Shell, a co-owner of the Motiva oil refinery in Port Arthur, Tex., has added climate-related carbon taxes to its long-term budgets.

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By CORAL DAVENPORT
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WASHINGTON — More than two dozen of the nation’s biggest corporations, including the five major oil companies, are planning their future growth on the expectation that the government will force them to pay a price for carbon pollution as a way to control global warming.

The development is a striking departure from conservative orthodoxy and a reflection of growing divisions between the Republican Party and its business
A new report by the environmental data company CDP has found that at least 29 companies, some with close ties to Republicans, including ExxonMobil, Walmart and American Electric Power, are incorporating a price on carbon into their long-term financial plans.

Both supporters and opponents of action to fight global warming say the development is significant because businesses that chart a financial course to make money in a carbon-constrained future could be more inclined to support policies that address climate change.

But unlike the five big oil companies — ExxonMobil, ConocoPhillips, Chevron, BP and Shell, all major contributors to the Republican party — Koch Industries, a conglomerate that has played a major role in pushing Republicans away from action on climate change, is ramping up an already-aggressive campaign against climate policy — specifically against any tax or price on carbon. Owned by the billionaire brothers Charles and David Koch, the company includes oil refiners and the paper-goods company Georgia-Pacific.

The divide, between conservative groups that are fighting against government regulation and oil companies that are planning for it as a practical business decision, echoes a deeper rift in the party, as business-friendly establishment Republicans clash with the Tea Party.

Tom Carnac, North American president of CDP, said that the five big oil companies seemed to have determined that a carbon price was an inevitable part of their financial future.

“It’s climate change as a line item,” Mr. Carnac said. “They’re looking at it from a rational perspective, making a profit. It drives internal decision-making.”

Companies do not know what form a future carbon price would take. Congress could one day vote to directly tax emissions. President Obama is moving forward with plans to regulate carbon pollution from coal plants, with or without action from Congress — and states could carry out those regulations by taxing carbon polluters. At climate change talks at the United Nations, State Department negotiators have pledged that the United States will cut its carbon emissions 17 percent below 2005 levels by 2020, and 80 percent by 2050.

Mr. Carnac said: “Companies see that the trend is inevitable. What you see here
is a hardening of that understanding.”

Other companies that are incorporating a carbon price into their strategic planning include Microsoft, General Electric, Walt Disney, ConAgra Foods, Wells Fargo, DuPont, Duke Energy, Google and Delta Air Lines.

During the 2012 election, every Republican presidential candidate but one, Jon Huntsman, questioned or denied the science of climate change and rejected policies to deal with global warming. Opponents of carbon-pricing policies consider them an energy tax that will hurt business and consumers.

Mainstream economists have long agreed that putting a price on carbon pollution is the most effective way to fight global warming. The idea is fairly simple: if industry must pay to spew the carbon pollution that scientists say is the chief cause of global warming, the costs will be passed on to consumers in higher prices for gasoline and electricity. Those high prices are expected to drive the market away from fossil fuels like oil and coal, and toward low-carbon renewable sources of energy.

Past efforts to enact a carbon price in Washington have failed largely because powerful fossil-fuel groups financed campaigns against lawmakers who supported a carbon tax.

In 1994, dozens of Democratic lawmakers lost their jobs after Al Gore, who was vice president at the time, urged them to vote for a climate change bill that would have effectively taxed carbon pollution. In 2009, President Obama urged House Democrats to vote for a cap-and-trade bill that would have required companies whose carbon-dioxide emissions exceeded set levels to buy emissions rights from those who emitted less. The next year, Tea Party groups spent millions to successfully unseat members who voted for the bill.

But ExxonMobil, which last year was ranked by the Fortune 500 as the nation’s most profitable company, is representative of Big Oil’s slow evolution on climate change policy. A decade ago, the company was known for contributing to research organizations that questioned the science of climate change. In 2010, ExxonMobil purchased a company that produces natural gas, which creates less carbon pollution than oil or coal.

ExxonMobil is now the nation’s biggest natural gas producer, meaning that it will stand to profit in a future in which a price is placed on carbon emissions.
Coal, which produces twice the carbon pollution of natural gas, would be a loser. Today, ExxonMobil openly acknowledges that carbon pollution from fossil fuels contributes to climate change.

“Ultimately, we think the government will take action through a myriad of policies that will raise the prices and reduce demand” of carbon-polluting fossil fuels, said Alan Jeffers, an ExxonMobil spokesman.

Internally, ExxonMobil now plans its financial future with the expectation that eventually carbon pollution will be priced at about $60 a ton, which Mr. Jeffers acknowledged was at odds with some of the company’s Republican friends.

“We’re going to say and do what’s in the best interest of our shareholders,” he said. “We won’t always be on the same page.”

It remains unlikely that any climate policy will move in today’s deadlocked Congress, but if Congress does take up climate change legislation in the future, Mr. Jeffers said ExxonMobil would support a carbon tax if it was paired with an equal cut elsewhere in the tax code — the same policy that Mr. Gore has endorsed. “ExxonMobil and many other large companies understand that climate change poses a direct economic threat to their businesses,” said Dan Weiss, director for climate policy at the Center for American Progress, a liberal research group with close ties to the Obama administration. “They need to convince their political allies to act before it’s too late.”

Koch Industries maintains ties to the Tea Party group Americans for Prosperity, which last year campaigned against Republicans who acknowledged the science of climate change. The company also contributes money to the American Energy Alliance, a Washington-based advocacy group that campaigns against lawmakers that it claims support a carbon price. This year, the American Energy Alliance says it has spent about $1.2 million in ads and campaign activities attacking candidates who it says support a carbon price.

Robert Murphy, senior economist at the American Energy Alliance, said his group was not concerned that it had taken a different position from the major oil companies. “We’re not taking marching orders from Big Oil,” he said.

In fact, Koch has a longtime resentment of the biggest oil companies.

According to company history, Koch’s founder, Fred Koch, the father of Charles and David, invented a chemical process to more efficiently refine oil but was
blocked from bringing it to the market by John D. Rockefeller, the owner of Standard Oil — the company that was later broken up to make some of the major oil companies of today, including ExxonMobil.

People at Koch say sore feelings remain to this day.

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