

The Energy Council

June 6, 2025

Washington, DC

Federal Energy Reboot:
*A Review of Recent Federal
Energy Actions & What States
Can Do in Parallel in Support*

Mike Nasi

Partner, Jackson Walker LLP



Roadmap

- State of the Grid
- Non-EPA Federal Actions
- EPA / GHG Update
- What States Can Do to Compliment Federal Actions



State of the Grid



FEDERAL ENERGY REGULATORY COMMISSION (FERC)

Commissioner Mark Christie



“Dispatchable generating resources [] with many years of useful life remaining, are retiring far too quickly and in quantities that threaten our ability to keep the lights on. So, the lights are flashing red and there is no excuse to ignore them.”

US House Committee on Energy
& Commerce (July 24, 2024)

National Grid Reliability & Resilience Warnings

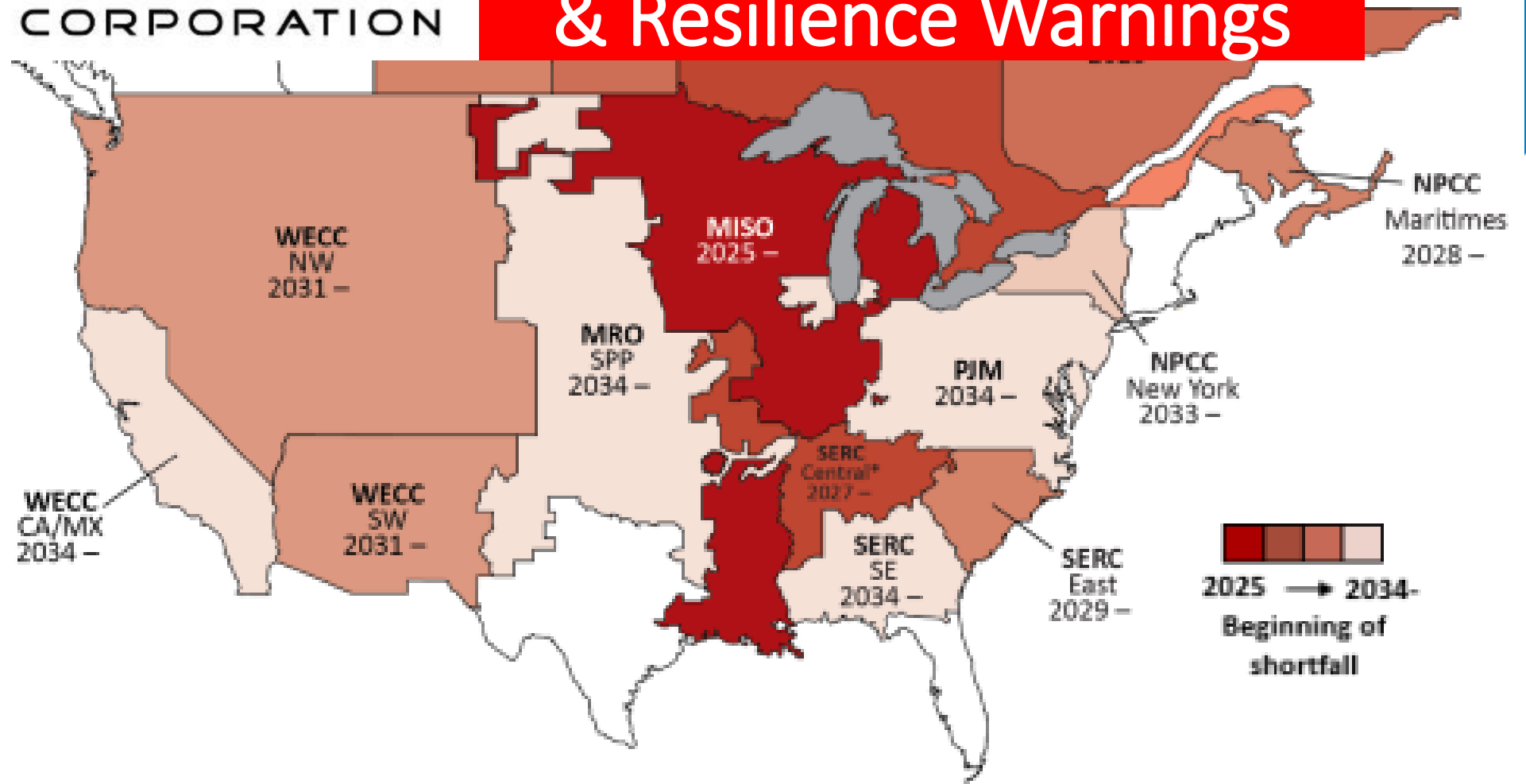


Figure 2: Projected Reserve Margin Shortfall Areas



Figure 1: Summer Reliability Risk Area Summary

Seasonal Risk Assessment Summary

High

Potential for insufficient operating reserves in normal peak conditions

Elevated

Potential for insufficient operating reserves in above-normal conditions

Normal

Sufficient operating reserves expected

Decade

Average Annual Load Growth

1950s – New Appliances

8.8%

1960s – Air Conditioning

7.4%

1970s

4.7%

1980s

3.0%

1990s

2.4%

2000s – CFLs

0.7%

2010s – LEDs

0.6%

2020s – AI/Data...

2022 - 0.6%

2023 - 0.9%

2024 - 3.0%

Strategic Industries Surging: Driving US Power Demand

John D. Wilson, Zach Zimmerman, and Rob Gramlich

DECEMBER 2024

SOURCES | NERC, [2022 Long-Term Reliability Assessment](#) (December 2022), p. 20 and [Supplemental Table E](#).
Edison Electric Institute, [EEI Industry Capital Expenditures with Functional Detail](#), published October 2021, September 2022, September 2023 and September 2024.
Grid Strategies, [Fewer New Miles: The US Transmission Grid in the 2020s](#) (July 2024).

2024 Summer Peak Load Forecast

Between 2022-24:

Grid planners almost **tripled** 5-year load forecast

(from 23 to 67GW)

(& doubled that number in the last 6 months)

5-year Nationwide Growth Forecast

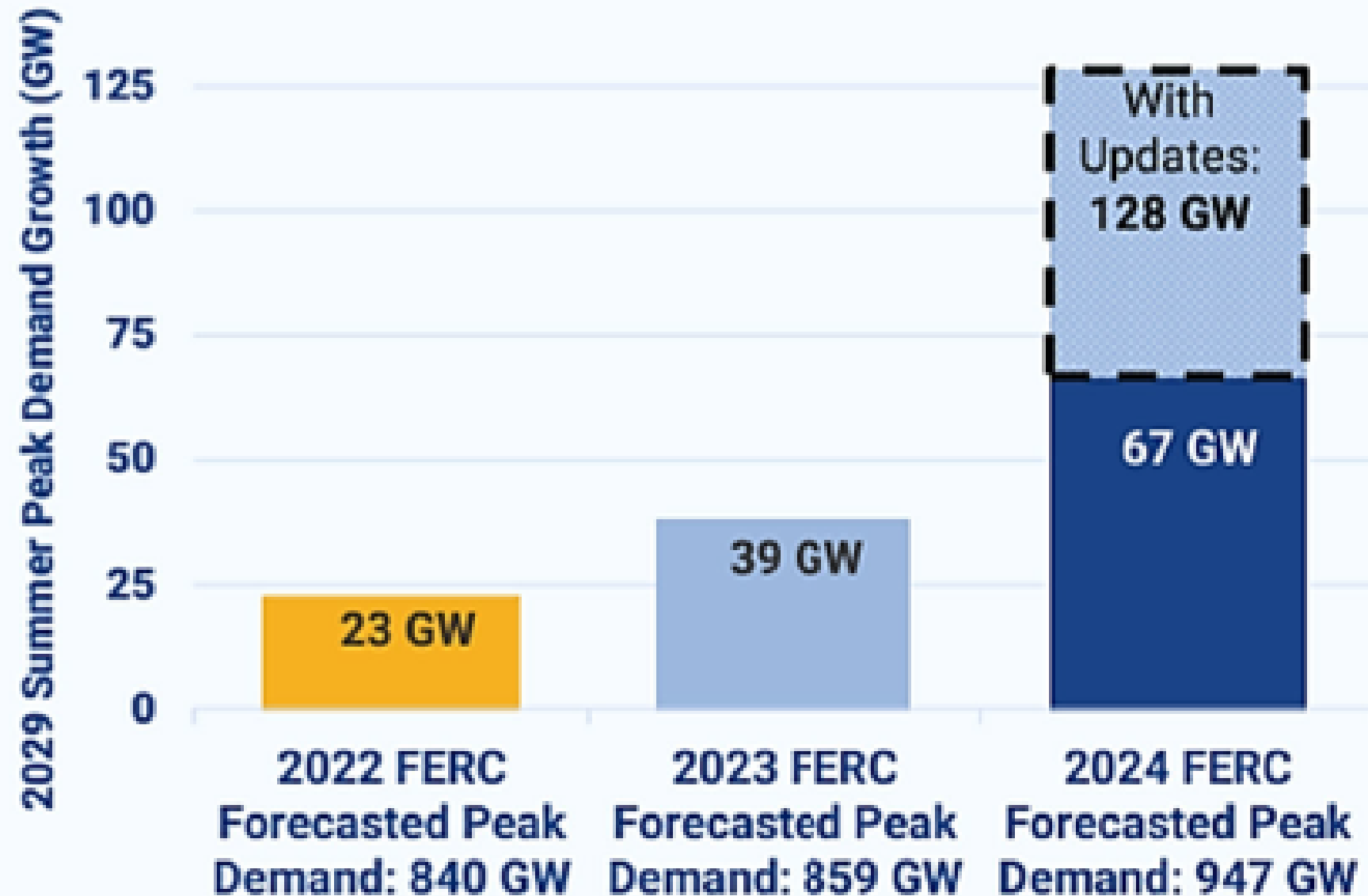


Figure 5: Forecasted summer peak demand growth from 2024 to 2029

Federal Update (Non-EPA)





EO Declaring a National Energy Emergency :

- Declares that current energy supplies are inadequate to meet rising demand.
- Directs all agencies to “identify and exercise any lawful emergency authorities available to them, as well as all other lawful authorities they may possess” to expand energy production.
- Directs agencies to “expedite the completion of all authorized and appropriated infrastructure, energy, environmental, and natural resources projects” within their authority.
- Orders the Army Corps of engineers to utilize emergency permitting to expedite permitting and construction of energy supply projects.
- Orders the Secretary of the Interior to identify and utilize emergency authorizations to reduce the burden of the Endangered Species Act.
- Creates an interagency task force to conduct a national-security focused assessment of energy, electricity, and refining infrastructure to protect the homeland and conduct operations abroad, with a focus on the Northeast and West Coast.

Key Energy Policy & Regulatory Executive Orders

- **Unleashing American Energy:** Declares a policy of energy abundance and orders all agencies to review all agency actions to identify actions that impose an undue burden on energy development.
- **Establishing the National Energy Dominance Council:** Establishes the NEDC within the Executive Office of the President to direct interagency cooperation on policy to drive energy dominance. Chaired by Sec. Burgum and co-chaired by Sec. Wright.



Other Key Energy / Regulatory Executive Orders

- **Recission Executive Orders:** Several EOs that rescind Biden- and Obama-era Executive Orders, including a number on climate and environmental issues.
- **Putting America First in International Environmental Agreements:** Withdrawal from the Paris Climate Accords.
- **Establishing and Implementing the President’s “Department of Government Efficiency”:** Creates DOGE Teams within each agency focused on cost-cutting and efficiency measures.
- **Restoring Accountability to Policy-Influencing Positions within the Federal Workforce:** Requires that policy-influencing government employees “faithfully implement administration policies to the best of their ability.”
- **Return to In-Person Work:** Directs heads of all agencies to terminate remote work arrangements. **Ending Radical and Wasteful Government**
- **DEI Programs and Preferencing:** Eliminates, among other things, environmental justice programs and offices.



April 8, 2025 - 4 Executive Orders Regarding Coal & the Grid



1. Reinvigorating America's Beautiful Clean Coal Industry
2. Regulatory Relief for Certain Sources (112 Waivers)
3. Protecting American Energy from State Overreach
4. Strengthening the Reliability of the U.S. Electric Grid



1. Reinvigorating America's Beautiful Clean Coal Industry



- **Designation of coal as a mineral.** Coal is designed as a “mineral” under EOs aimed at increasing American mineral production through the elimination of regulatory barriers.
- **Assessment of coal resources.** The Secretaries of the Interior, Agriculture, and Energy are directed to provide a consolidated report that identifies coal resources on federal lands, assesses impediments to mining such resources, and proposes policies to remove them
- **Lifting barriers to coal mining on federal lands.** The Secretaries of the Interior and Agriculture are directed to prioritize and expedite coal leasing, including expedited environmental reviews.
- **Support for coal as an energy source.** All relevant agencies directed to, w/in 60 days identify & revise/ rescind policies hostile to coal.
- **Promotion of coal exports.** Commerce to promote exports.
- **Expand categorical exclusions under NEPA.** All agencies so directed.
- **Metallurgical coal:** DOI/DOE may designate as critical mineral.
- **Support for AI data centers:** ID regions where coal/AI can partner.
- **Acceleration of coal technology:** critical minerals, products, etc...





2. Regulatory Relief for Certain Stationary Sources

- President Trump issued a proclamation that exempts several coal-fired power plants from the Biden Administration's Mercury Air Toxics Standards issued on May 7, 2024.
- This proclamation is issued under Section 112(i)(4) of the Clean Air Act, which provides that the President may exempt stationary sources from compliance with a standard issued under Section 112 if the President finds that it is the national security interests to do so and that the required control technologies are not available.
- The proclamation finds that the technology to implement the MATS Rule is not available in a commercially viable form and that it is in the national security interests of the United States to provide this exemption. The exemption lasts a period of two years.
- The proclamation refers to Annex 1 that was published on April 14, 2025 and includes 48 Companies & hundreds of units.

<https://www.epa.gov/system/files/documents/2025-04/regulatory-relief-for-certain-stationary-annex-1.pdf>

3. Protecting American Energy from State Overreach



- **Identification of burdensome state laws.** The Attorney General, in consultation with other agencies, is directed to identify State and local laws and policies that burden domestic energy production, with a focus on climate change, ESG, and environmental justice policies.
- **Challenge to illegal State laws.** The Attorney General is directed to take all appropriate actions to challenge State and local laws and policies that are determined by the Attorney General to be illegal.
- **Report to the President.** The AG must submit a report within 60 days regarding actions taken under this order.

4. Strengthening the Reliability and Security of the U.S. Electric Grid

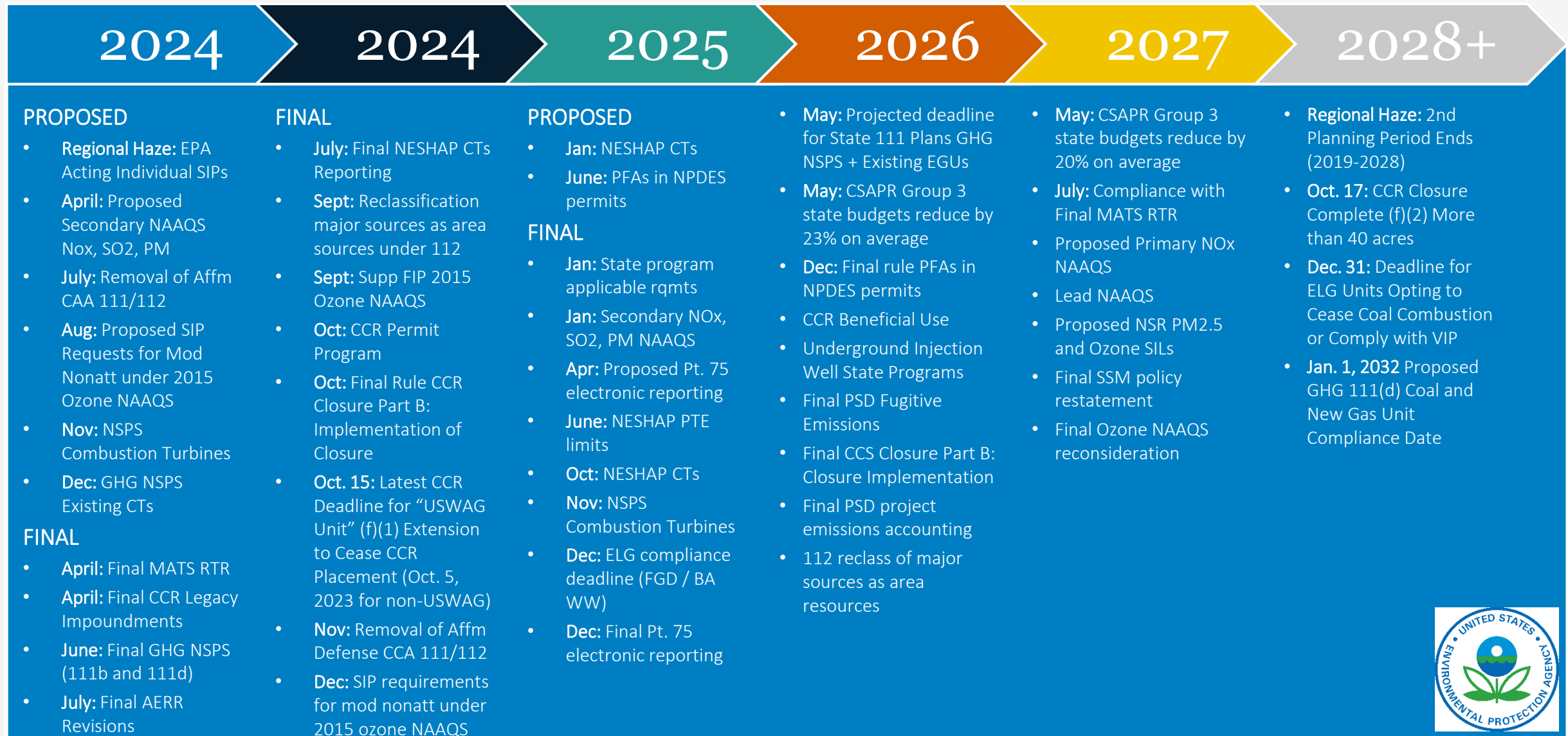
- **Use of emergency authorities.** The Secretary of Energy is directed to streamline the process for issuing orders under Section 202(c) of the Federal Power Act during grid emergencies. Grid emergencies are defined as “periods when the relevant grid operator forecasts a temporary interruption of electricity supply is necessary to prevent a complete grid failure.”
- **Uniform reserve margin methodology.** The Secretary of Energy is directed to develop a uniform methodology for analyzing reserve margins and to utilize this methodology to identify at-risk regions. This methodology and report must be published by the Department of Energy within 90 days.
- **Critical generation resources.** DOE directed to establish a protocol to identify generation resources within at-risk regions that are critical to system reliability. The Secretary is further directed to use all available laws, including Section 202(c) of the Federal Power Act, to retain critical generation resources. The Secretary is also directed to prevent critical generation resources in excess of 50 MW of nameplate capacity from leaving the bulk power system or converting to another fuel that would decrease the resource’s accredited capacity.



EPA Actions to Implement EOs



Wave of grid-threatening regulations coming into new Administration



Imminent Plans for Reforming GHG Regulation Under the Clean Air Act



Roadmap of Expected EPA GHG Reforms



Step 1: Repeal of the Biden Methane Rules for oil & gas (DONE) and Clean Power Plan 2.0 for power plants (ONGOING).

Step 2: Propose finding that U.S. power plant GHG emissions do not “significantly contribute” to global climate change under CAA § 111(b)(1)(A) *(could be a part of Step 1)*.

Step 3: Reconsideration of 2009 Endangerment Finding under “cause or contribute” standard of § 202(a) relating to tailpipe emissions.



Regulatory Timeline for Repeal of Power Plant GHG Regulations

Timeline	CPP Repeal & ACE (Timing Equivalent)	Proposed Regulatory Timeline
Jan 2025	President Trump's Second Inauguration	
Apr 2025	Advance Notice <u>NPRM</u>	6 months
Jul 2025	6 months	Proposed Rules
Oct 2025	Proposal: Repeal CPP	6 months (<u>45 day</u> comment period)
Jan 2026	--- TARGET DATE ---	Final Rules
Apr 2026	9 months	18 months
Jul 2026	Proposal: ACE Rule	
Oct 2026	12 months	
Jan 2027		
Apr 2027		
Jul 2027	Final: ACE Rule	DC Cir Opinion
Oct 2027	18 months	12 months
Jan 2028		SCOTUS likely to grant cert for upcoming Term.
Apr 2028		SCOTUS Opinion
Jul 2028		
Oct 2028		
Jan 2029	DC Cir. Opinion	
Jan 2029	2029 Inauguration Day	
Apr 2029		
Jul 2029		
Oct 2029		
Jan 2030		
Apr 2030		
Jul 2039	SCOTUS Opinion	

In order to secure SCOTUS opinion before end of the current Presidential term, rules need to be finalized no later than January, 2026

Materiality of U.S. Power Plant GHG Emissions in Global Context



Legal Background on the Difference Between “Endangerment” and “Contribution” Standards in the Clean Air Act

“Endangerment” under Clean Air Act § 202(a)(“Tailpipe Emissions”):

The Administrator [of EPA] shall by regulation prescribe (and from time to time revise) in accordance with the provisions of this section, standards applicable to the emission of any air pollutant from any class or classes of new motor vehicles or new motor vehicle engines, which in his judgment cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare.

Essential (& until recently, ignored) Clean Air Act Language in § 111(b)(1)(A)(NSPS):

“The Administrator [of EPA] shall include a category of sources [e.g., power plants] in such list [of sources regulated under the 111 NSPS] if in his judgment it causes or contributes significantly to air pollution which may reasonably be anticipated to endanger public health or welfare.” (*emphasis added*)

Determining “Significant Contribution” under 111(b)(1)(A)

Scientific Facts

The greenhouse effect is a **GLOBAL** phenomenon with many natural & anthropogenic contributors.

The greenhouse effect is driven by the **concentration of GHGs** in the atmosphere with impact measured by projected temperature increase - not simply the emission of an otherwise unarmful gas (CO₂) in the abstract.

The measurement error and annual variation in the mean worldwide surface temperature is approximately ± 0.1 °C ([Morice et al., 2021](#)). Therefore, the modeled temperature increase projected to result from a given category of sources must be $\geq \pm 0.1$ °C to be considered credibly measurable, much less “significant.”

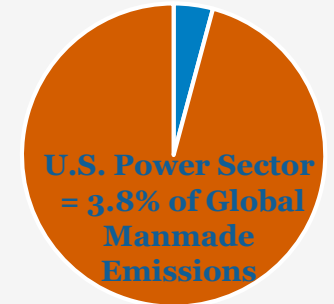
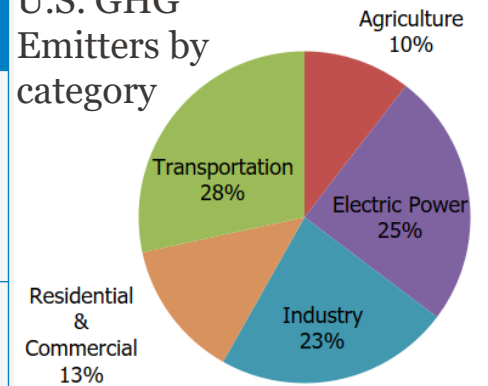
Legal Implications

“Being the biggest source category here” does **NOT** equate to “significance” to the global phenomenon feared to cause “endangerment.”

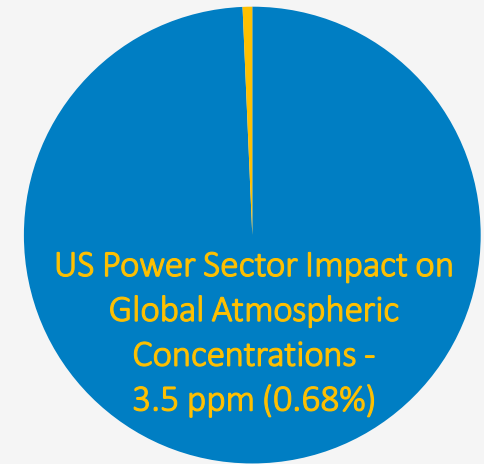
“Significance” should be assessed by assessing the impact of a source category’s annual mass emissions on global atmospheric GHG concentrations, **NOT** by comparing the relative **mass** emissions of U.S. power plants to other sources’ or nations’ **mass** of emissions (3%).

U.S. power plants are not “significantly contributing” to feared endangerment from climate change because their combined impact to global **concentrations** is less than .68% & modeled resulting impact on worldwide **temperature** is 0.007 °C, which is **only 7% of the referenced measurement error band & annual temperature variation of ± 0.1 °C.**

U.S. GHG Emitters by category

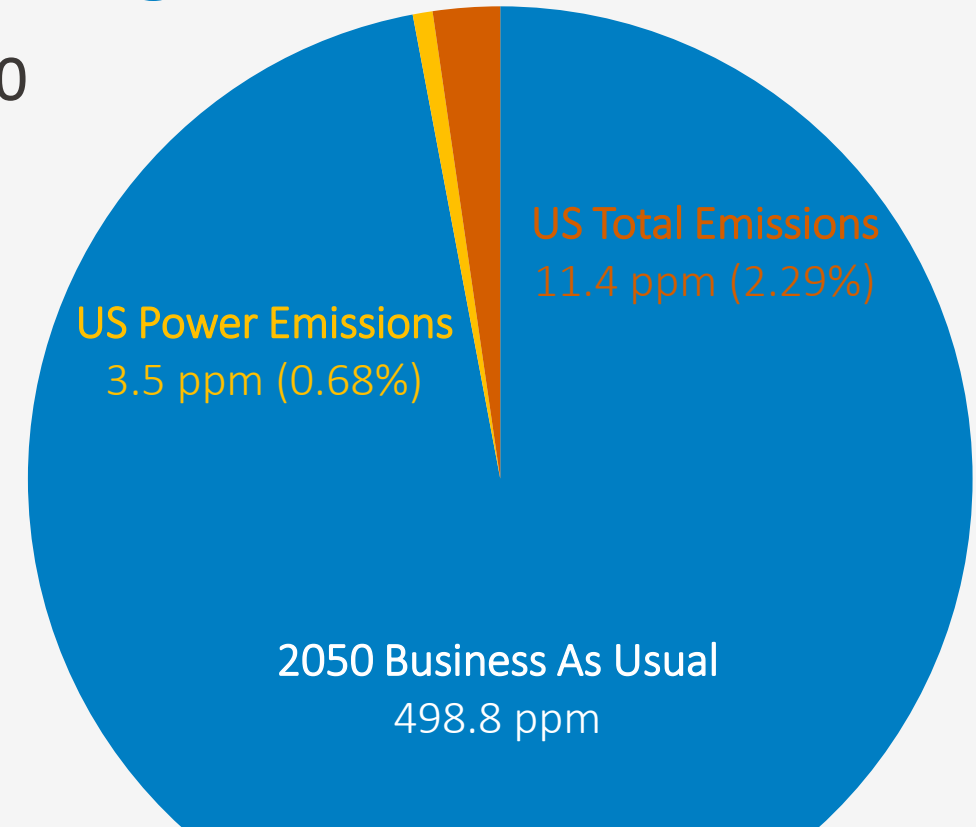


■ U.S. Power Sector
■ Global Emissions



Materiality of US GHG Emissions to “Endangerment” Under CAA

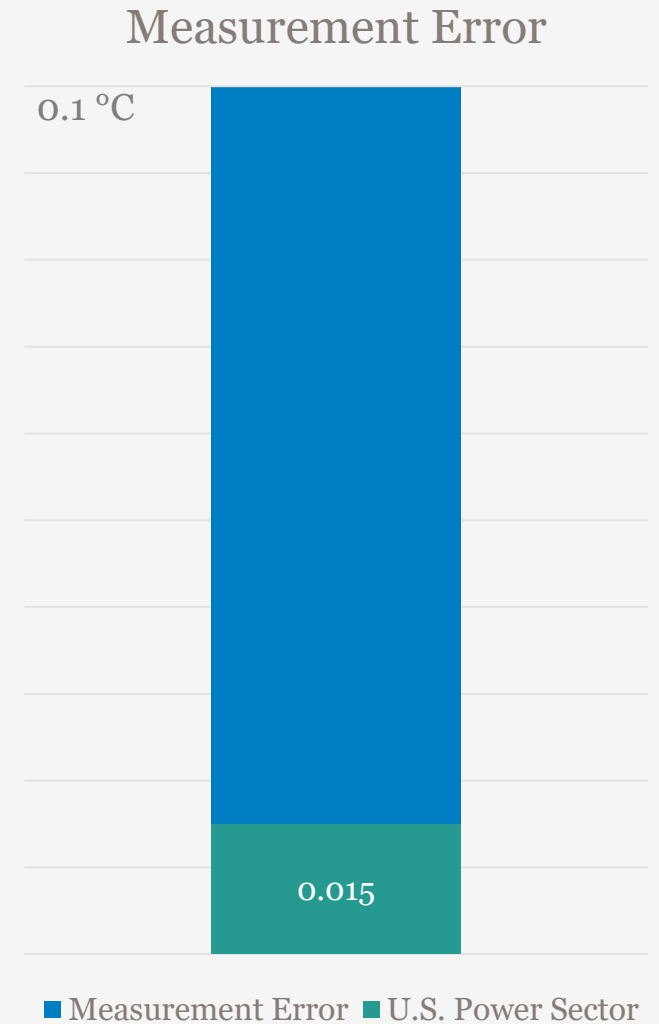
- 2050 impact of decarbonizing entire US economy by 2030
 - Reduction of 11.4 ppm (2.29%) in 2050
 - Reduction of global temps of 0.052 °C
- 2050 impact of decarbonizing US electric fleet by 2030
 - Reduction of 3.5 ppm (0.68%) in 2050
 - Reduction of global temps of 0.015 °C



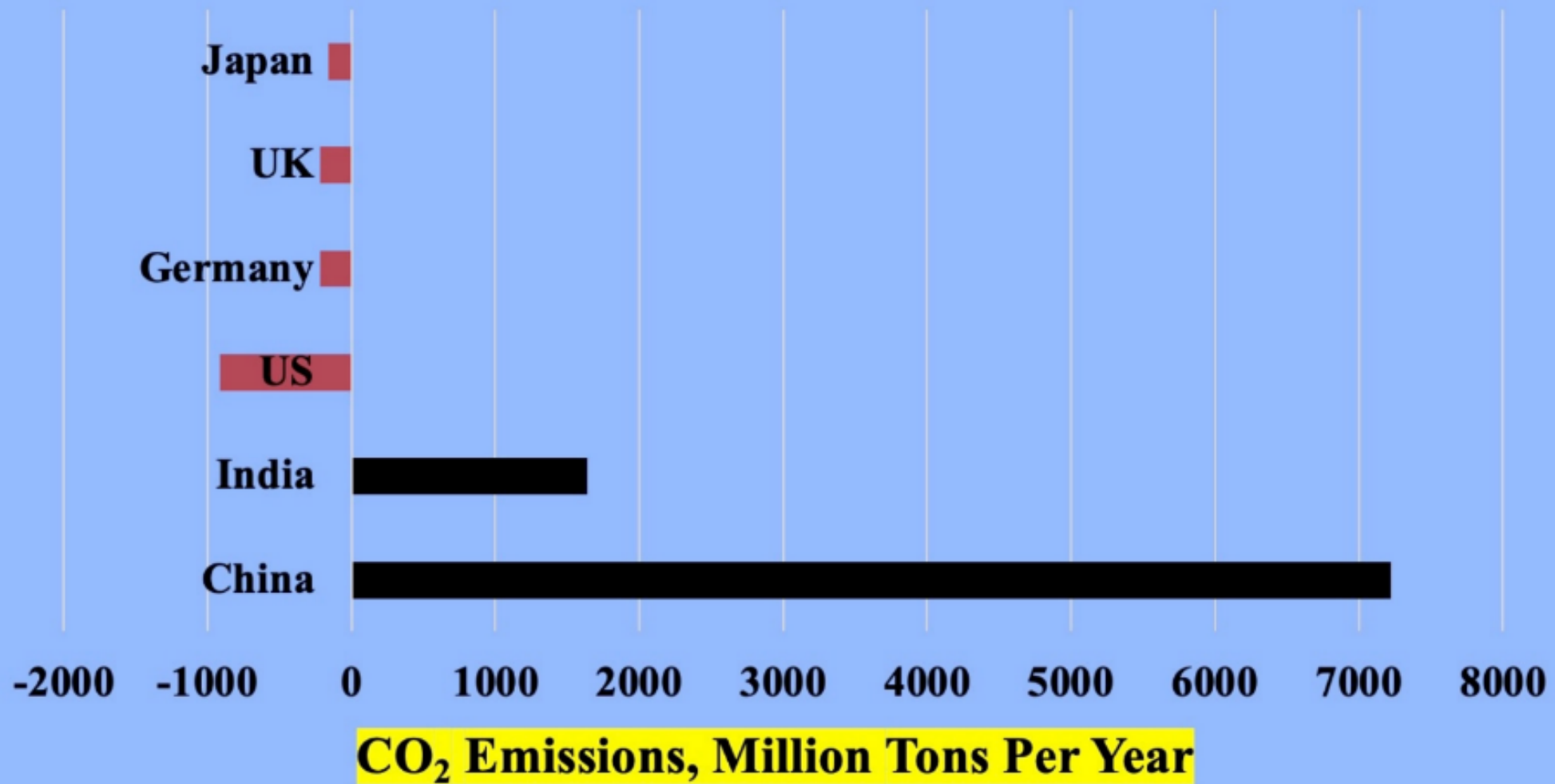
Net zero CO ₂ emissions by 2030	2050 CO ₂ (ppm)	2050 % Change	2050 Temp. Diff. (°C)	2040 % Change	2040 Temp. Diff. (°C)	2030 % Change	2030 Temp. Diff. (°C)
SSP2-4.5	498.8						
No U.S. Electricity	495.4	0.68%	0.015	0.45%	0.009	0.16%	0.002
No U.S. Emissions	487.4	2.29%	0.052	1.52%	0.030	0.55%	0.008

BOTTOM LINE: U.S. Power Sector Impact on Global Temperatures is NOT “Significant” Because it is Immeasurable Given Error Band

- The annual variation and measurement error in global surface temperature is approximately $\pm 0.1^{\circ}\text{C}$.
- The modeled temperature 2050 impact of eliminating U.S. power sector emissions (0.015°C) is well within this margin of error.
- Such a change is not measurable in the worldwide context so the debate about “significance” need not quibble about percentages.



Change in CO₂ emissions in the 6 largest economies over past 25 years



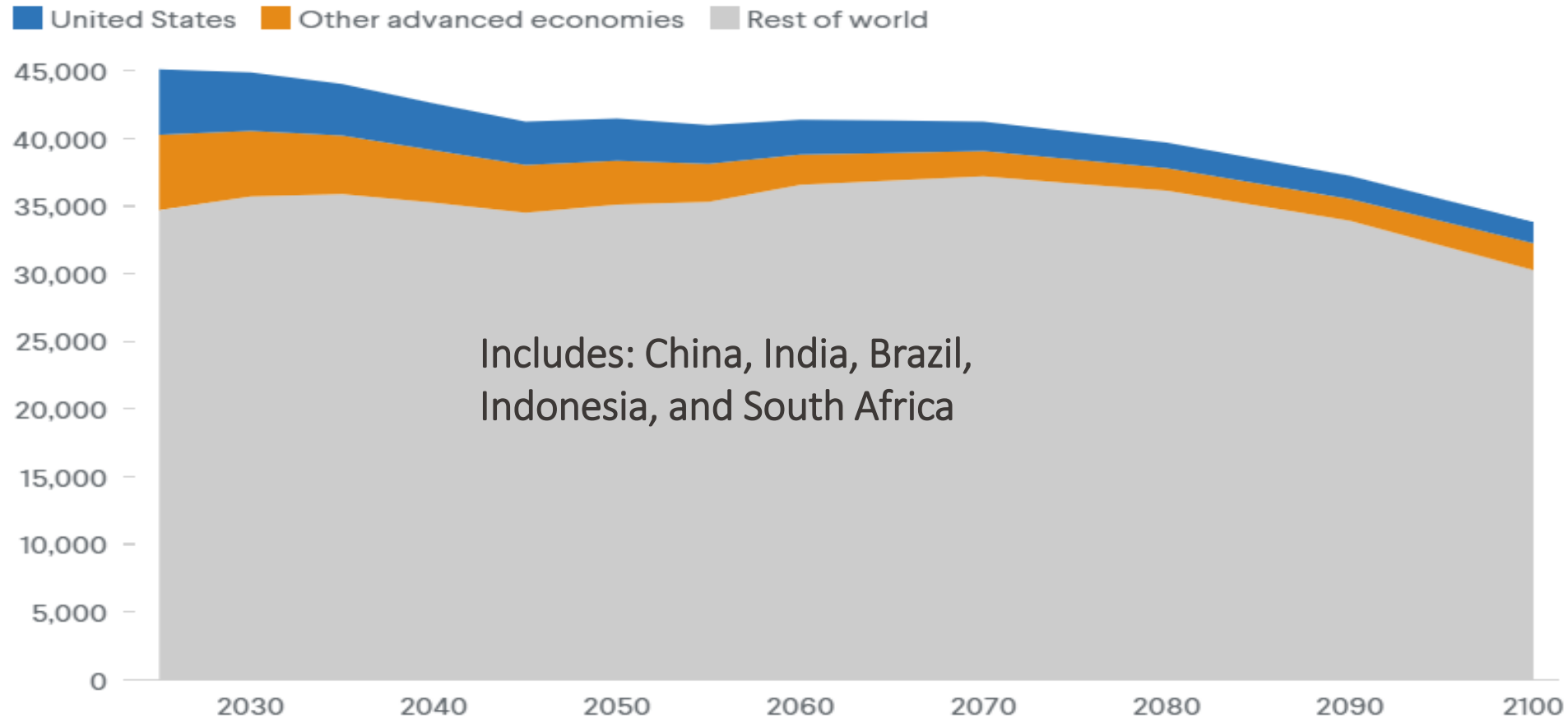
Source: Statistical Review of World Energy, 2023

© Robert Bryce

U.S. Emissions Shrinking Relative to Global Context Over Next 70 yrs

The Vast Majority of Future Emissions Will Come from China and Other Emerging Economies

Annual emissions with current policies (Mt of CO₂-equivalent)



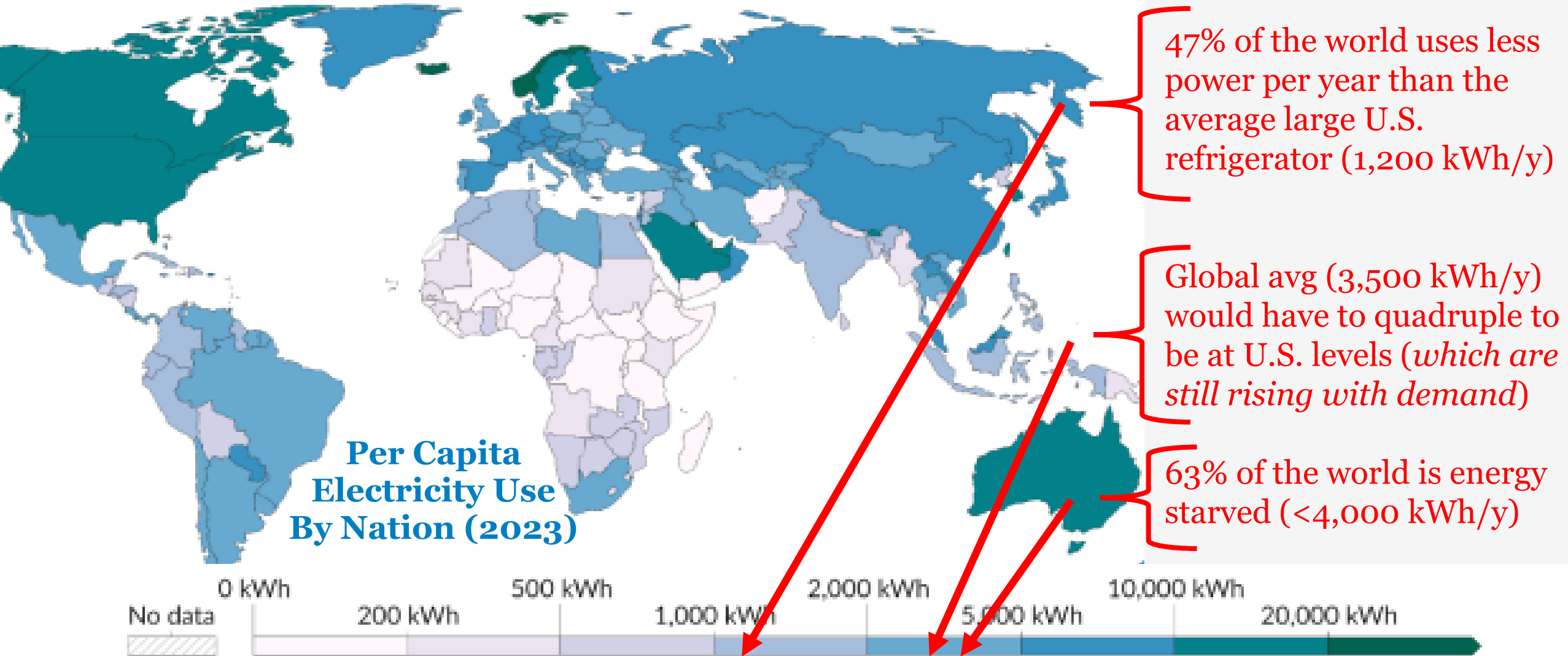
Source: NGFS Current Policies Scenario (2024, REMIND-MAGPIE 3.3-4.8 dataset).

COUNCIL on
FOREIGN
RELATIONS

Jackson Walker LLP

WHY IS THE US SUCH A SMALL PLAYER IN GHG EMISSIONS MOVING FORWARD?

The Energy Starved World is Busy Eradicating Energy Poverty



Key Strategic Notes for Industries Favoring GHG Regulation under the Federal Clean Air Act as Protection from Lawsuits

- Federal common law nuisance claims, if ever recognized, are “displaced” by Congress’s passage of the Clean Air Act (and *Massachusetts v. EPA* decision that GHGs are “air pollutants”), but that does not mean that EPA concluding that CAA thresholds are not met (under Sections 111 or 202) somehow legitimize mass tort litigation.
- Protection from state claims under federal preemption doctrines is a separate issue and is not significantly impacted by EPA action one way or another - *factual significance of EPA’s technical findings is likely more important.*
- EPA’s back-and-forth on GHG regulations has created 11 years of regulatory uncertainty and this cycle must be stopped with a more legally durable approach to whether and to what extent GHGs will be regulated under the Federal Clean Air Act.



Status of Key Non-GHG EPA Power Sector Rules

Rule	Current Status	Compliance Date
Mercury & Air Toxics Standards (MATS)	Litigation in Abeyance. EPA to Reconsider: EPA announced reconsideration of the rule on Mar. 12, 2025. April 8 Presidential EO: Extends compliance date to 2029 for 48 entities & hundreds of units.	Future Rules if Future Administration Attempts to Reinstate Withdrawn Rules: Could be finalized between Q4 2029 and Q1 2031.
Effluent Limitation Guidelines	Litigation in Abeyance. EPA to Reconsider: EPA announced reconsideration of the underlying Regional Haze Rule on Mar. 12, 2025.	Future Rules if Future Administration Attempts to Reinstate Withdrawn Rules: Could be finalized between Q4 2029 and Q1 2031.
Coal Combustion Residuals (CCR) Rule	Litigation in Abeyance. EPA to Reconsider: EPA announced reconsideration of the underlying Regional Haze Rule on Mar. 12, 2025.	Future Rules if Future Administration Attempts to Reinstate Withdrawn Rules: Could be finalized between Q4 2029 and Q1 2031.
Ozone Transport Rule (“Good Neighbor” Rule)	Litigation Ongoing: Court denied motion for abeyance; EPA filed motion requested remand without vacatur on Mar. 10, 2025. Oral argument scheduled for Apr. 24, 2025. EPA to Reconsider: EPA announced reconsideration of the rule on Mar. 12, 2025 and plan to propose & finalize new rule by Fall 2026.	Future Rules if Future Administration Attempts to Reinstate Withdrawn Rules: Could be finalized between Q4 2029 and Q1 2031. This would take the form of a SIP call and imposition of FIP.

What States Can Do to Complement Federal Reforms



Partnering with the Federal Government to Save the Grid & Grow



AS DOE RESTORES THE GRID

STATE PARALLEL ACTIONS:

- Participate in RTO proceedings relating to 202 orders & FERC oversight proceedings through PUC/PSC participation at RTOs (e.g., participate in committees (see ND HCR 3015)).
- Consider legislation to address market distortions & prevent repeat bad actions that got us into this crisis.
 - Prohibition of or pre-approval required for utility consent decrees involving retirement of coal-fired power plants (see OH SB 15; AR SB 463).
 - Rebuttal Presumption that retirements cannot occur before equivalent replacement dispatchable & fuel resilient capacity in place (see KY SB 349; AR SB 596; MO SB 4).
 - Intervention to take ownership of prematurely retiring assets to facilitate public-private partnerships to maintain capacity & co-locate digital infrastructure or other manufacturing (see UT HB 70).
 - Improve economic valuation (& utility cost recovery for) dispatchability & fuel resilience (see WV HB 2014).
 - Require firming of non-dispatchable resources to address imputed cost on the market currently paid by consumers (TX HB 1500 (almost expanded by SB 715)).



AS EPA RESTORES COOPERATIVE FEDERALISM

STATE PARALLEL ACTIONS:

- Comments & legal intervention in support of every key deregulatory action by EPA as they correct course from overreaching Biden EPA rules.
- Immediately seek EPA approval of existing programs eligible for delegation (e.g., CCR Rules, UIC Class VI Permitting).
- Expedite SIP revision & process to close gaps & integrate newly-reformed EPA implementation of key air programs.
- Expedite regional haze updates to purge past concessions and integrate newly-reformed EPA sound science policies.
- Coordinate with grid-related activities to ensure immediate suspension of retirement-forcing regulatory deadlines.

Questions



ESG AND THE STATES

The Battles Behind Us...
...The Wars Ahead



ESG: The Agenda

Environmental

- Net Zero Emissions By 2050
- Zero Coal/Oil/Natural Gas
- Alignment With State Policy

Social

- DEI / Critical Race Theory
- Abortion On Demand
- LGBTQIA+ Agenda
- Employee Racial Quotas

Governance

- Shareholder Resolutions
- Board Composition Quotas
- Proxy Voting



ESG Targets

Target: Energy

- Elimination of all fossil fuels – solar/wind
- Economic abdication to CCP
- Trillions in wealth shift to CCP-held companies
- Multi-faceted
 - Asset Managers
 - Banks
 - Corporations
 - WEF

BlackRock's China unit raises \$1 bln in maiden mutual fund

Reuters

September 8, 2021 12:09 AM EDT · Updated 2 years ago



Rachel Lord, CEO EMI
Purchase Licensing, B

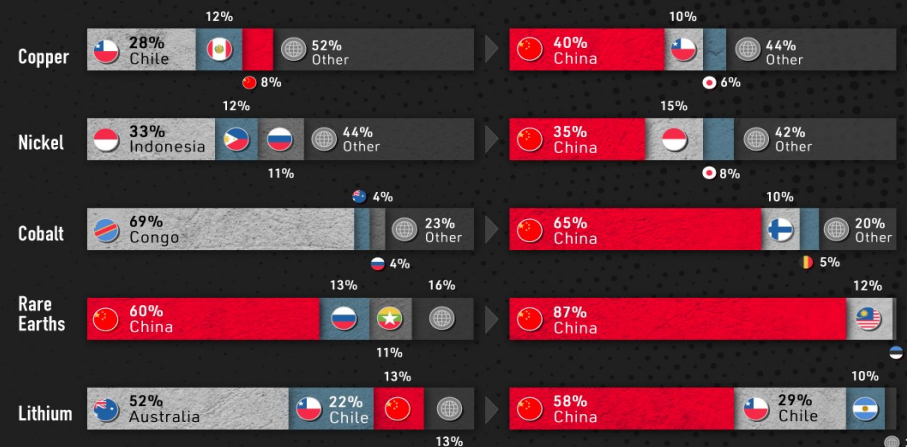
SHANGHAI, Sep
after raising 6.68
reception by inve

Wednesday's dis
BlackRock to inv

VISUALIZING CHINA'S DOMINANCE IN CLEAN ENERGY METALS

Where Clean Energy Metals are Produced

Where Clean Energy Metals are Processed



Wide Awake Media
@wideawake_media

Subscribe

A coal-fired power plant in China's Sichuan province.

China now emits more CO2 than the entire developed world combined—completely cancelling out all the sacrifices you are being forced to make in the farcical pursuit of net zero.



ESG Targets

Target: Agriculture

- Shift in language/tactics
- Attacks on farming
 - Producers
 - Distributors
 - Sellers
- Borderless
 - Interstate
 - Global
- Multi-faceted
 - Banking
 - Financing
 - Insuring
 - Securitizing

NEWS / AG POLICY

BREAKING: Supreme Court Backs California Prop 12

CALIFORNIA PROP 12



FARMERS FORUM

Home News Opinion Truckers Freedom Convoy 2022 Digital Editions

BREAKING

HOME ► NEWS ► RICH MAN, POOR FARMER: BILL GATES BUYS UP FARMLAND WHILE PROMOTING FAKE MEAT

RICH MAN, POOR FARMER: Bill Gates buys up farmland while promoting fake meat

on: June 03, 2024 In: News



Bill Gates is not a health expert but he thinks people should eat insects.



Farmers have hoarded land for too long. Inheritance tax will bring new life to rural Britain

Will Hutton



Prices and rents will fall under Rachel Reeves' plans, enabling a younger generation with new ideas to enter the field

Sun 17 Nov 2024 02:00 EST

ESG Goals

- Reduce emissions by 85% by 2050
- Cut US beef consumption 50% by 2050
- Align capital expenditures with “alternatives to meat and dairy products”
- Electrifying farm machinery, replacing fertilizers
- ~34 million jobs, most in livestock and feed-related classifications, lost by 2050

Figure 4-3 | Can a menu of solutions close the agricultural GHG mitigation gap?

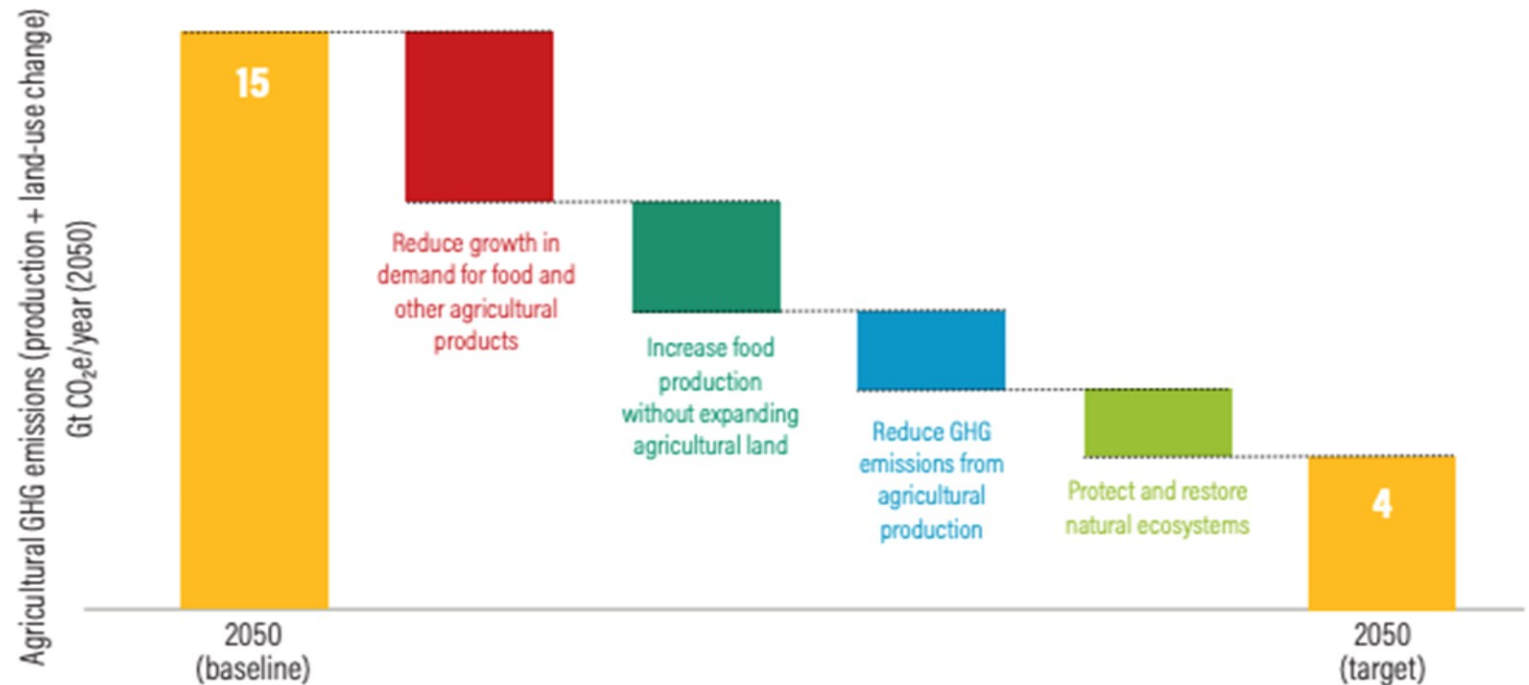
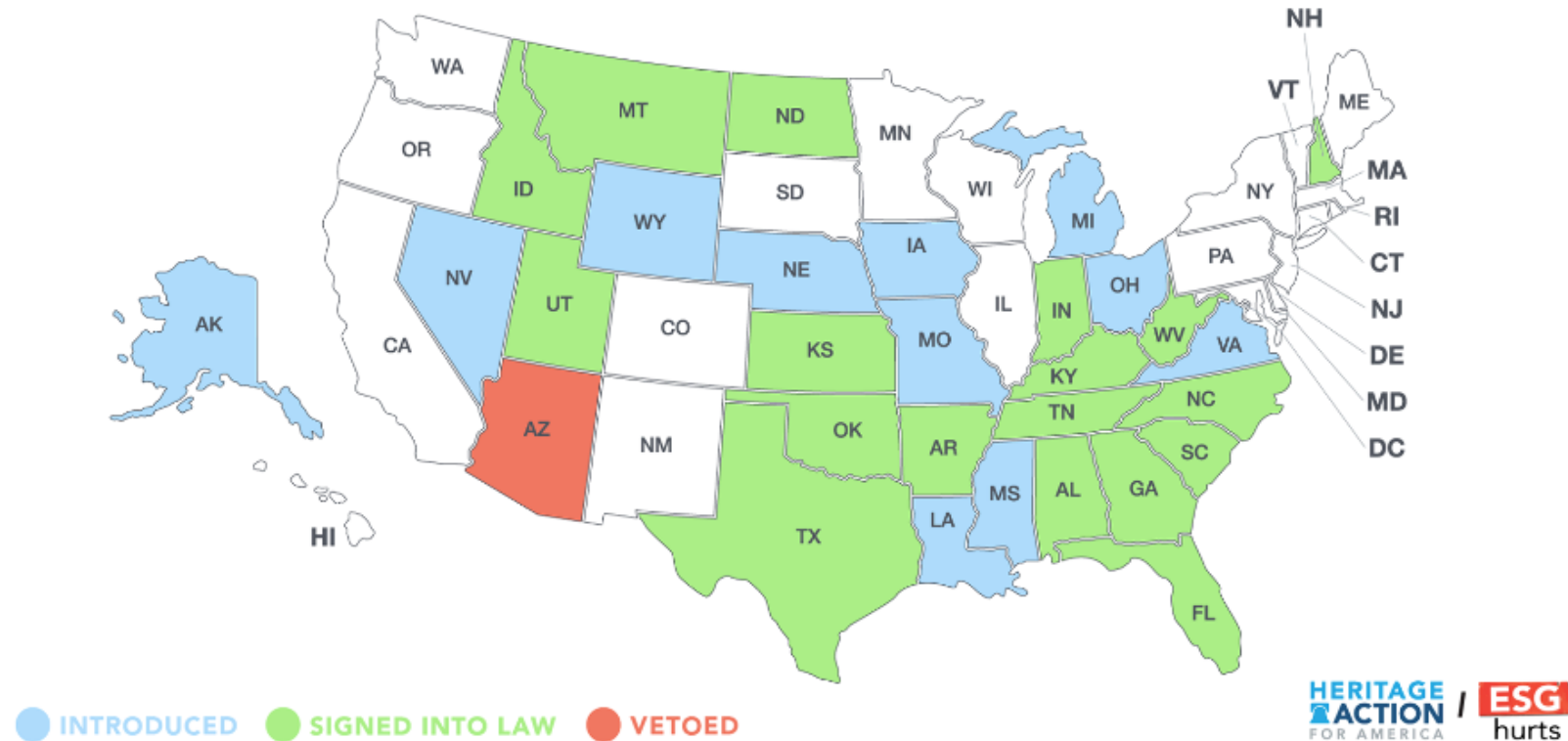


Figure: Activists want to “reduce growth in demand for food” (red) and to make farmers increase production on less land (green) and with less emissions (blue).

Engagement Strategies

- Legislative
- Executive
- Administrative

2021 – 2024 Legislative Victories



Engagement Strategies

- Legislative
- Executive
- Administrative



Policy Proposals

- Pension Fiduciary
- Grid Reliability
- Farmer Protection
- Eliminate Economic Boycotts
- University Accreditation Bodies

Other Approaches

- Legislative Hearings
- Agency Fact-Finding Letters
- AG Investigations
- Executive Orders

Engagement Strategies

- Legislative
- Executive
- Administrative

Indiana secretary of state targets BlackRock for alleged fraud over ESG funds

BY: CASEY SMITH - AUGUST 23, 2024 6:30 AM



January 29, 2024

Brian Moynihan
Bank of America Corporation
100 North Tryon Street
Charlotte, NC 28255

Jane Fraser
Citigroup Inc.
388 Greenwich Street
New York, NY 10013

David M. Solomon
The Goldman Sachs Group, Inc.
200 West Street
New York, NY 10282

Jamie Dimon
JPMorgan Chase & Co.
383 Madison Avenue
New York, NY 10170

Ted Pick
Morgan Stanley
1585 Broadway
New York, NY 10036

Charles W. Scharf
Wells Fargo & Company
420 Montgomery Street
San Francisco, CA 94104

Re: Impact of Net-Zero Banking Alliance on Agriculture & Food Security

Dear Mr. Moynihan, Ms. Fraser, Mr. Solomon, Mr. Dimon, Mr. Pick, & Mr. Scharf:

As the chief agriculture officers for our respective states, we hold serious concerns over commitments made by your bank as part of the Net-Zero Banking Alliance ("NZBA"), and the potential impacts on the agriculture sector; specifically, food availability and price increases on consumers, credit access for our farmers and agriculture product producers, and overall negative economic consequences. We remain committed to safeguarding the interests of consumers, American farmers, ranchers and agriculture producers in our states, as well as stewarding the lands and animals that ensure our nation's food security.

In our roles, we "encourage, promote, and advance the interests of agriculture" in our respective states.¹ While our specific authority varies by state, we generally regulate animals, food, fuel, plants, soil, and pesticides produced or sold within our states, and have jurisdiction over matters affecting them. Our powers include promulgation of rules or emergency orders; initiation and prosecution of administrative, civil, or criminal actions; investigations; and licensing

¹ See Iowa Code Ann. § 159.2(1); Ga. Code Ann. § 2-2-7(1) (granting authority to address matters "relating to or affecting the welfare of farmers and consumers of the state"); La. Stat. Ann. § 3:2(A) (confering power to exercise state functions "relating to the promotion, protection, and advancement of agriculture and forestry"); Va. Code Ann. § 3.2-102(A) (stating that the agriculture commissioner "shall promote, protect, and develop the [state's] agricultural interests"); Ky. Rev. Stat. § 246.020 (mandating that the department's efforts "shall be directed to the promotion of the interests of agriculture and horticulture"); see also Ky. Rev. Stat. § 246.070 (mandating that the Commissioner "promote and encourage, as far as practicable, the organization of agricultural organizations and associations").

FOX BUSINESS



MISSISSIPPI Published March 27, 2024 9:46am EDT

Mississippi hits BlackRock with cease and desist, threatens massive fine over ESG policies

'Investment companies will not push their political agenda on Mississippians,' says Michael Watson



Thomas Catenacci FOXBusiness



3 push is 'money grab' for major firms, not done for environmental interests: Luke Lloyd

Engagement Strategies

- Legislative
- Executive
- Administrative

Tennessee Sues BlackRock in First-of-its-Kind Consumer Protection Suit over ESG Considerations

Monday, December 18, 2023 | 12:35pm

Nashville—On Monday, Tennessee Attorney General Jonathan Skrmetti filed the first-of-its-kind consumer protection lawsuit against the world's largest asset manager, BlackRock Inc. Tennessee's complaint alleges that BlackRock made false or misleading representations to current and potential Tennessee consumers about the extent to which Environmental, Social, and Governance (ESG) considerations affect BlackRock's investment strategies.

"We allege that BlackRock's inconsistent statements about its investment strategies deprived consumers of the ability to make an informed choice," Attorney General Jonathan Skrmetti said in a statement. "Some public statements show a company that focuses exclusively on return on investment, others show a company that gives special consideration to environmental factors. Ultimately, I want to make certain that corporations, no matter their size, treat Tennessee consumers fairly and honestly."

Tennessee's lawsuit is a response to BlackRock's conflicting statements and assertions regarding ESG's influence over BlackRock's business decisions across its wide array of assets. Currently, BlackRock manages over nine trillion dollars in investments. The complaint addresses BlackRock's use of corporate engagement and the voting of its shares to achieve various climate-related policy goals.

As part of its strategy, BlackRock joined ESG coalitions such as the [Net Zero Asset Managers Initiative](#) and [Climate Action 100+](#). Membership in both groups is dependent upon companies, such as BlackRock, making specific promises aimed toward fighting climate change that affects all their clients' assets and achieving specific emissions reduction targets. These [promises](#) include lobbying, engagement, voting on shareholder proposals, and managing assets with the goal of achieving "net zero" by 2050.

November 27, 2024 | Press Release

Attorney General Ken Paxton Sues BlackRock, State Street, and Vanguard for Illegally Conspiring to Manipulate Energy Markets, Driving Up Costs for Consumers

Attorney General Ken Paxton sued BlackRock, State Street Corporation, and Vanguard Group, three of the largest institutional investors in the world, for conspiring to artificially constrict the market for coal through anticompetitive trade practices.

Over several years, the three asset managers acquired substantial stockholdings in every significant publicly held coal producer in the United States, thereby gaining the power to control the policies of the coal companies. Using their combined influence over the coal market, the investment cartel collectively announced in 2021 their commitment to weaponize their shares to pressure the coal companies to accommodate "green energy" goals. To achieve this, the investment companies pushed to reduce coal output by more than half by 2030.

Blackrock, Vanguard, and State Street utilized the Climate Action 100 and the Net Zero Asset Managers Initiative to signal their mutual intent to reduce the output of thermal coal, which predictably increased the cost of electricity for Americans across the United States.

BRENNA BIRD
ATTORNEY GENERAL



1305 E. WALNUT ST.
DES MOINES, IA 50319
515-281-5164
www.iowaattorneygeneral.gov

IOWA DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

Brian Cornell
Chief Executive Officer
Target Corporation
1000 Nicollet Mall (TPN-1220)
Minneapolis, MN 55403

Dear Mr. Cornell:

As the Attorneys General of Iowa, Kansas, Nebraska, and Tennessee, we enforce our consumer protection statutes that protect our citizens. Our consumer protection laws are powerful tools to ensure that companies respect the rights of the people—and their responsibilities to the citizens of our States.

A topic of growing concern in our States is the imposition of various economic, social, and governance commitments made by corporate managements and whether those commitments are misleading to consumers and other relevant parties. There is great concern that many commitments violate State law. And those worries echo across the country.

Diverse Attorneys General have filed consumer protection actions in this space. In those cases, irresponsible statements made by the companies to conform to certain sentiments in the environmental space led companies to scrutiny and major State-led investigations. Our letter intends to encourage your companies to abandon ESG policies that create undue litigation risk. Those policies embrace impossible-to-achieve goals that create potential for consumer fraud violations.

We recently became aware of a letter published by Consumers Research, a consumer advocacy organization, that highlights climate commitments and other statements made by your company and its management and comparing them to statements and commitments made by other companies that served as the foundation for the consumer protection lawsuits by the attorneys general.

The comparisons made by the Consumers Research letter are stark, and they raise real concerns.

We are analyzing the appropriate steps to take considering these newly public revelations.

Their Claims

- ESG is Dead
- We've Lost
- Woke is Over

DIVE BRIEF

JPMorgan becomes latest major US bank to exit NZBA

The bank's departure from the Net Zero Banking Alliance follows the exits of five other major U.S. banks from the climate coalition in the past month.

Published Jan. 7, 2025



Lamar Johnson
Reporter



The JPMorgan Chase headquarters building is seen on May 26, 2023 in New York City. Michael M. Santiago via Getty Images

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Green
ESG & Investing

Goldman Decides to Leave World's Top Climate Alliance for Banks

- Move comes as financial firms prepare for new ESG regulations
- Franklin Templeton is quitting separate climate fund alliance

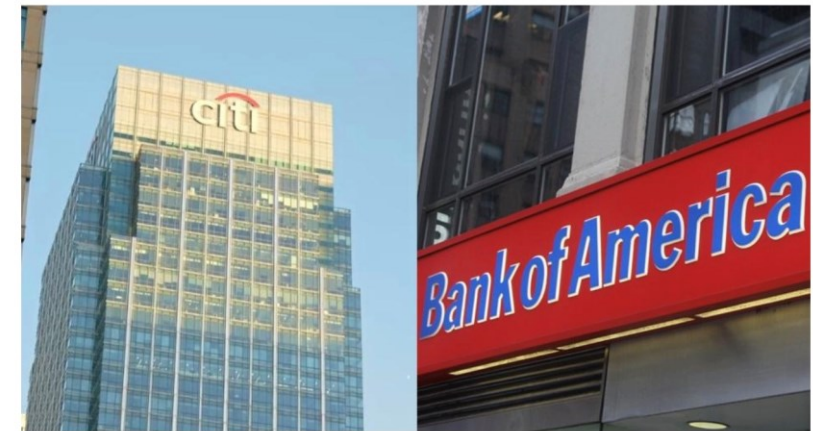


DIVE BRIEF

Bank of America, Citigroup, Morgan Stanley latest to exit Net-Zero Banking Alliance

The financial institutions' decision to leave NZBA comes shortly after Goldman Sachs and Wells Fargo announced they were departing the United Nations-backed climate coalition last month.

Published Jan. 3, 2025



SUSTAINABLE FINANCE

Citi, BofA Join Goldman Sachs and Wells Fargo in Exiting Net Zero Banking Group



Mark Segal | January 2, 2025

BlackRock departs climate group as Wall Street reassesses green priorities

[Sidhi Mittal](#)

Published 10th January 2025

The world's biggest asset manager BlackRock has announced that it is leaving the Net Zero Asset Managers initiative (NZAMI) — a coalition requiring its members to reach net-zero financed emissions by 2050 or sooner.

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State Street Launches Sustainability Engagement and Voting Service

 Mark Segal | May 7, 2025

State Street Global Advisors (SSGA), one of the world's largest investment managers, announced the launch of its new Sustainability Stewardship Service, offering institutional clients with the ability to follow a sustainability-focused engagement and proxy voting framework.

According to SSGA, the new service was launched in response to institutional client feedback, seeking more engagement with companies on sustainability topics, and designed with input from clients prioritizing sustainability outcomes.

ESG Playbook

Sustainability Intelligence: Data-Driven, Business-Focused.

CONNECT ALL YOUR TEAMS ON ONE PLATFORM

www.esgplaybook.com



The new opt-in sustainability service is available globally to SSGA's institutional separately managed account clients. The firm said that its European and UK fund ranges have already elected to have their proxy voting and engagement conducted in alignment with the service's sustainability policies.

SSGA's new sustainability service will incorporate sustainability considerations in proxy voting and engagement across four key areas, including Climate Change, Nature, Human Rights and Diversity.

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