

WOKE FINANCE IS HURTING ARIZONANS

Money managers have targeted electric utilities like Arizona Public Service (APS) with demands that they change the mix of energy provided to Arizonans.

- The world's largest money managers are using their collective influence to force companies to comply with the aspirational goals of the Paris Agreement through groups like [Climate Action 100+](#) (CA100+).
- Members of CA100+, like BlackRock, [rate](#) focus companies based on the alignment of their capital expenditures, output, and lobbying with the goal of limiting global warming to 1.5°C.
- They are [pressuring electric utilities to phase-out gas and coal power by 2040](#), while natural gas and coal supply [over 60% of Arizona's electricity](#). This radical energy transformation would cost Arizonans, who have [much lower electricity prices](#) than states like California with green energy mandates.
- Among the companies BlackRock targets for "engagement" on climate issues is [Pinnacle West Capital Corporation](#), the parent company of Arizona's largest energy provider, [Arizona Public Service](#).

Even worse, major banks have put similar pressure on energy companies in their lending practices.

- [Wells Fargo](#), [Bank of America](#), and [JPMorgan Chase](#) have all joined [the Net-Zero Banking Alliance](#), committing to slash their financed emissions in the power sector by 60%-70% carbon intensity by 2030.

They are also upending two of Arizona's most important industries—[tourism](#) and [agriculture](#).

- CA100+ pursues goals like: ["keeping business travel to 2019 levels; capping long-haul flights \(of more than 6 hours\) for leisure at 2019 levels; and shifting demand to high-speed rail"](#) and [mandating the use of biofuels](#).
- These climate policies will reduce demand and increase the cost of travel, hurting Arizona's tourism.
- For agriculture, CA100+ asks companies to reduce greenhouse gas emissions by moving their supply chain to ["lower-carbon alternatives to meat and dairy products," electrifying farm vehicles, and targeting fertilizer use](#).

How Arizona can push back: Legislative Solutions

Protect Arizona's Pension Funds

- Enact a law, enforceable by the AG or an executive branch official, clarifying that the fiduciary duty of those managing Arizona's pension funds is to consider only *financial* factors, for a *financial* purpose.
- Commitments to promote ESG goals are evidence of a motive to promote non-financial purposes.
- This will benefit retirees by shifting assets to asset managers focused on financial purposes.

Protect State Contracts And Investments

- Enact a law, enforceable by the AG or an executive branch official, prohibiting state contracts with companies that boycott or penalize companies for actions that do not violate the law, including:
 - engaging in mining, energy, agriculture, firearms, or commercial timber
 - not meeting corporate board composition criteria based upon protected characteristics
 - not meeting aspirational environmental or social standards

More Information on Woke Finance Organizations

United Nations-inspired climate initiatives push the Paris Agreement on U.S. companies.

In the past few years, numerous financial initiatives have arisen to coordinate asset managers, banks, and others financial institutions to comply with the aspirational climate goals of the Paris Agreement—even though the Paris Agreement is not legally binding on U.S. companies.

Some of the most notable groups are [Climate Action 100+](#), which is [partially led by](#) the UN-affiliated Principles in Responsible Investing, and the [Glasgow Financial Alliance for Net Zero](#) (GFANZ), which is [grounded in the UN-backed Race to Zero campaign](#).

Climate Action 100+ and GFANZ have enormous sway, controlling trillions of dollars.

Climate Action 100+ members collectively manage [\\$68 trillion in assets](#) and include two of the “big three” asset managers—[BlackRock and State Street Global Advisors](#). They target certain companies and pressure them to commit to [“\[t\]ake action to reduce greenhouse gas emissions across the value chain, consistent with the Paris Agreement’s goal.”](#) Their [sector strategies](#) target power companies, agriculture (food & beverage), aviation, and steel.

GFANZ [boasts](#) that its members represent “over \$130 trillion of private capital” that is “committed to transforming the economy for net zero.” Its [Net-Zero Banking Alliance](#) represents nearly 40% of global banking assets, [including](#) JPMorgan Chase, Bank of America, Wells Fargo, Citi, Goldman Sachs, and Morgan Stanley. Overseen by the UN, they [commit](#) to align their financed emissions with net zero by 2050 or sooner. Similarly, GFANZ’s [Net Zero Asset Managers, including](#) Blackrock and State Street, [commit](#) to “play [their] part to help deliver the goals of the Paris Agreement” by managing assets in line with net zero greenhouse gas emissions by 2050 or sooner and [fossil fuel phase out](#).

These groups are using Arizonans’ hard-earned savings to advance their own radical goals.

Through these initiatives, financial organizations are advancing radical climate and social policy. Money managers should be focused on making money in a tough stock market. Banks should provide credit based on financial metrics. Instead, they are using Arizonans’ money to force U.S. companies to comply with the UN’s aspirational climate goals—while China and others prioritize energy security and national interests.

Unless Arizona pushes back against this sweeping agenda, its citizens will suffer. Energy costs will go up, while reliability goes down. Jobs will be destroyed. National security will be jeopardized. Now is the time for Arizona to fight back.