BIG POLLUTION, BIG INFLUENCE:

Power Companies Ramp Up Spending in Albany, Targeting Climate Laws

NYLPI JUSTICE THROUGH COMMUNITY POWER

NEW YORK CITY ENVIRONMENTAL JUSTICE ALLIANCE

THE POINT CDC

UPROSE

NY RENEWS

This report was prepared by the PEAK Coalition and the NY Renews coalition with research performed by New York Lawyers for the Public Interest (NYLPI).

The PEAK Coalition includes UPROSE, THE POINT CDC, New York City Environmental Justice Alliance (NYC-EJA), and New York Lawyers for the Public Interest (NYLPI), which have come together to end the long-standing pollution burden power plants impose on New York City's most climate-vulnerable people.[1] For more information please visit peakcoalition.org.

NY Renews is a coalition of over 200 environmental, justice, faith, labor, and community groups — and the force behind the nation's most progressive climate law. For more information please visit nyrenews.org.

For more than 40 years, New York Lawyers for the Public Interest has combined the power of law, organizing, and the private bar to fight for civil rights and make lasting change where it's needed most. For more information visit nylpi.org.

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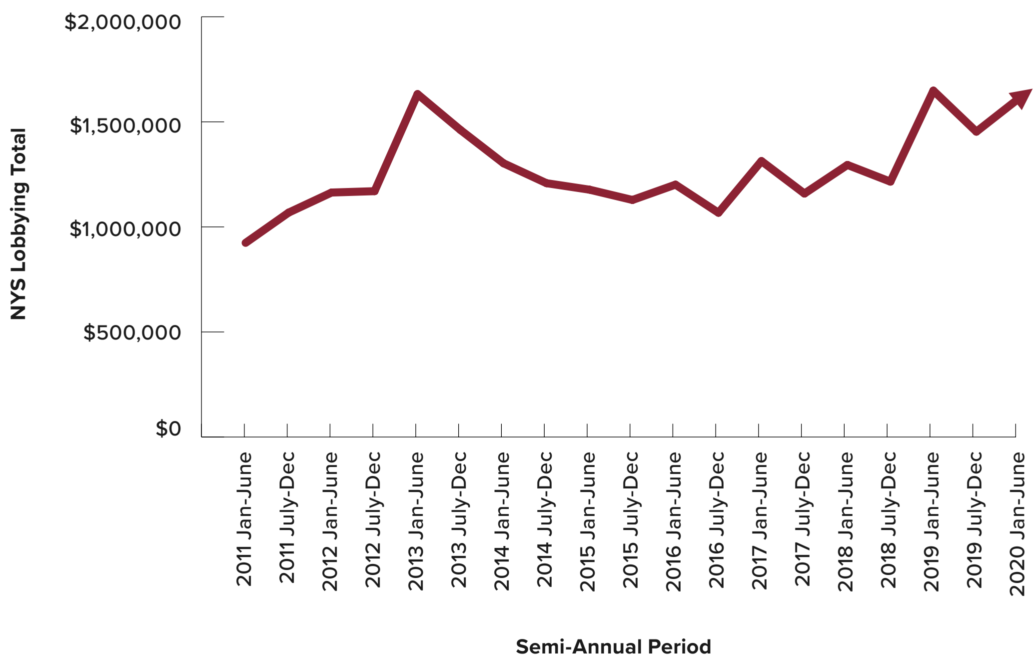
ENERGY COMPANIES RAMP UP LOBBYING

Hundreds of disclosures filed with the New York Joint Commission on Public Ethics (JCOPE) show that energy utilities and producers in New York State are now spending about $3 million dollars per year — a new high — to lobby legislators and regulators on issues including climate change, environmental protection, and customer and worker protection in New York State.

Lobbying by Electricity and Natural Gas Utilities and Producers in NYS[2]



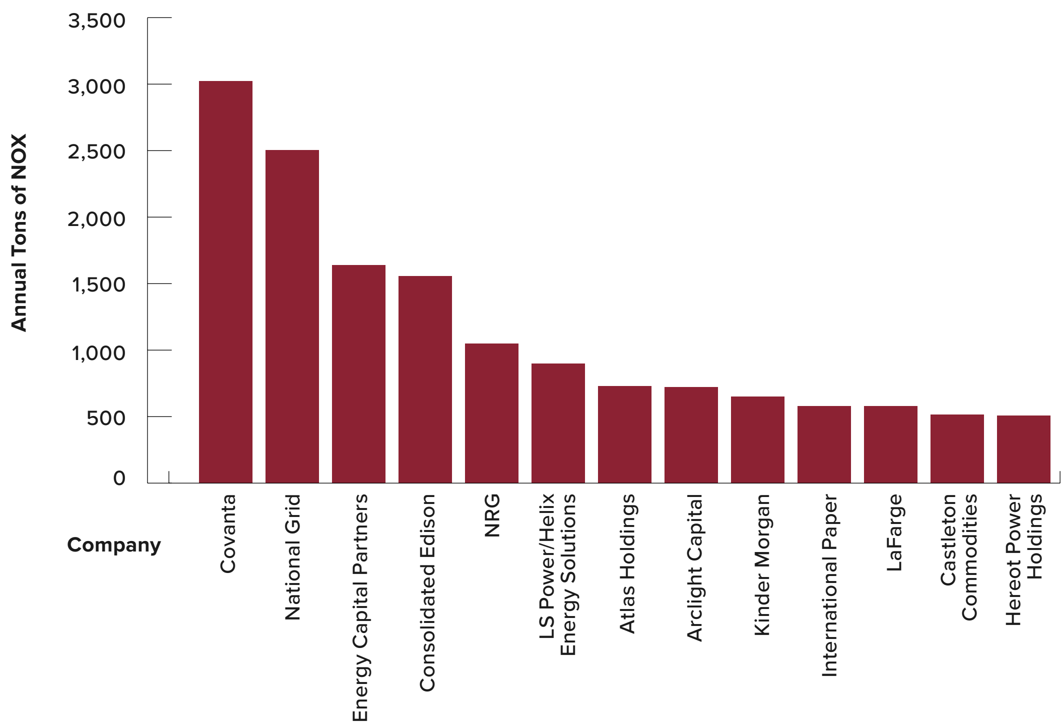
Despite the onset of a global pandemic and economic crisis in early 2020, energy companies continued to spend record amounts on lobbying. The sums the industry paid to New York lobbyists in the last two years even exceed the amounts spent on lobbying in the run-up to the Governor's 2013 decision to ban fracking statewide — a major win for environmental justice, climate change, and public health activists opposed to bringing dangerous fracking processes to the Marcellus Shale region.

Energy companies have also made at least $1.7 million in campaign contributions to state and local legislators and candidates in the last ten years.

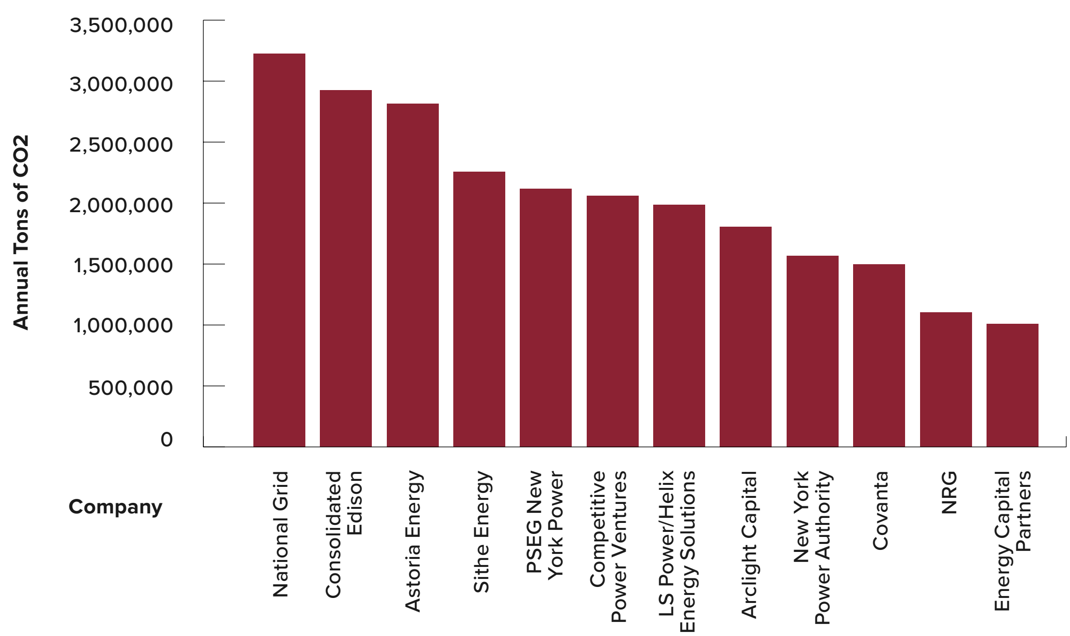
THE BIGGEST POLLUTERS

Why this recent surge in lobbying by energy companies? They are by far the largest stationary sources of greenhouse gas emissions in New York State, and are also among the top emitters of air pollutants such as nitrogen oxide (NOx) and particulate matter linked to respiratory illnesses and deaths — from rampant asthma to severe cases of COVID-19.

Annual nitrogen oxide emissions in NYS grouped by corporate ownership.[3]



Annual carbon dioxide emissions in NYS grouped by corporate ownership



The recent surge in lobbying by energy companies coincides with increasing public concern about the climate crisis, and a bevy of new state and local laws to curb emissions, invest in clean energy sources, create jobs in disadvantaged and frontline communities, and ensure a just transition to sustainable jobs for workers in fossil fuel industries.

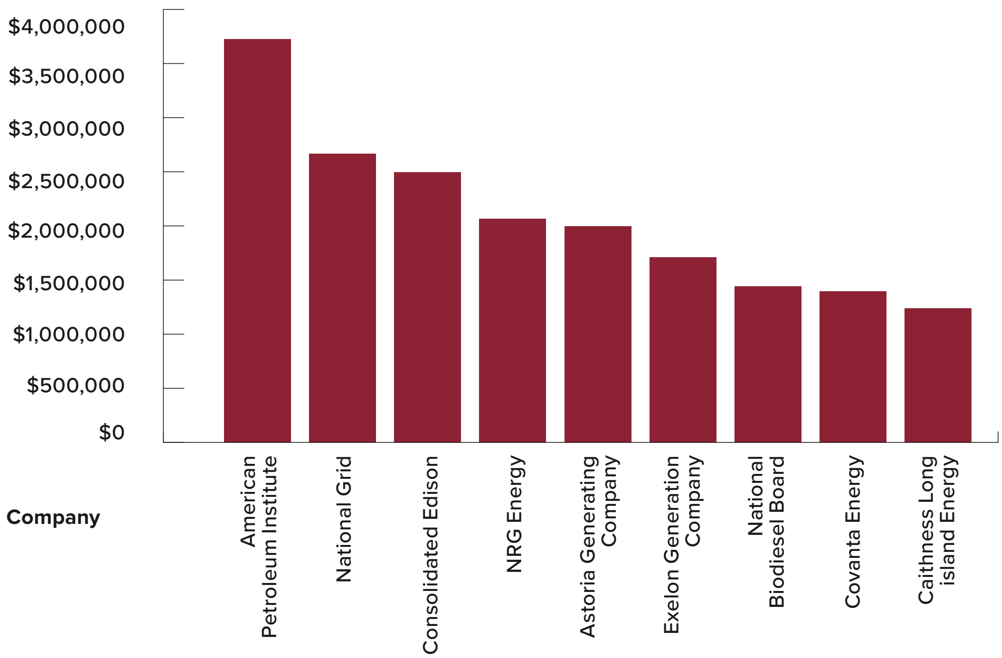
In 2019 New York passed the Climate Leadership and Community Protection Act (CLCPA). The most ambitious climate plan among the 50 states, CLCPA is landmark legislation mandating clean energy targets and curbing climate emissions across all sectors of the economy. New York State's electricity (including power produced outside the state) must be 70% from renewable sources by 2030, and 100% zero-emissions by 2040.

The state also recently adopted regulations on nitrogen oxide emissions that will require many seasonal "peaker" power plants to transition to cleaner technologies such as solar, wind, and battery storage by 2025.

In 2021, the state legislature is expected to take up the Climate and Community Investment Act (CCIA), which will build on the pollution reduction and environmental justice goals of the CLCPA. The CCIA would direct more than $10 billion in investments in clean energy, infrastructure projects, grants for community based projects, and provisions for security and safety protections for workers, communities, and small businesses impacted by the transition to a sustainable energy economy. It would also raise dedicated revenue by putting a price on air pollution in New York State.

THE BIGGEST SPENDERS

Total New York State lobbying expenditures for 2011- July 2020, grouped by client[4]



1. THE AMERICAN PETROLEUM INSTITUTE

After recognizing the global threat of climate change as early as 1965, this giant oil and gas industry trade association has spent hundreds of millions of dollars on public relations campaigns to support increased drilling and fracking, including clandestine efforts to deny and discredit mainstream climate change and air pollution science dating back to the late 1990s.

In New York, API has supported new fracked natural gas pipelines, while urging legislators to oppose and water down the state's landmark Climate Leadership and Community Protection Act. After topping the list energy industry lobbying clients in 2013, API increased its lobbying budget even more in recent years, disclosing $586,000 in state lobbying in 2019.

National Grid's attempts to build new natural gas pipelines — like this one in Northern Brooklyn — are meeting local fierce local opposition.

2. NATIONAL GRID

This international energy company functions as both a natural gas and electricity utility in parts of New York, and has spent $2.6 million lobbying local legislators and regulators in the state since 2011. Combined, the company's numerous facilities and infrastructure are the largest source of CO2 emissions in New York State. Last year, the company failed to win state approval for a new gas pipeline to transport fracked natural gas from Pennsylvania to New York City, after the Department of Conservation rejected the application due to water quality concerns and increased climate emissions that would contravene the CLCPA. Currently, National Grid is attempting to construct a smaller gas pipeline running through several environmental justice communities in Brooklyn, and is encountering widespread opposition from local residents and elected officials. Amidst the COVID-19 pandemic and mass unemployment in New York State, the company is also seeking 4-6% increases in customer rates. Elected officials are now calling for National Grid to be run as a public service, rather than a profit-driven private utility.

3. CONSOLIDATED EDISON

The giant downstate electric and gas utility has disclosed $2.5 million in state lobbying expenses since 2011. The company's various power plants and facilities combined are the second-largest emitter of CO_2 in New York State. The corporation's high executive compensation, customer rate increases, and numerous unexplained service failures have led the New York City Public Advocate and other elected officials to call for the $12 billion corporation to be run as a publicly owned utility rather than an investor-owned for-profit.

4.NRG

This $12 billion power generation company is the seventh-largest emitter of CO_2 in the U.S., owns and operates several coal-fired power plants, and owns three oil- and gas-fired plants in New York.[5] The corporation has received hundreds of millions of dollars in public subsidies to operate now-closed coal plants in upstate New York, later found to have resulted in minimal job creation. Since 2010, NRG has collected more than $1.3 billion in capacity payments — paid for by New York City ratepayers — to operate peaker plants in Staten Island

and Astoria, Queens. $865 million of this revenue is attributable to a kerosene-burning peaker plant in Astoria, Queens that operates less than 1% of the time.[6]

In addition to extensive lobbying at the state level, NRG began extensive local lobbying in 2019 to build support for its controversial proposal to build new gas-fired turbines in its Astoria facility.

The company's political spending and lack of transparency have come under fire from investors, including New York City's pension funds. In 2017, the appointment of a prominent climate change denier and a champion of coal-fired power plants to NRG's board of directors resulted in conflict among shareholders.

5. ARCLIGHT CAPITAL

Arclight is a $22 billion private equity fund which owns the Astoria Generating Company and a portion of Caithness Long Island Energy, and financed the construction of the Bayonne Energy Center. These subsidiaries have spent a combined $360,000 per year on lobbying in New York State in recent years. Arclight has invested heavily in both coal- and gas-fired power plants in recent years. Arclight and its founder Daniel Revers are major Republican donors, with ties to Donald Trump, whose administration made long-lasting rollbacks of American climate emissions and pollution regulations. In 2019 Arclight greatly increased its lobbying on federal energy and trade policy issues.

Astoria Generating and Arclight own and operate two fuel oil- and natural gas-burning peaker power plants in Sunset Park, Brooklyn, and one in Astoria, Queens. Despite their age and inefficiency, these plants are highly profitable for companies like Arclight, which collect large "capacity payments" from utilities to maintain and operate plants that can be switched on to meet peak energy demand, typically on hot summer evenings.

Arclight collected $1.4 billion in utility capacity payments from 2010-2019 to maintain and to operate these plants — and the average cost per unit of electricity at its infrequently operated Gowanus peaker was a staggering 1300% higher than typical energy costs for the region.[7] UPROSE and allies in Brooklyn strongly oppose Arclight's proposal to replace two of these plants with a new natural gas-fired peaker plant, rather than investing in renewable energy and energy storage.

JCOPE disclosures show that Astoria Generating/Arclight has retained Kasirer, ranked the largest New York City lobbying firm, in an effort to build support for its controversial and highly profitable natural gas projects. Kasirir's website does not mention the project.

Arclight's 2012 Bayonne Energy Center project also encountered strong opposition from communities and elected officials on the North Shore of Staten Island near the plant.

Peaker plants like the one pictured here are a major revenue source for their owners, and a major source of pollution in environmental justice communities.

THE BIGGEST ENERGY INDUSTRY LOBBYISTS

Firm	Lobbying Payments from Energy Companies 2011-July 2020[8]
The Roffe Group	$3,232,751
American Petroleum Institute (Employed)	$1,813,369
Dickinson & Avella	$1,423,750
Ostroff Associates	$1,352,000
Hinman Straub Advisors	$1,140,000
Constantinople & Vallone Consulting	$835,245
Yoswein New York	$832,500
Robinson & Cole	$760,001
Albany Strategic Advisors	$727,000
Bolton St. Johns	$617,000

Representing energy industry interests is now a major line of business for several Albany and New York City lobbying firms. Many of the principals and employees of these firms have served as elected officials or worked in senior positions for key state, local, and federal elected officials in the state before becoming registered lobbyists.

ENDNOTES

1 Clean Energy Group is a member of the PEAK Coalition, but was not involved in the research and production of this report.
2 Source: JCOPE client semi-annual reports from 2011 to July 2020, available at https://jcope.ny.gov/lobbying-overview. Graph is the sum of total compensation reported for retained and staff lobbyists for clients identified as electric utilities, electricity producers, natural gas utilities, natural gas producers, and relevant trade associations reporting lobbying activities in New York State.
3 Source: EPA Title V Emissions Inventory for 2018, available at: https://data.ny.gov/Energy-Environment/Title-V-Emissions-Inventory-Beginning-2010/4ry5-tfin. We summed annual tons of carbon dioxide (CO2) and nitrogen oxide for facilities identified as having a common corporate owner. Note that Arclight Capital includes facilities owned by Astoria Generating Company/Eastern Generating Company and Caithness Energy, LLC.
4 Source: JCOPE client semi-annual reports from 2011 to July 2020.
5 According to NRG's website, 93% of the company's power is generated by fossil fuels (including 35% generated by coal), while a mere 2% is solar.
6 See Appendix to "Dirty Energy, Big Money," p. 32
7 See Appendix to "Dirty Energy, Big Money," p. 32. Peaker facilities are often generating power to meet energy needs outside of the load pocket they are sited in, but pollution and emissions are local and have a disparate impact on surrounding communities.
8 Includes compensation reported by electricity utility, electricity producer, gas utility, natural gas producers, and related trade associations reported on New York State JCOPE client semi-annual reports for 2011-July 2020.

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