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## PGW emails show involvement in drafting bill that runs counter to climate goals

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12-16 minutes

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Recent [global climate talks](#) shined a spotlight on the rush to limit greenhouse gas emissions, with the hope of limiting temperature rise to 1.5 degrees Celsius to lessen climate catastrophes such as floods, wildfires, and extreme heat. It would be a monumental task, and one that includes cutting emissions in half by 2030.

Congress just took a step toward reaching that goal by passing a \$2 trillion bill that includes \$500 billion toward clean energy projects and [tax incentives](#) to help low-income ratepayers make a switch to renewables. It also includes funds to support electrification of heating and cooling, which is essential given that, in Philadelphia alone, buildings and industry account for 72% of emissions. The city has a goal of 100% clean energy for municipal buildings by 2030.

Philadelphia also has as its larger climate goal becoming carbon neutral by 2050. But the city owns a large fossil fuel utility, Philadelphia Gas Works, which represents a major hurdle. Each year, PGW contributes about \$18 million to the city's budget. And yet, gas usage is on the decline, in part due to more efficient appliances, as well as warmer winters caused by climate change. Under the direction of the Office of Sustainability, Philadelphia is on the verge of releasing a study aimed at figuring out how to transform PGW in order to cut the city's carbon emissions while maintaining affordability for low-income customers, as well as its workforce of more than 1,500 people.

Meanwhile, legislation is making its way through Harrisburg that would tie the hands of municipalities across the state when it comes to electrification. The city opposes the legislation. And yet

emails obtained by WHYY News show that PGW executives engaged in crafting, and potentially strengthening, a measure that would block efforts to promote electrification.

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The content of the PGW emails discussing Senate Bill 275 was released as part of a Right to Know case brought by Charlie Spatz of the [Climate Investigations Center](#). The state Office of Open Records [forced PGW to make the records public](#) after Spatz sued.

The city says it has no plans to ban natural gas, and that is not a proposal in the [PGW Diversification Study](#), funded by Bloomberg Philanthropies' American Cities Climate Challenge. But the bill, spearheaded by gas industry lobbyists and sponsored by state Sen. Gene Yaw (R-Lycoming), would block municipalities from limiting fossil fuel use and promoting electrification — potentially undermining the city's own climate goals and those representatives tasked with coming up with solutions, including members of City Council, the city's Office of Sustainability, and even the Philadelphia Gas Commission, which approves PGW's budget.

SB 275 recently passed with a veto-proof majority and is now making its way through the State House. The bill, dubbed “energy choice” legislation, stemmed from the natural gas industry's pushback on local climate efforts, specifically Berkeley, California's enactment of a law in 2019 that bans new natural gas hookups in some buildings.

Some say “energy choice” is a misnomer for the true intent of the Pennsylvania bill.

“It should be called the ‘limiting energy choice’ bill,” said David Hess, a retired lobbyist who headed the Department of Environmental Protection under former Gov. Tom Ridge. “They want to get out ahead of what they view as any limits on their ability to expand their natural gas service in the state, and that's what this bill really does. It limits the ability of a community to choose only clean energy.”

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The city of Philadelphia opposes all preemption legislation, or efforts to limit its abilities to govern. City Council passed a resolution opposing SB 275 in April, and city officials made clear to

PGW that it was not to lobby for the bill. But those efforts may have been too late. Even before the proposed legislation was introduced, strings of emails obtained by WHYY show gas industry lobbyists working with one another and Sen. Yaw's office to craft the bill. And while UGI Corp. representatives took the lead, PGW vice president for government and regulatory affairs Greg Stunder was an active participant. This despite claims that the utility would be "neutral."

The drafting of the bill took place in January and February 2021, and on several occasions, the emails show, Stunder suggests changes to the language that would strengthen the legislation, taking his cue from a Florida bill to expand the definition of "utility service" to include "electric, manufactured gas, liquefied petroleum gas, natural gas, hydrogen, fuel oil, a renewable source, or any other source from a utility service provider that is capable and authorized to provide utility service for the property of the individual or entity."

The interfaith climate justice group POWER has been active in commenting on the PGW Diversification Study, working on figuring out how to transform the fossil fuel company in a way that would preserve both good union jobs and affordability.

"We need bold leadership from PGW to address the truth of this moment," said POWER's Julie Greenberg. "To create a transition that works for all, away from dirty fossil fuel, let's sit together and create solutions because we cannot continue business as usual."

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Greenberg said the effects of climate change, namely extreme heat and flooding, will [disproportionately impact overly burdened low-income communities](#).

POWER's attorney, Devin McDougall of Earthjustice, said PGW's involvement in the legislation flies in the face of PGW's claims of neutrality on SB 275.

"These emails reflect efforts by PGW to expand SB 275's preemptive scope and add teeth by expressly bringing in more types of energy services, drawing from similar bills supported by the American Gas Association in other jurisdictions," said McDougall. "It should be of great public concern that PGW has been working to expand and strengthen SB 275 in a way that is not consistent with being a neutral observer."

PGW would not agree to an interview with WHY Y News and did not

answer written questions submitted about the emails.

Instead, PGW sent a statement that acknowledged it “wholeheartedly” supports SB 275 as a way to protect the interests of its customers.

“We remain neutral on Senate Bill 275,” read the statement sent to WHY. “However, the intent of Senate Bill 275; namely protecting our customers’ access to affordable energy — that is the cleanest, abundant option — is an intent we wholeheartedly support.”

The string of emails obtained by WHY also includes PGW’s Greg Stunder cc’d on communications of support with Sen. Yaw’s aide Nick Troutman. In a Jan. 19 email sent by UGI lobbyist Alisa Harris to Troutman, Harris indicates unanimous support among the natural gas distribution companies. “I met with the other NGDCs (copied) on Friday and everyone is eager to move forward,” wrote Harris. “We spent a good deal of time discussing the benefits of a fuel neutral bill. That being the case we will develop a strategy that supports that approach.”

The email continues, suggesting that the bill be expanded beyond new construction. “We are ready to follow your lead. If you think it is appropriate, the NGDC would like to schedule a call with you to discuss how we can best support this effort. Like before, we are happy to make calls and solicit sponsors for the bill.”

PGW would not answer questions regarding whether Stunder at any time made it clear that the city-owned utility was not included in the effort indicated by Harris as unanimous.

Neither would PGW answer questions about whether anyone from the utility or its representatives made efforts to support or encourage others to support the bill, as referenced in the email.

In a statement this week, a spokesperson for the city of Philadelphia said the emails did not show “lobbying” on the part of PGW.

“The city remains opposed to the legislation, and the emails shared show that PGW made their neutrality known to those same stakeholders,” the statement reads.

Similarly, City Councilmember Derek Green, who chairs the Philadelphia Gas Commission, said the emails were typical of exchanges between members of industry trade groups.

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**In these emails, PGW vice president for regulatory and legislative affairs Greg Stunder exchanges emails with other natural gas distribution companies including UGI Utilities' Alisa Harris and Larry Godlasky, Peter Trufahnestock of Columbia Gas of Pennsylvania and Maryland, Edward Damico of National Fuel, PGW's William Roland, as well as Sen. Yaw's chief of staff Nick Troutman, and Daniel Lapato, of the American Gas Association:**

## **Natural gas and carbon emissions**

Green said PGW will need to transform to meet climate goals, just as it transformed from a lighting company to a heating company and replaced coal a century ago — and the current measure making its way through the legislature could hamper those efforts.

“We’re going to have to find ways to bring new revenue into the utility,” said Green. “We’re going through another transition in how we provide energy to ratepayers across the city of Philadelphia. But having legislation that will impact future possibilities of using alternative types of energy is problematic.”

In its statement to WHYY, PGW said natural gas helps reduce climate change, as its carbon emissions are less than coal's. The statement ignores the impact of [methane emissions](#) as 25 times more [potent](#) a greenhouse gas than carbon dioxide. Atmospheric methane has more than doubled in the last 200 years, but it breaks down more quickly than carbon dioxide. Cutting methane emissions could thus have an impact on more quickly reversing the rates of global temperature rise.

At the recent United Nations climate talks in Glasgow, Scotland, the United States signed on to a [global pledge to cut methane](#) by 30% below 2020 levels within the next 10 years.

“PGW deals in facts and follows today’s best practices and technology forecasts, which confirm that natural gas will continue to be an essential tool toward carbon reduction,” the utility’s statement to WHYY said. “Those facts and forecasts make it overwhelmingly clear that PGW and natural gas will play a vital role in meeting both Mayor Kenney and President Biden’s carbon reduction goals, and ultimately the goals of our over 500,000 customers.”

But in fact, a recent report from the International Energy Agency says governments need to do a number of things to bring greenhouse gas emissions to net-zero by 2050, including banning

new oil and gas furnaces by 2025.

“There is sort of that irony that, for both the environmental and consumer end you would hope PGW sees the writing on the wall and says, ‘We want to remain a profitable business, we’d be smart to diversify our product line,’” said PennEnvironment’s executive director David Masur. “Instead, it’s like they are on the board of Blockbuster Video and saying, ‘Maybe we should double down and open more stores. Or, let’s just build Pepsi around Clear Pepsi.’ It’s so clear this is not where this is headed. And you don’t need an environmentalist to tell you that.”

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*Disclosure: WHY Y CEO Bill Marrazzo is a board member of UGI Corp.*

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