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# Public Ownership Must Govern Public Goods: Democratizing Climate Infrastructure

**By Catherine Fraser, Celina Scott-Buechler, Anika Dandekar, and Grace Adcox**

May 2024

**Introduction**

The Inflation Reduction Act (IRA), Bipartisan Infrastructure Law (BIL), and the CHIPS and Science Act mark a shift in the nation's approach to combating climate change. These recent legislative strides demonstrate the bipartisan potential of green industrial policy that prioritizes investments in climate-relevant infrastructure. However, there's growing concern about these bills' emphasis on private sector involvement — the likely outcome being further concentration of power and wealth in the private sector. Critics argue that this focus could replicate existing inequities and fail to address the systemic changes needed to tackle the climate crisis effectively. The private sector's profit-driven motives may not always align with urgent environmental and social imperatives, raising concerns about the sustainability and inclusivity of the solutions provided under these legislative frameworks. This critique is anchored in history, which has seen a trend of privatization in the U.S., escalating since the 1980s. Privatization has led to the prioritization of profit over public welfare, often at the expense of environmental sustainability and social equity.

The privatization trend, which gained significant momentum in the United States during the Reagan administration, has been characterized by a shift toward market-led governance and a reduction in the role of the public sector in providing services and infrastructure. This shift has been contentious, with proponents advocating for the efficiency and innovation of the private sector, while detractors highlight the risks of decreased public control, reduced worker rights, and increased long-term costs to the public. In the context of climate infrastructure, this trend raises particular concerns. The urgency of the climate crisis and the necessity for large-scale, transformative action conflict with a privatization model that might prioritize short-term gains over long-term sustainability and equity. Moreover, as Brett Christophers points out in his new book, *The Price Is Wrong*, private developers and financiers are not building out necessary renewable energy at the speed required by the climate crisis given their inability to generate profit and build bankable projects — especially compared with conventional fossil fuel projects — without significant government support or subsidy. Christophers thus argues that, given its profit motives and marginal prospective returns from renewable energy investment and deployment, the private sector cannot and will not solve the climate crisis. Instead, we join Christophers in arguing that public ownership models offer better avenues for achieving climate justice.

Climate justice insists that efforts to combat climate change must also advance social equity, rectify historical injustices, and enhance the well-being of marginalized

communities disproportionately affected by environmental degradation and climate impacts. The imperative for prioritizing public over private ownership models in the deployment of climate-relevant infrastructure under the IRA, BIL, and CHIPS Act is rooted in this broader vision. Public ownership can ensure that the primary goal of infrastructure development is to serve the public good, promote universal access, and foster community resilience, rather than generating private profit. This model can better align with the goals of climate justice, ensuring that the investments made today do not merely perpetuate a status quo that has historically marginalized vulnerable populations but instead lay the foundation for a more equitable and sustainable future through democratic ownership and participation. The increasing urgency of climate action and climate justice necessitates a paradigm shift away from privatization and toward public stewardship of climate-relevant infrastructure.

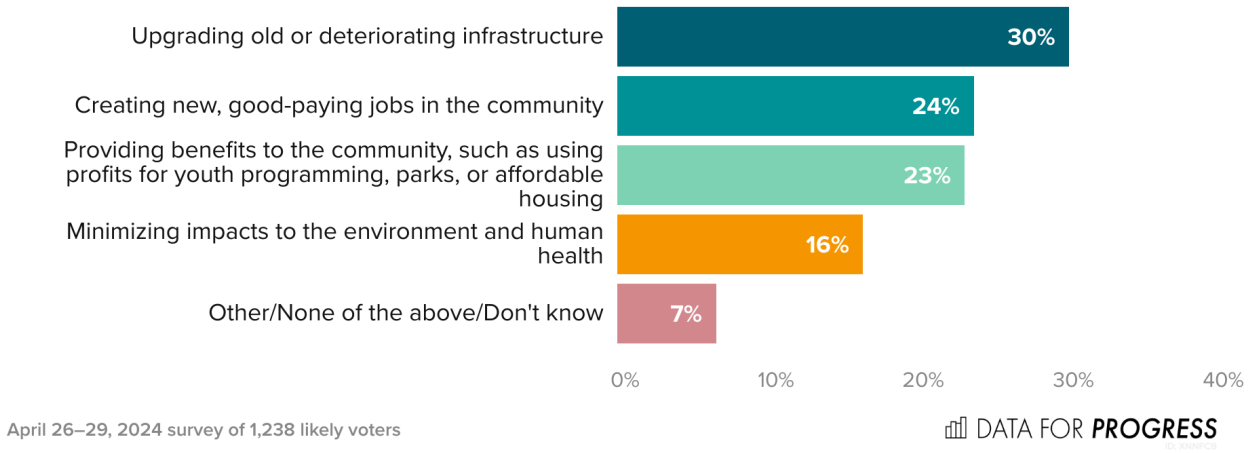
**What Is Public Ownership?**

Despite a decades-long trend toward privatization, most Americans interact with publicly owned infrastructure everyday through public water systems, lands, utilities, or waste infrastructure. In fact, public water systems provide drinking water to about 90% of Americans. Public ownership can take many forms, giving citizens a direct say in day-to-day decisions through elected representatives, ownership stakes, and other means. At their best, public ownership models can better embed democratic governance over public goods, like water, a stable climate, energy, and more, while also being sensitive to the needs and interests of local communities.

New polling conducted by Data for Progress reveals that likely voters nationwide want the top priority of new infrastructure development projects in their communities to be upgrading old or deteriorating infrastructure (30%), followed by creating new, good-paying local jobs (24%), providing benefits to the community, like affordable housing (23%), and minimizing impacts to the environment and human health (16%). Public ownership structures offer a means to tailor governance and services to the unique needs that individual communities have, whether related to existing infrastructure and community characteristics or the tools that will help mitigate community impacts of the climate crisis.

## Voters Want New Infrastructure Development Projects to Prioritize Upgrading Existing Infrastructure

Of the following, what do you think should be the **top priority** for new infrastructure development projects proposed near where you live?




April 26–29, 2024 survey of 1,238 likely voters

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All Americans have a right to clean, affordable energy, and a livable, climate-stable future. By eliminating profit motivations, public ownership provides a better foundation for ensuring access to these fundamental rights than private ownership. Public ownership is not a panacea, and many public ownership structures in the U.S. are flawed and in need of reform to ensure transparency, participation, and responsible governance. Democratic governance expert Thomas Hanna put it plainly in *Jacobin*: "Public ownership, while not enough, is a prerequisite for building a more democratic and socially just society."

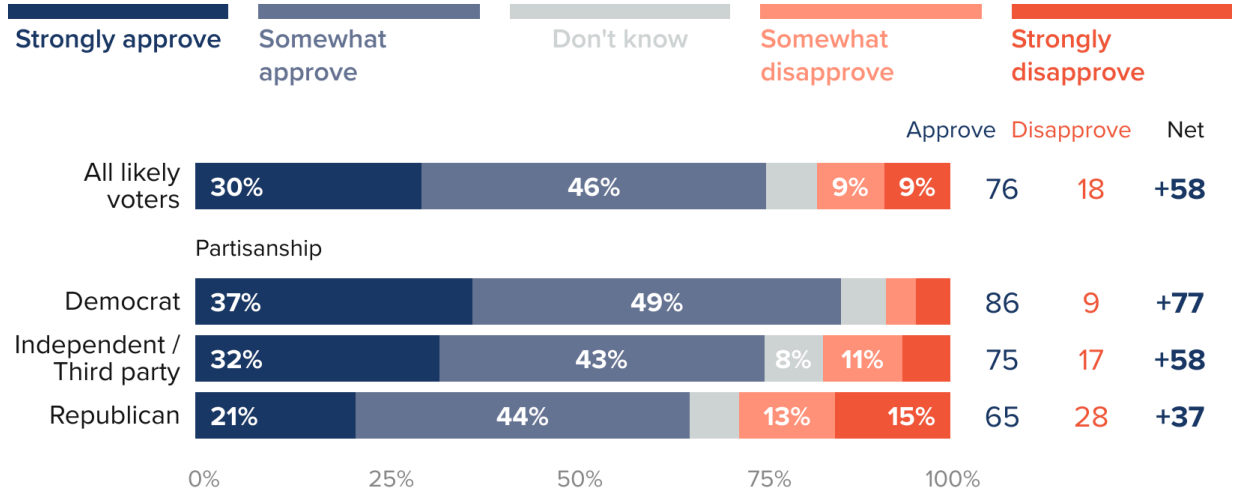
We find that 76% of voters would approve of a new clean energy or infrastructure project being developed in their area if it is publicly owned. This includes strong majorities of Democrats (86%), Independents (75%), and Republicans (65%).

# A Strong Majority of Voters Strongly Approve of a Publicly Owned Clean Infrastructure Project Being Built in Their Area

Recently passed federal legislation will give communities across the country funding for new infrastructure development projects, such as renewable energy and public transportation.

Some groups are proposing that these projects be **publicly owned**, meaning community members living nearby would have a say in decisions related to the project through elected boards or direct voting power. This would allow residents in the area to negotiate their interests with the project developer, like ensuring local hiring for the project and deciding how to use any profits generated to benefit the community.

Would you approve or disapprove of a new clean energy or infrastructure project being developed **in your community** if the project is **publicly owned**?

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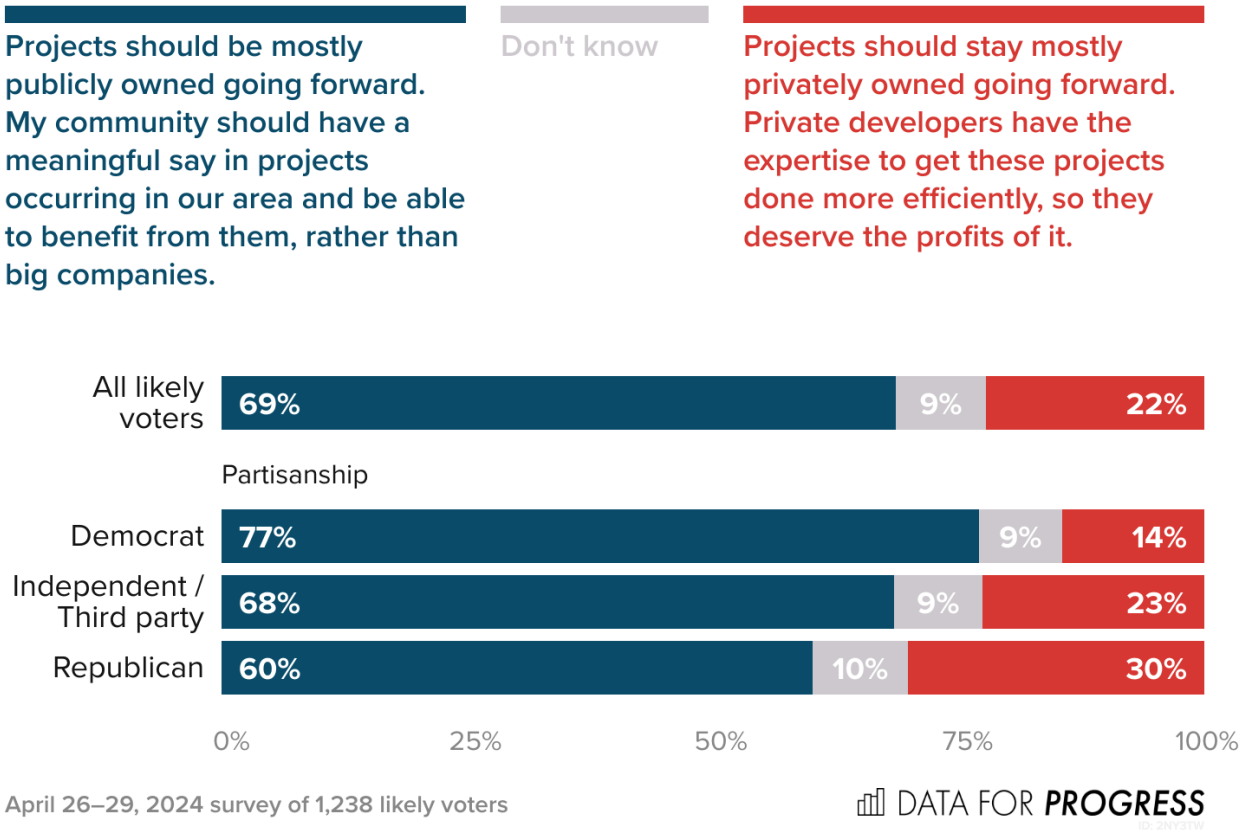
What's more, when asked about the future of infrastructure development projects in their community, a majority (69%) of voters agree with a statement that projects should be mostly publicly owned going forward, giving communities a meaningful say and stake in projects that may affect them. In contrast, just 22% of voters agree with the statement that projects should largely be privately owned moving forward.

# Over Two-Thirds of Voters Agree That Projects Should Be Mostly Publicly Owned Moving Forward

When thinking about new infrastructure development projects in your community, such as renewable energy and public transportation, which of the following statements comes closest to your view, even if neither is exactly right?

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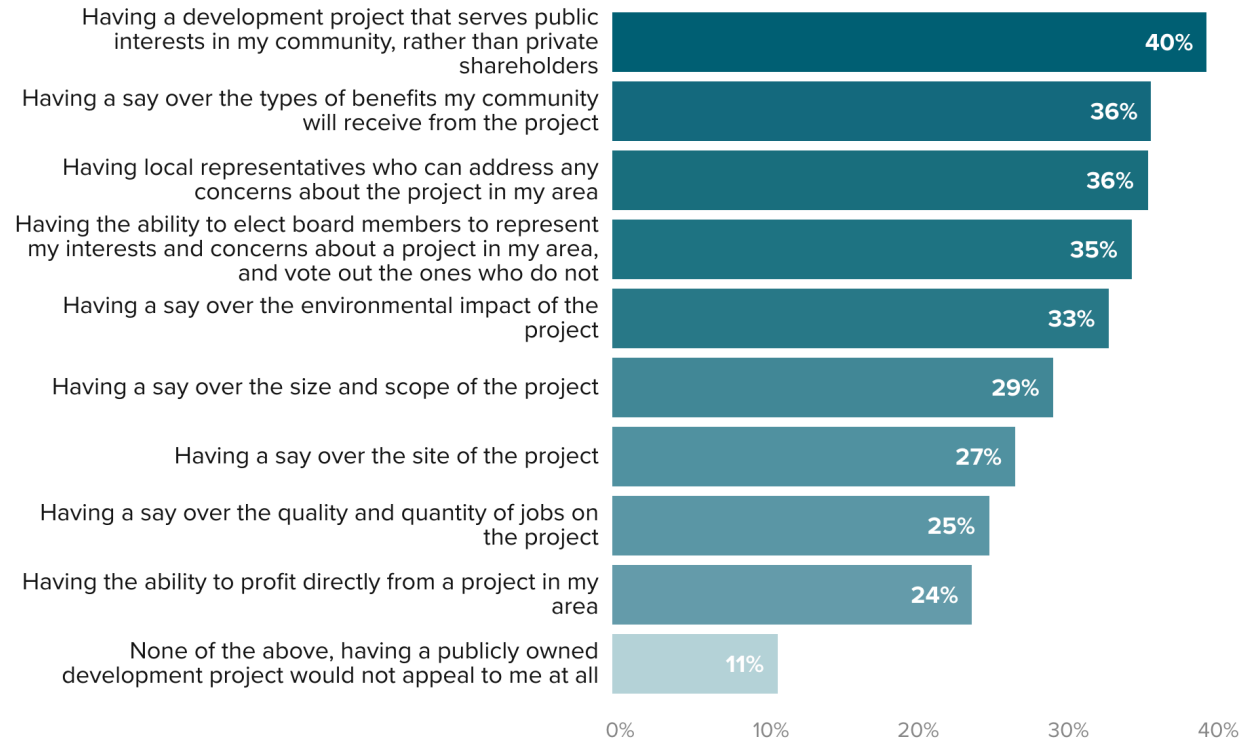
Of potential aspects of having a new, publicly owned clean energy and infrastructure development project in their community, voters are most excited about having a project that serves public interests, rather than private shareholders (40%), followed by having local representatives who can address concerns about the project (36%), having a say over the types of benefits their community will receive from the project (36%), and having the ability to elect board members to represent their interests and concerns about a project (35%).

## Voters Are Most Interested in the Democratic Governance Aspects of Public Ownership

What aspects of having a new, publicly owned clean energy and infrastructure development project in your community would be most appealing to you? Select all that apply.

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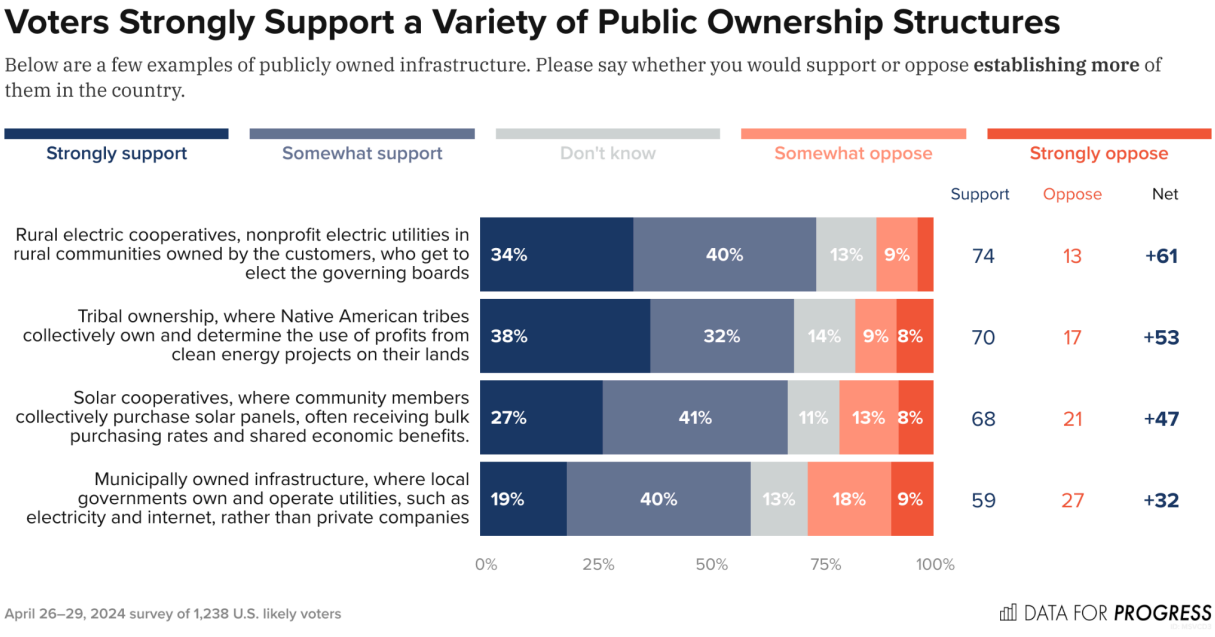
Currently, however, many publicly owned entities are governed much like for-profit companies, oriented around financial goals with little transparency and insufficient democratic governance. For example, the Tennessee Valley Authority (TVA) — the largest public power provider in the U.S. — has long drawn criticism for its lack of action on climate change, poor avenues for public participation, and limited accountability to the public. Despite TVA's status as a state-owned power provider, environmental advocates note that "it has no independent public-service commission to regulate it, only a board that, like corporate boards, has no staff of its own and thus depends on management." This structure results in a lack of transparency about the decision-making processes around power generation, transmission, and storage, as well as limited avenues for public input about the utility's decarbonization and pollution reduction efforts.

Even though the TVA has recently closed dirty coal plants, it's planning to replace them with polluting gas plants and not renewable energy. Moreover, TVA's lack of democratic processes has led Representative Steve Cohen to file a bill to reform the TVA and ensure that Tennessee citizens — who often have no meaningful process to provide input to the TVA — have a seat at the table within their utility.

The TVA is not an outlier: Many public utilities and enterprises in the U.S. don't always act in the public interest. For example, the Bank of North Dakota — one of the few publicly owned banks in the U.S. — notably outperformed Wall Street's Goldman Sachs and J.P. Morgan in 2014 largely due to its investments in fracking. The bank also lent $10 million for law enforcement to respond to protests against the Dakota Access Pipeline at Standing Rock, resulting in widespread criticism of the bank from the people of North Dakota it was founded to serve.

Despite these shortfalls, we argue that public ownership still offers the best avenue for achieving climate justice. This report highlights the opportunities and challenges to broaden and strengthen public ownership in the U.S. through four examples of public governance structures: solar cooperatives; municipally owned infrastructure, like public utilities; rural electric cooperatives; and Tribal ownership structures. Survey findings reveal that voters strongly support all four public ownership structures, with bipartisan majorities of American voters in favor of establishing more solar cooperatives (68%), rural electric cooperatives (74%), municipally owned infrastructure (59%), and Tribal ownership (70%).



**Types of Publicly Owned Infrastructure**

***Solar Cooperatives***

Solar cooperatives, or solar co-ops, present a form of public ownership through which community members come together and pool funds to collectively purchase solar panels, often benefiting from bulk purchasing rates. This model democratizes energy production and ensures that the economic benefits of renewable energy are widely distributed within a community. Members of these co-ops benefit from reduced installation costs, an increased sense of community, and empowerment in their transition to renewable energy. Studies indicate that solar co-ops can significantly contribute to the adoption of solar energy, enhancing local energy resilience and advancing community-led climate solutions.

Solar co-op development, however, is not always easy, given social and economic barriers that make it challenging for communities to pool funds, leverage technical and economic expertise, and ultimately build a co-op in collaboration with a developer. That said, Solar United Neighbors (SUN), a nonprofit organization, has facilitated the establishment of hundreds of solar co-ops in the United States for nearly two decades, demonstrating the model's viability and impact. Organizing 50 to 100 neighbors at a time, SUN helps members form a cooperative and pool funds to build solar at a discounted rate — a rate that can be 15-20% less than market value. Since its founding, SUN has helped nearly 10,000 people become new solar owners, installing over 80,000 kW of solar generating capacity and creating over 1,800 jobs, while helping community members go solar as a collective by reducing the risks and costs associated with such a transition.

The success of solar co-ops also illustrates how public ownership can accelerate the transition to renewable energy while ensuring that the benefits are equitably shared. By prioritizing community engagement and collective ownership, solar co-ops can address the financial and informational barriers that often hinder individual adoption of solar technology. Furthermore, they can serve as a powerful tool for energy democracy, enabling communities to have greater control over their energy sources and to directly reap the environmental, social, and economic benefits of renewable energy, rather than having to purchase energy generated by private entities and mediated by a utility provider that often lacks climate-conscious or socially conscious motivations.

***Municipally Owned Infrastructure***

Municipally owned infrastructure is a form of public ownership where local governments — like a city or town — own and operate infrastructure projects on behalf of the citizens whom they represent. In many cities and towns in the U.S., for example, water systems, sewer systems, and parks are municipally owned and operated. Municipally owned infrastructure offers opportunities to align infrastructure development with community needs and sustainability goals. One notable example is the energy and broadband service owned by the city of Chattanooga, Tennessee, which operates its own electric utility and has invested in a fiber-optic network that provides high-speed internet access to its residents. The popular broadband service has been rated the best in the country by Consumer Reports. This integration of utility services and digital infrastructure has not only enhanced municipal services but also facilitated the implementation of smart grid technologies, improving energy efficiency and reliability while fostering economic development.

However, not all municipally owned entities are exemplary. Advocates have long called out Arizona's public utility, Salt River Project (SRP), for its opaque governance structure and failure to act in the public interest. While the utility is ostensibly accountable to the public on paper, in practice it lacks crucial transparency and accountability. SRP does hold elections for its board; however, these elections are both inaccessible and poorly publicized, requiring residents to apply through obscure processes for voting rights, and excluding non-landowners from the democratic process. Furthermore, SRP refuses to make documents about its operations public record – directly in opposition to the intent of a municipally owned institution – and uses ratepayer funds to lobby against climate action. SRP's shortcomings underscore the importance of accountability, transparency, and accessible and democratic participation within municipally owned infrastructure.

When done right, municipally owned initiatives can play a critical role in the transition to sustainable energy, as they often incorporate renewable energy sources, energy efficiency programs, and other sustainable practices into their operations. They exemplify how local governments have the opportunity to take charge of energy infrastructure to promote environmental sustainability, local economic development, and equitable access to services. The direct accountability to local residents can ensure that these projects prioritize long-term community well-being over short-term profits, aligning with broader goals of sustainable development and climate resilience.

***Rural Electric Cooperatives***

Rural electric cooperatives (RECs) offer another example of public ownership in the energy sector, where rural communities have gained autonomy over their energy resources. RECs were established by President Franklin D. Roosevelt in the 1930s to provide rural areas with essential electric services, after private utility companies largely refused to expand to rural areas where they couldn't expect to turn a profit. Today, RECs serve 56% of the landmass of the United States and more than 90% of the country's poorest counties. As a result, they play a pivotal role in rural communities, not only in providing electricity but also in spurring local economic development. Given the rural geographies served by most RECs, a significant portion of the cheapest wind and solar resources in the U.S. are located within their service areas, and many RECs have integrated renewable energy sources into their energy mix.

If RECs transition to a renewables-dominated energy mix, such a move could have a significant impact on rural economies, providing not only environmental benefits but also economic opportunity in the form of job creation in renewable energy or cost savings on energy bills. The democratic structure of RECs, where every member has a vote, can help ensure that any shift toward clean energy aligns with the community's interests, needs, and values, promoting local resilience and energy independence.

However, RECs have lagged behind other energy providers in the transition to clean energy and away from fossil fuel energy sources, like coal. Despite a 9-point decline in the amount of electricity generated by coal to 32% from 2016 to 2021, RECs still trailed the national average of 22% in 2021. Often, RECs have lacked the capital necessary to build renewables and claim tax credits for developing such resources. In 2022, however, the IRA changed that — offering direct pay provisions and allowing RECs to earn cash refunds for any tax credits they claim, providing greater upfront capital for RECs to make these cost-intensive investments. The IRA also established a $9.7 billion fund for RECs to pay for clean energy technologies, among other funds and incentives for renewable and clean energy expansion.

In addition to their delay in embracing clean energy technologies, RECs also reflect America's enduring legacy of racism and systemic inequality. Even after the government expanded electricity access via RECs in the 1930s, many Americans still couldn't afford to pay for public power. In particular, Black tenants were subject to predatory pricing systems, with some white landlords inflating utility prices for tenants. Today, REC boards are predominantly white and male, leading to consolidated, undemocratic, and

unrepresentative governance. In 2017, Kate Aronoff pointed out that the National Rural Electric Cooperative Association's (NRECA) 47-member board included just two people of color. Seven years later, the story is much the same: NRECA's now 48-member board includes one person of color.

Despite these challenges, a few RECs standout for their diverse boards, democratic processes, and renewable energy commitments. North Carolina's Roanoke Electric Cooperative made history in 1997, when it elected Curtis Wynn, the first Black person ever to serve as the top executive of an electric cooperative in the U.S. Since then, Roanoke Electric Cooperative has become one of the few electric cooperatives in the country to have a majority Black board after decades of activism by its members. Roanoke Electric Cooperative has also made significant investments through grant programs, like the U.S. Department of Agriculture's (USDA) rural development funds, to bolster Black land ownership in their service area, fund energy efficiency upgrades to member homes, and expand broadband. Through its home energy efficiency program, Roanoke Electric Cooperative has fronted the cost of retrofits, creating local jobs while eliminating preventative upfront capital costs for its members and saving members money down the road on their utility bills.

Similarly, Ouachita Electric Cooperative in Arkansas has also leveraged USDA funding to expand rural broadband and deliver energy efficiency upgrades for its members. In 2015, Ouachita Electric Cooperative completed the first utility-scale solar facility in Arkansas, bringing more than 200 jobs to the region and shattering the glass ceiling for solar development in the state.

At their best, RECs can deliver clean power, and — perhaps more importantly — adapt and expand operations to address their members' needs, whether by expanding rural broadband, building Black land ownership, or lowering energy costs for households with high energy burdens.

***Tribal Ownership***

Tribal ownership of energy resources represents a powerful model of public ownership, particularly in the context of renewable energy. Many Native American Tribes have embarked on sustainable energy projects, harnessing natural resources on Tribal lands to generate economic benefits, enhance energy independence, and protect the environment.

The Standing Rock Sioux Tribe — renowned for its resistance to the Dakota Access Pipeline — established its own public power authority, called the SAGE Development Authority. The first public power authority owned by a single Native Nation in the U.S., SAGE has worked to develop renewable energy as a means of facilitating economic development and building energy sovereignty.

Since its establishment, SAGE has worked to develop a 235 MW, 60-turbine wind farm, called Anpetu Wi, and bring rooftop solar to public buildings on the Standing Rock Reservation in North Dakota. The Standing Rock Sioux Tribe has raised funds through crowdsourcing, impact investments, donations, and grants to ensure the Anpetu Wi wind farm remains publicly owned in full. When completed, the wind farm will be the largest revenue source for the Tribe, in effect doubling annual revenue for the community. By keeping the wind farm in public hands, the Tribe will be able to reinvest profits from the wind farm into future projects and prioritize people, land, and nature over profit motives, seeking to create a positive feedback loop that further advances clean, affordable, and sovereign energy.

The Standing Rock Sioux Tribe's work to establish a public power authority and build public renewables exemplifies how Tribal ownership can align energy development with cultural values, environmental stewardship, and community well-being. SAGE's emphasis on sustainability and self-sufficiency embodies traditional Tribal values and a long-term vision for Standing Rock. Such ownership structures can put Tribal groups in the driver's seat — ensuring public services are managed like the public goods they are for the broad benefit of a community.

**Building Democratic Public Ownership**

Given the shortcomings of public ownership structures and entities today, we offer a series of recommendations to build strong, democratic, and equitable public governance, particularly in the context of the climate crisis and the need to build climate infrastructure at pace and scale.

- ***Ensure inclusivity and diversity in public governance:*** Elected boards and bodies that represent public interests in public governance should encourage and embed diversity, including racial, economic, ethnic, and gender diversity, such that members are in fact representative of the people and other stakeholders they serve. Importantly, people who don't have the means or time to serve on elected boards have historically been underrepresented in public governance, while those

who are able to spend the time, energy, and resources to serve aren't generally representative of a community. In Costa Rica, a public bank has a mandate requiring at least 50 percent of its elected board members to be women, offering one such model for ensuring representativeness. Beyond making sure governance structures of publicly owned entities reflect the identities of the communities they serve, such governance structures should include workers in owning and managing the entity by including seats for workers within governing boards.

- ***Build transparent and decentralized governance structures:*** To build trust and strong participatory processes, experts have called for publicly owned entities to embed a variety of transparency measures, like open public records, meetings, and policies, and decentralized governance whenever possible, where direct and participatory democracy are prioritized over representative democracy.

- ***Foster public engagement and participation:*** Publicly owned entities need to invest in accessible forms of participation, like enabling voting — when necessary — to occur by mail or early, and offering online access for public meetings and proceedings. Additionally, access to the ballot must not be restricted by complex application processes or arbitrary exclusion principles that prevent local community members from participation, such as landowning requirements.

- ***Invest in institutional knowledge and capacity:*** To effectively serve the public, publicly owned entities need expert local and institutional knowledge. As such, publicly owned entities should invest in, train, and recruit career staff who can properly resource the entity and remain insulated from sudden shifts in political winds that may bring turnover to elected and political positions. Much like the U.S. federal government operates, expert career staff are essential to build strong institutional knowledge and ensure public entities can effectively service the public and its needs.

**Conclusion**

The urgency of the climate crisis and its intersections with rising economic inequality and historic injustice require large-scale systems change. The transformative action needed to achieve climate justice conflicts with private governance structures that are not incentivized to act in the public interest. In addition to being popular among voters, public ownership models offer better avenues for achieving climate justice by ensuring

that climate action and the energy transition serve the public good, promote universal access, and foster community resilience. Public governance can and must ensure that today's climate infrastructure investments lay the foundation for a more equitable future through democratic ownership and participation.

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**Survey Methodology**
From April 26 to 29, 2024, Data for Progress conducted a survey of 1,238 U.S. likely voters nationally using web panel respondents. The sample was weighted to be representative of likely voters by age, gender, education, race, geography, and voting history. The survey was conducted in English. The margin of error is ±3 percentage points.

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The Privatization Myth

Privatization

The Privatization of Everything: How the Plunder of Public Goods Transformed America and How We Can Fight Back

The Price is Wrong: Why Capitalism Won't Save the Planet

Give Communities Control of Carbon Removal

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The Public Ownership Solution

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Board of Directors of the National Rural Electric Cooperative Association (NRECA)

Roanoke Electric Cooperative: Our History

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The team that blew the lid off the solar market in Arkansas and how they did it

Native American Ownership and Governance of Natural Resources

Winds Of Change: SWCA Assists Standing Rock Sioux Tribe With Environmental Services For Anpetu Wi Wind Farm

SAGE Development Authority Launches Crowdfunding Initiative Seeking Critical Support for New 235-Megawatt Wind Farm to Benefit the Standing Rock Sioux Tribe

Native Americans are building their own solar farms

SAGE: Solar Power

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Constructing the Democratic Public Enterprise

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