

Chevron Advocacy Network

2017 was a busy year for the Chevron Advocacy Network! From coast to coast, our members took action to protect our company's ability to operate and raise awareness about the many ways the oil and natural gas industry benefits our country and communities.

From sending letters and making phone calls to elected officials, participating in advocacy events at state capitols and showing up at the ballot box to make their voices heard, CAN members engaged. The Chevron Advocacy Network also provided specialized advocacy training to more than 73 CAN "Champions." These Champions want to go even further with their advocacy by learning how to speak on behalf of our company and industry in the community, public forums and other settings.

At the end of this email you can read more about the work of CAN, its members and other Chevron teams in 2017. You can also learn about some of the policy changes that will impact our industry moving forward.

[Aunt Edna](#) also came to life earlier this year. The "Answering Aunt Edna" communications series covered topics including [the benefits of natural gas](#) and [how the industry is regulated](#), as well as a [video](#) on how water is used in production and refining operations.

Thank you for your hard work this year. We look forward to a full and exciting 2018 with midterm elections, including elections for governor, U.S. Senate, U.S. House and state legislative seats in many of the states where we operate.

More to come on this soon. Until then, have a happy, restful holiday season.

Greg Hardy
National Coordinator
Stakeholder Advocacy Team

Here are a few highlights of the advocacy work CAN and its members supported this year in collaboration with teams including State Government Affairs, Corporate Legislative and Regulatory Affairs, and our CNAEP and Downstream partners. Activities in which CAN participated are highlighted with an asterisk.

California

Statehouse Action: California extended its cap-and-trade program, a market-based approach to lowering greenhouse gas emissions, from 2020 to 2030. Chevron's advocacy on this bill helped secure significant compliance cost reductions for our California assets and marketing business.

***SJVBU CAN Chapter:** In a demonstrated commitment to enhancing its culture of advocacy, the San Joaquin Valley Business Unit established a CAN chapter operating out of Bakersfield. The BU trained 25 CAN Champions in June, and Assemblymember Vince Fong joined CAN for its

chapter launch in August.

Colorado

City of Broomfield Initiative 301: The City of Broomfield was a flash point for the Colorado oil and natural gas industry this fall. Broomfield Initiative 301 purported to provide the city with more oversight of the industry, but could serve as a de facto ban on production operations and run afoul of the state Constitution. Though the industry ran a robust campaign that included media and door-to-door outreach, the initiative passed by a margin of 57 to 42 percent. This win for anti-industry activists bolsters their strategy of using inaccurate information to spread fear among voters and stakeholders. More proposals like this are expected to be introduced at the state and local levels in 2018.

Louisiana

***Constitutional Amendment 1:** In October, CAN worked with the Southeast State Government Affairs team to engage all 1,700 Louisiana employees and non-employee CAN members asking them to support Constitutional Amendment 1. Had the amendment failed, it would have potentially shouldered businesses with a new tax liability. Chevron joined with other industry associations in advocating for the amendment, which passed with more than 65 percent of the vote.

Pennsylvania

***AMBU CAN Chapter:** Continuing to build on a strong grassroots advocacy program, AMBU CAN trained 29 Champions in May. The chapter also hosted Pennsylvania State Senators Pat Stefano and Guy Reschenthaler at two events this spring, providing employees an opportunity to hear from their elected representatives. AMBU CAN was heavily engaged this summer and fall fighting a severance tax proposal in Pennsylvania, turning out employees to send emails, make phone calls, and even participating in a Harrisburg rally to show unity against the severance tax.

***Pennsylvania Severance Tax Battle:** A natural gas severance tax was proposed again this year as part of the state budget and AMBU responded by springing into action. To support this effort, CAN mobilized employees to email their Senators and House Members and urged them to oppose the tax. In total, 467 emails were sent to 44 elected officials. The local CAN chapter also coordinated a phone bank and more than 120 calls were made by AMBU employees. In October, AMBU's CAN mobilized 20 employees to join other industry representatives at a rally at the state capitol. On October 30, Governor Tom Wolf signed the remaining pieces of budget legislation, which did not include a severance tax. While industry advocacy - including AMBU CAN - has been successful in working to curtail a severance tax, the fight is not yet over.

Texas

***Texas Energy Day:** In March, more than 75 CAN members and Chevron employees from Houston and Midland joined Jeff Shellebarger and Bruce Niemeyer at the state capitol for Texas Energy Day. This was the first employee engagement event organized by the Texas Oil and Gas Association and provided an opportunity for participants to demonstrate their industry pride in meetings with elected representatives and other state leaders. [Speaking about the event](#), Representative Drew Darby, Chair of the House Energy Resources Committee, said: "It's Texans that make the Texas oil and natural gas industry so strong. I'm proud to stand with them on Texas Energy Day and do my part to help keep the Lone Star State on top."

***Houston Independent School District Proposition 1:** In May, CAN worked with CNAEP PGPA to engage more than 2,000 employees residing in the Houston Independent School District (HISD), asking them to support Proposition 1. The outreach contributed to the success of the measure, helping the company avoid the imposition of nearly \$1 million in additional property

tax liability. CAN's efforts reached nearly 10 percent of the voters who delivered a favorable outcome for the company.

Statehouse Action: Legislative accomplishments this session included the passage of HB 1818, to reauthorize operations of the Railroad Commission, the agency that regulates oil and natural gas exploration, production and transportation in Texas. The industry also navigated intense negotiations to successfully secure a 45% biennial budget increase for the Commission. It is worth noting that more than 35 bills were filed this session relating to eminent domain authority. Chevron and the industry effectively communicated the importance of balancing private property rights and infrastructure needs, but this will be an issue to watch during the next legislative session.

MCBU CAN Chapter: To proactively enhance employee advocacy efforts, the Mid-Continent Business Unit launched a CAN Permian Ambassador chapter operating out of Midland. More than 20 CAN Ambassadors were trained in March, many of which attended Texas Energy Day. In October, more than 100 employees attended the first Advocacy Lunch and Learn featuring Texas Railroad Commission Chairman Christi Craddick. MCBU Ambassadors also volunteered along with the New Mexico Oil and Gas Association at the New Mexico EnergyPlex Conference, and participated in other local speaking engagements.

Utah

Transition to low-sulfur Tier 3 Fuels: In April, Salt Lake City Refinery Manager Mitra Kashanchi joined Utah Governor Gary Herbert to announce plans to reconfigure the refinery for production of Tier 3 fuels by the end of 2019. Tier 3 fuels have significantly less sulfur than traditional gasoline and this transition is expected to contribute to improving air quality in the state.

CAN membership and activities are strictly voluntary. CAN members, including Chevron employees, are not required to participate in CAN's advocacy efforts.

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