

Is Billionaire Steyer Taking Aim at Obama's Policy on Natural Gas?

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Is San Francisco billionaire Tom Steyer really about to declare war on natural gas?

Rumors are swirling in Colorado and Washington, DC that Tom Steyer is ready to side with Democrat Congressman Jared Polis of Boulder and national ban-fracking activists who are working to shut down Colorado's booming natural gas industry. The WSJ today reports:

"Tom Steyer, a hedge fund billionaire turned environmental activist, is also likely to help financially support Mr. Polis's effort, according to three people close to the situation."

Yet doing so puts him squarely at odds with a growing bipartisan coalition in the state that supports the jobs and economic opportunities that come from natural gas development in Colorado. This move would also have huge impacts on the energy debate across the country.

The revelation made in the Wall Street Journal is stunning for several reasons. First, it shows that Tom Steyer is ready to bankroll groups opposed to all fossil fuel development – including natural gas. Additionally, this position would seemingly put him at odds with Senator Mark Udall, an incumbent Democrat who calls himself "a champion of Colorado's natural gas industry." Steyer and his team have repeatedly said their number one goal is to ensure Democrats retain the majority in the United States Senate.

The ramifications of Steyer's involvement would reach far beyond Colorado, too. Opposition to natural gas will pit him against President Obama and his administration, including EPA Administrator Gina McCarthy, Energy Secretary Ernest Moniz, and Secretary of the Interior Sally Jewell – all of whom have stressed the importance of natural gas to the country. Just this week, when Obama advisor John Podesta was asked, "How much of an environmental downside has there been to this boom?" Podesta answered: "Well, for the most part, there's been an upside" – he also added, "it's a practical and viable way to reduce emissions in the short run."

That's not all. The largely Democratic labor unions have also weighed in expressing strong support for natural gas development. As Dennis Martire of the Laborers' International Union (LiUNA) said recently, "The shale became a lifesaver and a lifeline for a lot of working families." Perhaps Senator Chuck Schumer (D-NY) put it best this week when he said, "Overall the Democrats throughout the county have supported fracking; the President has, most of us have and it's worked quite well."

So who exactly would Steyer be siding with?

The obvious answer: extreme anti-fracking groups such as Food & Water Watch, Americans Against Fracking, and Frack Free Colorado, just to name a few. Notably, the news about Steyer's involvement comes in the same week that the anti-fracking organization WildEarth Guardians announced it is bringing none other than former EPA region six Administrator Al Armendariz – who made himself famous by declaring that his “general philosophy” was to “crucify” and “make examples” of oil and gas producers – to Denver to celebrate its 25th anniversary. Armendariz left the EPA after the video of those remarks was made public, and he joined the anti-gas Sierra Club, which is still his employer.

It should also be noted that this isn't the first time Steyer has found himself to be the “divider” in his own party. He boldly proclaimed that he would go after any candidate who supports Keystone XL, regardless of party. He even threatened to target Democratic Louisiana Senator Mary Landrieu, a strong advocate for Keystone XL – but with the Senate majority hanging in the balance, Steyer quickly changed his tune. As Wall Street Journal columnist Kim Strassell explained,

“Mr. Steyer then spent some quality time with senior Democrats, who presumably explained that the establishment would not look kindly on a would-be governor who blew their control of the Senate. Ms. Landrieu came off the list, and Mr. Steyer has downgraded his criteria for playing in races to whether “something important” is at stake. Democratic operators are thrilled. But one can imagine that the absolutist environmental community—not exactly famed for its nuance or pragmatism—is wondering what exactly happened to all Mr. Steyer's putative principles.”

It wasn't long before Steyer spokesman Chris Lehane was telling reporters that they would not be “tea partying” Democratic candidates for supporting Keystone XL, adding, “We do think it's really, really, really important from a climate perspective that we maintain control of the Senate for Democrats.”

On hydraulic fracturing and natural gas, Steyer has also been all over the map. Last year, Steyer claimed that he wasn't opposed to hydraulic fracturing – as one of his aides put it,

”He thinks there is a hierarchy of fossil fuels,” she continued. “Obviously, if it turns out that natural gas extraction is worse for the climate than coal or other current baseload power options, he's not going to support it anymore.”

Of course, later that year, a study by the University of Texas and the Environmental Defense Fund – a study which Steyer himself helped to fund – found that methane emissions from natural gas production were well below the threshold for natural gas to maintain clear environmental benefits. Yet, later that year, Steyer took to the Huffington Post to argue that producers need to prove “beyond a realistic doubt” that fracking can be done safely before viewing natural gas as a low carbon fuel. As the Greenwire headline put it, “Steyer edges away from past fracking backing.”

Perhaps the most important question after all this is: how effective has Steyer been?

After pouring millions into the Keystone XL fight, the latest Rasmussen poll and a Washington Post/ABC News poll, found that public support for Keystone XL has never been higher. When Steyer was threatening to target Senator Landrieu, she replied, “It would probably help me in my state if he would run his ads.”

One thing is clear: if Steyer chooses to side with Polis and the anti-fracking movement, it will reveal far more about him than it will the growing bipartisan support in Colorado for responsible domestic energy production.