Toolkit for Companies // Delivering the Business Case for Robust Climate Investments in Budget Reconciliation

Policy context, key messages, and social media content for companies to amplify

Policy Context

We are at a critical moment in the fight against the climate crisis, and we're calling on businesses to step up their advocacy and make the case for the economic benefits of ambitious federal climate and clean energy policies.

As the U.S. Senate and House of Representatives negotiate a detailed budget over the coming weeks, companies will play a crucial role in pushing key moderate lawmakers to support the budget reconciliation package, including its robust climate measures such as the Clean Electricity Performance Program and strong incentive programs for clean energy and transportation.

The Senate has already passed a significant infrastructure package that includes important climate and clean energy investments. However, that bipartisan package does not go far enough to meet our urgent climate needs. The U.S. will not achieve its climate goals without the policies included in the budget package—and without these investments, it will also be more difficult for companies to achieve their own climate goals.

Given the slim and tenuous majorities Democrats hold in both chambers of Congress, and the rapidly closing window to confront the climate crisis and prevent its worst effects, **the budget** package may be our last, best shot to enact impactful climate legislation at the federal level before it is too late.

Passing this bill is also important for the U.S.'s credibility as a climate leader. Prior to COP26 in November, the U.S. must demonstrate to the rest of the world that our nation is taking its climate commitments seriously, and that other countries must as well.

From worsening fires and drought out West to the deadly floods and storms in the South and Northeast, we are already seeing tremendous damage from the climate crisis. And the Intergovernmental Panel on Climate Change is warning that without major policy changes, it will get much worse. Without acting now, we are courting greater disaster for the U.S. economy, and its businesses, consumers, and supply chains. Although the budget package carries a significant price tag of up to \$3.5 trillion, the costs of climate inaction will be much higher. Its programs are the best way to prevent the worst outcomes of the crisis, including its devastating economic and financial effects, while building out the clean energy economy of the future and ensuring the U.S. remains competitive for generations to come.

The single most important program in the package is a Clean Electricity Performance Program (CEPP). The CEPP functions very similarly to the <u>Clean Electricity Standard (CES)</u> that Ceres and more than 100 companies previously supported, and still pushes power providers to steadily increase clean electricity sources over time, to a national average of 80% clean power by 2030. However, it is implemented using a series of incentive payments and penalties to conform with the procedural requirements of budget reconciliation.

Coupled with other clean energy incentives, the CEPP will clean up the electricity sector and, as a result, ensure other sectors like transportation are carbon-free as they increasingly shift to electric power. It will also create millions of jobs across the U.S. One significant benefit of the CEPP compared to the CES is that it is more friendly to both utilities and ratepayers, and as a result could have more appeal to moderates whose support we need.

We recognize that supporting this package may be an uncomfortable proposition for some companies. The climate provisions are only one part of a wide-reaching budget that has a host of other policies across the economy. Moreover, it is very likely to be passed on a partisan basis, which is rarely our preferred way of doing business. However, the political reality of the moment is that this is the best opportunity we've had in a generation, and it may be the only chance we'll get, to pass and enact these programs in time to confront the climate crisis head-on and deliver necessary economic benefits. That's why we ask for your support for the entire budget package.

Corporate advocacy is vital to pushing key moderate lawmakers to support a strong CEPP and other climate measures in the budget. To get this package passed and guide the U.S. to a sustainable clean energy future, we need businesses to champion these policies by joining advocacy opportunities now and at key moments throughout the budget reconciliation process.

There are several ways companies can show their support for these policies. Given the complexity and sensitivity of this process, this toolkit is meant to provide you with a variety of messaging guidance, and Ceres is also happy to help your organization craft messages that you are comfortable with.

How Businesses Can Take Action

- 1. Communicate your support with key Congressional offices by joining virtual meetings, sending emails, and making calls.
- 2. Publish statements or blogs on your corporate channels or byline op-eds for placement in key national and local outlets indicating your support and call to action. Ceres is ready to provide drafting and placement support if you are interested.

- 3. Amplify your support on your company's social media platforms. Please use content from this toolkit or create your own; social media messaging guidance and visual assets are below.
- 4. Nominate a media spokesperson from your company. The media is eager to speak with companies about their support for climate policy action and the budget reconciliation package. Publicly sharing your perspective with the media is vital to counter the opposition message from trade associations and other interest groups. Please let us know if your company would like to be included in our media relations efforts. We will let you know if there are requests for interviews.
- 5. Submit a quote, ideally at the CEO/C-suite level, to show strong corporate support for climate policy action and the budget reconciliation package, which may be included in a quote sheet for media and on social media. Please draw from the key messages in the toolkit section below.

Contact Helen Booth-Tobin at <u>booth-tobin@ceres.org</u> if you would like to learn more about any of these advocacy opportunities.

Key Messages

[ON BUSINESS EXPECTATIONS] When we said we were all in to confront the climate crisis, we meant it. Companies have been doing our part to build a cleaner and more sustainable economy, because it's good for the planet and it's good for business. Now Congress must do its part. This package is the best chance we've had in a generation to enact the policies and investments we need, and it may be the last chance before it's too late to prevent the costly impacts of the climate crisis we're already seeing each day. Congress must not miss this opportunity.

[ON THE CEPP] The Clean Electricity Performance Program is the single most important thing Congress can do to power the transition to a sustainable clean energy economy. Coupled with strong clean energy incentives, the CEPP will put the U.S. on a path to 80% clean electricity by 2030. This policy will result in millions of new jobs and hundreds of billions of dollars in new energy investments, while lowering electric costs for both companies and consumers. It's the right policy at the right time to fight the climate crisis, grow the economy, and save lives by reducing toxic air pollution.

[ON ECONOMIC BENEFITS] Ambitious policies in clean energy and transportation will help companies meet their own climate goals, and give them confidence in the business environment. And it will save companies and all of society a fortune in the future, by limiting the kinds of climate catastrophes that are already causing severe damage across the U.S. and that will only get worse if we don't act now.

[ON COMPETITIVENESS] The economy of the future is going to be clean, resilient, and sustainable. Does the U.S. want to be at the forefront of that market, or does it want to play catch-up? We want this country to stay at the cutting edge deep into the 21st century and beyond, and this package will help us compete economically on a global scale both in the short-and long-term.

[ON TRADE ASSOCIATIONS] Some large trade organizations might be pushing against this package, but they don't speak for us. Companies know a clean-energy economy is the only way to keep our economy growing long-term, and we encourage these organizations to rethink their position and embrace the climate and clean energy policies and investments that businesses and our country need.

[ON THE BIPARTISAN INFRASTRUCTURE PACKAGE] The bipartisan infrastructure package is crucial to repairing our nation's aging infrastructure, and has some useful tools for clean transportation and clean energy. But the scale of the climate crisis is so huge that we need even more, and this budget package will get us there. That's why we strongly support both bills and want to see them each passed, signed, and implemented soon.

Social Media Content and Guidance

Please find social media assets and suggested posts on this Trello board.

We encourage signatories to amplify their support and call to action by sharing these social media assets on corporate and executive channels, along with any additional supportive messages, statements or graphics of your own.

We will continue to update the Trello board with new social media assets as changes arise during the ongoing reconciliation discussions in the coming weeks.

Frequently Asked Questions

Q. Does my company need to show support for the entire budget reconciliation package, including the likely corporate tax increase?

A. At this moment, we are principally asking companies to advocate for the climate measures within the package, especially as Congress considers whether to scale back the overall size of the package. And we recommend publicly distinguishing yourself from your trade association's position if they are opposing the package by emphasizing your company's case on the need for the budget package, especially the clean energy investments. Here are some examples reflecting a broad range of perspectives:

- 1. There are some costs to the reconciliation package. In the long run, we believe it will ultimately save companies and society a fortune by confronting the climate crisis before it gets even more severe and costly, while delivering significant economic benefits in the short-term.
- We strongly support the climate provisions of the reconciliation bill, and believe they will help protect our company from the worst impacts of the climate crisis, and grow new industries and jobs that will spur economic growth for years to come.
- 3. This bill includes incentives and programs that will make it easier for us to achieve our corporate climate goals, which we take very seriously. This will help our company save money by making it easier to access clean energy and continue our transition to more sustainable and resilient business operations.

Q. How should we discuss the bipartisan infrastructure package that has already passed the Senate, and why are both packages necessary?

A. The bipartisan deal will have many benefits across the economy, especially in modernizing and repairing our infrastructure. It also includes important climate and clean energy investments, such as electric vehicle charging stations and electric grid modernization. However, it alone will not get the U.S. close to its emission targets. We recommend messaging that stresses your support for the bipartisan infrastructure deal, which was negotiated by key moderates in the Senate, while emphasizing that the budget package is necessary to truly address the climate crisis.

Q. My company prefers bipartisan legislation and doesn't want to be seen as taking a political side. How can we publicly support legislation that is passed on a party-line basis?

A. Although the reconciliation process allows for legislation to pass by a simple majority in the Senate, it does not require it to, and it would of course be welcome if the package garnered some Republican votes. However, that is unlikely to happen, and moderate Democrats are currently the key to passing this package. It is critical that our advocacy efforts convince them to support these important climate and clean economy policies.

Q. My company is a member of a large trade organization that is lobbying against this bill. How can I show that my company does not agree with its position?

A. It is important for companies to let their trade organizations know when they are not representing their positions well. We recommend communicating that disagreement to the trade association so they know your position, and publicly distinguishing yourself from the organization by emphasizing your company's case on the need for the budget package, especially the clean energy investments.

Additional Resources

Webinars:

• <u>Ceres Webinar: Budget Reconciliation Package & Implications for Combating Climate Change</u>

Company Letters/Statements:

- A Letter to Congress: U.S. Businesses Support a Federal Clean Electricity Standard
- Power Sector Letter in Support of a CES, Clean Energy Tax Credits, and Complimentary Investments
- Open Letter from U.S. Chamber of Commerce Member Companies on the Budget
 Reconciliation Bill
- Wakelet: Corporate Support for Robust Climate Investments in Budget
 Reconciliation (featuring statements from Salesforce, Apple, Netflix, and updated daily)

The Business Case for Ambitious Climate Investments in Reconciliation:

- Budget reconciliation is the vehicle to pass climate policy. It's time for businesses
 to get on board: An open letter to companies from the AAA Framework for Climate
 Policy Leadership.
- Macroeconomic Consequences of the Infrastructure and Budget Reconciliation
 Plans: Moody's Analytics on the need for the two packages and the costs of climate inaction.
- RMI analysis on the rural economic benefits in Appalachia from a 90% carbon-free grid by 2035

Background on the Clean Electricity Performance Program:

- Clean Electricity Performance Program A budget-based alternative to a federal Clean Electricity Standard: A from the Clean Air Task Force describing the CEPP and how it fits within the reconciliation framework.
- Studies Agree 80 Percent Clean Electricity by 2030 Would Save Lives And Create
 Jobs at Minimal Cost: Energy Innovation meta-analysis that also addresses feasibility
 and reliability concerns

Advocacy Materials:

• Phone script for calling key Arizona lawmakers