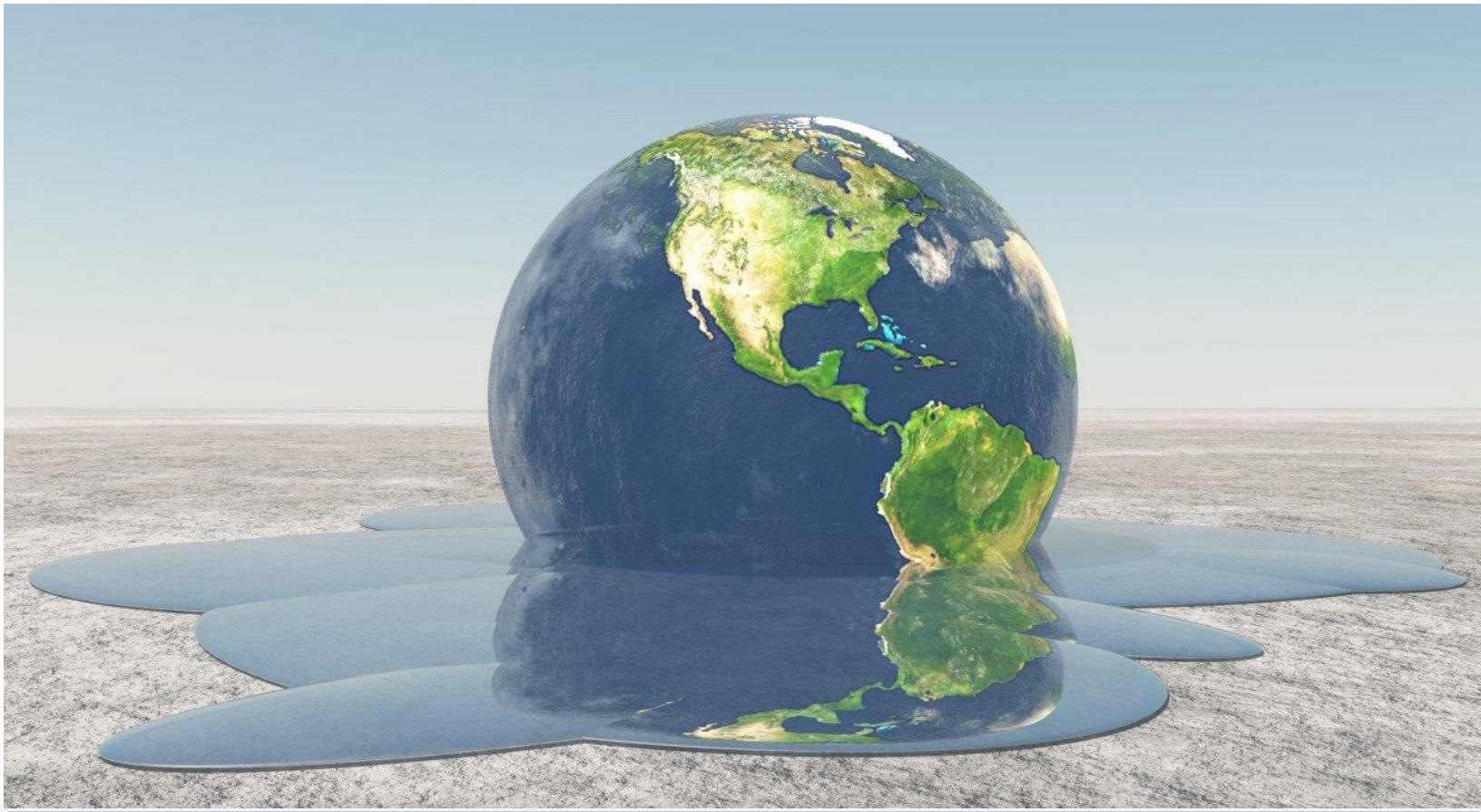

Financing Climate Chaos:

How Minnesota's Banking Giants Prioritize Profit in the Face of Climate Change

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MN 350

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Introduction and Summary

Climate change is no secret and no longer a debate.

Since the beginning of human civilization, our atmosphere contained about 275 parts per million (ppm) of carbon dioxide, which is a way of measuring the ratio of carbon dioxide molecules to all of the other molecules in the atmosphere.

Beginning in the 18th century, humans began to burn coal, gas, and oil to produce energy and goods. The amount of carbon in the atmosphere began to rise, at first slowly and now more quickly.

According to world renowned climatologist Dr. James Hansen, 350 ppm is the maximum level if "humanity wishes to preserve a planet similar to that on which civilization developed and to which life on Earth is adapted…" Many scientists and climate experts agree with Dr. Hansen that 350 ppm is the "safe" level of carbon dioxide.

Right now we're at 400 ppm, and we're adding 2 ppm of carbon dioxide to the atmosphere every year, already causing planetary warming, ocean acidification and loss of life due to severe weather effects.

Unless we are able to rapidly turn that around and return to below 350 ppm, we risk devastating, irreversible impacts to our communities, ecological and food systems, and the global economy.

The solution is straightforward: dramatically reduce fuel use immediately to leave the vast majority of existing coal, oil and gas reserves in the ground and invest in clean power, energy efficiency and conservation to get to 100% renewable energy.

The solution is straightforward: end fossil fuel use immediately to leave existing coal, oil and gas reserves in the ground and invest in clean power, energy efficiency and conservation.

Over the past year, there have been signs of hope that a rapid transition from fossil fuels may be economically feasible and on its way. Sparked by the divestment movement, portfolio managers have pledged to steer $2.6 trillion in investments away from fossil fuels in an effort to prevent catastrophic climate change.[1]

The prices of wind and solar power have fallen dramatically,[2] much faster than predicted.[3] In many parts of the world, electricity from new solar installations is more affordable than electricity purchased from the grid.[4] In 2013 and 2014, the world installed more renewable electrical generating capacity than fossil fuel capacity.[5]

At the same time fossil fuels are losing ground: many companies that deal in carbon are reporting losses, filing for bankruptcy, and laying off workers.[6] Renewables are beginning to outperform fossil fuels,[7] and there are signs that even some of the banks most heavily invested in coal, gas, and oil are looking for a way out.[8]

The question now is not whether the world can transition to renewables, but if it can be done quickly enough to prevent the worst effects of climate change *and* humanely enough to lift the historic cycles of exploitation, disproportionate environmental impacts, and injustice from the backs of people of color and indigenous communities.

Seeking solutions to the climate crisis means we need to address the root causes of the crisis – the economic and political system that has traded in the health and well-being of the majority of life forms on the planet for enormous wealth for a few.

Banks are in a unique position to help stop fossil fuel extraction and speed the transition to a renewable economy. Through lending, investment and with their lobbying activities, they play a central role in moving and allocating financial resources for the private sector, and have a large influence on policy.

Both U.S. Bank and Wells Fargo invest in the most harmful fossil fuels, including tar sands oil, mountaintop coal removal and fracking.

- **Tar Sands Oil** extraction and upgrading produces 220% to 350% more greenhouse gases than conventional U.S. crude oil.[9] From extraction, transport, refining, and consumption, oil threatens our health, water, and the lives and rights of First Nations people living at the source and downstream of extraction projects.
    - According to Rainforest Action Network, Wells Fargo has provided over $2 billion in financing to tar sands companies since 2007.[10]
    - U.S. Bank is the trustee for nearly $2 billion of the assets of Enbridge Energy and its subsidiaries, a pipeline conglomerate that transports tar sands oil mined in Alberta, Canada through Minnesota and other parts of the United States.[11]
- **Coal** is the main source of carbon emissions worldwide. It contributes massively to climate change, as well as harming our land, waterways, and the health of our communities.
    - Over the last ten years, U.S. Bank and Wells Fargo have provided over $12.7 billion in financing to the coal industry in the U.S., including significant support for the four largest coal companies that together produce half of the coal in the U.S.[12]
    - $2 billion of the support that U.S. Bank and Wells Fargo have provided to the coal industry has been for two companies that engaged in mountaintop removal, which is a particularly destructive form of coal mining, in which the tops of mountains are deforested and then removed with explosives and heavy machinery, flattening the landscape.[13]
- **Fracking** is the process of extracting natural gas and oil from deep under the earth by drilling into shale rocks and injecting fluid at high pressure. This method of Bakken crude extraction relies upon silica sand from the hills of southern Minnesota and eastern Wisconsin.

- U.S. Bank and Wells Fargo have played a role in providing over $24 billion in financing over the last ten years to companies in the fracking industry.[14]

- **Natural Gas** has been promoted as a clean alternative to coal and oil, but recent studies show that an increased use of natural gas may raise carbon emissions rather than lowering them.[15]

    - U.S. Bank and Wells Fargo have provided $22 billion in financing since 2013 to the top ten U.S. gas and oil companies.[16]

Banks are in a position to either prolong the patterns of intensive energy use based on the burning of fossil fuels, or to invest in the necessary transition to an environmentally sustainable and just economy and help mitigate the harms caused by fossil fuel production which they have funded in the past.

The transformation to a sustainable and just economy will require trillions of dollars of investment.[17] That investment has yet to surface; current clean energy investments have plateaued at around $300 billion.[18] Meanwhile fossil fuel companies in the United States continue to receive $775 billion annually in subsidies[19] and an estimated $674 billion to search for new sources of fossil fuels (more carbon) that we cannot afford to burn.[20]

Both U.S. Bank and Wells Fargo appear to acknowledge the serious nature of the risk posed by climate change. U.S. Bank's environmental policy statement includes,

> "(W)e have a responsibility to our customers, employees, and investors, as well as to the communities that we serve, to better understand the impact of our operations on global climate change and to help reduce that impact."[21]

Similarly, Wells Fargo's states,

> "(T)here is an evolving need to finance and support entrepreneurs, companies and organizations focused on solving environmental challenges through innovation and clean technologies."[22]

In September 2014, Wells Fargo joined with other large investment banks in calling for policy frameworks to accelerate investment, support innovation in low carbon energy, and create jobs.

To act ethically in the face of climate change, major banks such as Minnesota banking leaders U.S. Bank and Wells Fargo should end support for companies that deal in dangerous fuels, remove carbon-based energy from their investment portfolios, and commit to increasing energy investments in ways that support a just solution to the crisis.

Climate Change

"If humanity wishes to preserve a planet similar to that on which civilization developed and to which life on Earth is adapted, paleoclimate evidence and ongoing climate change suggest that CO2 will need to be reduced from [current levels] to at most 350 ppm."[23]
- Dr. James Hansen, climatologist

The Science

"PPM" stands for "parts per million," which is simply a way of measuring the ratio of carbon dioxide molecules to all of the other molecules in the atmosphere. Many scientists, climate experts, and progressive national governments agree with Dr. Hansen that 350 ppm is the maximum "safe level of carbon dioxide."[24]

Since the beginning of human civilization, our atmosphere contained about 275 ppm of carbon dioxide. That is the level of atmospheric CO2 "on which civilization developed and to which life on earth is adapted."[25] Beginning in the 18th century, humans began to burn coal, gas, and oil to produce energy and goods. The amount of carbon in the atmosphere began to rise, at first slowly and now much more quickly.

Many of the activities we do every day like turning the lights on, cooking food, or heating our homes rely on energy sources that emit carbon dioxide and other heat-trapping gases. We're taking millions of years' worth of carbon, once stored beneath the earth as fossil fuels, and releasing it into the atmosphere.

Right now we're at 400 ppm, and we're adding 2 ppm of carbon dioxide to the atmosphere every year. **Unless we are able to rapidly turn that around and return to below 350 ppm this century, we risk triggering tipping points and irreversible impacts that could send climate change spinning truly beyond our control.**

The Impacts

The Earth has experienced about 1 degree (Celsius) of warming, and the impacts are frightening.

- Glaciers everywhere are melting and disappearing fast, threatening the primary source of clean water for millions of people.
- Mosquitoes, which like a warmer world, are spreading into lots of new places, and bringing malaria and dengue fever with them.
- Drought is becoming much more common, making food harder to grow in many places.
- Permafrost, which sequesters twice the amount of carbon as is currently in our atmosphere, is beginning to melt. As the permafrost melts, this carbon will be released as methane, a potent greenhouse gas, leading to the very real threat of runaway climate change.
- Sea levels have begun to rise, and scientists warn that they could go up as much as several meters this century, which will put many of the world's cities, island nations, and agricultural regions underwater.

- The oceans are growing more acidic because of absorbing CO2. The increased acidity dissolves the shells of many marine organisms, including many that form the basis of the food chain.

All around the globe, we're stacking the deck for extreme weather — like hurricanes, typhoons, blizzards, and droughts — which exacerbates conflicts and security issues in regions that are already strapped for resources.

This past summer showed the continued and escalating impacts of a warming climate:

- 2015 is on track to be the hottest year in recorded history, with days in Iran and Iraq over 49 C/120 F with a heat index of 73 C/164 F.
- In Washington State's Olympic National Park, a rainforest caught fire for the first time in living memory.

The Arctic is sending us perhaps the clearest message that climate change is occurring much more rapidly than scientists had previously thought. In the summer of 2012, roughly half of the Arctic's sea ice went missing (some scientists estimate that the total volume of summer sea ice loss may be as high as 80%).

The entire Arctic region is undergoing drastic changes, threatening vital habitat for countless species and the livelihoods of many indigenous communities. This is also bringing us closer to dangerous tipping points, like the breakdown of the Greenland ice sheet and major methane releases from quickening permafrost melt.

The science and impacts of climate change are real. While many of the details are still being studied, one thing is no longer up for debate: our climate is changing profoundly and rapidly, and human activity is the cause.[26]

Photo by Arielle Johnson / MN350

Fossil Fuels

The Basics

The fossil fuels that humans have been extracting and burning for the last 150 years were formed from plants and animals that lived 300 million years ago in primordial swamps and oceans.[27]

Fossil fuels are stored deep in the earth's crust and will run out because their rate of regeneration takes millions of years. They are a finite resource, meaning they cannot be replaced once they have been used up. Since the beginning of industrialized society (about 200 years ago) industrialized societies have steadily increased their use of and reliance on fossil fuels without considering or calculating the full costs.

Fossil fuels are fully integrated into our economic, social, and political systems and we use them every day for transportation, plastics, medicines, clothes, and even our food. **As fossil fuel sources decline, it becomes harder and more expensive to find, extract, transport, and refine this fuel. When this happens along with emerging cleaner, cheaper and increasingly accessible alternatives, it has reached its peak. Once a peak has been reached, it will continue to decline.**

Fracking technology was developed in the 1950s, for example, but it wasn't used extensively until oil prices rose and banks offered easy access to credit. Tar sands and fracking require a lot more resources such as natural gas, diesel fuel, silica sand, and electricity to extract and process the oil than conventional oil requires. The use of more energy means more severe impacts on local communities at the source, along the transport route and at concentrated points of extraction and more carbon dioxide is emitted. The more carbon emissions, the more climate disruption, creating a feedback loop of negative impacts on humanity and the Earth.

The Extremes

Fossil fuels are becoming more expensive in terms of capital and energy used as well as emissions released. They are also becoming harder to find and to extract. Simultaneously, the reserves the fossil fuel industry does plan to extract and burn have become more deadly and dangerous.

Fossil fuel industry giants have over 2,795 gigatons of carbon dioxide in their proven reserves – several times the safe amount that we can burn in order to limit global warming to 2 degrees Celsius, a goal that even the most conservative governments of the world have agreed to in order to avoid catastrophic damage.[28] Yet every year the industry spends $674 billion searching for more coal, oil and gas.[29]

Banks, along with government subsidies, enable fossil fuel producers, transporters and refiners to continue operating through loans and asset managing schemes despite the growing disparity between cost of operations and revenue.

US Bank, Wells Fargo, and Fossil Fuels

Both U.S. Bank and Wells Fargo invest in the most harmful fossil fuels, including tar sands oil, mountaintop coal removal, and fracking.

Tar Sands Oil

U.S. Bank and Wells Fargo have provided financial support for companies with significant operations in tar sands oil.

- U.S. Bank was the trustee for $400 million of securities issued in 2007 by Enbridge Energy, which is currently working on a massive expansion of their pipeline system linking new and existing pipelines across Minnesota, including an illegal expansion of the Alberta Clipper tar sands pipeline at the U.S./Canada border. U.S. Bank also served as the trustee for $1.5 billion in securities issued in 2014 by a subsidiary of Enbridge.[30]

- According to Rainforest Action Network, Wells Fargo has provided over $2 billion in financing to tar sands companies since 2007.[31]

Besides producing 220% to 350% more greenhouse gases in extraction and upgrading than conventional U.S. crude,[32] tar sands oil threatens our health, water, and the lives and rights of First Nations people living at the source and downstream of extraction projects. Tar sands surface mining uses and pollutes enormous quantities of water, which is dumped into pools called tailing ponds, and contains many carcinogenic and other toxic substances.[33]

Due to toxic waste leaking into rivers and groundwater, people downstream from the tailing ponds, including many native communities, have high rates of rare cancers, renal failure, lupus and hyperthyroidism.[34] Fish and wildlife have been found with physical abnormalities, deformities, and tumors.

Tar sands oil is also extracted via a process called in-situ drilling, where high pressure steam often laced with chemicals is injected into the ground, melting the bitumen so it can be pumped to the surface. This process is even more energy intensive than surface mining.

Indigenous groups have protested the tar sands for many years, as the severe environmental degradation of tar sands mining has affected the cultural heritage, land, ecosystems, and human health of First Nation communities.

Communities in Minnesota are also vulnerable to the devastating impacts of tar sands oil, as it is transported across our state in pipelines and by rail. Oil pipeline spills and rail explosions pose a significant risk to our rivers, lakes, drinking water and the health of our communities.

Midwestern pipelines in North Dakota, Minnesota, Wisconsin, and Michigan have spilled over three times as much crude oil per mile as the national average.[35] The most recent spills in Michigan and Arkansas have shown that a heavy form of tar sands pipeline oil, called dilbit, or diluted bitumen, is much more toxic and difficult to clean up than conventional crude oil.[36]

Enbridge Energy is currently working on a massive expansion of their pipeline system linking new and existing pipelines across Minnesota and the Great Lakes region putting at great risk one-fifth of the world's fresh water supply.[37] This invasion of pipelines include an illegal expansion of the Alberta Clipper tar sands pipeline at the U.S./Canada border and establishing a new pipeline corridor to bring Bakken oil from North Dakota and even more tar sands crude through our state.

Winona LaDuke , a community member of White Earth Tribal Nation and Executive Director of Honor the Earth, states, **"Our rice beds, lakes, and rivers are precious… As Ojibwe people, our 1855 treaty protects our right to harvest, hunt, and fish within our treaty territory. New pipelines proposals from Enbridge put our relationship to our land, its health, and our communities at risk – infringing on those treaty rights."**[38] In addition, Great Lakes regional fisheries generate $7.2 billion annually, and support 49,000 jobs.[39] In 2015, the tourism economy of northern Minnesota alone was over $816 million in gross sales.[40]

Photo by Arielle Johnson / MN350

As demand for oil wanes, and OPEC nations refuse to give up their market share, production has exceeded demand, the price of oil has fallen dramatically, and the tar sands industry is beginning to fail. TransCanada Corporation, proposer of the Keystone XL pipeline, recently announced that it will cut a fifth of its senior leadership and lay off many other employees.[41] Enbridge Energy also reported losses this year, though oil shipments through their pipelines have not slowed, despite falling prices.[42] Banks have the opportunity to lead by withdrawing their support from this deadly and dying industry.

"Our rice beds, lakes, and rivers are precious… As Ojibwe people, our 1855 treaty protects our right to harvest, hunt, and fish within our treaty territory. New pipelines proposals from Enbridge put our relationship to our land, its health, and our communities at risk – infringing on those treaty rights."
-- Winona LaDuke, Executive Director, Honor the Earth

Coal and Mountaintop Removal

Over the last 10 years, U.S. Bank and Wells Fargo have provided over $12.7 billion in financing to the coal industry, including significant support for the four largest coal companies in the country: Peabody Energy Corporation, Arch Coal, Inc., Cloud Peak Energy, and Alpha Natural Resources.[43] These four companies alone produce half of the coal in the United States.[44]

The Dirt on Coal

As the number one source of carbon emissions worldwide, coal contributes massively to climate change, as well as harming our land, waterways and the health of our communities. Air pollution from coal-burning power plants causes asthma attacks, heart problems, and other diseases, including an estimated 30,000 deaths a year in the United States.[45]

Coal pollution, like climate change, does not affect everyone equally, but disproportionately impacts low-income communities of color. The six million people living within three miles of coal plants in the United States have an average per capita income of $18,400 per year and 39 percent are people of color.[46]

Sixty-eight percent of African-Americans live within thirty miles of a coal-fired power plants, the zone of maximum exposure to pollutants that cause an array of ailments, from heart disease to birth defects.[47]

Among the toxins released when coal is burned is mercury, which contaminates the water and the fish we eat. Mercury is especially dangerous when consumed by small children, and pregnant and breastfeeding mothers, as it is a developmental toxin that causes brain damage, mental retardation, and blindness.[48]

One of the methods used to extract coal from the earth is mountaintop removal strip-mining. Two billion dollars of the support that U.S. Bank and Wells Fargo has provided to the coal industry has been to two companies that have engaged in mountaintop removal.[49]

Mountaintop removal strip-mining is a particularly destructive form of coal mining, in which the tops of mountains are deforested and then removed with explosives and heavy machinery, flattening the landscape. Mountaintop removal has destroyed more than a million acres of mountains and forests in Appalachia.[50] Strip mining contaminates drinking water, increases the risk of flooding and contributes to enormous health impacts in surrounding communities, including increased risk of birth defects, cancer and cardiovascular mortality.

In 2013 Wells Fargo and U.S. Bank jointly provided $1.7 billion in financing to Alpha Natural Resources, which owns the majority of mountaintop removal projects in the U.S.[51] The

following year that company was found guilty of over 6,000 instances of illegally dumping toxins into the waterways and agreed to $228 million in penalties and other costs.[52]

Despite a steady stream of investment, the coal industry is in decline. The U.S. Coal Index has lost 87% of its value since 2007,[53] and several large coal companies have filed for bankruptcy.[54] Coal production, on the other hand, has only fallen slightly, about 14 percent between 2008 and 2014.[55] Banks can help to bring an end to this harmful and dangerous industry. Several banks and international lending institutions, including the World Bank, Bank of America, and Goldman Sachs have slowed or stopped their financing of the coal industry entirely.[56]

In 2013 Wells Fargo and U.S. Bank jointly provided $1.7 billion in financing to Alpha Natural Resources. The following year, the company was found guilty of over 6,000 instances of illegally dumping toxins into the waterways and agreed to $228 million in penalties.

Natural Gas

Although natural gas has often been promoted as a clean alternative to coal and oil, recent studies suggest that an increased use of natural gas may raise carbon emissions rather than lowering them.[57] Burning natural gas emits 50 to 60 percent less carbon dioxide than coal, but the process of drilling for, extracting and transporting natural gas causes leakage of methane, which is roughly 25 times more potent than CO2.[58]

U.S. Bank and Wells Fargo have provided $22 billion in financing since 2013 to the top ten U.S. oil and gas companies.[59]

Wells Fargo CEO John Stumpf is on the board of Chevron, the second largest oil and gas company. In May 2015, Stumpf purchased $20 million of Chevron shares, giving him more total shares in Chevron than the company's CEO.[60]

Fracking

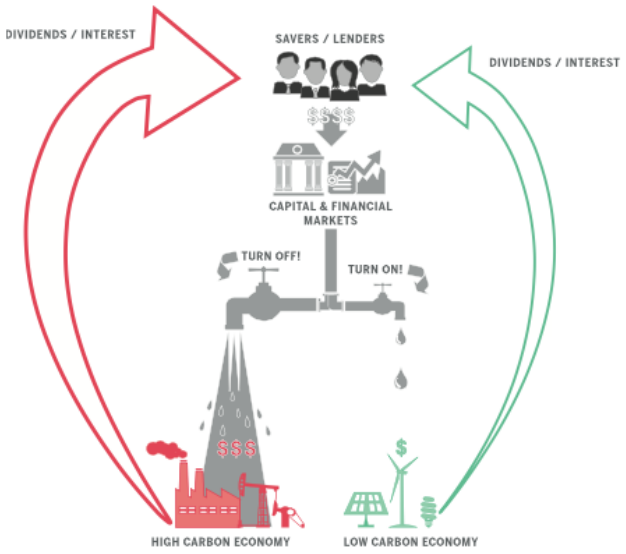
The process of mining natural gas from deep under the earth endangers our water, climate and the health of our communities. Commonly called fracking, or hydraulic fracturing, extracting natural gas involves drilling into shale rocks and injecting fluid at high pressure.

Fracking fluid is a mixture of water, sand and up to 600 chemicals, including carcinogens and other toxins such as lead, mercury and uranium. As the shale rock cracks under pressure, natural gas is released, while methane and approximately 50-70% of the chemical fluid is forced into surrounding groundwater.[61] People and livestock living near fracking sites have suffered serious health effects, and some water has become so polluted with methane that residents have been able to light their taps on fire.[62]

U.S. Bank and Wells Fargo invest heavily in hydraulic fracking nationwide. The two banks have provided over $24 billion in financing over the last ten years to companies in the fracking industry,[63] including $6.3 to Chesapeake Energy, despite the fact that the company has lost money for 22 of the past 24 years.[64] Other natural gas companies have filed for bankruptcy, are laying off workers, and spiraling deeper and deeper into debt.

The Solutions: Urgent and Wise Action

Keep Fossil Fuels in the Ground



We must stop all expanding and new fossil fuel infrastructure projects *and* decrease the amount of carbon emissions we currently burn. With recent technological innovations and changing political will, a transformation of the energy economy playing field is near at hand. Rather than poison our water and air, it is now possible to reduce our carbon footprint on a massive scale.

On October 2, 2015, Xcel Energy, **Minnesota's largest utility, filed plans with state regulators to shut down two thirds of the state's largest coal fired power plant and reduce carbon emissions 60% by 2030.** "Our plan provides great certainty, focuses on the future and is the right commitment for our customers and our communities," said Chris Clark, president of Xcel's operations in Minnesota, North Dakota, and South Dakota.[65] We must acknowledge the historical and daily destructive nature of these projects on impacted communities, water, air, land and living species integral to life on earth.

At the same time that we're working hard to stop these destructive projects, we need to loosen the grip that coal, oil, and gas companies have on our government and financial markets, so that we have a chance of living on a planet that looks something like the one we live on now. Addressing climate change requires addressing the root of the problem – the fossil fuel companies themselves and the economic, political and social systems that perpetuate their power. The era of profitability at the expense of humanity and life needs to stop with the end of fossil fuels.

Invest in Renewable Energy Future

As stated in the Global Trends in Renewable Energy Investment 2015 report, renewable energy accounted for 48% of new generating capacity installed globally in 2014, and the share of renewables in global electricity generation increased to 9.1%. This is equivalent to avoided greenhouse gases emissions of some 1.3 gigatonnes annually.[66] **The price of solar has dropped 75% in just the last six years,[67] and solar is becoming the most affordable form of energy in much of the world[68]**. 60-70,000 solar systems are installed every month in Bangladesh alone.[69]

A new energy future is catching wind and gaining momentum as new technologies become more accessible and affordable as more investment is diverted to renewables. Investment and growth is

required along with energy conservation and new models of energy economics that work for humanity and the Earth.

"Because indigenous peoples are forced into the global market with only our resources and labor with which to negotiate, we often find ourselves forced to choose between economic development and cultural survival. Clean energy from renewable sources offers the opportunity to break free from the cycle of being dependent on our own cultural destruction."[70]

– Kandi Mossett, member of the Mandan, Hidatsa, and Arikara Nations of ND and Tribal organizer for the Indigenous Environmental Network

Climate Justice

Climate change disproportionately impacts communities that have been marginalized due to economic, racial, ecological, and social injustice. Jacqueline Patterson, Executive Director of the NAACP's Climate Justice Initiative, states that **"whether it's Congress or the courts or the zoning board or the rural electric co-ops or the public utilities commissions, there is underrepresentation for communities that are most impacted by the decisions all of these decision-making bodies make.** From litigation to adaptation, we need to make sure we have inclusive bodies that represent the voices of the people as these decisions are being made."[71]

A just and fair transition to 100% renewables must involve leadership from the communities that are most impacted by climate change, already suffering from climate related droughts, fires and flooding, as well as devastating impacts of fossil fuel extraction. The industrialized world, including corporate banks, have a responsibility to provide financing for adaptation to climate change and accessibility to renewable energy – as they have profited from fossil fuels and benefited from their use.

"When it comes to creating jobs, closing the opportunity gap, and leaving something better for our future generations, few areas hold as much promise as clean energy." President Obama, November 5, 2009, addressing the Tribal Nations Conference

Recommendations for U.S. Bank and Wells Fargo

To transition to clean energy quickly enough to maintain a livable planet requires bold action. While there is now more reason for hope than ever before, with renewables on the rise and recent signs that fossil fuels will no longer be financially viable, the world cannot afford to simply sit back and assume that market forces will do the work.

Both Wells Fargo and U.S. Bank state a commitment to ethical, principled business practices. In their corporate citizenship statement, Wells Fargo asserts a commitment to human rights and fair and responsible lending. U.S. Bank declares their commitment to make a "positive impact on the environment, society and the communities we serve."[72] U.S. Bank CEO Richard Davis once said, "It'll be many years until banks as an industry are perceived as we wish they were and as they used to be, as the do-gooders making a difference in lives and helping America move forward."[73] **U.S. Bank and Wells Fargo now have an opportunity to step up to the plate, to use their leadership to safeguard the future of civilization, and help counteract the damage already done to the climate by their support of the fossil fuel industry.**

On September 28, 2015, Bank of America, Citi, JPMorgan Chase, Goldman Sachs, Morgan Stanley, and Wells Fargo jointly released the following statement: "We call for leadership and cooperation among governments for commitments leading to a strong global climate agreement."[74]

With the following recommendations, we call on U.S. Bank and Wells Fargo to work in cooperation with communities and governments to make the necessary bold and urgent action for climate stability and future prosperity for all people.

Divest from dirty and dangerous energy. Climate change is already causing devastating effects including loss of life, droughts, fires and flooding around the world. To acknowledge the effects of climate change and simultaneously derive profit from the corporations contributing to the problem is not only morally objectionable, it is financially unwise, as fossil fuel markets falter and sustainable companies begin to consistently outperform.[75] For this reason, individuals, institutions and governments across the world have begun to divest trillions of dollars from fossil fuel companies.

Stop financing the most extreme fossil fuel projects. A commitment to move away from financing extreme extraction projects – fracking, tar sands and shale oil infrastructure and destructive coal mining – would be a powerful statement in favor of a sustainable future.

Support a just and rapid transition to 100% renewables. While clean energy is on the rise, given the urgency and the grave risks of climate change, we cannot afford to waste time.

Rather than simply waiting for developers to approach them, banks can actively seek out new opportunities for renewable developments, and revise their lending requirements to make clean energy more widely accessible, including to poor and vulnerable communities in the United States and across the world.

Financing community solar gardens is one example of a potential new market. While many lending institutions, including U.S. Bank, have provided substantial financing for large solar power developers using the tax equity credit system, community solar gardens that would serve mixed or low-income communities have had a difficult time securing loans, even though decentralized community-based solar power provides a more reliable energy source, requires fewer costly grid upgrades, and can provide great benefit to low-income community members.

Support the development of public policy that will enable swift, deep and mandatory reductions in greenhouse gas emissions across sectors. Governments must have adequate tools to address emission reductions in all sectors: to ensure energy conservation, build sustainable transportation infrastructure and reduce the impact of agriculture on climate change. Banks can use their considerable influence to push for bipartisan action in the United States, including support for the Clean Power Plan, progressive taxation and appropriate carbon pricing.

Support a strong and just international climate accord that prioritizes equitable access to sustainable development throughout the transformation. In order for greenhouse gasses to peak and decline in the timeframe required to avoid climate catastrophe, developed countries must reduce their emissions as soon and as sharply as possible, and developing nations need to follow shortly thereafter. For poor countries to be willing to follow through with these changes, wealthy nations and institutions must show they are willing share the burden and collaborate, providing considerable technological and financial support, as well as funding for community driven adaptation and reparations for the those most affected by climate change.

Appendices

Appendix A: Bank Finance Definitions/ Terms

When banks agree to lend a corporation money, they enter into a **Credit Agreement**, which is the legal document that spells out the specific terms of the loan(s) to the borrowing corporation. Often the loan amounts are so large that several banks collectively make the loan. The combined loans and commitments of the lending banks is referred to as a **Credit Facility.**

The process by which loans are made by multiple lenders to the same borrower is known as **Syndication.**

The **Arranger** is the investment bank that organizes a Credit Facility by negotiating terms with the Borrower and then syndicating the facility to a group of lenders. When there are more than one Arranger, the **Lead Arranger** is the primary Arranger engaged by the borrower in structuring the financing. There can be multiple **Joint Lead Arrangers** when there are multiple Arrangers, if there is not one sole Lead Arranger. Another name for Lead Arranger is **Lead Manager.**

The **Bookrunner** is the Arranger who determines what portion of a Credit Facility to allocate to each Lender.

The **Administrative Agent** is responsible for processing all interest and principal payments and monitoring the loan. This Agent also acts as the primary representative of the lenders under a Credit Agreement in dealings with the borrower. It is similar to a **Trustee**.

The **Documentation Agent** is the Lender that handles the documents.

The **Syndication Agent** is the Lender that handles the syndication of the loan.

Appendix B:

U.S. Bank and Wells Fargo Financing to Coal Companies

Coal Company	Amount	Year	Role	Bank
Alpha Natural Resources	$1.7 billion[76]	2013	Agent	U.S. Bank
			Lead Arranger and Book Manager	Wells Fargo
Arch Coal	$600 million[77]	2009	Trustee	U.S. Bank
	$500 million[78]	2010		
Cliffs Natural Resources	$1.75 billion[79]	2011	Joint lead arranger	U.S. Bank
	$540 million[80]	2015	Trustee	
	$544 million[81]	2015		
Cloud Peak Energy		2014	Joint book-running manager	Wells Fargo
James River Coal Co.	$230 million[82]	2011	Trustee	U.S. Bank
	$275 million[83]	2011		
	$123 million[84]	2013		
Murray Energy	$150 million[85]	2010	Trustee	U.S. Bank
North American Coal (NACCO)	$150 million[86]	2005	Lender	U.S. Bank
	$100 million[87]	2009	Co-syndication agent	
Pacificorp	$600 million[88]	2013	Joint Lead arranger and lead bookrunner	U.S. Bank/ Wells Fargo
Patriot Coal	$200 million[89]	2008	Trustee	U.S. Bank
Peabody Energy	$650 million[90]	2004	Trustee	U.S. Bank
	$1.6 billion[91]	2011		
	$1.5 billion[92]	2011		
	$650 million[93]	2015		
Westmoreland Coal	$350 million[94]	2014	Trustee	U.S. Bank
	$150 million[95]	2011	Trustee	Wells Fargo

U.S. Bank and Wells Fargo Financing to Oil and Gas Company

Oil and Gas Company	Amount	Year	Role	Bank
Exxon Mobil	$5.5 billion[96]	2013	Underwriter	Wells Fargo
Chevron	$6.0 billion[97]	2013	Joint book-running manager	Wells Fargo, US Bank
ConocoPhillips	$2.5 billion[98]	2015	Trustee, senior co-manager	Wells Fargo
EOG Resources	$500 million[99]	2015	Underwriter	Wells Fargo, U.S. Bank
Anadarko Petroleum	$5.0 billion[100]	2014	Syndication Agent	Wells Fargo
Phillips 66	$396 million[101]	2015	Underwriter	Wells Fargo
Valero Energy	$1.2 billion[102]	2015	Joint book running manager	Wells Fargo
Marathon Petroleum	$750 million[103]	2014	Issue manager, book runner	Wells Fargo

Appendix C: U.S. Bank and Wells Fargo Financing to Fracking Industry

Fracking Company	Amount	Year	Role	Bank
Antero Resources	$1.5 billion[104]	2013	Trustee	Wells Fargo
	$4.0 billion[105]	2014	Co-lead manager	
Baker Hughes	$250 million[106]	2006	Trustee	Wells Fargo
BlueRacer Midstream	$250 million[107]	2006	Trustee	Wells Fargo
C&J Energy Services	$200 million[108]	2011	Documentation Agent	Wells Fargo
Chesapeake Energy	$4 billion[109]	2014	Co-syndication agent, swingline lender, letter of credit issuer, lead arranger and book runner	Wells Fargo
	$2.3 billion[110]	2013	Joint book-running manager	
Access Midstream Partners (Chesapeake)	$200 million[111]	2012	Administrative Agent	Wells Fargo
Complete Production Services	$200 million[112]	2006	Administrative Agent	Wells Fargo
	$419 million[113]	2006	Administrative Agent	
	$300 million[114]	2011	Administrative Agent, issuing lender, and swingline lender	
EOG Resources	$500 million[115]	2015	Underwriter	Wells Fargo
FMSA Holdings	$400 million[116]	2014	Underwriter	Wells Fargo
Frac Tech	$550 million[117]	2010	Joint book-running manager	Wells Fargo
FTS International	$550 million[118]	2014	Administrative Agent, joint lead arranger and book runner	Wells Fargo
	$200 million[119]	2014		
	$500 million[120]	2014	Trustee	U.S. Bank
Key Energy Services	$150 million[121]	2003	Trustee	U.S. Bank
	$547 million[122]	2005	Administrative Agent	Wells Fargo
Nabors Industries	$2.5 billion[123]	2009	Joint lead arranger, book-runner, trustee	Wells Fargo
			Lender	U.S. Bank
	$1.25 billion[124]	2009	Trustee, underwriter	Wells Fargo
Patterson-UTI	$200 million[125]	2015	Administrative Agent, lead arranger, sole book runer	Wells Fargo
	$1 billion[126]	2015	Administrative agent, issuer of letter of credit, swing line lender	
Pioneer Natural Resources	$700 million[127]	2003	Co-documentation agent	Wells Fargo
Rock Pile Energy	$100 million[128]	2014	Joint lead arranger and joint book-runner	Wells Fargo
Superior Energy Services	$650 million[129]	2007	Trustee	Wells Fargo
U.S. Energy	$100 million[130]	2013	Lender	Wells Fargo

About MN350

MN350 is building a climate movement by inviting and inspiring Minnesotans to take powerful, collective action grounded in urgency, justice and possibility for our planet. With roots in 350.org's Global Days of Actions in 2010 and 2011, our volunteer-led organization is engaging everyday people in creative and meaningful actions and campaigns, such as the Clean Energy and Jobs Coalition, the Great Lakes Tar Sands Coalition, the Divestment/Reinvestment Movement, MoveMN and mobilizations – like the People's Climate March in September 2014 – as they arise. We are working with allies and partners for a local, unified, climate justice movement that results in large-scale reductions in carbon emissions in ways that simultaneously prioritizes the rights, dignity and sovereignty of all people, all living beings, and the Earth in our energy, social, economic and political systems. Visit us online at MN350.org and www.facebook.com/MN350.

This is the third in a series of reports titled **"Inside the Vault: Exposing How U.S. Bank and Wells Fargo Harm Minnesota Communities,"** that examines the different areas in which U.S. Bank and Wells Fargo negatively impact Minnesota, including education, economy, electoral politics, consumer lending, and the environment. The reports can be found on www.insidethevault.org.

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The reports are being released by a coalition of groups that includes 15 Now Minnesota, Centro de Trabajadores Unidos en la Lucha (CTUL), Communication Workers of America, ISAIAH, MN350, Minnesotans for a Fair Economy, Neighborhoods Organizing for Change (NOC), Service Employees International Union (SEIU) Local 26, and St. Paul Federation of Teachers.

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