversity decreases risk and improves overall performance, corporate board diversity could have the same impact. European executive pay over the recent decades has consistently run at much lower levels than U.S. executive pay.					**3**	**3**

		Progress ratings					
Promising Not yet before the U.S. Congress		CEO-worker gap	Taxpayer subsidies	Total pay limits	Shareholders	Stakeholders	Total
'Say on Pay' with teeth	The UK now requires public companies to give shareholders a binding vote on compensation every three years. The EU's internal markets commissioner is proposing that shareholders also have the power to vote on the ratio between the lowest and highest-paid employees in the company. In 2011, Australia gave shareholders the power to remove directors if a company's executive pay report gets a "no" vote from 25 percent of shareholders or more at two consecutive annual meetings. Dean Baker of the Center for Economic and Policy Research has proposed that corporate directors have their compensation denied if a CEO pay package they have approve fails to gain a majority in a "say on pay" vote. These policies are much stronger than the current advisory "Say on Pay" rules in the United States. Four U.S. companies whose shareholders rejected a pay plan in 2011 received a second no vote in 2012, and yet the firms still have no legal obligation to alter the pay packages.	**2**		**2**	**5**		**9**
Pay ratio limit	French President François Hollande has capped executive pay at firms where the government owns a majority stake at 450,000 euros, or essentially 20 times the minimum wage. Management consultant Douglas Smith has called for a similar pay ratio limit on U.S. firms receiving taxpayer funds." Amalgamated Transit Union president Lawrence Hanley has proposed a "maximum wage law" that would limit executive pay to a "specific multiple" of the wage earned by their lowest-paid employees. In February 2015, UK MP Iain McKenzie called on his government to cap the top level of pay at 100 times the average enterprise wage. Corporate salary differentials near 10 and 20:1 have been commonplace in Japan and some European nations for many years. A government could step toward mandating such a limit by denying government contracts, tax breaks, or subsidies to any corporations that compensate executives above a set ratio of worker pay.	**4**	**4**	**4**		**1**	**13**
Corporate tax penalty on excessive executive pay	France put in place in 2013 a special corporate tax equal to 75 percent of any individual executive compensation over 1 million euros. The tax, "barely a shadow" of the original "super tax" proclaimed by President Hollande when he came to power in 2012, expired earlier this year. Last year the California Senate came close to passing a law that would tie the corporate tax rate to a firm's CEO-worker pay gap — the wider the gap, the higher its rate. A majority of senators voted in favor of the bill, but a two-thirds majority was required for passage. Incorporating CEO pay in tax policy is a responsible way to ensure taxpayers are not subsidizing excessive executive compensation.	**4**	**4**	**4**	**3**	**3**	**18**

		Progress ratings					
Promising Not yet before the U.S. Congress		**CEO-worker gap**	**Taxpayer subsidies**	**Total pay limits**	**Shareholders**	**Stakeholders**	**Total**
Abolish executive performance pay	Michael Dorff of the Southwestern Law School, author of the 2014 book *Indispensable and Other Myths: The True Story of CEO Pay,* is proposing the abolition of "performance pay." Others have suggested executives should have to wait to cash in such forms of compensation for at least 10 years, even if they are fired or retire. At best, stock options and other performance-pay incentives have CEOs thinking more about their own personal rewards than long-term enterprise sustainability. At their worst, "pay for performance" deals encourage criminal behavior.	**4**		**4**	**3**	**3**	**14**
Allow tax deductions for incentive pay only if they share incentive rewards broadly within the enterprise	Richard Freeman and Douglas Kruse of Harvard University and Joseph Blasi of Rutgers University propose that Congress only allow tax deductions for executive incentives when corporations award as much incentive pay "to the bottom 80 percent of their workforce as they do to the top 5 percent." Tax deductions for stock option deductions have now reached rather staggering levels. Using figures from Standard & Poor's ExecuComp database, Freeman, Kruse, and Blasi compute that these deductions averaged over $50 billion a year from 2001 to 2007. This proposal would give major corporations a significant financial incentive to end top-heavy reward distributions.	**2**	**3**	**2**			**7**

Appendix: Top 30 oil, gas, and coal companies

Company	CEO in 2014	2014 total CEO comp ($mill)	Retirement assets as of 2014 ($mill)	2014 share buybacks ($mill)	Main business sectors
ANADARKO PETROLEUM	R. A. Walker	20.7	14.6	45.0	Oil & Gas Production
APACHE	G. Steven Farris*	10.2	8.1	1,864.0	Oil & Gas Production
BAKER HUGHES	Martin Craighead	14.7	3.4	600.0	Oil & Gas Services
CAMERON INTERNATIONAL	Jack B. Moore	10.3	2.7	1,747.0	Oil & Gas Services
CHESAPEAKE ENERGY	Robert D. Lawler	14.7	0.3	0.0	Oil & Gas Production
CHEVRON	John S. Watson	26.0	46.5	4,412.0	Oil & Gas Production
CONOCOPHILLIPS	Ryan M. Lance	27.6	24.7	0.0	Oil & Gas Production
DEVON ENERGY	John Richels*	21.6	34.7	0.0	Oil & Gas Production
EOG RESOURCES	William R. Thomas	10.5	1.7	127.4	Oil & Gas Production
EXXONMOBIL	Rex W. Tillerson	33.1	68.3	13,183.0	Oil & Gas Production
FMC TECHNOLOGIES	John T. Gremp	13.9	17.2	247.6	Oil & Gas Services
FREEPORT-MCMORAN	Richard Adkerson	10.1	76.6	0.0	Mining (minerals and coal)
HALLIBURTON	David J. Lesar	20.6	14.2	800.0	Oil & Gas Services
HESS	John B. Hess	22.5	54.7	3,715.0	Oil & Gas Production
HOLLYFRONTIER	Michael Jennings	8.8	2.1	158.8	Oil & Gas Services
KINDER MORGAN	Richard D. Kinder	0.0	0.0	192.0	Oil & Gas Services
MARATHON OIL	Lee M. Tillman	11.5	0.5	1,000.0	Oil & Gas Production
MARATHON PETROLEUM	Gary R. Heminger	16.4	32.9	2,131.0	Oil & Gas Refining
MURPHY OIL	Roger W. Jenkins	12.8	5.3	375.0	Oil & Gas Production
NABORS INDUSTRIES	Anthony G. Petrello	14.8	7.0	250.0	Oil & Gas Services
NAT'L OILWELL VARCO	Clay C. Williams	10.9	1.2	779.0	Oil & Gas Services
NOBLE ENERGY	Charles Davidson*	9.5	50.5	16.0	Oil & Gas Production
OCCIDENTAL PETROLEUM	Stephen I. Chazen	6.8	2.2	2,500.0	Oil & Gas Production
ONEOK	Terry K. Spencer	4.0	3.9	0.0	Oil & Gas Services
PEABODY ENERGY	Gregory H. Boyce*	11.0	5.0	0.0	Mining (Coal)
PHILLIPS 66	Greg C. Garland	24.5	20.6	2,282.0	Oil & Gas Refining
SPECTRA ENERGY	Gregory L. Ebel	10.3	6.6	0.0	Oil & Gas Services
TESORO	Gregory J. Goff	20.9	11.6	500.0	Oil & Gas Refining
VALERO ENERGY	Joseph W. Gorder	16.1	8.0	1,296.0	Oil & Gas Refining
WESTERN REFINING	Jeff A. Stevens	7.3	0.9	259.2	Oil & Gas Refining
Total		442.1	526.0	38,480.0	
Average		14.7	17.5	1,282.0	

*resigned as CEO since 2014.

Notes: Largest U.S. publicly held in these sectors, based on 2014 revenue. Total compensation and retirement assets (value of accumulated pension benefits + aggregate balance of non-qualified deferred compensation) are from company proxy statements. Share buyback figures are from consolidated statement of cash flows in 10-K reports.

Endnotes

[1] For more information on "stranded assets," see: http://www.carbontracker.org/resources/#key-terms
[2] Calculated by the authors, using campaign contributions from Open Secrets and the climate skeptic list developed by the Center for American Progress.
[3] The 30 oil, gas, and coal companies on our list are the largest U.S. publicly held, ranked by 2014 revenue. Their average market cap was $38.09 billion in 2014, compared to the average for S&P 500 companies of $39.35 billion.
[4] ExxonMobil proxy statement, April 14, 2015. http://www.sec.gov/Archives/edgar/data/34088/000119312515128602/d855824ddef14a.htm#tx855824_22
[5] Calculated by the authors, using campaign contributions from Open Secrets and the climate skeptic list developed by the Center for American Progress. http://thinkprogress.org/climate-denier-caucus-114th-congress/
[6] Includes all "named executive officers" in company proxy statements: CEO, CFO, and next three highest-paid executives. Because of turnover, the 30 companies combined reported on an average of 163 executives each year.
[7] See p. 4 of this Green Climate Fund document. Population total calculated by the authors using World Bank World Development Indicators data for 2013.
[8] Cost estimates:

Weatherizing: $1,800 per home. Source: Robert Pollin, Jeannette Wicks-Lim, and Heidi Garrett-Peltier, "Green Prosperity: How Clean-Energy Policies Can Fight Poverty and Raise Living Standards in the United States," Department of Economics and Political Economy Research Institute (PERI), University of Massachusetts, Amherst, June 2009. http://www.peri.umass.edu/fileadmin/pdf/other_publication_types/green_economics/green_prosperity/Green_Prosperity.pdf

Solar panel installation: $22,200 per home. Calculated by the authors based on [average household energy consumption (10,908 kWh)/average energy produced by 1 kW of solar power per year (1,700 kWh) = size of solar power system (6.42 kW)] x residential installation price per watt ($3.46).

Green jobs: $59,900 per job per year. Source: Robert Pollin, Jeannette Wicks-Lim, and Heidi Garrett-Peltier, "Green Prosperity: How Clean-Energy Policies Can Fight Poverty and Raise Living Standards in the United States," Department of Economics and Political Economy Research Institute (PERI), University of Massachusetts, Amherst, June 2009. http://www.peri.umass.edu/fileadmin/pdf/other_publication_types/green_economics/green_prosperity/Green_Prosperity.pdf

Temporary housing: $60,000 per family per year. Calculated by the authors based on Department of Homeland Security figures for construction on a private site. ($24,000 for housing unit, $33,000 for one-time costs of setting up support infrastructure, $3,000 recurring costs). http://cnsnews.com/sites/default/files/documents/FEMA%20IG%20report.pdf

Window power development: Calculated by the authors based on the U.S. Energy Information Agency estimate of $73.6 p/MWh for the levelized cost of electricity (LCOE) of wind power electricity generation, which represents the cost of building and operating a generating plant over an assumed financial life and duty cycle. Investment of $5.979 million could produce 81,241,646 MWh of energy, or 277.2 trillion btus. EIA energy consumption estimates indicate this would be enough to cover the yearly costs of numerous states.

[9] ConocoPhillips 2011 10-K report. http://www.sec.gov/Archives/edgar/data/1163165/000119312512070636/d267896d10k.htm
[10] Cliffs Natural Resources proxy statement, April 7, 2015. http://www.sec.gov/Archives/edgar/data/764065/000076406515000063/clf2015def14a.htm
[11] Alpha Natural Resources proxy statement. http://www.sec.gov/Archives/edgar/data/1301063/000119312515124338/d885726ddef14a.htm
[12] For more information on the "performance pay" loophole, see Executive Excess 2014 and several other IPS reports on this issue. http://www.ips-dc.org/obamacare-prescription/

[13] William Lazonick, "Profits Without Prosperity," *Harvard Business Review*, September 2014. https://hbr.org/resources/pdfs/comm/fmglobal/profits_without_prosperity.pdf

[14] Calculated by the authors based on http://www.factset.com/websitefiles/PDFs/buyback/buyback_3.16.15. We divided the trailing twelve-month total buybacks ($564.7 billion) by 500.

[15] These 10 companies include: Alpha Natural Resources, Cliffs Natural Resources, CONSOL Energy, Peabody Energy, Arch Coal, Cloud Peak, Nacco Industries, Alcoa, ARLP, and Westmoreland.

[16] Consol Energy proxy statement, March 25, 2015. http://www.sec.gov/Archives/edgar/data/1070412/000119312515105061/d856141ddef14a.htm#toc856141_39

[17] Arch Coal proxy statement, March 20, 2015. http://www.sec.gov/Archives/edgar/data/1037676/000104746915002546/a2223444zdef14a.htm#du11101_summary_compensation_table

[18] When companies allotted variable numbers of stock awards (typically "threshold," "target," and "maximum"), we based our calculations on the "target" number.

[19] These 13 companies include: ExxonMobil, Chevron, ConocoPhillips, Chesapeake Energy, Devon Energy, Occidental Petroleum, Eog Resources, Anadarko Petroleum, Apache, Marathon Oil, Hess, Murphy Oil, and Noble Energy.

[20] Marathon Oil proxy statement, March 18, 2015. http://www.sec.gov/Archives/edgar/data/101778/000104746915002402/a2223594zdef14a.htm

[21] Marathon Oil 2014 10-K report. http://www.sec.gov/Archives/edgar/data/101778/000010177815000007/mro-20141231x10k.htm

[22] ExxonMobil proxy statement, April 14, 2015. http://www.sec.gov/Archives/edgar/data/34088/000119312515128602/d855824ddef14a.htm

[23] Letter to the SEC from Bracewell & Giuliani law firm on behalf of their client, ConocoPhillips, regarding a shareholder resolution filed by the Unitarian Universalist Association and co-filer Presbyterian Church (U.S.A), December 30, 2014. http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2014/unitarianunverisalistassociation123014-14a8-incoming.pdf

[24] The USACE reports an annual budget of about $415 million for flood control work. http://www.infrastructurereportcard.org/a/#p/levees/investment-and-funding

[25] Calculated by the authors, based on a comparison for a flight from JFK to LAX airports, with four passengers on a Cessna Citation Excel and 143 on a Boeing 737-700. All data is from early 2009, using a calculator from from Conklin & de Decker (an aviation consulting firm). The distance from LAX to JFK is 2148 nautical miles.

[26] Internal Revenue Services, "Executive Compensation - Fringe Benefits Audit Techniques Guide (02-2005)." http://www.irs.gov/Businesses/Corporations/Executive-Compensation---Fringe-Benefits-Audit-Techniques-Guide-(02-2005)

[27] For a review of the literature, check "The Ineffective Enterprise," a discussion that appears in Sam Pizzigati, *Greed and Good: Understanding and Overcoming the Inequality that Limits Our Lives* (New York: Apex Press, 2004). http://www.greedandgood.org/NewToRead.html.

[28] Securities and Exchange Commission, "Listing Standards for Compensation Committees," July 27, 2012. http://www.sec.gov/rules/final/2012/33-9330.pdf

[29] Daniel F. Pedrotty, "Re: Listing Standards for Compensation Committees (File No. S7-13-11)," *American* Federation of Labor and Congress of Industrial Organizations, May 19, 2011. http://www.sec.gov/comments/s7-13-11/s71311-47.pdf

[30] See Section 9014 of the Health Care and Education Reconciliation Act of 2010.

[31] Lori Montgomery and Jeffrey H. Birnbaum, "Senate Panel Limits Pay Deferrals for Executives," *Washington Post*, January 18, 2007. http://www.washingtonpost.com/wp-dyn/content/article/2007/01/17/AR2007011701071.html Note: We divided the 10-year projected revenue by 10 to obtain an annual cost to taxpayers.