

REPORT: Despite Bellyaching from Oil Company CEOs, SEC Climate Risk Disclosure Rule Does Not Pose a Serious Burden on Industry

Of all the baseless attacks against the U.S. Securities and Exchange Commission's (SEC) [climate risk disclosure rule](#), the claim that it would force Big Oil to raise prices is one of the most audacious to date.

Last month, Liberty Energy CEO Chris Wright appeared before the House Financial Services Committee in a hearing discussing the potential impacts of the new proposed rules. During the hearing, Wright claimed that the rule would impose "immense costs" on companies like the one he runs.

However, the SEC has estimated that the most a publicly traded company like Liberty Energy would have to spend could be less than a million dollars annually - only \$739,000. In comparison, Liberty Energy made over \$556 million in profits in 2023, and nearly \$82 million the first three months of 2024, according to its SEC filings. The company bought back hundreds of millions of shares in 2023 and paid out over \$30 million in dividends to investors.

And as for Chris Wright, he has no reason to care about his own bottom line. Wright made over \$5.5 million in compensation in 2023.

Companies like Liberty Energy and greedy CEOs like Chris Wright are attempting to fearmonger against the SEC's climate risk disclosure rule, claiming the increased costs would be passed on to the consumer. But any increased cost would be due to the oil industries' own greed, not the popular, common sense rule.

Below is an analysis of three companies, including Liberty Energy, and how the rule won't have any effect on their bottom lines.

Major Oil Companies Claim They Can't Afford To Comply With The SEC's Climate Disclosure Rule, But The Data Shows It Would Barely Impact Their Bottom Line

The SEC Projected Compliance Costs For The Climate Disclosure Rule To Be Around \$197,000-\$739,000 Annually Depending On The Size And Circumstances Of The Publicly Traded Company. "We emphasize that there could be considerable range in actual compliance costs given that not all costs listed above will apply to all registrants or during all measurement periods. Depending on the registrant, annual compliance costs (averaged over the first ten years of compliance) could range from less than \$197,000 to over \$739,000." [SEC Final Climate Disclosure Rule, [Page 740](#)]

Liberty Energy

Liberty Energy Is Suing To Stop The SEC Climate Disclosure Rule. “Then there’s Liberty Energy, a Denver-based fracking company whose lawsuit filed in the 5th Circuit Court of Appeals led to the temporary stay placed on the SEC rule shortly after it was finalized last month. After like-minded challenges were consolidated in the 8th Circuit, Liberty asked that court to reinstate the stay. And then — out of an “abundance of caution,” as the company said in its court filing — it filed suit in federal court in Texas last week.” [[Politico, 4/2/24](#)]

Liberty Energy CEO: The SEC Climate Disclosure Rule Imposes “Immense Costs Directly On Publicly Traded Companies Like Liberty.” Chris Wright, the CEO of Liberty Energy said in a congressional hearing, “The Climate Rule harms the public by making fossil fuels more expensive by driving up compliance costs and making conditions more difficult for investment...In addition to imposing immense costs directly on publicly traded companies like Liberty, the Climate Rule would burden smaller and private companies in the energy sector.” [[Chris Wright Testimony, House Committee on Financial Services, 4/10/24](#)]

Liberty Energy Made Over \$556 Million In Profits In 2023 And Nearly \$82 Million In Profits The First Three Months Of 2024

Liberty Energy Made \$556,408,000 In Net Income In 2023. [[Liberty Energy, SEC 10K, 2023](#)]

- **In The First Quarter Of 2024, Liberty Energy Recorded \$81,892,000 In Net Income.** [[Liberty Energy, SEC Form 10Q, 1st Quarter 2024](#)]

Liberty’s CEO, Chris Wright, Made Over \$5.6 Million In Compensation In 2023

Liberty Energy CEO Chris Wright Made \$5,628,100 In Compensation In 2023. [Liberty Energy, [SEC DEF 14A, 3/7/24](#)]

In 2024, Liberty’s Board Authorized The Company To Buy Back \$750 Million In Shares

2024: Liberty Energy’s Board Of Directors Authorized The Company To Buy Back \$750 Million In Shares. “On July 25, 2022, the Board authorized and the Company announced a share repurchase program that allowed the Company to repurchase up to \$250.0 million of the Company’s Class A Common Stock beginning immediately and continuing through and including July 31, 2024. On January 24, 2023, the Board authorized and the Company announced an increase to the share repurchase program that increased the Company’s cumulative repurchase authorization to \$500.0 million. Furthermore, on January 23, 2024, the Board authorized and the Company announced an increase to the share repurchase program that increased the Company’s cumulative repurchase authorization to \$750.0 million and extended the authorization through July 31, 2026. The shares may be repurchased from time to time in open market or privately negotiated transactions or by other means in accordance with applicable state and federal securities laws.” [[Liberty Energy, SEC 10K, 2023](#)]

- **Liberty Energy Spent \$5.17 Million On Share Repurchases In The 1st Quarter Of 2024.** [[Liberty Energy, SEC Form 10Q, 1st Quarter 2024](#)]

In 2023 Liberty Paid Out \$33.7 Million In Dividends To Investors And They Have Already Paid Out \$11.6 Million More In The First Three Months Of 2024

Liberty Energy Paid Out \$37.7 Million In Dividends To Investors In 2023. “Additionally, cash paid for quarterly dividends increased \$28.5 million to \$37.7 million for the year ended December 31, 2023, compared to \$9.2 million for the year ended December 31, 2022.” [[Liberty Energy, SEC 10K, 2023](#)]

- **In The First Quarter Of 2024, Liberty Energy Paid Out \$11.6 Million In Dividends To Investors.** [[Liberty Energy, SEC Form 10Q, 1st Quarter 2024](#)]

Exxon

ExxonMobil Claimed That Updating Their “Financial Reporting Systems And Processes” To Implement The SEC Climate Disclosure Rule Would Be Multiples More Than The “Tens Of Millions Of Dollars” Spent On Previous Regulatory Changes. “Specifically, we estimate the required one-time costs to rework our accounting and financial reporting systems and processes to allow tagging and aggregated reporting of climate-related effects, by line-item, to be a multiple of the combined costs required to implement two recent FASB Standards – *Leases* and *Revenue from Contracts with Customers*, both of which were multi-year projects that cost tens of millions of dollars and were significantly simpler than the Proposal. The cost of significant structural changes to existing enterprise resource planning systems for large corporations can easily reach into the hundreds of millions of dollars. In addition, the increase in staffing and training that will be required to make climate-related judgments regarding each element of revenue, costs, and capital spending will result in significant and burdensome ongoing costs.” [ExxonMobil Comment On SEC Climate Disclosure Rule, [06/17/22](#)]

Exxon Mobil Made Over \$36 Billion In Profit During 2023 And Made Over \$8 Billion In Profit Just During The First Quarter Of 2024.

Exxon Mobil Made \$36,010,000,000 In Net Income In 2023. [ExxonMobil Form 10-K, [2023](#)]

- **Exxon Mobil Made 8,220,000,000 In Net Income For The First Quarter Of 2024.** [ExxonMobil Form 10-Q, [Q1 2024](#)]

Exxon Mobil's CEO Darren Woods Made Over \$36 Million In Compensation In 2023.

Exxon Mobil CEO Darren Woods Made \$36,919,818 In Compensation In 2023. [ExxonMobil Form 14-DEF, [04/11/24](#)]

During 2023, Exxon Mobil Spent \$17.5 Billion Buying Back Its Own Shares

In 2023, Exxon Mobil Repurchased 162 Million Of Its Own Shares With A Book Value Of \$17.5 Billion. “Exxon Mobil Corporation continued its share repurchase program for up to \$50 billion in shares through 2024, including the purchase of 162 million shares at a book value of \$17.5 billion in 2023.” [ExxonMobil Form 10-K, [2023](#)]

In 2023, Exxon Mobil Paid Out \$14.9 Billion In Dividends And They Have Already Paid Out \$3.8 Billion In Dividends During The First Quarter Of 2024.

Exxon Mobil Paid Out \$14.9 Billion In Dividends To Shareholders In 2023. “Total cash and cash equivalents were \$31.6 billion at the end of 2023... The major uses of funds included spending for additions to property, plant and equipment of \$21.9 billion; dividends to shareholders of \$14.9 billion; the purchase of ExxonMobil stock of \$17.7 billion; additional investments and advances of \$3.0 billion; and a change in working capital of \$4.3 billion.” [ExxonMobil Form 10-K, [2023](#)]

- **Exxon Mobil “Distributed A Total Of \$3.8 Billion To Shareholders In The First Three Months Of 2024 Through Dividends.”** [ExxonMobil Form 10-Q, [Q1 2024](#)]

Occidental

In Their Comments To The SEC, Occidental Petroleum Claimed Compliance With Emissions Disclosures Would “Greatly [Increase] Compliance Costs.” “We urge the Commission to revise the Rule Proposal to implement a more practicable deadline for GHG emissions disclosure, which may include incorporating the GHG emissions disclosure in a supplement to, or a document furnished separately from, the Form 10-K. We believe that including GHG emissions disclosure in the Form 10-K would not be workable for most companies... The Rule Proposal would require that companies complete all of these processes within the same time period in which they are preparing the Form 10-K. The preparation of the Form 10-K is already demanding on the staff of public companies and their advisors. Adding the GHG disclosure requirement to this process would further strain staff and resources and require greater reliance on third parties to properly manage the burden, thereby greatly increasing compliance costs.” [Occidental Petroleum Comment On SEC Climate Disclosure Rule, [06/17/22](#)]

Occidental Petroleum Made Over \$4 Billion In Profit During 2023 And Made Over \$800 Million In Profit Just During The First Quarter Of 2024.

Occidental Petroleum Made \$4,696,000,000 In Net Income In 2023. [Occidental Petroleum Form 10-K, [2023](#)]

- **Occidental Petroleum Made \$888,000,000 In Net Income For The First Quarter Of 2024.** [Occidental Petroleum Form 10-Q, [Q1 2024](#)]

Occidental Petroleum CEO Vicki Hollub Made Over \$17 Million In Compensation In 2023.

Occidental Petroleum CEO Vicki Hollub Made \$17,735,019 In Compensation In 2023. [Occidental Petroleum Form 14-DEF, [03/21/24](#)]

During 2023, Occidental Petroleum Spent \$1.7 Billion Buying Back Its Own Shares And Gave Out \$646 Million In Dividends

In 2023, Occidental Petroleum Repurchased 29.1 Million Of Its Own Shares With A Book Value Of \$1,777,719,000. “In 2023, Occidental declared dividends to common shareholders of \$646 million, or \$0.72 per share, and repurchased 29.1 million common shares at an average price of \$61.09 per share under the \$3.0 billion share repurchase program announced in February 2023.” [Occidental Petroleum Form 10-K, [2023](#)]

Occidental Petroleum Paid Out \$646 Million In Dividends To Shareholders In 2023. “In 2023, Occidental declared dividends to common shareholders of \$646 million, or \$0.72 per share, and repurchased 29.1 million common shares at an average price of \$61.09 per share under the \$3.0 billion share repurchase program announced in February 2023.” [Occidental Petroleum Form 10-K, [2023](#)]

- **Occidental Petroleum’s “Three Months Ended March 31, 2024 Included Cash Dividends Paid Of \$332 Million.”** [Occidental Petroleum Form 10-Q, [Q1 2024](#)]