50/50
Climate Project

Spending Against Change

Key Metrics Assessment of Climate Change Governance and Political Influence Spending in the Energy and Utility Sectors

Sustainable Investments Institute for
The 50-50 Climate Project

By Heidi Welsh, Sara E. Murphy and Robin Young
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5050climate.org

Key Takeaways

Twenty-one of the biggest energy and utility companies in the United States have minimal board oversight of climate risk and almost no board members with relevant climate-related expertise.

These companies spent $673 million dollars over six years to influence the political system, predominantly with shareholder money. Companies directed three-quarters of the spending to lobbying, but only six of the 21 corporations voluntarily disclose these expenditures to their investors.

In the spring of 2017, an unprecedented wave of shareholder resolutions from major investors called for more disclosure and corporate board action to reduce climate change risk. Investors also called for better oversight of political spending activity at U.S. energy and utility companies.

In the meantime, as the Paris Climate Accord begins to take force, investors around the world are adjusting to a new, low-carbon reality. Firms that fail to adequately disclose their climate risk, or mask its potential impacts to their profitability, face heightened risk and scrutiny.

Findings

- **Negligible board oversight of climate risk:** 20 of the 21 companies do not mention climate change considerations in their corporate governance documents as a board obligation; ***Occidental Petroleum*** is the only firm to do so. 14 mention general environmental oversight, but six say nothing.
- **Paucity of climate expertise on boards:** Just two directors out of 245 who serve on these boards have expertise relevant to dealing with the business implications of climate change; at ***ConocoPhillips*** and ***ExxonMobil.*** Seven companies have board members with some environmental background; the rest of the companies do not.
- **$673 million spent on influence:** This report unveils, for the first time, a total political activity footprint for these 21 energy and utility companies over the last three election cycles, on lobbying and election spending.
- **Myriad ways to spend:** Including newly available state lobbying data, the report delineates the many ways companies spend shareholder dollars to influence elections and public policy:

$524.3 million – Lobbying (three-quarters of it at the federal level)

$51.2 million – State ballot measures

$25.8 million – "527" political committees

$20.9 million – Candidates for state office

$14.4 million – Political party committees

$11.2 million – Super PACs

- Corporate-sponsored political action committees, using executives' money and directed by executives, also spent $28.1 million on candidates for political office. These PACs transferred an additional $7.3 million to other PACs.

- **Over $50 million to block clean energy in 7 states.** In addition to spending to prevent climate action at the federal level, companies covered in this report spent heavily to prevent states from enacting clean energy standards, improve energy efficiency, and close fossil fuel tax loopholes. States affected include Alaska, California, Florida, Michigan, Ohio, Oregon and Washington.

- **Limited board oversight of lobbying activity:** Only half the 21 companies mention any board oversight of lobbying, although three-quarters discuss election spending. Oversight for these companies is more robust than in the S&P 500 as a whole, yet highlights the widespread reluctance by any companies to be more transparent about their efforts to influence public policy.

- **Lots of lobbying, little disclosure:** Using corporate treasury money, all firms lobby and all but Kinder Morgan spend on elections. However, only six voluntarily report lobbying expenditures. Disclosure laws mean independent data are missing for more than half the states - even though environmental policy is heavily defined at the state level, and profoundly affects the landscape for companies and their investors.

- **Dark dollars block climate action:** The report explores behind-the-scenes spending by the 21 companies to influence climate policy, largely in ways not reported to investors. The "known unknowns" are many but four companies clearly say one thing and spend money to do the opposite: D**uke Energy, DTE Energy, Devon Energy** and **Southern**. Some, such as **Chevron** and **ExxonMobil**, make no effort to hide their opposition to public policy to combat climate change. The report compares companies' public statements and their association with non-profit groups that legally can obscure their donors while working against climate-friendly policies.

Applying the Study's Findings to Investor Engagement & Voting Activities

Investors concerned about the risks of climate change have several options to consider as they gear up to engage portfolio companies and make their vote determinations ahead of the 2018 shareholder meeting season. Shareholders can use the information in this report as they consider seeking:

- **Incorporation of climate risk and political spending oversight by boards of directors,** so relevant considerations are institutionalized as a formal board governance practice.

- **Board governance and director nomination practices that enable boards to make climate-competent decisions,** including on business strategy, risk management, executive compensation, capital allocation, political expenditures on elections and lobbying and climate risk disclosure.

- **More transparency on the business implications of climate risk.**

- **Information on consistency between corporate public statements and political spending.** Investors may want to particularly scrutinize company efforts to defeat government actions on climate change, both through direct treasury spending and via indirect conduits such as trade associations and other non-profit intermediaries.

Sources and Acknowledgments

Si2 collected corporate governance data used in this study from company websites. Federal lobbying and national election spending data are from the Center for Responsive Politics (www.opensecrets.org). 527 political committee data are from Political MoneyLine (www.politicalmoneyline.com). State election and lobbying data are from The National Institute on Money in State Politics (www.followthemoney.org).

The 50-50 Climate Project is a non-profit resource and action center to help institutional investors bring climate competence to corporate boards. The 50/50 Climate Project provides resources for institutional investors to engage public company boards to respond to the challenges and opportunities presented by climate change and to increase their climate competency. The project supports institutional investor efforts for climate-competent boards. It is fiscally sponsored by the Sustainable Markets Foundation as the 50/50 Climate Resource Project. (5050climate.org)

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The Sustainable Investments Institute (Si2), a nonprofit organization based in Washington, D.C., conducts impartial research and publishes reports on corporate and investor responsibility issues, particularly those raised at corporate annual meetings in shareholder resolutions. Si2 also conducts research into emerging sustainability issues to better help investors and the general public understand the implications they hold for companies and their key stakeholders. (www.siinstitute.org)

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Table of Contents

Foreword

2017 was a watershed year for investor intervention on climate change. The world's largest investors expressly identified climate risk as a priority topic when engaging boards of directors at portfolio companies. And on the eve of the U.S. threatening to pull back from its Paris Climate Accord commitments, investors staged a sprightly spring uprising at ExxonMobil, the planet's largest publicly traded oil and gas corporation. They made history by rebuffing the recommendations of the board of directors and approving a shareholder resolution seeking climate risk disclosure. Investors also strongly dissented against the re-election of two directors on ExxonMobil's board on account of climate-related concerns.

In all, shareholders approved three such climate risk disclosure resolutions and cast favorable votes that precipitated support levels upwards of 40 percent for similar proposals at a dozen other fossil-fuel dependent corporations. These unprecedented vote outcomes defied expected odds and signaled an inflection point in the capital markets with respect to climate change as an appreciable investment risk.

The momentum from 2017 has spilled over to 2018. In January, BlackRock CEO Larry Fink called on portfolio companies to recognize how structural trends such as climate change affect their performance and growth prospects. CalPERS, one of the largest U.S. pension funds, is also considering adoption of the UN Sustainable Development Goals, which include action on climate change. And the European Union is considering rules that would prohibit trade with countries that fail to ratify and implement their commitments under the Paris climate treaty.

As the Paris Accord continues to transform the way the world does business, the highest-risk strategy is to run in the other direction.

Yet in spite of the concerns of their shareholders, a select few utilities and fossil fuel companies have had a shadowy, heavy hand fanning political winds against aggressive U.S. climate action. In fact, many of the energy and utility sector firms subject to significant shareholder pressure on climate risk management and disclosure in 2017 have been working diligently, through their political spending, to thwart public policy addressing climate change. These same corporations face the highest exposure to climate risk and are most in need of transformation to adapt to a low-carbon economy. Their shareholders should be concerned.

As the data in this study show, just 21 companies in the oil and gas and utilities industries are collectively disbursing extraordinary amounts of money—$673 million in the last three election cycles alone—to influence the U.S. political apparatus. The vast majority—over $500 million—of this tidy sum was expended on lobbying, and most partisan spending in every category examined supported the Republican caucus and, ostensibly, its priorities.

While it is difficult to ascertain whether companies directly spent to forestall public policy, legislation and regulation aimed at mitigating climate change risks, it is clear that companies' political influence spending aims to protect and/or protract their traditional business models. Such spending is often at the expense of the long-term economic interests of shareholders and to the detriment of other stakeholders. While some of the firms examined in this study are more politically active than others, spending quantum correlates with firm size. Further, evidence does support the conclusion that corporate efforts to squash governmental actions on climate change are substantially facilitated by trade associations and other third-party industry-affiliated "dark money" groups.

In addition to unveiling inordinate political spending by specific firms, this study also identifies a remarkable lack of climate-conscious board members, scanty board oversight of climate risk and opportunity—and the negligible attention boards pay to lobbying at the companies examined. This unwholesome quaternity exemplifies a broader, chronic corporate governance malaise that presents new frontiers for investor engagement.

The observations of this study lay bare the uphill battle shareholders face as they address growing climate risk exposure at portfolio firms. Efforts to contain climate-related risks can be robbed of their efficacy if investors do not explicitly confront both clandestine corporate political spending activities and anemic board oversight that exacerbates such risks and undermines shareholder undertakings to check them.

This study aims to spotlight a manageable set of firms with problematic practices that investors can incorporate in their focus lists or engagement pipelines—with the study's findings informing constructive dialogue and voting considerations at the companies they own in the 2018 shareholder meeting season. It is our hope that the engagement recommendations will facilitate productive deliberations with the companies.

Edward Kamonjoh,
Executive Director
50/50 Climate Project

Executive Summary

Board Oversight of Climate Risk

The 21 companies covered in this study operate in two sectors with elevated susceptibility to climate risks. The traditional business models of energy and utility sector companies, which contribute significantly to climate change, are unsustainable in a low carbon economy that rewards business enterprises poised to harness its financial upsides. Boards of directors bear ultimate responsibility for the future strategic success of their business enterprise. Yet of the 21 companies examined in this report, only one includes an explicit climate risk oversight charge in a board committee charter that defines the committee's primary responsibilities. Occidental Petroleum assigns this responsibility to its Environmental, Health and Safety Committee. Fourteen companies do articulate general environmental risk oversight responsibility for their boards, however, but without specific reference to climate change, global warming, greenhouse gases emissions or scientific evidence about climate change.

Despite the substantial climate and environmental risks in their sectors, six of the 21 companies do not have any kind of explicit oversight responsibility for environmental risk. These are:

- Devon Energy
- Dominion Energy
- FirstEnergy
- Marathon Petroleum
- NextEra Energy
- NRG Energy

Board Member Climate Expertise

- **Only two board climate experts:** Investors advocating for a more vigilant role for boards of directors with respect to climate risk oversight have turned their attention to board member qualifications. Many directors who serve on oil/gas and utility company boards have substantial industry experience and are experts in operational matters, but few appear to possess professional backgrounds that provide specialized knowledge about climate science and its attendant business implications. This study examined the biographies of each board member at the 21 companies in the study to glean information about their "climate competency" but found few disclosures. Just ConocoPhillips and ExxonMobil have such members, in Jody Freeman (a Harvard Law School professor and former Obama Administration White House counselor) and Dr. Susan Avery (former president and director of the Woods Hole Oceanographic Institution which studies and publishes reports about climate change), respectively.

- **Some environmental expertise at seven companies:** Six other companies in the study have members with environmental backgrounds that may be pertinent to climate change. This includes Chevron, Duke Energy, Marathon Petroleum, NRG Energy, Occidental Petroleum and PPL. Twelve other companies have no members with clear climate-relevant or environmental expertise.

Political Activity Governance

- **Policies:** All 21 companies in the study have formal policies on election spending and all but two also at least mention lobbying. This makes sense, because all 21 have operations that are subject to significant regulation and are affected by changes in government policy. Three-quarters of the study group boards have adopted formal oversight responsibility for election activity, but only half do so for lobbying. Yet policies on independent expenditures (money spent to elect candidates without coordination with them) are rare (only four out of the 21 companies have them; these four indicate they do not spend this way to support or oppose candidates).

- **Expenditures:** All study companies except Kinder Morgan spend corporate treasury dollars on elections and all companies examined engage in lobbying. All but Kinder Morgan and Range Resources also have political action committees (PACs), to which company executives contribute their personal money that then goes to candidates for political office. Companies spend significant sums of money directly and indirectly to influence the political system in many ways, and any discoverable information for the last three full election cycles is presented in this report.

- **Voluntary spending disclosure:** A central request from investors seeking transparency and accountability on corporate political activity is that companies voluntarily disclose their expenditures for elections and efforts to shape public policy through lobbying, at all levels of government, through both direct and indirect pathways. Half of the study companies report corporate contributions in elections, but only two reveal independent expenditures. Non-profit groups that need not reveal their donors are a key source and conduit for indirect, unlimited election spending and lobbying by companies, but only half of the study group says anything about such spending. Lobbying accounts for three-quarters of discoverable corporate spending from these firms in the political system, yet just six voluntarily report it. (Companies can point to fairly robust mandatory federal lobbying reporting, but company-specific data are available for only 20 states, and only on a nationally aggregated basis as of 2017.)

- **Intermediary groups:** All firms in the study universe but Devon Energy and Kinder Morgan have some kind of policy governing their contributions to trade associations, a primary conduit for political influence spending. Companies are less likely to mention other non-profit groups that are major channels for spending in the political system, although utilities in this study were more likely to do so than energy companies. Many shareholder requests seek information on corporate support for groups that promote model legislation (in practice, this refers to the American Legislative Exchange Council), but none of the 21 companies provide it. No companies in the study ban non-profit organizations that receive their financial support from using company funds for political purposes, either. Eight of the 21 firms disclose nothing about their non-profit group memberships and 10 do not disclose payments to such groups; six firms do provide information on their dues and/or payments to the intermediaries. Just three appear to be fully transparent about the political use of their funds by intermediaries.

Political Activity Footprint

- **More than half a billion dollars spent on influence:** The 21 companies in the study spent an enormous amount of money to influence elections in the last three full election cycles ($159.1 million, or an average of $7.6 million each). But they spent far more to lobby elected and other government officials outside elections ($514.3 million, or about $24.5 million on average representing 76 percent of their total spending footprint). In all, the companies spent $673 million from 2011 to 2016, the period examined.

- **Lots of lobbying, but pieces still missing:** Lobbying dollar expenditures by study companies dominated political expenditures, with most ($443.4 million) at the federal level and another $71 million in the 20 states for which data are available. These figures understate the total, likely substantially, since they exclude 30 states for which public disclosure requirements do not compel disclosure of company-specific lobbying expenditures.

- **Ballot initiatives:** Companies spend heavily, with no imposed limits, to sway the outcome of state ballot measures—efforts in which voters decide directly on key policy matters raised after citizen petitions put them on the ballot. Their money often makes the difference between success or failure and it can be spent deceptively, as this report discusses in at least one instance in Florida. Initiative names are notoriously unclear; "Vote No on 1" supported continued oil company tax breaks in Alaska in 2016, for instance. Aggregate spending by study companies on ballot initiatives totaled $51.3 million in the study period.

- **Political "527" committees:** Like most conduits for political spending by corporations, national political committees that work purportedly without coordination with candidates or political parties received heavily partisan support; just over four-fifths of the $25.8 million in contributions to these entities from the 21 firms supported Republicans and about one-fifth supported Democrats.

- **State candidates:** Study companies used both political action committee (PAC) and treasury dollars to support state-level political candidates, giving about three-quarters of their $20.9 million total to Republican candidates and roughly one-quarter to Democratic candidates over the last three full election cycles.

- **Super PACs:** Independent-expenditure only "super PACs"—creatures born after the Citizens United Supreme Court decision in 2010—can spend unlimited amounts of money in candidate elections as long as they do not officially coordinate with the candidates in question. All the money from the 21 companies in the study, a total of $11.2 million, went to super PACs that supported Republican candidates and none supported Democratic candidates.

- **Political committees:** Companies support national and state political parties. Study firms gave $2.1 million to national conventions for the 2016 presidential election (83 percent to the Republicans in Cleveland and 17 percent to the Democrats in Philadelphia). The companies also contributed an additional $12.3 million to state parties, in a somewhat more bipartisan fashion, although 70 percent of the total spend still flowed to Republicans.

- **PAC to PAC:** A final category of spending is money contributed from one PAC to another; this included an additional $7.3 million in the last three election cycles from study companies.

Dark Money

- **Spending against climate change transformation large but obscured:** Our research into dark money and associated lobbying and political spending by study firms in the energy and utility sector defied definitive conclusions, but underscored the extraordinary amount of corporate influence in the U.S. political system. Corporate influence spending often works against initiatives that aim to prepare the United States for the realities of climate change, but company investors and the public at large often are none the wiser.

- **Key players contravene publicly stated aims:** There are some companies that stood out for the level of influence they appeared to exert in contravention of their publicly stated policies: Duke Energy, Southern, DTE Energy and Devon Energy.

- **Others work openly against climate transformation:** Others, such as ExxonMobil and Chevron, appear to engage lawmakers and regulatory bodies very much in keeping with their publicly stated positions, in a way that increasingly appears to defy the scientific realities of a warming planet and the attendant economic risks resident in their industry.

- **Doors remain closed:** It is impossible to draw overarching conclusions from our dark money research, as its very nature renders it incomplete and potentially imbalanced, in that information only surfaces to public view when something especially notable or inflammatory prompts deeper probing from investigative journalists. One thing seems clear: much takes place behind closed doors, and for the most part there is no legal or regulatory onus on corporations to be fully transparent about their lobbying and political spending agendas. In some cases, as detailed in this report, the costs of such lobbying and political spending are passed on to utility ratepayers, few of whom are likely to have any idea what the fees they pay support. The data are too sparse to allow an allocation of best and worst performers. The most substantial takeaway may be that no one is currently entitled to enough information to provide transparency on the objectives toward which the companies' shareholder or customer dollars are spent.

Company Highlights

Following are some of the key actions companies in this report have taken, individually or collectively, in the U.S. political arena since 2011:

- The **Clean Power Plan,** the Obama Administration's intended cornerstone of US compliance with the COP 21 Paris Accords, was opposed in court by an organization funded by the Edison Electric Institute, to which many utilities in this report contribute.

- **Chevron** opposed renewable energy initiatives in California, and carbon emissions regulation in both California and Oregon.

- **CMS Energy** and **DTE Energy** worked to defeat renewable energy standards in Michigan.

- **Dominion Energy** conducted a "grassroots" campaign to build support for an environmentally controversial pipeline.

- **Duke Energy, Next Era Energy and Southern** worked to weaken energy efficiency targets, obstructing rooftop solar proliferation in Florida.
- **Devon Energy** lobbied to prevent EPA regulation of methane flaring; Devon's co-founder advised the Trump campaign on energy policy and a former Devon lobbyist now serves as a top White House adviser on energy policy.
- **ConocoPhillips** and **ExxonMobil** worked to preserve fossil-fuel tax breaks in Alaska.
- **ExxonMobil** and **First Energy** worked to oppose clean energy initiatives in Ohio.
- **Occidental Petroleum** opposed renewable energy initiatives in Oregon and Washington.

* * *

Research Approach

This project examines 21 leading energy and utility companies where evidence from the 2017 proxy season shows investors want more information about climate risk management and political influence efforts. Investor votes on shareholder resolutions about these topics at these companies were high and there is little evidence of climate change oversight at the board level for these companies; they also have relatively low levels of transparency about their efforts to influence elections and lobbying. (More information about the universe and study methodology appears on page 88 at the end of this report.)

Board Oversight Responsibility for Climate Risk

Only one of the 21 companies explicitly references climate-related risks in a board committee charter. Some firms discuss general environmental board oversight responsibilities, but these usually are related to legal compliance; sometimes they address public policy. This finding suggests that boards have yet to fully focus on identifying and addressing the business implications of climate change. Institutions supportive of The 50-50 Climate Project will see this as evidence that they and other investors should engage portfolio company boards on the systematic absence of explicit and robust oversight of climate-related risk and opportunity. The compliance-oriented nature of committee charter language and an often narrow focus of climate change as an environmental issue also shows boards do not systematically address the full spectrum of climate risk, which has financial, strategic, operational and competitive implications. Each area has consequential economic ramifications if boards do not act.

Climate Risk Included in Board Committee Charter

Occidental Petroleum

Occidental Petroleum is the only company in the study that explicitly includes climate change risk oversight in a committee charter. Its Environmental, Health and Safety Committee's responsibility, according to its charter, is to

> *review and discuss with management the status of health, environment and safety ("HES") issues, including compliance with applicable HES laws and regulations, results of internal compliance reviews and remediation projects, climate-related risks and opportunities, and other environmental, health and safety matters affecting the Corporation and its subsidiaries.*

EHS Committee Members

- Spencer Abraham; also on Executive Compensation Committee
- Howard I. Atkins; also on Audit Committee
- John E. Feick (committee chair); also on Corporate Governance, Nominating and Social Responsibility Committee and Executive Compensation Committee
- William R. Klesse; also on Executive Compensation Committee
- Jack B. Moore; also on Executive Compensation Committee
- Elisse B. Walter; also on Audit Committee

General Environmental Risk Oversight in Board Committee Charters

AES

AES's Nominating, Governance and Corporate Responsibility Committee includes environmental oversight in its charter, but it is strictly formulated to assure legal compliance. The charter makes no explicit reference to climate change, global warming, greenhouse gases, emissions or scientific evidence.

Nominating, Governance and Corporate Responsibility Committee Members

- Tarun Khanna; also on Financial Audit Committee and Innovation & Technology Committee
- Holly Keller Koeppel (committee chair); also on Compensation Committee
- Alain Monié; also on Compensation Committee
- Moises Naim; also on Innovation & Technology Committee

Alliant Energy

The company has a Safety, Environmental, Policy and Operations Committee. This charter is compliance-focused, however, and makes no reference to climate change, global warming, greenhouse gases, emissions or scientific evidence of climate change.

Safety, Environmental, Policy and Operations Committee Members

- Patrick E. Allen; also on Compensation and Personal Committee
- Michael L. Bennett; also on Audit Committee
- Deborah B. Dunie; also on Compensation and Personal Committee
- Thomas F. O'Toole (committee chair); also on Compensation and Personal Committee
- Susan D. Whiting; also on Executive Committee and Compensation and Personal Committee

Chesapeake Energy

According to the company's 2017 proxy statement, the board reviews and evaluates "significant Company risks at each regular meeting, including debt and liquidity, commodity prices, and environmental, health and safety (EHS) risks."

Chesapeake's Nominating, Governance and Social Responsibility Committee charter includes among its responsibilities that it

> *Review and make recommendations regarding policies, programs and practices respecting matters of corporate social responsibility that impact the Corporation's ability to effectively achieve its business goals, provided, however, that the Board retains oversight responsibility for matters of environmental, health and safety and the Corporation's performance related thereto.*

The committee charter makes no explicit reference to climate change, global warming, greenhouse gases, emissions or scientific evidence of climate change.

Chevron

Chevron's Public Policy Committee has a multi-pronged purpose, part of which, according to its charter, is

> *to assist the Board in fulfilling its oversight responsibility for the Corporation's broad enterprise risk management program by periodically assessing and responding as appropriate to risks that may arise in connection with the social, political and environmental, and public policy aspects of the Corporation's business.*

The committee charter makes no explicit reference to climate change, global warming, greenhouse gases, emissions or scientific evidence of climate change.

Public Policy Committee Members

- Linnet F. Deily (committee chair); also on Board Nominating and Governance committee
- Wanda M. Austin; also on Board Nominating and Governance committee
- Alice P. Gast; also on Board Nominating and Governance committee
- Enrique Hernandez Jr.; also on Management Compensation Committee

CMS Energy

CMS Energy's 2017 proxy statement says the board's "risk oversight process includes regular reports from senior management on areas of material operational, legal, regulatory, financial, strategic, compliance, environmental, liability, safety, cybersecurity and reputational risk."

CMS's Governance and Public Responsibility charter notes it is responsible for, among other things, reviewing "shareholder proposals related to corporate governance, environmental and corporate social responsibility issues and make recommendations to the Board."

The committee charter makes no explicit reference to climate change, global warming, greenhouse gases, emissions or scientific evidence of climate change.

Governance and Public Responsibility Committee Members

- Jon E. Barfield; also on Audit Committee
- William D. Harvey (chair); also on Compensation and Human Resources and Executive Committees
- Philip R. Lochner Jr.; also on Audit Committee
- Myrna M. Soto; also on Audit Committee

ConocoPhillips

ConocoPhillips's Public Policy Committee has a responsibility to

> *assist the Board in identifying, evaluating and monitoring social, political, operational, technical and environmental trends and risks that could affect the Company's business activities and performance.*

However, the committee charter makes no explicit reference to climate change, global warming, greenhouse gases, emissions or scientific evidence of climate change.

Public Policy Committee Members

- Harald J. Norvik (chair)
- Richard L. Armitage; also on Committee on Directors' Affairs
- C. Maury Devine; also on Audit and Finance Committee
- Jody L. Freeman; also on Committee on Directors' Affairs
- Gay Huey Evans; also on Audit and Finance Committee
- Sharmila Mulligan; also on Audit and Finance Committee
- Arjun N. Murti; also on Audit and Finance Committee

DTE Energy

The company has a Public Policy and Responsibility Committee, and some elements of the committee's charter could be interpreted to include climate change risk oversight. For instance, the committee's responsibilities include reviewing

> *management's response to risk exposures related to regulatory, social, economic, political, reputational and environmental issues and [advising] the Board on management's procedures for assessing, monitoring, controlling and reporting on such exposures.*

The charter makes no explicit reference to climate change, global warming, greenhouse gases, emissions or scientific evidence of climate change.

Public Policy and Responsibility Committee Members

- W. Frank Fountain, Jr.; also on Audit Committee
- Mark A. Murray; also on Nuclear Review Committee
- James B. Nicholson; also on Corporate Governance, Organization & Compensation Committee
- David A. Thomas; also on Finance Committee

Duke Energy

According to the company's 2017 proxy statement, the Regulatory Policy and Operations Committee

> *provides oversight of Duke Energy's regulatory and legislative strategy impacting utility operations in each jurisdiction. The Committee also has oversight over environmental, health and safety matters and the risks related to such matters, including our ash management strategy, as well as the public policies and practices of Duke Energy. This includes reviewing Duke Energy's regulatory approach to strategic initiatives, the operational performance of Duke Energy's utilities with regard to energy supply, delivery, fuel procurement and transportation and making visits to Duke Energy's generation facilities. The Regulatory Policy and Operations Committee is also responsible for the oversight of Duke Energy's environmental, health and safety goals and policies.*

The committee charter makes no explicit reference to climate change, global warming, greenhouse gases, emissions or scientific evidence of climate change.

Regulatory Policy and Operations Committee Members

- James B. Hyler, Jr. (committee chair); also on Audit Committee
- John T. Herron; also chair of Nuclear Committee
- Charles W. Moorman IV; also on Nuclear Committee
- Thomas E. Skains; also on Nuclear Committee
- William E. Webster, Jr.; also on Corporate Governance and Nuclear Committees

ExxonMobil

ExxonMobil's Public Issues and Contributions Committee's primary purpose is

> *to review and provide advice, as the Committee deems appropriate, regarding the Corporation's policies, programs and practices on public issues of significance including their effects on safety, health and the environment; and to review and provide advice on the Corporation's overall contributions objectives, policies and programs.*

The committee charter makes no explicit reference to climate change, global warming, greenhouse gases, emissions or scientific evidence of climate change.

Public Issues and Contributions Committee Members

- Dr. Susan K. Avery; also on Board Affairs Committee
- Dr. Michael J. Boskin (committee chair); also on Executive Committee
- Angela F. Braly; also on Compensation Committee
- Steven S. Reinemund; also on Board Affairs and Executive Committees

Halliburton

The company's Health, Safety and Environment Committee, and some elements of the committee's charter could be interpreted to include climate change risk oversight. For instance, the committee's responsibilities include "reviewing and providing input to the Company on the management of current and emerging health, safety, and environmental issues," "reviewing, at least annually, processes designed to mitigate key health, safety, and environmental risks" and "reviewing periodic updates on significant health, safety, environmental, and sustainable-development public policy issues in key countries of operation that may materially impact the Company's operations, finances, or reputation, along with management's response to such issues."

The charter makes no explicit reference to climate change, global warming, greenhouse gases, emissions or scientific evidence of climate change.

Health, Safety and Environment Committee Members

- Abdulaziz F. Al Khayyal; also on Nominating and Corporate Governance Committee
- William E. Albrecht; also on Compensation Committee
- Nance K. Dicciani; also on Audit Committee
- José C. Grubisich; also on Audit Committee
- Robert A. Malone (committee chair); also on Compensation Committee
- J. Landis Martin; also Lead Director and on Nominating and Corporate Governance Committee

Kinder Morgan

Kinder Morgan has an Environmental, Health and Safety Committee, but the charter makes no explicit reference to climate change, global warming, greenhouse gases, emissions or scientific evidence of climate change.

Environmental, Health and Safety Committee Members

- Robert F. Vagt (committee chair); also on Audit Committee
- Ted A. Gardner; also chair of Nominating and Governance Committee
- Anthony Hall; also on Nominating and Governance Committee

PPL

PPL's Compensation, Governance and Nominating Committee has a responsibility

> *to oversee the Company's practices and positions to further its corporate citizenship, including sustainability, environmental and corporate social responsibility initiatives.*

The committee charter makes no explicit reference to climate change, global warming, greenhouse gases, emissions or scientific evidence of climate change.

Compensation, Governance and Nominating Committee Members

- Craig A. Rogerson (committee chair); also on Audit Committee and Executive Committee
- John W. Conway; also on Executive and Finance Committees
- Raja Rajamannar; also on Audit Committee
- Natica von Althann; also on Finance and Executive Committees
- Phoebe A. Wood

Range Resources

The company's 2017 proxy statement includes a general assertion regarding the board's oversight of environmental risks:

> *Among the issues the Board regularly considers are risks associated with regulation (or potential regulation) of the Company's operations and the environmental issues associated with the Company's operations. The Company's Board of Directors retains oversight of environmental, health and safety issues and any related social concerns that might arise from the Company's operations rather than delegating that responsibility to a Committee of the Board. As stewards of our stockholders' capital, the Board believes that the concerns of third party constituents, especially the communities in which we operate, are integral to the Company's overall continuing performance and the protection and creation of stockholder value. Accordingly, the Board provides direct oversight of the Company's policies and performance with regard to environmental, health and safety and any other related third party concerns by conducting regular reviews of the Company's management of and strategic approach to these issues, including providing feedback to management concerning the Company's reporting and external communications with respect to these issues.*

None of the company's committee charters make explicit reference to climate change, global warming, greenhouse gases, emissions or scientific evidence of climate change. None of Range Resources' committee charters include any specific reference to environmental matters.

Southern

Southern's Nuclear/Operations, Environmental & Safety Committee oversees matters including

> *programs, policies and procedures with respect to protecting the environment and for providing a healthy and safe environment for employees, customers, contractors and the public.*

The charter makes no explicit reference to climate change, global warming, greenhouse gases, emissions or scientific evidence of climate change. It does provide for committee oversight of matters that could be interpreted to cover one aspect of climate change risk:

> *business strategies designed to prevent or address catastrophic business interruption due to material facility outages and property damage caused by natural disasters.*

Nuclear/Operation, Environmental & Safety Committee Members

- Jon A. Boscia; also on Nominating, Governance and Corporate Responsibility Committee
- Veronica M. Hagen; also on Nominating, Governance and Corporate Responsibility Committee
- Linda P. Hudson; also on Nominating, Governance and Corporate Responsibility Committee
- Dale E. Klein; also on Compensation and Management Succession Committee
- Steven R. Specker; also on Compensation and Management Succession Committee

No Explicit Board Oversight of Climate or Other Environmental Risks

- **Devon Energy**
- **Dominion Energy**
- **FirstEnergy**
- **Marathon Petroleum**
- **NextEra Energy**
- **NRG Energy**

Board Member Climate Expertise

This section evaluates whether board directors have specific professional background or expertise relevant to climate change in a business context. Such expertise can enhance board governance of climate risk and opportunity by embedding the integration of climate change business considerations across the gamut of board committee functions. It can facilitate climate competent board-level decision-making, including on business strategy, risk management, executive compensation, capital allocation and climate risk disclosure.

The evaluation in this study did not consider that general environmental expertise, on its own, meets this standard. While many oil and gas company directors have degrees in disciplines such as materials science, mineral engineering and petrophysics, these also do not inherently confer specialized knowledge that translates to climate change expertise. Disciplines such as hydrology, oceanography or soil science might have presented some gray area, but no directors in our study universe appear to have such experience. The criteria were not limited to scientific credentials, however. For instance, one director counted as having climate change expertise is a lawyer who has built a career around the legal matters surrounding climate change and related issues.

This section includes biographic details for directors who appear to have relevant climate change expertise, as well as those who have related environmental expertise not counted as climate-specific or sufficiently relevant. Sources of biographical information include company proxy statements, directors' LinkedIn pages, directors' biographies from other institutions with which they are associated, news sources and tailored Google searches where relevant.

One Board Member with Stated Climate Expertise

ConocoPhillips (12 members)

Jody Freeman is the Archibald Cox Professor of Law at Harvard Law School and founding director of the Harvard Law School Environmental Law and Policy Program. Ms. Freeman formerly served as Counselor for Energy and Climate Change in the White House from 2009 to 2010, where she was the architect of the then-President Obama's historic agreement with the auto industry to double fuel efficiency standards, which launched the administration's greenhouse gas program under the Clean Air Act. Ms. Freeman was also an independent consultant to the National Commission on the Deepwater Horizon Oil Spill and Offshore Drilling in 2010. Ms. Freeman has served as a member of the Administrative Conference of the United States and is a Fellow of the American College of Environmental Lawyers. She has been actively involved in defending the EPA's landmark Clean Power Plan, which sets standards to limit greenhouse gas emissions from the nation's fleet of power plants.

ExxonMobil (11 members)

Susan K. Avery is an atmospheric scientist, and former president and director of the Woods Hole Oceanographic Institution, which includes climate change research and education among its programs. Dr. Avery has experience on advisory committees at NASA, NOAA, the National Science Foundation and the National Park System, and previously at the Climate Change Science Program. She is also affiliated with scientific and environmental organizations (senior fellow of the Consortium for Ocean Leadership, fellow of the American Meteorological Society, the American Association for the Advancement of Science and the Institute of Electrical and Electronics Engineers). She was elected in 2017 after significant pressure from shareholders to nominate an environmental scientist to the board, and to take a stronger approach to climate change risk management.

No Stated Climate Change Expertise But Other Climate Change Related Action/Background

Chevron (12 members)

Robert E. Denham has related experience as a former trustee of the Natural Resources Defense Council, an international environmental nonprofit organization that works to protect the world's natural resources, and former Chairman of the John D. and Catherine T. MacArthur Foundation, which funds environmental and sustainable development programs. **Charles W. Moorman IV**, who also serves on Duke Energy's board of directors, serves as Virginia chapter chair of The Nature Conservancy, a global conservation organization. He also served as a trustee of the Chesapeake Bay Foundation, whose mission is to protect the environmental integrity of the bay.

Chevron has been the target of a long-running shareholder proposal to nominate an environmental expert to its board, which it has consistently opposed on the grounds that its existing board already has an adequate background in the area. The proposal earned 19.6 percent support in 2017, 18.8 percent in 2016 and 19.9 percent in 2015.

Duke Energy (13 members)

Charles W. Moorman IV, who also serves on Chevron's board of directors, has related experience as Virginia chapter chair of The Nature Conservancy, a global conservation organization. He also served as a trustee of the Chesapeake Bay Foundation, whose mission is to protect the environmental integrity of the bay.

Marathon Petroleum (11 members)

J. Michael Stice has related experience as the dean of the Mewbourne College of Earth and Energy at the University of Oklahoma, but his professional experience does not necessarily amount to relevant climate-related expertise.

NRG Energy (13 members)

E. Spencer Abraham (who also serves on Occidental Petroleum's board of directors) has related experience. As the Secretary of Energy under George W. Bush, he would have engaged regularly with issues related to greenhouse gas emissions and climate change. He also sits on the board of directors of Sindicatum Sustainable Resources, a clean energy company.

Occidental Petroleum (11 members)

E. Spencer Abraham (see entry above under NRG Energy)

John E. Feick is the Chairman of Matrix Solutions, a provider of environmental remediation and reclamation services.

PPL (9 members)

William H. Spence, PPL's CEO, Chairman and President, has related experience as a member of the Edison Electric Institute's Finance and Environment and Climate CEO Policy Committees.

Other Company Assessment of Board Member Climate Background

Dominion Energy (12 members)

In 2017, the company opposed a shareholder resolution asking that Dominion nominate an environmental expert to its board, arguing that its environmental track record was already adequate, and that the proposal defined the requisite experience too narrowly. The proposal earned 18.2 percent support. In 2016 a similar proposal earned 19 percent support.

No Stated Climate Change Expertise, No Other Climate-Related Background

- **AES** (10 members)
- **Alliant Energy** (10 members)
- **Chesapeake Energy** (8 members)
- **CMS Energy** (11 members)
- **Devon Energy** (9 members)
- **DTE Energy** (13 members)
- **FirstEnergy** (13 members)
- **Halliburton** (13 members)
- **Kinder Morgan** (16 members)
- **NextEra Energy** (12 members)
- **Range Resources** (11 members)
- **Southern** (15 members)

Political Activity Governance: Oversight and Disclosure

Investors have been asking companies to establish formal board oversight of their companies' political activity and provide more public disclosure of their spending for many years, starting with election spending and moving more recently to encompass lobbying. Since 2010, investors have filed 855 shareholder resolutions on the topic (*see chart*).

The Center for Political Accountability (CPA), founded in 2003, works to address pitfalls inherent in corporate involvement in elections, articulating a management model for risk mitigation. The annual CPA-Zicklin Index, launched in 2011, annually assesses the extent to which S&P 500 companies adhere to the best practice standards articulated in the *Handbook on Corporate Political Activity*, co-authored by the CPA and the Conference Board and released in early 2010.[1] The CPA coordinates dozens of shareholder resolutions annually, surveys companies, and facilitates investor engagement with companies. In parallel with the CPA, investors since 2013 have waged a similar campaign, primarily via shareholder proposals, to persuade companies to apply the CPA model of board oversight and disclosure to the realm of lobbying, which the CPA largely does not address. Both strands of the investor effort seek more transparency about indirect spending in the political system.

Other important investor initiatives on political accountability and transparency include:

- Following a 2011 directive from California Treasurer Bill Lockyear, the California State Teachers' Retirement System adopted a policy calling on company boards of directors to require annual reports from management and to make them "readily accessible to shareholders." In 2015, the California Public Employees' Retirement System also updated its Global Principles of Accountable Corporate Governance to include a subsection on charitable and political contributions by companies.

- The International Corporate Governance Network's ICGN Statement and Guidance on Political Lobbying and Donations, released in March 2012. The statement says long-term investor interests may be harmed by short-term corporate involvement in politics but does not take a position on whether companies "should become actively involved in seeking political influence." It emphasizes guiding principles on legitimacy, transparency, accountability and responsibility. (ICGN is a global investor network whose members have assets under management of over $26 trillion.)

- Tying political activity to climate change, CDP (formerly the Carbon Disclosure Project) in 2013 started to include questions on its annual survey questions about direct and indirect influence on public policy (including activities done through trade associations) as well as consistency between company positions on climate change and such activities. (CDP is backed by more than 800 institutional investors with more than $100 trillion in assets under management.)

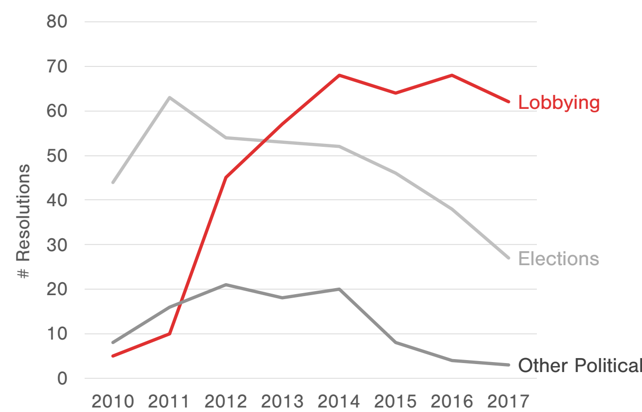
Arguments against disclosure: While companies increasingly appear to be adding more oversight and tighter management practices for their political activity, many nonetheless argue against voluntary spending disclosure. These arguments hold that unilateral disclosure could put them at a competitive disadvantage by revealing plans or strategies,

[1] CPA-Zicklin Index rankings are based on whether companies engage in independent political expenditures, the existence of well-defined policies governing political spending, decision-making and oversight, and disclosure of political expenditures. The Index includes payments to candidates, political committees organized under section 527 of the U.S. tax code, trade associations and 501(c)(4) groups under its definition of political spending. It ranks companies on a scale with a maximum score of 100; it also provides rankings as a percentage of total points.

that contributions undergird overall corporate public relations strategy and help shape legislation that benefits companies and their investors, and that trade associations support business interests and overall relationships valuable to companies. In the past, companies routinely have raised similar concerns regarding competitive advantage and investor interest whenever investors have pressed for new forms of corporate disclosure on environmental, social, and governance topics.

Benchmarking: Since 2010, to measure the extent to which companies have responded to calls for more disclosure, Si2 has collected information about the extent and nature of board oversight and disclosure about both election and lobbying involvement. The section below includes the findings for study companies in 2017, followed by contextual information for the trends in the S&P 500.

Figure 1: Shareholder Resolutions on Political Activity



Excludes 58 resolutions filed by conservative groups, including 15 in 2017.
Source: Si2

Policies

All 21 companies studied have some kind of policy on political activity, mentioning their involvement in elections most commonly. All save two have separate, stand-alone policies; Devon Energy and Kinder Morgan address political activity only in their corporate codes of conduct, however. But Kinder Morgan says it does not spend any treasury money on elections; other specific bans are for candidates and parties (Halliburton, Dominion Resources and PPL) and ballot initiatives (PPL). Six companies—ExxonMobil, Halliburton, Duke Energy, NextEra Energy, PPL and Southern—also discuss their political activity policies in corporate responsibility reports.

Most of the policies address election spending. While most also cover federal lobbying, two do not (Range Resources and DTE Energy). Unlike most companies in the S&P 500 (see comparative section, below), but like their respective sectors, most of the energy and utility firms in this study are relatively likely to discuss state lobbying in their policies; only five do not (AES, Alliant Energy, Halliburton, Kinder Morgan and Range Resources).

Most of the companies explicitly require their boards to exercise oversight of election activity using company resources, although four do not—AES, Devon Energy, Kinder Morgan and NextEra Energy. None of those company boards are explicitly charged with lobbying oversight, either. In addition, CMS, DTE, FirstEnergy, NRG, Occidental and Range Resources also do not provide for any formal board oversight of lobbying.

Table A: Political Activity Policy, Oversight and Governance

(Policies hyperlinked on company names)	Governance Disclosed?		Board Oversight		Policy Covers...		
	Election Spending	Lobbying	Election spending	Any lobbying	...Federal lobbying	...State lobbying	...Independent expenditures
Energy Companies							
Chesapeake Energy	✓	✓	✓	✓	✓	✓	
Chevron	✓	✓	✓	✓	✓	✓	
ConocoPhillips	✓	✓	✓	✓	✓	✓	✓
Devon Energy	✓	✓			✓	✓	
ExxonMobil	✓	✓	✓	✓	✓	✓	
Halliburton	✓	✓	✓	✓	✓		
Kinder Morgan					✓	✓	
Marathon Petroleum	✓	✓	✓	✓	✓	✓	✓
Occidental Petroleum	✓	✓	✓		✓	✓	
Range Resources	✓		✓				
Utilities							
AES	✓				✓		✓
Alliant Energy	✓	✓	✓	✓	✓		
CMS Energy	✓	✓	✓		✓	✓	
Dominion Energy	✓	✓	✓	✓	✓	✓	
DTE Energy	✓		✓				
Duke Energy	✓	✓	✓	✓	✓	✓	
FirstEnergy	✓		✓		✓	✓	
NextEra Energy	✓	✓			✓	✓	
NRG Energy	✓		✓		✓	✓	
PPL	✓	✓	✓	✓	✓	✓	✓
Southern	✓	✓	✓	✓	✓	✓	✓

Spending Practices

All except Kinder Morgan spend corporate treasury money—a shareholder resource—on elections. While four (AES, ConocoPhillips, Halliburton and PPL) specifically eschew making independent expenditures, none of the others do and each might spend in this fashion to influence election outcomes. All except Kinder Morgan and Range Resources have political action committees (PACs). All spend on lobbying at the federal level and all but CMS, Marathon Petroleum and Occidental lobby in the 20 states for which data are available.

Voluntary Disclosure

Even though all the companies spend, in one form or another, to either support candidates or to lobby government officials for measures they consider important to their business interests, only a few voluntarily provide investors and other interested parties with a full picture of how this money is spent:

- **Election spending:** Corporate treasury spending disclosure of election contributions is the most common, but Alliant Energy, CMS, Devon Energy, DTE, FirstEnergy, NextEra Energy, NRG and Range Resources do not provide it.
- **Independent expenditures:** There is almost no voluntary reporting about independent expenditures that companies may be making, although Dominion Energy and Southern do disclose some information.
- **Intermediary groups:** A key sticking point for disclosure advocates is following how much money from companies gets used in elections and in lobbying by non-profit groups such as trade associations (organized under Section 501(c)(6) of the Internal Revenue Code) and social welfare organizations (organized under Section 501(c)(4). Five of the energy companies and seven of the utilities voluntarily report on how much of their support for these groups is used in politics, but nine study companies do not (see table below).
- **Lobbying:** Companies are far less likely to disclose publicly how much they spend on lobbying. Good information is available to the public on federal lobbying from reports filed with the U.S. Senate, which the Center for Responsive Politics parses and makes available to the public. Among the study companies, Chesapeake Energy, Chevron, ExxonMobil, Marathon Petroleum, and NextEra Energy also all make available reports on this information themselves.
- At the state level, the National Institute on Money in State Politics recently began to make available information on lobbying in the following 20 states, giving the most comprehensive picture to date about corporate state lobbying:

Alaska	Iowa	Montana	South Carolina
California	Kentucky	Nebraska	Texas
Colorado	Maine	New Jersey	Vermont
Connecticut	Massachusetts	New York	Washington
Florida	Michigan	Oregon	Wisconsin

Only six of the companies examined in this report voluntarily disclose their state lobbying (Chevron, CMS Energy, Duke Energy, Marathon Petroleum, NextEra Energy and PPL). Still, this is a proportion higher than in the S&P 500 as a whole, as noted below.[2]

[2] Si2's report on state lobbying by S&P 500 companies, published in 2017 with the IRRC Institute, found almost no voluntary state lobbying disclosure. See Heidi Welsh and Robin Young, How Leading U.S. Corporations Govern and Spend on State Lobbying. IRRC Institute, 2017.

Table B: Political Activity Spending and Disclosure

	Spending				Disclosures				
	Treasury $ to elections?	Independent expenditures?	PAC?	Lobbying?	Treasury election $	Independent expenditure $	Non-profit group $	State lobbying $	State lobbying $
Chesapeake Energy	✓	?	✓	✓	✓		X	✓	
Chevron	✓	?	✓	✓	✓		X	✓	✓
ConocoPhillips	✓		✓	✓	✓	NA			
Devon Energy	✓	?	✓	✓					
ExxonMobil	✓	?	✓	✓	✓		✓	✓	
Halliburton	✓		✓	✓	✓	NA			
Kinder Morgan		✓		✓	NA	NA			
Marathon Petroleum	✓	?	✓	✓	✓		✓	✓	✓
Occidental Petroleum	✓	?	✓	✓	✓				
Range Resources	✓	?		✓					
AES	✓		✓	✓	✓	NA	✓		
Alliant Energy	✓	?	✓	✓					
CMS Energy	✓	?	✓	✓			✓		✓
Dominion Energy	✓	?	✓	✓	✓	✓	✓		
DTE Energy	✓	?	✓	✓			✓		
Duke Energy	✓	?	✓	✓	✓		✓		✓
FirstEnergy	✓	?	✓	✓					
NextEra Energy	✓	?	✓	✓				✓	✓
NRG Energy	✓	?	✓	✓					
PPL	✓		✓	✓	✓	NA	✓		✓
Southern	✓	?	✓	✓	✓	✓	✓		

Intermediary Groups

Policies: Companies increasingly are mentioning trade associations in their political activity policies, but they are less likely to discuss other non-profit groups that are politically active (especially if they are energy firms) and none of the study group companies have policies that mention groups that offer up model legislation (in practice, the main group in question is the American Legislative Exchange Council). None of the study companies ban making contributions to any intermediary groups.

Expenditure disclosure: Companies most commonly disclose partial information on some of the non-profit groups in which they are members; they are less likely to disclose payments to these groups that can be used either in elections or for lobbying. CMS Energy and PPL—both utilities—stand out as the only ones in the study group to disclose all intermediary payments. About half (nine companies) set thresholds that trigger disclosure of payments—usually $50,000. Six energy companies and eight utilities do not voluntarily report anything about their payments to intermediaries (*see table*). None of the energy companies disclose all contributions and payments to intermediaries that are used for elections and lobbying, while CMS, DTE, Dominion and PPL—alone among the utilities—do make this information public. As the table below makes clear, non-disclosure of dues and payments to intermediary groups that goes to elections and lobbying is the default.

Table C: Intermediary Group Policies and Disclosures

	Policies on...				Disclosures...						
	Trade groups?	Other non-profits?	Model legislation groups?	Non-profits spending ban?	Discloses memberships?	Discloses payments?	Disclosure threshold	Type of $ disclosure	All political $	Lobbying $ only	Election $ only
Energy Companies											
Chesapeake Energy	✓				Partial	Partial		Dues & Payments			
Chevron	✓				Partial	Partial		Dues & Payments			
ConocoPhillips	✓				Partial		$50,000	None			
Devon Energy								None			
ExxonMobil	✓	✓						None			
Halliburton	✓				Partial	Partial	$50,000	None		✓	
Kinder Morgan								None			
Marathon Petroleum	✓				Partial	Partial	$50,000	Dues		✓	
Occidental Petroleum	✓				Partial	Partial	$50,000	Dues		✓	
Range Resources	✓				Partial			None			
Utilities											
AES	✓	✓			Partial	Partial		None		✓	
Alliant Energy	✓	✓						None			
CMS Energy	✓	✓			Partial	✓	$25,000	Dues	✓	NA	NA
Dominion Energy	✓	✓			Partial	Partial	$50,000	None	✓	NA	NA
DTE Energy	✓	✓			Partial	Partial	$50,000	Dues & Payments	✓	NA	NA
Duke Energy	✓				Partial	Partial	$50,000	None			
FirstEnergy	✓	✓			No	No		None			
NextEra Energy	✓				No	No		None			
NRG Energy	✓				No	No		None			
PPL	✓	✓			Partial	✓		Dues	✓	NA	NA
Southern	✓	✓			Partial	Partial	$50,000	None			✓

Comparisons

As noted above, Si2 has analyzed corporate political activity governance and expenditures, covering both election spending and lobbying, since 2010 and updated the index again in late 2017. (*See table below.*)

Oversight and disclosure: These benchmarking data show a gradual increase in explicit board oversight of corporate election activity and spending, and a commensurate but slower increase in oversight of lobbying. Companies' voluntary disclosure of expenditures outside the bounds of statutory requirements has substantially increased over the course of the decade, but lobbying disclosure lags that for elections. Almost no S&P 500 companies make information available on their state lobbying spending. States are key players in national environmental policy, with disparate strategies. Some, like California and many in the Northeast, have set strict greenhouse gas emissions goals and have more stringent environmental protections. Others take a more laissez-faire, deregulatory approach.

Discernible spending from corporate treasuries on elections has fallen by 10 percentage points since Si2 began assessing it in 2011. This does not necessarily mean corporate participation in elections has fallen, though—it may mean that the spending simply has become hidden from public view as companies use more private avenues to influence U.S. elections.

Intermediary groups: Key conduits of "dark money"—funding from undisclosed sources—are non-profit groups that legally need not disclose their contributors; these include both trade associations and social welfare organizations, as mentioned above. More than half of the S&P 500 now have policies addressing this type of spending for trade groups, while about one-third also discuss other non-profits that are active in the political arena; these proportions have increased significantly over the decade. Almost no companies forbid these groups from using their funds for political purposes, either in elections or on lobbying. Transparency about corporate relationships with non-profits is clearly on the increase, however, but from a low baseline (just 14 percent of the index mentioned trade groups in 2010 and 56 percent do now). In 2017, 45 percent of the S&P 500 made public at least some information on their memberships, while one-third disclosed at least some information on contributions to them; still, just 6 percent indicate specifically that they disclose dues and payments used for political purposes.

Energy and utility sectors and study firms: Utilities are highly active in the political arena and tend to have policies that conform with the best practices requested by investor disclosure and oversight proponents. This is true for large energy companies to a somewhat lesser extent, as well, but their performance on the key metrics lags utilities. Yet having policies that tick the boxes on the governance concerns articulated by investors and "good government" advocates does not mean companies are very transparent about how much they spend. Few offer up such information and publicly available data do not paint the full picture of all the ways in which they can affect the political arena.

Table D: Corporate Political Activity Governance & Disclosure in the S&P 500, 2010-2017

Key Performance Indicator	2010	2011	2013	2014	2015	2016	2017	Change[3]	2017 All Energy	2017 All Utilities	2017 Study
Any political activity policy?	78%	85%	88%	88%	87%	90%	91%	+13	100%	100%	100%
Electoral Spending Policies and Disclosures											
Management transparency on decisions?[1]	58%	64%	70%	71%	72%	75%	76%	+18	88%	96%	95%
Board oversight of election activity?	23%	31%	42%	46%	46%	50%	50%	+27	67%	75%	76%
Spends from treasury on elections?	NA	76%	73%	68%	64%	62%	66%	-10	76%	96%	95%
Policy on independent expenditures?	1%	16%	18%	25%	29%	34%	37%	+36	33%	46%	19%
Voluntary disclosure of treasury election $?	15%	20%	29%	35%	37%	41%	42%	+27	76%	96%	95%
Lobbying Policies and Disclosures											
Lobbying included in policy?	NA	36%	53%	57%	61%	62%	64%	+28	76%	93%	90%
Management transparency on decisions?[1]	NA	NA	39%	44%	47%	51%	54%	+15	61%	75%	71%
Board oversight of lobbying?	NA	NA	16%	19%	23%	26%	29%	+13	48%	50%	52%
Voluntary disclosure of any lobbying $?	NA	3%	7%	8%	12%	12%	13%	+10	21%	25%	33%
Any state amounts disclosed?	NA	NA	NA	NA	3%	3%	8%	+5	18%	29%	29%
Non-Profit Groups											
Policy on trade association spending?	14%	24%	39%	46%	51%	54%	56%	+42	76%	89%	90%
Policy on other non-profit groups?	NA	5%	11%	17%	23%	30%	30%	+25	30%	61%	38%
...on model legislation groups?	NA	NA	NA	NA	NA	NA	2%	NA	0%	0%	0%
Bans political use of co. $ by non-profits?[2]	NA	1%	4%	6%	6%	7%	6%	+5	3%	0%	0%
Discloses any non-profit memberships?	NA	20%	29%	36%	40%	44%	45%	+25	58%	79%	62%
Discloses any non-profit payments?	9%	14%	21%	26%	29%	31%	33%	+24	52%	75%	52%
...dues and payments for elections/lobbying	NA	NA	NA	NA	NA	NA	6%	NA	15%	18%	14%

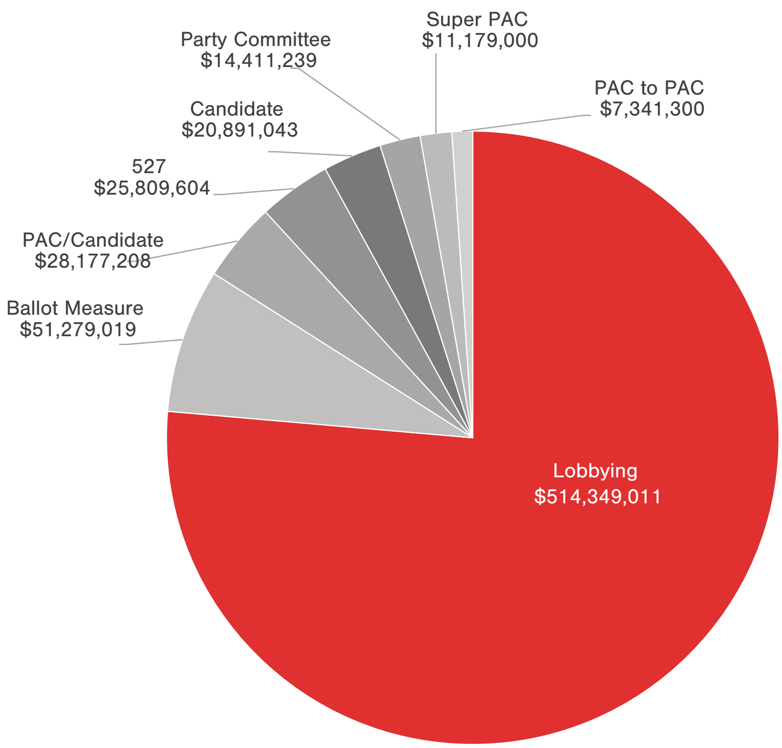
[1]Official making decisions on election spending/lobbying identified.
[2]Including 501(c)(4) groups
[3]Percentage points change since baseline year (varies as shown)

Political Activity Spending Footprint Analysis

In the last three full election cycles, between 2011 and 2016, the 21 energy and utility companies included in this report spent more than half a billion dollars to both influence U.S. elections at the federal and state level[3] and to lobby elected and other government officials. The 10 energy companies spent 54 percent of the total ($348 million) and the 11 utilities another $325 million. Two-thirds was at the federal level.

This section provides an overview of the spending patterns by study companies in each of the expenditure categories examined, followed by sections with more explanations for each category and details on study companies.

Figure 2: Total Study Company Political Activity Footprint, 2011-16



Source: Center for Responsive Politics, www.opensecrets.org, National Institute on Money in State Politics, www.followthemoney.org, Political MoneyLine, www.politicalmoneyline.com

[3] As discussed below, federal law bars companies from donating money to individual candidates for Congress from the corporate treasury. However, companies can use such treasury money to make independent expenditures that discuss a candidate's record, and they can make donations to certain politically active organizations, e.g., The Republican Governors Association. State laws vary, and some states do permit companies to make contributions directly to a candidate's campaign.

Figure 3: Political Activity Footprint Breakdown, 2011-16

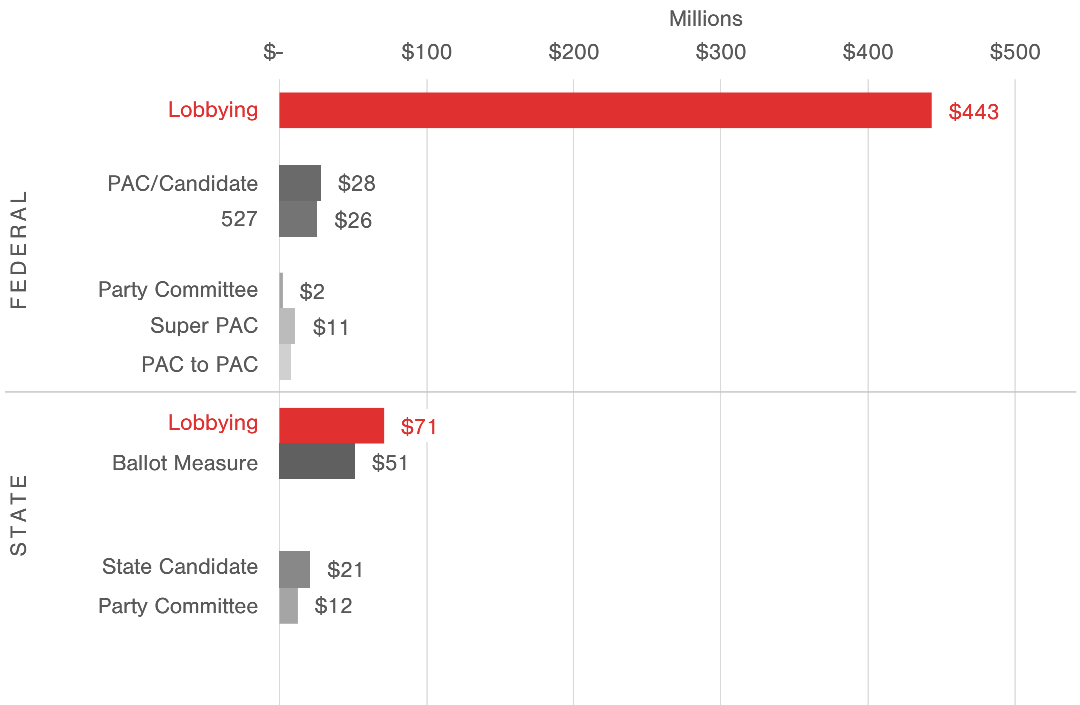
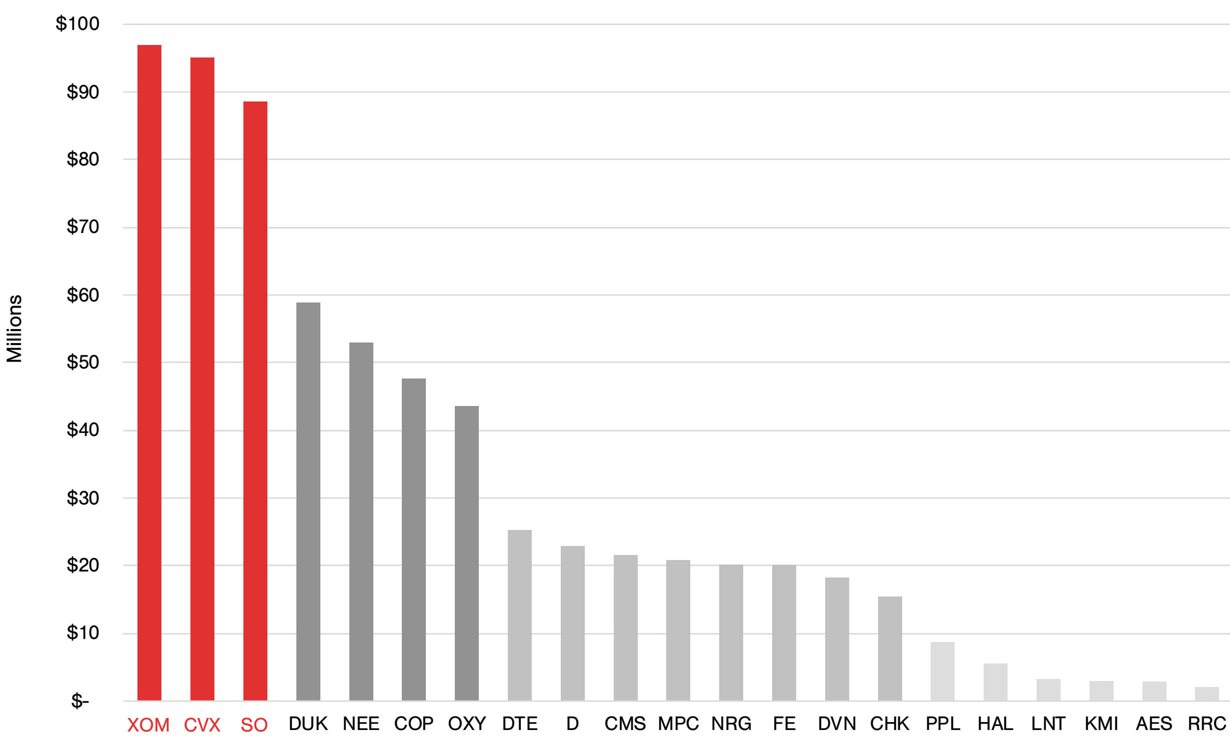


Figure 4: Total Study Company Political $ Footprint, 2011-16



Source: Center for Responsive Politics, www.opensecrets.org, National Institute on Money in State Politics, www.followthemoney.org, Political MoneyLine, www.politicalmoneyline.com

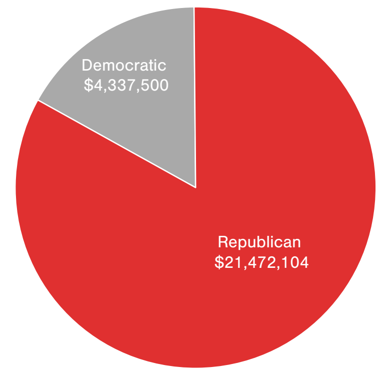
Spending Patterns

Lobbying dominated: While much public discourse focuses on the extent and nature of corporate political spending in elections, the vast majority of money from companies is actually spent outside elections on lobbying, with most of this money directed at federal policy. Companies in the study spent $514 million on lobbying, with $443 million directed to the U.S. Congress and national regulators. But they also spent $71 million in the 20 states for which data are available. (Details, page 35-36).

Ballot measures: Companies also sought to influence how voters perceived state-level ballot initiatives, spending $51 million in the study period. After examining all the data for the 21 companies about ballot measure spending in the states, it is clear that while there are fewer contributions from companies to these initiatives, compared to the number of instances of other types of spending, the amounts are far higher, per contribution. It is intensive and impactful. Companies in the study spent more on just a handful of initiatives than they did in any other category of spending aside from lobbying. Just two utility companies spent more than half of this sum, helping to defeat a proposed 2012 Michigan measure aiming to boost renewable energy requirements. (Details, page 37-41).

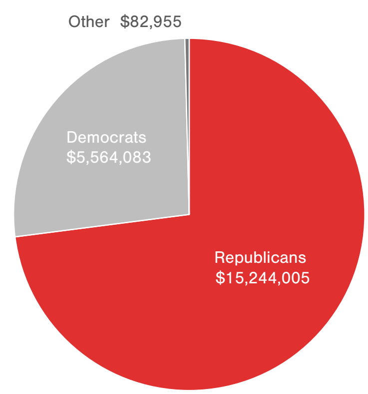
PAC/candidate: Company PACs made up the third largest category of spending for the companies in the study, with about $28 million in contributions. (Details, page 42-43).

Figure 8: 527 Political Committee Contributions by Study Companies, 2011-16



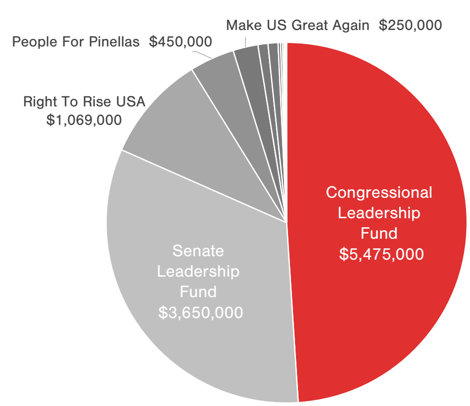
Source: Political MoneyLine, www.politicalmoneyline.com

Figure 9: State Candidate Contributions by Study Companies, 2011-16



Source: National Institute on Money in State Politics, www.followthemoney.org

Figure 10: Super PAC Contributions by Study Companies, 2011-16



Source: Center for Responsive Politics, www.opensecrets.org

527 political committees: Contributions by companies in the study to political committees working to influence elections totaled $26 million; 88 percent went to Republican-affiliated groups and 12 percent to Democratic ones. (Details, page 44-45).

Candidates: Companies in the study spent just under $21 million in the last three full election cycles in state candidate elections. Spending was heavily one-sided, with 73 percent of partisan-identified spending going to Republicans, 27 percent to Democrats and less than one-half of 1 percent to others. (Details, page 46-54).

Super PACs: Companies in the study contributed $10.8 million to support a dozen super PACs in the six years studied. In addition, they contributed another $1.8 million to super PACs in 2017. Eighty-five percent went to the Congressional Leadership Fund, founded in 2011 "exclusively dedicated to protecting and strengthening the Republican Majority in the House of Representatives," and to the Senate Leadership Fund. The Senate Fund's website says, as of January 2018, that it aims "to protect and expand the Republican Senate Majority when Elizabeth Warren, Bernie Sanders and Chuck Schumer, together with their army of left-wing activists, try to take it back in 2018." All these contributions went to super PACs working to elect Republican candidates; none went for Democratic candidate supporters. (Details, page 55-44).

Party committees: The study companies supported political party committees, which work to support their candidates in elections and pursue other partisan goals. Just over $2 million went to national party conventions, most during the 2016 Presidential election—with 83 percent to Republicans and 17 percent to Democrats. At the state level, $14.4 million in spending was a little more bipartisan, with about 30 percent going to state Democratic party committees and 70 percent to Republicans. (Details, page 58-61).

PAC to PAC: Company PACs sometimes contribute not only to specific candidates, but also to other PACs. For the study period, the 21 companies under examination contributed $7.3 million in such spending, with most ($5.7 million) coming from utilities and another $1.6 million from energy companies. Analysis of the spending by party was beyond the scope of this study but the section below includes links to enable further analysis. (Details, page 62).

Top-heavy spending: Just three companies accounted for more than 40 percent of all the spending examined in this study

- ExxonMobil ($96.9 million),
- Chevron ($95.1 million) and
- Southern ($88.6 million)

The next four largest contributors made up another 30 percent of the total:

- Duke ($58.8 million)
- NextEra Energy ($52.9),
- ConocoPhillips ($47.7 million) and
- Occidental Petroleum ($43.6 million)

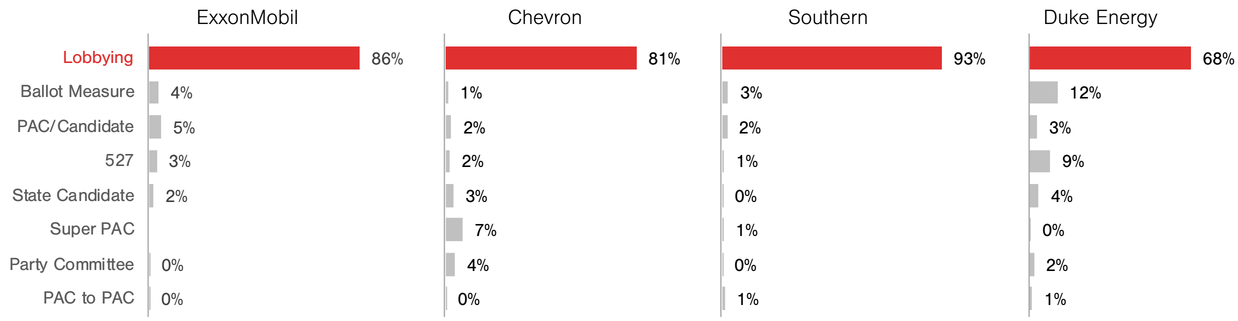
A clear middle tier spent between $15 million and $25 million—DTE Energy, Dominion Energy, CMS Energy, Marathon Petroleum, NRG Energy, FirstEnergy, Devon Energy and Chesapeake Energy.

Six spent markedly less: energy companies Halliburton ($5.5 million), Kinder Morgan ($2.9 million), Range Resources ($2.1 million) and utilities AES ($2.9 million), Alliant Energy ($3.2 million) and PPL ($8.7 million).

Patterns: Among the top spenders, Southern had the least diversification, with nearly all (93 percent) for lobbying, while Duke was the most diverse, contributing two-thirds for lobbying, 12 percent to ballot initiatives and 9 percent to 527 political committees.

Spending to support candidates, either through PACs at the federal level or via both PACs and direct contributions at the state level, was relatively insignificant compared to the total for study companies; ExxonMobil's share was the most, with $4.7 million.

Figure 12



Source: Center for Responsive Politics, www.opensecrets.org, National Institute on Money in State Politics, www.followthemoney.org, Political MoneyLine, www.politicalmoneyline.com

Lobbying

Companies use several different methods to sway the outcome of elections, but they spend three times as much on lobbying, with most at the federal level. Lobbying is considered protected free speech, a fundamental right enshrined in the U.S. Constitution. But it also is subject to a wide variety of definitions and disclosure requirements.

Disclosure requirements: At the federal level, information must be reported in each quarter, from lobbying firms with figures rounded to the nearest $10,000 received from each client, or from companies that report in-house lobbying expenses also rounded to the nearest $10,000. For federal spending, companies can choose to report their federal lobbying expenditures using one of two methods; the Lobbying Disclosure Act (LDA) approach has a more expansive list of covered public officials but does not include state and grassroots amounts, while the Internal Revenue Code (IRC) method has a narrower list of covered officials but does include state and grassroots activity. All but DTE Energy and Occidental Petroleum in the study report using the LDA method, so state lobbying figures for these two firms may be double-counted, depending on state disclosure requirements. (Federal lobbying reporting does not break down figures by geography.) The Secretary of the U.S. Senate's Office of Public Records collects and publishes data. The Center for Responsive Politics provides additional information on lobbying reporting on its website, and provides a user-friendly interface to examine the public record. The Center is the source of data in this study on federal lobbying.

State definitions about what constitutes lobbying and what must be reported vary. The National Institute on Money in State Politics has begun to collect and publish data from the states where electronic reporting and disclosure parameters makes this possible, and it is the source of state lobbying data used in this study. Requirements vary significantly so the information is not strictly comparable; the Institute analyzed state lobbying disclosure and published a 50-state assessment of its findings in 2015. The National Conference of State Legislatures explains how each of the 50 states define "lobbying" and "lobbyist" and the different state lobbying reporting requirements as of October 2017.

Study: Companies in the study spent about $514.3 million on lobbying during the six years studied. Fully 87 percent ($443.3 million) was at the federal level, but that total fell by $18 million over the six-year period. At the same time, the state total increased by three-quarters, rising from $7.2 million in 2011 to $12.8 million in 2016. (So far, data also show $50.4 million in federal lobbying for 2017—amounts which do not include the full year's expenditures. State lobbying data are not available yet for 2017.) As the Center for Responsive Politics noted last year, federal lobbying increasingly is obscured from the public record. In a June 2017 report, it concluded:

> *...the decreasing number of lobbyists appearing on the public record doesn't mean that lobbying activity is actually on the decline. Despite rhetoric by both Presidents Obama and Trump about reducing the influence of lobbyists and the fact that publicly reported lobbying spending is diminishing, we show that many lobbyists are not leaving their field but instead continuing their work off the record. In 2017, the trend of lobbyists remaining with the same employer but no longer showing up on lobbyist disclosure forms appears to be on the rise. Although we do find some differences by partisanship, the bigger picture is that despite denunciations of lobbyists by senior politicians in both parties, more and more lobbying goes on beyond public scrutiny, making it harder to hold those in power to account.*[4]

[4] Dan Auble and Sarah Bryner, "Out of the swamp... or into the shadows?" Center for Responsive Politics, June 28, 2017. www.opensecrets.org/news/reports/shadow-lobbying

Seventy percent of state lobbying assessed in this study occurred in three states:

- California ($28.7 million, or 40 percent of the 20-state total), which has some of the most robust reporting requirements in the country,
- Texas ($12.9 million, 18 percent of the state total) and
- Florida ($8.9 million, 12 percent of the state total)

Companies spent less than $4 million in each of the other 17 states where lobbying data are available.

Companies: At the federal level, Southern was far and away the biggest federal lobbying spender, with $80.2 million in expenditures. Close behind were the two overall biggest spenders, ExxonMobil ($76 million), Chevron ($53 million) and Occidental Petroleum ($42 million). Southern was the only one of these four to increase its spending, however. Other standouts in federal lobbying volume were Duke Energy and ConocoPhillips ($38 million each, although more than half of Conoco's occurred in 2011 and its total has since declined, coming in at less than $3 million in 2016).

In the states, Chevron was the largest spender on lobbying, with $24 million, most of it (about $22 million) in California. NextEra Energy came in a distant second, with $9.8 million (with $5 million in Florida). Third was NRG Energy, with $7.9 million, half of which was in Texas. Fourth-place ExxonMobil paid out $7.8 million, with most ($3.1 million) in California and another $1 million-plus in both Texas and Alaska. Each of the other companies spent less than $4 million over the six years, with the smallest amounts disbursed by Alliant Energy, AES and Range Resources.

Table 1: Total Political Activity Footprints for Study Companies, 2011-16

	Lobbying	Ballot Measures	PAC/ Candidate	527 Committees	State Candidates	Party Committees	Super PACs	PAC to PAC	Total	% of total/ of sector
Energy	$285,804,141	$8,925,020	$16,539,058	$11,787,500	$10,679,957	$4,363,475	$8,535,000	$1,613,800	$348,247,951	52%
XOM	$83,424,126	$3,742,711	$4,720,000	$3,055,000	$1,770,695	$164,000		$55,000	$96,931,533	28%
CVX	$76,661,233	$949,000	$2,216,000	$1,655,000	$3,081,239	$3,710,500	$6,815,000	$5,000	$95,092,972	27%
COP	$40,648,242	$4,138,308	$999,250	$930,000	$766,475	$165,500		$15,000	$47,662,775	14%
OXY	$41,927,309		$1,066,250	$140,000	$16,200		$185,000	$246,000	$43,580,759	13%
MPC	$15,480,000	$5,000	$2,426,700	$212,500	$1,813,475	$154,500	$10,000	$728,000	$20,830,175	6%
DVN	$10,166,197	$45,000	$1,120,500	$4,260,000	$1,111,778	$32,300	$1,255,000	$244,800	$18,235,576	5%
CHK	$10,609,940	$45,000	$2,242,918	$220,000	$1,673,274	$78,325	$250,000	$274,000	$15,393,457	4%
HAL	$3,605,200		$1,747,440	$25,000	$95,625		$20,000	$46,000	$5,539,265	2%
KMI	$2,906,894								$2,906,894	1%
RRC	$375,000			$1,290,000	$351,195	$58,350			$2,074,545	1%
Utilities	$228,544,870	$42,354,000	$11,638,150	$14,022,104	$10,211,336	$10,047,764	$2,644,000	$5,727,500	$325,189,724	49%
SO	$82,160,000	$2,219,450	$1,752,075	$695,529	$190,350	$540,750	$44,000	$955,000	$88,557,154	28%
DUK	$40,176,467	$6,986,998	$1,919,100	$5,220,500	$2,363,303	$1,191,784	$250,000	$739,000	$58,847,152	18%
NEE	$29,798,634	$8,126,000	$1,584,000	$4,373,575	$1,356,810	$4,261,881	$2,350,000	$1,084,000	$52,934,900	17%
DTE	$9,095,653	$12,497,123	$1,198,950	$360,000	$898,235	$534,000		$698,800	$25,282,761	8%
D	$15,049,879	$1,000	$1,615,875	$1,115,000	$2,709,564	$1,664,908		$740,800	$22,897,026	7%
CMS	$7,531,000	$12,493,429	$590,200	$30,000	$498,614	$237,500		$192,000	$21,572,743	7%
NRG	$18,201,379	$30,000	$296,350	$270,000	$1,129,334	$90,289		$134,500	$20,151,852	6%
FE	$16,042,095		$1,297,750	$1,070,000		$1,250,054		$427,400	$20,087,299	6%
PPL	$6,034,921		$947,500	$17,500	$814,181	$209,300		$709,000	$8,732,402	3%
LNT	$2,001,441		$215,200	$670,000	$235,420	$67,300		$43,000	$3,232,361	1%
AES	$2,453,400		$221,150	$200,000	$15,525			$4,000	$2,894,075	1%
Total	$514,349,011	$51,279,019	$28,177,208	$25,809,604	$20,891,293	$14,411,239	$11,179,000	$7,341,300	$673,437,675	

Sources: Center for Responsive Politics, www.opensecrets.org, National Institute on Money in State Politics, www.followthemoney.org, Political MoneyLine, http://www.politicalmoneyline.com/

Table 2: Lobbying by Study Companies, 2011-16, by Geography

	2011	2012	2013	2014	2015	2016	Total	% of total/ of state total
Federal	$83,126,376	$77,604,516	$76,328,679	$73,913,502	$67,291,184	$65,094,901	$443,359,158	86%
State	$7,236,912	$10,927,546	$12,481,130	$13,510,984	$14,042,993	$12,790,289	$70,989,853	14%
CA	$4,477,610	$3,856,599	$5,064,156	$5,442,695	$5,163,362	$4,745,009	$28,749,431	40%
TX		$2,410,000	$2,465,000	$2,850,000	$2,730,000	$2,415,013	$12,870,013	18%
FL	$1,596,000	$1,415,000	$1,505,000	$1,335,000	$1,350,000	$1,670,000	$8,871,000	12%
CT		$799,642	$961,257	$711,585	$670,994	$856,149	$3,999,628	6%
NY	$688,833	$672,097	$489,369	$642,667	$731,087	$599,430	$3,823,483	5%
NJ		$603,314	$560,535	$722,902	$757,227	$632,099	$3,276,077	5%
AK		$310,625	$444,555	$440,112	$360,552	$238,012	$1,793,856	3%
MI		$268,250	$301,487	$282,683	$401,556	$396,263	$1,650,238	2%
MA				$203,050	$928,353	$406,380	$1,537,783	2%
SC		$218,404	$233,364	$240,651	$288,499	$291,327	$1,272,246	2%
CO	$162,769	$147,873	$199,297	$227,783	$195,979	$156,095	$1,089,795	1%
WI	$190,486	$146,823	$148,669	$133,668	$137,987	$96,834	$854,467	1%
MT	$114,979	$52,709	$95,088	$33,138	$46,736		$342,651	0.5%
KY		$19,041	$12,733	$95,229	$54,804	$93,949	$275,757	0.4%
WA				$101,822	$86,431	$55,319	$243,572	0.3%
IA				$48,000	$40,300	$49,200	$137,500	0.2%
NE					$56,500	$54,000	$110,500	0.2%
OR					$38,875		$38,875	0.1%
VT						$35,211	$35,211	0.05%
ME	$6,235	$7,168	$620		$3,750		$17,773	0.03%
Total	$90,363,288	$88,532,062	$88,809,809	$87,424,486	$81,334,177	$77,885,190	$514,349,011	

Sources: Center for Responsive Politics, www.opensecrets.org, National Institute on Money in State Politics, www.followthemoney.org, Political MoneyLine, http://www.politicalmoneyline.com/

Table 3: Lobbying by Study Companies, 2011-16, by Level and Company

	2011	2012	2013	2014	2015	2016	Total	% of total/ level
Federal	$83,126,376	$77,604,516	$76,328,679	$73,913,502	$67,291,184	$65,094,901	$443,359,158	86%
SO	$12,660,000	$15,540,000	$12,810,000	$12,310,000	$12,970,000	$13,900,000	$80,190,000	18%
XOM	$12,730,000	$12,970,000	$13,420,000	$12,650,000	$11,980,000	$11,840,000	$75,590,000	17%
CVX	$9,510,000	$9,550,000	$10,530,000	$8,280,000	$7,200,000	$7,470,000	$52,540,000	12%
OXY	$4,295,769	$6,719,195	$8,271,326	$9,198,798	$7,356,320	$6,085,901	$41,927,309	9%
COP	$20,557,043	$3,863,736	$4,242,353	$3,969,840	$3,135,583	$2,498,000	$38,266,555	9%
DUK	$6,340,000	$7,250,000	$5,990,000	$5,870,000	$5,762,000	$6,770,000	$37,982,000	9%
NEE	$1,860,000	$4,620,000	$3,950,000	$4,570,000	$2,180,000	$2,810,000	$19,990,000	5%
MPC	$880,000	$2,070,000	$2,590,000	$3,360,000	$3,570,000	$3,010,000	$15,480,000	3%
FE	$2,365,000	$2,850,000	$2,200,000	$2,135,864	$2,232,281	$1,856,000	$13,639,145	3%
D	$1,470,000	$1,980,000	$2,190,000	$2,010,000	$2,230,000	$2,800,000	$12,680,000	3%
NRG	$2,040,000	$2,500,000	$2,010,000	$1,460,000	$1,340,000	$990,000	$10,340,000	2%
CHK	$2,090,000	$1,800,000	$1,800,000	$1,740,000	$1,110,000	$540,000	$9,080,000	2%
DVN	$1,030,000	$1,190,000	$1,800,000	$1,980,000	$1,960,000	$1,060,000	$9,020,000	2%
DTE	$1,630,000	$1,280,000	$1,260,000	$1,300,000	$1,190,000	$880,000	$7,540,000	2%
CMS	$1,220,000	$1,270,000	$1,290,000	$1,141,000	$1,280,000	$1,330,000	$7,531,000	2%
PPL	$1,350,000	$1,260,000	$930,000	$840,000	$460,000	$310,000	$5,150,000	1%
AES	$510,000	$320,000	$370,000	$210,000	$380,000	$360,000	$2,150,000	0.5%
HAL	$300,000	$260,000	$405,000	$465,000	$385,000	$335,000	$2,150,000	0.5%
LNT	$288,564	$311,585	$270,000	$243,000	$210,000	$165,000	$1,488,149	0.3%
KMI				$60,000	$300,000	$15,000	$375,000	0.1%
RRC				$120,000	$60,000	$70,000	$250,000	0.1%
States	$7,236,912	$10,927,546	$12,481,130	$13,510,984	$14,042,993	$12,790,289	$70,989,853	14%
CVX	$3,087,624	$2,963,394	$4,413,447	$4,877,152	$4,508,993	$4,270,622	$24,121,233	34%
NEE	$1,240,118	$1,410,854	$1,509,070	$1,481,139	$1,763,736	$2,403,717	$9,808,634	14%
NRG	$332,500	$1,424,353	$1,277,931	$1,709,145	$1,716,287	$1,401,163	$7,861,379	11%
XOM	$844,282	$1,368,431	$1,426,359	$1,656,908	$1,390,798	$1,147,349	$7,834,126	11%
KMI		$80,000	$260,000	$593,049	$1,276,172	$322,674	$2,531,894	4%
FE		$380,431	$392,860	$525,051	$545,008	$559,599	$2,402,950	3%
COP	$709,169	$583,029	$331,603	$328,420	$314,753	$114,712	$2,381,687	3%
D	$6,956	$430,455	$638,594	$374,642	$347,133	$572,100	$2,369,879	3%
DUK		$233,196	$316,998	$494,079	$559,872	$590,323	$2,194,467	3%
SO	$400,000	$395,000	$245,000	$255,000	$345,000	$330,000	$1,970,000	3%
DTE		$246,350	$265,657	$274,445	$391,838	$377,363	$1,555,653	2%
CHK	$257,177	$402,345	$301,667	$204,167	$164,583	$200,001	$1,529,940	2%
HAL	$72,000	$446,200	$487,000	$250,000	$100,000	$100,000	$1,455,200	2%
DVN	$10,310	$250,000	$260,887	$175,000	$225,000	$225,000	$1,146,197	2%
PPL	$70,679	$147,026	$177,702	$177,329	$272,185	$40,000	$884,921	1%
LNT	$140,603	$91,481	$91,065	$75,458	$78,198	$36,487	$513,292	1%
AES	$65,493	$50,000	$60,291	$35,000	$18,436	$74,180	$303,400	0.4%
RRC		$25,000	$25,000	$25,000	$25,000	$25,000	$125,000	0.2%
Total	$90,363,288	$88,532,062	$88,809,809	$87,424,486	$81,334,177	$77,885,190	$514,349,011	

Sources: Center for Responsive Politics, www.opensecrets.org and National Institute on Money in State Politics, www.followthemoney.org

Ballot Initiatives

Initiatives typically may be placed on the ballot after citizens collect a required number of signatures, allowing sponsors of the initiative to bypass the legislature and take lawmaking directly to the electorate. Initiatives were originally promoted to rein in the power of special interests and give voice to ordinary citizens, but critics now contend that in many states the process has been co-opted by those same special interests. Corporate contributions to initiatives are practically unlimited since there is very little regulation and many companies that otherwise prohibit corporate political contributions carve out exceptions for spending on ballot initiatives. According to the Ballot Initiative Strategy Center, which calls itself "the progressive nerve center for progressive ballot initiative campaigns across the country," 24 states allow for some form of citizen-initiated ballot initiatives; 17 of those states are west of the Mississippi River.

Disclosure requirements: States vary in their requirements for what must be disclosed about ballot initiatives. Ballotpedia provides a 50-state description of the types of campaign finance requirements about these initiatives. Data in the study come from the National Institute on Money in State Politics.

Study: Companies in the study spent just over $51 million between 2011 and 2016 on state ballot initiatives. In three notable cases, companies turned back a stronger renewable energy standard in Michigan and saved a tax break in Alaska, but lost in a bid that would have slowed solar development in Florida:

- **Clean Affordable Renewable Energy for Michigan Coalition:** Half of the ballot initiative spending for this committee came from just two companies—CMS Energy and DTE Energy—in what turned out to be a successful bid to defeat a measure that would have set aggressive renewable energy targets for the state. Each firm spent about $12 million on the effort in 2012, but the measure ultimately gained support from only 38 percent of voters. As Ballotpedia explains, the Michigan Renewable Energy Amendment to the state's constitution would have required that one-quarter of the state's electricity come from renewable resources by 2025. It was initiated by Michigan Energy, Michigan Jobs, which supports more renewable energy production in the state.

  CMS and DTE joined forces with the Michigan Chamber of Commerce, a group called Citizens Protecting Michigan's Constitution, and Governor Rick Snyder.

- **Vote No on One:** In 2014, voters narrowly defeated the Alaska Oil Tax Cuts Veto Referendum, Ballot Measure 1, 52 percent to 48 percent. It sought to repeal a state law that granted tax breaks to oil companies, upon which the state depends for most of its revenue. Supporters of the measure argued the tax breaks did not benefit state residents, but rather the companies, while opponents believed the companies needed incentives to continue oil drilling in the state.

  ConocoPhillips, ExxonMobil and Chevron contributed $7.7 million to the Vote No on One committee opposed to the measure, out of the $13 million the committee raised in all. Supporters raised about $630,000**,** according to the National Institute on Money in State Politics.

- In Florida, a committee called **Consumers for Smart Solar** ran a campaign in support of the 2016 Florida Solar Energy Subsidies and Personal Solar Use Initiative, which claimed it would encourage solar energy by giving residents the right to own or lease solar equipment for personal use, while protecting them from subsidizing solar production in general. Florida Supreme Court Justice Barbara Pariente opined in April 2016, however, "Masquerading as a pro-solar energy initiative, this proposed constitutional amendment, supported by some of Florida's major investor-owned electric utility companies, actually seeks to constitutionalize the status quo," Ballotpedia notes. *The Miami Herald* called Consumers for Smart Solar a "deceptive strategy" and voters ultimately defeated it.

NextEra Energy subsidiary Florida Power and Light spent $8 million, Duke $6.7 million and Southern $2.2 million to support the two-year campaign for the measure. While opponents raised only $513,894 to oppose the initiative, and supporters more than $26.4 million, voters defeated the measure. A slim majority supported it (50.8 percent), but it needed a supermajority of 60 percent to pass.

Table 4: Ballot Measure Spending by State

State	Initiative	Amount
MI	Clean Affordable Renewable Energy for Michigan Coalition	$24,106,552
	Detroit Edison Ballot Question Committee	$300,000
	Taxpayers Against Monopolies	$250,000
	Michigan Citizens for Better Roads & Schools	$225,000
	MI Citizens for Strong & Safe Communities	$100,000
	Michigan Chamber of Commerce	$9,000
FL	Consumers for Smart Solar	$16,991,448
	Yes on 10	$20,000
AK	Vote No on One	$7,676,020
OR	Defeat the Tax on Oregon Sales	$464,000
TX	Water Texas PAC	$260,000
	MTF PAC	$30,000
	Texas Infrastructure Now	$5,000
OH	Protect Your Vote Ohio	$250,000
CA	California Chamber of Commerce	$200,000
	Bipartisan Coalition of Business Labor Republicans Democrats & Governor Brown	$30,000
WA	2/3-For-Taxes Constitutional Amendment Initiative	$200,000
CO	Yes on S Campaign	$50,000
	Protecting CO's Environment Economy & Energy Independence	$25,000
OK	Oklahoma Deserves Better	$40,000
	Oklahomans For Criminal Justice Reform	$25,000
GA	SafeHarborYes	$20,000
SD	No On 15	$1,000
MD	Marylanders For Marriage Equality	$1,000
	Total	$51,279,019

Source: National Institute on Money in State Politics, www.followthemoney.org. Links above are to NIMSP descriptions of the initiatives.

Table 5: Ballot Measure Spending by Study Companies, 2011-16, Details

State/Ballot Initiative/Company	2011	2012	2013	2014	2015	2016	Total
MI							
Clean Affordable Renewable Energy for Michigan Coalition							
CMS Energy		$12,213,929					$250,000
DTE Energy		$11,892,623					
Detroit Edison Ballot Question Committee							$225,000
DTE Energy			$300,000				
Taxpayers Against Monopolies							$50,000
DTE Energy			$250,000				$50,000
Michigan Citizens for Better Roads & Schools							
CMS Energy					$225,000		$4,500
MI Citizens For Strong & Safe Committee							$4,500
DTE Energy				$50,000			
CMS Energy			$50,000				
Michigan Chamber of Commerce							
DTE Energy	$2,000	$2,500					$4,500
CMS Energy	$2,000	$2,500					$4,500
AK							
Vote No on One							
ConocoPhillips			$351,496	$3,411,812			$3,763,308
ExxonMobil			$350,920	$3,261,791			$3,612,711
Chevron			$150,000	$150,000			$300,000
FL							
Consumers for Smart Solar							
Duke Energy					$1,162,000	$5,574,998	$6,736,998
NextEra Energy					$1,045,000	$7,010,000	$8,055,000
Southern					$715,000	$1,484,450	$2,199,450
Yes on 10							
NextEra Energy		$20,000					$20,000
OR							
Defeat the Tax on Oregon Sales							
Chevron						$424,000	$424,000
NextEra Energy						$40,000	$40,000
TX							
Water Texas Pac							
ExxonMobil			$100,000				$100,000

State/Ballot Initiative/Company	2011	2012	2013	2014	2015	2016	Total
ConocoPhillips			$75,000				$75,000
Chevron			$25,000				$25,000
Chesapeake Energy			$25,000				$25,000
NRG Energy			$20,000				$20,000
NextEra Energy			$10,000				$10,000
Marathon Petroleum			$5,000				$5,000
MTF Pac							
ExxonMobil				$30,000			$30,000
Texas Infrastructure Now							
NRG Energy				$5,000			$5,000
OH							
Protect Your Vote Ohio							
Duke Energy		$250,000					$250,000
CA							
California Chamber of Commerce							
Chevron				$200,000			$200,000
Bipartisan Coalition of Business Labor Republicans Democrats & Governor Brown							
ConocoPhillips		$25,000					$25,000
NRG Energy				$5,000			$5,000
WA							
2/3-For-Taxes Constitutional Amendment Initiative - VWMC							
ConocoPhillips		$200,000					$200,000
CO							
Yes on S Campaign							
ConocoPhillips		$50,000					$50,000
Protecting Colorado's Environment Economy & Energy Independence							
ConocoPhillips					$25,000		$25,000
OK							
Oklahoma Deserves Better							
Devon Energy						$20,000	$20,000
Chesapeake Energy						$20,000	$20,000
Oklahomans For Criminal Justice Reform							
Devon Energy						$25,000	$25,000

State/Ballot Initiative/Company	2011	2012	2013	2014	2015	2016	Total
GA							
SafeharborYes							
Southern Company						$20,000	$20,000
SD							
No On 15							
NextEra Energy		$1,000					$1,000
MD							
Marylanders For Marriage Equality							
Dominion Energy		$1,000					$1,000
Total	$4,000	$25, 208,552	$1,162,416	$7,113,604	$3,172,000	$14,618,448	$51,279,019

Source: National Institute on Money in State Politics, www.followthemoney.org

PACs to Candidates

While the *Citizens United* court decision opened up many new avenues of spending on elections, companies still may not contribute from their treasuries to directly support candidates for federal office. Instead, company employees and others associated with a company may give their own money through political action committees that use the company's name. Senior executives at a company generally make the decisions on how to spend PAC money. PACs are formed to elect candidates or to advance a particular political agenda, issue or legislation.

Disclosure requirements: Federal PACs must register with the Federal Election Commission. Current federal regulations allow PACs to receive contributions of up to $5,000 per year per individual. PACs may then donate up to $5,000 per election (both primary and general) per candidate to an unlimited number of candidates. By using a PAC, groups of individuals can pool their resources to make contributions almost twice as large as the $2,700 limit per election from individuals.

Corporations and unions may not contribute to federal PACs. But they may provide administrative support (in the form of employees and administrative costs) to a sponsored PAC. Solicitations for contributions to a company's PAC are limited to a restricted class of donors, including company executives, administrative personnel and their families, as well as stockholders and their families.

From an investor perspective, PAC money is not strictly the concern of shareholders because it does not come from corporate treasuries. In practice, while legally separate, PAC expenditure patterns closely follow the business interests of their sponsors and are closely associated with the companies; they therefore are included in this study.

Study: ExxonMobil's PAC was the most generous overall, disbursing $4.7 million in each of the last three full election cycles. Candidate spending by company PACs also was above $2 million for Marathon Petroleum, Chesapeake Energy and Chevron.

Candidate support by company PACs ranged from $1 million to just under $2 million for a second tier of spenders—Duke Energy, Halliburton, Southern, Dominion Energy, NextEra Energy, FirstEnergy, DTE Energy, Devon Energy and Occidental.

Neither Kinder Morgan nor Range Resources has a PAC.

Table 6: PAC Contributions by Study Companies, 2011-16

	Election Cycle			
Company	2012	2014	2016	Total
XOM	$1,679,000	$1,591,750	$1,449,250	$4,720,000
MPC	$466,500	$1,036,000	$924,200	$2,426,700
CHK	$1,207,000	$601,500	$434,418	$2,242,918
CVX	$697,000	$748,750	$770,250	$2,216,000
DUK	$354,600	$768,000	$796,500	$1,919,100
HAL	$489,000	$592,740	$665,700	$1,747,440
SO	$518,000	$547,700	$637,875	$1,703,575
D	$514,725	$641,700	$459,450	$1,615,875
NEE	$460,750	$505,400	$617,850	$1,584,000
FE	$413,000	$458,250	$426,500	$1,297,750
DTE	$376,500	$456,750	$365,700	$1,198,950
DVN	$444,500	$407,375	$268,625	$1,120,500
OXY	$390,000	$387,500	$288,750	$1,066,250
COP	$351,750	$328,600	$318,900	$999,250
PPL	$293,500	$337,000	$317,000	$947,500
CMS	$148,000	$229,600	$212,600	$590,200
NRG	$116,250	$104,500	$75,600	$296,350
AES		$41,500	$179,650	$221,150
LNT	$50,000	$73,000	$92,200	$215,200
Total	$8,970,075	$9,857,615	$9,301,018	$28,128,708

Source: Center for Responsive Politics, www.opensecrets.org

527 Political Committees

Tax-exempt political organizations organized under Section 527 of the Internal Revenue Code may spend unlimited amounts of money from corporations, individuals or labor unions to influence elections.

Disclosure requirements: All 527 groups must register with the IRS and disclose contributions and expenditures. In campaign finance terms, a “527 group” is typically one that chooses to not advocate for or against a candidate and, therefore, is not required to register as political committee with the FEC. But 527s must disclose to the Internal Revenue Service the names and addresses of contributors who donate over $200, unless the 527 decides to pay taxes on the donation.

If a 527 advocates for or against a candidate, it must register as a “political committee” with the FEC; these committees receive or spend at least $1,000 in contributions and have as their major purpose the nomination or election of a federal candidate. All 527 groups that register as political committees are subject to FEC reporting and disclosure regulations instead of the IRS reporting requirements. (These committees are super PACs, discussed below.)

Corporations are not required to disclose donations to 527s, but the 527s can receive money from non-profit groups such as trade associations and social welfare organizations that do not have to report their donors, masking the original source—which can be corporations or individuals.

Data used in the study are from Political MoneyLine.

Study: Companies in the study spent a total of $25.8 million from 2011 to 2016 and heavily favored Republican and conservative 527 political committees, giving only 17 percent of these contributions to Democrats. They favored the Republican Governors Association the most, with more than half of the total spent on 527s ($15.3 million), compared with just $3.8 million for the Democratic counterpart. The two other 527s which received more than $1 million were the Republican State Leadership Committee ($4.5 million) and the Republican Attorneys General Association ($1.1 million).

Table 7: 527 Political Committee Support by Study Companies, 2011-16

Organization	2011	2012	2013	2014	2015	2016	Total
Republican Governors Association	$1,650,000	$1,775,000	$1,831,128	$7,559,947	$1,100,000	$1,368,529	$15,284,604
Republican State Leadership Committee	$445,000	$950,000	$830,000	$750,000	$562,500	$1,005,000	$4,542,500
Democratic Governors Association	$590,500	$635,000	$555,000	$785,000	$460,000	$770,000	$3,795,500
Republican Attorneys General Association				$390,000	$205,000	$470,000	$1,065,000
GOPAC Inc (State/local Republican leader training)	$50,000	$50,000	$75,000	$100,000	$40,000	$100,000	$415,000
Democratic Attorneys General Association	$30,000	$30,000	$100,000	$50,000	$70,000	$45,000	$325,000
Democratic Legislative Campaign Committee		$10,000	$35,000	$60,000	$20,000	$72,000	$197,000
American Solutions for Winning the Future (Newt Gingrich)	$125,000						$125,000
Fund for American Opportunity (Support for conservatives)		$20,000	$10,000				$30,000
Democratic Municipal Officials				$10,000			$10,000
New Day for America (John Kasich)					$10,000		$10,000
Emerge America (Democratic Women)				$10,000			$10,000
Total	$2,890,500	$3,470,000	$3,436,128	$9,714,947	$2,467,500	$3,830,529	$25,809,604

Source: Political MoneyLine, www.politicalmoneyline.com/

Candidates in the States

At the state level, companies can contribute to candidates using either PAC money from employees or, when state law allows it, direct corporate contributions. Six states (Alabama, Missouri, Nebraska, Oregon, Utah and Virginia) have no limits on the amounts corporations may donate to individual candidates, 22 states prohibit direct corporate contributions to candidates, and 22 states place a variety of limits on direct corporate contributions. *Citizens United* essentially overturned rules in 24 states that set other limits on corporate election spending; the decision also prompted half the states to change their campaign finance laws—most relating to independent expenditures and updating disclosure requirements. Forty-seven states now require companies to disclose independent expenditures, however.

Disclosure requirements: State campaign finance laws vary, but commonly require reporting on contributors and candidates, which the National Institute on Money in State Politics has amassed in the rich, 50-state compendium used in this study. Most states require at least annual disclosure, as well as spending right before an election and soon after it. Fourteen states require candidates to report large contributions within 24 hours. The National Conference on State Legislatures provides detailed information on campaign finance disclosure requirements around the country.

Study: The 21 companies spent a total of $20.9 million on state candidate races between 2011 and 2016. Just under three-quarters (73 percent) went to Republicans, 27 percent to Democrats and less than half a percentage point to other party candidates. Energy company contributions were more heavily tilted towards Republican candidates (78 percent) compared with utilities (68 percent). Among energy firms, more than 85 percent of state contributions went to Republican candidates for Chesapeake Energy, Devon Energy, Halliburton, Marathon Petroleum and Occidental Petroleum. Utilities that contributed 50 percent or less of their state candidate support to Republicans were AES (43 percent) and NRG Energy (49 percent).

Regional spending distribution: Companies in the study spent only about $136,000 in the Northeast, but spread the rest of their spending fairly evenly around the country, with the least amount in the West, as noted in the table below.

Table 8: State Candidate Spending for Study Companies, 2011-16, by Region

Region	Regional Total	State	Candidates
Mid Atlantic	**$4,092,530**	VA	$2,082,793
		PA	$1,837,761
		MD	$137,675
		NJ	$28,700
		DE	$5,600
Midwest	**$4,691,633**	MI	$1,497,279
		OH	$1,346,614
		IL	$574,405
		IN	$433,750
		KS	$277,350
		IA	$186,415
		WI	$161,370
		ND	$131,800
		ID	$38,100
		MI-DTT	$19,500
		NE	$18,500
		SD	$6,550
Northeast	**$136,446**	NY	$121,320
		NH	$6,250
		VT	$6,000
		ME	$2,625
		CT	$250
		MA	$1
Southeast	**$4,345,182**	NC	$1,347,494
		FL	$971,525
		LA	$642,014
		SC	$329,535
		WV	$322,614
		GA	$171,800
		MS	$160,750
		KY	$157,000
		AR	$125,000
		AL	$73,000
		TN	$40,750
		MO	$3,700
Southwest	**$4,775,659**	TX	$2,660,694
		OK	$1,107,617
		NM	$1,004,348
		AZ	$3,000
West	**$2,849,593**	CA	$2,237,799
		WY	$129,600
		OR	$129,000
		WA	$119,000
		UT	$91,900
		AK	$61,267
		MT	$22,179
		CO	$20,600
		HI	$13,000
		NV	$9,000
		CA-LAC	$6,948
		CA-SNA	$4,250
		CA-SBE	$2,000
		CA-LAX	$1,800
		CA-LGB	$1,250
Total			$20,891,043

Source: National Institute on Money in State Politics, www.followthemoney.org

Table 9: State Candidate Spending by Study Companies, 2011-16, by State

Ticket/State	Candidates
Energy Companies	
CVX	**$3,081,239**
CA	$1,376,374
TX	$340,750
NM	$273,300
LA	$151,400
MS	$138,750
FL	$135,500
OR	$126,000
WA	$100,650
15 other states	$438,515
MPC	**$1,813,475**
TX	$354,850
OH	$238,400
IL	$158,260
OK	$114,200
NC	$109,300
KY	$106,000
FL	$732,465
18 other states	$732,465
XOM	**$1,770,695**
CA	$269,500
TX	$229,000
LA	$203,230
IL	$176,250
PA	$172,250
AR	$123,000
19 other states	$597,465
CHK	**$1,673,274**
TX	$563,000
OH	$322,950
OK	$285,266
PA	$263,000
9 other states	$239,058
DVN	**$1,111,778**
NM	$374,554
OK	$359,600
TX	$295,494
4 other states	$82,130

Ticket/State	Candidates
COP	**$766,475**
TX	$242,500
NM	$175,694
17 other states	$348,281
RRC	**$351,195**
PA	$262,175
VA and TX	$89,020
HAL	**$95,625**
OH	$34,000
PA	$22,550
7 other states	$39,075
OXY	**$16,200**
TX	$10,000
NM, ND, KS	$6,200
Utilities	
D	$2,709,564
VA	$1,907,473
OH	$283,516
WV	$143,906
NC	$128,244
PA	$109,475
10 other states	$136,950
DUK	**$2,363,303**
NC	$1,104,950
IN	$362,800
OH	$311,748
FL	$269,500
SC	$242,760
7 other states	$71,545
NEE	**$1,356,810**
FL	$259,400
TX	$185,500
KS	$182,850
OK	$145,500
CA	$142,850
25 other states	$440,185

Ticket/State	Candidates
NRG	**$1,129,334**
TX	$419,600
CA	$372,800
IL	$188,000
8 other states	$148,934
DTE	**$898,235**
MI	$894,215
NY, OH, PA	$4,020
PPL	**$814,181**
PA	$800,011
MD and MT	$14,170
CMS	**$498,614**
MI	$498,614
LNT	**$235,420**
IA	$152,550
WI	$82,870
AES	**$15,525**
CA	$14,775
MD	$500
SO	**$190,100**
FL	$177,500
TN	$8,000
NM	$4,600
Total	$20,891,043

Source: National Institute on Money in State Politics, www.followthemoney.org

Partisan breakdown: Company spending varied significantly by state. The table below highlights spending for each company, by state, with the political party breakdown noted.

Table 10: State Candidate Spending by Study Companies, 2011-16, by Company and Partisan Breakdown

Ticker/State	Democratic	Other	Republican	Total	% Republican
Energy	$2,348,744	$30,508	$8,300,705	$10,679,957	78%
CVX	**$1,067,626**	**$14,548**	**$1,999,065**	**$3,081,239**	**65%**
CA	$842,926	$3,500	$529,948	$1,376,374	39%
TX	$42,500		$298,250	$340,750	88%
NM	$49,500	$500	$223,300	$273,300	82%
LA	$35,950		$115,450	$151,400	76%
MS	$20,500	$500	$117,750	$138,750	85%
FL	$6,500		$129,000	$135,500	95%
OR	$17,350		$108,650	$126,000	86%
WA	$13,300		$87,350	$100,650	87%
PA	$13,150		$74,000	$87,150	85%
GA	$4,300		$81,800	$86,100	95%
UT	$5,600		$76,400	$82,000	93%
OK	$5,250		$49,750	$55,000	90%
ID	$3,200		$32,400	$35,600	91%
WY	$1,650		$18,000	$19,650	92%
OH	$750		$13,750	$14,500	95%
SC	$1,200		$12,300	$13,500	91%
WV			$11,250	$11,250	100%
NV	$3,500		$5,500	$9,000	61%
AL			$8,000	$8,000	100%
VA			$6,250	$6,250	100%
CA-LAC		$4,298		$4,298	0%
CA-SNA		$4,250		$4,250	0%
CA-SBE		$1,000		$1,000	0%
HI	$500			$500	0%
CA-LGB		$500		$500	0%
AK			$(33)	$(33)	100%
MPC	**$238,150**	**$6,260**	**$1,569,065**	**$1,813,475**	**87%**
TX	$55,000		$299,850	$354,850	85%
OH	$20,950	$4,000	$213,450	$238,400	90%
IL	$27,000	$260	$131,000	$158,260	83%
OK	$3,000		$111,200	$114,200	97%
NC	$9,900		$99,400	$109,300	91%
KY	$12,000		$94,000	$106,000	89%
FL	$5,500		$78,000	$83,500	93%
WV	$25,000	$1,000	$49,750	$75,750	66%
PA	$12,350		$63,000	$75,350	84%

Ticker/State	Democratic	Other	Republican	Total	% Republican
MI	$15,600		$56,350	$71,950	78%
GA	$13,400		$56,500	$69,900	81%
ND	$4,400	$1,000	$55,150	$60,550	91%
LA	$11,150		$48,800	$59,950	81%
WI			$55,500	$55,500	100%
IN	$5,600		$47,850	$53,450	90%
SC	$4,900		$35,600	$40,500	88%
TN	$3,250		$24,900	$28,150	88%
WY	$1,150		$21,850	$23,000	95%
NJ	$5,000		$5,800	$10,800	54%
NY	$1,000		$7,300	$8,300	88%
AL	$2,000		$4,000	$6,000	67%
MS			$6,000	$6,000	100%
ME			$2,625	$2,625	100%
MT			$940	$940	100%
MD			$250	$250	100%
XOM	**$473,561**	**$1,950**	**$1,295,184**	**$1,770,695**	**73%**
CA	$150,500		$119,000	$269,500	44%
TX	$30,500		$198,500	$229,000	87%
LA	$41,230	$500	$161,500	$203,230	79%
IL	$95,250		$81,000	$176,250	46%
PA	$24,500	$750	$147,000	$172,250	85%
AR	$38,000		$85,000	$123,000	69%
NM	$23,800	$300	$69,200	$93,300	74%
KS	$2,700		$72,150	$74,850	96%
OH	$14,250		$59,250	$73,500	81%
VA	$7,000	$400	$49,650	$57,050	87%
OK	$3,500		$49,550	$53,050	93%
AL	$16,000		$31,500	$47,500	66%
FL	$2,800		$42,800	$45,600	94%
WV	$12,750		$18,900	$31,650	60%
NY	$1,200		$17,250	$18,450	93%
WY	$1,350		$16,300	$17,650	92%
MS	$1,500		$14,500	$16,000	91%
SC			$15,200	$15,200	100%
MT	$1,330		$9,659	$10,989	88%
GA			$10,800	$10,800	100%
ND	$650		$10,000	$10,650	94%
UT			$9,900	$9,900	100%
MD	$4,750		$3,825	$8,575	45%
WA			$2,750	$2,750	100%
MA	$1		$1	$1	44%

Ticker/State	Democratic	Other	Republican	Total	% Republican
CHK	**$226,208**	**$3,700**	**$1,443,366**	**$1,673,274**	**86%**
TX	$78,500		$484,500	$563,000	86%
OH	$9,800		$313,150	$322,950	97%
OK	$23,450		$261,816	$285,266	92%
PA	$45,750	$1,750	$215,500	$263,000	82%
LA	$22,750	$1,950	$67,500	$92,200	73%
WV	$34,308		$17,000	$51,308	33%
MD	$1,000		$38,000	$39,000	97%
WY	$750		$17,050	$17,800	96%
KS	$5,500		$12,250	$17,750	69%
CO	$4,400		$7,500	$11,900	63%
NY			$6,600	$6,600	100%
ND			$2,000	$2,000	100%
NM			$500	$500	100%
DVN	**$120,850**		**$990,928**	**$1,111,778**	**89%**
NM	$58,600		$315,954	$374,554	84%
OK	$25,000		$334,600	$359,600	93%
TX	$35,000		$260,494	$295,494	88%
WY	$2,250		$44,250	$46,500	95%
VA			$25,000	$25,000	100%
NE			$10,000	$10,000	100%
MT			$630	$630	100%
COP	**$138,649**	**$3,000**	**$624,826**	**$766,475**	**82%**
TX	$18,750		$223,750	$242,500	92%
NM	$43,148	$1,500	$131,046	$175,694	75%
OK	$10,501		$75,000	$85,501	88%
LA	$16,500		$64,500	$81,000	80%
AK	$1,500		$59,800	$61,300	98%
CA	$28,400		$21,250	$49,650	43%
NJ	$5,600		$12,300	$17,900	69%
WA	$3,200		$10,400	$13,600	76%
IL	$5,750		$2,250	$8,000	28%
CO	$3,200		$4,400	$7,600	58%
MT	$1,300		$4,330	$5,630	77%
SC			$4,800	$4,800	100%
TN	$800		$3,800	$4,600	83%
ID			$2,500	$2,500	100%
MO			$1,700	$1,700	100%
ND			$1,000	$1,000	100%
NY			$1,000	$1,000	100%
CA-SBE		$1,000		$1,000	0%
OR			$500	$500	100%
AL			$500	$500	100%
CA-LAC		$500		$500	0%

Ticker/State	Democratic	Other	Republican	Total	% Republican
RRC	**$73,150**	**$1,050**	**$276,995**	**$351,195**	**79%**
PA	$68,650	$1,050	$192,475	$262,175	73%
VA	$4,500		$82,520	$87,020	95%
TX			$2,000	$2,000	100%
HAL	**$8,050**		**$87,575**	**$95,625**	**92%**
OH			$34,000	$34,000	100%
PA	$8,050		$14,500	$22,550	64%
TX			$13,000	$13,000	100%
NM			$10,000	$10,000	100%
WY			$5,000	$5,000	100%
OK			$5,000	$5,000	100%
LA			$3,500	$3,500	100%
ND			$2,500	$2,500	100%
SC			$75	$75	100%
OXY	**$2,500**		**$13,700**	**$16,200**	**85%**
TX	$2,500		$7,500	$10,000	75%
NM			$4,000	$4,000	100%
ND			$1,200	$1,200	100%
KS			$1,000	$1,000	100%
Utility	$3,216,139	$60,872	$6,934,075	$10,211,086	68%
D	**$1,031,689**	**$5,250**	**$1,672,625**	**$2,709,564**	**62%**
VA	$800,631	$500	$1,106,342	$1,907,473	58%
OH	$28,950		$254,566	$283,516	90%
WV	$61,858	$1,000	$81,048	$143,906	56%
NC	$38,000		$90,244	$128,244	70%
PA	$34,300	$750	$74,425	$109,475	68%
MD	$55,450		$17,050	$72,500	24%
NY	$1,750		$21,250	$23,000	92%
SC	$3,500		$9,200	$12,700	72%
IL	$5,000	$3,000	$3,000	$11,000	27%
IN			$5,500	$5,500	100%
WI			$5,000	$5,000	100%
TX			$5,000	$5,000	100%
NH	$1,000			$1,000	0%
KY	$1,000			$1,000	0%
CT	$250			$250	0%
DUK	**$440,945**	**$4,000**	**$1,918,358**	**$2,363,303**	**81%**
NC	$206,900	$1,000	$897,050	$1,104,950	81%
IN	$39,950		$322,850	$362,800	89%
OH	$38,250		$273,498	$311,748	88%
FL	$40,500		$229,000	$269,500	85%
SC	$71,500	$3,000	$168,260	$242,760	69%
KY	$29,300		$20,700	$50,000	41%
CA	$11,000		$1,500	$12,500	12%

Ticker/State	Democratic	Other	Republican	Total	% Republican
OK			$4,500	$4,500	100%
AR	$2,000			$2,000	0%
WV			$1,000	$1,000	100%
KS	$900			$900	0%
IL	$645			$645	0%
NEE	**$363,845**	**$12,300**	**$980,665**	**$1,356,810**	**72%**
FL	$67,025		$192,900	$259,925	74%
TX	$15,500		$170,000	$185,500	92%
KS	$45,500		$137,350	$182,850	75%
OK	$9,500		$136,000	$145,500	93%
CA	$118,000		$24,850	$142,850	17%
OH	$5,000		$61,500	$66,500	92%
NM	$26,200		$33,000	$59,200	56%
ND	$4,300		$49,600	$53,900	92%
MI	$500		$51,500	$52,000	99%
IA	$7,750		$26,115	$33,865	77%
IL	$23,000		$9,250	$32,250	29%
NY	$10,950		$16,750	$27,700	60%
WI	$4,250		$13,750	$18,000	76%
HI	$12,500			$12,500	0%
IN			$12,000	$12,000	100%
AL	$1,500		$9,500	$11,000	86%
NE		$8,500		$8,500	0%
PA			$8,500	$8,500	100%
WV	$1,250		$6,500	$7,750	84%
SD	$1,700		$4,850	$6,550	74%
NC			$5,000	$5,000	100%
GA			$5,000	$5,000	100%
NH	$2,000		$2,250	$4,250	53%
AZ			$3,000	$3,000	100%
OR	$2,500			$2,500	0%
WA	$2,000			$2,000	0%
CA-LAC		$2,000		$2,000	0%
MO	$500		$1,500	$2,000	75%
CA-LAX		$1,800		$1,800	0%
MT	$1,320			$1,320	0%
CO	$1,100			$1,100	0%
NRG	**$570,350**	**$500**	**$558,484**	**$1,129,334**	**49%**
TX	$75,500		$344,100	$419,600	82%
CA	$301,300		$71,500	$372,800	19%
IL	$122,000		$66,000	$188,000	35%
LA	$10,750		$39,984	$50,734	79%
PA	$7,000	$500	$29,050	$36,550	79%
NY	$29,000		$5,500	$34,500	16%

Ticker/State	Democratic	Other	Republican	Total	% Republican
NM	$6,850		$2,350	$9,200	26%
VT	$6,000			$6,000	0%
DE	$5,600			$5,600	0%
MD	$5,350			$5,350	0%
NH	$1,000			$1,000	0%
DTE	**$285,920**	**$32,000**	**$580,315**	**$898,235**	**65%**
MI	$285,920	$12,500	$576,295	$874,715	66%
MI-DTT		$19,500		$19,500	0%
NY			$1,770	$1,770	100%
OH			$1,500	$1,500	100%
PA			$750	$750	100%
PPL	**$256,870**	**$4,425**	**$552,886**	**$814,181**	**68%**
PA	$247,080	$4,425	$548,506	$800,011	69%
MD	$9,150		$2,350	$11,500	20%
MT	$640		$2,030	$2,670	76%
CMS	**$154,050**	**$1,497**	**$343,067**	**$498,614**	**69%**
MI	$154,050	$1,497	$343,067	$498,614	69%
LNT	**$89,220**		**$146,200**	**$235,420**	**62%**
IA	$67,750		$84,800	$152,550	56%
WI	$21,470		$61,400	$82,870	74%
AES	**$8,000**	**$900**	**$6,625**	**$15,525**	**43%**
CA	$7,500		$6,625	$14,125	47%
CA-LGB		$750		$750	0%
MD	$500			$500	0%
CA-LAC		$150		$150	0%
SO	**$500**		**$12,100**	**$12,600**	**92%**
FL	$14,750		$162,750	$177,500	92%
TN	$500		$7,500	$8,000	94%
NM			$4,600	$4,600	100%
Total	$5,564,883	$91,380	$15,234,780	$20,891,043	73%

Source: National Institute on Money in State Politics, www.followthemoney.org

Super PACs

The changes in federal election law following *Citizens United*, noted above, allowed the formation of PACs organized only to influence candidates' election campaigns, including those at the federal level. While these "super PACs" (a type of 527 formally known as an independent expenditures-only committee) may raise and spend unlimited sums for or against candidates, they still may not give money directly to these politicians (which PACs can). They also may not formally coordinate with candidates or parties. It is widely understood that de facto coordination does occur, however.

Disclosure requirements: Super PACs must report their donors to the FEC and can choose to report monthly or twice a year in off years, but they must file monthly reports during an election year. Like 527s, super PACs can receive money from non-profits that need not report their donors, which may include corporations that thus can mask their support.

Study: Companies in the study contributed $10.8 million to super PACs from 2011 to 2016. All of these contributions went to Republican candidates or conservative groups. Support for these super PACs tripled in 2015 with the start of the 2016 Presidential election cycle. As noted at the start of this section, most money went to the Congressional and Senate Leadership Funds, which aim to retain the Republican majority in the U.S. Congress and Senate.

Table 11: Super PAC Contributions by Study Companies, 2011-16

Organization	2011	2012	2013	2014	2015	2016	Total
Congressional Leadership Fund		$2,500,000		$1,000,000		$1,975,000	$5,475,000
Senate Leadership Fund					$2,000,000	$1,650,000	$3,650,000
Right to Rise USA (Jeb Bush, R)					$1,069,000		$1,069,000
People for Pinellas (Rep. Dave Jolly, R-FL)*						$450,000	$450,000
Make US Great Again, Inc (Rick Perry, R)	$250,000						$250,000
Conservative Solutions PAC (Marco Rubio, R)						$100,000	$100,000
Kentuckians For Strong Leadership (Sen. Mitch McConnell, R-KY			$100,000				$100,000
Conservative Congress Now!						$25,000	$25,000
Draft Ted Cruz For President				$20,000			$20,000
Goal Westpac (Pro-resource development)						$15,000	$15,000
Jobs Opportunity and Freedom PAC (Against Democrats)		$10,000					$10,000
New Day for America (John Kasich, R)					$10,000		$10,000
Liberty 2.0 (Conservative, Scott Pruitt)						$5,000	$5,000
Total	$250,000	$2,510,000	$100,000	$1,020,000	$3,079,000	$4,220,000	$11,179,000

In 2017, study companies also contributed an additional $475,000 to the Congressional Leadership Fund in 2017 and another $1.3 million to the Senate Leadership Fund.

*People for Pinellas is a "Carey Committee" that can operate as both a PAC (giving to a candidate) and also as a Super PAC (making independent expenditures); such groups must maintain separate bank accounts for each category of contribution.

Source: Center for Responsive Politics, www.opensecrets.org

Top company contributors: Chevron, NextEra Energy and Devon Energy each contributed more than $1 million to super PACs over the study period. Chevron, NextEra, Occidental Petroleum and Southern also contributed in 2017, as noted below.

Table 12: Top Study Company Contributors to Super PACs, 2011-17

Company/Super PAC	2012	2013	2014	2015	2016	2011-16 Total	2017
Chevron	**$2,500,000**		**$1,000,000**	**$1,000,000**	**$2,315,000**	**$6,815,000**	**$950,000**
Congressional Leadership Fund	$2,500,000		$1,000,000		$1,300,000	$4,800,000	$250,000
Senate Leadership Fund				$1,000,000	$1,000,000	$2,000,000	$700,000
Goal Westpac					$15,000	$15,000	
NextEra Energy		**$100,000**		**$1,275,000**	**$975,000**	**$2,350,000**	**$500,000**
Senate Leadership Fund				$250,000	$500,000	$750,000	$500,000
Right To Rise USA				$1,025,000		$1,025,000	
People for Pinellas					$350,000	$350,000	
Conservative Solutions PAC					$100,000	$100,000	
Kentuckians For Strong Leadership		$100,000				$100,000	
Conservative Congress Now!					$25,000	$25,000	
Devon Energy				**$750,000**	**$505,000**	**$1,255,000**	
Senate Leadership Fund				$750,000		$750,000	
Congressional Leadership Fund					$500,000	$500,000	
Liberty 20					$5,000	$5,000	
Occidental Petroleum	$10,000				$175,000	$185,000	$300,000
Chesapeake Energy						$250,000*	
Duke Energy					$250,000	$250,000	
Southern Company				$44,000		$44,000	$25,000
Halliburton			$20,000			$20,000	
Marathon Petroleum				$10,000		$10,000	
Grand Total	$2,510,000	$100,000	$1,020,000	$3,079,000	$4,220,000	$11,179,000	$1,775,000

*Contributed by Chesapeake Energy in 2011

Source: Center for Responsive Politics, www.opensecrets.org

Party Committees

Companies contribute to party committees at the federal and state level as part of their political spending. Nationally, these contributions went to support the presidential election conventions in 2016, with most (83 percent) to the Republican party. In the states, companies varied their spending, illustrating which areas of the country they are most interested in influencing, and which party they believe will be the most beneficial to their interests. Just under 70 percent of state party contributions from study companies went to Republicans and about 30 percent supported the Democratic party.

All or nearly all of state party support from Devon Energy, Duke Energy, Marathon Petroleum, Range Resources and Southern went to Republican party committees in the states. Companies which split their support fairly evenly were Dominion Energy, DTE Energy and NRG Energy. Sixty percent or more of the rest of contributions from study group firms went to Republican party committees.

Table 13: Political Party Committee Support from Study Companies, 2011-16, by Jurisdiction and Company

	Democratic	Republican	Total	% Republican
Federal	$350,000	$1,760,054	$2,110,054	83%
FirstEnergy		$1,250,054	$1,250,054	100%
Chevron	$250,000	$260,000	$510,000	51%
Dominion Energy	$100,000	$250,000	$350,000	71%
State	$3,699,615	$8,062,820	$11,762,435	69%
NextEra Energy	**$1,010,842**	**$3,251,038**	**$4,261,881**	**76%**
FL	$949,442	$3,111,488	$4,060,931	77%
CA	$25,000	$15,000	$40,000	38%
NY		$27,000	$27,000	100%
ND	$2,500	$19,900	$22,400	89%
ME	$4,000	$17,500	$21,500	81%
KS	$6,000	$11,500	$17,500	66%
CO		$15,000	$15,000	100%
OK		$10,000	$10,000	100%
IL	$8,000	$1,000	$9,000	11%
NM	$7,400	$650	$8,050	8%
IA	$7,000		$7,000	0%
PA		$7,000	$7,000	100%
OH		$6,000	$6,000	100%
WI	$1,000	$4,750	$5,750	83%
IN		$3,000	$3,000	100%
CT	$500	$250	$750	33%
WV		$500	$500	100%
MO		$500	$500	100%

	Democratic	Republican	Total	% Republican
Chevron	**$1,275,000**	**$1,925,500**	**$3,200,500**	**60%**
CA	$1,235,000	$1,835,000	$3,070,000	60%
CO		$80,000	$80,000	100%
LA	$35,000		$35,000	0%
TX		$5,000	$5,000	100%
WA	$5,000		$5,000	0%
PA		$5,000	$5,000	100%
GA		$500	$500	100%
Dominion Energy	**$646,609**	**$668,298**	**$1,314,908**	**51%**
VA	$560,309	$491,000	$1,051,309	47%
MD	$76,750	$33,000	$109,750	30%
OH	$3,000	$86,500	$89,500	97%
SC	$2,300	$16,500	$18,800	88%
NY		$11,948	$11,948	100%
IN		$11,500	$11,500	100%
CT	$4,250	$6,950	$11,200	62%
NC		$7,500	$7,500	100%
WV		$3,000	$3,000	100%
PA		$400	$400	100%
Duke Energy	**$148,600**	**$1,043,184**	**$1,191,784**	**88%**
FL	$12,100	$619,050	$631,150	98%
SC	$65,000	$139,384	$204,384	68%
IN	$15,500	$142,500	$158,000	90%
OH	$41,000	$63,250	$104,250	61%
NC		$49,000	$49,000	100%
KY	$15,000	$30,000	$45,000	67%
Southern	**$67,750**	**$473,000**	**$540,750**	**87%**
FL	$67,760	$471,000	$538,750	87%
TN		$2,000	$2,000	100%
DTE Energy	**$253,000**	**$281,000**	**$534,000**	**53%**
MI	$253,000	$281,000	$534,000	53%
CMS Energy	**$88,500**	**$149,000**	**$237,500**	**63%**
MI	$88,500	$149,000	$237,500	63%
PPL	$40,750	$168,550	$209,300	81%
PA	$40,250	$168,050	$208,300	81%
MT	$500	$500	$1,000	50%
ConocoPhillips	**$90,000**	**$75,500**	**$165,500**	**46%**
CA	$70,000	$60,000	$130,000	46%
LA	$15,000	$3,000	$18,000	17%
TX	$5,000	$10,000	$15,000	67%
NM		$2,500	$2,500	100%

	Democratic	Republican	Total	% Republican
ExxonMobil	**$35,250**	**$128,750**	**$164,000**	**79%**
CO		$50,000	$50,000	100%
VA	$12,250	$26,250	$38,500	68%
IL	$13,000	$8,000	$21,000	38%
CA		$20,000	$20,000	100%
NY		$12,500	$12,500	100%
LA	$5,000	$3,000	$8,000	38%
AR	$5,000		$5,000	0%
NV		$5,000	$5,000	100%
OH		$3,000	$3,000	100%
PA		$1,000	$1,000	100%
Marathon Petroleum	**$12,000**	**$142,500**	**$154,500**	**92%**
OH		$31,000	$31,000	100%
KY	$6,000	$22,500	$28,500	79%
WI		$24,500	$24,500	100%
LA	$5,000	$10,000	$15,000	67%
IL		$12,500	$12,500	100%
SC	$1,000	$7,000	$8,000	88%
MI		$6,000	$6,000	100%
TX		$5,000	$5,000	100%
TN		$5,000	$5,000	100%
CO		$5,000	$5,000	100%
NC		$5,000	$5,000	100%
OK		$3,000	$3,000	100%
NY		$3,000	$3,000	100%
ND		$1,500	$1,500	100%
WV		$1,000	$1,000	100%
PA		$500	$500	100%
NRG Energy	**$47,239**	**$43,050**	**$90,289**	**48%**
CA	$29,989		$29,989	0%
OH		$20,000	$20,000	100%
MD	$15,000		$15,000	0%
IL		$10,000	$10,000	100%
TX		$5,050	$5,050	100%
LA		$5,000	$5,000	100%
PA		$3,000	$3,000	100%
DE	$1,250		$1,250	0%
NM	$1,000		$1,000	0%
Chesapeake Energy	**$29,825**	**$48,500**	**$78,325**	**62%**
AR	$25,000	$10,000	$35,000	29%
CO	$4,825	$9,500	$14,325	66%
OH		$10,000	$10,000	100%
TX		$8,000	$8,000	100%
LA		$6,000	$6,000	100%
MD		$4,000	$4,000	100%
NY		$1,000	$1,000	100%

	Democratic	Republican	Total	% Republican
Alliant Energy	**$19,000**	**$48,300**	**$67,300**	**72%**
WI	$19,000	$48,300	$67,300	72%
Range Resources	**$3,000**	**$55,350**	**$58,350**	**95%**
PA	$3,000	$47,850	$50,850	94%
VA		$7,500	$7,500	100%
Devon Energy		**$32,300**	**$32,300**	**100%**
NM		$24,800	$24,800	100%
NV		$5,000	$5,000	100%
TX		$2,500	$2,500	100%
Grand Total	$4,117,365	$10,293,874	$14,411,239	71%

Source: National Institute on Money in State Politics, www.followthemoney.org

PAC to PAC

All but Kinder Morgan and Range Resources, which do not have PACs, used their PACs to contribute to other PACs, on top of their other contributions. NextEra Energy was the most active in this practice, followed by Southern. The table below contains links to the Center for Responsive Politics' listing for each company for this spending, allowing further exploration of the recipients that is beyond the scope of this study.

Table 14: PAC to PAC Spending by Study Companies

Company	2012	2014	2016	Total
NextEra Energy	$291,000	$293,000	$490,000	$1,074,000
Southern	$284,500	$356,500	$314,000	$955,000
Dominion Energy	$181,000	$282,300	$277,500	$740,800
Duke Energy	$268,000	$247,500	$223,500	$739,000
Marathon Petroleum	$84,000	$255,000	$389,000	$728,000
PPL	$226,500	$262,500	$220,000	$709,000
DTE Energy	$217,500	$230,800	$250,500	$698,800
FirstEnergy	$140,000	$84,900	$202,500	$427,400
Chesapeake Energy	$120,000	$103,000	$51,000	$274,000
Occidental Petroleum	$121,000	$60,000	$65,000	$246,000
Devon Energy	$65,000	$61,000	$118,800	$244,800
CMS Energy	$59,500	$56,000	$76,500	$192,000
NRG Energy	$48,500	$28,500	$57,500	$134,500
ExxonMobil		$30,000	$25,000	$55,000
Halliburton	$2,000	$2,000	$42,000	$46,000
Alliant Energy	$10,000	$16,500	$16,500	$43,000
ConocoPhillips	$5,000	$2,500	$7,500	$15,000
Chevron			$5,000	$5,000
AES		$2,000	$2,000	$4,000
Total	$2,123,500	$2,374,000	$2,833,800	$7,331,300

Source: Center for Responsive Politics, www.opensecrets.org

Dark Money in Elections & Lobbying

Election contributions from non-profit organizations that may receive unlimited donations from corporations, individuals and unions are known as "dark money." This includes intermediary groups, including trade associations and social welfare groups, which may spend to influence elections and policy without publicly disclosing their donors. It also can include super PACs which accept unlimited contributions from political non-profits and shell corporations that may not have disclosed their donors. According to the Center for Responsive Politics, "Dark Money groups account for staggering gaps in understanding exactly how each funding dollar is being spent during political elections."

Beyond dark money, corporations engage in substantial lobbying and political spending as a matter of course. Sometimes, the objective of that spending and lobbying can run counter to the company's publicly stated policy objectives. Such circumstances are hard to identify, however. To the extent that lobbying and political spending data are available at all (many states do not require reporting in this area), they tend to be inconsistently formatted and thus difficult to compare across geographies. They almost never reveal any meaningful insight as to the ultimate objective of the spending or lobbying.

Information relating to political influence in the public sphere tends to be anecdotal and random. In the rare cases where a comprehensive picture emerges, it often comes from the diligent, exhaustive work of investigative journalists. With that in mind, the information presented below is by definition incomplete. All companies in this study work to influence the political arena in their favor. Yet what remains unknown is the extent to which firms may be consistently working at cross-purposes with their publicly declared positions. The information presented below gives some sense of the nature and complexity of company ties to organizations that often resist climate-friendly public policy.

Sources used: This section first presents a chart showing apparent company relationships with trade and other associations that are active in public discourse about climate change. Additional groups, with which the 21 companies may have ties, also regularly weigh in on climate change issues; the findings presented in this report are by definition incomplete, given the nature of dark money funding. A section describing each group's efforts on climate policy appears first below, followed by a company by company discussion of their connections to work by these groups.

Table 15: Referenced Groups Active on Climate Policy and Company Associations

Organization	AES	LNT	CHK	CVX	CMS	COP	DVN	D	DTE	DUK
Alliance for Energy and Economic Growth					✓				✓	
American Chemistry Council										
American Coalition for Clean Coal Electricity										
American Exploration and Production Council			✓				✓			
American Fuel & Petrochemical Manufacturers				✓		✓				
American Legislative Exchange Council			✓	✓			✓	✓		✓
American Petroleum Institute			✓	✓		✓	✓			
America's Natural Gas Alliance			✓				✓			
Business Roundtable	✓		✓	✓		✓				✓
Edison Electric Institute	✓	✓			✓			✓	✓	✓
National Association of Manufacturers				✓		✓	✓		✓	
United States Chamber of Commerce				✓		✓		✓		
Utility Air Regulatory Group					✓			✓	✓	✓
Western States Petroleum Association				X		X				

Organization	XOM	FE	HAL	KMI	MPC	NEE	NRG	OXY	PPL	RRC	SO
Alliance for Energy and Economic Growth											✓
American Chemistry Council	✓							✓			
American Coalition for Clean Coal Electricity		✓									✓
American Exploration and Production Council								✓		✓	
American Fuel & Petrochemical Manufacturers	✓				✓			✓			
American Legislative Exchange Council	✓										
American Petroleum Institute	✓		✓	✓	✓			✓			
America's Natural Gas Alliance										✓	
Business Roundtable	✓				✓	✓	✓				✓
Edison Electric Institute		✓				✓			✓		✓
National Association of Manufacturers	✓	✓									✓
United States Chamber of Commerce						✓					
Utility Air Regulatory Group		✓				✓			✓		✓
Western States Petroleum Association	✓							✓			

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businessroundtable.org/about/members
influencemap.org/influencer/Business-Roundtable
www.sourcewatch.org/index.php/Alliance_for_Energy_and_Economic_Growth
www.axpc.us/about_members.html
www.desmogblog.com/american-legislative-exchange-council
www.greenpeace.org/usa/alec-in-indianapolis-exxonmobil-and-the-webofdenial/
www.eei.org/about/members/uselectriccompanies/Pages/usmembercolinks.aspx
uucef.org/files/2017/11/Chesapekae-Energy-Filing-for-Website.pdf
www.wspa.org/about/
www.snl.com/web/client?auth=inherit#news/article?id=37072675&cdid=A-37072675-13095
www.energyandpolicy.org/bailouts-for-coal-and-nuclear-plants/
ballotpedia.org/America%27s_Natural_Gas_Alliance
www.afpm.org/membership-directory/

Trade Associations, Lobbyist Groups and 501(c)3s

This section provides salient information on the trade groups and other organizations mentioned in company section below that are active in efforts to influence climate policy.

Union of Concerned Scientists' Assessment

One of the most contentious issues about corporate trade association activity involves lobbying on climate change. In 2013, the Union of Concerned Scientists (UCS) released *Assessing Trade and Business Groups' Positions on Climate Change*. The report assessed 14 trade groups and their acceptance of climate change science, support for climate action and policy endorsements. It put them in three categories, as follows:

- Five (including the U.S. Chamber of Commerce and the National Association of Manufacturers): "***Misrepresent*** climate science and show limited policy support."
- Five (including the Business Roundtable): "***Accept*** climate science and show ***limited policy support***."
- Four (including the Edison Electric Institute and the Nuclear Energy Institute): "***Accept*** climate science and show significant policy support."

Key Group Profiles

When it comes to climate change policy and trade associations, shareholder advocates routinely cite the U.S. Chamber of Commerce and the National Association of Manufacturers as examples of disconnects between company policy and trade association positions and/or advocacy. Many others also have outsized influence on climate policy in the United States. Each of these groups that came to light in research about dark money and the companies in this study is discussed below.

U.S. Chamber of Commerce

The U.S. Chamber of Commerce has more than 3 million members through its main and affiliated groups and does not disclose them. However, an analysis by Public Citizen in its 2014 report, The Gilded Chamber, found just 64 donors gave more than half of the Chamber's $169 million in contributions during 2012, and more than 40 donors contributed at least $1 million. Additionally, just 1,523 companies and individuals contributed more than $5,000; these accounted for all but $10 million of the $179 million total.

The Center for Public Integrity listed 56 companies that disclosed a full or partial accounting of their contributions to the Chamber in 2012. That year, the Chamber also reportedly received two grants totaling $3 million from Freedom Partners, a conservative organization with ties to the Koch brothers and Koch Industries.

- The Chamber's political activity and spending in Washington and nationwide is substantial and growing, making it a lightning rod for critics of corporate money in politics. Its positions on hot-button issues like climate change have prompted several high profile defections, including electric utilities **Exelon** and **PG&E**. According to its 2017 Policy Priorities, the Chamber's position on climate change is to:

- Continue to strongly support efforts to improve energy efficiency and develop clean energy alternatives, which will help the nation further reduce greenhouse gas emissions.
- Continue to urge that any comprehensive legislative solution must not harm the economy, recognize that the problem is international in scope, and aggressively promote new technologies and efficiency. Protecting our economy and the environment for future generations are mutually achievable goals.
- Support vigorous efforts to address our environmental challenges, including climate change, by focusing on what has proven to work—energy efficiency and technologies. Support alternatives and renewables along with traditional energy. Work to ensure that a comprehensive international treaty on climate change has the widest possible participation, is credible, implemented fairly, and receives Senate consideration and ratification as required by the U.S. Constitution.
- Oppose EPA efforts to regulate greenhouse gases under the existing Clean Air Act, including the endangerment finding.
- Champion efforts by industry to develop energy efficient and low emissions technologies and export them to the developing world, where the bulk of new greenhouse gas emissions are expected to occur.
- Ensure that large emerging economies share responsibility for addressing climate change.

The group's Institute for 21st Century Energy released a report in 2013, Energy Works for US, which presents 64 recommendations, in nine areas, that continue to form the basis of the Chamber's energy advocacy agenda today. The nine planks of the plan are:

- Remove Barriers to Increased Domestic Oil and Natural Gas Production and Fuel Manufacturing
- Maintain Coal's Role as a Vital Part of a Diverse Energy Portfolio
- Expand Nuclear Energy Use and Commit to a Nuclear Waste Solution
- Enhance the Competitiveness of Renewable Sources of Energy
- Promote 21st Century Energy Efficiency and Advanced Technologies
- Modernize the Permitting Process for Our Nation's Energy Infrastructure
- Protect Our Energy Infrastructure from Physical Disruptions and Cyber Attacks
- Reform the Regulatory Process for Balance, Predictability, and Transparency; and
- Ensure a Competitive Energy Workforce

The Center for Responsive Politics reports that the Chamber spent $29.1 million in the 2016 elections, all on independent expenditures, making it the second largest spender among outside groups, trailing only the National Rifle Association. According to Public Citizen's December 2016 report The Republican Party and the Chamber of Secrets, the Chamber did not spend any money in support of Democratic congressional candidates in 2016. Instead, it spent $13.1 billion supporting Republican candidates and another $16.5 million opposing Democrats.

According to a December 2017 study by Influence Map, the Chamber of Commerce is one of three groups that stand out as wielding "huge, negative influence... Between them these groups have been highly obstructive to the development of international, federal and US state level climate policy over the last few years. In 2017, they seized an opportunity to lobby for the roll back of US climate policy under the current US Administration."

According to Influence Map, the Chamber is active and persistent in its opposition to U.S. climate change policy. Despite recognizing that climate change is a "serious challenge," throughout 2017 the Chamber, particularly through president Tom Donahue, has vocally supported the rollback of numerous strands of Obama-era climate regulation. In June 2017, Chamber-sponsored research that was used by the Trump Administration to justify pulling out of the Paris Agreement. The Chamber has supported the repeal of the Clean Power Plan (CPP), having fought the rule with legal action throughout 2015 and 2016. In 2016, the organization also opposed a proposed carbon tax. In 2017, the Chamber directly called on policy makers to repeal methane emissions regulation, and has supported a review on vehicle fuel economy standards that stand to lower them. Although in October 2017 the Chamber said that it "has vigorously supported" renewable energy advancement, its website suggests continued opposition to renewable energy policy incentives, including its 2016 opposition to renewable provisions in the CPP. The Chamber continues to actively promote measures that would embed high greenhouse gas emissions intensity in the U.S. energy mix. For example, between 2015 and 2017, it promoted legislative measures to aid increased offshore, Arctic and non-conventional oil and gas production, and in 2017 continued to advocate for coal in the U.S. power generation mix.

National Association of Manufacturers

NAM is the largest manufacturing association in the United States, representing firms in every industrial sector in all 50 states which employ more than 12 million people and contribute $2.17 trillion to the U.S. economy annually, it reports.

NAM has been a vocal opponent of regulatory and legislative actions to address climate change. As late as 2009, the association said there was no confirmed evidence that human activity was affecting the climate, prompting **Duke Energy** to quit that year. The group had stepped back from that position in 2015, stating: "The establishment of federal climate change policies to reduce greenhouse gas emissions, whether legislative or regulatory, must be done in a thoughtful, deliberative and transparent process that ensures a competitive level playing field for U.S. companies in the global marketplace." However, it has since removed all specific references to climate change from its website and instead focuses its attention on its opposition to the Clean Power Plan (CPP) put forward by the EPA in 2015. The Manufacturers' Center for Legal Action, which was created to handle legal actions for NAM, filed a challenge to the CPP in federal court in October 2015, saying, "This regulation unlawfully exceeds the EPA's authority, proposing a seismic change to the power industry and our national economy. The NAM filed hundreds of pages of comments with the EPA seeking to improve the proposed rule; these comments were largely ignored, leaving manufacturers no choice but to seek judicial intervention." In February 2016 the U.S. Supreme Court issued a stay on the CPP until the federal case is resolved. President Trump on March 28, 2017, signed an executive order that will start the process of withdrawing the CPP.

NAM is also a member of the Partnership for a Better Energy Future, a group of over 140 associations and interest groups that is "unified in [its] support for responsible energy regulations." It lists its purpose as the education and mobilization of "the broader business community and elected and public officials to address widespread concerns with forthcoming greenhouse gas rules" to ensure that "the Administration's greenhouse gas (GHG) regulatory actions do not harm American jobs and the economy."

NAM spent nearly $17 million on political and lobbying expenses in 2015, although this figure dropped back to $8.5 million the following year, the Center for Responsive Politics notes. According to the Sunlight Foundation, some of the group's 2012 spending included at least $693,000 spent between August 20 and September 5, 2012, on advertisements targeting Democratic Senator Sherrod Brown of Ohio. Money spent before September 7, 2012, did not have to be disclosed to the FEC, but the foundation calculated the spending by searching filings directly from TV stations that ran the ads. According to a NAM press release, the campaign highlighted "the negative impact of burdensome government regulations on manufacturers and small businesses." According to an agreement filed with the Federal Communications Commission, NAM had a contract with Target Enterprises to purchase TV ads for up to $980,000 for the campaign.

During 2016, NAM spent approximately $8.5 million on federal lobbying. A review of the association's federal disclosures shows it lobbied on the following climate-related issues:

- 2017-2025 EPA/NHTSA/CARB Fuel Economy and GHG Regulations
- Arctic Drilling Conditional Authorization (Chukchi Sea)
- Atlantic Coast Pipeline
- BLM/EPA Hydraulic Fracturing Regulations
- BSEE Well Control Rule
- Clean Air Act Reform
- Coal Exports
- Commercial Portable Air Conditioners
- Crude Oil Exports
- Crude oil pipeline infrastructure
- CWA Section 404 Nationwide Permits
- CWA Water Quality Standards
- DOI Stream Protection Rule
- Endangered Species Act
- EPA Draft IRP for the NAAQS for PM
- EPA Proposed Ozone Regulations
- EPA Risk Management Program
- EPA SNAP Regulation
- Federal Coal Leasing Review
- FERC Pipeline Permitting
- FY 2017 Interior, Environment and Related Agencies Appropriations Bill
- FY2017 Energy and Water Appropriations Bill
- Greenhouse Gas Emissions/Clean Power Plant Regulations
- H.R. 1644, the STREAM Act
- H.R. 1734, Improving Coal Combustion Residuals Regulation Act
- H.R. 2576, S. 697, TSCA Modernization Act of 2015
- H.R. 4000, Ozone National Ambient Air Quality Standard Deadline Harmonization Act of 2015
- H.R. 4265, Clean Air Implementation Act of 2015
- H.R. 4775, Ozone Standards Implementation Act of 2016
- H.R. 8, North American Energy Security and Infrastructure Act of 2015
- Keystone XL Pipeline
- Liquid Natural Gas Exports
- Loan guarantees for nuclear fuel cycle technologies
- Mercury and Air Toxics Standard (MATS)
- Methane regulations
- Nomination of Scott Pruitt for EPA Administrator
- Oil and gas pipeline issues
- Outer Continental Shelf (OCS) Leases
- Paris GHG Negotiations
- Pipeline Permitting Reform
- Regional Haze
- S. 1038, Energy Star Program Integrity Act
- S. 2012, Energy Policy Modernization Act of 2015
- S. 2072, Hatch-McCaskill ozone early action legislation
- S. 2882, Ozone Standards Implementation Act of 2016
- S. 33, H.R. 351, LNG Permitting Certainty and Transparency Act
- S. 543, H.R. 1029, EPA Science Advisory Board Reform Act of 2015
- S. 544, H.R. 1030, Secret Science Reform Act of 2015
- S. 720, the Energy Savings and Industrial Competitiveness Act of 2015
- S. 723, Utility Energy Service Contracts Improvement Act of 2015
- S.J. Res. 23, resolution of disapproval of the EPA's NSPS for greenhouse gases for new, modified or reconstructed power plants
- S.J. Res. 24, joint resolution of disapproval of the EPA's Clean Power Plan
- S.J. Res. 25, H.J. Res. 74, a joint resolution of disapproval of EPA's National Ambient Air Quality Standards for Ozone
- Senate OPENS Act
- Sensible Accounting to Value Energy (SAVE) Act
- Social Cost of Carbon
- Support of Ozone Implementation Language in Fiscal Year 2017 Interior, Environment and related Agencies Appropriations bill

According to a December 2017 study by Influence Map, NAM is one of three groups that stand out as wielding "huge, negative influence... Between them these groups have been highly obstructive to the development of international, federal and US state level climate policy over the last few years. In 2017, they seized an opportunity to lobby for the roll back of US climate policy under the current US Administration."

According to Influence Map's research, NAM opposed U.S. leadership on climate change in the run-up to COP21, expressed "great concerns" over the direction of U.S. climate change policy as a result of the event and supported the U.S. withdrawal from the Paris Agreement in 2017. In December 2016, NAM lobbied President-elect Trump against the need for regulation limiting greenhouse gas emissions. NAM has aggressively opposed the CPP, with CEO Jay Timmons calling it "suffocation by regulation." Having been involved in legal action against the rule throughout 2013 to 2015, in 2016 NAM jointly won a Supreme Court decision to delay its implementation. In 2017 NAM continued to advocate for and praise moves towards its repeal. NAM is not supportive of measures to place a price on carbon, is opposed to any carbon tax and in 2015 supported a legislative amendment to prevent its future introduction. From 2014 to 2017, NAM took legal action against California's existing emissions trading scheme. NAM has a history of not supporting vehicle greenhouse gas emissions and energy efficiency targets, and in December 2016 lobbied President-elect Trump for "flexibility" in the application of the 2021-2025 CAFE standards. NAM's CEO has strongly opposed attempts to reduce fossil fuels in the U.S. energy mix, arguing that it would make the United States less energy secure, supporting instead the construction of the Keystone XL pipeline.

The American Legislative Exchange Council (ALEC)

Over the last several years, shareholders have been highlighting corporate participation in the American Legislative Exchange Council (ALEC), a conservative group that drafts model state legislation, which is mentioned in many of the political activity shareholder resolutions. ALEC is neither a trade association nor a registered lobbying group; it is a nonprofit organization registered with 501(c)3 charitable tax-exempt status granted by the IRS. It brings together companies and state lawmakers to advance legislation. Detractors contend the group's legislative agenda seeks to consolidate corporate power instead of promoting truly free enterprise, while the organization and its supporters say it protects important business interests that will help create jobs and bolster the economy.

Issues: ALEC has helped to formulate and advance a host of conservative legislation on a range of issues. The group's Issues website highlights areas where it is focusing efforts relating to climate change, including:

- Pre-emption of local agriculture laws;
- Pre-emption of local pesticide ordinances;
- Allow states to retain authority to classify coal ash as non-hazardous waste;
- Encourage states to withdraw from regional climate initiatives;
- Create state offices to review the financial impact of federal environmental regulations;
- Restart review of Yucca Mountain nuclear waste facility
- Opposition to any attempt by the federal government to regulate the insurance industry;
- Reform of property insurance claims;

Support: Publicly traded companies whose employees sit on the group's Private Enterprise Advisory Council include **ExxonMobil.** Private sector ALEC members pay dues ranging from $7,000 to $25,000. But according to a report by the Center for Media and Democracy, D.B.A Press and Common Cause, Buying Influence: How the American Legislative Exchange Council Uses Corporate-Funded "Scholarships" to Send Lawmakers on Trips with Corporate Lobbyists," some of ALEC's corporate sponsors pay much more in "scholarships" that ALEC uses to pay for lawmaker travel to its various conferences. While "scholarship" information is not publicly available, the report used Freedom of Information requests to track official travel expenses and found that from 2006 to 2008, member companies paid approximately $2 million on travel for over 300 public officials.

Critics: The Center for Media and Democracy, which maintains an online listing of companies with ties to ALEC, says that the group's corporate partners pay additional sums to join the task forces, but does not provide any further information. However, the group's Buying Influence report contends that while ALEC describes itself as a voluntary membership organization of state legislators, from 2006-2008 dues from those legislators accounted for only 2 percent of its revenue, while support from corporations and other groups made up the remaining 98 percent.

On April 20, 2012, Common Cause filed a complaint with the Internal Revenue Service, alleging that ALEC had violated its charitable tax-exempt status by lobbying state legislators. Using information obtained from a whistleblower, Common Cause presents a case that instead of merely being an educational institution and forum for the exchange of ideas, ALEC's primary purpose is to influence legislation to benefit its corporate partners. The suit claims that these companies' dues and other contributions made to ALEC may have been improperly reported as tax-deductible and instead should have been categorized as taxable lobbying expenses. The group urged the IRS to "conduct an immediate investigation, impose necessary penalties, and collect unpaid taxes for work done that is not consistent with ALEC's tax-exempt charitable status." The group also filed supplemental submissions to the complaint in 2013, 2015 and 2016. The IRS has yet to open an investigation.

According to the Energy and Policy Institute, a "watchdog exposing the attacks on renewable energy and countering misinformation by fossil fuel interests," ALEC's Energy, Environment, and Agriculture Task Force, which includes representatives from major fossil fuel companies including ExxonMobil and Duke Energy, has approved model bills to repeal renewable energy standards (RES), weaken RES laws by watering them down with non-renewable sources of electricity and eliminate solar net metering policies.

According to a December 2017 study by Influence Map, ALEC is one of three groups that stand out as wielding "huge, negative influence... Between them these groups have been highly obstructive to the development of international, federal and US state level climate policy over the last few years. In 2017, they seized an opportunity to lobby for the roll back of US climate policy under the current US Administration."

According to Influence Map, ALEC is actively opposed to any U.S. action on climate change. ALEC opposes efforts to decrease carbon emissions as "politically infeasible and unenforceable," rejects the need for climate regulations in the United States and, in 2016 and 2017, called on President Trump to withdraw from the Paris Climate Agreement. ALEC has organized climate change contrarians to speak at its events, created policies to question the science of climate change in schools, and in 2017 continued to disseminate misinformation about the science of climate change. ALEC designs 'model bills' to be adopted by lawmakers in state legislatures that oppose or weaken climate regulations at the state level. These model bills include policies opposing carbon taxes, emissions trading schemes and renewable energy subsidies and standards. From 2013 to 2015, 65 ALEC-sponsored bills were introduced in state legislatures in opposition to renewable portfolio standards, while from 2016 to 2017 it continued to oppose such standards in numerous states including North Carolina, Florida and Maryland. ALEC has further produced model bills to prohibit the EPA from regulating greenhouse gas emissions, and strongly opposed the CPP. ALEC advocates for a sustained role for coal in the energy mix, the expansion of unconventional oil and gas production and in 2017 continued to support the development of the Keystone XL pipeline.

Business Roundtable

According to Influence Map, while the Business Roundtable has communicated support for greenhouse gas emission reductions, it has stressed that ambition needs to be checked by other concerns, such as economic growth. Business Roundtable does not appear to condone the use of regulation to tackle climate change, and in February 2017 wrote to the White House to stress the negative economic impacts of regulation, to oppose the "overreach" of the EPA and to demand that the CPP be rewritten, later communicating support for its repeal in October 2017. The organization previously questioned the legality of the CPP in a consultation in 2014. Business Roundtable has expressed support for some U.S.

energy efficiency and renewable energy legislation, including the wind production tax credit. Business Roundtable has called for an increase in domestic production of fossil fuels, as well as such controversial projects as the Keystone XL pipeline.

Alliance for Energy and Economic Growth

According to Desmog, an activist group that seeks to push back against what it characterizes as climate change misinformation campaigns, the Alliance for Energy and Economic Growth (AEEG) was founded in 2001 and has been a "major attack dog on climate and renewable energy policy for the US Chamber of Commerce." The AEEG "has a history of pushing hard for the expansion of domestic US energy production, while at the same time attacking efforts by the federal government to expand renewable energy use and greenhouse gas emission reductions strategies to fight global warming," DeSmog says.

Desmog listed a website for AEEG—www.yourenergyfuture.org—but that site appears no longer to be active. While it is unclear who the founding members of the AEEG are, the original website registration—also no longer active—listed both the American Gas Association and the Edison Electric Institute as contacts. The staff email address for the U.S. Chamber of Commerce was listed as the main contact. The management team included members of the American Petroleum Institute, NAM and the Chamber.

It is difficult to ascertain whether the AEEG remains a going concern. The most recent reference Si2 found to the group was in an August 2016 article in which R. Bruce Josten was quoted in his capacity as spokesman for the AEEG. Mr. Josten was also executive vice president for government affairs of the U.S. Chamber of Commerce until his retirement in 2016. It appears likely that AEEG remains active behind the scenes, but no longer maintains a public-facing presence.

American Chemistry Council

According to Influence Map, the American Chemistry Council (ACC), despite suggesting support for the UN Climate Treaty in its 2016 communications, ACC appears to reject the need for dramatic greenhouse gas emission reductions and ambitious regulation to respond to climate change in the United States. The ACC has strongly opposed the CPP, criticizing the plan in 2016 as unlawful and taking legal action against it. The ACC also appears to have opposed Boiler Maximum Achievable Control Technology (Boiler MACT) and methane emission standards in 2016 and 2017, supporting a 2017 Congressional bill to rescind methane emission limits for the oil and gas industry. The ACC's website indicates support for energy efficiency standards, and in 2015 the organization appears to have supported energy efficiency goals in California. However, in a 2016 letter to Congress, the ACC proposed weaker federal energy efficiency targets. The ACC supports an "all of the above" energy mix that includes an expansion of unconventional gas resources, and the organization urged the U.S. government to support the expansion of natural gas infrastructure in 2017. Furthermore, it opposed policy 2016 efforts to limit American offshore oil and gas production and has been a vocal supporter of the Keystone XL Pipeline.

American Coalition for Clean Coal Electricity

According to Influence Map, the American Coalition for Clean Coal Electricity (ACCCE) is actively lobbying in opposition to any U.S. action on climate change. ACCCE promoted climate change denial in a 2014 report, in blog posts and through CEO messaging, and appears unsupportive of any government regulation to respond to climate change. ACCCE has criticized the emissions reductions efforts of the CPP as "trivial" and has labelled the Paris Climate Agreement "an exercise in futility." Since November 2016, ACCCE has been vocal in calling on President Trump to roll back climate regulation.

In 2017, ACCCE supported the repeal of the CPP, lobbied for the introduction of coal subsidies to preserve grid reliability and urged the government to "rebuild coal equal to the effort to tear coal down." ACCCE has taken legal action against the

CPP, winning a 2016 Supreme Court decision to delay the plan's implementation, and in the 2014 to 2017 consultation responses opposed the CPP as illegal, economically harmful and "part of a foolish strategy" to phase out fossil fuels. ACCCE has promoted a long-term role for coal in the U.S. energy mix through advertising campaigns and a "Coal Facts" mini-website. In 2017, ACCCE's President Paul Bailey further urged the EPA to end all policies causing the closure of coal plants.

The ACCCE has lobbied for financial bailouts for failing coal plants, and the Energy and Policy Institute lays out a case for the group's success in persuading Energy Secretary Rick Perry to take up its cause.

American Exploration and Production Council

The American Exploration and Production Council (AXPC) is a national trade association representing 34 of the United States' independent natural gas and oil exploration and production companies. AXPC has resisted Obama-era efforts to tighten controls on methane emissions.

American Fuel & Petrochemical Manufacturers

The American Fuel & Petrochemical Manufacturers (AFPM) is a national trade association representing 98 percent of oil refining capacity in the United States. Formerly known as the National Petrochemical and Refiners Association, AFPM describes itself as the "trade association representing high-tech American manufacturers of virtually the entire U.S. supply of gasoline, diesel, jet fuel, other fuels and home heating oil, as well as the petrochemicals used as building blocks for thousands of vital products in daily life." The AFPM expresses its policy position on greenhouse gas regulations thus:

> *Greenhouse gases are regulated by the Environmental Protection Agency under the Clean Air Act, even though the Clean Air Act never authorized such regulation. AFPM believes that using this 40-year-old law to control of greenhouse gases (GHG) emissions threatens our nation's economic and energy security. The Clean Air Act applies only to U.S. companies and was never intended to regulate greenhouse gas emissions. Even the EPA has admitted Clean Air Act GHG emissions will do nothing to reduce global concentrations of these emissions.*

According to Influence Map, the AFPM promotes uncertainty in climate science, and in 2015 it argued the EPA is obligated to consider claims "rejecting the existence and causes of climate change." AFPM in 2015 further criticized the costs of greenhouse gas emissions regulations in the run-up to COP21 as a "heavy burden." AFPM is a prominent opponent of the U.S. renewable fuel standard, consistently calling for its repeal and/or weaker standards throughout 2014 to 2017, including in multiple consultation responses, as well as taking legal action against the rule in 2016.

AFPM is also opposed to state low-carbon fuel standards, taking legal action against them in California and Oregon in 2014. AFPM further opposes the Clean Power Plan, taking legal action against the rule in 2015 and 2016 and arguing the EPA has no authority to regulate greenhouse gas emissions.

AFPM strongly opposes carbon taxes, supporting a 2016 House resolution condemning future carbon tax proposals and funding the "No to 732" anti-carbon tax campaign in Washington state. A 2017 consultation response by AFPM also suggests opposition to ambitious energy efficiency standards for automobiles. AFPM advocates for the long-term use of fossil fuels in the energy mix and runs multiple promotional websites, including Fuel Feed and Grounded in Fact, promoting the benefits of fossil fuels.

American Petroleum Institute

According to Influence Map, the American Petroleum Institute (API) appears to be actively and negatively engaged on a range of U.S. climate change legislation. API president Jack Gerald argued that President Obama's support of the Paris climate change summit was driven by "narrow political ideology" and, since the 2016 election, has heavily promoted a deregulatory agenda, suggesting it is more important than further action on climate change. Having opposed the CPP, including through legal action, API supported its repeal in 2017. Also, throughout 2017, API aggressively pursued the Bureau of Land Management's regulation of methane and the EPA's New Source Performance Standards for oil and gas sector emissions, successfully blocking or delaying both. API further appears to oppose carbon trading, carbon taxes and energy efficiency targets. In 2015, it opposed renewable energy provisions contained within the CPP and, in 2017, took legal action to oppose zero-emission credit programs for the electricity sector in Illinois and New York. API has lobbied heavily in favor of measures that would maintain a high greenhouse gas energy mix, for example, the removal of restrictions on unconventional oil and gas production and increased access to land for oil and gas exploration, including in the Artic. All of API's lobbying positions are supported through an extensive public advertising campaign.

America's Natural Gas Alliance

America's Natural Gas Alliance (ANGA) is a coalition of 21 natural gas exploration and companies in the United States. It was founded in 2009 to promote increased demand for shale gas and deflect concerns about fracking and climate change. ANGA's CEO, Marty Durbin, is the nephew of Illinois Senator Richard Durbin, formerly the second-ranking U.S. Senate Democrat. ANGA lobbyist Tom Hassenboehler was appointed as Chief Counsel to the House Energy and Power Subcommittee in December 2012. The organization used to publish its membership, but no longer does. ANGA is a member of the American Legislative Exchange Council.

Edison Electric Institute

According to Influence Map, the Edison Electric Institute (EEI) has expressed support for a transition towards clean energy and officially stated that it has worked with the EPA on the CPP "to minimize the costs to customers and to protect the reliability of the electricity system." However, in 2014 EEI pushed for less ambitious interim greenhouse gas emission standards and in 2016, while arguing that the legal stay on the CPP would not impact the move towards clean energy, funded the Utility Air Regulatory Group, an organization challenging the plan in court. EEI has opposed renewable energy legislation and appears to have been instrumental in orchestrating a nationwide effort against state-level support for distributed solar generation. EEI does not appear to fully support the decarbonization of the power sector and has defended a sustained role for coal. However, it has also strongly supported the electrification of transportation and is running a promotional campaign to encourage electric vehicle proliferation.

According to Greenpeace, EEI pays to participates in ALEC's Energy, Environment and Agriculture task force. ALEC's previous director for energy and anti-environmental initiatives, Todd Wynn, is now Director of External Affairs at EEI.

According to a July 2017 report from the Energy and Policy Institute, Dr. Donald F. Hornig, a science advisor to President Lyndon B. Johnson, warned the 1968 Annual Convention of the EEI about the threat that allowing CO_2 emissions from burning fossil fuels to build up in the atmosphere could one day pose to the climate. "Such a change in the carbon dioxide level might, therefore, produce major consequences on the climate—possibly even triggering catastrophic effects such as have occurred from time to time in the past," Hornig said. Utilities, through the largely customer funded EEI and Electric Power Research Institute (EPRI), sponsored cutting edge climate research during the 1970s and 1980s. Between 1985 and 1988, EEI and EPRI co-sponsored a study that found that "climate changes possible over the next 30 years may significantly affect the electric utility industry."

While the science on climate change was limited compared to what we know today, by 1971 electric utilities knew enough to include research into the "effects of CO_2" in the industry's long-term research and development goals through the year 2000. More than 50 electric utilities contributed to the development of these goals, as did industry associations like EEI. "It is possible that an increase in concentration of atmospheric gases which absorb the outgoing infrared radiation could result in a rise in average global temperature," William McCollam, Jr., then president of EEI, testified to Congress in 1989. McCollam also acknowledged that climate change "could have significant effects on agriculture, rainfall, sea level, storm events, demography, and human health."

Despite this, that same year, EEI and some major electric utilities chose to "aggressively" work to sow doubt about climate science. EEI and **Southern** joined the Global Climate Coalition, which for years worked to deny the causes and risks of climate change. In 1991, EEI and Southern spearheaded the Information Council on the Environment ad campaign, which listed as its top strategy an effort to "reposition global warming as theory (not fact)."

Annual CO_2 emissions from the electricity sector remained higher in 2016 than they were when McCollum testified in 1989. Thomas Fanning, the CEO of Southern, continued to deny that CO_2 emissions are the primary contributor to climate change during an interview with CNBC in 2017. At the time, Fanning was also the chairman of EEI.

A recent investigative report by reporter Annalee Grant at SNL Energy revealed that EEI is a member of the Utility Air Regulatory Group (UARG), an opaque organization that has spearheaded opposition to the CPP. The report also found that EEI had paid more than $7.7 million to UARG in 2015. An EEI spokesperson said the group participates in a number of coalitions. Yet based on publicly available tax documents, UARG appears to be the largest coalition that receives EEI's monetary support.

EEI has begun working with three other fossil fuel groups to push back against organizations that oppose increased natural gas investment. Speaking at the 2017 Platts Annual Coal Marketing Days conference in Pittsburgh, EEI's Karen Obenshain said the utility group was in the "early stages" of putting together a campaign to counter opposition to fracking and pipelines, and is working with API and other natural gas interest groups. "We're looking at what advocacy platforms we have out there—that the [natural gas] trades have already—to use and push back against the opposition."

The Energy and Policy Institute also maintains detailed information about EEI's strategic campaign to prevent distributed rooftop solar energy from gaining market share. A July 2017 *New York Times* report further details EEI and ALEC's efforts to curtail rooftop solar uptake, at least under existing paradigms.

Utility Air Regulatory Group

The primary non-state challenger of the CPP at the U.S. Supreme Court was the Utility Air Regulatory Group (UARG). This organization is opaque. Research did not uncover so much as a basic website for it. As such, its membership is not consistently verifiable. The group has been compelled in the past to disclose its membership in association with its legal and lobbying activities. A membership list research was filed in December 2014, as part of UARG's public comments to EPA in opposition to the CPP. Additionally, a December 2014 filing **American Electric Power** submitted to the EPA Docket Center said the company was also a member of UARG, along with the Edison Electric Institute (EEI).

"They are the dark matter of the electric energy industry, and one shouldn't really be able to take on the government's efforts to curb climate change or mercury pollution and do it anonymously," David Doniger, director of the Natural Resources Defense Council's Climate and Clean Air Program, said of UARG. "This is a way of having the law firm do their dirty work without taking any responsibility for it in public discourse."

A recent investigative report by reporter Annalee Grant at SNL Energy confirmed that Southern, Duke Energy and Dominion Resources are all paying members of UARG. The report also revealed that EEI paid more than $7.7 million to UARG in 2015.

Beyond the CPP, the UARG has also taken legal action against the Cross-State Air Pollution Rule under the Clean Air Act.

Western States Petroleum Association

According to Influence Map, the Western States Petroleum Association (WSPA) led lobbying efforts in California throughout 2014 to 2016 to oppose climate legislation SB 32 and SB 350, funding a network of false activist groups to propagate their views. WSPA opposed greenhouse gas emissions reduction targets in SB 32, and has consistently rejected greenhouse gas emissions standards for hydrocarbon refining facilities in California, taking legal action against local measures in 2016. WSPA lobbied policymakers in 2015 against 50 percent renewable energy and energy efficiency targets in California bill SB 350, in addition to the 50 percent petroleum reduction target, applauding its eventual removal from the bill. Despite seeming to take an unsupportive position on California's cap-and-trade scheme throughout 2014 to 2016, WSPA's position evolved in 2017 to support an extension of the emissions trading program, with major exceptions. WSPA lobbied for a provision in the program preventing California from regulating greenhouse gas emissions at refineries through other measures, with evidence suggesting the provision was introduced in the final bill at WSPA's behest. Additionally, WSPA appears to take an unsupportive position on a carbon tax in Washington. WSPA has also vocally opposed low carbon fuel standards over the last three years in California, Oregon and Washington, taking legal action against Oregon's standard in 2015. WSPA strongly supports unconventional oil and gas production, and in 2016 opposed a measure to introduce zero emission vehicle targets in California.

Company Details

AES (AES)

Research uncovered no specific allegations during the study period of political spending or lobbying to undermine action on climate change that could be attributed directly to the company. AES is a member of the Business Roundtable and the Edison Electric Institute.

Alliant Energy (LNT)

Research uncovered no specific allegations of political spending or lobbying to undermine action during the study period on climate change that could be attributed directly to the company. Greenpeace confirmed in 2014 that Alliant Energy had discontinued its support for the American Legislative Exchange Council. Alliant Energy is a member of the Edison Electric Institute.

Chesapeake Energy (CHK)

Research uncovered no specific allegations during the study period of political spending or lobbying to undermine action on climate change that could be attributed directly to the company. Chesapeake Energy is a member of the American Exploration and Production Council, the American Legislative Exchange Council, the American Petroleum Institute and the Business Roundtable. The company was a member of America's National Gas Alliance (ANGA) in 2014, but it is not clear if it retains its membership: ANGA has stopped publishing its membership roster.

Chevron (CVX)

A September 2017 report from Influence Map, a UK-based think tank that evaluates lobbying and corporate finance related to climate change, evaluated the 50 most influential corporations on climate policy. It found that of the 50 companies, 35 were actively lobbying against climate policy, including Chevron. Despite acknowledging the science of climate change on its website, in 2014 Chevron reportedly sponsored a conference at which climate-change denial propaganda was disseminated. In addition, Chevron appears not to support the need for dramatic reductions in greenhouse gas emissions, and in 2015 and 2016 CEO John Watson raised the threats of energy poverty and insecurity to rebut the case for urgent climate action.

In 2015, Chevron appears to have opposed cap-and-trade legislation in California, and in 2016 CEO John Watson spoke to the press, appearing to oppose any government regulation for climate change, suggesting that policy such as emissions trading and carbon taxes constitute an unnecessary cost to "the consumer and ... business."

Chevron appears to have opposed energy efficiency legislation in Australia in 2014 and greenhouse gas emissions standards in Oregon and California in both 2014 and 2015. Over the same period, the company appeared to fund others to oppose renewable energy standards in California. In 2016, Chevron suggested that it is opposed to a transition away from fossil fuels. Accordingly, in 2014 CEO John Watson criticized policy intervention in the market to support renewable energy and in 2015 the company advocated for increased fossil fuel subsidies in South Africa. Chevron also reportedly "stayed away" from an industry initiative supporting climate negotiations at COP21 in 2015, for the UN climate treaty in Paris.

Trade associations & other intermediaries: Chevron executives hold positions in numerous trade associations that appear to be resisting climate change related regulations and policies. The Center for Media and Democracy (CMD), through its website ALEC Exposed, reports that Chevron has been involved with the American Legislative Exchange Council (ALEC) for at least the last several years. CMD says that the company sponsored the ALEC Annual Conference in 2015, 2014, 2012 and 2011, and has been a member of the group's Energy, Environment and Agriculture Task Force. CMD suggests that the company is currently involved with ALEC, as well, but the precise nature of Chevron's current relationship with ALEC, if any, is unclear.

Chevron is a member of the American Petroleum Institute (API), and the company's CEO, John Watson, was on API's board of directors as of 2014. API does not publish a list of its board members, but it appears that Watson is still serving. Chevron is also a member of the Western States Petroleum Association (WSPA), and the company's president of global manufacturing, Gary Yesavage, was a member of the WSPA board of directors as of 2014, though it appears his tenure has ended.

Several of Chevron's subsidiaries are members of the American Fuel & Petrochemical Manufacturers.

Through its membership in the California Chamber of Commerce and the International Emissions Trading Association, Chevron is taking conflicting positions both against and in defense of California's cap-and-trade scheme.

CMS Energy (CMS)

Research uncovered no specific allegations of political spending or lobbying to undermine action on climate change that could be attributed directly to the company. CMS is a member of the Alliance for Energy and Economic Growth and the Edison Electric Institute. CMS disclosed its membership in the Utility Air Regulatory Group in its public comments on the EPA's CPP proceeding in 2014, but it is not clear if the company retains its membership with the organization.

The company helped defeat a ballot measure that would have imposed aggressive renewable energy goals in Michigan in 2012, as discussed on page 37.

ConocoPhillips (COP)

According to Influence Map, ConocoPhillips said in 2015 that its support for a UN climate treaty would be conditional on whether the agreement met its "own policy principles," asking for a "level playing field" among energy sources and between countries. In 2016, the company did not formally support the Paris treaty. Other communications in 2016 suggest ConocoPhillips does not support urgent action to limit the global temperature rise to less than two degrees, with CEO Ryan Lance criticizing emission regulations as a "threat to growth." ConocoPhillips has also opposed a carbon tax in Australia in 2013 and the UK Carbon Price Floor and, in 2016, highlighted the negative impact of carbon taxes on the competitiveness of its projects in Canada.

ConocoPhillips appears not to support legislation that would bolster renewable energy, and a spokesperson for the company has argued that "governments should not pick technology winners." ConocoPhillips further appears to be broadly opposed to transitioning to a low carbon economy. The company has petitioned for policies that promote oil and gas exploration in the U.S., as well as advocating for fossil fuel subsidies in Alaska by campaigning for Senate Bill 21 in 2014. It also helped turn back a proposal in Alaska to eliminate a state tax break, as noted above on page 37. In 2016, the company further appears to have supported the exploitation of the Alberta Tar Sands in Canada.

Trade associations & other intermediaries: ConocoPhillips' Chairman and CEO Ryan Lance was elected chairman of the American Petroleum Institute's (API) board of directors effective January 1, 2016. API does not publish a list of its board members, and it is unclear if either Lance or Garland are still serving. ConocoPhillips remains a member of API.

The Center for Media and Democracy (CMD), through its website ALEC Exposed, reports that ConocoPhillips has been involved with the American Legislative Exchange Council (ALEC) as recently as 2011—saying that the company was a sponsor of the group's 2011 Annual Conference. However, CMD also reports that a ConocoPhillips representative informed CMD in 2013 that the company was no longer a member of ALEC and that it had not contributed any funds to ALEC in 2012 and had no plans to do so in 2013.

Charles E. Bunch, a ConocoPhillips board member, previously served on the National Association of Manufacturers' (NAM) board. He currently also serves on Marathon Petroleum's board. Paula Johnson, Phillips 66's executive vice president for legal and government affairs, general counsel and corporate secretary, sits on NAM's board, as does Andrew Lundquist, ConocoPhillips' senior vice president of government affairs.

ConocoPhillips is also a member of the Business Roundtable, American Fuel & Petrochemical Manufacturers, U.S. Chamber of Commerce and Western States Petroleum Association.

Devon Energy (DVN)

One of Devon's lobbyists—a vociferous climate change denier—scored a victory on behalf of the company in February 2017 when the U.S. House of Representatives voted to reverse the Obama administration's regulations on flaring methane during oil and gas drilling on Bureau of Land Management public lands. Larry Nichols, Devon co-founder and Board of Directors Chairman Emeritus, served as a Trump presidential campaign energy adviser and campaign donor.

Former Oklahoma Attorney General and current EPA administrator Scott Pruitt submitted a letter to the EPA in 2011, which was ghostwritten by Devon Energy, calling for the EPA to halt its proposed regulations on methane at U.S. hydraulic fracturing sites. Ultimately, the methane rule survived this challenge after three Senate Republicans sided with Democrats against allowing a vote on the resolution to proceed. The rule remains under fire, however. After a federal appeals court in Washington, DC ruled in July 2017 that the EPA could not suspend the methane rule while Pruitt's staff considered whether to rewrite it, the House of Representatives voted in September 2017 to block funding for the rule's implementation. This political jockeying is likely to continue.

Devon Energy, historically, had been a minor player in Washington. But that changed in the first year of the Obama presidency, when Devon Energy's spending on lobbying jumped nearly 350 percent to $2.5 million. Devon Energy brought on a team of politically connected lobbyists, including Anthony Ferate, known as A. J., a lawyer with close ties to Mr. Pruitt, as well as Rebecca Rosen, a former Capitol Hill staff member who had worked on the presidential campaign of Mitt Romney, the former Massachusetts governor. Another Devon Energy lobbyist, Michael Catanzaro, resigned from his post and now is the top White House adviser on energy policy. His lobbying disclosure report filed on January 19, 2017—the day before Mr. Trump was sworn in—lists his lobbying work for Devon Energy as targeting "methane emissions from oil and gas production."

According to Janet McCabe, who led the air pollution enforcement division of the EPA under President Obama, Devon Energy was among the most determined opponents of the EPA's work, even more so than international giants such as **Royal Dutch Shell**. "In any regulated industry, there are companies that are more aggressive than others in pushing back at every turn and trying to stop the policy," said McCabe, according to a May 2017 investigation by *The New York Times*. "Devon was one of those."

Trade associations & other intermediaries: Devon Energy is a member of the National Association of Manufacturers (NAM). The company's chairman emeritus, J. Larry Nichols, sits on NAM's executive committee.

The Center for Media and Democracy (CMD), through its website ALEC Exposed, reports that Devon Energy has been involved with the American Legislative Exchange Council (ALEC) since at least 2014. CMD reports that the company has been a sponsor of the group's 2014 and 2015 annual conferences. CMD suggests that the company is currently involved with ALEC, as well, but the precise nature of any current relationship with ALEC remains unclear.

Devon Energy is also a member of the American Exploration and Production Council, the American Petroleum Institute and America's Natural Gas Alliance.

Dominion Energy (D)

During 2017's Virginia gubernatorial race, Dominion Energy—the state's biggest political spender—directed substantial resources into online groups called EnergySure and Your Energy Virginia to create what it called a grassroots "campaign to elect a pipeline." The Atlantic Coast Pipeline is a more than $5 billion project for Dominion Energy, and faces stiff opposition from environmental groups.

As of early October 2017, Dominion Energy had compiled a "supporter database" of more than 23,000 names, generated 150 letters to newspaper editors, sent more than 9,000 cards and letters to federal regulators and local elected officials, and directed more than 11,000 calls to outgoing Governor Terry McAuliffe and Virginia's U.S. senators. An industry presentation that had never been intended for public consumption, a copy of which *The Washington Post* obtained, reveals the scope of the company's efforts, as well as its view that the media are "lazy, sympathetic, often inept," that activists view natural gas as worse than coal and that eminent domain is "the fight to come."

Thirteen of Virginia's new Democrats elected to the House of Delegates in 2017 signed a pledge to reject money from Dominion Energy.

A May 2017 report from the Energy and Policy Institute explored how regulated, investor-owned utility companies are including their Edison Electric Institute (EEI) annual membership dues in their general operating expenses. This widespread practice results in ratepayers subsidizing the political activities of EEI, with which they may not agree and from which they may not benefit. The report goes on to highlight examples of utilities, including Dominion, proposing to include annual membership fees for the American Gas Association, Nuclear Energy Institute and U.S. Chamber of Commerce, for example, in their rate requests. Dominion and Duke Energy attempted to have ratepayers subsidize a portion of American Legislative Exchange Council (ALEC) dues and political party donations in rate requests.

Trade associations & other intermediaries: Beyond its membership in EEI, ALEC and the Chamber, Dominion Energy is also recently a member of the Utility Air Regulatory Group (UARG), the primary legal challenger of the CPP. Dominion actually submitted a brief supporting the Clean Power Plan in April 2016, and the company has said its payments to UARG do not go towards the Clean Power Plan lawsuit. David Doniger, director of the Natural Resources Defense Council's Climate and Clean Air Program, has said he is skeptical of any company's claim to be a member of UARG while not participating in the litigation. "UARG exists for no purpose, except, as far as we know, to be the vehicle through which the companies bring their lawsuits," Doniger said.

DTE Energy (DTE)

Under Michigan's Electric Customer Choice Program, the state's supply of power is open to competitive suppliers. Electric transmission and distribution remain under a regulated utility structure. Customers with retail access to alternative electric suppliers represented approximately 10 percent of DTE Energy's retail sales in 2015 and consisted primarily of industrial and commercial customers. Michigan Public Service Commission (MPSC) rate orders and 2008 energy legislation enacted by the State of Michigan had placed a 10 percent cap on the total retail access related migration, mitigating some of the unfavorable effects of electric retail access on DTE Electric's financial performance and full service customer rates.

The year 2016 saw a pitched battle to overhaul Michigan's electricity markets, with DTE Energy advocating for charges or restrictions on alternative energy suppliers. Negotiations over this point were so intense that Michigan lawmakers held overnight sessions in December, trying to arrive at a resolution. One particular sticking point was a proposed capacity charge that alternative energy suppliers would have been required to pay to Michigan's regulated utilities, including DTE Energy. The company argued that charges or restrictions on alternative suppliers were justified because DTE Energy is obligated to build the generation infrastructure to serve their customers. Opponents of the provision feared it would kill the retail choice market.

In mid-December 2016, regulators arrived at a bipartisan compromise that kept the retail choice program alive and raised Michigan's Renewable Portfolio Standard from 10 percent to 15 percent. Clean energy advocates celebrated the decision, which did not include provisions that they feared would have undermined Michigan's nascent solar market. The legislation also directed state regulators to establish a tariff process for distributed generation resources, which advocates expect will expand Michigan's currently tiny solar generation capacity while preventing utility domination of the market.

It was a Republican governor—in this case, Governor Rick Snyder—who ushered the legislation into passage. Snyder brokered a compromise between DTE Energy (along with the state's other investor-owned utility, Consumers Energy) and alternative energy suppliers. This set clear parameters for regulators to determine if a capacity charge is warranted and, if so, how high it could rise, or if it would be better for an alternative energy supplier to secure capacity demands through a three-year auction process. Ultimately, this new legislation was a victory for compromise and collaboration, and DTE Energy and alternative energy providers alike declared their general satisfaction with its outcome.

Trade associations & other intermediaries: An August 2016 report from the Climate Investigations Center found that DTE Energy and Duke Energy left the American Coalition for Clean Coal Electricity, purportedly because of its controversial tactics and climate change position. DTE Energy explained that "ACCCE no longer aligns with our business strategy."

DTE Energy is a member of the Alliance for Energy and Economic Growth, the Edison Electric Institute and the National Association of Manufacturers. DTE Energy is also a member of the Utility Air Regulatory Group.

Duke Energy (DUK)

A September 2017 report from Influence Map evaluated the 50 most influential corporations on climate policy. It found that of the 50 companies, 35 were actively lobbying against climate policy, including Duke Energy. According to Influence Map, the company has consistently suggested that concern for energy prices and energy security should weigh against the ambition of climate change policy. In 2014, Duke Energy lobbied against the CPP through intermediaries, although in 2016, the company showed some positive engagement with state plans to comply with the plan.

However, Duke Energy's 2016 CDP Response shows ongoing opposition to the CPP, and as a confirmed member of the Utility Air Regulatory Group, the company is directly funding efforts to derail the plan. Duke Energy supports market-mechanisms to reduce greenhouse gas emissions and the company supports the use of emissions trading in the implementation of the CPP. However, in consultation with the EPA in 2016, Duke Energy advocated for a number of provisions that may weaken the ambition of future schemes adopted as part of the plan. Despite continued support for renewable energy and energy efficiency standards in North Carolina in 2015, Duke in 2015 and 2016 also lobbied against a range of other renewable energy and energy efficiency legislative items, including schemes related to the CPP and various state-level policies encouraging distributed renewable energy generation.

In April 2017, the 50/50 Climate Project published a detailed report, prepared by the Sustainable Investments Institute, on Duke Energy's significant patterns of political spending and lobbying in Florida, North Carolina, Ohio and South Carolina, often in an attempt to weaken clean energy proliferation, including a ballot measure in Florida discussion on page 37.

A May 2017 report from the Energy and Policy Institute explored how regulated, investor-owned utility companies are including their Edison Electric Institute (EEI) annual membership dues in their general operating expenses. This widespread practice results in ratepayers subsidizing the political activities of EEI, with which they may not agree and from which they may not benefit. The report goes on to highlight examples of utilities proposing to include annual membership fees for the American Gas Association, Nuclear Energy Institute and U.S. Chamber of Commerce, for example, in their rate requests. Duke Energy and Dominion attempted to have ratepayers subsidize a portion of American Legislative Exchange Council dues and political party donations in rate requests.

In October 2017, Florida Republican State Senator Jack Latvala pledged to stop accepting campaign contributions from utility companies as he pursued Florida's 2018 governorship. Many observers viewed Latvala's announcement as a rebuke to Duke Energy, as well as NextEra Energy and Southern, for their substantial lobbying and political spending efforts aimed at weakening energy efficiency targets, obstructing rooftop solar proliferation and passing on questionable costs to consumers. While 2017 saw similar commitments from various Democratic candidates, Latvala's announcement is notable, as the utilities have generally invested far more of their resources in efforts to influence Republicans.

Trade associations & other intermediaries: An August 2016 report from the Climate Investigations Center found that Duke Energy and DTE Energy left the American Coalition for Clean Coal Electricity, purportedly because of its controversial tactics and climate change position. Duke Energy also quit the National Association of Manufacturers for similar reasons.

Duke Energy remains a member of the American Legislative Exchange Council, the Business Roundtable and the Edison Electric Institute. The company also has confirmed its membership in the Utility Air Regulatory Group.

ExxonMobil (XOM)

A September 2017 report from Influence Map evaluated the 50 most influential corporations on climate policy. It found that of the 50 companies, 35 were actively lobbying against climate policy, including ExxonMobil. The company has understood the fundamentals of climate science since 1977, but from the late 1980s has been at the forefront of efforts to mislead public knowledge on the science in order to stifle and delay climate-driven regulations. Despite claiming in 2008 that it would cease its funding of climate denial, it has continued to sponsor research and political non-profits that question climate science and continues to emphasize the uncertainty of climate science in corporate communications.

Rex Tillerson, ExxonMobil's former CEO and currently the Secretary of State, voiced opposition to renewable energy at the company's 2014 annual meeting, where he also suggested that ExxonMobil was opposing carbon trading systems and, despite stating a preference for carbon taxes over other government interventions, appeared to argue that the best-case scenario would be an "absence of any policy." In the run up to the Paris climate negotiations at the end of 2015, ExxonMobil executives raised concern to the press about the "serious costs" of climate regulation including CAFE standards, EU cap and trade policy and California's low-carbon fuel standards. The company says it supports a carbon tax on the condition that it be revenue-neutral, but reports also suggest its political donations have been used to influence against such a policy direction, as documented by DesmogBlog, Inside Climate News and the Union of Concerned Scientists.

The Energy and Policy Institute discovered that a registered lobbyist opposed two carbon tax bills–S.1747 and S.1786– (along with a number of other climate-related bills) on behalf of ExxonMobil. A disclosure form filed by lobbyist William J. Coyne, Jr. in accordance with Massachusetts lobbying law shows that Coyne took "oppose" positions on both carbon tax bills on behalf of ExxonMobil. The lobbying took place sometime between January 1 and June 30, 2016, when Rex Tillerson was still CEO of ExxonMobil. ExxonMobil disclosed a total of $49,236.96 in "salaries paid" to Coyne in 2016, made in two equal payments of $24,618.48 and covering the time periods from January to June and July to December.

In 2015, Tillerson told ExxonMobil shareholders that his company did not invest in renewable energy because, "We choose not to lose money on purpose." In 2016, while Tillerson was still CEO, ExxonMobil lobbyists disclosed having engaged in "active advocacy" on a bill to extend the freeze on Ohio's renewable energy and energy efficiency standards. Republican Governor John Kasich ultimately vetoed the bill. ExxonMobil lobbyists also lobbied on separate bills to repeal Ohio's clean energy standards outright and prohibit state agencies from implementing the CPP.

The company has also pressed for the repeal of the EPA's renewable fuel standards and has reportedly opposed greenhouse gas emissions standards, working with other parties to take legal action against the EPA over the Clean Air Act.

Trade associations & other intermediaries: Neil A. Chapman, president of ExxonMobil Chemical Company and senior vice president of ExxonMobil, is a member of the National Association of Manufacturers' (NAM) executive committee. ExxonMobil is currently a member of the Private Enterprise Advisory Council of the American Legislative Exchange Council (ALEC). The Center for Media and Democracy (CMD), through its website ALEC Exposed, also reports that ExxonMobil is a member of the group's Energy, Environment and Agriculture, Civil Justice and Tax and Fiscal Policy tasks forces and that the company has sponsored the ALEC Annual Conference every year dating back to at least 2011.

ExxonMobil is also a member of the American Chemistry Council, the American Petroleum Institute, the Business Roundtable, the American Fuel & Petrochemical Manufacturers and the Western States Petroleum Association.

FirstEnergy (FE)

In 2017, the Federal Energy Regulatory Commission (FERC) received a flood of comments in response to Energy Secretary Rick Perry's Notice of Proposed Rulemaking (NOPR), where he proposed a rule that would ensure "full cost recovery" for numerous privately-owned, old and uncompetitive coal and nuclear power plants, and for much of the cost to be passed on to ratepayers. Environmental groups characterize the rule as a multi-billion dollar bailout for failing coal plants. Greentech Media described the response to Perry's plan as an "onslaught of opposition" in one headline. RTO Insider similarly found "widespread opposition" to Perry's proposal in the public comments submitted to FERC.

While the rule elicited backlash from many states, grid operators, a coalition of energy providers and former FERC commissioners, the Trump administration highlighted support for Perry's proposal after FERC's public comment period closed.

The Energy and Policy Institute (EPI) published a detailed investigation in October 2017 in which it found that much of that "support" comes in the form of hundreds of pages of largely ghostwritten and similarly-worded comments signed by dozens of corporate, non-profit, union, local government and school officials as part of a campaign FirstEnergy orchestrated. What these commenters share in common, according to EPI, is that they all rely in some way on FirstEnergy's money, or its trickle-down effect on local communities.

EPI subsequently reported in December 2017 that FirstEnergy financed free travel for FERC commissioners to a "secretive beach conference" organized by a FirstEnergy board member. According to EPI, the conference is an annual gathering, held in secret since 2000 and not previously reported. It is organized by a group called the Emerging Issues Policy Forum (EIPF), whose vice president and board member is Julia Johnson, a sitting member of FirstEnergy's board of directors. In its 2017 proxy statement, FirstEnergy explained that the key attribute Johnson brings to the board is her ability to develop "strategies for achieving objectives through advocacy directed at critical decision makers." Johnson was previously a board director for Allegheny Energy, which merged with FirstEnergy in 2011. The 2009 Proxy Statement for Allegheny Energy specifically highlighted FERC as an example of where Johnson directs her "strategies for achieving objectives."

EPI reports:

> *EIPF no longer has a website. Tax forms indicate that it used to be a 501(c)(4) non-profit organization, but the IRS revoked that status in 2012 when EIPF failed to report its financial information. The tax forms that do exist for EIPF, as well as other data, suggest that it is essentially the same entity as NetCommunications LLC, a firm also run by Julia Johnson. (Both organizations no longer have websites, but archived sites for each were identical.)*

In April 2017, the 50/50 Climate Project published a detailed report, prepared by the Sustainable Investments Institute, on FirstEnergy's significant patterns of political spending and lobbying in Ohio in an attempt to subvert or weaken clean energy standards.

Trade associations & other intermediaries: FirstEnergy is a member of the American Coalition for Clean Coal Electricity, the Edison Electric Institute and the National Association of Manufacturers. FirstEnergy has also confirmed its membership in the Utility Air Regulatory Group.

Halliburton (HAL)

A provision exempting hydraulic fracturing from key provisions of the Safe Drinking Water Act was part of the federal 2005 Energy Policy Act. Known as the "Halliburton loophole" and championed by former U.S. Vice President and Halliburton CEO Dick Cheney, the provision was the result of a successful lobbying campaign by the Interstate Oil and Gas Compact

Commission (IOGCC), originally created by Congress in 1935. “Congress passes IOGCC’s legislative fix for hydraulic fracturing,” bringing “several years of hard work by the Commission to fruition,” the IOGCC said in a 2005 newsletter. When members of Congress tried to close the Halliburton loophole in 2009, several states adopted resolutions to preserve it, using language directly from an IOGCC resolution.

The Department of Justice recommended in 1978 that the IOGCC be disbanded, but it has instead gone on to become what environmental activists view as a quasi-governmental organization that works behind the scenes to restrict federal oversight of the oil and gas industry.

A lobbyist for Halliburton and other fossil fuel companies, Michael Catanzaro, resigned from his post and now is the top White House adviser on energy policy. His lobbying disclosure report filed on January 19, 2017—the day before Mr. Trump was sworn in—lists his lobbying work for **Devon Energy** as targeting “methane emissions from oil and gas production.”

Halliburton is a member of the American Petroleum Institute.

Kinder Morgan (KMI)

Kinder Morgan and the Canadian firm **Enbridge** have lobbied Canadian authorities heavily to allow them to move ahead with two pipeline projects that would connect Alberta’s oil sands fields with British Columbia’s coast. The Canadian government had been implementing limitations on various aspects of the projects, only to reverse course after a major lobbying effort on the part of the two companies. In November 2016, Canadian progressive blog Policy Note documented numerous lobbying and political donation activities from Kinder Morgan to elected officials that Policy Note believes eased the way for Kinder Morgan’s Trans Mountain pipeline expansion.

It is not clear if Kinder Morgan is a direct member of the American Petroleum Institute (API), but the company does participate in various partnerships with API.

Marathon Petroleum (MPC)

Research uncovered no specific allegations of political spending or lobbying during the study period to undermine action on climate change that could be attributed directly to the company.

Charles E. Bunch, a Marathon Petroleum board member, previously served on the National Association of Manufacturers’ (NAM) board. He currently also serves on ConocoPhillips’ board. David L. Whikehart, Marathon Petroleum’s vice president for environment, safety and corporate affairs, currently sits on NAM’s board. Marathon Petroleum is also a member of the American Petroleum Institute and the American Fuel & Petrochemical Manufacturers.

NextEra Energy (NEE)

The *Palm Beach Post* has reported on NextEra Energy’s Florida Power and Light’s (FPL) proposal to continue charging customers more than $2 million per year to subsidize the Edison Electric Institute (EEI), which has lobbied aggressively in Florida to stave off rooftop solar expansion. The funding was disclosed in documents filed by FPL as part of a rate increase request of the Florida Public Service Commission. If successful, FPL customers will be paying $9.5 million to EEI for the 2015 to 2018 time frame.

In April 2017, the 50/50 Climate Project published a detailed report, prepared by the Sustainable Investments Institute, on five electric utilities’ significant patterns of political spending and lobbying to weaken climate-friendly legislation. While NextEra Energy was not one of the utilities specifically evaluated in that report, the company was among those that participated in a misleading campaign to pave the way for more restrictions and fees for solar customers in Florida. Details of Florida's Amendment 1 Campaign and NextEra's role in it begin on page 23 of that report and are covered on page 37 of this report.

NextEra Energy co-authored a brief filed in court in support of the CPP, even though its membership in the EEI may be working at cross-purposes, and its membership in the Utility Air Regulatory Group (UARG) almost certainly is.

FPL drafted language that ended up in a Florida legislator's bill and would restrict the adoption of solar power in Florida, according to an email exchange that the Energy and Policy Institute obtained via a public records request. In an email dated January 23, 2017, Florida Representative Ray Rodrigues sent an attorney with Florida House Bill Drafting an email titled, "Feedback on Consumer Disclosure for Solar Amendment Implementation." He attached a document titled "Chapter 501 Electricity Consumers Solar Energy Choice Act." The metadata in the attached document had Barbara J. Washington, Senior Legal Assistant at NextEra Energy Resources listed as the author.

Rodrigues said in the email, "I received the following document as a suggestion on the consumer disclosure for the solar amendment. Can you compare this to the Arizona bill that we sent and let me know the differences?" *The Miami Herald* picked up the story and added details about funding that Rodrigues' political action committee had received from FPL just a few days prior to the email exchange. While Rodrigues acknowledged that "some" of FPL's language had made it into the bill, he added that solar industry advocates had also succeeded in stripping out provisions to which they objected.

In October 2017, Florida Republican State Senator Jack Latvala pledged to stop accepting campaign contributions from utility companies as he pursued Florida's 2018 gubernatorial election. Many observers viewed Latvala's announcement as a rebuke to NextEra Energy, as well as Duke Energy and Southern, for their substantial lobbying and political spending efforts aimed at weakening energy efficiency targets, obstructing rooftop solar proliferation and passing on questionable costs to consumers. While 2017 saw similar commitments from various Democratic candidates, Latvala's announcement is notable, as the utilities have generally invested far more of their resources in efforts to influence Republicans.

Trade associations & other intermediaries: FPL's CEO, Eric Silagy, serves on the U.S. Chamber of Commerce's board of directors, and NextEra is a member of the Chamber. The company is also a member of the Business Roundtable, the EEI and the UARG.

NRG Energy (NRG)

NRG Energy used to be quite active in lobbying in support of climate-friendly policy and supporting conservation groups. The company's efforts to transition to a cleaner energy mix fell afoul of investors, however, after it missed some of its financial performance targets and saw slower growth in its solar business than expected. Research uncovered no recent, specific allegations of political spending or lobbying—whether to undermine or promote action on climate change—that could be attributed directly to the company. It is one of the largest political spenders in this study, however.

NRG Energy is a member of the Business Roundtable.

Occidental Petroleum (OXY)

According to Influence Map, Occidental Petroleum opposes state or regional climate change policy due to the "inherent geographic restrictions in their ability to affect any human-induced climate change." The company appears to have used political spending to oppose cap-and-trade policy, in particular opposing California's Assembly Bill 32 in 2014, as well as other renewable energy legislation in Oregon and Washington. The company also appears to have opposed the Clean Air Act in 2014, including through successful legal action.

As of September 2014, Occidental Petroleum had "no plans to continue Occidental's membership in, or make further payments to," the American Legislative Exchange Council, according to an article in the *National Journal.* The company remains a member of the American Chemistry Council, the American Petroleum Institute, the American Fuel & Petrochemical Manufacturers and the U.S. Chamber of Commerce.

PPL (PPL)

Research uncovered no specific allegations of political spending or lobbying during the study period to undermine action on climate change that could be attributed directly to the company.

An energy lobbyist and former head of government relations for PPL, Michael Catanzaro, resigned from his post to become the top White House adviser on energy policy under President Trump. Catanzaro has a history of denying climate science, frequently referring to climate change as a "religious belief."

PPL has confirmed its membership in the Utility Air Regulatory Group., and is also a member of the Edison Electric Institute.

Range Resources (RRC)

Several reports from 2013 suggest that Pennsylvania's then-Governor Ed Rendell, a Democrat, intervened on behalf of Range Resources to halt an EPA lawsuit against the company for contaminating groundwater, purportedly because Rendell had received substantial donations from the oil and gas industry. However, none of these reports conclusively drew a connection between lobbying or political spending on Range Resources' part and Rendell's subsequent actions in the company's favor.

Range Resources is a member of the American Exploration and Production Council. The company was a member of America's National Gas Alliance (ANGA) in 2014, but it is not clear if it retains its membership: ANGA has stopped publishing its membership roster.

Southern (SO)

A September 2017 report from Influence Map evaluated the 50 most influential corporations on climate policy. It found that of the 50 companies, 35 were actively lobbying against climate policy, including Southern. According to Influence Map, Southern appears to oppose nearly all strands of climate legislation, and CEO Tom Fanning has stated his opposition to government inference in the make-up of the U.S. energy mix. Southern has been a consistent opponent of the CPP, using consultations with the EPA and direct legal action to derail the plan. Additionally, in 2016, Southern directly opposed proposed model emissions trading rules included in the plan.

Southern appears not to support renewable energy legislation and CEO Tom Fanning has been a vocal opponent of renewable energy subsidies. In 2016, a Southern subsidiary, Gulf Power, helped fund a campaign opposing support for distributed solar generation in Florida.

In April 2017, the 50/50 Climate Project published a detailed report, prepared by the Sustainable Investments Institute, on Southern's significant patterns of political spending and lobbying in Florida and Mississippi, in attempts to subvert or weaken clean energy proliferation and to conceal evidence that a flagship carbon capture and storage project was failing. With regard to the latter, Southern was dealt a stunning blow in June 2017, when Mississippi regulators said they would not ask utility customers to pay anything for Southern's Kemper plant, and that they would re-designate the plant as a natural gas facility.

In October 2017, Florida Republican State Senator Jack Latvala pledged to stop accepting campaign contributions from utility companies as he pursued Florida's 2018 governorship. Many observers viewed Latvala's announcement as a rebuke to Southern, as well as NextEra Energy and Duke Energy, for their substantial lobbying and political spending efforts aimed at weakening energy efficiency targets, obstructing rooftop solar proliferation and passing on questionable costs to consumers. While 2017 saw similar commitments from various Democratic candidates, Latvala's announcement is notable, as the utilities have generally invested far more of their resources in efforts to influence Republicans.

Southern was heavily implicated in a recent report from the Energy and Policy Institute that found the Edison Electric Institute (EEI) and Southern, specifically, had early knowledge of climate change and its deleterious effects. (See the section on EEI starting on page 73 for more details.) According to the report, "when the issue of climate change emerged firmly onto the public stage... the electric utility industry coordinated with fossil fuel interests on early disinformation campaigns that targeted climate science." Southern and EEI "spearheaded the 1991 Information Council on the Environment ad campaign, which aimed to 'reposition global warming as theory (not fact).'" The report goes on to detail a comparison between Southern's stance then and now, suggesting that the company has not substantially modified its approach to climate change in the intervening years.

Trade associations & other intermediaries: Southern is a member of the National Association of Manufacturers (NAM). The company's president for external affairs, Christopher C. Womack, sits on NAM's executive committee and is a regional vice-chair of the U.S. Chamber of Commerce. Southern has also confirmed its membership in the Utility Air Regulatory Group.

Key Sources for Dark Money Research

The following organizations conduct and publish research related to dark money, lobbying and political spending on a regular basis, and their work strongly informed this report.

- **Influence Map** says it "enables a world where crucial decisions are legitimately influenced and objectively made." The United Kingdom-based organization provides data-driven analysis on critical societal issues, including climate change, and includes lobbying and corporate influence as an area of focus.
- The **Energy and Policy Institute** describes itself as "a watchdog organization working to expose attacks on renewable energy and counter misinformation by fossil fuel and utility interests." The group emphasizes that it does not accept funding from corporations, trade associations or governments.
- The **DeSmogBlog Project** bills itself as a "source for accurate, fact-based information regarding global warming misinformation campaigns."
- The **Center for Media and Democracy** runs the ALEC Exposed website, where the group tracks corporations that are affiliated with the American Legislative Exchange Council.
- The **Climate Investigations Center** says it monitors "the individuals, corporations, trade associations, political organizations and front groups who work to delay the implementation of sound energy and environmental policies that are necessary in the face of ongoing climate crisis."
- The **Union of Concerned Scientists** is an organization of scientists and engineers who "develop and implement innovative, practical solutions to some of our planet's most pressing problems," including climate change. The group includes "fighting misinformation" among its priorities.

- **Public Citizen** aims to provide representation for the interests of "all citizens" in "the halls of power." The group's focus areas include "Climate and Energy," "Regulatory Policy" and "Transparency."
- **Common Cause** says it works "to create open, honest, and accountable government that serves the public interest." One of the group's primary issue areas is "Money in Politics."

Research Approach

The project examines political activity and climate change-related board oversight and board member attributes for 21 high-climate-impact companies where there were:

- High-scoring *climate change shareholder proposals* in 2017 (>40 percent support at 12 companies—AES, Chevron, Devon Energy, Dominion Energy, DTE Energy, Duke Energy, ExxonMobil, FirstEnergy, Kinder Morgan, Marathon Petroleum, Occidental Petroleum, PPL and Southern)
- Low-scoring *board member approval* votes (28 percent against ExxonMobil director Kenneth Frazier, 5 percent and 4 percent against Southern directors Steven Specker and Dale Klein, 8 percent against NRG director Barry Smitherman)
- Low-scoring *say-on-pay* votes (32 percent against at ExxonMobil, 68 percent against at ConocoPhillips, 39 percent against at Southern).

To narrow down the research universe for this project's in-depth examination of political influence, Si2 assessed the companies examined by The 50-50 Climate Project for its September 2017 Key Climate Vote Survey (KVS) analysis with the above attributes—a mix of leading oil and gas companies and utilities. Si2 also considering substantial investor support at additional companies for shareholder resolutions on political activity (36 percent at CMS Energy, 24 percent at ConocoPhillips, 41 percent at NextEra Energy, 31 percent at NRG Energy, 37 percent at Range Resources). Si2 further looked at political activity governance and disclosure in the KVS focus universe, including board oversight and disclosure of election spending and lobbying, drawing on Si2's annual assessment of companies in the S&P 500. Si2's multi-year data (starting in 2010) on these metrics allows for a comparative analysis by sector and the index. Si2 also considered ratings by the Center for Political Accountability's CPA-Zicklin Index, which focuses only on election spending. Key considerations defining the final research universe for this project were:

a. *Low ratings on the CPA-Zicklin Index (less than 50 percent at Alliant Energy, DTE Energy, Devon Energy, FirstEnergy, Halliburton, NextEra Energy, NRG Energy and Range Resources), and/or*

b. *No voluntary disclosure about lobbying expenditures (nothing at AES, Alliant Energy, ConocoPhillips, Devon Energy, Dominion Energy, DTE Energy, FirstEnergy, Halliburton, Kinder Morgan, NRG Energy, Occidental Petroleum, Range Resources and Southern).*

The resulting research universe includes the following 21 companies:

- AES
- Alliant Energy
- Chesapeake Energy
- Chevron
- CMS Energy
- ConocoPhillips
- Devon Energy
- Dominion Energy
- DTE Energy
- Duke Energy
- ExxonMobil
- FirstEnergy
- Halliburton
- Kinder Morgan
- Marathon Petroleum
- NextEra Energy
- NRG Energy
- Occidental Petroleum
- PPL
- Range Resources
- Southern

For each of these companies, this report presents information for each firm on:

- **Climate change board governance:** Institutional investors have evinced strong interest in how boards of directors oversee climate-related risks and opportunities, and in the professional background and qualifications of board members charged with this oversight. This project therefore also examines, for each of the above companies:
    - **Board oversight of climate risk:** Evidence of any explicit oversight charge for board committees on climate change risk planning, and its nature.[5]
- **Board member climate expertise:** Evidence that any board members in the research universe have background in contemporary climate science and the business implications of climate change. This was based on board member biographies offered by companies on their websites and/or in proxy statements and any mentioned background about experience with climate change in a business context.
- **Political activity governance:** Comparative information on key performance metrics about election spending and lobbying oversight and disclosure.[6] Summary findings for all study companies are presented first, with comparative information on the utility and energy sectors in Si2's 2017 study and the S&P 500 as a whole to provide broader context. The comparative data include whether and when companies voluntarily disclose memberships and/or expenditures in politically active non-profit groups—including trade associations and others.

[5]This builds on previous research Si2 has conducted on board expertise about environmental and other issues. See *Board Oversight of Sustainability Issues* (IRRC Institute, 2014), and board oversight of climate risk in the utility sector, presented in *The Top 25 U.S. Electric Utilities: Climate Change, Corporate Governance and Politics* (IRRC Institute, 2016) and *Utility Climate Change Readiness: A Business Plan Analysis* (50-50 Climate Project, 2017).

[6]This report uses "political activity" to refer to both election spending and lobbying. "Political spending" is a more amorphous term that arguably refers to both election spending and also to lobbying that has political objectives. Investor initiatives about transparency have focused on both elections (primarily via the Center for Political Activity) and on lobbying (primarily through a campaign coordinated by the AFSCME and Walden Asset Management).

- The total **political expenditure footprint**, including for the most recent three election cycles:
    - ▷ **Federal lobbying**
    - ▷ National **political committee** contributions
    - ▷ **Super PACs** and **PACs**
    - ▷ Discoverable **state lobbying** for 20 states
    - ▷ **State** election expenditures, including:
        - **Candidates for political office**
        - **Party committees** and
        - Ballot initiatives
    - ▷ Available information on "**dark money**" involvement, looking at the nature of companies' involvement with organizations that work to influence U.S. public policy on climate change.

Si2 conducted a media search to find mention of companies in the study and efforts to influence climate policy, deriving from this a list of focus organizations common to all. Information on each company appears first, followed by a discussion about how each of the focus organizations have worked to attain their goals—limiting policies designed to curb greenhouse gas emissions and limiting the development of low-carbon energy sources. Research on expenditures was conducted at the parent company level and may not include all expenditures by subsidiaries in cases where subsidiary expenditures are reported separately.

Appendix: 2017 Climate Change and Political Spending Shareholder Resolutions

Si2 publishes impartial reports every year on the social and environmental shareholder resolutions presented for a vote at corporate annual meetings. Si2 has made those reports from 2017 that deal with the climate change and political spending practices of the companies in this study publicly available, to provide more details. Not all companies in this study have reports in the table below because some did not receive related shareholder resolutions in 2017.

Table 16: Shareholder Resolutions on Climate Change, Sustainability and Political Activity at Study Companies—Past Results and Upcoming 2018 Votes

Company	Proposal	2015	2016	2017	2018	Meeting
AES	Report on 2-degree analysis and strategy		42.2%	40.1%	Pending	April
Alliant Energy	Report on election spending and lobbying			38.6%	Pending	May
Chesapeake Energy	Delink executive pay link and fossil fuel reserves		4.7%			May
	Report on 2-degree analysis and strategy	11.5%				
	Report on lobbying		5.7%		Pending	
	Review/report on election spending	14.9%				
Chevron	Adopt GHG reduction targets	8.2%	7.9%			May
	Change reserve replacement accounting		6.8%			
	Increase authorized dividend given stranded assets	3.2%	3.5%			
	Nominate environmental expert to board	19.9%	18.8%	19.6%	Pending	
	Report on 2-degree analysis and strategy		40.8%			
	Report on changed carbon asset mix options			26.0%	Pending	
	Report on hydraulic fracturing/shale energy risks	26.8%	30.7%			
	Report on lobbying	27.9%	27.4%	29.1%	Pending	
	Report on methane emissions/reduction targets				Pending	
CMS Energy	Report on 2-degree analysis and strategy				Pending	May
	Review/report on election spending			36.2%	Pending	
ConocoPhillips	Link executive pay to sustainability metrics	5.8%	6.9%	6.7%		May
	Report on lobbying	26.8%	24.8%	23.9%	Pending	

Company	Proposal	2015	2016	2017	2018	Meeting
Devon Energy	Delink executive pay link and fossil fuel reserves		3.8%			June
	Link executive pay to sustainability metrics			6.9%	Pending	
	Report on 2-degree analysis and strategy	23.2%	36.1%	41.4%	Pending	
	Report on hydraulic fracturing/shale energy risks				Pending	
	Report on lobbying	30.8%	31.1%	35.9%	Pending	
	Review/report on climate change advocacy	19.3%	21.2%	26.6%	Pending	
Dominion Energy	Adopt GHG reduction targets	5.8%				May
	Link executive pay to sustainability metrics	4.9%				
	Nominate environmental expert to board		19.1%	18.2%		
	Report on 2-degree analysis and strategy			47.8%	Pending	
	Report on climate change financial risks	23.6%	22.8%			
	Report on climate change impacts		21.3%			
	Report on energy efficiency/renewables programs	22.0%				
	Report on lobbying		11.3%	7.1%		
	Report on methane emissions/reduction targets	25.0%		23.7%	Pending	
	Report on nuclear plant permit extension		4.3%			
DTE Energy	Report on 2-degree analysis and strategy			45.0%	Pending	May
	Report on benefits of early nuclear plant closure				Pending	
	Report on distributed energy	27.5%	26.5%			
	Report on election spending and lobbying		26.4%			
	Report on environmental record financial impact				Pending	
	Review/report on election spending	32.6%				
Duke Energy	Report on 2-degree analysis and strategy			46.4%		May
	Report on coal risks			27.1%	Pending	
	Report on lobbying		34.3%	33.3%		
	Review/report on election spending	27.2%				
ExxonMobil	Adopt climate change action principles		18.5%			May
	Adopt GHG reduction targets	9.6%				
	Change reserve replacement accounting		5.6%			
	Increase authorized dividend given stranded assets		4.1%	3.8%		
	Nominate environmental expert to board	21.0%	20.9%			
	Report on 2-degree analysis and strategy		38.1%	62.1%		
	Report on changed carbon asset mix options				Pending	
	Report on hydraulic fracturing/shale energy risks	24.9%	24.5%	38.7%		
	Report on lobbying	21.0%	25.8%	27.6%	Pending	
	Review/report on election spending				Pending	
FirstEnergy	Adopt GHG reduction targets	19.4%				May
	Report on 2-degree analysis and strategy			43.4%	Pending	
	Report on lobbying	19.4%	27.7%	41.5%	Pending	
	Report on stranded carbon asset risks		31.9%			
Kinder Morgan	Publish sustainability report	30.5%	34.1%	38.5%	Pending	May
	Report on 2-degree analysis and strategy	22.3%	27.1%	38.2%	Pending	
	Report on lobbying				Pending	
	Report on methane emissions/reduction targets	22.8%	33.0%	40.6%		

Company	Proposal	2015	2016	2017	2018	Meeting
Marathon Petroleum	Adopt GHG reduction targets	12.7%	14.8%			May
	Report on 2-degree analysis and strategy			40.9%		
	Report on indigenous people policy			35.3%	Pending	
NextEra Energy	Report on climate change impacts		30.7%			May
	Review/report on election spending	39.6%	42.8%	41.2%	Pending	
NRG Energy	Report on election spending and lobbying		49.4%	30.8%	No proposals	
Occidental Petroleum	Report on 2-degree analysis and strategy		49.0%	67.3%	No proposals	
	Report on indirect lobbying	29.4%	27.9%			
	Report on indirect political spending			7.9%		
	Report on methane emissions/reduction targets	33.1%	32.9%	45.8%		
PPL	Report on 2-degree analysis and strategy	33.5%		56.8%	No proposals	
	Report on distributed energy		42.6%			
	Review/report on election spending	44.6%				
Range Resources	Report on methane emissions/reduction targets				Pending	May
	Review/report on election spending		43.3%	36.9%	Pending	
Southern	Adopt GHG reduction targets	22.1%			No proposals	
	Report on 2-degree analysis and strategy		34.5%	45.7%		
	Report on stranded carbon asset risks		29.7%			

Links are to 2017 Si2 analysis, for resolutions refiled for 2018 and for 2017 proposals that earned majority support.

All votes figured as votes cast in favor divided by those cast against; company voting tallies may include abstentions or broker non-votes and be different.

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Additional Resources

- **Ballotpedia:** It collects and published information "about politics at all levels of government" and is "firmly committed to neutrality."
  ballotpedia.org/
- **Center for Political Accountability:** Key institutional investor initiative promoting corporate governance reforms for more oversight and accountability of election spending.
  www.politicalaccountability.net
- **Center for Responsive Politics:** Searchable database lists lobbying and PAC contributions and a wealth of related information, using data from the FEC and U.S. Senate.
  www.opensecrets.org
- **Conference Board Committee on Political Spending:** Business resource on addressing corporate political spending on elections, with guidance for companies.
  www.conference-board.org/politicalspending/
- **GuideStar:** Data on nonprofit groups and many of the largest trade associations, from IRS Form 990 annual reports, including total revenue from dues and lobbying and political expenditures.
  www2.guidestar.org/
- **Internal Revenue Service:** Information on 527 groups appears on the IRS website, although the database is searchable only by the name of the 527 group, not by contributors.
  www.irs.gov/
- **National Conference of State Legislatures:** Information on current state election and lobbying laws and disclosure requirements.
  www.ncsl.org/
- **National Institute on Money in State Politics:** Searchable state-level database of election spending in 50 states; lobbying in 20 states.
  www.followthemoney.org
- **Political MoneyLine:** Comprehensive political spending data, available by subscription.
  www.politicalmoneyline.com/
- **U.S. Senate Office of Public Records Lobbying Database:** Information on all federal lobbyists, reported as required under the Lobbying Disclosure Act, including links to all contributions and detailed quarterly reports filed by lobbyists.
  www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm