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Wyoming

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Republicans' new favorite study trashes Biden's climate plans - but who's behind it?

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Wyoming's US representative, Liz Cheney, envisions a dark future for her home state under Joe Biden.

If the new administration extends its pause on new oil and gas drilling on public land, it would endanger Wyoming's economy, kill 18,000 jobs and cause the energy state to

lose out on critical education, infrastructure and healthcare funding. Biden would be "cutting off a major lifeline that Americans have relied on to survive during this time", she has said.



But there is a problem with Cheney's forecast. The numbers she is relying on came from an analysis that is the brainchild of the oil and gas industry.

Floodlight is a nonprofit news organization that partners with local outlets and the Guardian to investigate the corporate and ideological interests holding back climate action

The Western Energy Alliance - which represents 200 western oil and gas companies - proposed the \$114,000 publicly funded analysis to state officials, tried to provide matching dollars for it and stayed involved throughout its development, according to public records obtained by Documented and shared with Floodlight and Wyoming Public Media.

In February 2020, a Wyoming state senator, who is also the president of an oil company, proposed the spending. The Western Energy Alliance sought to help fund the study but was unable because the industry was in serious <u>decline</u>. It did, however, spend \$8,000

publicizing the report, as was first reported by Politico.

Records show Governor Mark Gordon's office was aware of and never disclosed the group's deep involvement in the study.



▲ The Wyoming governor, Mark Gordon. Photograph: Cayla Nimmo/AP

Now, the Western Energy Alliance is <u>spending thousands more</u> to amplify the warnings in an ad campaign against Biden's climate policies. The numbers have been cited dozens of times in local and national newspapers, including in the <u>New York Times</u> in a reference to Wyoming officials' projections.

The data has become core to Republican messaging opposing Biden's climate plans even as critics suggest the study might exaggerate economic impacts by as much as 85%. The author even appeared at a meeting of the Congressional Western Caucus in February, alongside Cheney.

While industry-funded research is not uncommon, transparency advocates say it is increasingly being used to produce conclusions favorable to oil and gas companies in order to shape public opinion.

"It's a time-honored practice," said Bruce Freed, the president and co-founder of Center for Political Accountability. "It gives cover to the industry ... they're not going to pay for anything that will undercut them."

The Western Energy Alliance first approached the University of Wyoming <u>economics</u> <u>professor</u> who authored the report, Tim Considine, in mid-2019 to ask him to write a proposal about his research for state officials, he and the group confirmed. <u>Internal emails</u> show the Western Energy Alliance president, Kathleen Sgamma, pitched the analysis to the governor's office in February 2020.

"Just wanted to let you know that I'm working with the Governor's office about who will commission and pay for the analysis, so I'm making progress," Sgamma emailed Considine.

A month earlier, Considine had shared his proposal with Sgamma and then offered to amend it based on her preferences if it would "help your fund raising [sic]".

While Considine was conducting his study with state funds, the Western Energy Alliance was part of a team working with state officials to review the report before its release. The group's spokesperson, Aaron Johnson, got Considine to change his methodology to count more possible economic impacts in Alaska. Johnson later told Considine that the study got "very positive results from industry leaders".

▲ An oil derrick in Gillette, Wyoming. Photograph: Tannen Maury/EPA

In response to this story, Sgamma defended the study, saying it was by a reputable professor and it shows the sacrifice that the president is asking of westerners.

"The bottom line is we didn't fund it, and that's usually where the disclosure comes in," Sgamma said.

Considine maintains his analysis was fair and independent. Critics, though, have questioned his closeness with industry, including allegations that when he worked in Pennsylvania he was "the energy <u>industry's go-to academic</u> for highlighting the positives, and not the negatives, of fossil fuel development". Considine called the criticisms "an old canard".

"I do not feel that getting comments on my study from the Western <u>Energy</u> Alliance affected my findings. In my judgment there was no conflict of interest to receive industry feedback," he said.

Considine's past work also includes giving expert <u>testimony</u> on behalf of the coal company Murray Energy in a lawsuit against the Environmental Protection Agency, as well as conducting <u>research</u> paid for under a consulting agreement with the coal company Cloud Peak Energy.

The \$114,000 for the Wyoming study - funded by the public through the Wyoming Energy Authority and Wyoming State Energy Program - was proposed in early 2020 by former lawmaker Eli Bebout, who is the president of Nucor Oil and Gas and has received significant campaign contributions from the industry. Bebout, in an interview for this story, said he didn't recall any direct involvement with the industry group.

Gordon, Wyoming's governor, declined to discuss the study for this story. "At this time, we believe the study speaks for itself," said the spokesperson Michael Pearlman, pointing to a news release from December that did not disclose the industry involvement.

▲ Wyoming public records show the governor's office was prepared for questions about the industry's role in an oil and gas study. Photograph: Emily Holden/The Guardian

Aside from the industry ties, the University of <u>Wyoming</u> study's methodology has raised eyebrows among experts.

Considine modeled two scenarios. In one, he considered a complete drilling ban on federal lands, which is not what Biden is proposing. In the other, he looked at a freeze on new leases, which is what Biden has done temporarily. Considine acknowledged in early emails to Sgamma that the latter would be difficult to do with existing data.

Considine stands behind his conclusions. He said, if anything, his numbers were underestimates because he projected conservative productivity growth and low oil prices.

But Laura Zachary, the co-director of Apogee Economics and Policy - which works with and on behalf of environmental advocacy groups - said the numbers that politicians have been quoting from Considine's study are "very misleading". She estimates the study exaggerates economic impacts by 70% to 85%.

Another analysis of potential drilling policies, by the environmental group Resources for the Future, contradicts Considine's conclusions of economic ruin for western states. It found the government could make oil companies pay more to drill on public lands and increase revenues going to states, while reducing climate pollution.

"It's not uncommon [in research] to take funds from industry," Zachary said of Considine. "But it's very important, obviously, to not have that guide what your findings are or your research methods as an academic."

The Biden administration has paused new oil and gas leasing on public lands. But companies are still drilling on previously leased lands. The climate pollution from fossil fuels developed on public lands is <u>significant</u>, and Biden has promised to scale it back.

The state of Wyoming, meanwhile, has long fought to support fossil fuel development, given the industry's importance for employment and revenue. The oil and gas industry alone represented nearly 30% of total state revenue in 2019. About 7% of Wyoming's workforce is in the mining industries, which include oil and gas.

The Trump administration heralded unprecedented new access to public lands for energy production, much to the chagrin of environmental advocates. If Biden's nominee, Deb Haaland, is confirmed to run the interior department, she is expected to reverse course and prioritize the climate crisis.

Wyoming's congressional delegation voted against her nomination, arguing that she has extreme policy views and couldn't substantively answer key questions. In one congressional meeting, Senator John Barrasso referenced a separate outlook from the American Petroleum Institute in explaining his opposition to Haaland.

"I, along with other western senators, have consistently opposed nominees who hold such radical views, he said. "The people of Wyoming deserve straight answers from any potential secretary about the law, the rules and the regulations that will affect their lives and their livelihoods."

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