NextEra Energy: Climate Policy Engagement Overview

An investor briefing on NextEra Energy’s climate policy engagement to aid shareholder voting decisions at its 2024 Annual General Meeting (AGM)

Executive Summary

- **Context:** On May 23rd, NextEra Energy investors will vote on a *shareholder resolution* requesting the company “report to shareholders […] on its framework for identifying and addressing misalignments between NextEra Energy’s lobbying and policy influence activities and positions, both direct and indirect through trade associations, coalitions, alliances, and other organizations (“Associations”), and its Real Zero goal.” This briefing provides a summary of InfluenceMap’s assessment of NextEra Energy’s climate policy engagement and related disclosures.

- **Direct Climate Policy Engagement:** InfluenceMap analysis suggests that NextEra Energy’s direct climate policy engagement is partially aligned with science-based pathways for achieving the goal of the Paris Agreement to limit warming to 1.5°C. Although NextEra has broadly *defended* the Inflation Reduction Act (IRA)’s climate investments, its repeated engagements on implementing the law’s clean hydrogen tax credit – including its February 2024 comments on the official draft guidance – indicate that the company is calling for flexible requirements that would allow hydrogen blending with fossil gas. NextEra has also actively promoted a long-term role for fossil gas in the energy mix: for example, CEO John Ketchum has made public statements at both CERAWeek 2023 and CERAWeek 2024 that advocated for fossil gas, reportedly *stating* in March 2024 that gas-fired generation is an “important bridge fuel” for renewables.

- **Indirect Climate Policy Engagement via Industry Associations:** InfluenceMap analysis indicates that the company has at least 3 memberships to industry associations with active climate policy engagement misaligned with delivering the 1.5°C goal of the Paris Agreement (ranked D or below on InfluenceMap’s database), and 2 industry associations with active climate policy engagement partially misaligned with delivering the 1.5°C goal of the Paris Agreement (ranked B- to D+). For example, Edison Electric Institute (C-) has repeatedly opposed the ambition of the Environmental Protection Agency (EPA)’s proposed power plant rules, including in August 2023 comments and December 2023 comments, while the California Chamber of Commerce (F) opposed *clean hydrogen production legislation* in January 2024. The US Chamber of Commerce (E) has been opposing the pause on pending liquified natural gas (LNG) export applications, including in a March 2024 *coalition letter* and a January 2024 *industry letter* to US Secretary of Energy Jennifer Granholm.
Accuracy of Climate Policy Engagement Disclosure: InfluenceMap analysis suggests that NextEra Energy has not published an account of its own climate policy engagement on specific policies. For example, NextEra has not reported on its advocacy for weaker implementation of the Inflation Reduction Act’s clean hydrogen tax credit, as evidenced by testimony in March 2024, comments in February 2024, and a joint letter in April 2023. NextEra published a partial account of its industry associations’ climate policy engagement on specific policies. NextEra listed its industry association memberships but excludes several actively engaged on climate policy, including the California Chamber of Commerce (F) and the Clean Energy Buyers Association (B+).

Climate Policy Engagement Review: NextEra Energy has published 2 reviews of its climate policy engagement in 2022 and 2024. However, InfluenceMap analysis shows that the quality of NextEra Energy’s review process falls significantly short of standards put forward by institutional investors as part of the 2022 Global Standard on Responsible Climate Lobbying. InfluenceMap’s detailed assessment of Shell’s review process, including the methodology and best practice guidance, can be found on InfluenceMap’s CA100+ Investor Hub here.
Context: Shareholder Resolution on Climate Policy Engagement

Engagement with companies over their climate policy engagement is now firmly on the investor agenda on climate change. It is an integral part of the Climate Action 100+ (CA100+) investor-engagement process, which now has over 700 investor signatories with a total of $68 trillion in assets under management.

As a research partner to CA100+, InfluenceMap maintains a global system for tracking, assessing, and scoring companies on their engagement with climate change policy against Paris-aligned benchmarks. This system currently covers around 500 companies along with 250 of their key industry associations.

InfluenceMap refers to the UN’s Guide for Responsible Corporate Engagement in Climate Policy as a guide for what constitutes engagement. This can include advertising, social media, public relations, sponsoring research, direct contact with regulators and elected officials, funding of campaigns and political parties, and participation in policy advisory committees.

This briefing provides an overview of NextEra Energy Energy’s direct and indirect climate policy engagement, along with its related disclosure and review processes, in advance of the shareholder resolution at its Annual General Meeting (AGM) on May 23rd, summarized in Table 1 below.

Table 1: Key information for shareholder resolution at NextEra Energy’s 2024 AGM

<table>
<thead>
<tr>
<th>Resolution: Report to shareholders on framework for identifying and addressing misalignments between NextEra Energy’s direct and indirect lobbying and its ‘Real Zero’ goal</th>
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<td><strong>Lead Filer:</strong></td>
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<td><strong>AGM Date:</strong></td>
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**Proposal Summary:**

“The full resolution text is available [here](#).”

“Shareholders of NextEra Energy, Inc (“NextEra Energy”) request that the Board of Directors report to shareholders (at reasonable cost, omitting confidential and proprietary information) on its framework for identifying and addressing misalignments between NextEra Energy’s lobbying and policy influence activities and positions, both direct and indirect through trade associations, coalitions, alliances, and other organizations (“Associations”), and its Real Zero goal. The report should address the criteria used to assess alignment; the escalation strategies used to address misalignments; and the circumstances under which escalation strategies are used (e.g., timeline, sequencing, degree of influence over an Association).”
Summary of NextEra Energy’s Climate Policy Engagement

Analysis of corporate climate policy engagement is a strong indicator of corporate governance and management-level thinking on the transition to a net-zero economy. Therefore, if a company’s climate policy engagement is inconsistent with the Paris Agreement’s 1.5°C goal, this suggests that the company’s business model is not prepared for a low-carbon transition.

InfluenceMap’s methodology, available on our website, uses seven publicly available data sources to gather evidence of company and industry association engagement on a range of climate-related policy streams. Each item of evidence is scored against benchmarks based on the advice of IPCC science or the stated intentions of governments looking to implement the Paris Agreement. This process can result in hundreds of scored evidence items, providing a robust basis to assess the extent to which a company’s climate policy engagement, and that of its industry associations, is Paris-aligned.

InfluenceMap’s online profile of NextEra Energy, including access to the underlying data which forms this assessment, can be found here. The analysis of NextEra Energy’s industry association relationships, including detailed profiles for each association, can be explored via the “Details of Relationship Score” tab. An overview of this assessment is provided in Table 2 below.

*Table 2: Overview of InfluenceMap’s assessment of NextEra Energy*

<table>
<thead>
<tr>
<th></th>
<th>NextEra Energy</th>
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<tbody>
<tr>
<td><strong>Performance Band</strong></td>
<td>D+</td>
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<tr>
<td>Performance Band (A+ to F) is a full measure of a company’s climate policy engagement, accounting for both its own engagement and that of its industry associations. A+ indicates full support for Paris-aligned climate policy, with grades from D to F indicating increasingly obstructive climate policy engagement.</td>
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<tr>
<td><strong>Organization Score</strong></td>
<td>50%</td>
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<tr>
<td>Organization Score (0 to 100) expresses how supportive or obstructive the company is towards climate policy aligned with the Paris Agreement is, with scores under 50 indicating misalignment with the Paris Agreement</td>
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<tr>
<td><strong>Relationship Score</strong></td>
<td>55%</td>
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<tr>
<td>Relationship Score (0 to 100) expresses how supportive or obstructive the company’s industry associations are towards climate policy aligned with the Paris Agreement, with scores under 50 indicating misalignment, while scores between 50 and 74 indicate mixed alignment with the Paris Agreement.</td>
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<tr>
<td><strong>Engagement Intensity</strong></td>
<td>35%</td>
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<td>Engagement Intensity (0 to 100) is a measure of the level of policy engagement by the company, with scores above 12 indicating active engagement, and scores above 25 indicating highly active or strategic engagement.</td>
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Summary of NextEra Energy’s Direct Climate Policy Engagement

InfluenceMap’s analysis of NextEra Energy’s direct climate policy engagement is based on 244 independent datapoints, with 110 logged since 2022. Under InfluenceMap’s system, recent evidence is heavily weighted in the calculation of metrics, as explained in the methodology.

NextEra’s top-line messaging on climate policy is limited in 2022-2024.

- NextEra appeared to support a government response to climate change during a December 2023 interview with Axios at COP28.

- NextEra does not appear to have clearly expressed a position on the Paris Agreement.

NextEra’s recent engagement on the energy transition has centered on promoting a role for fossil gas and advocating for flexible requirements around clean hydrogen production.

- NextEra CEO John Ketchum has made public statements advocating for a continued role for fossil gas, with no mention of timelines or conditions to mitigate methane emissions. At the global energy conference CERAWeek 2024, Ketchum advocated for fossil gas by reportedly stating in March 2024 that gas-fired generation is an “important bridge fuel” for renewables. During CERAWeek 2023, Ketchum emphasized concerns with offshore wind technology and instead promoted a continued role for fossil gas.

- Although NextEra did not appear to engage individually on the US Environmental Protection Agency’s (EPA’s) proposed power plant rules, it submitted August 2023 comments with the Energy Strategy Coalition that appeared to push back on the proposal’s ambition and suggested that the EPA should accommodate gas power plants’ “anticipated role in supporting the integration of increasing volume of renewable generation and storage resources.”

- NextEra has also repeatedly engaged to weaken the proposed implementation of the US Inflation Reduction Act’s clean hydrogen tax credit, specifically targeting the issue of hourly matching by calling for annual matching requirements, which would allow hydrogen production to be matched with clean energy generation at the annual level rather than at an hourly rate. This would weaken the climate ambition of the policy.

- For example, the company signed an April 2023 joint letter advocating for annual matching, following similar comments to the Internal Revenue Service in December 2022. In response to the official draft guidance for the credit, NextEra submitted February 2024 comments and provided testimony before a subsequent March 2024 hearing that again criticized hourly matching and further advocated for the tax credit to support hydrogen blending with fossil gas.
NextEra’s messaging on fossil gas conflicts with the IPCC’s 2022 *Mitigation of Climate Change report*, which states that in pathways that limit warming to 1.5°C with no or limited overshoot, the global use of gas is projected to decline by 45% compared to 2019 levels.

Regarding hydrogen, the IPCC’s 2022 *Mitigation of Climate Change report* states that for hydrogen to support decarbonization, it will need to be produced from zero-carbon or extremely low-carbon energy sources, and further emphasizes that electrification is the more efficient pathway to emissions reductions. For these reasons, hydrogen pathways should be considered selectively to make sure that production does not result in an energy-intensive burden on the existing electricity grid.

NextEra takes a mix of positive and negative positions on climate-related policies in the US and Canada.

At the state level, NextEra has demonstrated a mix of positive and negative positions on US renewable energy legislation. For example, the company testified in support of Ohio House Bill 197 in September 2023, which would have promoted community solar programs in the state. However, subsidiary Florida Power & Light has consistently advocated for measures to disincentivize rooftop solar in Florida, including its reported December 2021 involvement to introduce the anti-rooftop solar legislation House Bill 741, which it later registered as a proponent for during February 2022 committee hearings. The bill passed but was vetoed by Governor DeSantis in April 2022.

NextEra has expressed support for US federal renewable energy tax credits, including in a January 2022 joint letter in support of the Build Back Better’s clean energy tax credits.

NextEra Canada Development, a Canadian subsidiary, has disclosed engagement on renewable energy issues and the proposed clean electricity regulations in its most recent 2024 federal lobbying reports, however the company has not specified its positions or appeared to have publicly engaged on these policies.
Summary of Indirect Climate Policy Engagement via Industry Associations

InfluenceMap’s LobbyMap platform tracks and analyzes the climate policy engagement of over 250 industry associations, using the same benchmarks and scoring process applied to companies. This assesses each association’s engagement against Paris-aligned benchmarks.

This section details InfluenceMap’s analysis of some of NextEra Energy’s key industry associations. A full ranking table of NextEra Energy’s industry associations, including links to each association’s online profile, is available in Appendix A.

- InfluenceMap analysis indicates that the company has at least 3 memberships (US Chamber, Consumers Energy Alliance, California Chamber of Commerce) to industry associations with active climate policy engagement misaligned with delivering the 1.5°C goal of the Paris Agreement (ranked D or below on InfluenceMap’s database), and 2 industry associations (Business Roundtable, Edison Electric Institute) with active climate policy engagement partially misaligned with delivering the 1.5°C goal of the Paris Agreement (ranked B- to D+).

- Key industry associations, of which NextEra Energy is a member, are actively and strategically engaged on climate policy. Edison Electric Institute has repeatedly opposed the ambition of the Environmental Protection Agency (EPA)’s proposed power plant rules, including in August 2023 comments and December 2023 comments, and appeared to celebrate the delay in the existing gas rule in February 2024. The California Chamber of Commerce has voiced opposition to amendments to California’s cap-and-trade program in May 2023, asserting that the current system is functioning as intended. Moreover, the US Chamber of Commerce has advocated against the pause on pending liquefied natural gas (LNG) export permits in January 2024, and sought to reduce the stringency of proposed Corporate Average Fuel Economy (CAFE) Standards in October 2023.

Table 3 gives an overview of 6 key industry associations with examples of recent climate policy engagement. Detailed profiles for all of NextEra Energy’s industry associations can be explored via the links in the table, Appendix A, or the “Details of Relationship Score” tab on NextEra Energy’s online profile.
Table 3: Evidence of recent climate policy engagement by NextEra Energy’s key industry associations

<table>
<thead>
<tr>
<th>Industry Association</th>
<th>Performance Band</th>
<th>Type of Membership</th>
<th>Examples of recent climate policy engagement</th>
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</table>
| California Chamber of Commerce | F | Board Member | ■ March 2024: *Called* for the Biden administration to reverse its decision to pause pending liquefied natural gas (LNG) export applications in a joint letter to US Secretary of Energy Jennifer Granholm.  
■ May 2023: *Opposed*, in a joint letter, California Assembly Bill 9’s proposed amendments to the cap-and-trade program, stating the current program is “functioning as intended”.  
■ March 2023: *Opposed* California Senate Bill 12 to raise the state’s GHG emissions reduction target. |
| US Chamber of Commerce | E | Member | ■ January 2024: *Opposed* the Biden administration’s decision to pause liquefied natural gas (LNG) export permits until the Department of Energy updates its public interest approval process for pending LNG export applications.  
■ October 2023: *Advocated* to reduce the stringency of the National Highway Traffic Safety Administration’s proposed Corporate Average Fuel Economy (CAFE) Standards, refuting NHTSA’s ability to consider compliance with Advanced Clean Cars II in setting a baseline for standards. |
| Consumer Energy Alliance | E | Subsidiary Florida Power & Light (FPL) is a member | ■ February 2024: *Advocated* against the stringency of the proposed hourly matching and incrementality requirements for implementing the Inflation Reduction Act’s clean hydrogen tax credit.  
■ September 2023: *Opposed*, and called for the withdrawal of, the National Environmental Policy Act (NEPA) Phase 2 Revisions, which propose to consider climate-related effects in project reviews among other amendments.  
■ June 2023: *Advocated* directly to policymakers in favour of the Mountain Valley Pipeline, a fossil fuel pipeline project. |
<table>
<thead>
<tr>
<th>Organization</th>
<th>Grade</th>
<th>Role/Position</th>
<th>Action/Comment</th>
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| Edison Electric Institute              | C-    | Serves on multiple committees and in leadership positions                     | ■ February 2024: **Opposed** the proposed draft guidance for implementing the IRA’s clean hydrogen tax credit and advocated for the credit to allow blending “renewable natural gas” with fossil fuels.  
■ August 2023: **Opposed** the Environmental Protection Agency’s (EPA’s) proposed power plant rules, suggesting that the EPA acted beyond its legal boundary in proposing carbon capture and storage and hydrogen blending compliance pathways.  
■ December 2023: **Advocated** for the EPA to establish reliability measures that weaken the ambition of its proposed power plant rules, and urged the agency to consider re-proposing draft rules around existing gas plants. |
| American Clean Power Association      | A-    | CEO serves on the Executive Committee                                         | ■ September 2022: **Expressed** support for legislation streamlining permitting for clean energy projects, however without addressing the bill’s impact on expediting fossil fuel ventures.  
■ August 2022: Supported the offshore wind targets adopted by the California Energy Commission in a [press release](#).  
■ June 2022: **Defended** the EPA’s ability to regulate GHG emissions, following the US Supreme Court decision on West Virginia v. EPA. |
| Zero Emission Transportation Association | A     | Member                                                                        | ■ October 2023: On Corporate Average Fuel Economy (CAFE) standards, **supported** and advocated to phase-out cycle and A/C credit systems that weaken the program’s stringency.  
■ July 2023: **Supported** the most stringent GHG emissions standards for light and medium-duty vehicles from 2023.  
■ March 2023: **Advocated** for increased government funding to support the electrification of road transport. |
Disclosure and Review of Climate Policy Engagement

The **Global Standard on Responsible Climate Lobbying** - instigated by investors and launched in March 2022 - is the leading best practice framework for climate policy engagement disclosure. The Global Standard sets out 14 indicators covering disclosure, governance and oversight processes to ensure alignment between a company’s climate policy engagement and delivering the 1.5°C goal of the Paris Agreement.

In September 2023, InfluenceMap’s methodology to assess corporate disclosures on climate policy engagement was formally updated in line with the Global Standard and stakeholder input. InfluenceMap has two distinct assessments of disclosures:

**Accuracy of Climate Policy Engagement Disclosure:** An assessment of the accuracy of a company’s reporting on its direct and indirect (via industry associations) climate policy engagement activities.

- InfluenceMap analysis suggests that NextEra Energy has **not published an account** of its own climate policy engagement on specific policies. NextEra’s climate policy engagement lacks transparency, as the company has not provided detailed accounts of its positions and activities on specific climate-related policies. For example, NextEra has not reported on its advocacy for weaker implementation of the Inflation Reduction Act’s clean hydrogen tax credit, as evidenced by testimony in March 2024, comments in February 2024, and a joint letter in April 2023. Additionally, NextEra engaged on the Environmental Protection Agency’s (EPA’s) proposed power plant rules, submitting comments in August 2023 via the Energy Strategy Coalition to advocate for greater flexibility.

- InfluenceMap analysis suggests that NextEra Energy has published a **partial account** of its industry associations’ climate policy engagement on specific policies. NextEra has listed its industry association memberships but excludes several actively engaged in climate policy, like the California Chamber of Commerce and the Clean Energy Buyers Association. Additionally, the company hasn’t disclosed its associations’ positions on specific climate policies. For example, Edison Electric Institute advocated for weaker implementation of the Inflation Reduction Act’s clean hydrogen tax credit in February 2024 and opposed the ambition of the US EPA’s power plant rules in December 2023, November 2023, and August 2023 comments.

**Corporate Climate Policy Engagement Review:** An assessment of the quality and robustness of a company’s process to identify, report on, and address specific cases of misalignment between its climate policy engagement activities and delivering the 1.5°C goal of the Paris Agreement.

- NextEra Energy has published 2 reviews of its climate policy engagement in 2022 and 2024. However, InfluenceMap analysis shows that the quality of NextEra’s review process falls significantly short of standards put forward by institutional investors as part of the 2022 **Global Standard on Responsible Climate Lobbying**. According to InfluenceMap’s assessment based on the Global Standard, NextEra’s 2024 review scored 1/14 (7%).
While the company did publish a review, it did not disclose a methodology for assessing the alignment of its industry associations, and does not appear to have assessed alignment against the 1.5°C goal of the Paris Agreement. The company also only provided a small explanation behind the assessment of one association (Associated Industries of Florida), and did not provide explanations for the other 16 associations. Additionally, the company did not provide a framework for addressing misalignments.

NextEra did not identify key cases of misalignment and partial misalignment between its actively engaged industry associations and delivering the 1.5°C goal of the Paris Agreement. InfluenceMap analysis indicates that the company has at least 3 memberships (US Chamber, Consumers Energy Alliance, California Chamber of Commerce) to industry associations with active climate policy engagement misaligned with delivering the 1.5°C goal of the Paris Agreement (ranked D or below on InfluenceMap’s database), and 2 industry associations (Business Roundtable, Edison Electric Institute) with active climate policy engagement partially misaligned with delivering the 1.5°C goal of the Paris Agreement (ranked B- to D+). The company did not identify any of these cases of misalignment/partial misalignment.

InfluenceMap’s assessment of NextEra Energy’s disclosure and review process can be accessed here.
Appendix A: Ranking of NextEra Energy’s Industry Association Memberships

The table below provides a ranking of NextEra Energy’s industry associations currently covered by InfluenceMap’s database by Performance Band, i.e. a full measure of a company’s climate policy engagement, accounting for both its own engagement and that of its industry associations. Detailed profiles for all industry associations can be explored via the links in the table.

Industry associations are categorized by InfluenceMap as having climate policy engagement that is aligned, partially misaligned or misaligned with delivering the 1.5°C goal of the Paris Agreement by Performance Band:

- **Aligned** = Performance Band A+ to B
- **Partially Misaligned** = Performance Band B- to D+
- **Misaligned** = Performance Band D to F
- **Low Engagement** = Performance Band N/A

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<thead>
<tr>
<th>Industry Association</th>
<th>IM Performance Band</th>
<th>IM Assessment</th>
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<tbody>
<tr>
<td>Zero Emission Transportation Association (ZETA)</td>
<td>A</td>
<td>Aligned</td>
</tr>
<tr>
<td>American Clean Power Association (formerly AWEA)</td>
<td>A-</td>
<td>Aligned</td>
</tr>
<tr>
<td>Clean Energy Buyers Association (CEBA)</td>
<td>B+</td>
<td>Partially Aligned</td>
</tr>
<tr>
<td>Hydrogen Council</td>
<td>C</td>
<td>Partially Aligned</td>
</tr>
<tr>
<td>Edison Electric Institute</td>
<td>C-</td>
<td>Partially Aligned</td>
</tr>
<tr>
<td>Business Roundtable</td>
<td>D+</td>
<td>Partially Aligned</td>
</tr>
<tr>
<td>US Chamber of Commerce</td>
<td>E</td>
<td>Misaligned</td>
</tr>
<tr>
<td>Consumer Energy Alliance</td>
<td>E-</td>
<td>Misaligned</td>
</tr>
<tr>
<td>Florida Chamber of Commerce</td>
<td>F</td>
<td>Misaligned</td>
</tr>
<tr>
<td>California Chamber of Commerce (CalChamber)</td>
<td>F</td>
<td>Misaligned</td>
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