

To: Brad Biddle

From: Sarah Laidlaw

Re: Climate Change Lobbyists

Date: April 16, 2009

The last Congressional vote on a major climate change bill was five years ago.<sup>1</sup> Since then, there has been a 300% increase in the number of lobbyists dedicated to climate change issues.<sup>2</sup> The greatest surge in climate lobbyists coincided with the debate started by a 2007 energy bill that would have required utility companies to use renewable energy.<sup>3</sup> The requirement was eventually dropped, but the interest in climate focused lobbying continued to grow and now thrives off the climate focused initiatives of congressmen and women, such as Senator Boxer, Representative Waxman, and Representative Markey.<sup>4</sup> Further momentum in the climate change lobbying arena has come from the various states' new perspectives on energy policy and the institution of regulations that promote renewable energy.<sup>5</sup>

There are some 2,340 lobbyists currently struggling to have their positions heard regarding climate change and the related energy and greenhouse gas issues.<sup>6</sup> According to Congressional Quarterly's *MoneyLine*, groups focused on energy and natural resources spent \$335 million on climate change lobbyists last year compared to \$240 million the

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<sup>1</sup> Joshua Rhett Miller, *Energy Reform: Heavy Hitters Seek to Sway Cap and Trade Debate*, FOXNews.com, March 12, 2009, available at <http://www.foxnews.com/politics/2009/03/12/heavy-hitters-sway-cap-and-trade/>.

<sup>2</sup> *Id.*

<sup>3</sup> Hailey R. Branson, *Huge Surge of Lobbyists for Climate Change*, San Francisco Chron., Apr. 1, 2009, at A-13, available at <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/03/31/MNQS16QB1P.DTL>.

<sup>4</sup> *Id.*

<sup>5</sup> Anne C. Mulkern, *Lobbying: Want to Pitch an Energy Idea? Get in Line*, E&E Publishing, March 19, 2009, available at <http://www.eenews.net/public/Greenwire/2009/03/19/1>.

<sup>6</sup> Hailey R. Branson, *Huge Surge of Lobbyists for Climate Change*, San Francisco Chron., Apr. 1, 2009, at A-13, available at <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/03/31/MNQS16QB1P.DTL>.

year before.<sup>7</sup> The overall number of Washington lobbyists has declined over the past year by approximately 1%, but numbers for climate change lobbyists are up on account of the recognition that climate issues impact, not just the energy sector, but the entire economy.<sup>8</sup>

### **Evolving Body of Lobbyists**

The two ends of the spectrum to the climate debate are the argument that no action is necessary versus the argument that radical action must be taken immediately to avert catastrophe.<sup>9</sup> Pulling from either end, and sometimes from the middle, are the lobbyists representing their clients' wants and needs. The climate lobby composition is changing; lobbyists for the energy companies and manufacturers are shrinking in comparison with the growth of lobbyists for the finance and investment firms, as well as the alternative energy and environmental firms.<sup>10</sup> Six years ago, 70% of the climate lobbyists' interests related to energy companies and manufacturers, but today that percentage has shrunk to 45%.<sup>11</sup> Since the beginning of 2009, 185 companies have hired lobbyists on energy issues.<sup>12</sup> The new lobbyist clients represent a broad spectrum of entities, from small technical companies, similar to DBI, to the large corporations, such as Google, United Postal Service, and Safeway.<sup>13</sup>

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<sup>7</sup> Anne C. Mulkern, *Lobbying: Want to Pitch an Energy Idea? Get in Line*, E&E Publishing, March 19, 2009, available at <http://www.eenews.net/public/Greenwire/2009/03/19/1>.

<sup>8</sup> Hailey R. Branson, *Huge Surge of Lobbyists for Climate Change*, San Francisco Chron., Apr. 1, 2009, at A-13, available at <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/03/31/MNQS16QB1P.DTL>.

<sup>9</sup> *Id.*

<sup>10</sup> Joshua Rhett Miller, *Energy Reform: Heavy Hitters Seek to Sway Cap and Trade Debate*, FOXNews.com, March 12, 2009, available at <http://www.foxnews.com/politics/2009/03/12/heavy-hitters-sway-cap-and-trade/>.

<sup>11</sup> *Id.*

<sup>12</sup> Anne C. Mulkern, *Lobbying: Want to Pitch an Energy Idea? Get in Line*, E&E Publishing, March 19, 2009, available at <http://www.eenews.net/public/Greenwire/2009/03/19/1>.

<sup>13</sup> *Id.*

The alternative energy companies started having a notable lobbying presence two years ago, according to Nick d'Arbeloff, the President of the trade group New England Clean Energy Council.<sup>14</sup> The alternative energy companies are seeking opportunity, and have gone from five lobbyists in 2003 to over 130 in 2008.<sup>15</sup> Ternion Bio and Greenfuel Technologies are two examples of the small alternative energy companies seeking opportunity.<sup>16</sup> Both are small algae biofuel companies lobbying for algae recycling as carbon capture to potentially gain emission credits in a future cap-and-trade system.<sup>17</sup>

Environmentally focused groups are creating a similar swell in lobbyists, growing from 50 lobbyists in 2003 to 180 now.<sup>18</sup> Representatives of the environmental lobbying sector include Sierra Club, National Wildlife Federation, Natural Resources Defense Council, Evangelical Environmental Network, Environmental Defense Fund, and Friends of the Earth.<sup>19</sup> The environmental groups are lobbying for congressional action against global warming and to enforce a system that decreases greenhouse gas emissions.<sup>20</sup> Despite the evolving makeup of climate lobbyists, business and energy company lobbyists still outnumber environmental and alternative energy group lobbyists eight to one in Washington.<sup>21</sup>

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<sup>14</sup> *Id.*

<sup>15</sup> Marianne Lavelle, *The Climate Change Lobby Explosion*, Center for Public Integrity, Feb. 24, 2009, available at [http://www.publicintegrity.org/investigations/climate\\_change/articles/entry/1171/](http://www.publicintegrity.org/investigations/climate_change/articles/entry/1171/).

<sup>16</sup> Josie Garthwaite, *Why the Stimulus Stake in Carbon Capture Neglects Algae Startups*, Earth2Tech, Feb. 8, 2009, available at <http://earth2tech.com/2009/02/08/why-the-stimulus-stake-in-carbon-capture-neglects-algae-startups/>.

<sup>17</sup> *Id.*

<sup>18</sup> Hailey R. Branson, *Huge Surge of Lobbyists for Climate Change*, San Francisco Chron., Apr. 1, 2009, at A-13, available at <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/03/31/MNQS16QB1P.DTL>.

<sup>19</sup> Marianne Lavelle, *The Climate Change Lobby Explosion*, Center for Public Integrity, Feb. 24, 2009, available at [http://www.publicintegrity.org/investigations/climate\\_change/articles/entry/1171/](http://www.publicintegrity.org/investigations/climate_change/articles/entry/1171/).

<sup>20</sup> *Id.*

<sup>21</sup> Hailey R. Branson, *Huge Surge of Lobbyists for Climate Change*, San Francisco Chron., Apr. 1, 2009, at A-13, available at <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/03/31/MNQS16QB1P.DTL>.

## Heavy Hitters

The largest and most powerful industry groups lobbying on Capital Hill are the U.S. Chamber of Commerce and the National Association of Manufacturers, both of which are opposed to climate action as is typical with the business and energy company sector.<sup>22</sup> However, the next biggest players in the climate lobbying world are the finance and investment firms, including Wall Street banks like Goldman Sachs and JP Morgan Chase, private equity firms, and insurance companies.<sup>23</sup> These players are in the debate because they see their potential for buying and selling emission permits under a national carbon cap-and-trade system.<sup>24</sup>

Other contributors to the growing climate lobbyist numbers are cities, public transit agencies, and universities, which together have over 100 lobbyists in Washington. Their interest is in the potential revenue that a national climate program could generate through the sale of federal permits for carbon emissions to power plants and oil companies.<sup>25</sup> Labor unions also have an interest due to the economic impact climate and energy legislation has on large scale industries, especially manufacturers, transportation, and energy companies.<sup>26</sup> They have dedicated a combined 60 lobbyists to the climate change issue.<sup>27</sup>

Some businesses and organizations have banded together in their lobbying initiatives, forming large lobbying coalitions with uniform goals. One such creation is the American Coalition for Clean Coal Electricity (ACCCE), which involves 48 mining,

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<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

coal-hauling railroad, and coal-burning power company firms.<sup>28</sup> The ACCCE spends more than any other group on climate lobbying with a lobbying bill of \$9.95 million in 2008.<sup>29</sup> Their goal is to gain funding for the development of clean coal technology and promote the use of coal in general for energy. Their platform involves support of a mandatory federal program restricting greenhouse gas emissions balanced with maintenance of affordable, domestic electricity, focused on the promotion of coal.<sup>30</sup>

Another active coalition is the Electric Reliability Coordinating Council (ERCC), which represents utility companies, along with labor unions, consumers, and other manufacturing and service businesses.<sup>31</sup> The ERCC supports a cap-and-trade system but is opposed to rigid regulations of greenhouse gases.<sup>32</sup> Also supporting a cap-and-trade program, but with a detailed offset program, is the Coalition for Emission Reduction Projects (CERP).<sup>33</sup> CERP involves power companies, financiers, and the carbon offset firm, Blue Source, which has a strategic alliance with Goldman Sachs.<sup>34</sup> CERP members have an interest in new technology investment with hopes of seeing a return through emissions permits sales.<sup>35</sup>

Finally, one of the most unusual cooperative measures is the U.S. Climate Action Partnership (USCAP), made up of energy companies, environmental groups, and non-

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<sup>28</sup> Joshua Rhett Miller, *Energy Reform: Heavy Hitters Seek to Sway Cap and Trade Debate*, FOXNews.com, March 12, 2009, available at <http://www.foxnews.com/politics/2009/03/12/heavy-hitters-sway-cap-and-trade/>.

<sup>29</sup> Marianne Lavelle, *The Climate Change Lobby Explosion*, Center for Public Integrity, Feb. 24, 2009, available at [http://www.publicintegrity.org/investigations/climate\\_change/articles/entry/1171/](http://www.publicintegrity.org/investigations/climate_change/articles/entry/1171/).

<sup>30</sup> Joshua Rhett Miller, *Energy Reform: Heavy Hitters Seek to Sway Cap and Trade Debate*, FOXNews.com, March 12, 2009, available at <http://www.foxnews.com/politics/2009/03/12/heavy-hitters-sway-cap-and-trade/>.

<sup>31</sup> Marianne Lavelle, *The Climate Change Lobby Explosion*, Center for Public Integrity, Feb. 24, 2009, available at [http://www.publicintegrity.org/investigations/climate\\_change/articles/entry/1171/](http://www.publicintegrity.org/investigations/climate_change/articles/entry/1171/).

<sup>32</sup> Electric Reliability Coordinating Council, <http://www.electricreliability.org/>.

<sup>33</sup> Marianne Lavelle, *The Climate Change Lobby Explosion*, Center for Public Integrity, Feb. 24, 2009, available at [http://www.publicintegrity.org/investigations/climate\\_change/articles/entry/1171/](http://www.publicintegrity.org/investigations/climate_change/articles/entry/1171/).

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

government organizations like the Pew Center on Global Climate Change.<sup>36</sup> With a focus on the future, companies such as General Electric are working through USCAP to lobby for greenhouse gas limitations in a cap-and-trade system with minimized costs to companies in order to promote new technologies.<sup>37</sup>

## **The Lobbyists**

Some of the larger lobbying firms focused on climate change in Washington include Bracewell & Giuliani (partner Scott Segal is also the Director of the Electric Reliability Coordinating Council), The Clark Group (focused on environmental issues), The Podesta Group (represents large corporations, like BP America and Shell, in efforts to support cap-and-trade and promote credits for clean energy investments), and Quinn Gillespie & Associates (represents the American Coalition for Clean Coal Electricity as well as PetroAlgae, a Florida company that is working to convert algae into oil using carbon dioxide as algae food).<sup>38</sup> Quinn Gillespie & Associates is working to obtain grants created through the 2009 stimulus bill for PetroAlgae, and promotes technology neutral policymaking in order to expand the possibilities for alternative energy companies in the future.<sup>39</sup>

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<sup>36</sup> Hailey R. Branson, *Huge Surge of Lobbyists for Climate Change*, San Francisco Chron., Apr. 1, 2009, at A-13, available at <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/03/31/MNQS16QB1P.DTL>.

<sup>37</sup> Joshua Rhet Miller, *Energy Reform: Heavy Hitters Seek to Sway Cap and Trade Debate*, FOXNews.com, March 12, 2009, available at <http://www.foxnews.com/politics/2009/03/12/heavy-hitters-sway-cap-and-trade/>.

<sup>38</sup> *Id.*

<sup>39</sup> Anne C. Mulkern, *Lobbying: Want to Pitch an Energy Idea? Get in Line*, E&E Publishing, March 19, 2009, available at <http://www.eenews.net/public/Greenwire/2009/03/19/1>.

## What's Next?

Congress continues to propose and vote on bills concerning the regulation of greenhouse gases. Passage of such a bill would deeply impact industry, economy, and technological advancements. Another important area of focus is this year's stimulus package. Signed into law in February 2009, the American Recovery and Reinvestment Act of 2009 has money set aside for alternative energy and carbon capturing experiments. Currently, carbon capture is leaning towards the coal industries sequestration efforts rather than algae recycling, but the lobbying battle continues.<sup>40</sup>

Despite all of the hype, climate related legislation is slowing in light of the weakened economy and Congress's focus on repairing that weakness as an overarching priority.<sup>41</sup> The Pew Research Center for People and the Press report that climate change ranked last of 20 "priorities for the nation" in a January 2009 national public poll conducted among 1,503 adults on cell phones and land lines.<sup>42</sup>

## More Information

Other places to watch for legislation and lobbying efforts include the Environmental Protection Agency ([www.epa.gov](http://www.epa.gov)), Clean Air Watch ([www.cleanairwatch.org](http://www.cleanairwatch.org)), and the Pew Center on Global Climate Change ([www.pewclimate.org](http://www.pewclimate.org)).

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<sup>40</sup> Josie Garthwaite, *Why the Stimulus Stake in Carbon Capture Neglects Algae Startups*, Earth2Tech, Feb. 8, 2009, available at <http://earth2tech.com/2009/02/08/why-the-stimulus-stake-in-carbon-capture-neglects-algae-startups/>.

<sup>41</sup> Marianne Lavelle, *The Climate Change Lobby Explosion*, Center for Public Integrity, Feb. 24, 2009, available at [http://www.publicintegrity.org/investigations/climate\\_change/articles/entry/1171/](http://www.publicintegrity.org/investigations/climate_change/articles/entry/1171/).

<sup>42</sup> *Id.*