

Energy Discrimination = Higher Prices

About energy discrimination & politically motivated investing

Environmental activist groups are increasingly pressuring corporations to take action on political issues instead of prioritizing fiduciary responsibility. Banks are refusing to lend to fossil fuel companies and other vilified industries while environmental, social, and governance (ESG) investing is the behind-the-scenes underpinning of public shaming campaigns to divest from fossil fuels, cut carbon dioxide emissions, and subsidize expensive, unreliable renewable energy.

While social responsibility is important to many consumers and should be a priority for businesses, the energy discrimination movement wrongly bullies corporations into taking a political stance in order to appease a vocal minority of activists. Engaging the energy discrimination movement also grants corporations the false appearance of moral superiority, even though **divesting from fossil fuels would yield no environmental benefits but come with an extreme economic cost.**

Why energy discrimination hurts Americans

The ESG movement's goal is to deny financing and even insurance coverage to fossil fuel producers, led by banks and investment firms including JP Morgan, Bank of the West, and BlackRock. Several states are even considering requiring pensions to prioritize ESG over return on investment for retirees.

In the meantime, Americans still need reliable energy, 80% of which comes from fossil fuels despite decades of multibillion-dollar subsidies for wind and solar energy. Denying financing to our American energy producers kills good-paying jobs, increases cost of living, and reduces the capital available to invest in the energy technologies of the future — while giving a leg up to less responsible producers overseas with lax environmental and labor standards.

ESG Tactics



Abuse of Shareholder Rights

Public Shaming Campaigns



Growing the Regulatory State



Life:Powered
WWW.LIFEPPOWERED.ORG

Life:Powered is a national initiative of the Texas Public Policy Foundation. We educate policymakers and the public about the importance of our affordable, reliable energy resources to human flourishing.

Divesting won't help people or the environment

The free market — rather than the social and political whims of the most vocal activists — is best suited to make the complex tradeoffs needed to continue growing our economy and leading the world in environmental quality. With its myopic fixation on cutting carbon dioxide emissions at any cost, the energy discrimination movement fails to consider the negative human and environmental impacts, especially the land and wildlife destruction, of so-called "renewable" energy.

Furthermore, eliminating *all* carbon dioxide emissions nationwide by 2030, as called for in the Green New Deal, would result in a less than two-tenths of a degree temperature change by 2100, according to data models used by the United Nations and the EPA. Energy consumers in most of the world, especially in poorer nations, have understandably shown no willingness to spend the hundreds of billions of dollars needed to cut emissions for such a minuscule benefit.

Every attempt to use more renewable energy, from Europe to California, has resulted in higher costs, affecting not just energy prices but every purchase we make. **Divestment initiatives will harm Americans — especially in distressed and vulnerable communities, who spend the largest share of their income on energy — by increasing prices for oil, gas, and electricity.** If businesses and consumers want to pursue more wind and solar energy, they should be free to do so on their own but not be forced to subsidize the renewable energy agenda.

So what's next?

Elected leaders can take the following actions to preserve America's energy dominance, maintain our global leadership in clean air and water, and fight poverty here and abroad:

- Pass legislation prohibiting companies that boycott, divest from, or sanction fossil fuels and other industries such as petrochemicals, mining, forestry, agriculture, etc. from doing business with the government. This will ensure taxpayer dollars are not sent to entities with an anti-American agenda.
- Pass legislation requiring government pension funds to prioritize fiduciary responsibility over ESG criteria to ensure workers' and retirees' money is managed responsibly.
- Pass legislation prohibiting insurance companies from discriminating against energy and other industries.
- Oppose any legislation requiring businesses to publish ESG materials, favoring ESG ratings for government contracts and investments, or otherwise supporting the misguided movement to divest from fossil fuels.