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Newsom Delivers for Energy Clients of Lobbyist he Celebrated at French Laundry

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In mid-November, as Covid cases in California were hitting numbers not seen in the state since the initial spring surge, Gov. Gavin Newsom defied his state's own guidelines to attend a mostly-indoors dinner at the upscale French Laundry restaurant in Napa Valley. The dinner was organized to celebrate the birthday of Newsom's advisor Jason Kinney, who is also a top lobbyist in the state.

Attending the event was a big PR risk for Newsom, who had for months been telling his constituents not to do exactly what he did by attending the party. Indeed, Newsom was forced to publicly apologize for his decision, and the image it created of hypocrisy and arrogance will likely dog him for years. But Newsom wasn't breaking the guidelines for just any old event—Kinney and Newsom are close personal friends who have worked together continually for nearly 20 years.

Kinney's close friendship with the governor appears to be a major asset for his lobbying firm, Axiom Advisors, whose clients include dozens of companies that employ the firm for help influencing the administration. Axiom's client list includes several oil and gas companies, and other businesses in the energy industry. A review of state lobbying records, official governmental actions, and news reports by LittleSis and Sludge found several cases in which Axiom's energy clients received favorable outcomes from the Newsom administration, a trend that suggests Newsom's decisions may have been inappropriately influenced by Kinney's firm.

While Newsom has tried to position himself as a leading progressive on environmental issues, many climate advocates have [criticized](#) what they see as his lax regulation of the oil and gas industry. The trend of Axiom's fossil fuel-related and environmentally controversial clients benefiting from Newsom administration decisions raises concerns that the governor's actions towards the corporations represented by his longtime friend's lobbying firm conflict with his words around climate.

“A sort of majordomo for the new governor”

Kinney is a close, longtime advisor to Newsom. He has been called a “[lead strategist](#)” for Newsom, “a [longtime member](#) of Newsom’s inner circle,” and “[a sort of majordomo](#) for the new governor, helping to screen and recommend people for key administration jobs” and make “strategic policy and political recommendations.”

The two met in 2002, and Kinney was a [top strategist](#) for Newsom’s 2010 campaign for Lieutenant Governor. After Newsom won the California gubernatorial election in 2018, Kinney [helped lead](#) his transition team.

The *Los Angeles Times* recently noted that Kinney “is well known around the state Capitol as a strategist, ghostwriter of Newsom’s speeches and unofficial fixer summoned to help loosen the governor from political jams.”

Kinney and Newsom’s families are also close. Jason Kinney’s wife, Mary Gonsalves Kinney, is a [stylist](#) for Jennifer Siebel Newsom, and the two are friends.

Jason Kinney’s father, Paul Kinney, [claims](#) he was “the media consultant that helped elect California Lt. Governor Gavin Newsom,” as well as that he’s “written and produced event videos for multiple weddings, birthdays and political events for Governor Jerry Brown, Lieutenant Governor Gavin Newsom and others.”

Newsom also [appointed](#) Jason Kinney’s [sibling](#), Taryn Kinney, as executive officer of California’s Alcoholic Beverage Control Appeals Board, which provides quasi-judicial administrative review of final decisions of the Department of Alcoholic Beverage Control and issues written decisions concerning licenses. Taryn Kinney has [also worked with](#) Paul Kinney’s media consultancy company that claimed to help elect Newsom as Lieutenant Governor.

Kinney was a partner at the lobbying firm California Strategies before deregistering as a lobbyist in 2018 to help oversee Newsom’s transition. In early 2019, he re-registered with Axiom Advisors, a new lobbying firm that he co-founded. There was immediate speculation that Kinney and Axiom’s fortunes would rise with Newsom in power; *CalMatters* predicted that Kinney was “[poised to ascend](#)” with the governor.

Axiom quickly became one of the top-paid lobbying firms in California, with dozens of powerhouse clients that include Facebook, Cargill, Bechtel, and Honeywell. It became Sacramento’s [top-billing](#) lobbying firm by the second quarter of 2019, and it took in [nearly \\$10.9 million](#) during the 2019-2020 legislative session (lobbying payments

from the last quarter of 2020 are not yet online, so the total amount will likely reach past \$12 or \$13 million).

Axiom's energy clients benefit from administration decisions

A host of Axiom's clients—including fossil companies and corporations tied to controversial projects opposed by environmentalists—have benefited from decisions made by Gavin Newsom's administration. This comes as Newsom positions himself as a leader on climate issues, even as many climate and environmental justice are critical of his reluctance to more aggressively regulate the oil and gas industry at its point of production.

Aera Energy, which is jointly owned by Shell and ExxonMobil and accounts for [nearly a quarter](#) of California's oil and gas production, paid Axiom \$200,000 during 2019 and 2020 for lobbying on oil and gas permitting issues and other matters. As journalist Steve Horn [reported](#) for *Capital & Main* last June, Aera received the first new batch of fracking permits from the Newsom administration after a months-long moratorium. Newsom had placed a temporary ban on new fracking permits in California in November 2019 following a series of scandals at the state's oil well regulatory agency, the state's conservation agency's Division of Oil, Gas, and Geothermal Resources, or DOGGR (now Geologic Energy Management Division, or CalGEM).

Aera was arguably one of the oil companies most hard hit by the moratorium. It had [been issued](#) the most new permits in 2019 of any oil and gas company, and it was singled out in media stories because top DOGGR regulators were personally invested in Exxon, one of Aera's parent companies.

Jamie Court, president of the Los Angeles-based Consumer Watchdog, called the situation “unseemly” and said that “Aera should not be able to buy the influence it apparently has over state oil and gas policy,” according to Horn's report.

“You've got to ask yourself, why would a supposed progressive in a state that prioritizes the environment turn around and cater to Big Oil like Newsom does?,” said Kassie Siegel, director of the Climate Law Institute. “Gov. Newsom can only regain his credibility by cutting his ties to Big Oil and its handmaidens and launching an all-out effort to protect Californians from oil industry pollution.”

LittleSis and Sludge have found several other companies connected to the energy industry or to environmental controversies that benefited from Newsom administration decisions after hiring Axiom to lobby the administration on their behalf.

In October, Newsom [removed](#) Santa Ana Regional Water Quality Control Board director William von Blasingame. Newsom faced pressure from Poseidon Resources to remove von Blasingame, who had repeatedly raised questions about the environmental and community impacts of the company's proposed Huntington Beach desalination plant at Board meetings. Dozens of environmental groups, including the Natural Resources Defense Council, Sunrise Los Angeles, and Clean Water Action, signed a September 2020 [letter](#) to Newsom calling on him to reappoint von Blasingame to the board.

Axiom has been Poseidon's top lobbying firm during the 2019-2020 cycle. During this time, Poseidon has paid Axiom [\\$500,000](#), making it Axiom's second-top paying client after Marathon Petroleum. Poseidon disclosures reporting their work with Axiom say the lobbying work targeted "Administration regarding water infrastructure."

"Von Blasingame had been a thorn in Poseidon Water's side for years because he was asking the questions and bringing up the points that they were really hoping wouldn't come up, especially about the environment and community impact," Orange County environmental lawyer Harvey Clark told California Globe. "And he was the only one on the board really pushing that."

Environmental groups, including the [Los Angeles chapter of the Sierra Club](#), have long opposed Poseidon's proposed plant because of the waste material that is produced by the desalination process, the impact on marine life, and the large amount of fossil fuels that would be used to power it.

Axiom client Oberon produces dimethyl ether (DME), which it calls "a clean-burning, non-toxic, renewable fuel." Natural gas is one of the [components](#) that Oberon uses to [produce](#) DME. Axiom is the [only lobbying firm](#) Oberon has hired during the 2019-2020 cycle, during which it has paid the firm [\\$165,000](#). Axiom has so far lobbied for Oberon during all seven disclosed quarters of 2019-2020.

In June 2019, the California Energy Commission awarded Oberon a [\\$2.9 million grant](#) to upgrade its Brawley, California DME production facility. During 2019, Axiom [lobbied](#) on Oberon's behalf for [SB 44](#), a bill dubbed "Ditching Dirty Diesel" that is meant to speed up the move away from petroleum-diesel trucks. Oberon stands to profit from the bill, which Newsom signed into law in September 2019, through increased sales of DME for use as a transportation fuel. In September 2020, Oberon [applauded Newsom](#) for signing AB 2663—which [Axiom lobbied for](#) on Oberon's behalf—into law. The new law allows DME used as a diesel replacement to be taxed at a lower rate.

LS Power, an Axiom client, was [chosen](#) in January 2020 "to build, own and operate a 500-kV dynamic reactive power support project aimed at ensuring reliability on a major portion of the state's electric grid" by California Independent System Operator (CAISO),

a quasi-governmental organization with board members appointed by Newsom. LS Power has paid Axiom [\\$237,500](#) so far this cycle, making them Axiom's twelfth highest-paying client. Axiom is LS Power's only lobbying firm this cycle. Axiom [has lobbied](#) the governor's office for LS Power on "energy policy issues" and several bills in the legislature. LS Power owns and operates dozens of coal and natural gas power plants throughout the country, according to its website.

Geospatial services firm Quantum Spatial, which works with oil and gas companies on exploration and pipeline siting, was awarded a [\\$2 million contract](#) in May 2020 from the California Department of Water for remote sensing and analytics services to support water conservation efforts after [Axiom lobbied](#) the department's parent agency, the California Natural Resources Agency. Axiom is Quantum Spatial's only lobbying firm and it has been paid \$73,700 by the company in 2019 and 2020.

Last October, the University of California [agreed to contract](#) with Clearway Energy, a "clean energy" developer and operator, and an Axiom client, on a new solar project. Clearway's portfolio [includes](#) "natural gas-fired power generation facilities" in addition to wind and solar. As California Governor, Newsom has an *ex officio* position with the UC Board of Regents, has appointed three members himself, and stands to appoint more further into his term. The 26 member UC Board of Regents [appoints](#) the UC president and oversees UC policies.

Axiom has been Clearway's top-lobbying firm during the 2019-2020 cycle, making Clearway Axiom's thirteenth highest-paying client. Clearway has paid Axiom \$231,250, [more than half](#) of all of Clearway's total lobbying expenses.

Clearway has [lobbied around](#) "renewable energy," "Renewable Energy Contracts," and "PG&E Bankruptcy" (contracts with PG&E, which as of March 2019 accounted for [nearly a quarter](#) of Clearway's cash flow, were in jeopardy after the utility filed for bankruptcy, which impacted [\\$1.2 billion](#) in Clearway projects).

Several outlets have noted that oil giant Marathon Petroleum is Axiom's top client, having paid the firm \$525,791 since 2019. Horn noted that Marathon advocated against stricter distancing setback regulations of oil wells from areas like homes, schools, and public parks.

The governor's office did not respond to a request for comment on this article.

In addition to Axiom's energy-related clients, other major clients of the firm, such as [Netflix](#) and the online marijuana shop directory and marketplace [WeedMaps](#), have also benefited, or may be benefiting from, from Newsom administration decisions.

Dialysis companies DaVita and Fresenius have also also paid Axiom \$475,000 total as they've [sought to expand their influence](#) in California.

Kinney is not Axiom's only lobbyist with significant ties to Newsom. Axiom co-partner Kevin Schmidt served as Lieutenant Governor Newsom's policy director from [2011 to 2016](#). Axiom Senior Associate Chris Mowrer served as deputy secretary for legislation at the California Natural Resources Agency from [2007 to 2011](#).

Newsom's office released a new ethics policy in December, after the French Laundry debacle, that bans anyone from working as a paid consultant to the California Democratic Party, the governor, or his campaign while also working as a lobbyist. The ban will not apply to Kinney, however, because Kinney had ended his work for the Democratic Party before the ban was announced, allowing him to continue lobbying the administration.