



January 3, 2021

To whom it may concern:

BlackRock is and will continue to be an energy investor.

For over 30 years, BlackRock has been a significant investor and capital provider to energy companies, including fossil fuel companies, on behalf of our clients. **We will continue to invest in and support fossil fuel companies, including Texas fossil fuel companies.** Importantly, we believe that the experience, expertise, and scale of fossil fuel companies will be integral to future energy solutions. As such, we have not and will not boycott energy companies.

- BlackRock, on behalf of our clients, has **\$259 billion¹ in assets invested in fossil fuel companies** globally.
- This includes **\$91 billion² invested in Texas fossil fuel companies** alone.
- We are perhaps the **world's largest investor in fossil fuel companies**, and, as a long-term investor in these companies, we want to see these companies succeed and prosper.

A breakdown of our ten largest holdings in Texas energy companies is as follows³:

TOP 10 HOLDINGS (in millions)				
Company	Equity	Fixed Income	Grand Total	Equity % of Free Float
EXXON MOBIL CORP	\$ 16,872	\$ 2,883	\$ 20,017	6.3%
CONOCOPHILLIPS	\$ 6,461	\$ 651	\$ 7,083	7.9%
KINDER MORGAN INC	\$ 3,274	\$ 1,126	\$ 4,373	6.4%
OCCIDENTAL PETROLEUM	\$ 1,862	\$ 2,496	\$ 4,302	9.1%
EOG RESOURCES INC	\$ 3,580	\$ 646	\$ 4,226	7.4%
VALERO ENERGY CORP	\$ 2,932	\$ 755	\$ 3,684	7.7%
PHILLIPS 66	\$ 2,895	\$ 729	\$ 3,624	9.2%
ENERGY TRANSFER LP	\$ 182	\$ 3,109	\$ 3,290	6.9%
PIONEER NAT RES CO	\$ 2,696	\$ 472	\$ 3,167	6.8%
SCHLUMBERGER NV	\$ 3,020	\$ -	\$ 3,020	7.4%

We regularly provide capital to Texas-based energy companies and projects.

On behalf of our clients, we have committed to and invested more than \$7bn across over 100 alternative investment deals into projects and companies⁴ based in or with meaningful operations in Texas. We continue to seek compelling investment opportunities in Texas-based companies.

- In 2021, BlackRock committed and invested \$280m into **Centric Infrastructure Group, a Woodlands-based** owner and operator of a natural gas utility and a fiber-to-the-home broadband internet business delivering critical infrastructure to large scale residential communities in Texas.
- In 2021, BlackRock and **San Antonio-based Valero Energy Corporation** partnered with **Dallas-based Navigator Energy Services** to develop an industrial scale carbon capture pipeline system which will help to materially reduce carbon dioxide emissions in Texas.
- In 2020, BlackRock made a \$42.6mm loan to **Whitewater Whistler Pipeline**, a 514-mile intrastate pipeline in Texas consisting of a 449-mile natural gas pipeline from the Permian Basin to the Agua Dulce Hub and a

¹ As of 6/30/21

² As of 6/30/21

³ As of 6/30/21

⁴ As of 11/20/21

BlackRock

65-mile lateral pipeline from connection points north of **Midkiff, Texas** to the tie-in point with the **Agua Dulce Hub**.

- In 2018, BlackRock invested \$29m in preferred equity in **Houston-based NextDecade Corp** to help bolster the development of the Rio Grande LNG export terminal in Brownsville, Texas. At full scale, Rio Grande LNG will be capable of producing 27 million metric tons of clean LNG for export to markets around the world, enough energy to meet the annual heating requirements of nearly 20m households.
- In 2017 BlackRock made a \$57mm co-investment in **Riverbend Oil & Gas VI**, a **Houston-based** upstream energy company pursuing and acquiring non-operated working interests in the Williston Basin (Bakken and Three Forks formations) and secondarily in the “SCOOP” and “STACK” oil plays.

We believe we need to partner with energy companies, not divest from them.

We have been vocal about how we must work with, not against, companies involved in the development and transport of hydrocarbons. Our CEO, Larry Fink, has recently said:

- “Hydrocarbon companies are part of the solution, not the problem.... If we’re still going to be dependent on gas oil for a certain period of time, we need to be thoughtful about working with hydrocarbon companies instead of asking a Gulf country to raise its production.”⁵
- “It is urgent that we have conversations with the most traditional hydrocarbon companies and work with them. They actually have some of the greatest scientists in this business, and it’s going to be those companies that are probably going to create the best alternatives, like green hydrogen.”⁶
- “[Reducing fossil fuel production too quickly is] going to create a more polarized, divergent world, and the emerging world can’t afford it... Divestitures are not getting us to a net-zero world. It’s just making it worse.”⁷

We offer our clients choice on how to invest.

We expect to be long term investors, on behalf of our clients, in the debt and equity of companies in carbon-intensive sectors because these companies play crucial roles in the economy *and* in a successful transition. Many clients want exposure to the entire investable market and will continue to invest in energy companies, proportional to their market cap. Other clients look to invest specifically in the oil and gas industry. Our obligation is to help meet our clients’ goals and we provide them the investment options to do that.

We’re proud of our commitment to and investments in Texas and Texas-based energy companies, which positively contributes to the Texas economy and helps to create more economic opportunity for millions of Texas families. We will continue to provide capital and invest in these companies on behalf of our clients.

Sincerely,



Dalia Blass, Senior Managing Director, Head of External Affairs

CC: Mark McCombe, Senior Managing Director, Chief Client Officer

⁵ [Green Horizons Summit](#), November 2021

⁶ [Interview with Boston Consulting Group](#), June 2021

⁷ [COP26 Climate Conference](#), November 2021