

'GREEN' MULTINATIONALS EXPOSED

SOUTHERN COMPANY



HEADQUARTERS Atlanta (Georgia), United States

**MAIN
SHAREHOLDERS**¹

- The Vanguard Group, Inc. — 8.59%
- Massachusetts Financial Services Co. — 2.05%
- T. Rowe Price Associates, Inc. (Investment Management) — 1.55%
- Franklin Advisers, Inc. — 1.37%
- Geode Capital Management LLC — 1.36%
- Fidelity Management & Research Co. LLC — 1.34%
- Strategic Advisers LLC — 1.04%
- Capital Research & Management Co. (World Investors) — 1.00%
- Capital Research & Management Co. (Global Investors) — 0.84%
- Wellington Management Co. LLP — 0.62%

PROFITS

- US\$3.52 billion in 2022
- US\$19.29 billion between 2016 and 2022

**TOP SALARIES AND
BONUSES**

US\$24 million for CEO Thomas A. Fanning (2022)²

**DIVIDEND PAY-OUTS
AND SHARE BUYBACKS**

- US\$2.91 billion in dividend payouts in 2022; US\$17.77 billion between 2016 and 2022
- US\$1.81 billion in share buybacks in 2022; US\$8.44 billion in share buybacks between 2016 and 2022

**RENEWABLE
GENERATION**

6.44 GW capacity in operation as of 2022³

	2022	2021	2020	2019	2018	2017	2016
NET PROFIT (US\$ BILLION)	3.52	2.39	3.12	4.74	2.23	0.84	2.45
DIVIDENDS (US\$ BILLION)	2.91	2.78	2.69	2.57	2.43	2.30	0.32
SHARE BUYBACKS (US\$ BILLION)	1.81	0.07	0.07	0.84	1.09	0.79	3.76

* Exchange rate based on IRS annual values: <https://www.irs.gov/individuals/international-taxpayers/yearly-average-currency-exchange-rates>

Southern Company sells electricity to 9 million customers in Alabama, Georgia, Illinois, Mississippi, Tennessee and Virginia, making it the second largest provider in the US.⁴ The firm enjoys a monopoly to serve residential customers in many of these states.⁵ Southern Company was founded in Atlanta, Georgia, in 1947, although its constituent companies are older — they include Georgia Electric Light Company of Atlanta, which was incorporated in 1883; Alabama Power, incorporated in 1906; and Mississippi Power, incorporated in 1925.⁶ Southern also owned Gulf Power in Florida for almost 100 years but sold it in 2018 to NextEra Energy for US\$6.5 billion, after reporting big losses on carbon capture and nuclear power, as well as a downturn in energy spending by customers.⁷

As of 2022, Southern Company has a generation capacity of 43,000 megawatts,⁸ and is the third-largest greenhouse gas polluter in the country.⁹ This is primarily because of its fleet of coal and gas plants such as the Barry Steam Plant and the Miller Steam Plant in Alabama as well as the Bowen Steam Plant and the Scherer Power Plant in Georgia.¹⁰ The company operates approximately 2.4 gigawatts of solar projects in US states including California, Georgia, Nevada and Texas,¹¹ and approximately 2.5 gigawatts of wind power, concentrated mostly in Oklahoma and Texas.¹²

The showcase of Southern Company's commitment to green energy was the Kemper plant in Mississippi. Southern proclaimed the plant would produce 582 megawatts of 'clean coal' power using carbon capture technology.¹³ The company saw the plant as a way to win US\$270 million in federal subsidies and to support the local lignite coal mining industry.¹⁴ They were allegedly supported by Haley Barbour, Southern's chief lobbyist, before he became the governor of Mississippi. Yet the project quickly ran into problems when the carbon capture technology simply did not work at the scale envisaged.¹⁵

Originally projected to cost US\$1.8 billion, the Kemper plant broke ground in 2010 and soon became a central plank of the Obama administration's Climate Action Plan.¹⁶ The project went at least US\$3 billion over budget and was never completed.¹⁷ Unfortunately for customers, Barbour also signed a 2008 law that allowed any excess costs to be charged to them.¹⁸ 'It was exciting times, but it turned out to be like a mirage', Brett Wingo, a former company engineer who

blew the whistle on the project, told the Guardian newspaper. 'It was a cool trick — on all of us.'¹⁹ In 2017, Southern Company decided to turn Kemper into a gas plant. Finally, in 2021, the company decided that it was cheaper to blow up some of the carbon capture equipment than to dismantle it.²⁰

Southern Company has also been a major secret funder of climate dis-information since the 1990s, according to a report from the Energy and Policy Institute.²¹ Over the years, the company spent at least US\$62 million funding climate change deniers, almost twice as much as the US\$33 million that Exxon spent in the same time period.²² In fact, the actual figures are likely higher, since this data was only required to be reported until 2005.

Southern paid more than US\$20 million to the Edison Electric Institute alone, a trade group that in 1991 helped create one of the first ever media campaigns designed to 'directly attack the proponents of global warming'.²³ For example, in a 1991 print advertisement, Southern Company published a picture of a cartoon chicken and the caption: 'Who told you the earth was warming?'²⁴ Notably, Southern Company was a major funder of Willie Soon, a climate sceptic employed by the Harvard-Smithsonian Center for Astrophysics, paying him US\$410,000 for his work.²⁵ Indeed, as recently as 2017, Southern's CEO claimed that climate change was not real.²⁶

Southern Company also has a history of fighting solar power. **In 2013, the company levied a US\$5 per kilowatt hour monthly fee on any customer who generated solar power in Alabama, effectively killing off the industry in the state.**²⁷ The company tried to impose similar fees in Georgia but voters rejected the measure.²⁸ Today Georgia has ten times more residential solar installations than Alabama.²⁹

Southern Company leans heavily on two public relations and lobbying firms in Alabama — Matrix Group and Perkins Communications. Matrix and Perkins were paid approximately US\$2.5 million by Southern Company subsidiary Alabama Power over an 18-month period in 2018 and 2019, according to leaked contracts.³⁰ **These firms have set up fake 'astroturf' citizen groups like the JobKeeper Alliance and the Partnership for Affordable Clean Energy to support the company's policies.**³¹ (These initiatives have also played an active role in campaigning against rooftop solar power in Florida for NextEra, which recently bought Gulf Power from Southern.)³²

Violation Tracker, a project of national policy resource centre Good Jobs First, estimates that **the company has accumulated over US\$236 million in fines since 2000**³³ — the biggest of which was a US\$200 million fine for the Miller Steam Plant in 2006, where the company was fined for failing to reduce sulphur dioxide and nitrogen oxides emissions.³⁴ Subsidy Tracker, another project of Good Jobs First, estimates that Southern has received US\$5.6 billion in federal loans, loan guarantees and bailout assistance — and over US\$3.2 billion in 113 subsidies since 2009.³⁵ The vast majority are from the federal government, several of which were paid out for the Kemper coal project. The company was also awarded a US\$295 million grant to retrofit the Barry Steam Plant in Alabama

for carbon capture in 2009. Less than four months later, Southern abandoned the project.³⁶

Southern Company might well be able to reap many more billions over the next decade because of the 2022 Inflation Reduction Act, which includes billions of dollars in new money for carbon capture projects as well as for solar and wind projects.³⁷

CORE CONTROVERSIES

- **Southern is the second largest electricity provider and third largest greenhouse gas polluter in the US.**
- **Southern won US\$270 million in public subsidies to develop carbon capture technology, which it eventually blew up rather than reusing when the project failed.**
- **By 2005, Southern had spent at least US\$62 million funding climate change deniers and disinformation, a figure which could be even higher today.**
- **As recently as 2017, Southern's CEO claimed that climate change was not real.**
- **Southern has fought legislation to support solar power generation in homes.**
- **Southern has contracted public relations and lobbying firms to establish fake citizen groups to lobby for company policies and fight environmental and energy policies that will reduce their profits (such as home solar).**
- **Southern has accumulated hundreds of millions of US dollars in fines for environmental pollution.**

The company was invited to send factual corrections to these findings but did not respond to our inquiry.

ENDNOTES

1. Please note, this data changes regularly. Source: MarketScreener (n.d.) 'Southern Company'. <https://www.marketscreener.com/quote/stock/SOUTHERN-COMPANY-14441/company/> Last accessed: 24 October 2023
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For over a century, energy multinationals have been wrecking the planet and exploiting people in pursuit of profit. Now, power producers and technology manufacturers are marketing themselves as 'green' to boost their reputation and benefit from public subsidies, grabbing lands, violating human rights and destroying communities along the way. Our investigation of fifteen 'green' multinationals conclusively shows that financial returns, not decarbonisation, is their primary business. 'Green' capital has taken over the energy transition, dictating its pace and blocking climate policies that hamper its profits. It is time to take on these greenwashing corporations and reclaim the entire energy sector through public ownership and democratic governance.

Download the full report and the 14 other company profiles on <https://www.tni.org/GreenMultinationals>.

