

The Climate Accountability Scorecard: CONSOL Energy

The Union of Concerned Scientists has conducted an in-depth analysis of the climate change-related positions and actions of several major investor-owned fossil fuel companies.

The eight companies—Arch Coal, BP, Chevron, ConocoPhillips, CONSOL Energy, ExxonMobil, Peabody Energy, and Royal Dutch Shell—were assessed on 30 metrics.

The study focused on the period from January 2015 through May 2016 (except in a few cases; see sources in the tables below).

We scored the companies in four areas, which are discussed below. For each area, we placed each company in one of five scoring bands, ranging from “advanced” (which means that the company is demonstrating best practices) to “egregious” (which means that the company is acting very irresponsibly).

While some companies are making more progress than others, no company scored better than its peers in all areas, and several were relative leaders in some areas and relative laggards in others.


- Renouncing disinformation on climate science and policy scores ranged from fair to egregious.
- Planning for a world free from carbon pollution scores ranged from fair to egregious.
- Supporting fair and effective climate policies scores ranged from good to poor.
- Fully disclosing climate risks had the least differentiation, with four companies scoring fair and four companies scoring poor.

Scores and Recommendations for CONSOL Energy

HIGHLIGHTS

- CONSOL Energy provides a detailed analysis of existing and proposed laws and regulations relating to climate change and their possible effects on the company, including potential financial impacts (CONSOL Energy Inc. 2016c).
- The company left the American Coalition for Clean Coal Electricity (ACCCE), a trade group that spreads climate science disinformation and opposes climate action, in 2016,

TABLE 1. CONSOL Energy Company Overview

 Global producer, refiner, and marketer of coal and natural gas ¹	
Location of Headquarters	Canonsburg, PA
CEO and Executive Chairman	Nicholas J. Deluliis
2015 Annual Revenues	\$3.11B
2015 Annual Loss	(\$0.364B)

DATA SOURCE: CONSOL ENERGY INC 2016C

but made no public announcement regarding the reasons for its departure (ACCCE 2016; Sheppard 2016).

LOWLIGHTS

- CONSOL Energy President and CEO Nicholas J. Deluliis is on the board of directors of the US Chamber of Commerce (US Chamber of Commerce n.d.). CONSOL Energy has not taken any steps to distance itself from climate disinformation spread by the US Chamber.
- CONSOL Energy Chief Operating Officer – Coal James A. Brock was on the board of directors of the National Mining Association (NMA) as of May 2016 (CONSOL Energy Inc. 2015b), and the company has not taken clear steps to distance itself from climate disinformation spread by the NMA.
- The company has no discussion of climate change on its website and made no public statements on climate change during the study period.
- CONSOL Energy recommended against shareholder resolutions in 2016 that called on the company to report on goals and plans to address carbon risk and to disclose direct and indirect lobbying annually (CONSOL Energy Inc. 2016a).

- The company does not use a price on carbon in investment decisions.
 - CONSOL Energy has no company-wide plan for reducing greenhouse gas emissions.
- RECOMMENDATIONS**
- CONSOL ENERGY SHOULD:
- Publicly acknowledge the scientific evidence of climate change and the role its products play in driving climate change;
 - Use its leverage as a leader within the US Chamber and the NMA to demand an end to the groups’ disinformation on climate science and policy, and speak publicly about these efforts;
 - Provide details about the nature and magnitude of climate-related physical risks it faces and the impacts these may have on the company;
- Lay out a company-wide pathway to align its business model with the new reality established by the international climate agreement made in Paris in 2015 by:
 - Publicly acknowledging the agreement’s long-term temperature goal and its implications for the swift transition to global net-zero emissions;
 - Disclosing emissions resulting from the company’s operations and the use of its products;
 - Setting and disclosing initial near-term company-wide targets to reduce emissions from its operations and the use of its products;
 - Developing and publicly communicating a clear plan and timeline to deepen emissions reductions consistent with the climate agreement’s long-term goal;
 - Consistently call for US policy action on climate change, identify specific federal and/or state legislation or regulation that it supports, and advocate publicly and transparently for those policies.

DETAILED SCORING

More information on scoring can be found at www.ucsusa.org/climatescorecard

TABLE 2. Renouncing Disinformation on Climate Science and Policy

Metric	Score	Rationale
Accuracy and consistency of public statements on climate science and the consequent need for swift and deep reductions in emissions from the burning of fossil fuels	Poor	CONSOL Energy does not address climate science on the company website in a prominent, easily accessible page (for example, a page designated specifically to address climate change).
Affiliations with trade associations and other industry groups that spread climate science disinformation and/or block climate action		
American Coalition for Clean Coal Electricity (ACCCE)	Good	The company left the ACCCE in 2016 but made no public announcement regarding the reasons for its departure (ACCCE 2016).
American Legislative Exchange Council (ALEC)	Fair	No evidence of membership (CMD 2016).
National Association of Manufacturers (NAM)	Fair	No evidence of membership during study period (NAM 2016).
National Mining Association (NMA)	Egregious	CONSOL Energy COO – Coal James A. Brock was on the NMA board of directors (CONSOL Energy Inc. 2015b) and CONSOL Energy was a member of the NMA (NMA 2016) as of May 2016. The company has not taken clear steps to distance itself from the group’s climate disinformation. ²

US Chamber of Commerce (US Chamber)	Egregious	President and CEO Nicholas J. Delulii is on the US Chamber of Commerce board of directors as of 2016, and the company has not taken any steps to distance itself from the group's climate disinformation (US Chamber of Commerce n.d.).
Policy, governance systems, and oversight mechanisms to prevent disinformation	Poor	No policy on record.
Support for climate-related shareholder resolutions	Poor	CONSOL Energy recommended against shareholder resolutions in 2016 calling on the company to report on goals and plans to address carbon risk and to disclose direct and indirect lobbying annually (CONSOL Energy Inc. 2016a).
Area score	Poor	

DATA SOURCES: COMPANY WEBSITES, PROXY STATEMENTS, PUBLIC STATEMENTS BY COMPANY REPRESENTATIVES, TRADE ASSOCIATION AND INDUSTRY GROUP WEBSITES, AND THIRD PARTY WATCHDOG GROUP WEBSITES IN THE PERIOD JANUARY 1, 2015, TO MAY 31, 2016; TRADE ASSOCIATION FEDERAL FILINGS FROM 2014.

TABLE 3. Planning for a World Free From Carbon Pollution

Metric	Score	Rationale
Support for the Paris Climate Agreement	Poor	CONSOL Energy has not publicly expressed support for the Paris Climate Agreement and its global temperature goals.
Company-wide commitments and targets to reduce greenhouse gas emissions	Egregious	CONSOL Energy has no company-wide plan for reducing greenhouse gas emissions.
Use of an internal price on carbon in investment decisions	Egregious	The company does not use a price on carbon in investment decisions.
Commitment and mechanism to measure and reduce carbon intensity of supply chain	Poor	CONSOL Energy has no public commitment to measure and reduce carbon emissions in its own operations.
Disclosure of investments in low-carbon technology research and development	Poor	CONSOL Energy does not report annually on low-carbon research and development, and does not provide a breakdown of specific low-carbon investments (CONSOL Energy Inc. 2016b).
Disclosure of greenhouse gas emissions reduction plans	Poor	CONSOL Energy does not disclose details of its greenhouse gas emissions reduction plans to shareholders.
Disclosure of how company manages greenhouse gas emissions and associated risks	Fair	The company provides details about efforts taken to reduce emissions, such as reducing process emissions by installing ventilation air methane abatement systems in mines and switching to hybrid and natural gas vehicles in vehicle fleet (CDP 2015).
Disclosure of greenhouse gas emissions	Fair	The company provides information about direct greenhouse gas emissions from operations as well as indirect greenhouse gas emissions from consumption of purchased electricity, heat, or steam for the current year, and describes the methodology used to calculate emissions (CDP 2015).
Area score	Egregious	

TABLE 4. Supporting Fair and Effective Climate Policies

Metric	Score	Rationale
CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Disclosure	Egregious	<p>CONSOL Energy publicly discloses the company's senior managers (by position/title of the individuals involved) who have final authority over the company's political spending decisions.</p> <p>The company provides partial disclosure or no disclosure of other aspects of political spending (CPA 2015).</p>
CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Policy	Fair	<p>CONSOL Energy publicly makes available:</p> <ul style="list-style-type: none"> The types of entities considered to be proper recipients of the company's political spending Policy requiring senior managers to oversee and have final authority over all of the company's political spending Policy that the board of directors regularly oversees the company's corporate political activity <p>The company has a partial policy or no policy in other areas related to political spending (CPA 2015).</p>
CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Oversight	Fair	<p>CONSOL Energy has:</p> <ul style="list-style-type: none"> A specified board committee that reviews the company's political expenditures made with corporate funds A specified board committee that reviews the company's payments to trade associations and other tax-exempt organizations that may be used for political purposes A specified board committee, composed entirely of outside directors, that oversees its political activity An internal process for or an affirmative statement on ensuring compliance with its political spending policy <p>The company has partial or no oversight in other areas related to political spending (CPA 2015).</p>
Engagement with Congress on federal climate policies or legislation	Fair	<p>CONSOL Energy did not publicly engage Congress on climate policies during the study period.</p>
Consistent support for US policy action to reduce emissions	Poor	<p>CONSOL Energy does not identify any federal or state climate policy that the company supports on the company website in a prominent, easily accessible page (for example, a page designated specifically to address climate change), or in public statements.</p>
Engagement on the EPA Clean Power Plan (EPA-HQ-OAR-2013-0602)	Poor	<p>The company submitted comments encouraging the EPA to "withdraw this rule and abandon its attempt to remake the US electricity system by a misguided and highly flawed executive fiat" and did not present a specific, viable policy alternative that would have equal or greater benefit to the climate (CONSOL Energy Inc. 2014).</p>

Engagement on the EPA methane rule (EPA-HQ-OAR-2010-0505-4776)	Poor	The company submitted comments opposing the methane rule, calling it an “unnecessary burden on the oil and gas industry,” and did not present a specific, viable policy alternative that would be equal to greater benefit to the climate (CONSOL Energy Inc. 2015a).
Company influence through international or national business alliances or initiatives that are supportive of specific climate policies	Fair	CONSOL Energy has not signed on to international or national business alliances or initiatives supportive of specific climate policies.
Area score	Poor	

DATA SOURCES: COMPANY WEBSITES AND MAJOR NEWS SOURCES IN THE PERIOD; 2015 CENTER FOR POLITICAL ACCOUNTABILITY-ZICKLIN INDEX AND SCORING GUIDELINES; CONGRESSIONAL TESTIMONY AND COMPANY COMMENTS FILED WITH REGULATIONS.GOV IN THE PERIOD JANUARY 1, 2014, TO MAY 31, 2016

TABLE 5. Fully Disclosing Climate Risks

Metric	Score	Rationale
Disclosure of regulatory risks	Good	CONSOL Energy provides a detailed analysis of existing and proposed laws and regulations relating to climate change and their possible effects on the company, including potential financial impacts (CONSOL Energy Inc. 2016c).
Disclosure of physical risks	Poor	CONSOL Energy generally acknowledges physical risks to the company, such as “adverse weather conditions,” but does not include discussion of climate change as a contributor to those risks (CONSOL Energy Inc. 2016c).
Disclosure of market and other indirect risks and opportunities	Fair	CONSOL Energy identifies reduced demand for fossil fuels, difficulty obtaining financing for coal-fired power plants, and fossil fuel divestment as risks facing the company, but offers limited analysis of their potential financial impacts (CONSOL Energy Inc. 2016c).
Disclosure of market and other indirect risks and opportunities	Egregious	The company provides no disclosure of corporate governance on climate issues.
Area score	Fair	

DATA SOURCES: 2016 SEC 10-KS AND 20-FS AND CDP DISCLOSURES, IF DISCUSSED IN SEC FILINGS

ENDNOTES

1 As of July 2016, CONSOL Energy shed its last West Virginia coal mines, pursuing its increased focus on natural gas (Levesque 2016).

2 As of September 2016, CONSOL Energy was no longer listed as a member of NMA. According to a CONSOL Energy Spokesperson, its affiliate CNX Coal Resources handles all relationships with coal trade associations (Sheppard 2016).

REFERENCES

American Coalition for Clean Coal Electricity (ACCCE). 2016.

Members. Online at www.americaspower.org/about-acce/bios/members/, accessed August 17, 2016.

CDP. 2015. Climate change 2015 information request: CONSOL Energy Inc. Online at www.cdp.net/sites/2015/68/3768/Climate%20Change%202015/Pages/DisclosureView.aspx, accessed August 29, 2016.

Center for Media and Democracy (CMD). 2016. Corporations that have cut ties with ALEC. Online at www.sourcewatch.org/index.php/Corporations_that_Have_Cut_Ties_to_ALEC, accessed August 26, 2016.

Center for Political Accountability (CPA). 2015. The 2015 CPA-Zicklin Index of Corporate Political Disclosure and Accountability: S&P 500 review shows political disclosure enters the corporate mainstream. Online at http://files.politicalaccountability.net/index/CPA-Zicklin_Index_Final_with_links.pdf, accessed August 17, 2016.

CONSOL Energy Inc. 2016a. 2016 proxy statement. Online at www.envisionreports.com/CNX/2016/1A809MA16E/3e4d6ab2c1104fbd8e18b1ce0a3131e5/Consol_Proxy_Statement_secured_3-30-16.pdf, accessed August 29, 2016.

CONSOL Energy Inc. 2016b. Innovation for the energy industry.

Online at

<https://web.archive.org/web/20160210120047/http://www.consolenergy.com/consol-rampd.aspx>, accessed February 10, 2016.

CONSOL Energy Inc. 2016c. United States Securities and Exchange Commission form 10-K. Online at www.sec.gov/Archives/edgar/data/1070412/000107041216000095/cnx-123115x10k.htm, accessed August 24, 2016.

CONSOL Energy Inc. 2015a. Comments in NSPS and NESHAP for oil & gas production and gas transmission submitted by Steven Buffone on behalf of Consol Energy Corporation (EPA document EPA-HQ-OAR-2010-0505). Washington, DC: Environmental Protection Agency.

CONSOL Energy Inc. 2015b. Corporate responsibility report. Online at <http://2015crr.consolenergy.com/>, accessed September 21, 2016.

CONSOL Energy Inc. 2014. Comments in Carbon pollution emission guidelines for existing stationary sources: Electric utility generating units submitted by Richard Winschel on behalf of Consol Energy Corporation (EPA document EPA-HQ-OAR-2013-0602). Washington, DC: Environmental Protection Agency.

National Association of Manufacturers (NAM). 2016. Board of directors. Online at www.nam.org/About/Board-of-Directors/, accessed August 17, 2016.

National Mining Association (NMA). 2016. Member list. Online at <https://web.archive.org/web/20160501214415/http://www.nma.org/index.php/member-list>, accessed May 1, 2016.

Sheppard, K. 2016. King coal is losing its lobbying edge. *Huffington Post*, August 17.

US Chamber of Commerce. No date. Board of directors. Online at www.uschamber.com/about-us/board-directors, accessed August 17, 2016.

Union of Concerned Scientists

FIND THIS DOCUMENT ONLINE: www.ucsusa.org/climatescorecard

The Union of Concerned Scientists puts rigorous, independent science to work to solve our planet's most pressing problems. Joining with citizens across the country, we combine technical analysis and effective advocacy to create innovative, practical solutions for a healthy, safe, and sustainable future.

NATIONAL HEADQUARTERS

Two Brattle Square
Cambridge, MA 02138-3780
Phone: (617) 547-5552
Fax: (617) 864-9405

WASHINGTON, DC, OFFICE

1825 K St. NW, Suite 800
Washington, DC 20006-1232
Phone: (202) 223-6133
Fax: (202) 223-6162

WEST COAST OFFICE

500 12th St., Suite 340
Oakland, CA 94607-4087
Phone: (510) 843-1872
Fax: (510) 843-3785

MIDWEST OFFICE

One N. LaSalle St., Suite 1904
Chicago, IL 60602-4064
Phone: (312) 578-1750
Fax: (312) 578-1751