

SCIENCE

The Oil Industry Is Quietly Winning Local Climate Fights

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Some of the most important fights over climate change aren't being waged in Washington. They're happening state by state, in a melee of utilities, fossil-fuel companies, state legislators, and persuaded voters.

To see one in action, visit Beaver, Pennsylvania, where two Westinghouse nuclear reactors produce roughly a fifth of the Keystone State's zero-carbon electricity. Three years ago, FirstEnergy Corporation, a private utility worth \$28

billion, announced that it would soon have to sell the nuclear plants or shut them down. Even though the reactors were supposed to operate for another few decades, the plunging cost of natural gas had made them noncompetitive. Only direct subsidies could keep the plants alive, the utility warned.

State lawmakers had not even proposed a bill floating that option when a new group called Citizens Against Nuclear Bailouts burst onto the scene. Boasting support from local manufacturers and, unexpectedly, the AARP, the group told local reporters that it opposed “any legislative effort” to subsidize the plants. At the same time, a micro-targeted group of Pennsylvanians received a deluge of direct mailers, phone calls, and Facebook ads, exhorting them to call state senators to oppose a “nuke bailout.”

“These billion dollar companies don’t need bailouts, they need to compete with other energy companies on a level playing field,” said one postcard-size mailer. A small disclosure on the mailers revealed that they had, in fact, not come from a group of self-organized Pennsylvanians. The mailers were funded and shipped by the American Petroleum Institute, the lobbying champion for oil and natural-gas companies in national politics. The return address on the mailers was one of the group’s offices in downtown Washington, D.C.

Three years ago, after Donald Trump’s election, climate activists and environmental leaders turned their attention to state and local politics. They have stacked up real victories since. In December, a bipartisan group of 24 governors declared that their states were “still in” the Paris Agreement on climate change. And Democrats in New York, New Jersey, and Washington State have passed major bills aimed at eliminating carbon pollution from their local economies.

But climate activists have not been alone in switching focus to local politics: The oil industry has also pivoted. In the past few years, the American Petroleum Institute (API) and its allies have activated at the local level, fighting against—and occasionally beating back—climate-friendly policies in at least 16 different states. This surge of local activism has succeeded in slowing the growth of electric-vehicle sales and zero-carbon energy, experts say.

Perhaps most surprising, the industry has not only focused on the states, but also actually borrowed tactics and ideas from climate activists. The API's local campaign is designed around a concept—dubbed the *social license to operate*—that was first invented by risk analysts in the mining industry but that was popularized, more recently, by far-left climate groups such as 350.org. The idea is a name for American society's invisible permission slip to the fossil-fuel industry: the unwritten contract that allows companies to frack, drill, build pipelines, run oil refineries, and sell carbon-intensive fuels.

Since the mid-2010s, climate activists have focused on yanking that social license away. Now, the oil industry is pouring resources into an effort to retain it. Its activities “are having a tangible impact in preventing zero-carbon electricity and zero-carbon electric vehicles from getting adopted,” Josh Freed, the senior vice president of energy policy at Third Way, a nonpartisan think tank on the center-left, told me.

In a statement, Bethany Aronhalt, a spokesperson for API, said that the oil and gas industry supported “new approaches, policies, and technological innovation to address the risks of climate change.” She listed a few policies—including the USE IT Act, a bipartisan Senate bill—that have won API's endorsement. The USE IT Act would increase federal support both for capturing carbon from the atmosphere and for using that carbon to make fossil-fuel extraction more efficient.

Last month, the API unveiled a huge new public-relations campaign, “Energy for Progress,” that cast its member companies as heroes in the fight against climate change. The campaign, which features images of happy young people in the woods, accompanied a systematic change in how API described itself. Its leaders now say it represents the *natural gas and oil* industry—with a big emphasis on the *natural*. But despite this new push, API does not support a carbon tax or any other policy that would reduce fossil-fuel use.

And at the state level, few climate-friendly efforts have escaped the attention of API or the broader oil industry. In 11 states, the industry has fought new laws that encourage electric-car purchases. In five states, it has campaigned against

extending the life of nuclear plants, which generate more zero-carbon electricity in the United States than any other technology. And across the Northeast, it has tried to stop the construction of transmission lines that would import excess hydroelectric power from Quebec.

Of course, there are practical reasons for API to oppose such climate policy. Right now, API's member companies command a massive market share of several sectors of the American economy. Gasoline and other oil-derived products generate 92 percent of the energy used to transport Americans and their goods—whether on the highway, on the water, or in the air, according to the Energy Information Administration. Natural gas generates more than a third of American electricity, and plunging prices mean that its share is rapidly growing.

Every electric vehicle on the road cuts into oil's share of the transportation sector. By the same token, every retired nuclear plant necessitates a new surge of natural-gas production. "The oil and natural gas that are staying in the market from [API's actions] are much worse" than the alternatives, Freed said.

The industry's wake-up call may have come in 2018, when it faced two ballot questions in western states. In Colorado, voters were asked whether new oil and gas equipment, including fracking wells, should be set back 2,500 feet from homes and other occupied buildings. The industry plowed \$41 million into defeating the question—and eventually won, persuading 55 percent of voters in the Democratic state to reject the effort. In Washington State, meanwhile, the industry dropped \$31 million to fight a carbon-tax referendum, outspending supporters almost two-to-one. That effort—which was led by the Western States Petroleum Association, which works closely with API—also succeeded.

In the past several years, the oil industry has also worked with groups funded by the Koch Foundation to engineer a nationwide decline in financial support for electric-vehicle sales. Today, only 15 states offer subsidies or support for electric-car buyers, down from an all-time high of about two dozen states in 2015. (*The New York Times* and *Politico* have both previously covered the state-by-state fight over EVs.)

In many of its campaigns, the API has designed its approach around the social-license model, which has meant seeking legitimation from a surprising range of allies. In Pennsylvania and Ohio, it worked with the AARP and the United Pastors Network. While lobbying for new fossil-fuel infrastructure, it has allied with the Building Trades Unions and the Farm Bureau. And in its war against importing Canadian hydropower, it has even allied with local chapters of the Sierra Club.

“Diversity is paramount,” said Tara Anderson, a former director of mobilization for API, two years ago, at a presentation on API’s strategy at the Public Affairs Council. She emphasized the importance of forming alliances with minority and citizens groups, according to her PowerPoint presentation. “Just because you disagree on one issue, doesn’t mean you will disagree on all—accept that,” the presentation said.

API sees those coalitions as core to its social-license strategy. It has backed up its push with digital advertising and local engagement. In 2018, Anderson said that API could micro-target 43 million people in every congressional district. API has spent more than \$1.9 million on Facebook ads over the past two years, with the large majority of that centered on “Energy Citizens,” a sophisticated campaign to convert people into highly activated opponents of energy regulation. Since October, the campaign’s targeted Facebook ads have encouraged New Mexicans to support a state-highway bill, exhorted Pennsylvanians to reject an infrastructure bill, and endorsed President Trump’s trade deal with Mexico and Canada.

Energy Citizens had 1.6 million members in 2018, according to Anderson’s presentation. In a statement, Aronhalt, the API spokesperson, described Energy Citizens as a “growing grassroots movement of millions of Americans across the country.”

But API has not won every fight. Last month, New Jersey passed a new \$5,000 tax credit for electric cars, one of the country’s most generous. And it has failed to stop efforts to subsidize nuclear plants in Connecticut, New York, New Jersey, and Illinois. It also lost an effort to subsidize coal and nuclear power

plants in Ohio. (“Every local effort is unique since every policy proposal, bill and regulation is,” said Aronhalt. “We work to support, amend, or oppose various local, state, and federal efforts on an ongoing basis.”)

“In cooperation with API’s state petroleum councils, allied organizations, and partner trade associations, energy advocates sign up through social media [or through its website] to receive customized content to make their voice known by contacting or engaging elected officials. API facilitates the grassroots website and supports events to connect those who might be interested in energy issues in their state,” she said.

Yet the extent and intensity of API’s work at the local level is a significant break with the past, experts say. “This is a new development,” Leah Stokes, a political scientist at UC Santa Barbara, told me. She studies how state governments have adopted climate policy—or not adopted it—over the past few decades.

Historically, it’s been rare for API to fight against nuclear plants or block electricity infrastructure, she said. But it has gotten more involved in electricity policy since 2016, when it absorbed the American Natural Gas Alliance, the gas industry’s main trade group. While oil makes up a small share of the American power mix, natural gas plays a dominant role.

But even if that merger had not gone through, oil and gas have unified interests right now, Stokes said. Both oil and natural gas are now extracted by the same companies, using the same fracking techniques, drilling in the same places. “Gas is coming up because of fracking, but oil is too. It’s possible [API] views electricity infrastructure as an important avenue for oil and gas in the future,” she said.

That future is nearly a reality in Pennsylvania. State lawmakers and public-utility commissioners both rejected new subsidies for the two nuclear reactors in Beaver. The plants are due to close in 2021. They will join in the dustheap the state’s infamous Three Mile Island plant, which also closed last year. The electricity once generated by both nuclear plants will now likely come from natural gas. And thus the heat-trapping climate pollution emitted by Pennsylvanians will increase.

We want to hear what you think about this article. Submit a letter to the editor or write to letters@theatlantic.com.

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