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AS GOVERNOR BAKER VETOES MAJOR CLIMATE BILL, NEW REPORT SHOWS PATTERNS OF INFLUENCE ON BEACON HILL

Utilities, real estate, fossil fuel, and power generation companies lead opposition to climate policy

PROVIDENCE — January 21, 2021 — In the wake of Massachusetts Governor Charlie Baker's veto of the most ambitious climate bill to reach his desk, a new analysis authored by scholars at the <u>Institute at Brown for Environment and Society</u> provides insights about who is influencing action and inaction on climate and clean energy policy in the Massachusetts state house. The study is based on systematic collection and analysis of 1,187 pieces of testimony given in legislative committees on 53 priority bills supported by statewide environmental organizations from 2013 to 2018, and 4,072 lobbying visits as reported to the Massachusetts Secretary of State over the period 2005-2018. The researchers had to overcome the lack of transparency and absence of uniform record keeping in the legislature to compile the analysis.

The analysis showed that despite overwhelming public support for climate and clean energy bills (over 90% of public testimony is in favor), their advancement is undermined by the imbalance of what happens behind closed doors through lobbying. Electricity and natural gas utilities are the most powerful actors when it comes to shaping climate and energy legislation in Massachusetts; other key groups frequently in opposition include the real estate industry, fossil fuels, and power generators. These organizations outspend clean energy advocates on lobbying by more than 3.5 to 1.

"Massachusetts has seen itself as a leader on climate change, but a decade went by with little legislative success," said Timmons Roberts, Ittleson Professor of Environmental Studies and Sociology at Brown University and Executive Director of the <u>Climate Social Science Network</u> that released the report. "The data and analysis provides a potential explanation. We hear anecdotal reports of influence efforts on Beacon Hill, but this systematic data collection revealed important coalitions in support of and opposition to climate action at the state level, and exposed patterns in the behind-the-scenes lobbying that are seldom understood."

Using a network clustering algorithm, the analysis identified nine interest group coalitions with distinct roles in the climate policy space. Four of these coalitions routinely oppose climate and clean energy bills: those led by the utilities, fossil and chemical companies, real estate companies, and fossil fuel power generation companies. Of these, the utilities are both the largest coalition and include the highest-spending interest groups — Eversource and the Associated Industries of Massachusetts (AIM). The authors found that AIM lobbies and testifies

nearly completely in line with the utilities. Advocates and legislative insiders interviewed for the study described utilities as having substantial influence over energy policy in the state.

Though rarely mentioned as a stumbling block for climate action, the real estate industry testified almost exclusively *against* energy efficiency bills and disclosure bills requiring more information about the cost of heating and cooling homes. Three real estate groups spent a total of nearly \$2.6 million on lobbying over the period — NAIOP, Mass. Association of Realtors, and the Greater Boston Real Estate Board — and 39 of their lobbying visits targeted climate bills.

The state's two largest utilities, National Grid and Eversource, do not oppose renewable energy expansion across the board. Along with organizations in their lobbying coalition, the utilities lobbied in support of legislation to promote large-scale hydropower and wind energy. However when solar energy expansion was being considered, especially for rooftop and other decentralized solar installations "behind the meter," utilities lobbied more frequently against them. For one example, utilities testified and lobbied against net metering initiatives, which allow property owners to only pay for the net amount of energy they had to buy from the grid, subtracting the amount they produced locally with their solar panels, and allowing them to sell electricity into the grid.

An outline of the study's dozen key findings includes:

- 1. Four distinct industry coalitions lobby against environmentalists
- 2. Testimony in legislative committees is nine to one in support of climate action
- 3. On lobbying, clean energy advocates are outspent 3.5 to one
- 4. Renewable energy interest groups stick to narrow industrial interests
- 5. Utilities lobby against solar energy, but support large hydro & wind power
- 6. Utility companies are uniquely successful throughout the legislative process
- 7. AIM (Associated Industries of Mass.) lobbies and speaks against rapid climate action
- 8. The fossil fuel industry lobbies heavily against pipeline rules, divestment, and carbon pricing
- 9. The real estate industry resists residential energy efficiency bills
- 10. Power generators fight hydro and wind supply
- 11. Opponents no longer deny the reality of climate change, but focus on cost and reliability
- 12. Climate action is tightly controlled by State House committees and leadership

The study offers several recommendations for improving the legislative process as it pertains to climate and energy legislation: improving legislative transparency, building lobbying and political capacity in clean energy organizations, broader engagement by clean energy companies on climate policy, and reining in how utilities can lobby with ratepayer funds.

The full study is at: https://www.cssn.org/news-resources/? categories=resources-research