

At The State And Federal Level, North Carolina Republicans Are Siding With Extremists And Out Of State Oil Interests To Ban Responsible Investing And Oppose Clean Energy Developments That Benefit North Carolinians.

Executive Summary

In 2023, The North Carolina House passed H750 (SL 2023-64), which would [restrict](#) the North Carolina State Treasurer from considering “environmental or social considerations” for a state investment unless “they present economic risks or opportunities that qualified investment professionals would treat as material economic considerations under generally accepted investment theories.”

Outlets like the [Carolina Journal](#) have said this amounts to “[prohibiting] the use of environmental, social, and governance (ESG) criteria from being a factor in state investment decisions.” [Fox Business](#) called it an ESG ban for state investing.

The bill was sponsored by at least eight members of the extreme North Carolina House Freedom Caucus, including original sponsor Rep. Celeste Cairns. The bill and the effort was also publicly supported by right wing groups like [Heritage Action](#) and [Foundation for Government Accountability](#). These groups get major funding from out of state billionaires and their networks, including from the Kochs and Leonard Leo’s network.

Joining these extremists and out of state interests were North Carolina Reps. Bill Ward, Allen Chesser and Ken Fontenot who each voted **twice** to pass the anti-ESG bill, helping to provide the three-fifths majority necessary to override Governor Roy Cooper’s veto.

Meanwhile, at the federal level, the Inflation Reduction Act has unleashed over \$15 Billion in investment in North Carolina’s clean energy economy, but ten North Carolina federal officials still voted against the plan, and they’ve taken nearly \$3.5 million in campaign cash from the oil and gas industry.

Background

North Carolina's Ban On Using Responsible Investing Principles For State Pension Investments Became Law In 2023 With The Support Of Reps. Bill Ward, Allen Chesser And Ken Fontenot.

In 2023, The North Carolina House Passed H750 To Ban The State Treasurer From Using ESG Criteria To Make Investments With State Funds, And Reps. Bill Ward, Allen Chesser And Ken Fontenot Provided Crucial Votes For The House's Veto Override

In 2023, The North Carolina House Passed H750, A Bill To Restrict The Use Of Environmental, Social And Governance Factors In State Decisionmaking and Investing. “[H750] Prohibits State entities from creating or using environmental, social, and governance criteria or economically targeted investments requirements when making employment decisions; requires the State Treasurer to only consider pecuniary factors when (i) evaluating an investment or (ii) evaluating or exercising any right appurtenant to an investment; allows the State Treasurer to reasonably conclude that not exercising a right appurtenant to an investment is in the best interest of the fund's beneficiaries.” [NC General Assembly Analysis of S.L. 2023-64, [12/15/23](#)]

- **Rep. Bill Ward And Rep. Allen Chesser Were Cosponsors Of H750 In The North Carolina House.** [North Carolina H750, [2023](#)]

On May 3, 2023, The North Carolina House Voted To Approve H750 76-41. [NC Roll Call #357, [05/03/23](#)]

- **Reps. Bill Ward, Allen Chesser And Ken Fontenot Voted To Pass H750.** [NC Roll Call #357, [05/03/23](#)]

On June 27, 2023, After North Carolina Governor Roy Cooper Vetoed The Bill, The North Carolina House Passed A Veto Override - Enshrining H750 Into Law - By A Vote Of 72-46, Meeting The Three-Fifths Threshold By Just Two Votes. [NC Roll Call #453, [06/27/23](#)]

- **In North Carolina, A Veto Override Requires The Approval Of Three-Fifths Of Members Present And Voting In A Given Chamber.** “Except as provided by subsections (2) through (6) of this section, all bills shall be read three times in each house and shall be signed by the presiding officer of each house before being presented to the Governor. If the Governor approves, the Governor shall sign it and it shall become a law; but if not, the Governor shall return it with objections, together with a veto

message stating the reasons for such objections, to that house in which it shall have originated, which shall enter the objections and veto message at large on its journal, and proceed to reconsider it. If after such reconsideration three-fifths of the members of that house present and voting shall agree to pass the bill, it shall be sent, together with the objections and veto message, to the other house, by which it shall likewise be reconsidered; and if approved by three-fifths of the members of that house present and voting, it shall become a law notwithstanding the objections of the Governor.” [North Carolina Constitution, Article II, accessed [09/07/24](#)]

- **Reps. Bill Ward, Allen Chesser And Ken Fontenot Voted To Support The Veto Override.** [NC Roll Call #453, [06/27/23](#)]
 - *If Reps. Ward, Chesser And Fontenot Had Voted Against The Veto Override, It Would Have Failed To Receive The Required Three-Fifths Approval And Would Not Have Passed The North Carolina House.*

Carolina Journal: “NC Lawmakers Ban ESG From State Investments.” [Carolina Journal, [06/14/23](#)]

Fox Business: “North Carolina bill banning ESG in hiring, investment sent to governor’s desk.” [Fox Business, [06/14/23](#)]

H750 Was Sponsored By At Least Eight Representatives Affiliated With The North Carolina House Freedom Caucus And Aligns With The Group’s Extreme Agenda.

At Least One Third (8) Of The 24 Cosponsors Of H750 Are Affiliated With The Extreme North Carolina House Freedom Caucus, Including Primary Sponsor Rep. Celeste Cairns.

In 2023, NC H750 Had 24 Sponsors and Cosponsors In The North Carolina House of Representatives

Primary Sponsors Of H750

- Rep. Destin Hall (R)
- Former Rep. Jason Seine (R) (resigned 8/12/24)
- Rep. Celeste C. Cairns (R)
- Rep. Neal Jackson (R)

Cosponsors

- Rep. Jay Adams (R)

- Rep. Dean Arp (R)
- Rep. Jennifer Balkcom (R)
- Rep. Brian Biggs (R)
- Rep. John R. Bradford, III (R)
- Rep. Allen Chesser (R)
- Rep. George Cleveland (R)
- Rep. Frank Iler (R)
- Rep. Jake Johnson (R)
- Rep. Keith Kidwell (R)
- Rep. Donnie Loftis (R)
- Rep. Jeffrey McNeely (R)
- Rep. Ben Moss, Jr. (R)
- Rep. Ray Pickett (R)
- Rep. Dennis Riddell (R)
- Rep. Bill Ward (R)
- Rep. Harry Warren (R)
- Rep. David Willis (R)
- Rep. Matthew Winslow (R)
- Rep. Jeff Zenger (R)

[North Carolina House of Representatives – H750, [2023](#)]

Rep. Keith Kidwell Was Named Chairman Of The North Carolina House Freedom Caucus In January 2021. [WNCT, [01/29/21](#)]

Rep. Jeff McNeely Was Named Secretary Of The North Carolina House Freedom Caucus In January 2021. [WNCT, [01/29/21](#)]

Rep. Ray Pickett Appeared At A North Carolina House Freedom Caucus Press Conference In July 2021. [North Carolina House Freedom Caucus Facebook, [07/15/21](#)]

Rep. Ben Moss, Jr. Was Named Vice Chair Of The House Freedom Caucus In July 2022. [Richmond County Daily Journal, [07/24/22](#)]

Rep. George Cleveland Was Described As A “Member” Of The North Carolina House Freedom Caucus In July 2022. [Smoky Mountain News, [07/08/22](#)]

Rep. Celeste Cairns Appeared As A “Special Guest” At A North Carolina House Freedom Caucus Rally In August 2022. [North Carolina House Freedom Caucus Facebook Event, [08/13/22](#)]

Rep. Jay Adams Was A Member Of The North Carolina House Freedom Caucus As Of September 2023. [Associated Press, [09/12/23](#)]

Rep. Bill Ward Gave Two \$150 Contributions To The North Carolina House Freedom PAC In 2023 And 2024. [North Carolina Campaign Finance Search - House Freedom PAC, accessed [09/06/24](#)]

The North Carolina House Freedom Caucus Has Supported Other Extreme Ideas Like Baseless Inspections Of North Carolina Voting Equipment And Trying To Ban Business Owners From Requiring PPE For Their Employees.

In 2021, The North Carolina Freedom Caucus Attempted To “Force Their Way Into Durham County Elections To Open Voting Equipment. In 2021, “Members of the North Carolina House Freedom Caucus threatened to force their way into Durham County Elections to open voting equipment, which is prohibited by state law.” [North Carolina Newsline, [03/20/24](#)]

- **The Effort Came After The Freedom Caucus Had Asked The North Carolina State Elections Director To Conduct Random Inspections Of Voting Equipment.** “The Freedom Caucus for months has been questioning voting equipment. It had asked earlier this year for a random inspection that State Elections Director Karen Brinson Bell denied in a July letter.” [Indy Week, [10/07/21](#)]

In 2021, Members Of The North Carolina House Freedom Caucus Introduced A Bill Restricting Franchises From Requiring Franchisees And Employees To Use PPE “That Exceeds” What Is Required By Law Locally. “[Reps.] Kidwell, Hanig, and Rep. Ben Moss, R-Richmond, have filed House Bill 572. It would block companies with franchises in North Carolina from requiring franchisees and their employees to use PPE “that exceeds” the equipment required by law during a state emergency.” [Carolina Journal, [04/14/21](#)]

H750 Was Also Supported By Koch-Funded Heritage Action And The Leonard Leo-Backed Foundation For Government Accountability.

Heritage Action Is The Advocacy Arm Of The Heritage Foundation And They’ve Received Millions Of Dollars In Funding From The Koch Network And The Oil Industry.

Heritage Action Was Founded In 2010 And Says It “Turn[s] Ideas Into Bills And Bills Into Law.” “Heritage Action was founded in 2010 and is armed with the research and policies of The Heritage Foundation. Our mission is to fight for conservative policies in Washington, D.C. and in state capitals across the country. We turn ideas into bills and bills into law.” [Heritage Action, accessed [09/07/24](#)]

- **Heritage Action “Works With Lawmakers To Implement Heritage Foundation Solutions.”**“Heritage Action works with lawmakers to implement Heritage Foundation solutions while it also organizes nearly 20,000 Sentinel activists and more than 2 million local grassroots activists around the nation to push for their adoption.” [Heritage Foundation, accessed [09/07/24](#)]

Heritage Action As Taken At Least Half A Million Dollars Directly From The Koch Network. “Conservative billionaires Charles and David Koch have another political cause — Heritage Action Fund. The megadonors have cut a check for half a million dollars to the group, which is often at odds with the GOP establishment and has made attacking Republicans a common practice this year. The Koch brothers’ decision to make a significant contribution to the group demonstrates the inroads Heritage Action has made in the short time since it launched in 2010.” [Politico, [10/09/13](#)]

The Heritage Foundation As Taken Over \$8 Million From Oil And Gas Interests Including The Kochs And ExxonMobil. “The Heritage Foundation’s opposition to responsible investing and promotion of fossil fuels is unsurprising given that they have taken over \$8 million from oil and gas interests. This includes \$7.25 million from the foundations of Charles Koch, the owner of the dirty energy conglomerate Koch Industries (\$6.25 million from 1986-2017 and \$1.04 million from 2018-2021 according to Charles Koch Foundation and Charles Koch Institute IRS form 990s). Oil company ExxonMobil has also contributed \$830,000 to the Heritage Foundation since 1998.” [Responsible Investing Watch, accessed [09/07/24](#)]

Heritage Action Publicly Praised The North Carolina Legislature’s Passage And Veto Override For H750.

June 2023: Heritage Action Praised The North Carolina General Assembly For Passing H750. “Heritage Action, a conservative grassroots organization with two million grassroots activists, including thousands of North Carolinians, released the following statement from Janae Stracke, Vice President of Field Operations, commending the North Carolina General Assembly’s passage of House Bill 750, legislation that clarifies fiduciary duty and prohibits asset managers from considering ESG factors when making investment decisions.” [Heritage Action for America, [06/14/23](#)]

June 2023: Heritage Action Praised The North Carolina General Assembly For Overriding Governor Roy Cooper’s Veto of H750. “Heritage Action, a conservative grassroots organization with two million grassroots activists, including thousands of North Carolinians, released the following statement from Executive Director Jessica Anderson praising the North Carolina General Assembly for overriding Governor Roy Cooper’s veto of House Bill 750, legislation that clarifies fiduciary duty and prohibits asset managers from considering ESG factors when making investment decisions.” [Heritage Action for America, [06/28/23](#)]

The Foundation For Government Accountability Has Taken At Least \$2 Million From Leonard Leo's Network, Which Helps Fund The Entire Anti-ESG Movement.

Leonard Leo's 85 Fund Has Given At Least \$2 Million To The Foundation For Government Accountability. "The 85 Fund (formerly known as the Judicial Education Project) is a 501(c)(3) organization that operates within Leonard Leo's network of conservative nonprofits aiming to influence the federal judiciary and the American political system more broadly. In 2020, the 85 Fund granted \$2 million to the Foundation for Government Accountability, representing more than 19% of the group's intake of contributions that year." [MonitoringInfluence.org, accessed [09/07/24](#)]

- **Leonard Leo Has Separately Given At Least \$6 Million To Consumers' Research Which Has "Spent Millions To Publicly Shame Fortune 500 CEOs And Pressure Firms Against Responsible Investing."** "Through Consumers' Research, Leonard Leo has engaged in an aggressive campaign targeting corporations for making climate-friendly investments. Leo's dark money DonorsTrust group has funneled \$6 million to Consumers' Research, which has, in turn, spent millions to publicly shame Fortune 500 CEOs and pressure firms against responsible investing. Leo's for-profit consulting firm, CRC Advisors, has also raked in hundreds of thousands from Consumers' Research." [Accountable.US, [07/12/23](#)]

The Foundation For Government Accountability Called North Carolina A "National Leader" For Their Passage Of H750.

The Foundation For Government Accountability Called North Carolina A "National Leader" For Their Effort To Ban ESG Criteria From Being Used In State Pension Investment Decisions (H750.) "Lawmakers in the General Assembly recently sent legislation to the governor's desk to stop state pension money from being invested using ESG criteria. Gov. Roy Cooper vetoed the bill, but given its overwhelming support by the General Assembly, his veto was overridden and the bill became law...In banning ESG criteria from state investment decisions, North Carolina will become a national leader alongside a handful of other states in keeping politics out of the pensions of public employees." [The Foundation for Government Accountability, [07/28/23](#)]

At The Federal Level, The Inflation Reduction Act Has Unleashed Over \$15 Billion Dollars In Investment In North Carolina's Clean Energy Economy—The Ten North Carolina Members Of Congress Who Voted Against It Have Taken Nearly \$3.5 Million In Oil & Gas Contributions

The Ten North Carolina Congressional Representatives & Senators That Voted Against The Inflation Reduction Act Have Taken Nearly \$3.5 Million In Campaign Contributions From The Oil And Gas Industry

Representative/Senator	District	Career Oil & Gas Contributions
Dan Bishop	NC-8	\$64,389
Tedd Budd	NC-13 (Currently Senator)	\$303,827
Madison Cawthorn	NC-11 (No Longer In Congress)	\$4,878
Virginia Foxx	NC-5	\$159,362
Richard Hudson	NC-9	\$616,355
Patrick McHenry	NC-10	\$397,508
Gregory Murphy	NC-3	\$17,913
David Rouzer	NC-7	\$205,826
Richard Burr	Senator (Retired)	\$925,991
Thom Tillis	Senator	\$781,087
		TOTAL: \$3,477,136

[Oil and gas contribution totals are from the Center for Responsive Politics]

Three Clean Power Manufacturing Facilities Have Been Announced In North Carolina Since The IRA Was Signed Into Law In August 2022

Company	Congressional District	Expected Online Date	Status	Technology
Green New Energy Materials	NC-10	2025	Announced	Battery
Boviet Solar	NC-1	Q1 2025	Announced	Solar
Siemens	NC-14	2026	Under Construction	Transmission

[[American Clean Power Association. "Clean Energy Investing in America." August 2024](#)]

North Carolina Has Received Over \$15.6 Billion In Clean Tech Investment Since The IRA Was Signed Into Law In August 2022

State	Clean Investment Since IRA Enactment	Per Capita Investment	Percent of State GDP
North Carolina	\$15.643 Billion	\$1,425	1.02%

[\[MIT Center For Energy And Environmental Policy Research & Rhodium Group, "Clean Investment Monitor: Tallying The Two-Year Impact Of The Inflation Reduction Act", 8/7/24\]](#)

North Carolina Has Received Over \$1.3 Billion In Federal Investment In Clean Tech Since The IRA Was Signed Into Law In August 2022

State	Federal Clean Investment Since IRA Enactment	Per Capita Investment	Percent of State GDP
North Carolina	\$1.307 Billion	\$119	0.09%

[\[MIT Center For Energy And Environmental Policy Research & Rhodium Group, "Clean Investment Monitor: Tallying The Two-Year Impact Of The Inflation Reduction Act", 8/7/24\]](#)