



Sustainability Policy Alignment

US Trade Associations
January 2024

Introduction

Overview

We believe that Microsoft has an important role to play in advocating for effective and innovative sustainability policy. When we announced [our commitment](#) in 2020 to become carbon negative by 2030, we also pledged to use our voice on public policy issues to help advance global decarbonization efforts. Since 2022, we published public policy briefs on [carbon](#), [electricity](#), and [advanced nuclear and fusion](#) energy policy to share the priorities and principles that guide Microsoft’s policy advocacy work.

We understand that public policies will play a critical role, both in creating signals to spur the economic and social transition required to address climate change and in building the foundations of markets to develop and deliver innovative goods, services, and skills to achieve that transition. Microsoft engages in public policy advocacy directly, as well as through our membership in trade associations. As we make

progress toward sustainability commitments, we also evaluate how our climate goals are aligned with the advocacy efforts of the trade associations we are members of.

This report provides an overview of positions on eleven key climate policies held by eight organizations that are active in federal climate policy: Advanced Energy United, Business Roundtable, Center for Climate and Energy Solutions, Clean Energy Buyers Association, Ceres, Climate Leadership Council, Information Technology Industry Council, and the U.S. Chamber of Commerce. The purpose of this report is to help us evaluate how well these trade associations align with our own sustainability goals and values, and to identify potential areas of collaboration or misalignment. Where there is misalignment, we will redouble efforts to engage with the trade association to drive closer alignment in their advocacy for a more sustainable future.

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Policy positions summary

Policy scorecards

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<u>Global and national targets</u>									
Paris Agreement and US NDC	●	N/A	●	●	●	●	N/A	●	⊕
US net zero by 2050	●	●	●	●	●	●	N/A	●	●
<u>Carbon abatement policies</u>									
Inflation Reduction Act	●	●	○	●	●	●	N/A	●	○
Carbon reporting	●	N/A	⊕	●	●	●	N/A	●	○
SEC climate disclosure rule	●	N/A	○	●	●	●	N/A	●	○
FAR council rule	●	N/A	N/A	●	N/A	●	N/A	●	○
<u>Carbon pricing</u>									
Carbon tax	●	N/A	N/A	●	●	●	●	N/A	N/A
Carbon fee	●	N/A	N/A	●	N/A	●	●	N/A	N/A
Other	●	N/A	N/A	N/A	N/A	N/A	●	●	●
Carbon reduction	●	●	●	●	●	●	●	●	⊕
<u>Carbon removal</u>									
Tax Incentives	●	N/A	●	●	N/A	●	N/A	N/A	●
Federal procurement	●	N/A	N/A	●	N/A	●	N/A	●	N/A
Certification programs	●	N/A	N/A	N/A	N/A	●	N/A	●	N/A
Other	●	N/A	N/A	N/A	N/A	●	N/A	N/A	●
Industrial decarbonization	●	●	●	●	●	●	●	●	●
<u>Power sector & fuels policies</u>									
Renewable & zero-emission power generation	●	●	●	●	●	●	●	●	●
Developing interstate transmission	●	●	●	●	●	●	N/A	N/A	⊕
Sustainable aviation fuels	●	N/A	●	●	N/A	●	N/A	N/A	●

● Supports ○ Opposed ⊕ Mixed N/A No Position

United

Advanced Energy United

ae.net | Washington, DC

Policy scorecard

Global and national targets

Paris Agreement and US NDC	N/A
US net zero by 2050	●

Carbon Abatement Policies

Inflation Reduction Act	●
Carbon reporting	N/A
SEC climate disclosure rule	N/A
FAR council rule	N/A

Carbon pricing

Carbon tax	N/A
Carbon fee	N/A
Other	N/A

Carbon reduction

Carbon reduction	●
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Carbon removal

Tax Incentives	N/A
Federal procurement	N/A
Certification programs	N/A
Other	N/A

Industrial decarbonization

Industrial decarbonization	●
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Power sector & fuels policies

Renewable & zero-emission power	●
Developing interstate transmission	●
Sustainable aviation fuels	N/A

● Supports ○ Opposed ◐ Mixed N/A No Position

Association Overview

Advanced Energy United is an association that envisions an economy powered by 100% clean energy. They work to achieve their mission by engaging with policy makers and energy market regulators at the state, regional, and national levels.

United is solely focused on the supply of clean electrical energy throughout the national economy. As such, they are agnostic about some major pieces of sustainability legislation but have strong positions on topics related to the generation, transmission, and regulation of electrical power.

United engages directly with legislators to educate and advocate for carbon reduction and removal by electrifying more of the economy. They also conduct and communicate proprietary market research and build coalitions of large energy buyers to drive renewable generation projects or advocate for favorable legislative policies.

Policy Alignment Spotlight



Inflation Reduction Act

Complementing the Infrastructure Investment and Job Act (IIJA), United estimated that the IRA and IIJA committed about \$444 billion federal dollars to advanced energy. Additionally, they estimate the federal commitments support an additional \$1.2 trillion in private sector investment.



Developing interstate transmission

United works to expand reliable access to the power grid. They regularly facilitate state and local groups' utilization of federal resources to improve their grids, including resources provisioned in the IRA.

BRT

Business Roundtable

Businessroundtable.org | Washington, DC

Policy scorecard

Global and national targets

Paris Agreement and US NDC	●
US net zero by 2050	●
Carbon Abatement Policies	
Inflation Reduction Act	○
Carbon reporting	⊕
SEC climate disclosure rule	○
FAR council rule	N/A
Carbon pricing	
Carbon tax	N/A
Carbon fee	N/A
Other	N/A
Carbon reduction	●
Carbon removal	
Tax Incentives	●
Federal procurement	N/A
Certification programs	N/A
Other	N/A
Industrial decarbonization	●
Power sector & fuels policies	
Renewable & zero-emission power	●
Developing interstate transmission	●
Sustainable aviation fuels	●

● Supports ○ Opposed ⊕ Mixed N/A No Position

Association Overview

Business Roundtable is an association of more than 200 CEOs of America’s leading companies, representing every sector of the US economy. The BRT facilitates bipartisan policy discussions and advocacy across topics like corporate taxation, immigration, and international trade, among others. They focus on policies affecting the national economy and believe environmental sustainability is a pertinent component of that focus.

The BRT clearly affirms the dangers of unmitigated climate change. They encourage corporations to “lead by example” and advocate for smart regulatory requirements and innovative new climate solutions. While they prefer market-based solutions over legislative requirements, they agree that there is a role for federal and state policy. The BRT may endorse policies for carbon pricing or reduction so long as they provide positive incentives for corporate action and create a consistent regulatory framework.

In addition to directly lobbying legislators, they also leverage public campaigns and corporate initiatives to drive action and awareness.

[Read more about their approach to climate change](#)

Policy Alignment Spotlight



Inflation Reduction Act (IRA)

BRT opposed passage of the IRA despite supporting the climate provisions it contained.



Tax Incentives for carbon removal

BRT supports the use of federal tax incentives for carbon removal projects.

C2ES

Center for Climate and Energy Solutions

c2es.org | Arlington, VA

Policy scorecard

Global and national targets

Paris Agreement and US NDC	●
US net zero by 2050	●

Carbon Abatement Policies

Inflation Reduction Act	●
Carbon reporting	●
SEC climate disclosure rule	●
FAR council rule	●
Carbon pricing	
Carbon tax	●
Carbon fee	●
Other	N/A
Carbon reduction	●
Carbon removal	
Tax Incentives	●
Federal procurement	●
Certification programs	N/A
Other	N/A
Industrial decarbonization	●
Power sector & fuels policies	
Renewable & zero-emission power	●
Developing interstate transmission	●
Sustainable aviation fuels	●

● Supports ○ Opposed ⊕ Mixed N/A No Position

Association Overview

C2ES is a think tank that is explicitly focused on climate stability and attaining an economy with net zero greenhouse gas emissions (GHG). C2ES influences change through national policy advocacy and directly engaging major enterprises.

C2ES is strongly aligned with major sustainability-related policies. They support using mandates and regulatory requirements – along with incentives – to make progress towards a net zero GHG economy. C2ES organizes their effort into three core areas: accelerating the transition to a net zero economy, supporting the Paris agreement, and increasing climate resilience.

In addition to advocating for national policies, C2ES engages with regional communities to catalyze national and state policies into their local vitality and resilience. They also bring together coalitions of enterprise-scale businesses to identify the challenges and solutions to business transformation across the economy.

Policy Alignment Spotlight

✓ Inflation Reduction Act (IRA)

The C2ES rallied their business members to increase and maintain pressure on the Senate to pass the IRA, and continue advocating for additional progress and action.

✓ Carbon reporting

The C2ES strongly argues that reporting detailed and accurate levels of GHG emissions are essential. They educate and advocate for expanding the rigor and requirements of carbon reporting.

CEBA

Clean Energy Buyers Association

cebayers.org | Washington, DC

Policy scorecard

Global and national targets

Paris Agreement and US NDC	●
US net zero by 2050	●

Carbon Abatement Policies

Inflation Reduction Act	●
Carbon reporting	●
SEC climate disclosure rule	●
FAR council rule	N/A
Carbon pricing	
Carbon tax	●
Carbon fee	N/A
Other	N/A
Carbon reduction	●
Carbon removal	
Tax Incentives	N/A
Federal procurement	N/A
Certification programs	N/A
Other	N/A
Industrial decarbonization	●
Power sector & fuels policies	
Renewable & zero-emission power	●
Developing interstate transmission	●
Sustainable aviation fuels	N/A

● Supports ○ Opposed ⊕ Mixed N/A No Position

Association Overview

CEBA’s mission is for 90% of the electricity in the US to come from carbon-free sources. CEBA primarily participates directly in industry by engaging energy buyers with education and resources to increase their ability to procure clean energy across borders.

CEBA supported the clean energy provisions in the IRA and IIJA and the need to improve the permitting process for transmission. They are agnostic on the specific technologies needed to produce carbon-free electricity, and thus take a position on some policies when other electricity-focused groups may not. In 2021, CEBA published their strategic roadmap to 2030 which involves improving energy markets and growing demand for renewables, as well as advancing decarbonization policy.

CEBA actively lobbies state, regional, and federal policymakers to advance the clean energy market. They also engage with agencies (e.g., DOE, FERC, and state agencies) on regulatory matters and conduct primary research which they share with industry stakeholders and legislators.

Policy Alignment Spotlight



Developing interstate transmission

CEBA sets its sights on developing the size, resilience, and interconnectedness of power grids in the United States.



Inflation Reduction Act (IRA)

CEBA hailed the IRA’s passage as a boon to the future of clean energy by reducing energy costs for consumers and accelerating the market uptake of clean sources of power generation.

Policy scorecard

Global and national targets

Paris Agreement and US NDC	●
US net zero by 2050	●

Carbon Abatement Policies

Inflation Reduction Act	●
Carbon reporting	●
SEC climate disclosure rule	●
FAR council rule	●

Carbon pricing	
Carbon tax	●
Carbon fee	●
Other	N/A

Carbon reduction	●
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Carbon removal	
Tax Incentives	●
Federal procurement	●
Certification programs	●
Other	●

Industrial decarbonization	●
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Power sector & fuels policies

Renewable & zero-emission power	●
Developing interstate transmission	●
Sustainable aviation fuels	●

● Supports ○ Opposed ⊕ Mixed N/A No Position

Association Overview

Ceres is a think tank dedicated to solving global sustainability challenges. They envision a world with a systemically stable atmosphere, water cycle, and natural resources. They work to manifest this stability by advocating and educating influential investors, leaders, and legislators on the financial benefits of sustainable business transformation.

They support direct carbon removal, though educate their corporate members that it is not a replacement for broad supply chain decarbonization. Ceres regularly works to educate industry stakeholders on the business opportunities arising from these sustainability policies.

Ceres advocates their policy positions by directly engaging and educating legislators. Ceres also provides advocacy resources to their network of executives and investors to encourage corporate policy engagement. Further, they collaborate on multiple initiatives to expand their reach across the economy.

Policy Alignment Spotlight

✓ Carbon pricing

Ceres strongly advocates for putting a price on carbon. They seek to educate legislators on effective pricing methods and argue that it is founded on a strong business case.

✓ Carbon reporting

Ceres has asked regulators to strengthen carbon reporting requirements for more than a decade, and they continue educating leaders and investors on the benefits of reducing emissions and best practices for carbon reporting.



Climate Leadership Council

clcouncil.org | Washington, DC

Policy scorecard

Global and national targets

Paris Agreement and US NDC	N/A
US net zero by 2050	N/A

Carbon Abatement Policies

Inflation Reduction Act	N/A
Carbon reporting	N/A
SEC climate disclosure rule	N/A
FAR council rule	N/A

Carbon pricing

Carbon tax	●
Carbon fee	●
Other	●
Carbon reduction	●

Carbon removal

Tax Incentives	N/A
Federal procurement	N/A
Certification programs	N/A
Other	N/A

Industrial decarbonization

Industrial decarbonization	●
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Power sector & fuels policies

Renewable & zero-emission power	●
Developing interstate transmission	N/A
Sustainable aviation fuels	N/A

● Supports ○ Opposed ⊕ Mixed N/A No Position

Association Overview

The Climate Leadership Council (the Council) is a think tank that works with a broad set of stakeholders to promote effective, fair, and lasting climate solutions. They propose a “[carbon dividends plan](#)”, which is designed to draw support across party lines. Their plan calls for simplifying regulations, border carbon adjustments, an escalating carbon fee, and giving that fee back to Americans through a dividend. They also have a Center for Climate and Trade, which explores and advances policies that leverage trade relationships and the global market economy towards greater international cooperation.

Whereas most associations in this report focus on a particular sector or outcome, the Council is a think tank that focuses specifically on market-based climate policy solutions. As such, they express support for policies including and beyond the carbon dividends plan, especially those at the climate-trade nexus, so long as they are consistent with the philosophy of leveraging market forces to incentivize clean technology investments, innovation, and lower emissions.

The Council advocates for the carbon dividends plan and their trade work by lobbying legislators and communicating the support garnered from [prominent economists](#), industry, labor, and other environmental groups and nonprofits. They sponsor original economic research and advertise their findings through academic outreach programs, along with educating the administration and legislators and their staff in Congress.

Policy Alignment Spotlight

✓ Carbon pricing

Putting a price on GHG emissions is an [essential piece](#) of the Council’s policy proposal. They argue that carbon pricing provides the impetus for businesses to quickly clean up their operations and that returning the fee to constituents as a dividend builds the necessary political support.



Information Technology Industry Council

itic.org | Washington, DC

Policy scorecard

Global and national targets

Paris Agreement and US NDC	●
US net zero by 2050	●
Carbon Abatement Policies	
Inflation Reduction Act	●
Carbon reporting	●
SEC climate disclosure rule	●
FAR council rule	●
Carbon pricing	
Carbon tax	N/A
Carbon fee	N/A
Other	●
Carbon reduction	●
Carbon removal	
Tax Incentives	N/A
Federal procurement	●
Certification programs	●
Other	N/A
Industrial decarbonization	●
Power sector & fuels policies	
Renewable & zero-emission power	●
Developing interstate transmission	N/A
Sustainable aviation fuels	N/A

● Supports ○ Opposed ⊕ Mixed N/A No Position

Association Overview

ITI is a global trade association for technology, representing the world’s most innovative companies. ITI advocates for public policies and industry standards that advance competition and innovation worldwide. The association has deep expertise in a wide range of technology policy issues, ranging from AI to broadband to environmental sustainability.

ITI notes the need for coordinated sustainability efforts and supports policies and legislation related to its industry (e.g., clean energy), along with policies beyond its member’s immediate interests (e.g., Paris Climate Agreement). ITI also helps members with sustainability goals beyond GHG emissions, such as sourcing environmentally-friendly materials.

ITI advocates for policies that follow the IPCC’s targets and recommendations. ITI also engages with policymakers across the globe to encourage continuity with global climate agreements and to share ways the technology industry can support and benefit from the transition to a sustainable economy.

Policy Alignment Spotlight

✓ Carbon reporting

ITI affirms the stated goals of the proposed SEC and FAR rules to reduce emissions and mitigate climate-related financial risk. They generally support these efforts and offered comments to, in their view, improve and streamline them for businesses compliance.

U.S. Chamber

The Chamber of Commerce of the United States

uschamber.org | Washington, DC

Policy scorecard

Global and national targets

Paris Agreement and US NDC	⊕
US net zero by 2050	●
Carbon Abatement Policies	
Inflation Reduction Act	○
Carbon reporting	○
SEC climate disclosure rule	○
FAR council rule	○
Carbon pricing	
Carbon tax	N/A
Carbon fee	N/A
Other	●
Carbon reduction	⊕
Carbon removal	
Tax Incentives	●
Federal procurement	N/A
Certification programs	N/A
Other	●
Industrial decarbonization	●
Power sector & fuels policies	
Renewable & zero-emission power	●
Developing interstate transmission	⊕
Sustainable aviation fuels	●

● Supports ○ Opposed ⊕ Mixed N/A No Position

Association Overview

The U.S. Chamber is a major organization lobbying on behalf of their business members ranging from small businesses to global corporations. Their policy perspective is organized around principles of free-market economics and limited government intervention/regulation.

Overall, the Chamber supports the major sustainability legislation and infrastructure funding. They are generally opposed to regulatory requirements (e.g., [SEC disclosures](#)), preferring voluntary participation instead. While the Chamber opposed the passage of the IRA, they did support the clean energy and climate provisions in [this blog post](#). They support tax incentives for supply chain decarbonization but have not stated a position on taxing emissions directly.

The U.S. Chamber of Commerce directly engages national legislators and policymakers. They educate and advise administrators to shape regulatory processes (e.g., SEC disclosures) and publish comments for members of congress to advise on specific legislation (e.g., [CBAM](#)).

[Read more about their approach to climate change](#)

Policy Alignment Spotlight

⚠ Carbon reporting

The U.S. Chamber opposes the proposed [SEC](#) and [FAR](#) disclosures. They argue that the SEC rules create confusion and are counterproductive, and that the FAR rule creates an unfair obstacle for small businesses to compete for government contracts.

✓ Sustainable aviation fuel (SAF)

The U.S. Chamber sees a ripe future for [alternative fuels](#) such as SAF. They encourage legislators to incentivize innovation in this area and applaud the [trailblazing companies](#) who are leading the market.

Global and national targets

Paris Agreement and US Nationally Determined Contribution (NDC)

Definition

The Paris Agreement is a legally binding international treaty on climate change with an overarching goal to hold the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels.

US National Determined Contribution (NDC):

The current US NDC, as formally submitted to the UNFCCC in 2021, sets a target to achieve a 50-52 percent reduction from 2005 levels in economy-wide net GHG emissions in 2030.

US net zero by 2050

Definition

Aligned associations support the long-term strategic goal to achieve net zero greenhouse gas emissions from the United States by 2050. Achieving this goal would create numerous benefits for citizens and business opportunities for every industry sector. Major steps involve a cleaner power grid, increasing energy efficiency, and scaling up carbon removal technology.

Carbon abatement policies

1 of 2

Inflation Reduction Act

Definition

Aligned associations support the passage of the clean energy provisions of the 2022 Inflation Reduction Act and the overall passage of the bill. The [IRA includes \\$369 billion in funding](#) to boost clean energy production, revitalize areas impacted by pollution, strengthen supply chains for critical materials, and accelerate the transition to electric vehicles.

Industrial decarbonization

Definition

Aligned associations support policies which will accelerate the decarbonization of the grid and the uptake of sustainable industrial processes. Some products – cement, steel, fertilizer, etc. – emit large quantities of CO₂ even if the entire manufacturing process was powered by renewable energy. These emissions comprise [up to 40% of global GHGs](#) and are some of the most difficult to reduce.

Carbon reporting

Definition

Policies to encourage and, increasingly, compel organizations to consistently [measure and report their carbon emissions](#). These policies should drive consistent, robust and interoperable GHG reporting metrics and promote comprehensive yet flexible corporate disclosures, including the proposed [SEC Climate Disclosure Rule](#) which applies to public companies and the proposed [FAR Council Rule](#) which applies to government contractors.

Carbon abatement policies

2 of 2

Carbon pricing

Definition

Carbon pricing policies that are designed effectively to significantly reduce carbon, provide consideration for trade-exposed industries, help mitigate negative impacts on low-income communities, and establish clear performance standards and metrics to guide investments. This can include a carbon tax, carbon fee, and/or cross-border adjustment mechanism.

Carbon reduction

Definition

Alignment with policies that provide incentives and (/or) mandates to reduce carbon emissions at the project, sector, or economy-wide level.

Carbon removal

Definition

Policies that encourage and accelerate the development of technologies to remove carbon from the atmosphere (nature based or engineered), as well as supporting carbon removal measurement methodologies and markets, including tax incentives, federal procurement, certification and verification programs.

Power sector & fuels policies

Renewable & zero-emission power generation

Definition

Policies that accelerate the transition to clean electricity generation, including zero-emission energy generation, improved electricity market design, and increased access to electricity markets through incentives, mandates and/or market reforms.

Developing interstate transmission

Definition

As the demand for energy continues to grow, the electricity grid must grow even faster. Aligned associations support policies that remove roadblocks to these planning processes and create opportunities for competition for new transmission corridors to help control costs for consumers and accelerate the clean energy transition.

Sustainable aviation fuels

Definition

Policies that provide incentives or mandates to the production and use of sustainable aviation fuels. SAF are drop-in fuel blending components derived from renewable or waste-based feedstocks that, relative to petroleum-based fuels, provide reduced carbon dioxide emissions.