

COLD HOMES, HOT PROFITS: HOW POLLUTERS PERSUADE POLITICIANS TO PUT PROFITS BEFORE PEOPLE

FOSSIL FREE POLITICS COALITION



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GREENPEACE





ACKNOWLEDGEMENTS

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Publication:
October 2023
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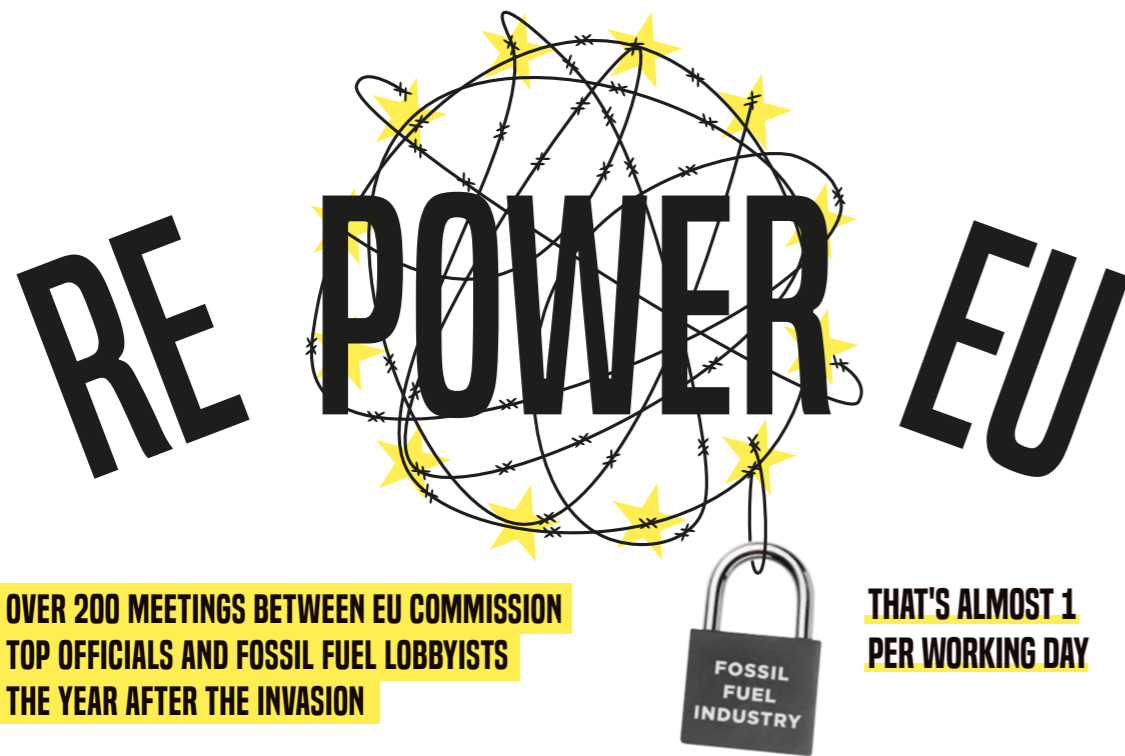
ACROSS EUROPE'S CAPITALS, FOSSIL FUEL COMPANIES AND LOBBY GROUPS HAVE BEEN PULLING OUT ALL THE STOPS TO INFLUENCE GOVERNMENTS' RESPONSES TO THE ENERGY CRISIS, SABOTAGING POLICIES THAT COULD HELP MILLIONS OF PEOPLE STRUGGLING TO PAY THEIR BILLS. ALL SO THEY CAN PROTECT THEIR STAGGERING WINDFALL PROFITS (THE PROFITS OF THE BIG FIVE OIL MAJORS' MORE THAN DOUBLED TO \$200 BILLION IN 2022) AND EXTEND THE LIFE OF THEIR CLIMATE-WRECKING BUSINESS MODEL – WHILE PEOPLE, AND THE PLANET, PAY THE ULTIMATE PRICE.

FROM ROME TO PRAGUE, BRUSSELS TO LONDON, POLITICIANS ARE WELCOMING FOSSIL FUEL COMPANIES AS ADVISERS INSTEAD OF ARSONISTS, FAILING TO RECOGNISE THEIR VESTED INTERESTS AND THEIR ROLE IN CREATING, PROLONGING, AND PROFITING FROM THE ENERGY CRISIS.

Five new case studies show how fossil fuel interests are persuading politicians around Europe to listen to polluters instead of people. At the EU-level, fossil fuel lobby group the International Association of Oil and Gas Producers (IOGP) has lobbied – and been invited to advise – the European Commission, pushing for more fossil gas and the false solutions that justify it; advice that keeps bills high (with gas prices still more than 50 per cent above pre-Ukraine war levels) and Europe hooked on fossil fuels. In Italy – where the government has appointed a fossil fuel lobbyist as an advisor – oil and gas giant ENI has used the crisis to secure more drilling and new Liquefied Natural Gas (LNG) terminals. In the Czech Republic, dirty energy giant EPH used public threats, a powerful media empire, and ties to the ruling party to delay and weaken the windfall tax on excess profits. In the UK, fossil fuel lobby group Offshore Energies UK (OEUK) used its privileged access, swanky parliamentary receptions, and special advisory groups to ensure the windfall tax has been full of fatal loopholes, and could be cut short. And in Spain, energy companies Endesa, Naturgy, and Iberdrola have used a complex web of political, legal, and PR manoeuvres – including a revolving door with Spain's top legal civil servants – to fight measures that curb their profits and to make vulnerable families bear the financial burden instead.

Decades spent lobbying for more gas in Europe rather than shifting to renewables has kept fossil fuel companies' pockets full, but left the continent vulnerable to high prices. We urgently need decision-makers to work for the public good rather than private interests – by kicking polluters out and bringing people in.

CASE STUDY #1: EUROPEAN UNION



OVER 200 MEETINGS BETWEEN EU COMMISSION TOP OFFICIALS AND FOSSIL FUEL LOBBYISTS THE YEAR AFTER THE INVASION

THAT'S ALMOST 1 PER WORKING DAY

The International Association of Oil & Gas Producers (IOGP) has used REPowerEU – the EU’s €300 billion response to the current energy crisis – to push for more fossil gas production and infrastructure, as well as false solutions like hydrogen to justify this expansion. Worse, the European Commission has repeatedly invited IOGP to advise it, enabling the lobby group to push ‘solutions’ that will keep people’s bills high and Europe hooked on fossil fuels.

REPowerEU captured by fossil fuel industry: In the year following Russia’s invasion of Ukraine, top European Commission officials met with fossil fuel companies over 200 times, more than once every other day. And their access to decision-making around the energy crisis didn’t stop there: at the behest of dirty energy company bosses – most of which were IOGP members – the EU Energy Platform Industry Advisory Group was set-up to advise the Commission on new sources of non-Russian gas and new fossil fuel infrastructure in the EU. The advisory group’s members, including ENI, BP, and TotalEnergies, were then perfectly positioned to redirect public funding towards new pipelines and LNG terminals instead of insulating the homes of the energy poor. The fossil fuel industry’s role in shaping REPowerEU has meant a programme ostensibly focused on energy efficiency and accelerating the clean energy transition has secured the fossil fuel industry’s future business.

Oil and gas lobby pretends to be part of the solution: Newly obtained documents reveal how IOGP – whose board of directors includes BP, ENI, Equinor, and ExxonMobil – presents itself to the Commission’s DG Energy as a trusted adviser, instead of a major reason that Europe remains so vulnerable to volatile fossil fuel prices. Commission minutes show that at a meeting with Energy Commissioner Kadri Simson

on 28 March 2022, to discuss “the contribution of oil and gas companies to REPOWER EU objectives”, IOGP offered to assess the EU’s short-term needs such as “[Liquified Natural Gas] LNG terminals, regulatory issues”, the “barriers and enablers” for extra domestic production, and the “feasibility” of projects such as LNG plants or green hydrogen (hydrogen made using renewable electricity rather than fossil gas). Rather than baulking at the idea of a lobby group with a vested interest in prolonging the use of fossil fuels advising on how to reduce Europe’s dependence on them, Commissioner Simson suggested that “discussions on concrete cooperation could continue at service level”. A second, less formal summary of the meeting says that getting “rid of gas and oil too quickly is not good” and that IOGP – whose members, the Commission’s summary says, are “responsible for 90% of global energy emissions” – can support the energy transition. The summary also suggests that accelerating “production projects to boost domestic output” – ie speeding up the permissions process to allow new European oil and gas developments – is a way to decrease dependency on Russia. This argument, however, ignores the reality that new oil and gas projects will take years to come online, thereby having no effect on today’s high energy prices, and will lock-us into fossil fuels for decades that we cannot afford, if we are to avoid increasingly devastating climate impacts

Commission invites IOGP to give fossil-friendly advice: Released documents also show that DG ENER has repeatedly invited the oil and gas lobby group to advise it. On 29 March 2022, IOGP sent a letter thanking ENER for inviting it to an EU Offshore Authority Group meeting. IOGP used the opportunity to present the phase-out of Russian fossil fuels as a reason for “a reinforced and accelerated development” of domestic oil and gas. And, following Commission decommissioning plans that the industry didn’t like, IOGP offered its own “fact-based data and science” to help formulate decommissioning policy – because decommissioning, IOGP said, is an “enabler for the energy transition (eg through the repurposing of oil and gas infrastructure)”. In other words, an enabler of false solutions like Carbon Capture, Utilisation and Storage (CCUS), and hydrogen, technofixes that retain the use of fossil fuel infrastructure and provide the justification to keep pumping oil and gas – but will do little for the climate and nothing for the cost of living crisis, due to their colossal costs that industry wants the public purse to subsidise.

On 28 April 2022 IOGP wrote to DG ENER’s Green Transition Director, Catharina Sikow-Magny, thanking her for inviting IOGP to a stakeholder meeting to discuss short-term emergency options. IOGP expressed its surprise that the Commission’s REPowerEU Communication didn’t mention “the need to increase domestic natural gas production”, and called for the Commission to support expedited permitting procedures and encourage Member States “to lift bans” on Exploration & Production. IOGP then told DG ENER that a “pan-European Plan to Maximise Economic Recovery (MER) must be kicked off in the coming weeks, putting together industry and policy makers” – in other words, not content with getting countries to lift fossil fuel exploration bans, it wants to oblige them to drill as much oil and gas as they feasibly can. And with news of more oil and gas drilling being approved in the North Sea (where the UK, for example, has a MER policy) and off the coast of Italy (see case study #2 below) there is a real danger that the fossil fuel industry will succeed in using the energy crisis to derail the energy transition and roll-back vital progress.

CASE STUDY #2: ITALY

Italy's biggest oil and gas company ENI saw its net profits more than double to €13.3 billion in 2022, thanks to the Ukraine invasion's effect on fossil fuel prices. Yet, not content with the windfalls of war, new research shows how ENI has also gained important concessions from the Italian state during the crisis – and reveals that the government has appointed a fossil fuel lobbyist as an adviser. These wins for dirty energy – including more oil and gas drilling and new LNG terminals – ignore the very real climate impacts, while Italy's weak windfall tax puts people's well-being firmly behind big companies' profits.



Crisis used to get more drilling... ENI has always favoured increasing national oil and gas production, and it had an ally in previous Prime Minister Mario Draghi, whose government passed the 'PiTesai' law in December 2021 allowing oil and gas exploration and production on around 50 per cent of the Italian territory, and unlocking a number of concessions that had been frozen. Yet ENI wanted more. At a March 2022 meeting in Rome between ENI, Italy's gas grid operator Snam, and the European Commission's Director-General for Energy Ditte Juul Jørgensen, the "2.5 bcm of additional volume over a 10–15-year plan" envisioned by PiTesai was described as "too slow for the emergency situation we are in". Less than one year later, the Italian fossil fuel giants got what they wanted. In January 2023, Italy's new far right Prime Minister Giorgia Meloni introduced a law allowing oil and gas exploitation in areas previously banned by PiTesai, including offshore drilling between 9 and 12 miles out to sea, and in the High Adriatic Sea.

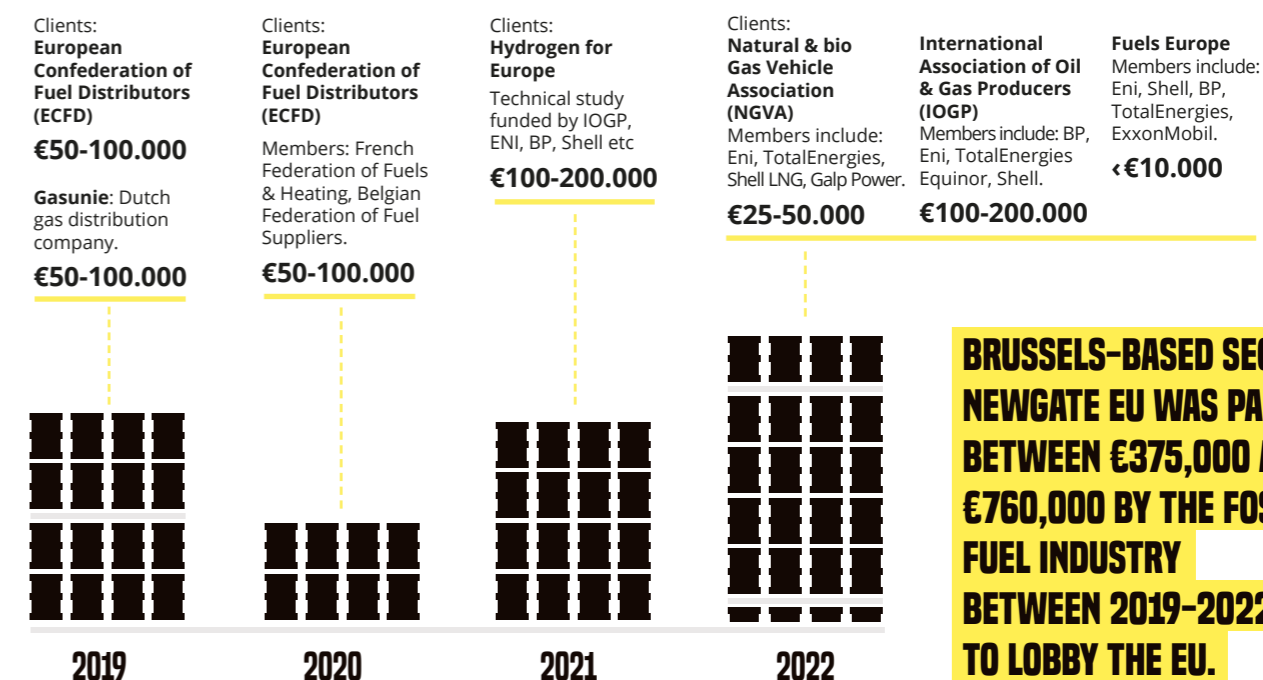
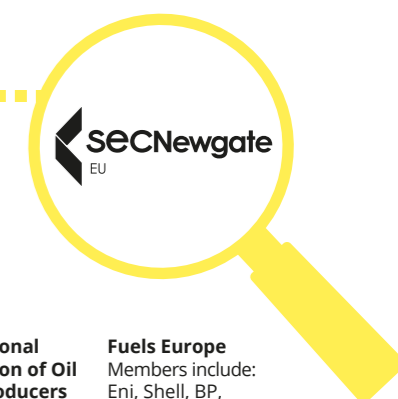
...and new LNG terminals: For years, oil and gas firms have been asking the Italian government to build more LNG terminals, with Snam lobbying to transform Italy into a European gas hub. Fossil fuel firms have used the energy crisis to help achieve this. ENI's CEO Claudio Descalzi – whose company produces large quantities of gas in sub-Saharan Africa, which has no pipeline links to Europe – announced in November 2022 that Italy "would need four additional terminals". By May 2023 Meloni's government had passed a law inviting all Italian regions to apply to host LNG terminals on their territory, with no limit set on how many could be built. Since then, two new floating LNG terminals – both owned by Snam – have been approved in Italy.

Fossil fuel lobbyist advises key Minister: One year in to the energy crisis, Gilberto Pichetto-Fratin, the Minister of the Environment and Energy Security in Italy's new far right government, chose to appoint as adviser an experienced lobbyist whose company works for some of the world's biggest oil and gas companies. Maurizio Ravidà was appointed as "strategic communication expert" in February 2023, declaring no conflicts of interest. Ravidà is a founding member of Italian association Cultura Italia, whose prestigious annual conference was sponsored by ENI in 2022, including a speech by ENI's chief executive. Moreover, since 2004 Ravidà has been chief executive of SEC & Associati, a subsidiary of communications and lobby consultancy SEC Newgate Italia. In Italy, petroleum and natural gas are both among SEC's fields of interest, and its clients include Adriatic LNG (which operates

a regasification plant off the coast of Veneto, and is owned by ExxonMobil, Qatar Energy, and Snam), TotalEnergies (which operates Italy's second largest oil field Tempa Rossa and holds several exploration licenses in Southern Apennines), and East Mediterranean gas pipeline joint-venture IGI Poseidon.

ENI's interests are also promoted by another SEC Newgate subsidiary, Brussels-based SEC Newgate EU, which was paid up to €760,000 by the fossil fuel industry between 2019-2022 to lobby the EU. SEC Newgate EU's clients include several trade associations that ENI is member of, such as the International Association of Oil & Gas Producers (IOGP) and FuelsEurope, fossil fuel lobby groups that successfully lobbied the European Commission to include gas in its sustainable finance Taxonomy.

SEC NEWGATE EU'S FOSSIL FUEL INDUSTRY LOBBY CLIENTS IN BRUSSELS



Italy fails to properly tax windfall profits: Successive Italian governments' close relationship with the fossil fuel industry gives context to Italy's weak implementation of windfall taxes intended to raise funds for households struggling with high energy prices. The previous Draghi government introduced a mere 10 per cent 'solidarity contribution' in May 2022, rising to 25 per cent in July. Following the EU's instatement of a 33 per cent minimum windfall energy tax in September 2022, the new Meloni government announced that it would increase the tax – only to introduce a tax advantage for fossil fuel companies instead, a loophole that is expected to lose €404 million of state revenue in 2023.

Source: European Commission Transparency Register

CASE STUDY #3: CZECH REPUBLIC

Dirty energy giant EPH has managed to keep a low-profile despite its astonishingly high emissions, and a pre-tax income that jumped to a whopping €4.3 billion in 2022, from 2.3 billion the year before. Yet research has revealed how EPH has used public threats, a powerful media empire, and ties to the ruling party to delay and weaken the Czech Republic's windfall tax on excess profits from war-inflated fossil fuel prices.



Spotlight on EPH: Prior to Russia's invasion of Ukraine up to a million Czech citizens suffered from energy poverty, and the current energy crisis – combined with one of the EU's highest rates of inflation – has made matters far worse. This has put the spotlight on Czech energy companies EPH, ČEZ, and Sev.en Energy, whose windfall profits have been substantial: the owners of Sev.en Energy and EPH saw their fortunes double in 2022, while ČEZ reported a profit of €5.3 billion, twice its average. These fossil fuel behemoths have wielded significant power in shaping Czechia's response to the energy crisis, to the detriment of regulation that would safeguard the interests of its people. ČEZ, and Sev.en Energy – which both mine and produce electricity from coal – have faced their share of public controversies, but EPH, owned by oligarch Daniel Křetínský, has managed to stay out of the limelight. Yet thanks to its vast gas infrastructure, coal mining and coal plants, EPH is actually the third largest greenhouse gas emitting company in the EU.

EPH owner threatens exit over windfall tax: The debate around a windfall tax in the Czech Republic has been significantly influenced by these companies – but the absence of a public lobbyist registry in the country makes it difficult to prove the frequency of their meetings with the government. Even in the public domain, however, the pressure they've exerted is clear: EPH's billionaire owner Daniel Křetínský publicly threatened that his company EP Commodities would leave the Czech Republic due to the proposed windfall tax. Such threats worked, convincing politicians to delay the windfall tax until 2023 and reduce the taxation of excess profits from 100 per cent to 60 per cent. As a result the huge windfall profits these companies made in 2022 remain completely untaxed – meaning the public purse lost out on billions of euros that could have been allocated to social measures addressing the impacts of the energy crisis – and from 2023 onward, their excess profits are still not being fully taxed.

Windfall tax targeted by EPH media empire: EPH's owner Křetínský owns one-third of the media market in the Czech Republic, granting him substantial control over the political narrative around responses to the energy crisis, and prominent journalists from his media outlets have vehemently opposed the idea of a windfall tax and the capping of energy prices. The most egregious example of media manipulation is Křetínský's connection to former Prime Minister Mirek Topolánek, who led the Czech government 2006 - 2009. During Topolánek's tenure, Křetínský entered into highly lucrative energy deals, and after leaving politics, Topolánek began working for Křetínský's EPH companies. His status as a former PM and purported energy expert has granted Topolánek privileged access to the media; including as the host of his own podcast (accompanied by frequent videos) within Křetínský's media empire. Broadcast

until the summer of 2023, Topolánek used the platform given to him by the EPH boss to criticize climate policies and question efforts to implement a windfall tax, or energy price caps. And as former chair of Czechia's current Prime Minister's party ODS, Topolánek has also had a direct line into the ruling party's structures, putting him in an excellent position to lobby for Křetínský's interests.

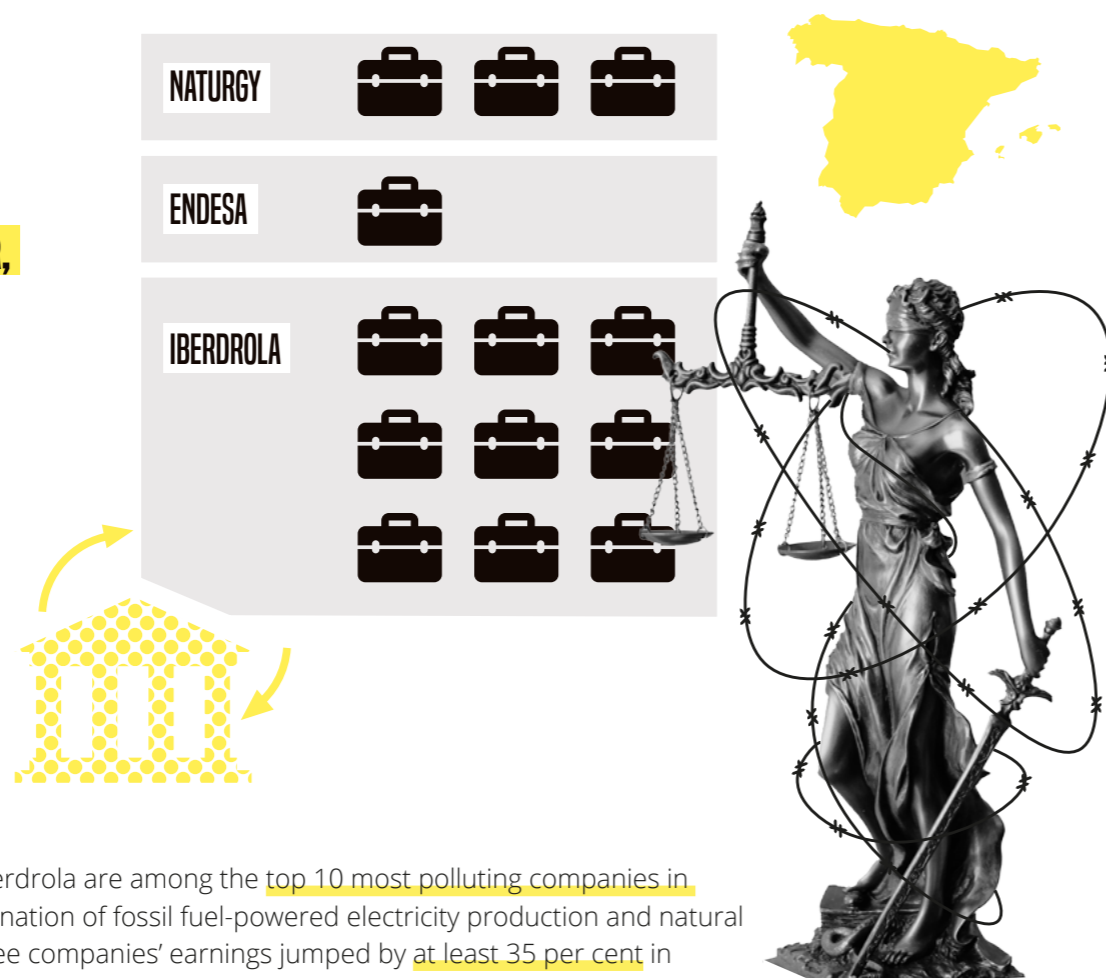


Industry fights real solutions: There's no doubt that Křetínský, his media empire and long-time ally Topolánek played a significant role in the windfall tax debate, but that's not the only area where dirty energy companies have had an effect. Fossil fuel firms have actively hindered the prospects of long-term solutions to the energy crisis in the Czech Republic, with EPH, for example, opposing new legislation to promote community renewable energy initiatives. Big energy corporations view initiatives that place energy generation under the control of local communities as a threat to their dominance in the energy market, and so have mounted significant opposition. Fossil fuel firms in Czechia are also actively lobbying the government to reintroduce subsidies for the coal industry. Their attempts to prolong the viability of coal-based energy production would have disastrous climate implications, and redirect public funds from areas that can truly alleviate the energy crisis such as renewable energy production and the insulation of homes.

CASE STUDY #5: SPAIN

ELITE CIVIL SERVANT STATE LAWYERS WORKING IN ELECTRIC COMPANIES

NEARLY HALF OF SPAIN'S ELITE CIVIL SERVANT STATE LAWYERS WORK IN THE PRIVATE SECTOR, WHERE THEY CAN HELP COMPANIES OVERTURN GOVERNMENT DECISIONS THAT DENT THEIR PROFITS.



Endesa, Naturgy, and Iberdrola are among the top 10 most polluting companies in Spain, thanks to a combination of fossil fuel-powered electricity production and natural gas distribution. The three companies' earnings jumped by at least 35 per cent in 2022 to a combined €120 billion, a windfall that comes at the expense of the public. New research shows how with powerful connections via revolving doors – including with elite civil servant State Lawyers – and a complex web of political, legal, and PR manoeuvrers, they have pushed back against public measures that curb their profits.

Mounting debts for vulnerable families: During the pandemic the Spanish government passed a law that prohibited electricity, gas, and water supply cuts for the most vulnerable families. This moratorium on disconnections – which applies to 1.5 million households – was extended until the end of 2023. However, the law does not specify what will happen to the debt accumulated by low-income families that can't afford to pay, but have been protected from supply cuts. New research reveals the electricity sector's interpretation of who will pay the debt: vulnerable families. It also describes how at EU-level – where the three companies, together with their trade associations aelēc and Eurelectric, spend at least €1.5 million a year lobbying – the electricity sector has lobbied against plans to ban electricity disconnections for the vulnerable.

A lack of lobby transparency in Spain keeps us in the dark about the frequency of meetings with these companies – with only 10 per cent of MPs in the Congress of Deputies publishing their lobby meetings. Media reports suggest that electricity companies have pushed for the government crisis measures – the bono social that reduced electricity bills for those in energy poverty – to be financed by the public purse, rather than by them. New research, furthermore, reveals how electricity companies exert pressure through judicial, political, and media channels: from sponsoring sports teams to university positions, and paying for 'advertorials' in the press, to the revolving door between the public and private sectors.

Switching from politics to power companies: Spain's electricity companies are well known for their use of the revolving door that arms them with a priceless list of high-level political contacts. In 2017, six Spanish electricity companies had up to 175 revolving door cases including former Prime Ministers José María Aznar at Endesa and Felipe González at Naturgy, as well as former Ministers like Ángel Acebes at Iberdrola. A foundation chaired by Aznar recently recommended the reform of the bono social, so that it would be paid for by government funds not electricity companies. And it's not only high-level political revolving door cases that can have lasting effects – new research shows the revolving door also spins at the civil service level, including Spain's elite State Lawyers.

Revolving door with State Lawyers Corps: Spain's electricity companies systematically lodge legal appeals against government measures that they don't consider favourable. An appeal to the Supreme Court succeeded in July 2023 in getting the government to return €320 million of bono social payments to the three companies. The outcome of their appeal before the National Court regarding the Government's plans to raise their taxes due to their high profits is as yet unknown, but in 2021 €1.4 billion was returned to electricity firms after a government decree (intended to address the discrepancy between low hydroelectricity production costs and high electricity prices) was annulled by the Supreme Court.

The legal successes of Spain's electricity giants are facilitated by employing members of the State Lawyers Corps, highly trained elite public lawyers that belong to the top category of the Spanish civil service. Well-versed in the strengths and weaknesses of the administration and its regulations, for those who want to seek a higher salary, the private sector beckons. State Lawyers can simply take a leave of absence, keep their public post and work in private companies: government data shows that almost half of Spain's State Lawyers are working in the private sector. Iberdrola has a staggering nine State Lawyers currently in its employment, including Iberdrola's General Secretary Santiago Martínez Garrido, formerly a State Lawyer in the High Courts of Justice of Catalonia and Castilla-La Mancha and in the Ministry of the Interior. Naturgy has three State Lawyers on its books, including its head of legal services Manuel García Cobaleda, who used to be an adviser to the Minister of the Environment. Endesa employs one State Lawyer, its Secretary General and legal director Borja Acha Besga, formerly legal director at the State Industrial Agency.

CONCLUSION

Politicians across Europe are welcoming fossil fuel lobbies with open arms, as the polluters present themselves as saviours in an energy crisis they helped create, and offer 'solutions' that protect their profits, entrench oil and gas, and weaken policies to tackle energy poverty. Meanwhile, more than 41 million people in the EU were unable to heat their homes adequately in 2022.



The same industry that has ensured Europe's continued fossil fuel dependence is now advising, manipulating and threatening decision-makers to 'solve' an energy crisis caused by fossil fuel dependence by making Europe even more dependent on fossil fuels. ENI has used the crisis to secure new LNG terminals and more oil drilling in Italy, while fossil fuel lobby group OEUK decimated the UK's windfall tax in the name of protecting investment in oil and gas, and IOGP convinced the European Commission that more fossil gas is the answer. At the same time, polluters like Czech energy giant EPH, and Spanish firms Endesa, Naturgy and Iberdrola, are using every tool at their disposal to protect their profits. From delaying windfall taxes or riddling them with loopholes, to gobbling up subsidies for fossil fuels and expanding their business model whilst hollowing out public protection policies, all this is coming at the expense of increasing numbers of people who cannot afford to make ends meet or heat their homes.

**IT'S TIME
TO KICK
POLLUTERS OUT,**



rewrite the rules and bring people on the frontline of the energy and cost of living crisis to the decision-making table. That's why civil society is coming together to demand that politicians and decision-makers put People Over Polluters. This means instituting a conflict of interest framework to restrict undue influence of the fossil fuel lobby over climate and energy policy-making (like the firewall imposed on the tobacco industry), keeping Commission advisory groups free from corporate control, and ensuring that EU decision-making centres on the voices of groups representing the public interest, such as trade unions, NGOs, energy poverty groups and others.





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