The Utility Industry's Influence at Universities: Behind the Education of Public Regulators

Matt Kasper and Gabe Elsner

Introduction

Universities and professors, funded by fossil fuel and utility special interests, are increasingly producing academic reports, supporting advocacy efforts, and amplifying positions that either recommend policies or provide credence to what the energy industry seeks to achieve in the legislative and regulatory arenas.

Energy and Policy Institute (EPI) conducted an investigation in an attempt to understand how utility companies and their trade association, Edison Electric Institute (EEI), are influencing the political and regulatory process through university-based institutes and faculty.

The Louisiana State University AgCenter released a solar report in early 2015 entitled "Solar Power for Your Home: A Consumer's Guide." Through public record requests, EPI uncovered that EEI not only funded the report, but provided editorial recommendations through emails and drafts in the months leading up to publication.

LSU professor David Dismukes is also detailed in this report for his role in producing an economic study attacking distributed solar energy. Dismukes runs Acadian Consulting, whose clients include Duke Energy, NRG Energy, CLECO Corporation, Sempra Energy, along with several other utility and fossil fuel entities. Dismukes' report did not accurately analyze the cost of distributed solar energy systems for other ratepayers, which is what he was hired to do by the Louisiana Public Service Commission. Instead, he used the opportunity to produce a report that focused on the cost of the state's tax credit for installing new solar panels.

The Harvard Electricity Policy Group, run by former Ohio Public Utilities Commissioner Ashley Brown, has received funding from American Electric Power, Duke Energy, FirstEnergy, Southern Company, and other utility companies. Brown routinely criticizes the value of solar in public testimony, academic journals, and opinion pieces. In many cases, Brown and the publications fail to disclose that his organization receives funding from utility interests.

The Center for Public Utilities at New Mexico State University provides training programs for utility commissioners and other professionals involved in the electricity industry. However, the center relies on EEI to help craft its training program, and sponsors of the center include EEI and over a dozen utility companies including Arizona Public Service Company, MidAmerican Energy (part of Berkshire Hathaway), and Pepco.

Finally, the Wisconsin Public Utilities Institute, housed at the University of Wisconsin, is partially funded by its "Sustaining Members," which include Alliant Energy, Madison Gas & Electric, We Energies, Wisconsin Public Service, and Xcel Energy. The institute routinely hosts EEI-branded courses focused on educating staff of state utility commissions. These courses feature utility industry staff and consultants as the instructors and teach EEI-recommended curriculum.

As reported by *The Washington Post*, the industry created a strategy to impede the growth of distributed solar generation. The strategy to stop rooftop solar included lobbying governors and utility regulators to eliminate pro-solar energy policies.

EPI's investigation into how utility companies and EEI work with universities behind closed-doors comes at a time when the public is becoming increasingly aware of other special interests that have relationships with universities.

Last year alone the public learned:

- University of Kansas' Art Hall testified in the Kansas state senate urging the repeal of the state's renewable energy standard. He relied upon research that was funded by a grant from the Fred and Mary Koch Foundation, which is controlled by the fossil fuel billionaires, Charles and David Koch. The Koch foundation also paid a portion of Hall's salary.
- Richard Berman, the notorious Washington insider, routed money to Suffolk University's Beacon Hill Institute to publish reports criticizing the Environmental Protection Agency's rules cutting carbon dioxide from power plants. Months after the funding was revealed, Suffolk University announced that it will cut ties with the Beacon Hill Institute, specifically because the institute could no longer raise money under university guidelines favoring transparency, which the university began to implement.
- Willie Soon, a researcher at the Harvard-Smithsonian Center for Astrophysics in Cambridge, Massachusetts, was funded by the energy industry, including Southern Company, to deliver research denying the mainstream scientific consensus on climate change, claiming global warming is being driven by the sun.

EPI's investigation reveals an ongoing effort by utilities and fossil fuel interests to influence public officials through university courses and conferences and fund reports authored by academic staff to boost lobbying efforts targeting state government officials and decision makers.

Louisiana State University

LSU AgCenter Solar Report

Early in 2015, Louisiana State University Agricultural Center (AgCenter) released a booklet titled, "Solar Power for Your Home: A Consumer's Guide." EEI, the trade association for investor-owned utility companies in the U.S., paid LSU $49,701 to produce the report.

Authored by professor Claudette Hanks Reichel, the LSU report advises potential solar homeowners to first focus on energy efficiency rather than install solar panels. The report concludes, "the bottom line… energy efficiency and conservation trumps all and should be your first priority in green living and lowering home energy costs." However, the report fails to provide important context that counters the conclusion.

First, the largest solar leasing company and installer in the state, PosiGen, does home energy efficiency upgrades simultaneously when installing a residential solar's system. PosiGen is now the largest energy efficiency provider in the state, but was not chosen to review the report. Instead, EEI and LSU requested that Mike Murphy from Solar Alternatives to act as a reviewer from the state solar industry. Solar Alternatives does not lease solar systems; therefore, their customers consist solely of those who can pay for the solar system upfront. For context, more than 70% of solar installed for homeowners are leased in the U.S., not purchased.

Second, the investment tax credit (ITC), the federal incentive for homeowners to install rooftop solar and power companies to construct utility-scale solar facilities, was set to expire at the end of 2016. If the tax credit had not been extended, the credit would have dropped from 30% to 10% for commercial solar system installations and would be eliminated entirely for residential systems. However, Congress passed a spending package on December 18, 2015 that extended the ITC for another three years. It will then decrease through 2021, ultimately providing a 10% permanent deduction in 2022.

Analysts across the country write that it continues to be an ideal time to install solar panels in order to receive the federal tax credit. In 2014 and through the first half of 2015, the U.S. installed 8,949 megawatts of photovoltaic solar energy, which is almost more than the capacity installed in the country from 2010 through 2013 combined. Louisiana is an emerging market for solar installations. Companies installed a record-breaking 31 megawatts of solar in 2014.

Third, the LSU report was drafted as the utility industry lobbied Louisiana politicians to end the state's solar tax credits. The Louisiana state legislature voted in 2013 to sunset the state's 50% tax credit (max of $12,500 credit per install) in 2017 for purchased and leased solar panels, as well as implemented a step-down of the credit for leased systems. The step-down of the credit for leased systems is:

- $9,500 credit limit for systems installed between January 1, 2014 and June 30, 2014
- $7,980 credit limit between July 1, 2014 and June 30, 2015 and $4,560 between July 1, 2015 and December 31, 2017

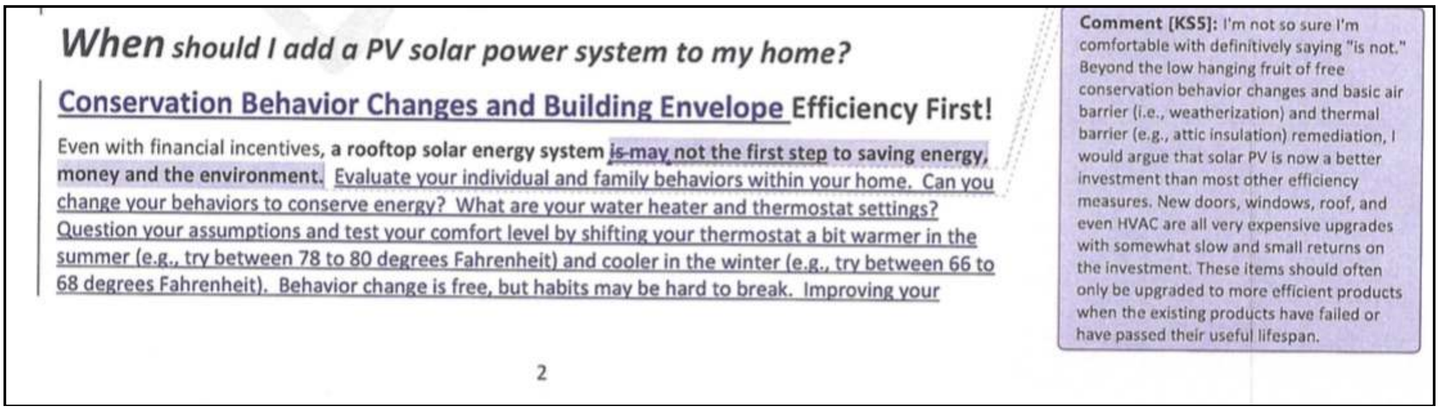
State officials, including Governor Bobby Jindal, targeted the credit again last year. Ultimately, in June, the state reduced the maximum credit for purchased solar systems to $10,000 per install. The enacted state budget also limits the amount spent by the state for both purchased and leased systems to $25 million ($10 million in FY2015-2016, $10 million in FY2016-2017, and $5 million in the first half of FY2017-2018). The tax credits for solar are dwarfed by taxpayer giveaways to the oil and gas industry. Louisiana taxpayers have provided over $1.2 billion to the oil and gas industry to subsidize fracking operations since 2010.

Aware of the surge in solar installations and expiring tax credits, a utility industry-funded report telling homeowners to wait before installing a solar system while the industry lobbied to weaken tax credits for homeowners appears unethical, especially when disguising the report as an academic exercise. Concerns about the report's conclusions were raised in comments LSU received.

Documents obtained by EPI, from LSU via a public records request show that reviewers with the initials "KS" and "SA" raised points that pushed back against the report's thesis in edited versions sent back to the author.

KS commented:

> I'm not so sure I'm comfortable with definitively saying ["Even with financial incentives, a rooftop solar system is not the first step to saying energy, money, and the environment] "is not." Beyond the low hanging fruit of free conservation behavior changes and basic air barrier (i.e. weatherization) and thermal barrier (e.g. attic insulation) remediation, **I would argue that solar PV is now a better investment than most other efficiency measures.** New doors, windows, roof, and even HVAC are all very expensive upgrades with somewhat slow and small returns on the investment. These items should often only be upgraded to more efficient products when the existing products have failed or have passed their useful lifespan. [Emphasis added]



When should I add a PV solar power system to my home?

Conservation Behavior Changes and Building Envelope Efficiency First!

Even with financial incentives, **a rooftop solar energy system ~~is~~ may not the first step to saving energy, money and the environment.** Evaluate your individual and family behaviors within your home. Can you change your behaviors to conserve energy? What are your water heater and thermostat settings? Question your assumptions and test your comfort level by shifting your thermostat a bit warmer in the summer (e.g., try between 78 to 80 degrees Fahrenheit) and cooler in the winter (e.g., try between 66 to 68 degrees Fahrenheit). Behavior change is free, but habits may be hard to break. Improving your

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Comment [KS5]: I'm not so sure I'm comfortable with definitively saying "is not." Beyond the low hanging fruit of free conservation behavior changes and basic air barrier (i.e., weatherization) and thermal barrier (e.g., attic insulation) remediation, I would argue that solar PV is now a better investment than most other efficiency measures. New doors, windows, roof, and even HVAC are all very expensive upgrades with somewhat slow and small returns on the investment. These items should often only be upgraded to more efficient products when the existing products have failed or have passed their useful lifespan.

Similarly, SA commented:

> I generally agree with efficiency first. However, for situations where solar would take a 50% or lower bite out of the household usage, **it may be prudent to take advantage of the solar tax credits before doing efficiency.** The reality is that **state-level politics have made the solar tax credits a political punching bag. Therefore, each time the state legislature is in session (in LA every fiscal session), the homeowner could lose the opportunity for a major return on investment.** For instance, in LA we've had several tweaks to the tax credit that have either reduced the opportunity for large PV systems and in the case of duplexes, a large number of homeowners who were sitting on the sidelines may have lost the opportunity to qualify for the credit due to a strictly political reason. If the homeowner takes the solar tax credits, reduced usage by less than 50%, there is no significant danger of lost investment in their pursuit of efficiency improvements subsequent to installing solar. For the majority of households, energy efficiency is a journey, not a destination. [Emphasis added]

Lastly, while the acknowledgements page does list the contribution from EEI, the public records reveal more about the production of the report:

- Multiple drafts were sent back and forth between LSU and EEI. EEI edited drafts of the report and sent them back to LSU (from September through December). And, emails show that there was a discussion of whether or not to list EEI staffers Brian McCormack and Ed Comer in the report as editors/reviewers. In the end, the EEI reviewers were listed in the report.

Langlois, Debra

From: Reichel, Claudette Hanks
Sent: Monday, December 08, 2014 9:39 PM
To: 'Comer, Ed'
Subject: reviewers

Just to double check: I should NOT list Brian McCormick? Nor you? in the Acknowledgements?

I will do as you wish. It just makes me feel funny to omit you two since you provided such extensive input and feedback. Still, it's your call.

Claudette Reichel
225-578-2378
www.lsuagcenter.com/LaHouse

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- Ed Comer sent notes from Brian McCormack to LSU; McCormack worked with the American Legislative Exchange Council in 2013 on creating a model bill attacking distributed solar energy.
- EEI paid for Claudette, the author of the paper, to present her findings at the National Association of Regulatory Utility Commissioners' (NARUC) conference and the National Association of Utility Consumer Advocates' (NASUCA) conferences in November 2014 and again in February 2015. EEI also arranged for her to present to NARUC and the American Public Power Association in Washington D.C.
- Sheri Givens emailed the author with resources and solar complaints filed through the Better Business Bureau and Yelp that were used in a draft report that Givens herself authored. Givens is president of her own consulting firm and senior vice president of another firm, Gee Strategies, that is mentioned in EEI's action plan to help utility companies educate regulators. Givens previously served on the Electric Reliability Council of Texas and was then elected to the Executive Committee of the National Association of State Utility Consumer Advocates. She was also a member of the New Mexico State University's Center for Public Utility Advisory Council. Givens has also recently worked alongside EEI in pushing back against distributed solar energy. She presented at the American Legislative Exchange Council's Energy, Environment and Agriculture Task Force in July 2015, and presented at a meeting between the Congressional Black Caucus and EEI alongside David Owens, EEI's executive vice president of business operations and regulatory affairs.

- **Ongoing education and outreach to regulators and consumer advocates**
  - NARUC/NASUCA/Other Consumer Groups
  - Gee Strategies – Dialogue with Wall Street leaders, regulators, advocates and utilities
  - Critical Consumer Issues Forum (CCIF)

EEI

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David Dismukes Cost of Solar Study

The LSU AgCenter solar report was not the only one to come out of LSU last year. David Dismukes, an economist at the university who runs a private consultancy called Acadian Consulting, released an economic study attacking distributed solar energy. It claimed the state's tax credit for installing new solar panels would cost at least $89 million more than the benefits created by the solar industry. While the Dismukes study was commissioned to analyze the cost of distributed solar systems to other ratepayers, Dismukes instead focused on the state's 50% tax credit for installing new solar panels and said that those credits cost the state at least $89 million.

Politifact, an independent fact-checking journalism project of *Tampa Bay Times*, studied claims made by the Koch-funded Americans for Prosperity (AFP) after the publication of Dismukes' study. AFP claimed that electricity prices were skyrocketing because of solar subsidies and net metering. Politifact debunked the claim, saying, "The statement is completely wrong" and issued AFP its worst rating, "Pants on Fire".

Politifact determined that increases in ratepayers bills did occur but **not** as a result of solar policies:

> Louisiana customers outside of New Orleans did see a base rate hike in 2014, which cost the average ratepayer about 47 cents per month. But that increase was approved by the PSC in 2013 and was over several issues, including the cost of maintaining an aging power grid. Electric utility company Entergy did not specifically mention solar as being an issue when announcing the base rate change… So while Louisiana did see a rate increase, we don't see evidence that it was specifically related to a solar initiative.

Furthermore, Sierra Club exposed severe flaws in Dismukes' report. Sierra Club concluded:

> No other net-metering cost-benefit analysis in the country has included state-authorized tax incentives as a cost. Public utility commissions have no authority over tax incentives and legislative policy choices, and such incentives are a cost to the state treasury not utilities or ratepayers. When these tax incentives are excluded from the utility's cost calculation, as they should be, the study demonstrates actually that net metering provides a clear economic benefit to utilities and ratepayers.

Dismukes' clients at Acadian include:

- Cajun Electric Cooperative
- CLECO Corporation
- Consolidated Edison
- Duke Energy Gas Transmission
- Duquesne Light Company
- NRG Energy
- AGL Resources
- ANR Pipeline Company
- Colorado Interstate Gas Transmission
- Columbia Gas Transmission
- El Paso Corporation

- Evangeline Gas Company
- Florida Gas Transmission Company
- Mississippi River Transmission
- Reliant Energy Gas Transmission
- Sempra Energy
- Texas Gas Transmission
- Transcontinental Gas Pipeline Corporation
- Truckline Gas Company
- Lake Charles Cogeneration LLC
- U.S. Oil and Gas Association

Harvard University Electricity Policy Group

The Harvard Electricity Policy Group (HEPG) is run by Ashley Brown, a former commissioner on the Ohio Public Utilities Commission, who has publicly criticized distributed renewable energy repeatedly for months while also providing expert testimony on behalf of utility companies in regulatory hearings. Based at the Mossavar-Rahmani Center for Business and Government at Harvard University's John F. Kennedy School of Government, HEPG has existed since 1993.

Recently, Brown has written journal pieces, including one in the December 2014 issue of publisher Elsevier's *The Electricity Journal*. The articles argue that solar advocates overvalue distributed generation and the "value of solar" approach is severely flawed. Elsevier, failed to acknowledge the industry funding of HEPG and Brown's connections as a private consultant to the utility industry. A similar failure occurred when Elsevier published six articles authored by scientist Willie Soon but did not disclose the funding. Soon was paid by Southern Company along with ExxonMobil for research casting doubt on mainstream climate science.

Brown also had an opinion piece published in Utility Dive in March 2015 that concluded:

> Rooftop solar is the least-efficient and least cost-effective form of renewable generation, and subsidies to DG solar end up biasing the market against more efficient and cost-effective renewable sources. It is highly likely that overpayments for DG have the effect of squeezing more efficient forms of renewable energy out of energy markets by using preferential pricing to grab a disproportionate share, ultimately driving up the cost of reducing carbon.

Brown has also written to *The New York Times* after the newspaper's editorial board published an article titled, "The Koch Attack on Solar Energy." Brown writes, "What was proposed in Arizona and elsewhere is not a tax, but rather a fairer, less socially regressive distribution of network costs."

On July 29, 2015, Brown addressed the National Governors Association with a presentation titled, "Protecting Customers and Addressing Cross-Subsidization: Unintended Consequences of Retail Net Metering." In the presentation, Brown claims there is a "massive wealth transfer to solar installers with no appreciable consumer benefit."

Brown also testified before the Wisconsin Public Service Commission on behalf of We Energies. In the decision, the judge called out that the testimony from the utility side for telling stories but not providing sufficient evidence. The judge said, "The strong impression this Court has when we look at the evidence that was presented ... these are stories, but they're not empirical, and they happen to be stories spun by a company that is facing competition from the people who are now going to be paying these higher rates."

Finally, in recent testimony in Oklahoma, Brown compared a solar industry-backed group to a parent murderer, saying:

> The more net metering for distributed generation continues, the more problematic the inclusion of additional costs within the "energy charge" becomes. For TASC [The Alliance for Solar Choice, a pro-solar organization] to raise this issue is extraordinarily ironic—they once again resemble the patricidal child who pleads for mercy because he is an orphan.

Brown also claims that distributed solar results in a wealth transfer from lower income to higher income groups. But Brown relies on a single study in California showing the median income for a solar system household was approximately $40,000 above the state median and does not actually prove that solar homeowners result in financial burden for lower income ratepayers.

Karl Rabago, Executive Director of the Pace Energy and Climate Center, explains in a recent response to Brown's assertions that the value of distributed solar generation varies depending on where and when the electricity is generated. By claiming that the wholesale cost of utility scale solar is more efficient, Brown ignores multiple factors that affect the value of distributed solar, including the distribution cost. Rabago asserts that Brown's claims are simply not supported by data and that Brown fails to counter studies conducted in Maine, Minnesota, Austin, and elsewhere that show retail rate credits undervalue the benefit of distributed solar generation.

HEPG states on its website that it is funded by "the generous support of the following organizations," and then lists 79 entities. Below are some of the companies listed as funders of HEPG that have a direct stake in preventing distributed generation from continuing to expand in the marketplace:

- American Electric Power
- AES Corporation
- Duke Energy
- Dynegy
- Edison Electric Institute
- Exelon
- FirstEnergy Corporation
- National Grid
- National Rural Electric Coop
- PacifiCorp
- Pacific Gas and Electric
- Southern Company
- Tucson Electric Power
- WEC Energy Group
- Wisconsin Public Power
- Xcel Energy

None of the funding from the companies is disclosed in the aforementioned articles authored by Brown. Readers and viewers are only told that he is affiliated with Harvard University, despite his organization's funding and his personal contracts with utility companies to submit testimony on their behalf in regulatory hearings across the country.

New Mexico State University Center for Public Utilities

The Center for Public Utilities (CPU) is housed in the College of Business at New Mexico State University. The CPU relies upon EEI to help craft its training program. CPU's website states that it "provides training programs and current policy issues conferences to meet the needs of professionals employed at federal and state commissions, utility companies, and other stakeholders in the electricity, natural gas distributed, interstate pipeline, telecommunications and water utility industries."

CPU hosts an annual "Current Issues Conference" as well as a fall and spring regulatory training course called "The Basics," which is a "practical regulatory training for the electric or natural gas local distribution industries." Public officials attending CPU events over the past few years (2013, 2014, 2015) have represented over 30 states. However, CPU specifically advertises the training course to staff with less than one-year experience in the regulatory arena.

Sponsors of CPU include EEI and over a dozen utility companies and industry groups:

- American Electric Power
- Arizona Public Service Company
- American Gas Association
- Duke Energy
- El Paso Electric
- MidAmerican Energy Holding Company
- NorthWestern Energy
- Nuclear Energy Institute
- Pepco Holdings
- UNS Energy Corporation

Additionally, consulting firms with connections to the utility industry such as Butler Advisory Services and Gee Strategies Group are involved with the center. Gee Strategies Group is a consultancy organization with expertise in litigation support for energy and utility industries. Robert Gee is the president and Sheri Givens is the senior vice president. Robert Gee was a public utility commissioner in Texas and also chaired the Committee on Electricity for NARUC. Gee Strategies' clients include trade associations, independent power companies, and utilities. As mentioned previously, Gee Strategies was mentioned in EEI's action plan to help utility companies educate regulators.

- **Ongoing education and outreach to regulators and consumer advocates**
  - NARUC/NASUCA/Other Consumer Groups
  - Gee Strategies – Dialogue with Wall Street leaders, regulators, advocates and utilities
  - Critical Consumer Issues Forum (CCIF)

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EEI

The CPU Advisory Council includes the Honorable Paul Roberti, Commissioner at the Rhode Island Public Utility Commission; and Elizabeth Stipnieks from EEI. Public records reveal that EEI has a considerable amount of influence with the CPU.

EEI staff created agendas, chose speakers, and assisted with obtaining membership and sponsors in CPU. While not unethical, EEI's activities show that the trade association has exerted its influence to decide the agenda of CPU events (which are "academic" in nature) that are then attended by regulators and regulatory staff.

Specific examples include:

- EEI provided feedback on the Current Issues Conference, helped publicize the event with its own members, rejected panelists, and participated in discussions regarding the event's program and agenda.
- EEI and CPU agreed to discuss their membership and the Current Issues Conference agenda. EEI also agreed to prepare draft agenda and reached out to Duke Energy, inviting the power company to join the roster of utility members funding CPU.

From: Stipnieks, Elizabeth [mailto:EStipnieks@eei.org]
Sent: Friday, October 04, 2013 7:36 AM
To: Paul Roberti
Cc: Jeanette Walter
Subject: Re: Update

I have reached out to duke and should have an answer soon.

Paul did you get me confirmation for the meeting on October. It kept bouncing back to me. Liz

Sent from my iPhone

- The Associate Director of CPU at New Mexico State University, Larry Blank, teaches many of the rate design classes. Blank has been an expert witness in over 150 rate cases for government agencies, regulatory commissions, utility companies, and utility customers. Blank was previously a manager of regulatory policy for the Public Utilities Commission of Nevada and started the firm TAHOEconomics in 1999, which specializes in policy and ratemaking facets of regulated utility industries. He also instructs a course, Overview of Electric Ratemaking, at the EEI Electric Rates Advanced Course at the Wisconsin Public Utility Institute.

In addition to revealing CPU's relationship with EEI, the emails raise questions regarding Wisconsin Public Service Commissioner Phil Montgomery and his relationship with the utility industry. According to the records, Bob Gee of The Strategies Group has communicated on behalf of Montgomery, a public regulator. Gee Strategies' clients include trade associations, independent power companies, and utilities.

From: Robert W. Gee
To: Jeanette Walter
Cc: paul.roberti@puc.ri.gov; EStipnieks@eei.org
Subject: Re: Phil Montgomery
Date: Wednesday, February 19, 2014 5:08:49 PM
Attachments: gee_logo_final_small.jpg[2][9].png

Phil emailed me yesterday expressing regrets that he couldn't make the conference because his office couldn't absorb the cost of changing his flight reservations.

So, he's coming now since you folks can now pick up his travel? Great!

I was planning on contacting Wisconsin Energy as they wanted me to recommend a rate of return witness for them, so I will mention this. No fooling!!

Robert W. Gee
President
Gee Strategies Group LLC
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Falls Church, VA 22043
PH: 703.593.0116
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Email: rwgee@geestrategies.com
www.geestrategies.com
Policy Analysis|Advocacy|Litigation Support

Gee Strategies Group, LLC

Montgomery voted in favor to increase fixed charges on electric bills for We Energies, Wisconsin Public Service Company, and Madison Gas & Electric. He was a Board Director for the American Legislative Exchange Council, and was a Board Director for the Public Utility Institute at the University of Wisconsin.

University of Wisconsin Public Utility Institute

The Public Utility Institute at the University of Wisconsin-Madison (WPUI) is another member-supported organization that is partially funded by "Sustaining Members," which include the largest investor-owned utility companies operating in Wisconsin:

- Alliant Energy
- Madison Gas & Electric
- We Energies
- Wisconsin Public Service
- Xcel Energy

Each of the utilities have a representative on the Executive Board of WPUI, along with American Transmission Company (owned by the same utilities). The Executive Board also includes lawyers and consultants, who count utilities as some of their largest clients, and individuals from state agencies that regulate utilities, such as the Public Service Commission and Wisconsin Department of Natural Resources.

The publicly-stated mission of WPUI is to "advance understanding of public policy issues in the electricity and gas industries." But as part of the flagship school of the University of Wisconsin system, WPUI is also bound by an enduring, century old obligation to the public: "The Wisconsin Idea is the principle that the university should improve people's lives beyond the classroom. It spans UW-Madison's teaching, research, outreach and public service."

In early 2015, Governor Scott Walker proposed to gut the "Wisconsin Idea" and replace it as the mission of University of Wisconsin with more industry-friendly goals, such as, "meet the state's workforce needs." Governor Walker's proposed changes to the mission of UW-Madison were abandoned in wake of strong public opposition, but efforts to redirect university resources from serving the public to serving industry were quietly unfolding at organizations like WPUI.

WPUI hosts several events annually that are of interest to public regulators: "WPUI's Energy Utility Basics Fundamental Course," "EEI Electric Rate Advanced Course: Rates to Address New Challenges," and the "EEI Transmission and Wholesale Markets School." The Energy Utility Basics (EUB) course is intended to teach attendees "practical knowledge of the operations and technology of the natural gas and electricity industries" because "in today's fast-moving business environment, it is often advantageous to hire staff from other industries, bring in outside talent that does not yet have a working knowledge of the energy industry." The EEI advanced rate course is strictly focused on ratemaking for staff of state utility commissions, while the EEI transmission program participants study transmission planning, operation issues, market designs, and upcoming policy issues.

The EEI advanced rate course has featured a reoccurring cast of influencers from the utility industry: Eric Ackerman (EEI), Larry Blank (CPU), John Caldwell (EEI), Larry Vogt (Mississippi Power, a subsidiary of Southern Company), and Mary Lowry

(Pacific Economics Group, which has several utility companies as clients: Arizona Public Service, Duke Energy, and Xcel Energy.)

Public records reveal that EEI suggested agenda topics for the EEI Electric Rate Advance Course. An email from Eric Ackerman, director of alternative regulation at EEI, proposed that the course cover the "Distribution 2020 Program." When questioned about the program, Casimir Bielski, manager of rate and regulatory business at EEI, said,

> Distribution 2020 is a project that started at EEI, basically in response to several trends, such as: 1) weak growth in load and sales, 2) increasing penetration of alternative forms of generation, like solar panels, wind, etc., and other new technologies like improved batteries. EEI has created a CEO task force on this and internal teams are working on such projects as defining the threats and opportunities and writing papers on possible industry responses, such as fixing net metering.

Subject: Re: EEI Electric Rate Advanced Course: July 28-31, Madison, WI
From: Cara Lee Mahany Braithwait <samb@wpui.org>
Date: 1/3/2013 11:30 AM
To: "Bielski, Casimir" <CBielski@eei.org>

The discussion with Enrique is back on track, he is recruiting the right guy for us. I have also spoken with Enrique. So, if all works as it should, we will do well by this move.

On Thu, Jan 3, 2013 at 8:19 AM, Bielski, Casimir <CBielski@eei.org> wrote:

> Hey Steve, Distribution 2020 is a project that started at EEI, basically in response to several trends, such as: 1) weak growth in load and sales, 2) increasing penetration of alternative forms of generation, like solar panels, wind, etc., and other new technologies like improved batteries. EEI has created a CEO task force on this and internal teams are working on such projects as defining the threats and opportunities and writing papers on possible industry responses, such as fixing net metering. While it took me a day to get back to you on this, I am pulling this from my head and from my involvement with the issue within EEI, without providing a lot of depth of detail. To a certain extent, the detail tends to get in the way of what the issues really are. So if you have any further questions on this, please let me know.--Cass

The program, Distribution 2020, is the title for a presentation that David Owens, EEI's executive vice president, gave to the board of directors in 2012, which *The Washington Post* exposed in 2015. Owens asked the utility CEOs, "How do you grow earnings in this environment?" He then laid out an "action plan" to educate customers, state legislators, governors, regulators, and consumer advocates on the problems solar competition creates.

It appears that WPUI was incorporated into that action plan. The EEI rate course agenda incorporated the following topics: "Rate Design for Distributed Energy" and "Energy Efficiency and Renewables."

THURSDAY, SEPTEMBER 13, 2012		
7:00 a.m. – 5:00 p.m.	EEI Registration	Rocky Mountain A/B Foyer
7:00 a.m. – 8:00 a.m.	IEE Management Committee	West Ballroom A/B
7:30 a.m. -- 8:00 a.m.	Conference Breakfast	Rocky Mountain C/D
8:00 a.m. – 9:30 am.	**2012 Election Outlook** Haley Barbour, Former Mississippi Governor Robert Gibbs, Former White House Press Secretary	Rocky Mountain C/D
10:00 a.m. – 12:00 p.m.	Guest Program	Crystal Room
9:30 a.m. – 12:15 p.m.	**Board of Directors Strategic Discussion** Dodd-Frank/Dividends Natural Gas Roundtable Infrastructure Investment Challenge Distribution 2020 Bulk Power System	Rocky Mountain A/B
12:15 p.m. – 2:00 p.m.	**Conference Luncheon** The Fiscal Road Ahead: Former U.S. Sen. Alan Simpson	Rocky Mountain C/D

In 2014, We Energies, Madison Gas & Electric, and the Wisconsin Public Service Corporation won the right to increase fixed charges from the state utility commission. The Wisconsin Public Service Commission (PSC) granted approval to the three companies, which will drastically reduce the economic benefits of installing solar panels on homes. Adding to the controversy, PSC Commissioner Ellen Nowak made statements at an EEI conference earlier in the year, advocating for higher fixed fees. Bloomberg Business reports:

> Nowak told the audience June 10 at an Edison Electric Institute conference that utilities should revise their rate structures, introducing fixed fees so customers who produce their own power with rooftop solar systems continue to pay enough to cover the costs of maintaining the grid.
>
> Joel Rogers, a professor of administrative law at the University of Wisconsin Law School in Madison, reviewed a transcript of her comments and said they could be seen as improperly offering advice.
>
> "Appearing on a panel together goes right up to the edge of impropriety, but giving advice goes beyond that," Rogers said today in an interview. "She should have recused herself."

Recently, however, Dane County Circuit Court Judge Peter Anderson overturned the ruling that allows We Energies to charge customers who generate their own power. "The judge… determined that there was not sufficient evidence to support the decision made by the Public Service Commission, and ruled that he is vacating these fees," said Tyler Huebner, RENEW Wisconsin Executive Director.

The controversies surrounding Wisconsin utility companies, commissioners, and EEI appears to have led to a member of the WPUI to raise concerns over their contract with EEI. According to January 2015 WPUI board minutes:

> Peter Taglia raised concern over WPUI contracting with EEI to run two of their courses, as he is concerned about EEI's increasing role in advocacy in

state policy. Other board members expressed support for the courses and believed them to be factual and unbiased educational programs… It was suggested that WPUI write a disclaimer on any marketing materials that separates WPUI from the views of the organization that WPUI is contracting with.

Peter Taglia made a motion requiring that when WPUI is contracted to run a course from an outside entity and does not control the agenda, WPUI disclose on any promotional materials that is not a WPUI program and that the content is not provided by WPUI. Heather Liebham and Bob McKee suggested that the board wait until the next board meeting so that Carla Lee has time to ask EEI and other contractors about the appropriate language…

The motion did not receive a second, and thus the board did not vote a formal motion, but provided direction that the executive committee, along with Peter Taglia and Heather Liebham, the representative of the state's largest utility, We Energies, will discuss the policy on all contracted courses and make a recommendation to the full board for the summer 2015 meeting.

EPI contacted Peter Taglia in December 2015 to learn what happened during the board meeting and how the discussion with Heather Liebham unfolded. Through a series of interviews, Taglia shared his firsthand account, detailing how he was ousted from WPUI's board in the summer of 2015 and how the utility companies, along with their consultants, have used universities to spread a pro-industry message.

After his presentations at WPUI's 2014 Energy Utility Basics Fundamental Course, Taglia approached the executive director of WPUI to express his concern that course presentations reflected too much of the utility business viewpoint. Taglia shared an email with EPI, dated October 23, 2014, several days after that year's annual utility basics course. In the email, Taglia writes:

Hi Sam [Carla Lee (Sam) Mahany Braithwait],

I thought the program went well on Tuesday but a couple things are bothering me and I'd like to chat about them when you are done with EUB [Energy Utility Basics]. My thoughts below about EUB, my concern is also present in the way WPUI operates on other programs as well as with the board.

I'm concerned that WPUI needs more balance. I looked through the entire EUB agenda and saw not a single advocate other than myself. And you didn't want me to name any utilities in a negative light, despite the fact that MGE [Madison Gas and Electric] has two entire slots in the agenda and Bollom gets to present his entire side of the fixed fee argument?

> [Gregory Bollom is the Assistant Vice President of Energy Planning for Madison Gas and Electric. During the Public Service Commission public hearing on the utility's proposed rate hike, Bollom admitted that their plan would indeed reduce the incentive to save energy.]
>
> Utilities, consultants, academics and ancillary businesses are in the agenda, but no advocates. Are we lacking for intelligent advocates around here? Did you try to get any advocates from consumer or environmental groups on but they wouldn't do it for free? If so, we should consider how to deal with that. How about businesses that have been opposing utilities? Charter Steel?
>
> The utilities have the Wisconsin Utility Association and other memberships where they can disseminate information to stakeholders and the public about utility issues. I hope WPUI can serve a broader role.
>
> Let me know if you are available to talk next week. If you think some of my points are valid I'd love to brainstorm with you possible solutions.

The concerns raised by Taglia were ignored, which led him to again raise the problem at the aforementioned January 2015 board meeting noting that WPUI has an uncomfortably close relationship with utilities. Taglia told EPI he raised the concerns about the lack of balance in programs such as the Energy Utility Basics course and WPUI's continued involvement with EEI particularly in light of We Energies using EEI materials in public outreach to explain the company's decision to raise fixed rates and tax solar.

When asked why there was no second for his motion at the January 2015 meeting, Taglia said:

> I was the only representative with an environmental or consumer viewpoint at the meeting. The representative of the Citizens Utility Board for Wisconsin could not make the meeting, which was understandable since the legislature had recently cut their budget and they had just lost their executive director. All other participants on the board either represented utilities, represented consulting firms, organizations or businesses with utilities as members or clients, or were representing agencies of the state of Wisconsin or the university. The Walker administration has made no secret about their views on climate change and renewable energy with widespread reporting about how state employees are discouraged from discussing climate change and other threats to business interests.

Taglia also told EPI about three subsequent meetings. At a WPUI board meeting in February, he again raised the concern that WPUI was presenting only the industry viewpoint and ignoring the intense state-wide debate on utility rates.

In March, the Executive Committee of the WPUI board finally met to discuss the concerns Taglia raised. At this meeting, Taglia learned that WPUI is paid to host the

EEI Transmission and Wholesale Markets Course, and that WPUI has no editorial oversight of the course. When asked again why Taglia was concerned with WPUI's relationships with the utility industry, Taglia pointed out that We Energies used EEI materials to promote their controversial rate structure and this created an unprecedented level of opposition from consumer and equity groups.

Months later in June, DiStefano contacted Taglia to inform him that the nominated committee decided not to renominate him. In July and August, WPUI again hosted the EEI Electric Rate Advance Course and the EEI Transmission and Wholesale Markets School.

Today, the environmental position is represented by Frank Greb of the nonprofit Seventhwave, which according to their website receives financial support from Allete, Alliant Energy, Madison Gas & Electric, We Energies, Wisconsin Public Service, and Xcel Energy. And now that Kira Loehr is an energy and environmental lawyer with Foley & Lardner LLP representing both utility and consumer groups, it appears that there are no consumer groups represented on WPUI's board.

Conclusion

In 1971, Lewis Powell (before becoming a Supreme Court Justice) authored a memo, now known as the Powell Memo, and sent it to the U.S. Chamber of Commerce. The memo was titled, "Attack on the American Free Enterprise System," and called on corporate America to take an increased role in shaping politics, law, and education, specifically at the college level.

Today, universities across the country need to establish barriers that prevent companies from dictating agenda topics and influencing training programs in an effort to advance corporate interests over the public interest. By publishing reports and training programs funded and dictated by utility companies and the Edison Electric Institute, universities are providing avenues for corporations to push their viewpoints in an academic setting – viewpoints that not only shape the opinions of the audience but can also be utilized by utility interests when advocating in the regulatory and political arena.

Public regulators and government employees are now being educated by the same companies that they are supposed to regulate on behalf of consumers and ratepayers. Industry will continue to try to use universities, institutes, and faculty to influence government officials to enhance the bottomline – but administrators and citizens can prevent disinformation, demand transparency, and stop the corporations from using universities as tools to benefit private special interests. Universities need to establish firewalls to prevent corporate influence of education and stop special interests from manipulating academia to serve as another voice on behalf of fossil fuel and utility interests.

Energy and Policy Institute is a pro-clean energy think tank in Washington, D.C. working to expose attacks on clean technology and counter misinformation by fossil fuel and utility interests. Energy and Policy Institute is not funded by any clean tech companies or individuals that could benefit from our advocacy.