Pollution Payday

Analysis of executive compensation and incentives of the largest U.S. investor-owned utilities

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September 2020

The Energy and Policy Institute is a watchdog organization working to expose attacks on renewable energy and counter misinformation by fossil fuel and utility interests. It does not receive funding from for-profit corporations or trade associations.

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Table of Contents

Introduction

While the coronavirus pandemic has devastated the U.S. economy, leaving millions of Americans struggling to afford their utility bills, the top executives for those utilities continue breaking their own records for executive compensation every year.

The Energy and Policy Institute analyzed the executive compensation policies and practices of 19 of the largest investor-owned electric utilities throughout the United States. In addition to identifying trends across utilities, this report provides company-level profiles on the executive compensation policies of each of the utilities included in our research.

We found that CEO compensation at these 19 companies totaled over $764 million between 2017 and 2019, with the highest-paid CEO in the group, Southern Company's Thomas A. Fanning, receiving nearly $28 million in 2019. The ratio of Duke Energy CEO Lynn J. Good's pay to that of an average employee of her company reached 175:1 in 2017 - the highest of any utility for a single year in the same three-year period.

Investor-owned utilities have argued publicly and to policymakers that they must continue disconnecting customers who have been unable to pay their electric or gas bills. If they don't have the threat of disconnections, the companies say, they will have to raise rates on other customers to cover the arrearages of those who can't pay.

But the data in this report show that investor-owned utilities have large pots of executive compensation from which they can draw before turning to rate increases. If Southern Company's Fanning took just a 32% compensation cut from his 2019 amount - still leaving him with a compensation of $19 million - Southern could use the savings to immediately wipe out the debt of every single Georgia Power customer that was over 90 days in arrears on their bills as of the end of July 2020. Instead, Georgia Power disconnected 13,000 customers in July, starting when regulators allowed a state moratorium on disconnections to expire on July 14. (Of course, Southern could also choose to avoid both disconnecting customers and rate increase requests by tapping into a small percentage of the billions of dollars in corporate profits that it netted in 2019.)

Out-of-control executive pay is not unique to the utility sector. Theories of corporate compensation as "rent extraction" - enriching executives, rather than producing shareholder value - have gained traction, advanced by scholars like Lucian Arye Bebchuk and Jesse M. Fried, as income inequality has skyrocketed in America. But executive compensation at investor-owned utilities deserves extra attention for several reasons.

Image: EEI's Board of Directors and Chairman emeritus. The five utility executives were compensated a total of $184 million between 2017-2019. (Top left to right: Ben Fowke, Xcel Energy; Warner Baxter, Ameren; Gerard Anderson, DTE Energy. Bottom left to right: Chris Crane, Exelon; Pedro Pizarro, Edison International). Source: EEI Twitter, September 10, 2020

First, governments have granted monopoly status to investor-owned electric and gas utilities, which means that families and businesses often have no choice but to fund the exorbitant salaries and perks of their utilities' executives. In some cases documented in this report, utilities have tried to recover the costs of their executive compensation directly from ratepayers' bills, rather than from shareholder profits. We found that utility executives took home bloated incentive awards, routinely receiving stock shares for performance that doubled company targets. These excesses have prompted utility consumer advocates and some state regulators to oppose saddling ratepayers with the steep costs of executive pay.

Second, the choices made by investor-owned utilities' executives will be pivotal in whether the United States rapidly decarbonizes its economy. With just a single notable exception of Xcel Energy, the executive compensation policies of the utilities we studied in this report do not incentivize decarbonization. In some cases, we found that executive incentives are directly at odds with reducing emissions by transitioning away from fossil fuels. Some utilities include environmental, social, or governance ("ESG") goals in their executive incentives that do nothing to promote decarbonization, despite the fact that climate change is a key area of focus for ESG-oriented investors.

A growing number of investors expect companies to link executive compensation to decarbonization goals. In September 2020, major investors with over $47 trillion in assets informed CEOs and directors of several utilities that "companies will be assessed on progress made in becoming net-zero businesses," including "Whether the company has effective board oversight of, and remuneration linked to, delivery of GHG [greenhouse gas] targets and goals."

Several of the utilities we studied also use misleading financial metrics as a basis for determining executive compensation, inflating resultant payouts to corporate officers. These tactics include employing non-standard accounting measures and manipulating inappropriate company peer groups for comparison.

Finally, we examined some of the lavish perquisites (or “perks”) doled out to utility executives, such as unlimited personal travel on corporate aircraft, expensive legal and financial services, and a host of “personal benefits” - quickly amounting to further exorbitant tallies.

The primary source of data for this report is utilities’ own annual financial disclosures, namely their 2018 through 2020 “proxy filings”, also known as Securities and Exchange Commission (SEC) Form DEF 14A.

Excessive Compensation

CEO compensation for 19 major investor-owned utilities totaled over $764 million from 2017 to 2019. Total CEO compensation for each utility ranged from approximately $20 million to $62 million over the three years.

Annual total CEO compensation for individual utilities ranged from $6.5 million to $27.8 million.

That places utility CEO pay roughly in line with that of executives at the nation's largest firms more broadly; CEOs of Fortune 500 companies earned an average of $14.8 million in compensation in 2019, according to the AFL-CIO. Unlike executives at other Fortune 500 firms, leaders of investor-owned utilities do not have to navigate competitive pressures, since they are granted sanctioned monopolies by state governments.

The highest-paid utility CEO during the 2017 to 2019 period was James L. Robo of **NextEra Energy**, who received more than $62 million in total compensation from 2017 to 2019.

Southern Company CEO Thomas A. Fanning ranked second, collecting over $56 million in total compensation from 2017 to 2019. Fanning also received nearly $28 million in total compensation in 2019 alone, which was the highest compensation for any utility CEO in any single year, and almost $14.8 million more than his compensation the previous year.

Table 1: Compensation for utility chief executive officers, 2017-2019

Utility	CEO	2017 compensation	2018 compensation	2019 compensation	Change in compensation, 2017-2019	Total compensation, 2017-2019
Southern Company	Thomas A. Fanning	$15,702,228	$13,097,691	$27,865,185	$12,162,957	$56,665,104
NextEra Energy	James L. Robo	$18,811,693	$21,358,742	$21,877,597	$3,065,904	$62,048,032
Eversource	James J. Judge	$15,915,461	$14,925,381	$19,806,088	$3,890,627	$50,646,930
Dominion Energy	Thomas F. Farrell, II (1)	$15,495,762	$14,956,442	$17,257,035	$1,761,273	$47,709,239
Xcel Energy	Ben Fowke	$12,676,399	$12,147,768	$16,898,798	$4,222,399	$41,722,965
DTE Energy	Gerard M. Anderson (2)	$15,835,907	$10,986,809	$12,145,179	-$3,690,728	$38,967,895
Exelon	Christopher M. Crane	$14,857,859	$15,643,078	$15,444,692	$586,833	$45,945,629
Con Edison	John McAvoy	$16,047,911	$9,765,858	$15,345,285	-$702,626	$41,159,054
Duke Energy	Lynn J. Good	$21,415,936	$13,982,960	$15,029,386	-$6,386,550	$50,428,282

FirstEnergy	Charles E. Jones	$15,281,885	$11,123,128	$14,684,659	-$597,226	$41,089,672
American Electric Power	Nicholas Akins	$11,530,461	$12,202,028	$14,492,436	$2,961,975	$38,224,925
Entergy	Leo P. Denault	$13,158,220	$10,326,456	$14,264,249	$1,106,029	$37,748,925
PPL	William H. Spence (3)	$13,540,331	$11,338,785	$14,142,567	$602,236	$39,021,683
PSEG	Ralph Izzo	$10,621,115	$10,419,291	$13,074,227	$2,453,112	$34,114,633
Arizona Public Service Company (Pinnacle West)	Donald E. Brandt (4)	$10,533,439	$12,145,522	$12,250,614	$1,717,175	$34,929,575
Ameren	Warner L. Baxter	$8,080,790	$8,454,460	$9,718,998	$1,638,208	$26,254,248
WEC Energy	J. Kevin Fletcher (5)	$13,642,237	$9,862,993	$9,262,101	-$4,380,136	$32,767,331
CMS Energy (Consumers Energy)	Patricia Pope	$6,862,295	$8,091,185	$8,986,702	$2,124,407	$23,940,182
Alliant Energy	John O. Larsen (6)	$6,535,329	$6,520,709	$7,619,999	$1,084,670	$20,676,037
(1) Thomas F. Farrell will be replaced as CEO by Robert M. Blue effective October 1, 2020.						
(2) Gerard Anderson was CEO of DTE Energy until July 2019, and the 2019 figure is compensation he received. Gerardo Norcia became CEO in July 2019 and also received $8,228,339 in total compensation that year.						
(3) William Spence was replaced as CEO by Vincent Sorgi effective June 1, 2020.						
(4) Donald Brandt was CEO of Pinnacle West until November 2019, and the 2019 figure is compensation he received. Jeffrey Guldner became CEO in November 2019 and also received $3,893,048 in total compensation that year.						
(5) Kevin Fletcher became CEO of WEC Energy in February 2019, and the 2019 figure is compensation he received. The 2018 figure is compensation received by former CEO Gale Klappa, who retired as CEO in 2019, and also received $5,012,243 in total compensation that year. The 2017 figure is compensation received by former CEO Allen Leverett.						
(6) John Larsen became CEO of Alliant Energy in July 2019, and the 2019 figure is compensation he received. The 2017 and 2018 figures are compensation received by former CEO Patricia Kampling, who also received $5,508,114 in total compensation in 2019 and retired in July of that year.						
Source: Utilities' Securities and Exchange Commission Form DEF 14A filings						

Utility executive pay continues to increase as customers face disconnection during COVID-19 crisis

Investor-owned utilities have argued publicly and to policymakers that they must continue disconnecting customers who have been unable to pay their electric or gas bills during the COVID-19 crisis. If they don't have the threat of disconnections, the utilities say, they will have to raise rates on other customers to cover the arrearages of those who can't pay.

But investor-owned utilities have large pots of executive compensation from which they can draw before turning to rate increases.

If Southern Company's Fanning took just a 32% compensation cut from his 2019 amount - still leaving him with a compensation of $19 million - Southern could use the savings to immediately wipe out the debt of every single one of the **74,006** Georgia Power customer that was over 90 days in arrears on their bills as of the end of July 2020, according to data the company submitted to Georgia regulators. Instead, Georgia Power disconnected 13,000 customers in July, starting when regulators allowed a state moratorium on disconnections to expire on July 14, 2020.

If NextEra's Robo took a 50% cut from his 2019 compensation - still allowing him to take home over $10 million - the company could use that money to wipe out the debt of **43,581** Florida Power & Light customers who were in arrears as of the end of June 2020, according to data NextEra submitted to Florida regulators.

Duke Energy CEO Lynn J. Good could take a 50% cut from her 2019 compensation - still earning over $7.5 million - and the company would be able to wipe out the debt of over **28,163** residential Duke Energy customers in the Carolinas who were considered past due on their bills as of July 31, 2020, according to data Duke submitted to North Carolina regulators.

DTE Energy could use half the compensation that it paid former CEO Gerard M. Anderson in 2019 - leaving over $6 million for CEO compensation - and use that to cover the arrearages of **6,768** senior and low-income customers who were 90 or more days late on their payments as of August 16, 2020, according to data DTE submitted to Michigan regulators.

Xcel Energy could use half the compensation that it paid CEO Ben Fowke in 2019 - still leaving nearly $8.5 million for CEO compensation - to cover the arrearages of **23,173** residential gas and electric customers in Minnesota who were late on their payments as of the end of July 2020, according to data Xcel submitted to Minnesota regulators.

Of course, all of these utilities could also choose to avoid both disconnecting customers and rate increase requests by tapping into a small percentage of the billions of dollars in corporate profits that they netted in 2019. As the Virginia Attorney General's Office commented in the state's utility disconnection moratorium docket, "for investor-owned utilities, it is possible that utility management could simply share the financial burden with shareholders, as other businesses impacted by the pandemic have had to do."

CEO "pay ratio" shows wide gap with employee compensation

Investor-owned utilities report annually on their CEO pay ratio, which illustrates the gap between the annual total compensation for a utility's CEO and average compensation for other employees of the company.

No utilities report on how CEO compensation compared to the median income of the customers they serve.

NextEra Energy reported the highest average CEO pay ratio at 164:1 for 2017 to 2019.

Duke Energy ranked second, with a 139:1 average CEO pay ratio between 2017 and 2019. Good also had the highest CEO pay ratio for any single year, at 175:1 for 2017.

For some utilities, the gap in CEO versus median employee compensation increased annually over the three-year period. Southern Company saw the largest increase from 2017 to 2019, with its CEO pay ratio rising 52 points from 114:1 to 166:1.

Other utilities reported their highest CEO pay ratio during the three-year period in 2017 or 2018.

Large swings in the annual CEO pay ratio reported by utilities may be due to changes in CEO compensation, but also to other factors like corporate restructurings.

For example, **FirstEnergy** reported its highest CEO pay ratio of 115:1 in 2018, a year in which CEO Charles E. Jones received his lowest annual compensation for the three-year period. In 2018, FirstEnergy reported CEO compensation of $11.1 million and median employee compensation of $96,805.

The previous year, in 2017, FirstEnergy reported its highest annual CEO compensation of almost $15.3 million for Jones, but a lower CEO pay ratio of 90:1. The median employee compensation FirstEnergy reported for that year was nearly double, at $170,299.

In 2018, FirstEnergy excluded all employees in its Competitive Energy Services businesses from its median employee compensation analysis due to the "deconsolidation" (i.e. bankruptcy) of its subsidiaries, FirstEnergy Solutions and the FirstEnergy Nuclear Operating Company. Those subsidiaries later emerged as a new company called Energy Harbor, and the median compensation of the employees left at FirstEnergy fell.

Table 2: Pay ratio of utility chief executive officers to the median employee at the company, 2017-2019

Utility	CEO	2017 pay ratio (1)	2018 pay ratio (1)	2019 pay ratio (1)	Change in pay ratio: 2017-2019 (in points)	Change in pay ratio: highest to lowest, 2017-2019 (in points)	Average pay ratio, 2017-2019 (1)
NextEra Energy	James L. Robo	155	170	168	13	15	164.3
Southern Company	Thomas A. Fanning	114	116	166	52	52	132
Xcel Energy	Ben Fowke	120	112	150	30	38	127.3
Eversource	James J. Judge	127	115	148	21	33	130
Duke Energy	Lynn J. Good	175	119	122	-53	56	138.6
Exelon	Christopher M. Crane	127	126	122	-5	5	125
Dominion Energy	Thomas F. Farrell, II (2)	109	144	119	10	25	124
Entergy	Leo P. Denault	106	84	110	4	26	100
American Electric Power	Nicholas Akins	102	111	109	7	9	107.3
FirstEnergy	Charles E. Jones	90	115	98	8	25	101
PPL	William H. Spence (3)	130	140	96	34	44	122
PSEG	Ralph Izzo	80	78	92	12	14	83.3
Arizona Public Service Company (Pinnacle West)	Donald E. Brandt (4)	82	91	90	8	9	87.6
WEC Energy	J. Kevin Fletcher (5)	113	91	73	-40	40	92.3
CMS Energy (Consumers Energy)	Patricia Pope	64	76	73	9	12	71
Con Edison	John McAvoy	91	92	71	-20	21	84.6
Ameren	Warner L. Baxter	66	71	66	0	5	67.7
DTE Energy	Gerard M. Anderson (6)	91	91	57	-34	34	79.6
Alliant Energy	John O. Larsen (7)	54	66	56	2	12	58.1

(1) Numbers represent amount of compensation received by CEO for every $1 of median employee pay.
(2) Thomas F. Farrell will be replaced as CEO by Robert M. Blue effective October 1, 2020.
(3) William Spence was replaced as CEO by Vincent Sorgi effective June 1, 2020.
(4) Donald Brandt was CEO of Pinnacle West until November 2019, when Jeff Guldner became CEO. For the 2019 CEO pay ratio calculation, APS used the prorated total compensation of Brandt and Guldner.
(5) Kevin Fletcher became CEO of WEC Energy in February 2019, and the 2019 CEO pay ratio figure is based on the total annual compensation he received that year. The 2018 figure is based on compensation received by former CEO Gale Klappa. The 2017 figure is based on compensation received by former CEO Allen Leverett.
(6) Gerard Anderson was CEO of DTE Energy until July 2019, when Gerardo Norcia became CEO. For the 2019 CEO pay ratio calculation, Norcia's compensation was annualized as if he had served as CEO for the full year.
(7) John Larsen became CEO of Alliant Energy in July 2019, and the 2019 CEO pay ratio figure is based on Larsen's annualized compensation for that year. The 2017 and 2018 figures are based on compensation received by former CEO Patricia Kampling.
Source: Utilities' Securities and Exchange Commission Form DEF 14A filings

Utilities reward executives with 200% maximum payout for performance shares

Performance-vesting stock awards are one example of a long-term incentive common to executive compensation plans.

Performance metrics are measured over a multi-year period, and policies typically allow for a payout to executives of up to 200% of the award for achievements in excess of the target metrics. For instance, in one analysis, 81% of oil and gas companies studied provided for a maximum 200% payout of performance shares in 2018.

Executive compensation plans for all of the utilities we analyzed set a maximum payout for performance shares of 200% of the performance target.

Shareholders approve of utility executive compensation plans

Shareholders for all of the utilities in this report approved executive compensation plans in 2020.

FirstEnergy's executive compensation plan received the most support from shareholders, with approximately 96.7% approval.

Dominion Energy's plan received the least support, but still reached 86.6% approval.

Table 3: Shareholder votes on utility executive compensation plans, 2020

Utility	For	Against	Abstain	Percent approval (excluding abstentions from total vote count)
FirstEnergy	407,391,024	14,131,682	2,369,706	96.7%
CMS Energy (Consumers Energy)	227,521,157	8,384,415	416,535	96.5%
DTE Energy	128,367,436	4,948,503	868,506	96.3%
Entergy	150,094,536	6,213,144	639,443	96.0%
Ameren	165,603,547	7,217,132	1,257,049	95.8%
PPL	517,726,320	24,562,706	4,035,585	95.5%
WEC Energy	225,575,991	10,694,128	2,413,715	95.5%
American Electric Power	339,999,068	16,452,714	2,432,620	95.4%
Xcel Energy	372,957,774	18,240,534	4,472,834	95.3%
Southern Company	631,373,311	32,936,250	5,871,635	95.0%
Alliant Energy	164,831,642	9,723,266	1,151,281	94.4%
Arizona Public Service Company (Pinnacle West)	84,232,459	5,053,175	631,786	94.3%
PSEG	343,680,450	21,686,445	2,995,286	94.1%
Duke Energy	436,899,353	30,160,071	4,671,936	93.5%
Con Edison	190,702,860	13,478,499	1,808,573	93.4%
Exelon	682,268,709	49,683,470	4,143,727	93.2%
NextEra Energy	345,140,226	31,482,099	2,653,449	91.6%
Eversource	230,233,396	27,592,830	3,145,361	89.3%
Dominion Energy	495,268,888	76,579,333	3,966,025	86.6%
Source: Utilities' Securities and Exchange Commission Form 8-K filings				

Ratepayer recovery of executive compensation questioned at state utility commissions

In 2009, during the Great Recession, the National Association of State Utility Consumer Advocates (NASUCA) raised the alarm about utilities' executive compensation, and NASUCA encouraged states to limit the amount of executive salaries and benefits that utilities could recover from ratepayers.

The recession and subsequent concerns expressed by consumer advocates got regulators' attention, threatening utilities' ability to recover executive compensation from their captive customers. As one utility lawyer from Akin Gump wrote in a 2011 article advising utilities how to avoid regulatory scrutiny, "Any notion that utility executives are insensitive to customers' interests, or 'out of touch' with the economic realities consumers face, must be absolutely avoided and dispelled by the utility in rate case proceedings."

Eleven years later, as ratepayers face another economic downturn caused by the COVID-19 pandemic, protections to shield them from paying for the lucrative compensation packages of utility executives vary and are lacking in some states.

A survey of twenty-four western states by the Garrett Group, last updated in 2018, found that "a clear majority of the states surveyed follow the financial-performance rule, in which incentive payments associated with financial performance are excluded from rates."

Some states still allow a portion of short-term incentive compensation to be included in rates, though the Garrett Group survey also found that "none of the jurisdictions surveyed allow full recovery of incentive compensation through rates as a general rule."

Hawaii regulators have gone a step further and allow *no* executive incentives to be recovered through rates, according to the survey.

Other states, however, have no such limits. In 2019, the Indiana Utility Regulatory Commission faced a request by Indiana Michigan Power, a subsidiary of **American Electric Power** (AEP), to include $23.7 million in annual incentive plan costs and $6.98 million in long-term incentive plan costs in rates paid by customers. Mark Garrett of the Garrett Group, on behalf of the Indiana Office of Utility Consumer Counsel, recommended the commission exclude at least half the annual incentive costs and all long-term incentive costs, but the commission sided with the utility in its 2020 order in the case.

In its most recent South Carolina rate case, which concluded in 2019, Duke Energy sought to raise rates on its average residential customer by $14 a month, including a massive increase in fixed fees that the company charges. The state Public Service Commission's (PSC's) decision effectively halved Duke's request, though the utility has since appealed that decrease to the South Carolina Supreme Court.

South Carolina regulators' objection to the full rate hike included Duke's proposed recovery of executive compensation costs from ratepayers. In a unanimously-approved PSC directive, Commissioner Thomas Ervin wrote:

> "the CEO and executive team demonstrated they were 'tone deaf' as to how a 238% increase in the Basic Facilities Charge [fixed fee] would have negatively and adversely impacted the elderly, the disabled, the low income and low use customers. It is one of the reasons I am recommending a 75% disallowance of the CEO's excessively high executive compensation for South Carolina during test year 2017 and a 50% disallowance for the next three highest Company executives."

Even where protections exist, some utilities still try to win approval to recover incentives from their customers.

Chattanooga Gas Company, a subsidiary of Southern Company, sought approval for both short-term and long-term incentives for its executives and other high-ranking employees in 2019. The Tennessee Consumer Advocate opposed the company's proposal. The Tennessee Public Utility Commission ultimately allowed 50% of the short-term incentive to be recovered in rates while rejecting the company's request for recovery of long-term incentives.

DTE Energy appeared to try to simply ignore Michigan Public Service Commission (PSC) precedent when it requested a rate increase in 2019. Michigan Attorney General (AG) Dana Nessel's office found in DTE's request that in addition to including costs for incentive compensation in operations and maintenance accounting, the utility included capitalized costs of short-term and long-term incentive compensation in its rate base projections - meaning it would not only recover the costs of the incentive compensation, but also earn profits on it.

Attorney General witness Sebastian Coppola said DTE's incentive plans are "too heavily skewed toward measures that directly benefit shareholders as opposed to customers."

The AG's Office recommended the PSC remove all capitalized incentive compensation costs associated with financial measures from the rate case.

The Administrative Law Judge in the case (ALJ) not only agreed, but recommended the PSC order DTE to:

> "immediately provide the Commission with a report in this docket identifying the amount of incentive compensation attributable to financial measures DTE has included in rate base at least over the last five years, and direct DTE to clearly exclude such amounts from rate base in its next rate application. The Commission may also want to initiate an

> investigation to determine what faulty managerial or other decision-making process led DTE to flagrantly ignore the Commission's numerous decisions on this expense category."

The PSC agreed with the AG and the ALJ, and disallowed $44 million from rates. The regulators said in the order they were "profoundly concerned as to why DTE Electric would think it would be acceptable to capitalize financial-based employee compensation incentives under rate base." The order further said:

> "The fact that DTE Electric booked these incentive compensation costs to rate base without being 'caught' by parties or the Commission in prior proceedings does not render them reasonable and prudent now, nor does their removal from rate base for rates being set on a going-forward basis constitute retroactive ratemaking … *the Commission has been unwaveringly clear that 'incentive compensation tied to financial performance measures has not been shown to benefit ratepayers*.'" (emphasis added)

In September 2020, Arizona Corporation Commission Chairman Bob Burns filed a letter in **Arizona Public Service Company**'s rate case seeking answers to 26 questions about the company's executive compensation of senior executives, as well as the number of senior executives. Burns requested responses from the company as well as commission staff and Arizona's Residential Utility Consumer Office, explaining: "It has come to my attention that perhaps the amount of upper level management at Arizona Public Service Company (APS) may be excessive and that the salary level of this upper level management may also be excessive when both levels are compared with other large corporations."

Misalignment with Decarbonization

While most major investor-owned utilities have established goals to reduce their greenhouse gas emissions, those goals are not yet reflected in the companies' executive compensation policies. Some utilities' executive compensation policies encourage renewable energy growth or discourage air and water pollution violations, but only **Xcel Energy** rewards its executives for the company's progress toward its decarbonization goals. Some utilities' executive compensation policies even conflict with their decarbonization goals, as is the case with outdated policies that encourage the operation and availability of coal plants.

The CEOs and Boards of Directors of several electric utilities were put on notice in September 2020 that major investors will assess their companies based in part on whether their executive compensation policies support decarbonization. A group of 500 global investors with over $47 trillion in assets wrote to executives and directors to inform them that "companies will be assessed on progress made in becoming net-zero businesses," including "Whether the company has effective board oversight of, and remuneration linked to, delivery of GHG targets and goals."

An exception to the rule: Xcel Energy incentivizes executives to meet targeted greenhouse gas emissions reductions

Xcel Energy's carbon emissions reduction incentive program is "based on the achievement of a specified reduction in carbon dioxide emissions." For the three-year period ending in December 2019, the carbon emissions reduction target was a 33% reduction of CO2 emissions from 2005 levels. For the three-year period ending in December 2021, the carbon emission reductions target is a 47% reduction of CO2 emissions from 2005 levels. If Xcel Energy were to reduce its emissions more than the target, executives would receive higher incentives, while a failure to reduce emissions beyond a threshold amount would mean that executives would not receive any incentive. In 2019, Xcel achieved in excess of its company emissions reduction goal, and named executive officers (NEOs) received approximately 127% of the target incentive payout.

Xcel Energy's carbon emissions reduction incentive program comprises 30% of executives' long-term incentive, which accounts for approximately 71% of CEO Ben Fowke's total compensation, and 54% of the average of all other NEOs' total compensation. In other words, the carbon emission reductions incentive program accounts for about 21% of the CEO's total compensation, and 16% of all other NEOs' total compensation. Xcel Energy has established a goal to reduce carbon emissions 80% by 2030 from 2005 levels, and generate 100% carbon-free electricity by 2050.

Image: Xcel Energy wind turbines in Texas. Source: Laura Lee Dooley, available in the public domain at Flickr

Some utilities' executive compensation policies include environmental metrics, but don't focus on reducing greenhouse gas emissions

Some utilities' executive compensation policies include environmental metrics, such as encouraging renewable energy development or discouraging air and water pollution violations. But those policies fail to align executives' compensation with utilities' decarbonization goals, because they don't require executives to actually reduce greenhouse gas emissions in order to receive the incentives.

Southern Company's executive compensation policies include incentives for CEO Thomas A. Fanning if the company adds zero-carbon resources or closes coal plants. The policy is not tied to actual emissions reductions and is silent on gas power plants. Therefore, Fanning could receive the incentive if the company's greenhouse gas emissions decreased only modestly, or even hypothetically if they increased. The policy applies to only the CEO, and other executives, such as those at Southern's operating companies like Alabama Power, are not compensated for the addition of zero-carbon resources, closing coal plants, or reducing greenhouse gas emissions. Southern set a goal to be net-zero carbon by 2050, though it continues to invest in new fossil fuel infrastructure and has been vague about how it will "net" its emissions.

American Electric Power (AEP) added a new metric in 2020 to its long-term incentive plan, which will "measure the increase in the Company's non-emitting generation capacity as a percentage of total generation capacity." The company defines non-emitting generation as “nuclear, hydro, wind, solar, demand-side management and storage,” and said that the new measure “was chosen to align with the Company’s strategy to commit substantial investments that reduce greenhouse gas emissions.” However, during a March 2020 investor presentation AEP said that it plans to add 1,607 MW of new gas power plants to its generation mix over the next ten years.

Duke Energy’s 2020 proxy statement says, “To promote clean energy initiatives, we incorporate a nuclear reliability objective and a renewables availability metric in our STI [short-term incentive] plan to measure the efficiency of our nuclear and renewable generation assets.” Instead of measuring emissions reductions or even renewable energy growth, Duke’s renewables availability metric is “calculated by comparing actual generation to expected generation based on the wind speed measured at the turbine and by calculating the actual generation to expected generation based on solar intensity measures at the panels.” Unlike compensation policies that focus on GHG reductions, incentivizing renewables availability does not encourage executives to move the utility toward a cleaner power supply or reduce emissions. This is the case despite Duke’s stated goal of net-zero carbon emissions by 2050, with an interim goal of a 50% reduction by 2030.

Dominion Energy’s proxy statement refers to a vague “company-wide environmental goal” as well as “business segment environmental goals,” but does not explain those goals. The statement also notes that Dominion CEO Thomas F. Farrell, II[1] “did not have business segment environmental goals.” This is the case despite Dominion’s stated goal of net-zero carbon and methane emissions by 2050, with additional interim goals for cutting its methane emissions.

FirstEnergy’s proxy statement says that “a portion of our annual incentive cash program is tied to ESG (Environmental, Social & Governance) related goals, including Diversity & Inclusion, environmental and safety.” However, the company’s executive compensation policies do not consider greenhouse gas emissions reductions; instead the environmental metrics are focused on “issues related to air emissions, water discharges or other unauthorized releases from facilities that exceed the allowable limitations, conditions or deadlines established in the facilities’ environmental permits.” In other words, FirstEnergy’s plan pays executives bonuses as long as they manage not to break anti-pollution laws.

Alliant Energy’s executive compensation policies include a metric that measures “Annual Progress Towards Long-Term Emission Goal.” A “long-term emissions goal” would lead many investors to assume that the goal refers to greenhouse gas reductions, given the focus on decarbonization in the sector, including the company’s own net-zero by 2050 commitment. But a

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[1] On July 31, 2020, Dominion announced changes to its leadership team. Effective October 1, 2020, Farrell will become Executive Chair, and Robert M. Blue, Executive Vice President and co-Chief Operating Officer, will succeed him as CEO.

company spokesperson told the Energy and Policy Institute that the policy refers to other pollutants, such as nitrogen oxides, sulfur oxides, and mercury - not greenhouse gas emissions.

Eversource includes "clean energy execution" as a metric in its executive compensation policy, and says that the company exceeded its 2019 goals through its energy efficiency programs and "[s]ignificant progress with energy storage and electric vehicle projects." Eversource also established a sustainability goal in 2019 "to be in the 75th percentile of a peer group of comparably sized U.S. utilities whose ESG performance is assessed by the two leading sustainability rating firms," which the company also determined it had exceeded. Neither the "clean energy execution" nor sustainability metrics appear to measure Eversource's progress towards its goal to be carbon-neutral by 2030.

The executive compensation policies of **Con Edison** and **PSEG** likewise mention renewable energy growth as components of broader goals, but do not reward executives for reducing greenhouse gas emissions. The executive compensation policies of **CMS Energy**, **Entergy**, **Exelon**, **NextEra Energy**, **PPL**, and **WEC Energy** also do not incentivize decarbonization, despite CMS' goal of net-zero carbon emissions by 2040, and WEC's of net carbon neutrality by 2050.

Table 4: Utilities with net-zero or carbon-neutral goals have compensation plans that do not incentivize progress toward those goals; some plans conflict with goals outright

Utility	**Decarbonization goal**	**Executive compensation plan's relationship to decarbonization**
Xcel Energy	Zero-carbon by 2050	Incentivizes decarbonization
Alliant Energy	Net-zero carbon by 2050	Does not incentivize decarbonization
CMS Energy (Consumers Energy)	Net-zero carbon by 2040	Does not incentivize decarbonization
Dominion Energy	Net-zero carbon by 2050	Does not incentivize decarbonization
Duke Energy	Net-zero carbon by 2050	Does not incentivize decarbonization
Eversource	Carbon-neutral by 2030	Does not incentivize decarbonization
Southern Company	Net-zero carbon by 2050	Does not incentivize decarbonization
WEC Energy	Net carbon neutral by 2050	Does not incentivize decarbonization

Arizona Public Service Company (Pinnacle West)	Eliminate fossil fuels, 100% clean energy by 2050	*Conflicts with decarbonization*
DTE Energy	Net-zero carbon by 2050	*Conflicts with decarbonization*

Some utilities' executive compensation policies conflict with decarbonization goals

Some utilities' executive compensation policies include incentives that conflict with decarbonization goals, such as outdated policies that encourage the operation and availability of coal plants. One utility recently eliminated a policy that encouraged executives to maximize the availability of its coal fleet in response to concerns raised by the Sierra Club.

Arizona Public Service Company's (APS) executive compensation policy includes incentives based on "[t]he Company's percentile ranking based on coal capacity factor relative to other companies reported in the Market Intelligence data." Including coal capacity factors in executive compensation policies conflicts with the company's goals to eliminate all fossil fuels and achieve 100% clean energy by 2050, because it incentivizes executives to run coal plants even when cleaner and cheaper resources may be available. Another portion of APS' executive compensation policy includes the "Summertime Equivalent Availability Factor" for each power plant, which measures how much of the year APS' coal plants are available to operate.

DTE Energy's executive compensation policy includes a metric for "Fossil Power Plant Reliability," which is measured by how often its Monroe and Belle River coal plants are "not capable of reaching 100% capacity, excluding planned outages." The coal-plant reliability metric incentivizes the utility to maintain, at ratepayer cost, coal plants it should be slating for accelerated closure in order to save customers money and achieve the company's 2030 and 2050 carbon emission reduction goals.

Ameren set a goal in late 2017 of reducing greenhouse gas emissions by 80% by 2050 from a 2005 baseline, and to invest in 700 MW of wind and 100 MW of solar power. In 2018, the Sierra Club filed a shareholder resolution protesting Ameren's continued use of a coal availability metric in its executive incentive structure, to be considered at the 2019 Ameren annual shareholder meeting. Andy Knott, a senior representative for the Sierra Club's Beyond Coal campaign, told Midwest Energy News that they found the incentive "extremely hypocritical" after Ameren had announced its greenhouse gas reduction goal.

Image: Ameren's Meramec Energy Center. Source: Jake Trost Photography, in the public domain available at Flickr

The Sierra Club withdrew the proposal after Ameren agreed to assess the "feasibility of integrating metrics for the reduction of the company's carbon output, while removing the coal-fired generation availability metric." In 2019, Ameren's Board of Directors Human Resources Committee eliminated the coal metric from the short-term incentive program, and added a long-term incentive that will measure the company's progress towards renewable generation and energy storage additions; both will be effective for 2020. However, Ameren has not released the specifics of how it will incentivize renewable energy and energy storage additions, and Ameren has not said that it will introduce an executive incentive to directly reduce greenhouse gas emissions.

Misleading Financial Metrics

Several of the utilities examined in this report are using misleading or problematic financial metrics to calculate executive compensation, often resulting in a greater windfall for executives. Those companies employ two main practices: using non-standard accounting measures, and benchmarking pay to that of executives at inappropriate peer comparison companies.

Utilities use non-standard accounting, boosting executive pay

Many of the utilities we analyzed calculated adjusted earnings based on non-GAAP (Generally Accepted Accounting Principles) metrics, which allowed them to exclude certain items that negatively affected their bottom lines. While a corporate accounting practice not exclusive to utility companies, such exclusions tend to inflate the earnings picture, ultimately resulting in higher incentive-based executive compensation. Exclusions included "extraordinary" or non-recurring events such as plant closures, costs due to regulatory decisions, legal expenses and taxes, and impacts of granting preferred stock and related dividends - all events that are part of the course of business for utilities and for which executive leadership might bear responsibility.

Image: Eversource abandoned its Northern Pass Transmission project in 2019. Source: Screenshot of WMUR-TV YouTube video

Eversource excluded the failed Northern Pass Transmission (NPT) Project when it awarded its executives compensation in excess of the company's 2019 performance targets. The utility pulled the plug on the NPT - a transmission line to bring hydropower from Canada to New England - after the New Hampshire Supreme Court sided with regulators' rejection of the project, leading Eversource to write off $204 million dollars. This exclusion boosted Eversource's earnings per share (EPS), which is a determinant of pay awarded under its annual executive incentive program. Using this non-GAAP measure, the company's EPS jumped to $3.45, a $0.64 increase over a standard GAAP calculation. As a result, executives received compensation in excess of the company's financial performance goals. Eversource also excluded the NPT Project when calculating performance share awards as part of its long-term executive incentive program. While NPT had been on the table since 2010, current CEO James J. Judge - who took over the role in 2016 - continued pushing for the project until its ultimate demise.

When **American Electric Power** (AEP) awarded its executives' 2019 performance-based pay, it employed non-GAAP measures to exclude expensing of previously retired coal generation assets in Virginia and the closing of its Conesville coal plant in Ohio. The upshot for its executives amounted to a $4.24 operating EPS, a $0.35 increase over a standard GAAP calculation. The operating EPS is a substantial portion of the company's compensation plan, consisting of 70% of the annual incentives and a significant part of the long-term incentive plan.

There are exceptions where using non-GAAP accounting in determining executive compensation may have benefits for customers. It may make sense for utilities to use non-GAAP measures to avoid a compensation penalty that could discourage executives from deciding to retire or abandon fossil fuel assets, or other projects that harm customers or provide no benefit, as in the example of AEP's exclusion of the effect of coal generation retirement on EPS.

Earnest, robust incentives that align compensation with decarbonization goals (see "Misalignment with Decarbonization") would also help to neutralize any penalties that executives might face from retiring or abandoning fossil fuel assets, and to discourage them from investing capital in those projects in the first place.

FirstEnergy likewise excluded several "special items" from 2019 performance calculations like non-GAAP operating earnings and EPS, including "exit of competitive generation" through its ill-fated subsidiary FirstEnergy Solutions, which emerged from bankruptcy in 2020 as a new separate company called Energy Harbor. This exclusion served as a basis for calculating executive compensation, yielding a non-GAAP EPS of $2.58 that was significantly higher than the $1.70 standard GAAP calculation. Non-GAAP operating EPS accounted for half of the performance measures used to calculate FirstEnergy's long-term incentives in 2019. It also constituted 70% of short-term incentive measures for the CEO and 50 to 60% for other named executive officers (NEOs).

PSEG excluded "plant retirements and dispositions" as "one-time items" in calculating its 2019 executive compensation. While its use of non-GAAP metrics created a $0.05 decrease in EPS compared with GAAP metrics, the company rewarded executives additionally based upon adjusted operating earnings for its various business units (these are "adjusted for variances between actual interest expense and the business plan"), a metric several of its executives met at the maximum payout in 2019. The company used non-GAAP measures for those incentives, it explained, "because we believe they better reflect operating performance and more directly relate to ongoing operations of the businesses."

In other instances, utilities exclude costs from their compensation calculations that they incurred due to unfavorable decisions by regulatory or legal bodies. When determining the compensation for former CEO Donald E. Brandt and its other top executives in 2019, **Arizona Public Service Company**'s (APS') parent company Pinnacle West excluded a reduction in APS' earnings after the Arizona Corporation Commission (ACC) deferred a decision on its cost recovery request to install scrubbers at the Four Corners coal plant. Brandt was CEO when the company decided to install the scrubbers, and his leadership was a focal point during the deterioration of APS' relationship with the ACC.

In 2019, **FirstEnergy** excluded from its compensation calculations the "impact" of the Ohio Distribution Modernization Rider, a customer fee rejected that year by the Ohio Supreme Court. While ostensibly billed as a grid modernization charge, opponents assailed the rider as a "blank check" the utility ultimately used to prop up struggling coal and nuclear generation.

Another way utilities inflate executive pay is by excluding various legal expenses, transaction costs, and taxes when calculating compensation. As part of its determinations of EPS and return on equity (ROE) for performance goals from 2017 to 2019, **Southern Company** excluded legal expenses and tax impacts related to plants under construction. While the company did not name these plants, this reference is likely to its Plant Vogtle nuclear facility in Georgia. Southern Company added that this exclusion included "additional equity return related to the Kemper IGCC [integrated gasification combined cycle] in 2017." Southern was forced by Mississippi regulators to write off $6.4 billion due to losses of the failed Kemper project.

At the same time, FirstEnergy excluded the impact of tax reform-related refunds to customers that "exceeded budgeted amounts," as well as the impacts of legal reserves or related expenses.

Both **Con Edison**'s adjusted earnings for net income for common stock and its adjusted EPS in 2019 excluded transaction costs for its acquisition of Sempra Solar Holdings, LLC.

Utilities have even excluded the expenses associated with granting preferred stock and related dividends. Such is the case with FirstEnergy, which eliminated these costs when calculating its operational earnings for 2019. As Robert Pozen and S.P. Kothari observed in the Harvard Business Review, the Financial Accounting Standards Board has ruled that these expenses should be included in calculating GAAP net income. Accordingly, "it is questionable for a compensation committee to undermine this accounting rule," Pozen and Kothari wrote.

Utilities levy inappropriate peer company comparisons, increasing executive compensation

One of the common measures utilities employ to calculate executive compensation is comparison to peer companies. The typical corporate compensation committee compares the total shareholder return (TSR) of its own company with those of its peers over the previous three years, as well as the current pay packages for its top executives with those of its peers, according to Pozen and Kothari. Yet constructing inappropriate peer groups alongside which to evaluate utilities opens the door to inflating executive pay.

For instance, a utility may compare itself to a larger and more profitable company by way of adjusting its own revenues. In determining its peer group in 2019, APS announced that it made "certain adjustments to our size measure to account for our operational responsibilities." These included inflating APS' revenues by 50% to reflect the company's "control and responsibility for Palo Verde Generating Station, Four Corners Generating Station and Cholla Power Plant" - an increase of $1.8 billion above the utility's actual revenues.

In an attempt to justify this practice, APS' parent company, Pinnacle West, pointed to the increased regulation and complexity of operating the largest nuclear plant in the U.S., Palo Verde. However, operating nuclear projects - even sizable ones - is within the bounds of normal utility business operations, including among other companies discussed in this report. Moreover, Pinnacle West's claim does not explain why APS counts all of the revenues from the two aforementioned coal plants it operates and co-owns with other utilities. In part because of the resulting inflation of its revenues, APS' peer group includes some utilities that are much larger, including Southern Company. Southern Company's market cap - $57 billion as of August 2020 - is more than six times that of Pinnacle West, $9 billion. Peer group comparison is a significant factor determining APS' executive compensation. The company used this metric to calculate 50% of the pay for two of its executives, and one-third of the pay for its other executives.

Similarly, FirstEnergy packed its 2019 peer group with larger enterprises - including 22 utilities and 44 "general industry" companies from other sectors. Thanks to this comparison, management awarded certain NEOs an increase in compensation "to continue to align with the Blended Median, in the aggregate (within the 85% to 120% competitive range)".

FirstEnergy's net income was $908 million in 2019. Yet companies in its "general industry" peer group serving to benchmark its executives' compensation include the following - all of which earned hundreds of millions, and sometimes billions, of dollars more in income, and whose CEOs made millions more than FirstEnergy's CEO:

Table 5: Companies in FirstEnergy's "general industry" peer group skew its executive compensation

Company	Net income, 2019	Total CEO compensation, 2019
FirstEnergy	**$908 million**	**$14.7 million**
Honeywell International	$6.1 billion	$18.9 million
Raytheon Technologies	$5.9 billion	$21.5 million
Eli Lilly & Co.	$4.6 billion	$21.2 million
Qualcomm	$4.3 billion	$23 million
CSX	$3.3 billion	$15.5 million
Norfolk Southern	$2.7 billion	$16.6 million
Illinois Tool Works	$2.5 billion	$15.4 million
Northrop Grumman	$2.2 billion	$20.3 million
Ecolab	$1.5 billion	$19.8 million

None of these companies include FirstEnergy in their own peer groups to determine compensation. **Exelon** also includes Honeywell and Northrop Grumman as part of its nine-member general industry peer company list. However, Exelon's net income of $3 billion is more comparable to that of these companies. **CMS Energy**'s performance peer group, as a counter-example, is composed of publicly traded utilities in the S&P 500 and S&P Midcap 400 indexes.

Southern Company is inconsistent in its selection of peer companies. The company used two different groups to assess its total direct executive compensation and relative TSR for the 2019 to 2021 performance period. While there was some overlap between the peer groups, the group Southern used to determine its total direct compensation consisted of 22 large energy service companies, "with more similar businesses," while the group it used to determine its relative TSR consisted of 21 companies, including several considerably smaller corporations. Both of these choices could work to the benefit of the utility's executives. Southern's use of a group of larger diversified corporations to determine direct compensation could put upward pressure on its executive pay. Likewise, including smaller regulated companies in its TSR peer group could establish a more easily attainable TSR benchmark; relative TSR is a key metric in determining Southern's long-term executive incentives.

Peer Groups and Establishing Market-Based Compensation Levels

Peer Group for 2019 Compensation Decisions

- **Used to determine the total direct compensation for our executives**
- **Approximates the competitive market in which we compete for talent in executive and managerial roles**
- Consists of 22 publicly traded energy services companies (subject to changes resulting from mergers and acquisitions)
- In 2019, Pay Governance, in conjunction with the Compensation Committee, conducted a detailed review of internal considerations and external practices for the determination of the compensation peer group.
- Adjustments to the peer group and the benchmarking approach were made to focus on large companies (at least $6 billion in revenues) with more similar businesses, including other large diversified utilities that have combined electric and gas operations.
- We target the total direct compensation for our executives at market median of the peer group.

Peer Group for Relative TSR Metric for 2019-2021 Performance Period

- **Used to measure our relative TSR performance (used in the PSP award)**
- The peer group against which we measure our relative TSR for the 2019-2021 performance period for the performance shares consists of 21 publicly traded energy services companies that we believe are most similar to Southern Company in both their business model and investors.
- The Compensation Committee considers companies that have at least 70% regulated assets and $7 billion in market capitalization.
- Several companies in the relative TSR peer group do not meet the revenue size requirement to be included in the compensation peer group, and some companies might not participate in the survey from which the data for the compensation peer group is derived.

Peers used for 2019 Compensation Decisions	Peers used for Both	Peers used for Relative TSR
Dominion Energy, Inc.	Ameren Corporation	Alliant Energy Corporation
Energy Transfer Partners, L.P.	American Electric Power Company, Inc.	Consolidated Edison, Inc.
Exelon Corporation	CenterPoint Energy, Inc.	Eversource Energy
FirstEnergy Corp.	CMS Energy Corporation	Evergy, Inc. (formerly Westar)
National Grid plc	DTE Energy Company	Fortis Energy Services
NextEra Energy, Inc.	Duke Energy Corporation	Great Plains Energy Incorporated
PG&E Corporation	Edison International	OGE Energy Corp.
Public Service Enterprise Group Incorporated	Entergy Corporation	Pinnacle West Capital Corporation
	FirstEnergy Corp.	WEC Energy Group, Inc.
	PPL Corporation	
	Sempra Energy	
	Xcel Energy Inc.	

Image: Southern Company's use of two corporate peer groups to inform different elements of compensation could work to executives' advantage. Source: Southern Company 2020 Proxy Statement

These diverging benchmarks for assessing the varying portions of executive compensation can skew payouts in the utility executives' favor. As Pozen and Kothari put it, "To provide a fair comparison, the peer group should consist of companies with similar revenues and market capitalizations and from similar industries. A biased peer group totally undermines its utility in setting compensation."

Lavish Perks and Benefits

Private jets, personal legal and financial services, hospitality suites, premier health club memberships, sporting events tickets: these are just a few of the benefits utility executives enjoy in the name of "shareholder value creation and executive retention", as disclosed in their financial reporting. Utility disclosures refer to these benefits by a variety of names, including "personal benefits," "supplemental compensation," and "perquisites," more commonly referred to as "perks." From traditional corporate extras such as access to company vehicles, to more unique line items like home security monitoring and genetic testing, these benefits pad utility executives' already inflated compensation packages.

Many utilities attempt to characterize the cost of executive perks as so low as to be inconsequential. **NextEra Energy** terms its executive perks an "incremental" cost, outweighed by the benefits of increased productivity by its named executive officers (NEOs). **PSEG** states that "No NEO [named executive officer] received a perquisite in 2019 that exceeded the greater of $25,000 or 10% of the NEO's total perquisite and personal benefit amount." That is to say, $25,000 is not the total cap on all perks received by each PSEG executive, but simply the limit of any single perk.

While it may be true that the monetary value of these benefits is relatively low in the context of utility balance sheets, NEO benefits packages alone are worth more than the salaries of many non-executive employees, effectively widening company pay ratios in ways that are not clearly documented. Utility reporting varies widely in the level of detail provided about these benefits.

Premier executive transportation includes private aircraft, personal drivers

Executive use of private company aircraft is a common benefit offered by at least 14 of the 19 utilities covered in this report. Some utilities permit executives - and even their families and friends - unlimited personal travel on their companies' private jets. **Dominion Energy** states that its Board has "directed" CEO Thomas F. Farrell, II to use corporate aircraft for personal travel for "security reasons," and that family and guests may join him. Farrell's personal use of Dominion aircraft amounted to $134,660 in 2019.

Southern Company CEO Thomas A. Fanning racked up a bill of $127,372 for personal use of the company aircraft in 2019. Similar to Dominion, the utility claims that the use of company aircraft allows NEOs to "perform their duties in a safe, secure environment and promotes safe and effective use of their time."

Exelon CEO Christopher Crane received a value of $94,049 for personal use of corporate aircraft in 2019, plus $60,955 for spousal travel. Exelon Executive Vice President and Chief

Strategy Officer William Von Hoene received a value of $119,917 for personal use of corporate aircraft, which the company said was largely related to commuting between Chicago and Washington D.C.[2] Von Hoene also received a value of $15,459 for spousal travel.

Image: Bombardier BD-100-1A10 business jet - one of the types of jets registered to Exelon, according to the Federal Aviation Administration's aircraft registry database. Source: André Du-pont, Wikimedia Commons

FirstEnergy allows for "limited" personal use of corporate aircraft by executives and Board members, valued at $59,308 in 2019 for CEO Charles E. Jones. In 2017, Ohio state representative Larry Householder flew to Donald Trump's presidential inauguration on board FirstEnergy's corporate plane. "The trip marked a new period of cooperation between Householder and FirstEnergy Corp. as they worked to save the company's struggling coal and nuclear plants in Ohio and Pennsylvania," E&E News later reported.

Three years later, Householder would be removed as speaker of the Ohio House of Representatives and indicted on federal racketeering charges. Federal investigators allege Householder and several other defendants secretly used $60 million from FirstEnergy to elect Householder as speaker, and then enact a $1 billion bailout that allowed a bankrupt subsidiary of the utility to cancel plans to deactivate two nuclear plants and a coal plant.

Some utilities do require the repayment of any marginal costs incurred from personal use of corporate planes, while the companies generally foot the bill for the ownership and operation of the aircraft themselves. For example, NextEra stipulates that NEOs must pay the company for

[2] The Washington D.C. Public Service Commission mandated that Von Hoene and other senior leadership move their offices to D.C. as part of Exelon's purchase of the D.C. utility Pepco.

any non-business use based on the rate prescribed by the Internal Revenue Service (IRS) for valuing non-commercial flights.

American Electric Power (AEP) CEO Nicholas Akins is not charged for fixed costs, such as depreciation and pilot salaries, associated with using company aircraft for personal trips, because the "aircraft are predominantly used for business use." Akins does reimburse the company for some costs: "The incremental costs incurred in connection with personal flights for which Mr. Akins fully reimbursed the Company under the Aircraft Timesharing Agreement include fuel, oil, hangar costs, crew travel expenses, catering, landing fees and other incremental airport fees."

Even in the case of business-related travel, some utilities allow NEOs' spouses and even other guests to accompany them aboard company aircraft. **WEC Energy**'s policy explains that "the airplane cost is the same regardless of whether or not an executive's spouse travels."

Providing utility executives with company vehicles, leasing programs, and "automobile stipends" is also common. At least **Con Edison**, **DTE**, and PSEG foot the bill for the cost of a personal driver for their CEOs. NextEra spent over $130,000 on NEO vehicle expenses in 2019. Many utilities' vehicle programs cover all associated costs, such as insurance, fuel, parking and maintenance.

Utility executives commonly receive gifts, charitable matching, and professional and lifestyle perks

Utility financial reporting includes several mentions of "gifts" for NEOs. Companies may present these to executives directly, such as with Exelon and Southern Company. In other cases, NEOs receive "sponsored" gifts, as in the case of AEP, which has explained that "executive officers may receive customary gifts from third parties that sponsor events."

Some utilities, such as **Alliant Energy**, AEP, **Duke Energy**, and FirstEnergy, also offer charitable gift matching programs, allowing NEOs to increase their own donations to charities at no additional personal cost. The Energy and Policy Institute has documented how utilities and their executives make charitable contributions to non-profit organizations that then go on to support the utilities' political agenda, or that have ties to key policymakers.

Many utility executive benefits packages also include complementary professional services. Legal and financial counsel, plus tax planning and preparation are the most common. Details on the services provided to the executives are sparse. For **Ameren**, for example, neither the 2019 nor the 2020 proxy filing details the total expense of these perks, whereas Ameren discloses compensating CEO Warner L. Baxter with a value of $10,000 for tax and financial planning services in 2016 and 2017, respectively.

Most utilities' executives are also feted with a wide range of "lifestyle perks," described as ways to improve their quality of life, corporate retention, and NEOs' overall performance and contribution to their companies. These benefits include things like health club and hospitality memberships (at least PSEG, NextEra, Dominion, and Ameren), home security systems (including PSEG, NextEra, Alliant, and DTE), and even genetic testing (for example, **PPL**). Dominion outlines "an allowance of up to $9,500 a year to be used for health club memberships and wellness programs, comprehensive executive officer physical exams and financial and estate planning" and Alliant reported spending nearly $30,000 on home security for CEO John O. Larson in 2019. There is little additional detail provided about many of these lifestyle benefits or their value.

Executives take home ample severance and non-qualified retirement benefits

Although utility executive perks are provided in the name of retention, they can also include additional retirement funds, generous predetermined severance packages, and, in the case of **Arizona Public Service Company** (APS), a consulting agreement worth nearly $2 million upon CEO Donald E. Brandt's retirement. In 2019, APS paid Brandt, who retired that year, a $4 million "performance award" that in 2017 had been "designed to incent Mr. Brandt, a retirement-eligible CEO, to remain in his current role." Upon his retirement, APS also awarded Brandt a "consulting services agreement" worth up to an additional $1.75 million.

In order to supplement executives' 401(k)s and the associated contribution limits under the Internal Revenue Code, utilities commonly offer NEOs additional "non-qualified" retirement benefits. These plans go by a variety of names. For example, NextEra provides a Supplemental Executive Retirement Plan (SERP). As characterized in NextEra's 2020 proxy statement:

> "Current tax laws place various limits on the benefits payable under tax-qualified retirement plans, such as NextEra Energy's defined benefit pension plan and 401(k) plan, including a limit on the amount of annual compensation that can be taken into account when applying the plans' benefit formulas. Therefore, the retirement incomes provided to the NEOs by the qualified plans generally constitute a smaller percentage of final pay than is typically the case for other Company employees. In order to make up for this and maintain the market-competitiveness of NextEra Energy's executive retirement benefits, NextEra Energy maintains an unfunded, non-qualified SERP for its executive officers, including the NEOs."

APS, Ameren, Alliant, **CMS Energy**, DTE, **Entergy**, **Eversource**, PSEG, Southern Company, WEC, and **Xcel Energy** also offer SERPs. Xcel closed its program to new participants in 2008, with CEO Ben Fowke now the sole participant, while Entergy closed its program to new participants in 2014.

Similarly, Dominion offers NEOs two non-qualified retirement plans, including the Retirement Benefit Restoration Plan (BRP) and the frozen Executive Supplemental Retirement Plan (Frozen ESRP). Duke offers what it calls an Executive Cash Balance Plan (ECBP) and a Retirement Cash Balance Plan (RCBP). In addition to its SERP, Southern Company also provides a Supplemental Benefit Plan (SBP-P).

Outliers exist, though trend shows extra perks for utility executives remain the norm

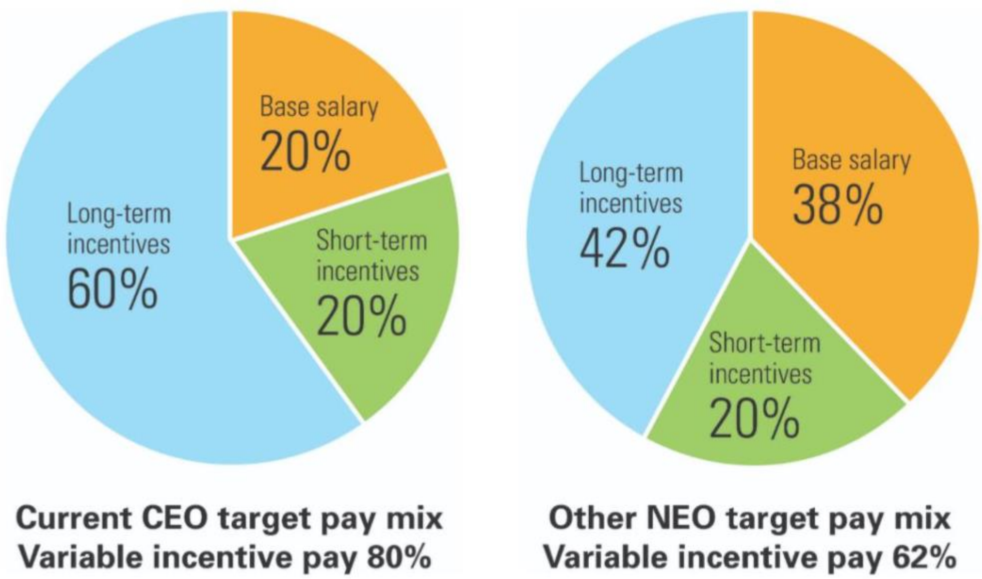
Few of the utilities studied, including Xcel and CMS, have adopted a different approach to perks. According to its 2019 financial reporting, CMS Energy, for example, offers "No excessive perquisites. No planes, cars, clubs, security or financial planning." Such decisions to limit extra benefits are an industry exception, however, rather than the norm.

Utility Profiles

Alliant Energy

Alliant Energy, a Wisconsin-based utility holding company that operates Wisconsin Power and Light (WPL) and the Iowa utility Interstate Power and Light (IPL), provides its executives with a base salary, short-term compensation plan, and a long-term compensation plan.

The base salary provides fixed compensation that is subject to annual review and is weighted considerably less than the long-term incentive performance plan. In 2019, then-CEO Patricia Kampling's base salary was increased by 5% to $1,060,000. After her retirement and the promotion of John O. Larsen to CEO, Alliant reduced the base CEO salary to $900,000.



Alliant's compensation components are weighted toward financial performance-based compensation. Source: Alliant Energy Corporation 2020 Proxy Statement

Alliant's short-term performance pay is an annual plan that provides executives with cash payments tied directly to achievement of certain goals established by the Board of Directors' Compensation and Personnel Committee. The driving force behind the annual performance metric is Alliant's consolidated earnings per share (EPS), which is weighted at 70% of the performance total. For 2019, the Board had established a target range of $2.10 to $2.33 EPS. Alliant reported a $2.31 EPS.

Alliant is one of the few utilities analyzed in this report that incentivizes a diverse workforce. However, the cash incentive pales in comparison to the EPS target. Of the performance total, 2.5% is given to the "people of color" metric and another 2.5% is given to the "women" target.

Alliant's executives failed to achieve the minimum threshold targets set by the Board for 2019. The threshold was having people of color compose 5.1% of the workforce and women compose 25.9%. Alliant reported 5% and 25.8%, respectively.

Alliant does have a goal to provide net-zero carbon emission electricity to its customers by 2050; however, Alliant does not incentivize CO2 reductions in executive compensation. Alliant's environmental metric, which incentivizes executives annually to execute on the utility's long-term goal of reducing emissions, is specifically for nitrogen oxides (NOx), sulfur oxides (SOx), and mercury, according to an Alliant spokesperson when asked by the Energy and Policy Institute. The spokesperson further stated that "Alliant determines the amount of emissions reduction we need that year to meet the long-term goal, which is then the target for the incentive plan."

Alliant's long-term incentives are strictly equity compensation "to align management interests with shareholder interest over a sustained period," according to the company's 2020 proxy statement. The Board incentivizes company management to achieve a 7% three-year compounded annual growth rate of net income. If executives achieve that threshold, they are awarded a 200% payout. The Board additionally wants Alliant to achieve greater shareholder return than its peers, measured by the Edison Electric Institute (EEI) Stock Index. If Alliant is in the 90th percentile or greater, executives again receive a 200% value payout. In 2019, Alliant's three-year average performance exceeded the 7% compounded annual growth, which resulted in a 200% target award payout. This placed the utility in the 72nd percentile in the EEI Stock Index, which resulted in an additional 155% payout.

In addition to cash and stock awards, executives receive certain perquisites. Alliant's perquisites include health physicals, reimbursement of financial planning expenses, disability insurance, the use of the corporate aircraft "in some instances," and the ability to have a family member or members accompany the CEO on business trips. Alliant limits the CEO to up to 40 hours of personal use of corporate aircraft each year. In 2018 and 2019, then-CEO Patricia Kampling received $7,187 and $6,144 in perquisites for personal air travel by family members. The current CEO, John Larsen, received $27,287 for home security services in 2019.

CEO compensation ranking among utilities studied, 2019	19/19
Compensation ratio: CEO to median employee, 2019	56:1
Percent change in CEO compensation, 2017-2019	+16.6% ($1,084,670)

Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is Alliant's executive compensation structure aligned with decarbonization?	No. While Alliant has committed to providing net-zero carbon emission electricity by 2050 to customers, the Board does not incentivize CO2 reduction. The company's environmental metric incentivizes reductions of NOx, SOx, and mercury.
Is there evidence from SEC filings that Alliant is using misleading financial metrics to determine executive compensation?	No.
What key perquisites or benefits do Alliant executives receive?	Executives receive an annual physical, home security services, reimbursements for financial planning services, charitable gift matching, personal use of the corporate aircraft, and a supplemental executive retirement plan.

Table 6: Alliant Energy executive compensation, 2017-2019

Name and principal position	**Year**	**Salary (1)**	**Stock awards (2)**	**Non-equity incentive plan compensation (1)(3)**	**Change in pension value and non-qualified deferred compensation earnings (4)**	**All other compensation (5)**	**Total**
John O. Larsen	2019	$754,615	$2,473,403	$1,143,000	$3,062,273	$186,708	$7,619,999
Chairman, President, and Chief Executive Officer of Alliant Energy	2018	$546,702	$697,416	$446,600	$655,424	$106,808	$2,452,950
Chairman and Chief Executive Officer of IPL & WPL	2017	$393,846	$388,217	$171,628	$468,608	$74,908	$1,497,207
Robert J. Durian	2019	$500,577	$904,931	$444,500	$101,153	$137,803	$2,088,964
Executive Vice President and Chief Financial Officer	2018	$472,837	$867,356	$385,700	$1,504	$109,761	$1,837,158
	2017	$436,058	$819,447	$243,320	$58,486	$76,338	$1,633,649
James H. Gallegos	2019	$525,673	$739,067	$400,050	$41,422	$222,699	$1,928,911
Executive Vice President, General Counsel, and Corporate Secretary	2018	$494,615	$710,064	$348,000	$3,340	$232,827	$1,788,846

	2017	$439,135	$591,834	$208,560	$22,377	$171,652	$1,433,558
David A. de Leon (6)	2019	$301,154	$226,244	$171,450	$70,000	$49,035	$817,883
Senior Vice President and President of WPL							
Terry L. Kouba (6)	2019	$301,154	$226,244	$171,450	$96,130	$52,169	$847,147
Senior Vice President and President of IPL							
Patricia L. Kampling (7)	2019	$643,468	$3,464,092	$774,065	$237,349	$389,140	$5,508,114
Former Chairman and Chief Executive Officer of Alliant Energy	2018	$1,003,821	$3,327,872	$1,346,540	$358,019	$484,457	$6,520,709
	2017	$977,981	$3,193,904	$851,620	$1,137,849	$373,975	$6,535,329

(1) Amounts include amounts deferred under the company's Deferred Compensation Plan.

(2) Amounts reflect the aggregate grant date fair value of performance shares and stock granted as part of the incentive plan.

(3) Cash amounts for short-term performance pay with respect to services performed in 2019 that were paid in 2020.

(4) Amounts reflect the actuarial increase in the present value of each NEO under pension plans.

(5) Amounts include personal benefits, life insurance premiums, and dividends.

(6) de Leon and Kouba were not named executive officers in 2017 or 2018.

(7) Kampling retired on July 1, 2019, and was succeeded by Larson. Based on the date of her retirement, she is entitled to a prorated value of 50% of the grant amounts shown for 2019 in the stock awards column.

Source: 2020 Alliant Energy Securities and Exchange Commission Form DEF 14A filing

Table 7: Alliant Energy Board compensation, 2019

Name (1)	**Fees earned or paid in cash (2)**	**Change in pension value and non-qualified deferred compensation earnings (3)**	**All other compensation (4)**	**Total**
Patrick E. Allen	$250,000	$0	$0	$250,000
Deborah B. Dunie	$117,500	$0	$0	$117,500
Jillian C. Evanko	$240,000	$0	$0	$240,000
Darryl B. Hazel	$120,000	$0	$3,500	$123,500
Singleton B. McAllister	$235,000	$584	$0	$235,584

Roger K. Newport	$240,000	$0	$3,500	$243,500
Dean C. Oestreich	$257,500	$10,383	$0	$267,883
Thomas F. O'Toole	$250,000	$1,046	$0	$251,046
Carol P. Sanders	$277,500	$8,727	$1,000	$287,227
Susan D. Whiting	$250,000	$0	$0	$250,000
(1) Dunie and Hazel served as Directors until May 2019.				
(2) Amounts include dollar amounts deferred.				
(3) Amounts represent above market interest on non-qualified deferred compensation.				
(4) Amounts include payments made to charities through the Alliant Energy matching gift program, and the value of spouses/guests accompanying the Director on the corporate aircraft.				
Source: 2020 Alliant Energy Securities and Exchange Commission Form DEF 14A filing				

Ameren

Ameren is a utility company that serves electric and natural gas customers across Illinois and Missouri. Ameren's executive compensation plans include a base salary, a short-term incentive plan, and a long-term incentive plan. Ameren's Board of Directors Human Resources Committee sets these plans.

Executives' base salaries are fixed and set annually. In 2019, Ameren predominantly weighted CEO Warner L. Baxter's pay, along with the pay of other named executive officers (NEOs), toward annual and long-term incentives. Baxter's base salary last year was $1.2 million, an increase from $1 million in 2015, which was his first full year as CEO.

Ameren's 2019 annual short-term incentive plan consisted mainly of an earnings per share (EPS) incentive at 80% weight. The other 20% of the short-term incentive was made up of safety metrics, outage interruptions, safety, and reliability at the Callaway nuclear energy plant, and a since-removed metric that measured the company's base-fired coal generation fleet availability. That metric had the effect of creating a financial incentive for company executives to continue to rely on coal.

% Weight	Performance Metric	Threshold Performance (50% Payout as a % of Target)	Target Performance (100% Payout as a % of Target)	Maximum Performance (200% Payout as a % of Target)		Payout for Each Metric	Weighted: Base Award % of Target
80%	EPS	$3.05	$3.25	$3.45	$3.35	150%	120%
5%	Co-Worker Safety Interactions[1]	52,000	62,000	72,000	95,353	180%	9%
5%	Co-Worker Safety Interactions Participation[1]	15%	20%	25%	29.5%	180%	9%
3 1/3%	SAIFI	0.95	0.84	0.73	0.95	50%	1.66%
3 1/3%	EA	77.3%	82.3%	87.3%	80.3%	80%	2.67%
3 1/3%	CPI	95	97	98.8	97.1	105.56%	3.52%
100%	Total						145.85%

Ameren's metrics and payments in 2020, as approved by the Board of Directors Human Resources Committee. Source: Ameren Corporation's 2020 Proxy Statement

Ameren set a goal in late 2017 of reducing greenhouse gas emissions by 80% by 2050 from a 2005 baseline, and to invest in 700 MW of wind and 100 MW of solar power. In 2018, the Sierra

Club filed a shareholder resolution protesting Ameren's continued use of a coal availability metric in its incentive structure, to be considered at the 2019 Ameren annual shareholder meeting. Andy Knott, a senior representative for the Sierra Club's Beyond Coal campaign, told Midwest Energy News that they found the incentive "extremely hypocritical" after announcing the greenhouse gas reduction goal.

The Sierra Club withdrew the proposal after Ameren agreed to assess the "feasibility of integrating metrics for the reduction of Ameren's carbon output, while removing the coal-fired generation availability metric." In 2019, Ameren's Board of Directors Human Resources Committee eliminated the coal metric from the short-term incentive program, and added a long-term incentive that will measure the company's progress towards renewable generation and energy storage additions; both will be effective for 2020. However, Ameren has not released the specifics of how it will incentivize renewable energy and energy storage additions, and Ameren has not said that it will introduce an executive incentive to directly reduce greenhouse gas emissions.

Ameren's long-term incentive compensation plan rewards NEOs with Ameren stock based on total shareholder return (TSR). Ameren measures the TSR by the 30-trading-day average of Ameren's stock price at the beginning of the three-year period on which the long-term incentive is based, and the 30-trading-day average of the price at the end of the period. The company also takes into account dividends paid to shareholders. The TSR is then compared to a group of Ameren's peers to determine the percentile of Ameren's performance. At the end of 2019, Ameren's TSR performance was determined to be in the 69th percentile of its peer group, which resulted in its rewarding NEOs with millions of dollars worth of Ameren stock.

Ameren provides perquisites to its NEOs. The 2020 proxy filing simply states, "We provide limited perquisites to provide competitive value and promote retention of the NEOs and others." Elsewhere in the proxy statement, these include the following: financial and tax planning services, life insurance, 401(k) employer contributions, matching charitable contributions, ticket and event expenses, and club membership dues "used primarily for business purposes." Older proxy filings further detail perquisites like spousal travel. Both the 2019 and 2020 proxy filings do not detail the expense totals, whereas in 2018 and 2017 the company reported paying CEO Baxter $10,000 each of the preceding years for tax and financial planning services, for example.

CEO compensation ranking among utilities studied, 2019	16/19
Compensation ratio: CEO to median employee, 2019	66:1
Percent change in CEO compensation, 2017-	+20.3% ($1,638,208)

2019	
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is Ameren's executive compensation structure aligned with decarbonization?	Not directly, pending further details. In 2019, Ameren said that it was adding a long-term incentive that will measure the company's progress towards renewable generation and energy storage additions, effective 2020. Ameren has agreed to assess the "feasibility of integrating metrics for the reduction of Ameren's carbon output." Ameren has not yet released specifics on the new metrics. The company eliminated a coal availability metric from its short-term incentive program in 2019.
Is there evidence from SEC filings that Ameren is using misleading financial metrics to determine executive compensation?	No.
What key perquisites or benefits do Ameren executives receive?	Executives receive tax and financial planning services, spousal travel, ticket and event costs, club membership dues, matching charitable contributions, 401(k) contributions, and a supplemental executive retirement plan.

Table 8: Ameren executive compensation, 2017-2019

Name and principal position (1)	Year	Salary (2)	Bonus (3)	Stock awards (3)	Non-equity incentive plan compensation (2)(4)	Change in pension value and nonqualified deferred compensation earnings (5)	All other compensation (2)(6)	Total
Warner L. Baxter	2019	$1,200,000	-	$4,703,053	$2,275,000	$1,347,520	$193,425	$9,718,998
Chairman, President, and Chief Executive Officer, Ameren	2018	$1,140,000	-	$4,561,577	$2,350,000	$249,563	$153,320	$8,454,460
	2017	$1,075,000	-	$4,474,803	$1,775,000	$629,030	$126,957	$8,080,790
Michael L. Moehn	2019	$590,000	-	$1,022,877	$667,600	$603,400	$88,660	$2,972,537
Executive Vice President and Chief Financial Officer, Ameren	2018	$547,000	-	$1,805,412	$750,100	$11,383	$68,893	$3,182,788

	2017	$530,000	-	$1,103,097	$610,030	$268,679	$44,134	$2,555,940
Martin J. Lyons, Jr.	2019	$707,917	-	$1,346,945	$851,900	$766,762	$106,185	$3,779,709
Chairman and President, Ameren Missouri	2018	$684,000	-	$2,360,234	$976,500	$40,228	$93,247	$4,154,209
	2017	$662,000	-	$1,492,607	$840,962	$353,722	$60,416	$3,409,707
Richard J. Mark	2019	$539,000	-	$897,762	$511,000	$431,827	$80,780	$2,460,369
Chairman and President, Ameren Illinois	2018	$523,000	-	$1,673,933	$647,100	$130,658	$63,214	$3,037,905
	2017	$507,000	-	$996,609	$558,185	$222,643	$53,956	$2,338,393
Fadi M. Diya	2019	$515,000	-	$782,130	$561,500	$388,374	$56,763	$2,303,767
Senior Vice President and Chief Nuclear Officer, Ameren Missouri	2018	$490,500	-	$735,988	$554,800	$76,442	$49,320	$1,907,050
	2017	$472,500	-	$764,880	$436,533	$186,367	$41,136	$1,901,416
Bhavani Amirthalingam	2019	$412,000	$125,000	$403,649	$363,600	$121,724	$47,272	$1,473,245
Senior Vice President and Chief Digital Information Officer, Ameren	2018	$333,333	$300,000	$546,664	$347,700	$33,061	$10,006	$1,570,764
Gregory L. Nelson (7)	2019	$398,717	-	$815,176	$286,400	$511,365	$52,597	$2,064,255
Retired Senior Vice President, General Counsel, and Secretary, Ameren	2018	$505,000	-	$808,256	$606,600	$80,255	$56,411	$2,056,522
	2017	$491,000	-	$908,343	$491,427	$256,027	$33,501	$2,180,298
(1) Includes compensation received as an officer of Ameren and/or its subsidiaries. Amirthalingam was not an NEO for the company for 2018 or 2017.								
(2) Amount is the base salary. The bonus is amounts paid to Amirthalingam pursuant to a sign-on and retention bonus agreement entered into on March 1, 2018.								
(3) Amounts reported in this column do not reflect actual compensation realized by the NEOs and are not a guarantee of the amount that the NEO will actually receive from the grant of the awards. The actual compensation realized by the NEOs will be based upon the share price of Ameren's stock at payout.								
(4) Payouts as part of the incentive plans.								
(5) Amount is the sum of the increase in the actuarial present value of each NEO's accumulated benefit under all defined benefit pension plans.								

(6) Employer contributions allocated by the company to each NEO pursuant to the company's 401(k) savings plan. These amounts also includes costs for tax and financial planning services for Baxter, Lyons, Mark, Moehn, and Amirthalingam; charitable contribution matching grants for Lyons; ticket and related event expenses for Baxter, Lyons, Mark, Moehn, and Amirthalingam; and a portion of the dues for a club membership used primarily for business purposes by Lyons, Mark, and Moehn.
(7) Nelson retired from the company effective August 1, 2019.
Source: 2020 Ameren Securities and Exchange Commission Form DEF 14A filing

Table 9: Ameren Board compensation, 2019

Name	Fees earned or paid in cash (1)	Stock awards (2)	Change in pension value and nonqualified deferred compensation earnings (3)	All other compensation	Total
Cynthia J. Brinkley	$8,750	$10,726	—	—	$19,476
Catherine S. Brune	$114,980	$135,001	—	—	$249,981
J. Edward Coleman	$116,660	$135,001	—	—	$251,661
Ward H. Dickson	$110,000	$135,001	—	—	$245,001
Noelle K. Eder	$115,000	$135,001	—	—	$250,001
Ellen M. Fitzsimmons	$110,000	$135,001	—	—	$245,001
Rafael Flores	$110,000	$135,001	—	—	$245,001
Walter J. Galvin (4)	$39,483	$135,001	$2,515	—	$176,999
Richard J. Harshman	$150,000	$135,001	—	—	$285,001
Craig S. Ivey	$115,000	$135,001	—	—	$250,001
Gayle P. W. Jackson (4)	$39,483	$135,001	—	—	$174,484
James C. Johnson	$115,000	$135,001	—	—	$250,001
Steven H. Lipstein	$107,500	$135,001	—		$242,501
Stephen R. Wilson	$115,000	$135,001	—	—	$250,001

(1) Amount represents the cash retainer and fees for service on the Board of Directors and its committees.

(2) Annual grants of immediately vested shares of Ameren stock equaling approximately $135,000 were given to Directors Brune, Coleman, Dickson, Eder, Fitzsimmons, Flores, Galvin, Harshman, Ivey, Jackson, Johnson, Lipstein, and Wilson on January 2, 2019. A grant of immediately vested shares of Ameren stock equaling approximately $10,726 was also awarded to Director Brinkley upon her election to the Board on December 3, 2019.

(3) Ameren does not have a pension plan for non-employee directors. The amount in this column consists of the above-market earnings on cash compensation deferred with respect to plan years beginning on or prior to January 1, 2010 for deferrals made prior to January 1, 2010.
(4) Jackson and Galvin retired from the Board effective May 3, 2019.
Source: 2020 Ameren Securities and Exchange Commission Form DEF 14A filing

American Electric Power

American Electric Power (AEP) is one of the nation's largest investor-owned utilities, with customers in eleven states, including Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia. Target executive compensation at AEP for 2019 was 71% performance-based for CEO Nicholas K. Akins, and 12% base salary. The remaining 17% came in the form of time-vesting restricted stock units (RSUs) tied to AEP's stock price. Broken down another way, long-term incentives were 72% of pay, annual cash incentives 16%, and base salary 12%.

Target compensation in 2019 for AEP's other named executive officers (NEOs) was 61% performance-based, and 25% base salary. The remaining 13% came in the form of time-vesting RSUs tied to AEP's stock price. Long-term incentives were 55% of pay, annual cash incentives 19%, and base salary 25%.

AEP's long-term incentive compensation plan prioritizes operating earnings and shareholder return, but will also now award executives for new non-emitting generation

AEP's long-term incentive compensation is determined as follows, according to its [2020 proxy statement:]

> "The number of performance shares earned at the end of the performance period is based on achieved performance against two equally weighted performance metrics: (i) 3 year cumulative operating earnings per share [EPS] and (ii) 3 year total shareholder return [TSR] relative to the companies in the Compensation Peer Group."

For 2020 to 2022's long-term incentive compensation, AEP is adding a third three-year performance measure for "new non-emitting generation capacity measure with a 10% weight." The TSR performance measure has been reduced from 50% to 40%.

AEP defines non-emitting generation as "nuclear, hydro, wind, solar, [and] demand-side management and storage." The company said the new measure "was chosen to align with its strategy to commit substantial investments that reduce greenhouse gas emissions."

The incentive would not discourage AEP from adding carbon-emitting generation, however: [AEP recently told investors that it plans] to add 1,607 MW of new natural gas, a fossil fuel that emits CO_2, to its generation mix between 2020 and 2030.

Annual incentive compensation plan for AEP executives prioritizes operating earnings over customers, diversity, and decarbonization

Annual incentive compensation for AEP executives was based on performance metrics weighted as follows in 2019: operating EPS at 70%, strategic initiatives at 20%, and safety and compliance at 10%. The strategic initiatives category includes infrastructure investment at 9%, cost control at 4%, customer experience and quality of service at 4%, and "culture and workforce of the future" at 3%.

"Culture and workforce of the future" includes employee diversity, weighted at 1%. Employee diversity is measured by increased "representation of women and minorities in EEO (Equal Employment Opportunity) categories."

Subcategories for compliance metrics include environmental stewardship weighted at 1%.

"This measure was based on the number of significant environmental enforcement actions during the year (those resolved with a fine exceeding $1,000)," according to AEP's 2020 proxy statement, which noted the company had no significant enforcement actions in 2019 - so it would appear to have rewarded AEP executives for following the law.

AEP has goals for reducing its carbon dioxide emissions by 70% by 2030, and 80% by 2050 from 2000 levels. The utility also has an "aspirational goal" of zero CO2 emissions by 2050, and its executives have described how meeting that goal would require achieving 100% renewable energy.

In 2019, executive performance metrics for strategic initiatives included measures of success in "developing a multi-state regulated renewable project, contracted renewable power project investment in our competitive subsidiaries and efforts to develop regulated renewables or distributed generation for large customers." These measures were weighted at 5% of the overall performance metrics.

AEP's renewable goals appeared to have been easy for the company to reach: AEP reported $1.28 billion in contract commitments for renewables, which exceeded its target of $250 million and maximum performance goal of $325 million by factors of approximately five and four, respectively. In 2018, AEP included "projects reaching commercial operations" in this metric for contracted renewables portfolio growth, but apparently dropped that performance measurement for 2019.

AEP further lowered the bar for executives in 2019 by measuring performance on renewables based on regulatory applications filed, rather than on projects approved by regulators. AEP reported filing regulatory applications for its North Wind Central Wind Project, representing 1,485 MW of regulated renewables, which exceeded its executive performance target of 900 MW, but fell just short of the maximum target of 1,500 MW.

AEP previously established executive performance measures for 2018 based on regulatory approvals for its major Wind Catcher project and regulated renewables for Appalachian Power, but executives scored zeroes on both of these measures. The current North Wind Central Wind Project serves as a replacement for the multi-state Wind Catcher project, which AEP canceled in 2018 after it was rejected by regulators in Texas. AEP says it plans to move forward with the new project with or without approval from Texas, and has already secured approval from the other states involved in the project.

AEP executives also hit their performance target of filing just one regulatory application for customer targeted regulated renewables in 2019, short of the maximum target of two applications included in its annual incentive compensation metrics.

AEP's executives benefit from performance measures that exclude key factors impacting the utility's earnings

AEP uses operating earnings, a non-GAAP (Generally Accepted Accounting Principles) financial measure that excludes certain items that may negatively affect its bottom line, as a component of executive compensation.

"For 2019, GAAP earnings per share were $3.89, which is $0.35 per share lower than operating earnings, which is used as a metric when awarding executive compensation," according to AEP's 2020 proxy statement.

The proxy statement points to an earlier 8-K filing from the company, which provides a comparison of AEP's GAAP earnings to its operating earnings. It shows a number of "special items" excluded from operating earnings used to award executive compensation, including: mark-to-market impact of commodity hedging activities, severance charges, acquisition fees, previously retired coal generation assets, Conesville impairment, and Texas base rate case.

"The difference between fourth-quarter 2019 GAAP and operating earnings was largely due to the expensing of previously retired coal generation assets in Virginia, the recently filed settlement in the Texas base rate case and the Conesville Plant impairment," according to the 8-K.

AEP's use of non-GAAP accounting to exclude the effect of retired coal generation assets on earnings when determining executive compensation may have benefits for customers if it helped to avoid a compensation penalty that would discourage executives from deciding to retire those polluting assets. Earnest, robust incentives that align compensation with decarbonization goals (see "Misalignment with Decarbonization") would also help to neutralize any penalties that executives might face from retiring or abandoning fossil fuel assets, and to discourage them from investing capital in those projects in the first place. AEP does not have incentives that directly reward its executives for decreased carbon emissions.

A more recent 8-K filed by AEP in May 2020 also said, "The difference between first-quarter 2020 GAAP earnings and operating earnings was due to the mark-to-market impact of economic hedging activities and certain expenses related to the COVID-19 pandemic." It is also listed "COVID-19 charges" among the special items excluded from operating earnings for Q1 2020.

Directors get a $5,000 bonus for serving on AEP's Policy Committee, despite misalignment of utility's policies with decarbonization and renewable energy goals

Directors who serve on AEP's Policy Committee receive an additional $5,000 annual retainer. "The Policy Committee is responsible for examining AEP's policies on major public issues affecting the AEP System, including environmental, technology, industry change and other matters," according to AEP's 2020 proxy statement.

Those policies include supporting subsidies for coal plants in AEP's home state of Ohio, and supporting the Trump's administration's rollback of the Environmental Protection Agency's limits on CO2 emissions from power plants.

Some of American Electric Power's customers pay for incentives that benefit shareholders

American Electric Power's customers in Indiana pay for a multi-million dollar slice of the utility's employee and executive incentive compensation plans.

Indiana Michigan Power, a subsidiary of AEP, sought to include $23.7 million for annual incentive plan costs in its rates, and to recover $6.98 million in long-term incentive program costs from customers as part of its latest rate case in Indiana.

Mark Garrett, an expert witness who testified in the rate case on behalf of the Indiana Office of the Utility Consumer Advocate, recommended that the Indiana Utility Regulatory Commission (IURC) disallow Indiana Michigan Power from recovering any of the long-term incentive program costs from customers. Garrett also recommended allowing the utility to include only 50% of the annual incentive program costs in rates, although he said "a 70% disallowance would be justified" in his testimony. He pointed out that 70% of AEP's annual incentive plan is based on the utility achieving an EPS target.

"Less than 30% of the plan's metrics relate to safety, customer satisfaction and reliability," Garrett said.

AEP's annual incentive plan is also "structured to benefit its highly compensated senior level employees more than its rank and file employees," Garrett said.

Garrett warned that:

> "AEP's plan is designed to place shareholders' interests first—that is, the Company will ensure target shareholder earnings levels are satisfied before employees are paid any incentive compensation. From a ratemaking perspective, this means that money collected from ratepayers for the purpose of paying employee incentives may not be paid to employees but instead may be diverted, if needed, to bolster shareholders' return on investment."

Garrett shared the results of a survey of twenty-four western states, which found that "most states follow the general rule that incentive pay with financial performance is not allowed in rates."

The IURC's 2020 order in the rate case sided with the utility, and declined to adopt the recommendations of the Indiana Office of the Utility Consumer Advocate.

In contrast, "[t]he Oklahoma Corporation Commission disallows 100% of AEP's long-term executive incentive plans," Garrett noted in his testimony.

Oklahoma also disallows 50% of AEP's annual executive incentive plan costs from rates.

In 2020, AEP filed an application to increase rates with the Public Utilities Commission of Ohio in which it also asked to recover costs of executive incentive compensation from ratepayers.

CEO compensation ranking among utilities studied, 2019	11/19
Compensation ratio: CEO to median employee, 2019	109:1
Percent change in CEO compensation, 2017-2019	+25.7% ($2,961,975)
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is AEP's executive compensation structure aligned with decarbonization?	Not directly. Renewable energy development and investment accounted for 5% of the performance measures tied to annual incentive

	awards for executives in 2019. No incentives directly reward decreased carbon emissions.
Is there evidence from SEC filings that AEP is using misleading financial metrics to determine executive compensation?	Yes. AEP employed non-GAAP accounting measures to exclude a number of factors, including mark-to-market impact of commodity hedging activities; severance charges; acquisition fees; previously retired coal generation assets; Conesville impairment; and Texas base rate case. AEP's use of non-GAAP accounting to exclude the effect of retired coal generation assets on earnings when determining executive compensation may have benefits for customers if it helped to avoid a compensation penalty that would discourage executives from deciding to retire those polluting assets.
What key perquisites or benefits do AEP executives receive?	The CEO is allowed up to 40 hours of personal use of corporate aircraft each year, but must reimburse the company for the cost. Other perks include third-party gifts and sponsorships and charitable gift matching.

Table 10: American Electric Power executive compensation, 2017-2019

Name and principal position	Year	Salary (1)	Bonus	Stock awards (2)	Non-equity incentive plan compensation (3)	Change in pension value and nonqualified deferred compensation earnings (4)	All other compensation (5)	Total
Nicholas K. Akins	2019	$1,475,654	-	$8,775,003	$3,600,000	$530,151	$111,628	$14,492,436
Chairman of the Board and Chief Executive Officer	2018	$1,415,423	-	$7,564,313	$2,900,000	$207,401	$114,891	$12,202,028
	2017	$1,375,000	-	$7,983,420	$1,700,000	$361,001	$111,040	$11,530,461
Brian X. Tierney	2019	$793,039	-	$4,064,681	$1,088,000	$470,138	$95,560	$6,511,418
Executive Vice President and Chief Financial Officer	2018	$771,958	-	$1,945,785	$890,000	-	$59,547	$3,667,290
	2017	$750,000	-	$2,128,899	$555,000	$462,223	$98,262	$3,994,384

David M. Feinberg	2019	$677,596	-	$1,445,289	$865,000	$173,983	$73,436	$3,235,304
Executive Vice President, General Counsel, and Secretary	2018	$650,492	-	$1,362,082	$655,000	$25,724	$48,106	$2,741,404
	2017	$632,000	-	$1,277,372	$406,000	$104,619	$73,347	$2,493,338
Lisa M. Barton	2019	$588,254	-	$3,238,802	$825,000	$173,781	$67,799	$4,893,636
Executive Vice President - Utilities	2018	$571,189	-	$1,167,470	$575,000	$40,845	$55,264	$2,409,768
	2017	$550,000	-	$1,277,372	$356,000	$110,304	$67,724	$2,361,400
Lana L. Hillebrand	2019	$615,358	-	$1,135,625	$800,000	$221,245	$74,831	$2,847,059
Executive Vice President - Chief Administrative Officer	2018	$597,289	-	$972,924	$600,000	$47,656	$57,530	$2,275,399
	2017	$577,000	-	$1,011,219	$375,000	$193,929	$69,817	$2,226,965

(1) Amounts in the salary column are composed of executive salaries earned for the year shown, which include 261 days of pay for 2019. This is one day more than the standard 260 calendar work days and holidays in a year.

(2) The amounts reported in this column reflect the aggregate grant date fair value calculated in accordance with FASB ASC Topic 718 of the performance shares and restricted stock units (RSUs) granted under our Long-Term Incentive Plan. See Note 15 to the Consolidated Financial Statements included in AEP's Form 10-K for the year ended December 31, 2019 for a discussion of the relevant assumptions used in calculating these amounts. The number of shares realized and the value of these performance shares, if any, will depend on the company's performance during a three-year performance period. The potential payout can range from 0 percent to 200 percent of the target number of performance shares, plus any dividend equivalents. The value of the 2018 and 2019 performance shares will be based on two equally weighted measures: a Board approved cumulative operating earnings per share measure (cumulative EPS) and a total shareholder return measure (relative TSR). The grant date fair value of the 2018 and 2019 performance shares that are based on cumulative EPS was computed in accordance with FASB ASC Topic 718 and was measured based on the closing price of AEP's common stock on the date of grant. The maximum amount payable for the 2019 performance shares that are based on cumulative EPS is equal to $6,374,973 for Mr. Akins; $1,500,026 for Mr. Tierney; $1,050,010 for Mr. Feinberg; $900,032 for Ms. Barton and $825,042 for Ms. Hillebrand. The grant date fair value of the 2019 performance shares that are based on relative TSR is calculated using a Monte-Carlo model as of the date of grant, in accordance with FASB ASC Topic 718. Because the performance shares that are based on relative TSR are subject to market conditions as defined under FASB ASC Topic 718, they did not have a maximum value on the grant date that differed from the grant date fair values presented in the table. Instead, the maximum value is factored into the calculation of the grant date fair value. The values realized from the 2017 performance shares are included in the Option Exercises and Stock Vested for 2019 table in AEP's 2020 DEF 14A filing.

(3) The amounts shown in this column reflect annual incentive compensation paid for the year shown.

(4) The amounts shown in this column are attributable to the increase in the actuarial values of each of the named executive officer's combined benefits under AEP's qualified and non-qualified defined benefit pension plans determined using interest rate and mortality assumptions consistent with those used in the company's financial statements. See the Pension Benefits for 2019 table and related footnotes in AEP's 2020 DEF 14A filing for additional information. See Note 8 to the Consolidated Financial Statements included in AEP's Form 10-K for the year ended December 31, 2019 for a discussion of the relevant assumptions. None of the named executive officers received preferential or above-market earnings on deferred compensation. No value is shown for Mr. Tierney in 2018 because the actual change in pension value was a negative amount.

(5) Amounts shown in the all other compensation column for 2019 include: (a) company matching contributions to the company's Retirement Savings Plan, (b) company matching contributions to the company's Supplemental Retirement Savings Plan and (c) perquisites. The amounts are listed in the table "All other American Electric Power executive compensation, 2019".
Source: 2020 American Electric Power Securities and Exchange Commission Form DEF 14A filing

Table 11: American Electric Power Board compensation, 2019

Name	Fees earned or paid in cash	Stock awards (1)(2)	All other compensation (3)	Total
David. J. Anderson	$135,500	$157,500	$872	$293,872
J. Barnie Beasley, Jr.	$138,000	$157,500	$1,872	$297,372
Ralph D. Crosby, Jr.	$140,500	$157,500	$872	$298,872
Art A. Garcia	$40,167	$52,500	$872	$93,539
Linda A. Goodspeed	$120,500	$157,500	$872	$278,872
Thomas E. Hoaglin	$165,500	$157,500	$872	$323,872
Sandra Beach Lin	$120,500	$157,500	$872	$278,872
Margaret M. McCarthy	$90,375	$118,125	$872	$209,372
Richard C. Notebaert	$120,500	$157,500	$872	$278,872
Lionel L. Nowell III	$145,500	$157,500	$872	$303,872
Stephen S. Rasmussen	$120,500	$157,500	$872	$278,872
Oliver G. Richard III	$125,500	$157,500	$2,872	$285,872
Sara M. Tucker	$120,500	$157,500	$872	$278,872

(1) The dollar amounts reported represent the grant date fair value calculated in accordance with FASB ASC Topic 718 of AEP stock units granted under the Stock Unit Accumulation Plan for Non-Employee Directors, without taking into account estimated forfeitures. AEP stock units are credited to directors quarterly.

(2) Each non-employee director who served the full year received 1,754.42 AEP stock units in 2019. Due to their service for less than a full year, Ms. McCarthy received 1,284.27 units and Mr. Garcia received 556.71 units in 2019. Directors had the following aggregate number of AEP stock units, including dividend equivalents, at 2019 year-end, all of which are fully vested: Mr. Anderson 27,118, Mr. Beasley 15,301, Mr. Crosby 51,816, Mr. Garcia 558, Ms. Goodspeed 52,773, Mr. Hoaglin 44,696, Ms. Lin 21,431, Ms. McCarthy 1,294, Mr. Notebaert 27,118, Mr. Nowell 48,092, Mr. Rasmussen 20,778, Mr. Richard 19,414 and Ms. Tucker 39,662.

(3) The amounts reported in all other compensation consists of the (a) company-paid premium of $872 for accidental death insurance policy and (b) matching gift contributions of $1,000 for Mr. Beasley and $2,000 for Mr. Richard.

Source: 2020 American Electric Power Securities and Exchange Commission Form DEF 14A filing

Table 12: All other American Electric Power executive compensation, 2019					
Compensation type	**Nicholas K. Akins**	**Brian X. Tierney**	**David M. Feinberg**	**Lisa M. Barton**	**Lana L. Hillebrand**
Retirement Savings Plan Match	$12,600	$12,600	$12,600	$12,600	$12,600
Supplemental Retirement Savings Plan Match	$77,400	$62,960	$47,199	$39,613	$41,951
Perquisites (1)	$21,628	$20,000	$13,637	$15,586	$20,280
Total	**$111,628**	**$95,560**	**$73,436**	**$67,799**	**$74,831**

(1) Perquisites provided in 2019 included: financial counseling and tax preparation services, and, for Mr. Akins, director's group travel accident insurance premium. Executive officers may also have the occasional personal use of event tickets when such tickets are not being used for business purposes, however, there is no associated incremental cost. From time to time executive officers may receive customary gifts from third parties that sponsor events (subject to our policies on conflicts of interest).

Mr. Akins has entered into an Aircraft Time Sharing Agreement that allows him to use our corporate aircraft for personal use for a limited number of hours each year. The Aircraft Time Sharing Agreement requires Mr. Akins to reimburse the Company for the cost of his personal use of corporate aircraft in accordance with limits set forth in Federal Aviation Administration regulations. The incremental costs incurred in connection with personal flights for which Mr. Akins fully reimbursed the Company under the Aircraft Timesharing Agreement include fuel, oil, hangar costs, crew travel expenses, catering, landing fees and other incremental airport fees. Accordingly, no value is shown for these amounts in the Summary Compensation Table. If the aircraft flies empty before picking up or after dropping off Mr. Akins at a destination on a personal flight, the cost of the empty flight is included in the incremental cost for which Mr. Akins reimburses the Company. Since AEP aircraft are used predominantly for business purposes, the company does not include fixed costs that do not change in amount based on usage, such as depreciation and pilot salaries.

Source: 2020 American Electric Power Securities and Exchange Commission Form DEF 14A filing

Arizona Public Service Company (Pinnacle West)

Arizona Public Service Company (APS) is an Arizona-based electric utility. It is a wholly-owned subsidiary of Pinnacle West, and provides "essentially all" of Pinnacle West's revenues and earnings. APS' executive compensation includes base salary, annual incentives, and long-term incentives.

For current CEO Jeff Guldner, 23.4% of total compensation was base salary, 21.9% was annual incentives, and 54.7% was long-term incentives in 2019. For former CEO Donald E. Brandt, 17.3% of total compensation was base salary, 21.6% was annual incentives, and 61.1% was long-term incentives. For all other named executive officers, 33.8% of total compensation was base salary, 24.5% was annual incentives, and 41.7% was long-term incentives.

APS says that it determines base salaries from experience, performance, and responsibilities as benchmarked to a peer group of other electric utilities.

Annual incentives for all current executives, including current CEO Jeff Guldner, are 50% based on earnings, and 50% based on business unit performance, which includes safety, customer satisfaction and operational quality, and efficiency metrics. However, a higher share (62.5%) of annual incentives for former CEO Don Brandt was based on earnings, with the remaining 37.5% based on business unit performance metrics.

Long-term incentives are 30% based on stock price, 35% based on relative total shareholder return (TSR), and 35% based on operational performance, which includes customer reliability, customer-to-employee improvement ratio,[3] OHSA injury rates, nuclear capacity factors, and coal capacity factors.

APS has faced questions from state regulators about its executive compensation. Arizona Corporation Commission Chairman Bob Burns filed a letter in APS' rate case in September 2020 seeking answers to 26 questions about the company's compensation of senior executives.

APS executives also faced questions from commissioners about why it did not use J.D. Power customer satisfaction rankings, and in a September 2019 hearing, former CEO Don Brandt said the company used its own customer satisfaction system. But Brandt did not mention in his testimony that his compensation used to be based in part on J.D. Power rankings - until APS' rankings fell to a point that meant executives' pay would have been reduced. Instead of taking

[3] According to the company's proxy statement, this metric is defined as "The Company's ranking for a customer-to-employee improvement ratio, based on data provided by S&P Global Market Intelligence ("Market Intelligence"), an independent third-party data system, relative to other companies reported in the Market Intelligence data."

the pay cut and seeking to improve its customer satisfaction ranking the next year, APS simply stopped using the metric.

In earlier proxy filings, such as the 2016 filing, APS included J.D. Power rankings among the criteria the company used to determine executive compensation. APS ranked relatively well in that year's J.D. Power rankings, published in July 2016, placing fifth among large electric utilities in the West. APS also ranked fifth the year before, and APS' then-CEO Don Brandt told investors in a July 15, 2015 earnings call: "In the recent JD Power residential survey, APS improved its score in all six of the study's categories, and ranked in the top quartile among 54 large investor-owned utilities." Brandt also noted the company's J.D. Power rankings in earlier years' earnings calls, including in 2014, several times in 2013, and in 2012.

APS' proxy filings did not explain the details of how its executives' compensation would be affected by the J.D. Power rankings. The lack of detail in APS' executive compensation policies for that metric and others prompted an inquiry from the Securities and Exchange Commission (SEC), which wrote to APS: "We continue to believe that the amount you pay to your named executive officers under this form of compensation and the related metrics are material information to investors. Please disclose targets and actual results for each metric."

APS' response to the SEC contained more details about its executive compensation policies, including that executives would receive full credit if the company ranked in the top quartile of J.D. Power's rankings, and would receive no credit for that metric if the company did not meet that target.

After several years of ranking relatively well, APS dropped to second-to-last among large electric utilities in the West in the J.D. Power rankings published in July 2017. In its next proxy filing, published in March 2018, APS said it would not use J.D. Power customer satisfaction rankings as a metric for its 2017 executive compensation, and claimed that the change was due to an upgrade to its customer service platform at that time.

Although APS' characterization of that decision suggested it would be temporary, "during this enterprise-wide project," APS has not returned to using J.D. Power customer satisfaction rankings as a factor in determining its executives' compensation. APS continues to rank poorly in J.D. Power's customer satisfaction surveys; among major electric utilities in the West, it ranked second to last in 2018, and tied for last in 2019.

CEO compensation ranking among utilities studied, 2019	15/19
Compensation ratio: CEO to median	90:1

employee, 2019	
Percent change in CEO compensation, 2017-2019	+16.3% ($1,717,175)
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is APS' executive compensation structure aligned with decarbonization?	No. APS announced in January 2020 a goal of achieving 100% clean energy by 2050, but has not updated its policies to align executive compensation with its decarbonization goals. Moreover, APS executives' long-term incentives are based in part on coal capacity factors, which could discourage executives from making decisions that reduce how often the company operates its coal plants.
Is there evidence from SEC filings that APS is using misleading financial metrics to determine executive compensation?	Yes. In determining its "peer group" of utilities, APS inflates its revenues by 50% by including all of the revenue from two coal plants and a nuclear plant that it operates, but co-owns with other utilities. APS' "peer group" includes some utilities that are far larger than APS, such as Southern Company, and thus increase its executives' compensation. APS also inflated its earnings figures in 2019 (and thus its executives' compensation) by excluding from earnings calculations that the Arizona Corporation Commission has not allowed APS to recover costs for adding scrubbers to the Four Corners coal plant.
What key perquisites or benefits do APS executives receive?	In 2019, APS paid outgoing CEO Don Brandt a $4 million "performance award" that in 2017 had been "designed to incent Mr. Brandt, a retirement-eligible CEO, to remain in his current role." APS also awarded Brandt a "Consulting Services Agreement" worth up to an additional $1.75 million. APS also offers executives a non-qualified supplemental retirement plan.

Table 13: Arizona Public Service Company (Pinnacle West) executive compensation, 2017-2019								
Name and principal position	**Year**	**Salary (1)**	**Bonus (2)**	**Stock awards (3)**	**Non-equity incentive plan compensation (4)(5)**	**Change in pension value and nonqualified deferred compensation earnings (6)**	**All other compensation (7)**	**Total**
Donald E. Brandt	2019	$1,308,521	-	$4,451,654	$3,588,248	$2,853,134	$49,057	$12,250,614
Former Chairman of the Board, President, and Chief Executive Officer of PNW	2018	$1,395,000	-	$4,370,322	$4,049,255	$2,302,980	$27,965	$12,145,522
Chairman of the Board and Chief Executive Officer of APS	2017	$1,355,000	-	$4,374,133	$2,314,340	$2,462,556	$27,410	$10,533,439
Jeffrey B. Guldner	2019	$777,644	-	$1,821,229	$716,247	$551,217	$26,711	$3,893,048
Chairman of the Board, President, and Chief Executive Officer of PNW	2018	$575,000	-	$695,598	$546,977	$385,331	$26,618	$2,229,524
Chairman of the Board and Chief Executive Officer of APS								
James R. Hatfield (8)	2019	$686,000	-	$1,012,038	$534,128	$814,347	$27,718	$3,074,231
Executive Vice President, Chief Administrative Officer, and Treasurer of PNW and APS	2018	$665,000	-	$993,403	$678,799	$602,445	$34,934	$2,974,581
	2017	$640,000	-	$894,969	$673,994	$599,183	$28,177	$2,836,323
Robert S. Bement	2019	$645,000	-	$708,683	$610,430	$882,965	$26,380	$2,873,458
Executive Vice President and Special Advisor to the Chief Executive Officer of APS	2018	$625,000	-	$596,071	$633,028	$654,685	$326,125	$2,834,909
	2017	$600,000	-	$596,805	$793,800	$662,448	$35,108	$2,688,161
Daniel T. Froetscher	2019	$540,000	-	$708,683	$397,771	$1,576,177	$23,700	$3,246,331
President and Chief Operating Officer of APS	2018	$494,534	-	$695,598	$443,885	$418,855	$31,642	$2,084,514

Robert E. Smith	2019	$600,000	$150,000	$656,982	$408,330	$129,434	$205,241	$2,149,987
Senior Vice President and General Counsel of PNW and APS								
(1) Mr. Brandt retired on November 15, 2019. Included in his salary is $50,000 in consulting fees paid to him in 2019 pursuant to the Consulting Services Agreement (defined on page 84 of APS/Pinnacle West's 2020 DEF 14A filing). Mr. Guldner's base salary increased from $730,000 to $1,100,000 on November 15, 2019 because of Mr. Guldner's promotion to Chairman of the Board, President, and Chief Executive Officer of PNW and APS.								
(2) Mr. Smith received the second installment of his hiring incentive of $150,000 pursuant to his offer letter.								
(3) The amounts in this column reflect the aggregate grant date fair value of performance shares and RSUs computed in accordance with FASB ASC Topic 718. For performance shares, 50% of the value reported is based on the probable outcome of the performance conditions as of the grant date using a Monte Carlo simulation model ($93.66) and 50% is based on the closing price on the date of grant ($90.65). The amounts in the column are allocated between the various equity grants as enumerated in this table in APS/Pinnacle West's 2020 DEF 14A filing.								
(4) These amounts represent the payments described under "Executive Compensation Components — Annual Cash Incentives" in the CD&A, and, with respect to Mr. Brandt, includes $2,000,000 of the 2017 CEO Performance-Contingent Award because on February 19, 2019, the Committee approved a $4 million payment to Mr. Brandt based on the achievement of the specified performance goals. The remaining $2 million was included in the Summary Compensation Table in 2018 because in February 2018 the Committee determined that the (i) minimum ROE condition, (ii) 2017 earnings threshold, and (iii) Year 1 Milestones, as defined in the award agreement, had been achieved (the 2017 CEO Performance-Contingent Award is described under "Executive Compensation Components – Long-Term Incentives-Supplemental Awards" in the CD&A), and with respect to Mr. Bement, incentive payments received in connection with the outage incentive plans as follows: $1,800 for the 2018 Fall, 2019 Spring and 2019 Fall refueling outages for Palo Verde Units 2, 1 and 3, respectively (collectively, the "Refueling Outages").								
(5) Messrs. Guldner and Froetscher elected not to receive a payout for the Customer Service business unit under the APS Incentive Plan, but the amount in this column reflects the amount they would have received had they not made this election. The actual amounts received by Messrs. Guldner and Froetscher under the APS Incentive Plan were $654,101 and $362,232, respectively.								
(6) The amounts in this column for 2019 consist of: (i) the estimated aggregate change in the actuarial present value from December 31, 2018 to December 31, 2019 of each of the NEO's accumulated benefits payable under all defined benefit and actuarial pension plans (including supplemental plans and employment agreements) as follows: Mr. Brandt — $2,690,103; Mr. Guldner — $502,787; Mr. Hatfield — $799,811; Mr. Bement — $708,381; Mr. Froetscher — $1,553,074 (Mr. Froetscher is currently eligible for retirement at a reduced benefit; however the amount represents the amount he would be entitled to receive at age 60, at which time he would receive the full retirement benefit); and Mr. Smith — $129,434; and (ii) the above-market portion of interest accrued under the deferred compensation plan as follows: Mr. Brandt — $163,031; Mr. Guldner — $48,430; Mr. Hatfield — $14,536; Mr. Bement — $174,584; and Mr. Froetscher — $23,103. The actuarial present value provided in this footnote is driven by certain assumptions, including the discount rate and the mortality assumption.								
(7) The amounts in this column include those for each of the NEOs in 2019, as enumerated in the table "All other Arizona Public Service Company (Pinnacle West) executive compensation, 2019".								
(8) Mr. Hatfield served as Chief Financial Officer from July 2008 to January 2020.								
Source: 2020 Arizona Public Service Company (Pinnacle West) Securities and Exchange Commission Form DEF 14A filing								

Table 14: Arizona Public Service Company (Pinnacle West) Board compensation, 2019					
Name	**Fees earned or paid in cash**	**Stock awards (1)**	**Change in pension value and nonqualified deferred compensation earnings (2)**	**All other compensation**	**Total**
Donald E. Brandt (3)	-	-	-	-	-
Denis A. Cortese, M.D.	$105,000	$120,225	-	-	$225,225
Richard P. Fox	$120,000	$120,225	$20,648	-	$260,873
Michael L. Gallagher	$120,000	$120,225	$156,905	-	$397,130
Jeffrey B. Guldner (3)	-	-	-	-	-
Dale E. Klein, Ph.D.	$105,000	$120,225	-	-	$225,225
Humberto S. Lopez	$120,000	$120,225	$193,170	-	$433,395
Kathryn L. Munro	$150,000	$120,225	$31,687	-	$301,912
Bruce J. Nordstrom	$120,000	$120,225	$97,845	-	$338,070
Paula J. Sims	$105,000	$120,225	$5,510	-	$230,735
James E. Trevathan, Jr.	$105,000	$184,615	$2,453	-	$292,068
David P. Wagener	$105,000	$120,225	-	-	$225,225

(1) In accordance with FASB ASC Topic 718, this amount reflects the aggregate grant date fair value of the stock awards. On May 15, 2019, all of the Directors at that time received a grant of either common stock or stock units ("SUs"), based on an election previously delivered to the company. All Directors received common stock except for Messrs. Fox, Gallagher, Trevathan and Dr. Klein, and Mses. Munro and Sims, who each received SUs. Under the terms of the SUs, Ms. Sims and Mr. Trevathan will receive 100% of the SUs in stock and the remaining Directors who received SUs will receive 50% of the SUs in cash and 50% of the SUs in common stock, in all cases on the last business day of the month following the month in which they separate from service on the Board. The number of shares of common stock or SUs granted was 1,263, and the grant date fair value of each share of common stock or SU is $95.19, which was the closing stock price on May 15, 2019. In addition, on January 2, 2019, Mr. Trevathan received a pro-rata grant of common stock based on his service on the Board from December 2018 to May 2019 in the amount of 777 shares; the shares have a grant date fair value of $82.87. As of December 31, 2019, the following Directors had the following outstanding RSU or SU awards: Mr. Fox — 5,637; Mr. Gallagher — 16,055; Dr. Klein — 16,106; Ms. Munro — 14,061; Ms. Sims — 2,817; and Mr. Trevathan – 1,263.

(2) The company does not have a pension plan for Directors. The amount in this column consists solely of the above-market portion of annual interest accrued under a deferred compensation plan pursuant to which Directors may defer all or a portion of their Board fees. See the discussion of the rates of interest applicable to the deferred compensation program under "Discussion of Nonqualified Deferred Compensation" in APS/Pinnacle West's 2020 DEF 14A filing.

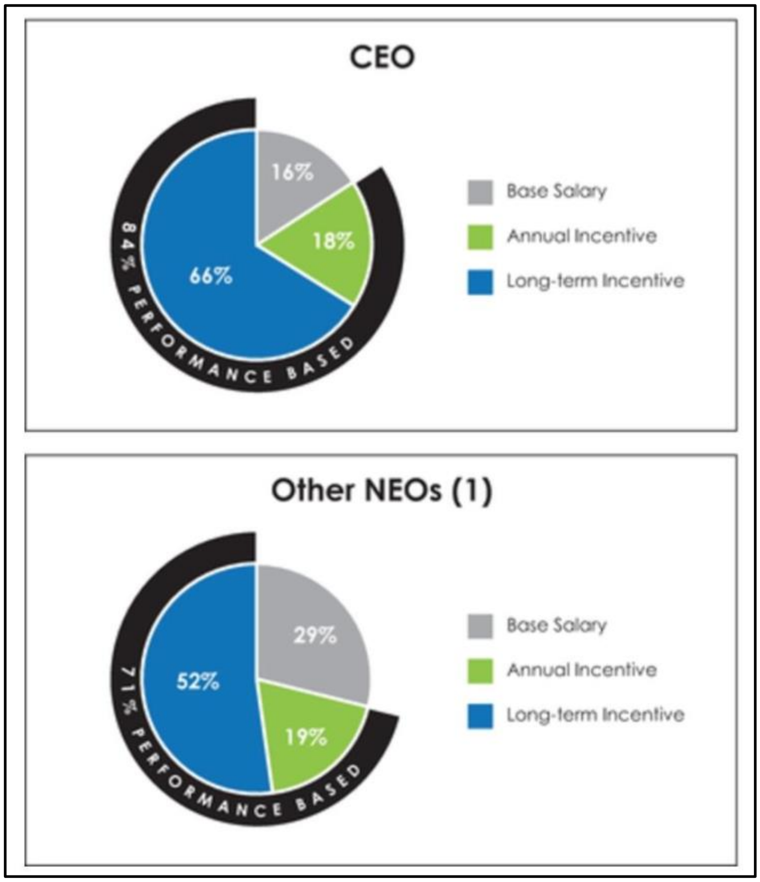
(3) Mr. Brandt and Mr. Guldner are NEOs and their compensation is set forth in the Summary Compensation Table. Only non-management directors are compensated for Board service. Mr. Brandt retired from the Board of Directors in November 2019.

Source: 2020 Arizona Public Service Company (Pinnacle West) Securities and Exchange Commission Form DEF 14A filing

Table 15: All other Arizona Public Service Company (Pinnacle West) executive compensation, 2019	
Mr. Brandt:	
Company's contribution under the 401(k) plan	$12,600
Company provided personal security	$21,898
Perquisites and personal benefits consisting of a car allowance, executive physical, and financial planning	$14,559
Mr. Guldner:	
Company's contribution under the 401(k) plan	$12,600
Perquisites and personal benefits consisting of a car allowance and executive physical	$14,111
Mr. Hatfield:	
Company's contribution under the 401(k) plan	$12,600
Perquisites and personal benefits consisting of a car allowance, executive physical, and financial planning	$15,118
Mr. Bement:	
Company's contribution under the 401(k) plan	$12,600
Perquisites and personal benefits consisting of a car allowance and executive physical	$13,780
Mr. Froetscher:	
Company's contribution under the 401(k) plan	$12,600
Perquisites and personal benefits consisting of a car allowance and financial planning	$11,100
Mr. Smith:	
Company's contribution under the 401(k) plan	$7,269
Perquisites and personal benefits consisting of a car allowance and financial planning	$17,500
Incremental cost of relocation expenses in connection with Mr. Smith's relocation to Phoenix, Arizona	$10,556
Tax gross-up relating to the relocation expenses	$30,437
Fees and costs associated with the sale of Mr. Smith's home in connection with his relocation to Phoenix, Arizona	$116,089
Fees and costs associated with the purchase of Mr. Smith's home in connection with his relocation to Phoenix, Arizona	$23,390
Source: 2020 Arizona Public Service Company (Pinnacle West) Securities and Exchange Commission Form DEF 14A filing	

CMS Energy (Consumers Energy)

CMS Energy is the holding company for Consumers Energy, Michigan's largest electric and gas utility serving 6.7 million residents. The holding company also controls two other subsidiaries, CMS Enterprises Company, which operates independent power generation facilities, and EnerBank, a consumer lending company focused on home improvement projects. CMS Energy's proxy statement describes its executive compensation policy as "balanced and simple." It consists of a base salary, an annual incentive program, and a long-term incentive formula to reward executives with restricted stock.



CMS' compensation components are weighted toward performance-based compensation. Source: CMS Energy 2020 Proxy Statement

Executives' base salaries are adjusted to reflect the median of a peer group made up of companies of a similar business profile and size - it is composed of 19 utilities, such as DTE Energy, WEC Energy, and Xcel Energy. CMS says that it reviews executives' salaries annually and may adjust them based on a variety of factors, including overall performance and tenure. In 2019, CMS CEO Patricia Pope earned $1,250,000 in base salary.

The annual incentive program is a performance-based cash compensation program that is only awarded if executives meet or exceed a set earnings per share (EPS) goal or the operating cash flow (OCF) goal, which the Board's Compensation Committee approves in January of each year. The Board places greater emphasis on the annual EPS incentive to "reflect the Corporation's and shareholders' focus on EPS growth." In 2019, EPS comprised a 70% weighted average of the annual incentive program, compared to 30% for the OCF metric. Additionally, the company has established, on the basis of performance, a 15% threshold to 200% maximum target incentive range. In 2019, CMS Energy's EPS was $2.49, which exceeded the target of $2.47, resulting in a 127% payout for this metric. The company's OCF was $1.72 billion, which exceeded the target of $1.7 billion, resulting in a 110% payout for this metric.

CMS also increases its annual incentive program by 10% if the company achieves various operating goals, such as keeping customer outage minutes to a minimum, reducing phishing click rates, completing orders within a targeted time frame, and preventing work-related fatalities. The Board believes it is important to link financial performance goals to "performance goals related to safety, reliability and customer value."

A substantial portion of named executive officer (NEO) compensation derives from long-term incentives. The long-term incentive is based on total shareholder return (TSR) (capital gains and dividends) and EPS growth. The payout formula consists of performance-based restricted stock and tenure-based restricted stock. Between 2017 and 2019, TSR growth over the three-year performance measurement period was 61%, while the median TSR of CMS Energy's peer group was 44%, which resulted in CMS executives achieving a stock vesting level of 155%. At the time of the 2020 proxy filing, it was not known if CMS Energy executives achieved EPS growth over the three-year performance period relative to their peer group.

Unlike other companies, CMS Energy has "no excessive perquisites. No planes, cars, clubs, security or financial planning. The principal perquisite provided to our executives in 2019 was an annual mandatory physical examination for each NEO." The Board's Compensation Committee requires the physical examination because "it is an effective method of protecting the NEOs and us from preventable health-related disruptions."

CMS Energy has no incentive policies relevant to decarbonization, despite the fact that the utility has committed to achieving net-zero carbon emissions by 2040 and net-zero methane emissions from its gas delivery system by 2030, and highlighted in its proxy materials that 2019 was a "successful year of world class performance delivering hometown service with achievements in our triple bottom line of people, planet and profit."

CEO compensation ranking among utilities studied, 2019	18/19
Compensation ratio: CEO to median	73:1

employee, 2019	
Percent change in CEO compensation, 2017-2019	+31.0% ($2,124,407)
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is CMS' executive compensation structure aligned with decarbonization?	No. CMS does not incentivize carbon reductions, despite the utility's 2040 net-zero carbon emissions goal.
Is there evidence from SEC filings that CMS is using misleading financial metrics to determine executive compensation?	No.
What key perquisites or benefits do CMS executives receive?	CMS limits perquisites to an annual mandatory physical examination. It also offers executives a non-qualified supplemental retirement plan.

Table 16: CMS Energy (Consumers Energy) executive compensation, 2017-2019

Name and principal position	Year	Salary (1)	Bonus (2)	Stock awards (3)	Non-equity incentive plan compensation (4)	Change in pension value and nonqualified deferred compensation earnings (5)	All other compensation (6)	Total
Patricia K. Poppe	2019	$1,250,000	-	$5,381,113	$1,830,000	-	$525,589	$8,986,702
President and CEO, CMS and Consumers Energy	2018	$1,200,000	-	$4,609,710	$1,876,800	-	$404,675	$8,091,185
	2017	$1,100,000	-	$4,263,888	$1,144,000	-	$354,407	$6,862,295
Rejji P. Hayes (7)	2019	$620,000	-	$1,434,975	$567,300	-	$209,635	$2,831,910
Executive Vice President and CFO, CMS and Consumers Energy	2018	$610,000	-	$1,154,870	$580,720	-	$163,083	$2,508,673
	2017	$400,000	$775,000	$1,249,978	$291,200	-	$70,243	$2,786,421
Catherine M. Reynolds (8)	2019	$309,000	-	$1,024,960	$245,037	$1,926,465	$16,522	$3,521,984

Former Senior Vice President, CMS and Consumers Energy	2018	$618,000	-	$970,475	$546,312	$906,215	$28,240	$3,069,242
	2017	$600,000	-	$1,015,195	$374,400	$1,810,769	$27,781	$3,828,145
Jean-Francois Brossoit (9)	2019	$455,000	-	$691,873	$360,815	-	$106,140	$1,613,828
Senior Vice President, CMS and Consumers Energy	2018	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-
Brian F. Rich (10)	2019	$470,000	-	$691,873	$372,710	-	$104,748	$1,639,331
Senior Vice President, CMS and Consumers Energy	2018	$460,000	-	$533,768	$406,640	-	$89,727	$1,490,135
	2017	-	-	-	-	-	-	-
Garrick J. Rochow	2019	$540,000	-	$871,211	$461,160	$161	$130,892	$2,003,424
Senior Vice President, CMS and Consumers Energy	2018	$525,000	-	$752,099	$464,100	$138	$113,575	$1,854,912
	2017	$508,333	-	$629,411	$326,300	$114	$111,761	$1,575,919
(1) Includes amounts deferred by the NEOs.								
(2) Amount relates to Hayes' cash sign-on bonus.								
(3) Amounts represent aggregate grant date fair value of the stock awards at year-end 2019.								
(4) Amounts reported in this column for 2019 consist of cash incentive awards earned in 2019.								
(5) Column does not reflect compensation paid to the NEO but is value for each participant in the CMS Energy Pension Plan.								
(6) CMS Energy plans, including a nonqualified tax deferred contribution plan and a tax-qualified contribution plan.								
(7) Hayes was appointed as CFO on May 1, 2017.								
(8) Reynolds retired July 1, 2019.								
(9) Brossoit was not a NEO prior to 2019.								
(10) Rich was not a NEO prior to 2018.								
Source: 2020 CMS Energy (Consumers Energy) Securities and Exchange Commission Form DEF 14A filing								

Table 17: CMS Energy (Consumers Energy) Board compensation, 2019				
Name	**Fees earned or paid in cash (1)**	**Stock awards (2)**	**All other compensation (3)**	**Total (4)**
Jon E. Barfield	$122,084	$150,000	—	$272,084
Deborah H. Butler	$113,334	$150,000	—	$263,334
Kurt L. Darrow	$125,000	$150,000	—	$275,000
Stephen E. Ewing	$116,250	$150,000		$266,250
William D. Harvey	$146,250	$150,000	—	$296,250
John G. Russell	$285,000	$150,000	$1,000	$436,000
Suzanne F. Shank (5)	$115,000	$193,334		$308,334
Myrna M. Soto	$115,000	$150,000	—	$265,000
John G. Sznewajs	$125,000	$150,000	—	$275,000
Ronald J. Tanski (6)	$18,334	$75,000	—	$93,334
Laura H. Wright	$130,000	$150,000	—	$280,000
(1) Non-employee directors receive an annual retainer fee.				
(2) Amounts represent the grant date fair value of the annual equity awards to the non-employee directors.				
(3) Amount includes the matching gift contributions made by the corporation to charitable organizations to which the director made a contribution. The matching gift program only applies to Michigan institutions.				
(4) Directors are also reimbursed for expenses incurred in attending Board or committee meetings and other company business.				
(5) Shank received a prorated stock award in January 2019 when appointed as a new director.				
(6) Tanski received a prorated stock award in November 2019 when he was appointed as a new director.				
Source: 2020 CMS Energy (Consumers Energy) Securities and Exchange Commission Form DEF 14A filing				

Con Edison

The executive compensation program for Con Edison (ConEd), a utility providing electric and gas service across New York City and Westchester County, consists of two main elements: 1) fixed and other forms of compensation (base salary, retirement programs, and benefits and perquisites), and 2) performance-based compensation (annual incentive compensation and long-term incentive compensation). The annual incentive is cash-based while the long-term incentive is equity-based.

Performance-based compensation represents the largest portion of the ConEd CEO's and other named executive officers' (NEOs') total compensation, and most of the performance-based compensation is in the form of long-term incentives. In 2019, 67% of CEO John McAvoy's compensation was incentive-based, while 54% of all other NEOs' compensation was incentive-based.

ConEd's annual incentive awards are determined by the following: 1) financial objectives (adjusted net income and other financial metrics pertinent to ConEd's subsidiaries), and 2) operational objectives. The operational objectives account for 25% of each NEO's potential annual incentive award, and consist of four areas: 1) employee and public safety, 2) environment and sustainability, 3) operational excellence, and 4) customer experience.

ConEd's long-term incentive compensation provides performance-based equity awards. For the 2019 to 2021 period, ConEd weighted these awards as follows: shareholder return at 50%, adjusted earnings per share (EPS) at 30%, and operating objectives at 20%. The operating objectives are comprised of four components, each weighted at 5%: 1) advanced meter infrastructure work plan/tasks, 2) cyber security work plan milestones/tasks, 3) number of miles of gas main replacement completed (for Con Edison of New York and Orange & Rockland), and 4) growth in renewable portfolio (MW-AC).

CEO compensation ranking among utilities studied, 2019	8/19
Compensation ratio: CEO to median employee, 2019	71:1
Percent change in CEO compensation, 2017-2019	-4.4% ($702,626)
Maximum payout of performance-based shares as a percentage of target, 2019	200%

Is ConEd's executive compensation structure aligned with decarbonization?	Not directly. Growth in renewable portfolio (MW-AC) comprises 5% of ConEd's long-term incentive awards. ConEd bases these performance results on cumulative achievement over a three-year period, which may gloss over actual annual decreases in the company's renewable portfolio (as occurred between 2018 and 2019). No incentives directly reward decreased carbon emissions.
Is there evidence from SEC filings that ConEd is using misleading financial metrics to determine executive compensation?	Yes. Both Con Edison's adjusted earnings for net income for common stock and its adjusted EPS in 2019 excluded transaction costs for its acquisition of Sempra Solar Holdings, LLC.
What key perquisites or benefits do ConEd's executives receive?	These include supplemental health insurance, reimbursement for reasonable costs of financial planning, a company vehicle and, in the case of the CEO, a personal driver.

Table 18: Con Edison executive compensation, 2017-2019

Name and principal position	Year	Salary	Bonus	Stock awards (1)	Non-equity incentive plan compensation (2)	Change in pension value and non-qualified deferred compensation earnings (3)	All other compensation (4)	SEC total (5)	SEC total without change in pension value (6)
John McAvoy	2019	$1,336,667	-	$5,912,304	$1,621,400	$6,398,445	$76,469	$15,345,285	$8,946,840
Chairman, President, and Chief Executive Officer	2018	$1,296,667	-	$4,968,812	$1,675,400	$1,750,204	$74,775	$9,765,858	$8,015,654
	2017	$1,257,083	-	$5,507,622	$1,864,800	$7,346,614	$71,792	$16,047,911	$8,701,297
Robert Hoglund	2019	$788,083	-	$1,464,760	$382,400	$75,101	$808,645	$3,518,989	$3,443,888
Senior Vice President and Chief Financial Officer	2018	$765,142	-	$1,235,340	$395,400	-$110,367	$171,838	$2,457,353	$2,567,720
	2017	$742,892	-	$1,441,970	$440,900	$277,846	$60,418	$2,964,026	$2,686,180
Timothy P. Cawley	2019	$628,867	-	$1,464,760	$491,700	$4,381,349	$40,905	$7,007,581	$2,626,232

President, ConEdison of New York	2018	$611,000	-	$1,242,203	$494,500	$307,835	$37,951	$2,693,489	$2,385,654
	2017	$420,975	-	$815,944	$449,700	$1,296,529	$30,984	$3,014,132	$1,717,603
Robert Sanchez	2019	$457,850	-	$838,908	$509,200	$1,787,377	$19,624	$3,612,959	$1,825,582
President and Chief Executive Officer, Orange & Rockland	2018	$437,883	-	$713,752	$420,000	$378,160	$19,647	$1,969,442	$1,591,282
Elizabeth D. Moore (7)	2019	$664,383	-	$925,462	$322,300	$140,277	$51,550	$2,103,972	$1,963,695
Senior Vice President and General Counsel	2018	$645,033	-	$782,382	$333,300	$128,971	$54,977	$1,944,663	$1,815,692
	2017	$626,275	-	$914,420	$371,700	$144,744	$52,623	$2,109,762	$1,965,018

(1) Dividends are not paid and do not accrue on awards during the vesting period. Amounts shown do not reflect the payment or accrual of dividends during the vesting period for any portion of the awards and otherwise reflect the assumptions used for the company's financial statements. (See Note M to the financial statements in the company's Annual Report on Form 10-K.) Actual value to be realized, if any, on awards by the Named Executive Officers will depend on the satisfaction of certain pre-established objectives, the performance of company common stock, and the Named Executive Officers' continued service. The awards granted for fiscal year 2019 are set forth on the "Grants of Plan-Based Awards Table" on page 61 of ConEd's 2020 DEF 14A filing. Based on the fair value at grant date, the following are the maximum potential values of the performance units for the 2019–2021 performance period granted under the long term incentive plan assuming maximum level of performance is achieved: Mr. McAvoy $11,233,378; Mr. Hoglund $2,783,044; Mr. Cawley $2,783,044; Mr. Sanchez $1,593,925; and Ms. Moore $1,758,378. The amount shown for Ms. Moore reflect the full amount of her performance unit awards; however, the future payout of her performance unit awards will be pro rated in accordance with the terms of the long term incentive plan to reflect the portion of the period for which she was employed. Ms. Moore retired effective December 31, 2019.

(2) The amounts paid were awarded under the annual incentive plan.

(3) Amounts do not represent actual compensation paid to the Named Executive Officers. Instead, the amounts represent the aggregate change in the actuarial present value for Messrs. McAvoy, Cawley, and Sanchez, and the change in account balance for Mr. Hoglund and Ms. Moore of the accumulated pension benefit based on the difference between the amounts required to be disclosed in the "Pension Benefits Table" for the year indicated and the amounts reported or that would have been reported in the "Pension Benefits Table" for the previous year (see ConEd's 2020 DEF 14A filing).

(4) For 2019, the amount reported in the "All other compensation" column for each Named Executive Officer is enumerated in the table "All other Con Edison executive compensation, 2019". The value of the items in the table is based on the aggregate incremental cost, which except for the company-provided vehicle, is the actual cost to the company. The cost of the company-provided vehicle was determined based on the personal use of the vehicle as a percentage of total usage compared to the lease value of the vehicle. The company did not provide above-market or preferential earnings with respect to the non-qualified deferred compensation arrangements.

(5) As per the applicable Securities and Exchange Commission (SEC) rules, represents, for each Named Executive Officer, the total of amounts shown for the Named Executive Officer in all other columns of the table.

(6) To show the effect that the year-over-year change in pension value had on total compensation, this column is included to show total compensation minus the change in pension value. The amounts reported in the "SEC total without change in pension value" column may differ substantially from the amounts reported in the "SEC total" column required under SEC rules and are not a substitute for total compensation. The "SEC total without change in pension value" column represents total compensation, as required under applicable SEC rules, minus the change in pension value reported in the "Change in pension value and non-qualified deferred compensation earnings" column. See "Compensation Discussion and Analysis—Retirement and Other Benefits—Pension Plans" on page 55 of ConEd's 2020 DEF 14A filing.

(7) Ms. Moore retired effective December 31, 2019.

Source: 2020 Con Edison Securities and Exchange Commission Form DEF 14A filing

Table 19: Con Edison Board compensation, 2019

Name	Fees earned or cash paid	Stock awards (1)	All other compensation (2)(3)	Total
George Campbell, Jr.	$130,000	$150,000	$5,000	$285,000
Ellen V. Futter	$122,500	$150,000	$5,000	$277,500
John F. Killian	$145,000	$150,000	—	$295,000
John McAvoy (4)	—	—	—	—
William J. Mulrow	$115,000	$150,000	$5,000	$270,000
Armando J. Olivera	$137,500	$150,000	$5,000	$292,500
Michael W. Ranger	$180,000	$150,000	—	$330,000
Linda S. Sanford	$130,000	$150,000	—	$280,000
Deirdre Stanley	$115,000	$150,000	—	$265,000
L. Frederick Sutherland	$145,000	$150,000	—	$295,000

(1) On May 20, 2019, each of the non-employee directors who was elected at the 2019 Annual Meeting received a grant of 1,724 stock units valued at $87.01 per share, the equivalent of $150,000. The stock units were fully vested at the time of grant. Pursuant to the company's long-term incentive plan, and as indicated in Note M to the financial statements in the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, the stock units are valued in accordance with FASB ASC Topic 718. The aggregate number of stock units outstanding for each non-employee director as of December 31, 2019 is as follows: Dr. Campbell—40,575; Ms. Futter—34,581; Mr. Killian—26,743; Mr. Mulrow—4,755; Mr. Olivera—13,526; Mr. Ranger—58,643; Ms. Sanford—10,902; Ms. Stanley—7,813, and Mr. Sutherland—59,213.

(2) The "All other compensation" column includes matching contributions made by the company to qualified institutions under its matching gift program. All directors and employees are eligible to participate in this program. Under the company's matching gift program, the company matches up to a total of $5,000 per eligible participant on a one-for-one basis to qualified institutions per calendar year.

(3) The amounts reported in the "All other compensation" column include amounts matched by the company at the end of 2018 and paid in 2019 under the company's matching gift program.

(4) Mr. McAvoy did not receive any director compensation because he is an employee of the company.

Source: 2020 Con Edison Securities and Exchange Commission Form DEF 14A filing

Table 20: All other Con Edison executive compensation, 2019

Compensation type	John McAvoy	Robert Hoglund	Timothy P. Cawley	Robert Sanchez	Elizabeth D. Moore
Personal use of company-provided vehicle	$10,559	$3,594	$7,356	$6,732	$1,946

Driver costs	$4,161	-	-	-	-
Financial planning	$18,500	$11,800	$11,800	-	$11,800
Supplemental health insurance	$3,449	$3,449	$3,449	-	$1,686
Company matching contributions to qualified savings plan	$8,100	$16,800	$7,834	$7,556	$13,055
Company matching contributions to non-qualified deferred income plan	$31,700	$30,485	$10,466	$5,336	$23,063
Company non-elective contributions to qualified defined contribution pension formula	-	$23,725	-	-	-
Company non-elective contributions to non-qualified defined contribution pension formula	-	$718,792	-	-	-
Total	**$76,469**	**$808,645**	**$40,905**	**$19,624**	**$51,550**
Source: 2020 Con Edison Securities and Exchange Commission Form DEF 14A filing					

Dominion Energy

Dominion Energy is a utility company that provides electric and gas service in primarily the eastern and Rocky Mountain regions, including Virginia, North Carolina, and South Carolina. Dominion provides its named executive officers (NEOs) with compensation consisting of a base salary, annual incentive, and long-term incentive, plus additional perquisites and benefits.

Approximately 90% of CEO Thomas F. Farrell, II's[4] target direct compensation was performance- and/or stock-based in 2019, including 15% from short-term incentives and 75% from long-term incentives, with 10% of direct compensation comprised of base salary. For all other NEOs, 76% of target direct compensation was performance- and/or stock-based, including 22% from short-term incentives and 54% from long-term incentives, with 24% of direct compensation comprised of base salary.

Base salaries were benchmarked to the median pay for executives at the 17 energy companies comprising Dominion's Compensation Peer Group, and subject to additional factors like job performance and scope, background and tenure, retention and "market competitive concerns", and the executive's role in succession planning, according to the utility's 2020 proxy filing.

Dominion's 2019 annual incentive plan (AIP) was based on a formula factoring in executives' base salaries, target award percentage (150% for CEO Farrell and 90% for all other NEOs), funding level, and payout goal score. Funding level was determined by executives' achievement of consolidated operating earnings per share (EPS) goals in 2019, with a target of $4.05 per share. Executives could earn a 50% funding level for the AIP at operating earnings of $3.80, and up to a maximum funding level of 200% for exceeding their target. Dominion's consolidated operating earnings for 2019 amounted to $4.24 per share, in excess of the target, for which all NEOs were awarded 110% AIP funding, at the discretion of the company's Compensation, Governance, and Nominating (CGN) Committee.

The payout goal score component of the AIP was based on NEOs' business segment financial performance, and progress toward operating and stewardship goals. All NEOs except Executive Vice President and co-Chief Operating Officer Diane Leopold[5] were assigned a 100% payout score by the CGN Committee. Despite her oversight for most of 2019 of Dominion's Gas Infrastructure Group, which missed a business segment financial goal, the Committee only reduced Leopold's payout score to 99.1%. Dominion considered all NEOs to have met their

[4] On July 31, 2020, Dominion announced changes to its leadership team. Effective October 1, 2020, Farrell will become Executive Chair, and Robert M. Blue, Executive Vice President and and co-Chief Operating Officer, will succeed him as CEO.

[5] Leopold served as Executive Vice President and President and CEO of the Gas Infrastructure Group until December 2, 2019. Effective October 1, 2020, she will become sole Chief Operating Officer, when Blue succeeds Farrell as CEO.

company-wide safety, diversity and inclusion, and environmental goals, though it did not describe these in greater detail.

Lastly, Dominion's long-term incentive program in 2019 consisted of 50% restricted stock with time-based vesting, and 50% performance-based cash awards. Long-term incentives were based on similar factors to those underpinning base salary, with the largest increases for NEOs who had been promoted. Restricted stock awards made in 2019 will vest in 2022, with NEOs also receiving dividends during that period.

The 2019 long-term cash performance grants will be based on the three-year period through 2021, with a potential payout ranging from zero to 200% for each NEO on a denominated target dollar value. The performance grant payouts are determined equally by 1) Dominion's total shareholder return (TSR) - which is the difference between a share of its common stock's value at the start and end of the three-year period, plus dividends paid as if they were reinvested - relative to companies in its 2019 Compensation Peer Group, and 2) the company's return on investment capital (ROIC), which is Dominion's total return divided by the average capital invested during the performance period. In determining the 2019 performance grants, this first criterion may be supplemented by the achievement of a strong absolute TSR and/or price-to-earnings (P/E) ratio, which is the ratio of the company's stock price to its EPS.

As the previous three-year performance period ran from 2017 to 2019, Dominion NEOs received their 2017 performance grants in January 2020, earning 91.4% of the target amount. These grants were also based on relative TSR - as modified by absolute TSR and P/E ratio - and ROIC. Because of James R. Chapman's elevation to Executive Vice President, Chief Financial Officer, and Treasurer part way through the performance period, he received his 2017 performance grant in the form of common stock rather than cash, but in accordance with all of the same performance goals and terms.[6]

CEO compensation ranking among utilities studied, 2019	4/19
Compensation ratio: CEO to median employee, 2019	119:1
Percent change in CEO compensation, 2017-2019	+11.4% ($1,761,273)
Maximum payout of performance-based	200%

[6] Dominion Executive Vice Presidents are required to own either 35,000 shares of stock, or shares with an equivalent value to five times their salaries, whichever is the lesser. NEOs must have attained 50% of their share ownership guidance by the time of the award in order to receive a cash-based performance grant.

shares as a percentage of target, 2019	
Is Dominion's executive compensation structure aligned with decarbonization?	No. Dominion's executive compensation policy refers to a vague "company-wide environmental goal" as well as "business segment environmental goals," but does not further explain these. There are no explicitly stated executive incentives related to reducing carbon emissions, despite Dominion's stated goal of net-zero carbon and methane emissions by 2050, with additional interim goals for cutting its methane emissions.
Is there evidence from SEC filings that Dominion is using misleading financial metrics to determine executive compensation?	No.
What key perquisites or benefits do Dominion executives receive?	Dominion offers NEOs business and limited personal travel on corporate aircraft; company vehicles; a $9,500 annual allowance for health club memberships, wellness programs, physical exams, and financial and estate planning; and retirement, health, and death benefits. The CEO is entitled to conduct all of his personal travel - amounting to $134,660 in 2019 - and unlimited guest travel aboard company aircraft. Board members receive paid expenses for spouses to accompany them to two meetings a year; can, along with their spouses, accompany NEOs on the corporate aircraft for both business and personal travel; and are eligible for a matching charitable donations program.

Table 21: Dominion Energy executive compensation, 2017-2019

Name and principal position	Year	Salary (1)	Stock awards (2)	Non-equity incentive plan compensation (3)	Change in pension value and nonqualified deferred compensation earnings (4)	All other compensation (5)	Total
Thomas F. Farrell, II (6)	2019	$1,554,992	$5,741,884	$7,336,680	$2,380,099	$243,380	$17,257,035
Chairman, President, and Chief Executive Officer	2018	$1,554,992	$5,741,867	$7,451,188	-	$208,395	$14,956,442

	2017	$1,547,444	$5,219,903	$7,240,125	$1,285,131	$203,159	$15,495,762
James R. Chapman	2019	$566,919	$675,063	$563,988	$27,565	$73,898	$1,907,433
Executive Vice President, Chief Financial Officer, and Treasurer	2018	$396,526	$215,026	$597,339	$26,306	$52,153	$1,287,350
Robert M. Blue (6)	2019	$738,303	$855,032	$1,210,720	$1,422,153	$67,001	$4,293,209
Executive Vice President and co-Chief Operating Officer	2018	$613,708	$675,042	$1,136,502	$455,242	$53,709	$2,934,203
	2017	$563,750	$500,036	$872,313	$914,021	$43,939	$2,894,059
Paul D. Koonce	2019	$757,637	$855,032	$1,535,190	$1,711,945	$98,525	$4,958,329
Executive Vice President and Strategic Advisor	2018	$733,292	$855,058	$1,590,876	$379,367	$92,453	$3,651,046
	2017	$700,543	$855,023	$1,571,815	$1,089,950	$88,338	$4,305,669
Diane Leopold (6)	2019	$738,303	$855,032	$1,203,936	$1,774,643	$70,259	$4,642,173
Executive Vice President and co-Chief Operating Officer	2018	$613,708	$675,042	$1,136,233	$639,150	$58,106	$3,122,239
	2017	$563,750	$500,036	$871,293	$1,517,769	$47,649	$3,500,497

(1) Effective March 1, 2019, other than Mr. Farrell, the NEOs received the following base salary increases: Mr. Chapman: 3%; Mr. Blue: 22.2%; Mr. Koonce: 3%; and Ms. Leopold: 22.2%. Mr. Farrell did not receive a base salary increase.

(2) The amounts in this column reflect the grant date fair value of stock awards for the respective year of grant in accordance with FASB guidance for share-based payments. Dominion Energy did not grant any stock options in any of the years shown in the table. See also Note 20 to the Consolidated Financial Statements in Dominion Energy's 2019 Annual Report on Form 10-K for more information on the valuation of stock-based awards, the Grants of Plan-Based Awards table for stock awards granted in 2019, and the Outstanding Equity Awards at Fiscal Year-End table for a listing of all outstanding equity awards as of December 31, 2019.

(3) The 2019 amounts in this column include the payout under Dominion Energy's 2019 AIP for each of the NEOs and under the 2017 Performance Grants for each of the NEOs other than Mr. Chapman, who received his 2017 Performance Grant in the form of goal-based stock. All of the NEOs received 110% funding of their 2019 AIP target awards. Messrs. Farrell, Chapman, Blue, and Koonce each received 100% payout scores for accomplishments of their goals, while Ms. Leopold received a 99.1% payout score due to a missed business segment financial goal. The 2019 AIP payout amounts were as follows: Mr. Farrell: $2,565,737; Mr. Chapman: $563,988; Mr. Blue: $753,720: Mr. Koonce: $753,720; and Ms. Leopold: $746,936. See CD&A for additional information on the 2019 AIP and the Grants of Plan-Based Awards table for the range of each NEO's potential award under the 2019 AIP. The 2017 Performance Grant was issued on February 1, 2017 and the payout amount was determined based on achievement of performance goals for the performance period ended December 31, 2019. Payouts could range from 0% to 200%. The actual payout was 91.4% of the target amount. The 2017 Performance Grant payout amounts were as follows: Mr. Farrell: $4,770,943; Mr. Blue: $457,000: Mr. Koonce: $781,470; and Ms. Leopold: $457,000. See 2017 Performance Grant Payout in the CD&A for additional information on the 2017 Performance Grants. The 2018 amounts reflect both the 2018 AIP and the 2017 Transition Performance Grant payouts, and the 2017 amounts reflect both the 2017 AIP and 2016 Performance Grant payouts.

(4) All amounts in this column are for the aggregate change in the actuarial present value of the NEO's accumulated benefit under our qualified Pension Plan and nonqualified executive retirement plans. There are no above-market earnings on nonqualified deferred compensation plans. These accruals are not directly in relation to final payout potential, and can vary significantly year over year based on (i) promotions and corresponding changes in salary; (ii) other one-time adjustments to salary or incentive target for market or other reasons; (iii) actual age versus predicted age at retirement; (iv) discount rate used to determine present value of benefit; and (v) other relevant factors. Reductions in the actuarial present value of an NEO's accumulated pension benefits are reported as $0. Mr. Chapman participates in the "cash balance" formula under the Pension Plan while each of the other NEOs participates in the "final average earnings" pension formula. A change in the discount rate can be a significant factor in the change reported in this column. A decrease in the discount rate results in an increase in the present value of the accumulated benefit without any increase in the benefits payable to the NEO at retirement and an increase in the discount rate has the opposite effect. The discount rate used in determining the present value of the accumulated benefit decreased from 4.43% used as of December 31, 2018 to a discount rate of 3.57% used as of December 31, 2019. The increase in present value attributed solely to the change in discount rate was as follows: Mr. Farrell: $1,620,079; Mr. Chapman: $742; Mr. Blue: $404,889: Mr. Koonce: $751,708; and Ms. Leopold: $580,953.
(5) The amounts in this column are further enumerated in the table "All other Dominion Energy executive compensation, 2019".
(6) On July 31, 2020, Dominion announced changes to its leadership team. Effective October 1, 2020, Mr. Farrell will become Executive Chair, and Mr. Blue will succeed him as CEO. Ms. Leopold will become the sole COO.
Source: 2020 Dominion Energy Securities and Exchange Commission Form DEF 14A filing

Table 22: Dominion Energy Board compensation, 2019

Name	Fees earned or paid In cash (1)	Stock awards (2)	All other compensation (3)	Total
William P. Barr (4)	-	$146,400	-	$146,400
James A. Bennett (1)(5)	$134,375	$196,838	$5,000	$336,213
Helen E. Dragas (1)	$127,500	$157,472	$5,000	$289,972
James O. Ellis, Jr.	$107,500	$157,472	-	$264,972
D. Maybank Hagood (5)	$134,375	$196,838	$5,000	$336,213
John W. Harris (3)(6)	$173,750	$157,472	$164,996	$496,218
Ronald W. Jibson	$107,500	$157,472	-	$264,972
Mark J. Kington (1)	$127,500	$157,472	$5,000	$289,972
Joseph M. Rigby (1)	$107,500	$157,472	-	$264,972
Pamela J. Royal, M.D.	$107,500	$157,472	-	$264,972
Robert H. Spilman, Jr.	$132,500	$157,472	-	$289,972
Susan N. Story (1)	$107,500	$157,472	-	$264,972
Michael E. Szymanczyk (1)	$107,500	$157,472	-	$264,972

(1) Directors may defer all or a portion of their compensation or choose to receive stock in lieu of cash for meeting fees and annual cash retainers under the Non-Employee Directors Compensation Plan. Mses. Dragas and Story and Messrs. Bennett, Kington and Szymanczyk deferred all of their annual cash retainers to stock unit accounts in lieu of cash for 2019. Mr. Rigby deferred 20% of his annual cash retainer to a stock unit account in lieu of cash for 2019.
(2) Each non-employee director who was elected in May 2019 received an annual stock retainer valued at $157,472, which was equal to 2,086 shares, valued at $75.49 per share based on the closing price of Dominion Energy common stock on May 6, 2019. Directors may defer all or a portion of this stock retainer. (See the Director and Officer Beneficial Ownership table in Dominion's 2020 Form DEF14A for February 28, 2020 balances.) A total of 25,032 shares of stock, in aggregate, were distributed to these directors, or to a trust account for deferrals, for their annual stock retainers. No options have been granted to directors since 2001. No directors had options outstanding as of December 31, 2019.
(3) All other compensation amounts for 2019 are as follows: For Mr. Harris, the amount reported in this column is for dividend equivalents earned on his Directors' Stock Accumulation Plan (SAP) balance. For certain directors elected to the Board prior to 2004, the SAP provided non-employee directors a one-time stock award equivalent in value to approximately 17 times the annual cash retainer then in effect. Stock units were credited to a book account and a separate account continues to be credited with additional stock units equal in value to dividends on all stock units held in the director's account. A director must have 17 years of service to receive all of the stock units awarded and accumulated. Reduced distributions are made where a director has at least 10 years of service or has reached age 62 when service as a director ends. Dividend earnings under the SAP are paid at the same rate declared by the company for all shareholders. All other amounts in this column represent matching gift contributions made by the Dominion Energy Charitable Foundation as described under Other Director Benefits in Dominion's 2020 Form DEF14A.
(4) Mr. Barr resigned from the Board effective February 12, 2019 and was paid a departure stock grant valued at $146,400.
(5) Messrs. Bennett and Hagood were elected to the Board effective February 15, 2019 and were paid a prorated cash retainer of $26,875 and a prorated stock retainer valued at $39,375. Mr. Bennett deferred his prorated cash retainer to a stock unit account in lieu of cash.
(6) Mr. Harris was elected the chair of the CGN Committee effective February 12, 2019. He was paid a prorated cash retainer of $6,250.
(7) As CEO, Mr. Farrell does not receive any separate compensation for his service as a director. On July 31, 2020, Dominion announced changes to its leadership team. Effective October 1, 2020, Mr. Farrell will become Executive Chair of the Board.
Source: 2020 Dominion Energy Securities and Exchange Commission Form DEF 14A filing

Table 23: All other Dominion Energy executive compensation, 2019

Name	Executive perquisites (1)	Life insurance premiums	Employee 401(k) plan match (2)	Company match above IRS limits (3)	Total all other compensation
Thomas F. Farrell, II (4)	$151,477	$29,448	$11,200	$51,255	$243,380
Paul D. Koonce	$24,595	$43,529	$11,200	$19,201	$98,525
James R. Chapman	$29,862	$22,707	$6,983	$14,346	$73,898
Diane Leopold (4)	$21,694	$21,935	$8,206	$18,424	$70,259
Robert M. Blue (4)	$23,146	$21,706	$8,400	$13,749	$67,001

(1) Unless noted, the amounts in this column for all NEOs are comprised of the following: personal use of company vehicle and financial planning and health and wellness allowance. For Mr. Chapman, the amounts in this column include $26,512 for the personal use of his company electric vehicle. For Mr. Farrell, the amount in this column also includes personal use of the corporate aircraft. The value of the personal use of the aircraft for Mr. Farrell during 2019 was $134,660. For personal flights, all direct operating costs are included in calculating aggregate incremental cost. Direct operating costs include the following: fuel, airport fees, catering, ground transportation and crew expenses (any food, lodging and other costs). The fixed costs of owning the aircraft and employing the crew are not taken into consideration, as more than 96% of the use of the corporate aircraft is for business purposes. The CGN Committee has directed Mr. Farrell to use corporate aircraft for all personal travel.
(2) Employees hired before 2008 (including all NEOs other than Mr. Chapman) who contribute to the 401(k) plan receive a matching contribution of 50 cents for each dollar contributed up to 6% of compensation (subject to IRS limits) for employees who have less than 20 years of service, and 67 cents for each dollar contributed up to 6% of compensation (subject to IRS limits) for employees who have 20 or more years of service. Employees hired after 2008 (including Mr. Chapman) who contribute to the 401(k) plan receive a matching contribution of one dollar for each dollar contributed, up to 4% of compensation (subject to IRS limits) for employees who have less than five years of service, up to 5% of compensation (subject to IRS limits) for employees who have five to 15 years of service, up to 6% of compensation (subject to IRS limits) for employees who have 15 to 25 years of service, and up to 7% of compensation (subject to IRS limits) for employees who have more than 25 years of service.
(3) Represents each payment of lost 401(k) plan matching contribution due to IRS limits.
(4) On July 31, 2020, Dominion announced changes to its leadership team. Effective October 1, 2020, Mr. Farrell will become Executive Chair, and Mr. Blue will succeed him as CEO. Ms. Leopold will become the sole COO.
Source: 2020 Dominion Energy Securities and Exchange Commission Form DEF 14A filing

DTE Energy

DTE Energy is a utility holding company that serves electric and natural gas customers in Michigan, and also owns a gas pipeline and storage business segment. DTE Energy's executive compensation consists of three elements: base salary, annual incentive awards, and long-term incentive awards. The Board of Directors' Organization and Compensation Committee (O&C) has the responsibility to determine and approve the CEO's compensation and makes all decisions regarding the compensation for the named executive officers (NEOs). O&C members include a retired Duke Energy executive and a retired CEO of the Columbia Pipeline Group (since acquired by TransCanada). Several of the O&C members have been directors for over a decade.

DTE Energy retains an outside consulting firm, Meridian Compensation Partners, to advise the O&C Committee. DTE Energy also retains an external consulting firm to conduct a market study to compile a peer group and collect data on compensation practices. DTE Energy's peer group includes 18 other utilities as well as nine other companies such as Kellogg, Whirlpool, and Sherwin-Williams.

DTE Energy says that it annually adjusts and reviews its base salary for executives to reflect the market. In 2018, the base salary for then-CEO Gerard M. Anderson was $1,344,231. Anderson served as CEO until June 30, 2019 and was succeeded by Gerardo Norica. Norcia's base salary for 2019 was $1,009,856.

The O&C Committee also sets annual individual performance measures, metrics, and targets for the NEOs, also referred to as short-term plans. Twenty-two different measures are used to calculate the annual incentive payout. Twenty percent of the annual compensation is determined by DTE Energy's operating earnings per share (EPS), and another 20% by its adjusted cash flow. In 2019, NEOs were rewarded if they achieved an EPS between $5.97 and $6.33, and for an adjusted cash flow between -$765 million and $209 million.

Other annual measures include customer complaints to the Michigan Public Service Commission (with achievements for a range of 1,827 to 2,786), tree trimming mileage (3,800 to 4,400), and fossil power plant reliability - which is a measurement of the percentage of time that the coal-fired units at the Monroe and Belle River facilities are incapable of reaching 100% capacity, excluding planned outages. The coal-plant reliability metric incentivizes the utility to maintain, at ratepayer cost, coal plants that the utility could be planning for accelerated closure in order to save customers money and achieve its carbon emission reduction goals for 2030 and 2050. Ameren recently eliminated a similar metric and says that it is instead implementing renewable energy and energy storage performance incentives.

DTE Energy's long-term plan rewards executives with ownership of stock. It measures long-term incentives by total shareholder return of DTE Energy versus its peer group (80% weight), and by the company's funds from operations (FFO) to total debt ratio (20% weight). The FFO to debt ratio is used by credit rating agencies to analyze a company's financial risk.

The long-term reward measurement is different for DTE's electric utility subsidiary's CEO, Trevor Lauer. His long-term plan includes a 20% weighted average of DTE Electric's three-year average return on equity (ROE). Under the 2016 to 2019 long-term incentive plan, DTE Energy paid Lauer 175% of the reward for achieving the maximum threshold of 10.7% ROE. DTE Electric achieved a 2016 to 2018 ROE average of 10.4%, so Lauer received a 140% payout for this category.

Despite DTE setting a goal to achieve net-zero carbon emissions from its electric company by 2050, which replaced a 2017 commitment to an 80% carbon reduction goal, the company has not established financial incentives for executives to reduce greenhouse gas emissions.

DTE Electric sought ROE increase, executive compensation cost recovery from Michigan ratepayers

The ROE measures how much a utility is allowed to earn in profits on capital expenditures, and is determined by state regulators. Using the ROE as a financial instrument to reward Lauer increases his incentive for DTE Electric to increase capital investments, and to lobby for DTE Electric's regulators at the Michigan Public Service Commission (PSC) to increase the company's ROE at the expense of ratepayers.

In DTE Electric's most recent rate case, the utility proposed a 10.5% ROE. The PSC, however, reduced the utility's ROE from its current 10% to 9.9%, which took effect on May 15, 2020. The Administrative Law Judge (ALJ) in the matter found that DTE Electric had not demonstrated an increased risk in attracting capital and had not established the reasonableness of including the gas and water companies in its proxy analysis.

Executive compensation expenses were a point of contention in the rate case despite previous orders preventing the utility from recovering compensation expenses associated with attaining financial measures. In a May 2019 order, the PSC said, "incentive compensation tied to financial performance measures has not been shown to benefit ratepayers." Nevertheless, Michigan Attorney General Dana Nessel's office found that in addition to including costs for incentive compensation in operations and maintenance accounting, DTE included capitalized costs of short-term and long-term incentive compensation in its rate base projections.

Attorney General witness Sebastian Coppola said DTE's incentive plans are "too heavily skewed toward measures that directly benefit shareholders as opposed to customers."

Coppola recommended that the PSC remove all capitalized incentive compensation costs associated with financial measures from the rate case. The ALJ not only agreed, but recommended that the PSC order DTE to:

> "immediately provide the Commission with a report in this docket identifying the amount of incentive compensation attributable to financial measures DTE has included in rate base at least over the last five years, and direct DTE to clearly exclude such amounts from rate base in its next rate application. The Commission may also want to initiate an investigation to determine what faulty managerial or other decision-making process led DTE to flagrantly ignore the Commission's numerous decisions on this expense category."

The PSC agreed with the Attorney General and the ALJ, and disallowed $44 million in executive compensation expenses from rates. The regulators said in the order that they were "profoundly concerned as to why DTE Electric would think it would be acceptable to capitalize financial-based employee compensation incentives under rate base." The order further said,

> "The fact that DTE Electric booked these incentive compensation costs to rate base without being 'caught' by parties or the Commission in prior proceedings does not render them reasonable and prudent now, nor does their removal from rate base for rates being set on a going-forward basis constitute retroactive ratemaking … **the Commission has been unwaveringly clear that 'incentive compensation tied to financial performance measures has not been shown to benefit ratepayers**." (emphasis added)

While DTE Energy has maintained promised levels of executive compensation throughout the COVID-19 pandemic, it has also begun disconnecting customers who have been unable to pay their bills during the crisis. DTE could use half the compensation that it paid former CEO Gerry Anderson in 2019 - still leaving over $6 million for CEO compensation - to cover the arrearages of 6,768 senior and low-income customers who were 90 or more days late on their payments as of August 16, 2020, according to data DTE submitted to Michigan regulators.

CEO compensation ranking among utilities studied, 2019	6/19
Compensation ratio: CEO to median employee, 2019	57:1
Percent change in CEO compensation, 2017-2019	-23.3% ($3,690,728)
Maximum payout of performance-based shares as a percentage of target, 2019	200%

Is DTE Energy's executive compensation structure aligned with decarbonization?	No. DTE Energy is among the many investor-owned utilities that have established goals to reduce their greenhouse gas emissions, specifically a 50% by 2030, 80% by 2040, and net-zero by 2050 commitment. However, DTE's goals are not yet reflected in the company's executive compensation policies.
Is there evidence from SEC filings that DTE Energy is using misleading financial metrics to determine executive compensation?	No.
What key perquisites or benefits do DTE Energy executives receive?	DTE Energy provides the Chairman and CEO with company vehicles and each with a security driver. Use of the company's leased aircraft is permitted for business purposes. The company provides limited use of corporate event tickets. Home security monitoring is also provided for some NEOs, as are non-qualified supplemental retirement plans.

Table 24: DTE Energy executive compensation, 2017-2019

Name and principal position	Year	Salary (1)	Stock awards (2)	Non-equity incentive plan compensation (3)	Change in pension value and nonqualified deferred compensation earnings (4)	All other compensation (5)	Total
Gerard M. Anderson (6)	2019	$1,080,048	$7,319,993	$1,602,000	$2,007,501	$135,637	$12,145,179
Executive Chairman	2018	$1,344,231	$6,992,734	$2,500,000	-	$149,844	$10,986,809
	2017	$1,319,231	$8,813,700	$2,800,000	$2,768,249	$134,727	$15,835,907
Gerardo Norcia (7)	2019	$1,009,856	$4,716,621	$1,559,700	$808,132	$134,030	$8,228,339
President and Chief Executive Officer	2018	$826,923	$2,979,048	$1,264,700	$284,485	$121,721	$5,476,877
	2017	$730,385	$2,252,390	$1,275,800	$522,829	$90,510	$4,871,914
Peter B. Oleksiak	2019	$635,385	$1,683,234	$473,700	$1,314,947	$76,494	$4,183,760
Senior Vice President and Chief Financial	2018	$615,385	$1,522,908	$663,000	$694,398	$77,764	$3,573,455

Officer							
	2017	$592,385	$1,498,329	$643,000	$832,450	$79,209	$3,645,373
Trevor F. Lauer	2019	$558,846	$1,256,661	$637,000	$572,302	$81,362	$3,106,171
President and Chief Operating Officer - DTE Electric	2018	$534,615	$1,151,476	$600,000	$38,410	$77,564	$2,402,065
David E. Meador	2019	$735,385	$1,867,698	$746,500	$908,601	$89,256	$4,347,440
Vice Chairman and Chief Administrative Officer	2018	$727,692	$1,743,060	$857,000	-	$88,736	$3,416,488
	2017	$717,692	$1,596,259	$927,600	$1,180,550	$88,154	$4,510,255
Bruce D. Peterson (8)	2019	$568,077	$1,118,313	$439,000	$262,980	$78,241	$2,466,611
Senior Vice President and General Counsel							
(1) Base salary amounts reported include amounts which were voluntarily deferred by the NEOs into the DTE Energy Company Supplemental Savings Plan.							
(2) Amounts represent the grant date fair value of the restricted stock and performance shares granted in 2017, 2018 and 2019.							
(3) 2019 annual incentive amounts paid to the NEOs include an individual performance modifier.							
(4) Amounts in this column represent the aggregate change in the actuarial present values of each NEO's accumulated benefits under the DTE Energy Company Retirement Plan, the DTE Energy Company Supplemental Retirement Plan, and the DTE Energy Company Executive Supplemental Retirement Plan.							
(5) Amounts include matching contributions from eligible compensation to the DTE Energy Savings and Stock Ownership Plan (a tax-qualified 401(k) plan). Amounts also include executive benefits made available to certain NEOs during 2019, such as security services, limited personal use of corporate event tickets, the corporate condominium, and the corporate-leased jet.							
(6) Anderson served as Chairman and Chief Executive Officer until June 30, 2019.							
(7) Norcia served as President and Chief Operating Officer until June 30, 2019, when he became CEO.							
(8) Peterson retired effective January 3, 2020.							
Source: 2020 DTE Energy Securities and Exchange Commission Form DEF 14A filing							

Table 25: DTE Energy Board compensation, 2019				
Name	**Fees earned or paid in cash (1)**	**Stock awards (2)**	**All other compensation (3)**	**Total (4)**
David A. Brandon	$135,000	$130,000	$5,305	$270,305
W. Frank Fountain, Jr.	$135,000	$130,000	$494	$265,494
Charles G. McClure, Jr.	$129,685	$130,000	$305	$259,990
Gail J. McGovern	$120,000	$130,000	$6,305	$256,305
Mark A. Murray	$135,000	$130,000	$6,305	$271,305
James B. Nicholson	$51,350	$130,000	$5,165	$186,515
Ruth G. Shaw	$144,465	$130,000	$5,494	$279,959
Robert C. Skaggs, Jr.	$120,000	$130,000	$5,494	$255,494
David A. Thomas	$120,000	$130,000	$5,158	$255,158
Gary Torgow	$62,500	$131,180	$79	$193,759
James H. Vandenberghe	$136,500	$130,000	$5,494	$271,994
Valerie M. Williams	$145,000	$130,000	$158	$275,158
(1) Fees earned or paid in cash include the Board retainer, committee chair retainer, and new member orientation/mentor program fee.				
(2) Stock awards are phantom shares of DTE Energy stock granted on January 2, 2019, subject to a three-year payment deferral.				
(3) Amount includes the total of the premiums paid for the group-term life insurance provided to non-employee directors, and contributions made by the DTE Foundation under the matching program.				
(4) Directors also are reimbursed for their travel expenses incurred in attending Board and committee meetings, and fees and expenses when attending education seminars or meetings requested by management. Directors are also eligible to participate in the DTE Energy matching gift program whereby the DTE Energy Foundation matches certain charitable contributions. Directors receive life insurance in the amount of $20,000 and travel accident insurance in the amount of $100,000. Upon election to the Board, directors receive 1,000 shares of DTE Energy common stock subject to a three-year vesting period.				
(5) Fountain is retiring, and Nicholson has retired.				
Source: 2020 DTE Energy Securities and Exchange Commission Form DEF 14A filing				

Duke Energy

Duke Energy is a utility company that serves electric customers across North Carolina, South Carolina, Florida, Ohio, Indiana, and Kentucky. Its gas subsidiary, Piedmont, provides gas distribution to customers in North Carolina, South Carolina, and Tennessee. Duke provides its named executive officers (NEOs) with compensation consisting of a base salary, annual incentive, and long-term equity incentive, plus additional perquisites and benefits.

Duke had the second-highest average CEO-to-employee pay ratio between 2017 and 2019 among the utilities examined in this report, at 139:1. CEO Lynn J. Good also had the highest CEO pay ratio for any single year, at 175:1 for 2017. She was the highest-paid CEO that year among the utility executives we studied, receiving over $21.4 million in total direct compensation, including a one-time $7 million "retention grant".

Ninety percent of Duke's target CEO compensation in 2019 was performance- and/or stock-based, with the remaining 10% coming from base salary. Seventy-eight percent of all other named executive officers' (NEOs') target pay was performance- and/or stock-based that year, with the remaining 22% coming from base salary.

Base pay for Duke Energy executives is based on, "among other factors, job responsibilities, level of experience, individual performance, comparisons to the salaries of executives in similar positions obtained from market surveys, and internal comparisons", and is reviewed annually by the company's Compensation Committee.

Duke's long-term incentive (LTI) is the largest component of its executive compensation, consisting 70% of performance shares and 30% of restricted stock units (RSUs) in 2019. Performance shares made up 52%, and RSUs 22%, of the CEO's target total direct compensation that year. For all other NEOs, performance shares were 41% of their target total direct compensation, and RSUs 17%.

The CEO was eligible to earn up to a 750% LTI as a percentage of her base salary in 2019; this figure ranged from 250% to 300% of base salary for all other NEOs. The Compensation Committee sets these LTI target opportunities annually, and in 2019, it increased them by 25 percentage points for five of Duke's seven NEOs "to further close the gap between his or her TDC [total direct compensation] opportunity and market median."

Performance shares are stock awards that vest at the end of a three-year period. For the 2019 to 2021 performance period, executives will receive these based on three criteria: 1) cumulative adjusted earnings per share (EPS), weighted at 50%; 2) relative total shareholder return (TSR) as compared to companies in the Philadelphia Stock Exchange Utility Sector Index, weighted at 25%; and 3) a safety measure that compares Duke to companies in the Edison Electric Institute

Group 1 Large Company Index that also have gas or nuclear operations, weighted at 25%. For the 2017 to 2019 period, during which Duke utilized the same metrics to determine performance share awards, executives earned an aggregate 129.17% payout of their target amount of shares, in addition to dividend equivalents for that period.

RSUs are service-based awards that vest on the first three anniversaries of the grant date in equal parts if the executive remains employed at Duke.

Duke's short-term performance awards fail to substantially incentivize ESG progress

Duke's short-term incentive (STI) is an annual cash sum based on the achievement of yearly performance objectives, as established by the Compensation Committee. Short-term incentives made up 16% of the CEO's target total direct compensation in 2019, and 20% of that for all other NEOs. Executives were eligible to earn up to a maximum 183.75% of their 2019 STI target opportunity, and all Duke NEOs ultimately took home at least 130%.

The single largest determinant of STI compensation was adjusted EPS, weighted at 50%. Executives were required to achieve a minimum $4.35 adjusted EPS to earn any STI payout. They exceeded that target, attaining a $5.10 result in 2019. Duke NEOs also exceeded the maximum customer satisfaction score - a metric accounting for 10% of short-term incentives - which the utility said was based on a mix of internal and external (i.e. J.D. Power) survey results. By keeping operations and maintenance (O&M) expenses - likewise responsible for 10% of STI - under the target threshold, executives achieved a full payout on this factor.

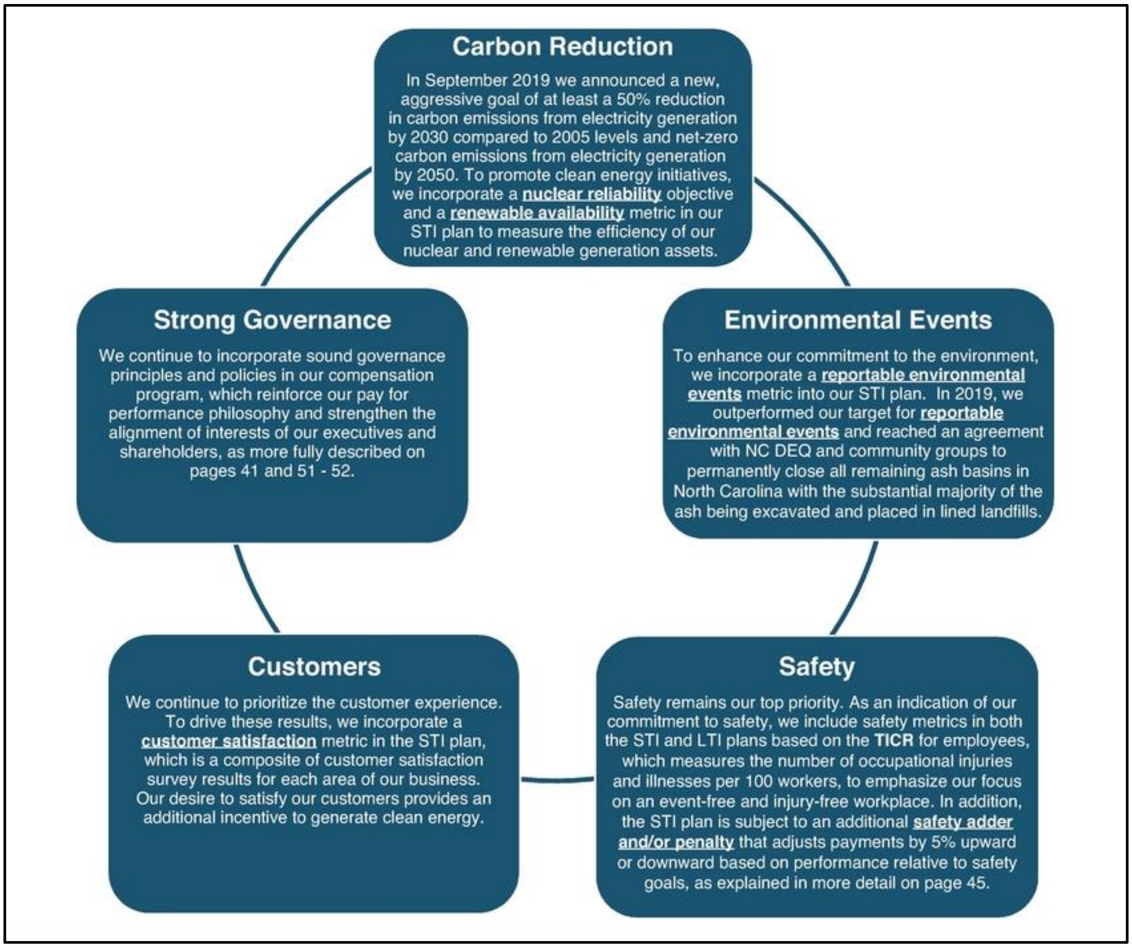
An additional 20% of STI was tied to individual objectives for each NEO in 2019. Duke does not provide further details about these objectives, other than to say they are divided across three equally-weighted categories: 1) growth and financial results; 2) "focus on operational excellence, optimize performance, and lead organization, with an emphasis on safety, reliability, and sustainable efficiency to achieve event-free operations"; and 3) "leverage Duke Energy's leadership initiativies *[sic]* to foster a culture of innovation and execution, and to attract diverse and highly-engaged employees." Of a possible 150% maximum payout for these objectives, CEO Good received 123.3%, and all other NEOs received 130%.

The remaining 10% of STI was determined by "operational excellence", a composite of reliability, safety, and environmental metrics. Duke executives surpassed their overall "operational excellence" target for 2019, earning over a 120% payout. However, their achievement across goals within this category varied significantly - particularly with respect to the performance of Duke's renewable energy versus fossil fuel operations. For instance, NEOs met only the bare minimum threshold for the company's "renewables availability metric", which measured the yield of actual versus expected generation for Duke's wind and solar projects.

By contrast, Duke executives attained the maximum performance indicator for their “natural gas business outage factor”, which measured the number of gas outages affecting at least 100 customers. Duke NEOs also satisfied close to their target for “fossil/hydro optimized reliability” performance, “a measure of the linkage between financial investment and reliability of the fossil/hydro fleet”. They earned only a 50% payout of possible STI for the renewables availability metric, compared to 150% for the natural gas outage factor and 91% for fossil/hydro reliability.

The “operational excellence” category of Duke’s STI is substantially where the company has concentrated those executive incentives that relate to environmental, social, and governance (ESG) issues. Duke claims throughout its 2020 proxy statement that its executive compensation is aligned with ESG priorities - a growing concern for its investors in recent years. But none of Duke’s “operational excellence” metrics - such as nuclear reliability, renewables availability, or reportable environmental events - encourage executives to move the utility toward a cleaner power supply or to reduce emissions. This is the case despite Duke’s stated goal of net-zero carbon emissions by 2050, with an interim goal of a 50% reduction by 2030.

In addition to Duke NEOs’ uneven performance across the annual ESG-related metrics, these criteria determine very little of executives’ overall compensation. For instance, renewables availability determines less than 1% of short-term incentives - which themselves make up no more than 20% of Duke executives’ target total direct compensation. Instead, Duke’s executive incentives are heavily skewed toward metrics that produce corporate and shareholder profits, like EPS and TSR.



Duke claims its performance metrics are aligned to its ESG strategy - but they do not encourage executives to move the utility toward a cleaner power supply or to reduce emissions. Source: [Duke Energy 2020 proxy statement]

Notably, Duke executives failed to satisfy the final component of the company's STI plan in 2019: a "safety modifier". Because of a "work-related employee fatality," the utility cut all NEOs' aggregate STI payouts by 5% (or about 1% of total direct compensation for NEOs). The safety modifier can be either positive or negative; if executives had affirmatively achieved several safety criteria, they would have been awarded an additional 5% in STI.

Duke's executive compensation challenged by regulators, yet continues unabated amid COVID-19 crisis

In its most recent South Carolina rate case, which concluded in 2019, Duke sought to raise rates on its average residential customer by $14 a month, including a steep increase in fixed fees that the company charges. The state Public Service Commission's (PSC's) decision effectively halved Duke's request, though the utility has since appealed that decrease to the South Carolina Supreme Court.

South Carolina regulators' objection to the full rate hike included Duke's proposed recovery of executive compensation costs from ratepayers. In a unanimously-approved PSC directive, Commissioner Thomas Ervin wrote:

> "the CEO and executive team demonstrated they were 'tone deaf' as to how a 238% increase in the Basic Facilities Charge [fixed fee] would have negatively and adversely impacted the elderly, the disabled, the low income and low use customers. It is one of the reasons I am recommending a 75% disallowance of the CEO's excessively high executive compensation for South Carolina during test year 2017 and a 50% disallowance for the next three highest Company executives."

While Duke has maintained promised levels of executive compensation throughout the COVID-19 pandemic, it has threatened to disconnect customers who have been unable to pay their bills during the crisis. If Good took a 50% cut from her 2019 compensation - still earning over $7.5 million - the company would be able to wipe out the debt of over 28,163 residential Duke Energy customers in the Carolinas who were considered past due on their bills as of July 31, 2020, according to data Duke submitted to North Carolina regulators.

CEO compensation ranking among utilities studied, 2019	9/19
Compensation ratio: CEO to median employee, 2019	122:1
Percent change in CEO compensation, 2017-2019	-29.8% ($6,386,550)
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is Duke's executive compensation structure aligned with decarbonization?	No. Duke's short-term executive incentive plan includes a relatively small "nuclear reliability objective" and a "renewables availability metric". These are "efficiency" measures, and in the case of the latter, merely evaluates actual versus expected renewable generation, i.e. "based on the wind speed measured at the turbine and [...] solar intensity measures at the panels." Incentivizing renewables availability does not encourage executives to move the utility toward a cleaner power supply or reduce emissions, despite Duke's stated goal of net-zero carbon emissions by 2050, with an interim goal of a

	50% reduction by 2030.
Is there evidence from SEC filings that Duke is using misleading financial metrics to determine executive compensation?	No.
What key perquisites or benefits do Duke executives receive?	Duke provides NEOs with use of company aircraft for business purposes; personal, spousal, and guest travel if reimbursed or via imputed income[7]; up to $2,500 for a physical examination; up to $15,000 for tax and financial planning services over three years; preferred airline status; a matching charitable contributions program, totaling $82,000 for NEOs in 2019; tickets to athletic and cultural events for personal use; severance benefits up to twice the executive's annual compensation and benefits; and pension benefits worth a total present value of $30.5 million as of March 2020.

Table 26: Duke Energy executive compensation, 2017-2019

Name and principal position	**Year**	**Salary**	**Bonus (1)**	**Stock awards (2)**	**Non-equity incentive plan compensation (3)**	**Change in pension value and nonqualified deferred compensation earnings (4)**	**All other compensation (5)**	**Total**
Lynn J. Good	2019	$1,383,750	-	$10,122,579	$2,793,389	$355,908	$373,760	$15,029,386
Chair, President, and Chief Executive Officer	2018	$1,350,000	-	$9,873,135	$2,268,961	$188,593	$302,271	$13,982,960
	2017	$1,341,667	-	$17,244,803	$2,110,736	$308,336	$410,394	$21,415,936
Steven K. Young	2019	$734,003	-	$1,792,619	$868,773	$280,504	$104,100	$3,779,999
Executive Vice President and Chief Financial Officer	2018	$707,438	-	$1,558,502	$616,903	$161,336	$88,576	$3,132,755

[7] Duke's 2020 proxy statement specifies that "With advance approval from the CEO, the other NEOs may use the corporate aircraft for personal travel in North America. If Ms. Good or any other NEO uses the corporate aircraft for personal travel, he or she must reimburse Duke Energy for the direct operating costs for such travel" (p. 48), and that "NEOs are permitted to invite their spouse or other guests to accompany them on business trips when space is available; however, in such events, the NEO is imputed income in accordance with IRS guidelines" (p. 55).

	2017	$682,500	-	$1,827,744	$557,291	$231,604	$99,570	$3,398,709
Dhiaa M. Jamil	2019	$834,094	-	$2,444,461	$987,243	$294,809	$97,707	$4,658,314
Executive Vice President and Chief Operating Officer	2018	$803,907	-	$2,164,521	$701,026	$205,073	$119,873	$3,994,400
	2017	$781,250	-	$3,191,191	$643,863	$270,064	$101,834	$4,988,202
Julia S. Janson (6)	2019	$674,167	-	$1,616,702	$797,951	$772,885	$93,652	$3,955,357
Executive Vice President, External Affairs and President, Carolinas Region	2018	$638,021	-	$1,405,548	$566,067	-	$80,040	$2,689,676
	2017	$608,333	-	$2,172,889	$496,731	$404,315	$76,282	$3,758,550
Douglas F. Esamann	2019	$649,167	-	$1,564,446	$705,180	$594,127	$93,000	$3,605,920
Executive Vice President, Energy Solutions and President, Midwest/Florida Regions and Natural Gas Business								
Lloyd M. Yates (7)	2019	$540,260	-	$1,759,427	$564,300	$1,871,364	$2,800,449	$7,535,800
Former Executive Vice President, Customer and Delivery Operations and President, Carolinas Region	2018	$701,060	-	$1,544,470	$600,685	-	$106,578	$2,952,793
	2017	$683,419	-	$1,563,447	$532,072	$751,046	$136,604	$3,666,588
Frank H. Yoho (7)	2019	$400,901	$2,300,000	$771,521	$398,282	$159,504	$119,912	$4,150,120
Former Executive Vice President and President, Natural Gas								
(1) This column reflects Mr. Yoho's retention award agreement, which was entered into in August 2016, under which he was entitled to a payment of $2,300,000 if he satisfied a vesting condition, one of which was remaining continuously employed with Duke Energy until the third anniversary of the acquisition of Piedmont by Duke Energy (i.e., October 3, 2019). In consideration of the retention award agreement, in addition to his obligation to remain employed for three years, Mr. Yoho agreed to be subject to certain non-competition restrictions for the two-year period following his termination of employment.								

(2) Grant Date Fair Value of Stock Awards for Accounting Purposes: This column does not reflect the value of stock awards that were actually earned or received by our NEOs during each of the years listed above. Rather, as required by applicable SEC rules, this column reflects the aggregate grant date fair value of the performance shares and performance-based retention grant (based on the probable outcome of the performance conditions as of the date of grant) and RSUs granted to our NEOs in the applicable year. The aggregate grant date fair value of the performance shares provided in 2019 to Ms. Good, Mr. Young, Mr. Jamil, Ms. Janson, Mr. Esamann, Mr. Yates, and Mr. Yoho, assuming that the highest level of performance would be achieved, is $13,987,881; $2,477,094; $3,377,948; $2,234,003; $2,161,812; $2,431,247; and $1,066,108, respectively. The aggregate grant date fair value of the awards was determined in accordance with the accounting guidance for stock-based compensation. See Note 22 of the Consolidated Financial Statements contained in Duke's 2019 Form 10-K for an explanation of the assumptions made in valuing these awards.
(3) With respect to the applicable performance period, this column reflects amounts payable under the STI plan. Unless deferred, the 2019 amounts were paid in March 2020.
(4) The amounts from this column are further enumerated in this table in Duke's 2020 DEF 14A filing. The amounts listed were earned over the 12-month period ending on December 31, 2019.
(5) The amounts in this column are further enumerated in the table "All other Duke Energy executive compensation, 2019".
(6) Effective October 1, 2019, Ms. Janson became Executive Vice President, External Affairs and President, Carolinas Region. Prior to this assignment, she served as Executive Vice President, External Affairs and Chief Legal Officer.
(7) Mr. Yates left Duke Energy on September 30, 2019, and Mr. Yoho left Duke Energy on October 3, 2019.
Source: 2020 Duke Energy Securities and Exchange Commission Form DEF 14A filing

Table 27: Duke Energy Board compensation, 2019

Name	Fees earned or paid in cash (1)	Stock awards (2)	All other compensation (3)	Total
Michael G. Browning	$180,000	$160,000	$19,349	$359,349
Annette K. Clayton (4)	$122,893	$210,549	$1,795	$335,237
Theodore F. Craver, Jr.	$150,000	$160,000	$6,240	$316,240
Robert M. Davis	$135,000	$160,000	$1,240	$296,240
Daniel R. DiMicco	$125,000	$160,000	$6,240	$291,240
Nicholas C. Fanandakis (4)	$64,217	$136,280	$1,124	$201,621
John H. Forsgren (4)	$47,308	-	$7,733	$55,041
John T. Herron	$145,000	$160,000	$6,240	$311,240
James B. Hyler, Jr. (4)	$47,308	-	$2,733	$50,041
William E. Kennard	$134,931	$160,000	$6,240	$301,171
E. Marie McKee	$145,000	$160,000	$6,240	$311,240
Charles W. Moorman IV	$125,000	$160,000	$6,240	$291,240
Marya M. Rose (4)	$104,284	$187,253	$6,202	$297,739
Carlos A. Saladrigas	$125,000	$160,000	$6,240	$291,240
Thomas E. Skains	$154,862	$160,000	$6,240	$321,102
William E. Webster, Jr.	$135,000	$160,000	$6,475	$301,475
(1) Mr. Browning, Ms. Clayton, Mr. Hyler, Mr. Moorman, and Mr. Saladrigas elected to defer $180,000; $122,893; $23,654; $125,000; and $125,000 respectively, of their 2019 cash compensation under the Directors' Savings Plan.				

(2) This column reflects the grant date fair value of the stock awards granted to each eligible director during 2019. The grant date fair value was determined in accordance with the accounting guidance for stock-based compensation. See Note 22 of the Consolidated Financial Statements contained in Duke's 2019 Form 10-K for an explanation of the assumptions made in valuing these awards. Upon joining the Board in early 2019, Ms. Clayton and Ms. Rose received a prorated portion of the 2018 - 2019 annual stock retainer, amounting to 595 and 304 shares of Duke Energy common stock, respectively. In May 2019, each sitting director on the Board received an annual stock retainer in the form of 1,782 shares of Duke Energy common stock. Mr. Browning, Ms. Clayton, Mr. Craver, Mr. Kennard, Mr. Moorman, Ms. Rose, Mr. Saladrigas, and Mr. Webster elected to defer their 2019 - 2020 stock retainer of Duke Energy shares under the Directors' Savings Plan. In addition, Mr. Fanandakis received a prorated portion of the 2019 - 2020 annual stock retainer in the form of 1,549 shares of Duke Energy common stock, upon joining the Board in June 2019.
(3) The amounts in this column are further enumerated in the table "All other Duke Energy Board compensation, 2019".
(4) Ms. Clayton, Mr. Fanandakis, and Ms. Rose were appointed to the Board on January 7, 2019, June 26, 2019, and March 1, 2019, respectively. Effective May 2, 2019, Mr. Forsgren and Mr. Hyler retired from the Board.
Source: 2020 Duke Energy Securities and Exchange Commission Form DEF 14A filing

Table 28: All other Duke Energy executive compensation, 2019

Compensation category	**Good**	**Young**	**Jamil**	**Janson**	**Esamann**	**Yates**	**Yoho**
Matching and employer retirement contributions under the Retirement Savings Plan	$16,800	$16,800	$16,800	$16,800	$16,800	$16,800	$28,000
Make-whole matching contribution credits under the Executive Savings Plan	$202,363	$64,254	$75,307	$57,614	$53,132	-	-
Personal use of the corporate aircraft (1)	$131,900	-	-	-	$1,600	$28,622	-
Charitable contributions made in the name of the executive (2)	$15,000	$14,000	$5,000	$14,500	$15,000	$7,500	$11,083
Financial planning program	-	$7,959	-	$2,950	-	$7,000	$4,190
Cost of basic life coverage	-	-	-	-	-	$2,335	-
Payout of unused vacation	-	-	-	-	-	$52,984	$30,319
Cash severance accrued at termination of employment (3)	-	-	-	-	-	$2,634,550	-
Continued health and welfare benefits	-	-	-	-	-	$31,212	-
Other (4)	$7,697	$1,087	$600	$1,788	$6,468	$19,446	$46,320
Total	**$373,760**	**$104,100**	**$97,707**	**$93,652**	**$93,000**	**$2,800,449**	**$119,912**

(1) Regarding use of the corporate aircraft, NEOs are required to reimburse Duke Energy the direct operating costs of any personal travel, except Ms. Good is not required to reimburse Duke Energy for the cost of travel to her executive physical or to meetings of the Board of Directors of other companies on whose board she serves. With respect to flights on a leased or chartered aircraft, direct operating costs equal the amount that the third-party charges Duke Energy for such trip. With respect to flights on the corporate aircraft, direct operating costs include the amounts permitted by the Federal Aviation Regulations for non-commercial carriers, including hangar fees, fuel, crew travel expenses, airplane maintenance, aircraft depreciation, catering, labor, and aircraft leases. NEOs are permitted to invite their spouse or other guests to accompany them on business trips when space is available; however, in such events, the NEO is imputed income in accordance with IRS guidelines. The incremental cost included in the table above is the amount of the IRS-specified tax deduction disallowance, if any, with respect to the NEO's personal travel.

(2) Certain executives, including our NEOs, are eligible to have charitable contributions made to the United Way of $5,000 or more matched up to a cap of $10,000. This match of United Way charitable contributions is in addition to the $5,000 match opportunity to eligible organizations that continues to be available to all Duke Energy employees. Certain charitable contributions made by our NEOs are not eligible for matching under the Matching Gifts Program, and, therefore, are not listed above.

(3) lncludes interest on severance payment that is deferred under applicable tax rules. In addition, under the terms of the Executive Severance Plan, Mr. Yates received additional vesting of RSUs and performance shares with a value, excluding the portion that would have vested in any event due to him being eligible for retirement, of $761,961 and $1,796,055 (assuming target performance), respectively. See page 68 of Duke's 2020 Form DEF14A for additional information.

(4) Includes the cost of benefits under the executive physical exam program, an airline club membership, reimbursement of a portion of the monthly expense for a personal mobile device, and occasional personal use of tickets to athletic and cultural events. Also includes $29,032 of consulting fees provided to Mr. Yoho for work performed in 2019 after he left Duke Energy, in order to ensure an orderly transition of his leadership of the natural gas business. This consulting arrangement is described in more detail on page 49 of Duke's 2020 Form DEF14A.
Source: 2020 Duke Energy Securities and Exchange Commission Form DEF 14A filing

Table 29: All other Duke Energy Board compensation, 2019

Name	Personal use of airplane	Business travel accident insurance	Charitable contributions	Other (1)	Total
Michael G. Browning	$13,109	$240	$6,000	-	$19,349
Annette K. Clayton	-	$236	$1,559	-	$1,795
Theodore F. Craver, Jr.	-	$240	$6,000	-	$6,240
Robert M. Davis	-	$240	$1,000	-	$1,240
Daniel R. DiMicco	-	$240	$6,000	-	$6,240
Nicholas C. Fanandakis	-	$124	$1,000	-	$1,124
John H. Forsgren	-	$80	$7,500	$153	$7,733
John T. Herron	-	$240	$6,000	-	$6,240
James B. Hyler, Jr.	-	$80	$2,500	$153	$2,733
William E. Kennard	-	$240	$6,000	-	$6,240
E. Marie McKee	-	$240	$6,000	-	$6,240
Charles W. Moorman IV	-	$240	$6,000	-	$6,240
Marya M. Rose	-	$202	$6,000	-	$6,202
Carlos A. Saladrigas	-	$240	$6,000	-	$6,240
Thomas E. Skains	-	$240	$6,000	-	$6,240
William E. Webster, Jr.	-	$240	$6,000	$235	$6,475

(1) Includes the cost of a gift for the directors who retired during 2019 and occasional personal use of tickets to athletic and cultural events.

Source: 2020 Duke Energy Securities and Exchange Commission Form DEF 14A filing

Entergy

Entergy is an electric utility company serving customers in Arkansas, Louisiana, Mississippi and Texas. Entergy's executive compensation consists of three elements: base salary, annual incentive awards, and long-term incentive awards. Base pay makes up approximately 13% of executive compensation, annual incentives awards make up 17%, and long-term incentive awards make up 70%.

The Board of Directors' Personnel Committee has the responsibility to determine and approve the compensation of all named executive officers (NEOs). The Personnel Committee retained Pay Governance as its independent executive compensation consultant.

Entergy uses companies included in the Philadelphia Utility Index as a peer group to help determine executive compensation, including part of its long-term incentive awards.

Entergy's annual incentive awards for all NEOs are determined by tax-adjusted earnings per share (EPS) and operating cash flow, each weighted at 50%. The 2019 tax-adjusted EPS target was $5.30 and the operating cash flow target was $3.1 billion.

Entergy's long-term incentive rewards executives with ownership of stock primarily based on relative total shareholder return (TSR) compared to the Philadelphia Utility Index, which is weighted at 80%, and the company's three-year cumulative adjusted EPS, which is weighted at 20%. The 2019 target for relative TSR was the 50th percentile. The Energy and Policy Institute was unable to find disclosure of Entergy's three-year cumulative adjusted EPS target.

Entergy says that its NEOs receive an annual stock award based on the company's stock price, their job scope, market data, and their individual performance.

None of Entergy's NEOs receive compensation based on the company's decarbonization goals. Advocates have pushed the company to align executive compensation with decarbonization. In New Orleans' 100% resilient, renewable portfolio standard (RPS) docket, clean energy advocates requested that the New Orleans City Council, which regulates Entergy New Orleans, include a "requirement that mid-and upper-level utility executive compensation and bonuses be expressly tied to RPS achievements," in a June 2020 filing.

CEO compensation ranking among utilities studied, 2019	12/19
Compensation ratio: CEO to median	110:1

employee, 2019	
Percent change in CEO compensation, 2017-2019	+8.4% ($1,106,029)
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is Entergy's executive compensation structure aligned with decarbonization?	No.
Is there evidence from SEC filings that Entergy is using misleading financial metrics to determine executive compensation?	No.
What key perquisites or benefits do Entergy executives receive?	Entergy allows its CEO to use corporate aircraft for personal use at company expense; other NEOs can do so subject to the CEO's approval. The Personnel Committee reviews the level of usage throughout the year. The aggregate incremental aircraft usage cost associated with the CEO's personal use of corporate aircraft was $56,108 for the 2019 fiscal year. Entergy offered a Supplemental Executive Retirement Plan for CEO Leo P. Denault and closed the plan to new participants in 2014.

Table 30: Entergy executive compensation, 2017-2019

Name and principal position	Year	Salary (1)	Bonus (2)	Stock awards (3)	Option awards (4)	Non-equity incentive plan compensation (5)	Change in pension value and non-qualified deferred compensation earnings (6)	All other compensation (7)	Total
Leo P. Denault	2019	$1,260,000	$ -	$5,391,253	$1,282,994	$2,416,680	$3,704,500	$208,822	$14,264,249
Chairman of the Board and Chief Executive Officer	2018	$1,251,346	$ -	$4,744,977	$1,168,029	$2,041,200	$982,800	$138,104	$10,326,456
	2017	$1,221,346	$ -	$4,676,190	$1,173,276	$2,142,045	$3,819,500	$125,863	$13,158,220
Andrew S. Marsh	2019	$641,923	$ -	$1,579,662	$375,914	$712,400	$1,554,300	$69,863	$4,934,062
Executive Vice President and Chief Financial Officer	2018	$615,654	$ -	$1,057,095	$342,510	$531,188	$ -	$57,638	$2,604,085

	2017	$588,291	$ -	$1,022,853	$287,760	$541,800	$801,900	$51,647	$3,294,251
A. Christopher Bakken, III	2019	$649,507	$181,500	$1,273,100	$303,023	$618,104	$98,500	$62,407	$3,186,141
Executive Vice President and Chief Nuclear Officer	2018	$632,967	$181,500	$1,041,479	$283,095	$544,959	$108,700	$452,012	$3,244,712
	2017	$615,791	$181,500	$959,376	$245,904	$559,973	$33,000	$114,494	$2,710,038
Marcus V. Brown	2019	$661,563	$ -	$1,248,839	$297,182	$684,573	$1,455,300	$69,955	$4,417,412
Executive Vice President and General Counsel	2018	$644,231	$ -	$1,041,479	$283,095	$546,000	$371,800	$61,885	$2,948,490
	2017	$622,788	$ -	$1,022,853	$287,760	$568,890	$1,217,200	$43,269	$3,762,760
Roderick K. West	2019	$709,023	$ -	$1,340,679	$319,039	$674,742	$1,604,100	$67,191	$4,714,774
Group President, Utility Operations	2018	$690,581	$ -	$1,057,095	$297,075	$560,762	$ -	$67,234	$2,672,747
	2017	$670,876	$ -	$818,316	$190,968	$610,065	$867,200	$52,220	$3,209,645

(1) The amounts in this column represent the actual base salary paid to the NEOs in the applicable year. The 2019 changes in base salaries noted in the Compensation Discussion and Analysis in Entergy's 2020 DEF 14A filing were effective in April 2019.

(2) The amounts in this column for 2019, 2018 and 2017 represent the cash bonus paid to Mr. Bakken pursuant to the Nuclear Retention Plan. See “Nuclear Retention Plan” in Compensation Discussion and Analysis.

(3) The amounts in this column represent the aggregate grant date fair value of restricted stock, performance units, and restricted stock units granted under the 2015 Equity Plan, each calculated in accordance with FASB ASC Topic 718, without taking into account estimated forfeitures. The grant date fair value of the restricted stock and half of the performance units is based on the closing price of the company’s common stock on the date of grant. The grant date fair value of the portion of the performance units with vesting based on TSR was measured using a Monte Carlo simulation valuation model. The simulation model applies a risk-free interest rate and an expected volatility assumption. The risk-free interest rate is assumed to equal the yield on a three-year treasury bond on the grant date. Volatility is based on historical volatility for the 36-month period preceding the grant date. The performance units in the table are also valued based on the probable outcome of the applicable performance condition at the time of grant. The maximum value of shares that will be received if the highest achievement level is attained with respect to both the TSR and cumulative adjusted EPS for performance units granted in 2019 are as follows: Mr. Denault, $8,269,303; Mr. Marsh, $2,422,938; Mr. Bakken, $1,953,212; Mr. Brown, $1,915,446; and Mr. West, $2,056,302.

(4) The amounts in this column represent the aggregate grant date fair value of stock options granted under the 2015 Equity Plan calculated in accordance with FASB ASC Topic 718. For a discussion of the relevant assumptions used in valuing these awards, see Note 12 to the Financial Statements in Entergy's Form 10-K for the year ended December 31, 2019.

(5) The amounts in this column represent cash payments made under the annual incentive plan.

(6) For all NEOs, the amounts in this column include the annual actuarial increase in the present value of these NEOs’ benefits under all pension plans established by the company using interest rate and mortality rate assumptions consistent with those used in the company’s financial statements and include amounts which the NEOs may not currently be entitled to receive because such amounts are not vested. The increase in pension benefits for all of the NEOs in 2019 was driven by a decline in the discount rate that was a result of the decrease in prevailing interest rates. None of the increase for any of the NEOs is attributable to above-market or preferential earnings on non-qualified deferred compensation. See the 2019 Pension Benefits Table on page 62 of Entergy's 2020 14A filing. For 2018, the aggregate change in the actuarial present value of Messrs. Marsh and West’s pension benefits was a decrease of $163,000 and $149,300, respectively.

(7) The amounts set forth in this column for 2019 include (a) matching contributions by the company under the Savings Plan to each of the NEOs; (b) dividends paid on restricted stock when vested; (c) life insurance premiums; and (d) perquisites and other compensation as enumerated in the table "All other Entergy executive compensation, 2019".
Source: 2020 Entergy Securities and Exchange Commission Form DEF 14A filing

Table 31: Entergy Board compensation, 2019

Name (1)	Fees earned or paid in cash (2)	Stock awards (3)	All other compensation (4)	Total
John R. Burbank	$123,500	$155,268	$21,984	$300,752
Patrick J. Condon	$174,250	$155,268	$18,617	$348,135
Kirkland H. Donald	$163,750	$155,268	$18,325	$337,343
Philip L. Frederickson	$125,000	$155,268	$11,579	$291,847
Alexis M. Herman	$110,000	$155,268	$48,007	$313,275
M. Elise Hyland	$86,125	$76,788	$375	$163,288
Stuart L. Levenick	$167,750	$155,268	$41,533	$364,551
Blanche L. Lincoln	$125,000	$155,268	$25,315	$305,583
Karen A. Puckett	$145,000	$155,268	$21,322	$321,590

(1) Leo P. Denault, the Company's Chairman and Chief Executive Officer, is not included in this table as he was an employee of the company and thus received no additional compensation for his service as a director during 2019. The compensation received by Mr. Denault as an employee of the company is shown in the 2019 Summary Compensation Table on page 57 of Entergy's 2020 DEF 14A filing. Ms. Hyland became a member of the Board effective March 4, 2019. Accordingly, her compensation reported in this table represents prorated compensation for her service in 2019.

(2) The amounts reported in this column consist of all fees earned or paid in cash for services as a director, including retainer fees, and Lead Director, Committee Chair and Nuclear Committee annual retainers, all of which are described under "Cash Compensation Paid to Non-Employee Directors" in Entergy's 2020 DEF 14A filing.

(3) The amounts in this column represent the aggregate grant date fair value determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation ("FASB ASC Topic 718") for the shares of common stock granted on a quarterly basis to each non-employee director during 2019 and the 825 phantom stock units granted to each director in 2019 under the Director Service Recognition Program, other than Ms. Hyland who received a pro-rated number of phantom stock units. For a discussion of the relevant assumptions used in valuing these amounts, see Note 12 to the Financial Statements in Entergy's Form 10-K for the year ended December 31, 2019. As of December 31, 2019, the outstanding phantom units held by each non-employee director were: Mr. Burbank: 1,072; Mr. Condon: 4,074; Mr. Donald: 5,417; Mr. Frederickson: 3,574; Ms. Herman: 13,527; Ms. Hyland: 204; Mr. Levenick: 11,758; Ms. Lincoln: 7,327; and Ms. Puckett: 4,074.

(4) The amounts in this column include dividend equivalents accrued under the Director Service Recognition Program, company-paid physical exams and related expenses, and director education-related expenses. For 2019, accrued dividend equivalents under the Director Service Recognition Program were: Mr. Burbank: $2,422; Mr. Condon: $13,409; Mr. Donald: $18,325; Mr. Frederickson: $11,579; Ms. Herman: $48,007; Ms. Hyland: $375; Mr. Levenick: $41,533; Ms. Lincoln: $25,315; and Ms. Puckett: $13,409.
Source: 2020 Entergy Securities and Exchange Commission Form DEF 14A filing

Table 32: All other Entergy executive compensation, 2019					
Compensation type	**Leo P. Denault**	**Andrew S. Marsh**	**A. Christopher Bakken, III**	**Marcus V. Brown**	**Roderick K. West**
Company contribution - savings plan	$11,760	$11,760	$16,800	$11,760	$11,760
Dividends paid on restricted stock	$129,470	$49,010	$20,114	$48,749	$39,754
Life insurance premiums	$11,484	$6,275	$12,277	$7,482	$4,002
Perquisites and other compensation	$56,108	$2,818	$13,216	$1,964	$11,675
Total	**$208,822**	**$69,863**	**$62,407**	**$69,955**	**$67,191**
Source: 2020 Entergy Securities and Exchange Commission Form DEF 14A filing					

Eversource

The total direct executive compensation for Eversource, a utility providing electric and gas service across Connecticut, Massachusetts, and New Hampshire, consists of three elements: 1) base salary, 2) annual cash incentive awards, and 3) long-term equity-based incentive awards. Indirect compensation is provided through certain retirement, perquisite, severance, and health and welfare benefit programs. The incentive awards are performance-based.

The majority of the compensation mix is performance-based, with 68% of the CEO's compensation consisting of long-term incentives, 17% of annual cash incentives, and 15% of base salary. The average pay mix for the other named executive officers (NEOs) is 54% long-term incentives, 20% annual cash incentives, and 27% base salary.

The majority of the annual incentive awards is geared toward achieving financial performance goals (70%), which consist of 1) earnings per share (60%), 2) advancement of strategic growth initiatives and regulatory outcomes (30%), and 3) growth dividend (10%). The rest of the annual incentive awards (30%) are geared toward achieving operational goals, which consist of 1) combined service reliability and restoration goals (50%), and 2) combined safety ratings, gas service response, diversity promotions and hires of leadership employee positions goals, and sustainability and customer and clean energy initiatives (50%).

In 2019, Eversource included several renewable and clean energy metrics as part of its annual incentive awards' strategic growth initiatives. These included the expansion of offshore wind energy in partnership with Orsted, the acceleration of a five-year electric vehicle charging program in Massachusetts to three years, and beginning construction on two energy storage projects in Massachusetts. The utility also included energy efficiency program goals in its reward metrics, citing its recognition as a national leader in this field by American Council for Energy Efficient Economy. While Eversource aims to be carbon-neutral by 2030, its renewable and clean energy goals comprise less than half of its executives' annual incentive program, or less than 10% of total compensation.

The long-term incentive program is a three-year program consisting of 1) 50% performance shares, and 2) 50% restricted stock units (RSUs).

Performance shares are designed to reward future financial performance, measured by long-term earnings growth and shareholder returns over a three-year performance period. For the 2019 to 2021 period, the company measured performance shares using: 1) average diluted earnings per share growth (EPSG), and 2) relative total shareholder return (TSR) measured against the performance of companies that comprise the Edison Electric Institute Index.

Each RSU granted under the long-term incentive program entitles the holder to receive one common share at the time of vesting. All RSUs granted under the long-term incentive program vest in equal annual installments.

CEO compensation ranking among utilities studied, 2019	3/19
Compensation ratio: CEO to median employee, 2019	148:1
Percent change in CEO compensation, 2017-2019	+24.4% ($3,890,627)
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is Eversource's executive compensation structure aligned with decarbonization?	Not directly. Eversource's annual incentives do include increasing renewable energy, electric vehicle programs, energy storage, and energy efficiency as strategic growth initiatives. These initiatives account for less than half of the annual incentive program, which itself forms less than 20% of compensation for NEOs. Eversource has announced its intention to be carbon-neutral by 2030. None of Eversource's incentives directly reward decreased carbon emissions.
Is there evidence from SEC filings that Eversource is using misleading financial metrics to determine executive compensation?	Yes. Eversource excluded the failed Northern Pass Transmission (NPT) Project when it awarded its executives in excess of the company's 2019 performance targets. The company used this exclusion, which resulted in a higher EPS, to determine both its annual and long-term compensation awards.
What key perquisites or benefits do Eversource executives receive?	The company provides executives with limited financial planning benefits, vehicle leasing, and access to tickets to sporting events. Additionally, it offers 401(k), retirement, and pension benefits for the CEO, as well as deferred compensation benefits.

Table 33: Eversource executive compensation, 2017-2019								
Name and principal position	**Year**	**Salary (1)**	**Stock awards (2)**	**Non-equity incentive plan (3)**	**Change in pension value and non-qualified deferred earnings (4)**	**All other compensation (5)**	**SEC total**	**Adjusted SEC total (6)**
James J. Judge	2019	$1,319,232	$6,676,043	$3,000,000	$8,784,256	$26,557	$19,806,088	$11,021,833
Chairman, President, and Chief Executive Officer	2018	$1,277,078	$5,632,217	$2,430,000	$5,560,877	$25,209	$14,925,381	$9,364,504
	2017	$1,230,694	$5,504,904	$2,285,000	$6,869,854	$25,009	$15,915,461	$9,045,607
Philip J. Lembo	2019	$680,579	$1,458,368	$1,000,000	$1,318,800	$20,390	$4,478,137	$3,159,337
Executive Vice President and Chief Financial Officer	2018	$648,271	$1,230,032	$765,000	$1,535,216	$21,685	$4,200,204	$2,664,988
	2017	$613,847	$1,314,086	$700,000	$1,246,325	$21,485	$3,895,743	$2,649,418
Werner J. Schweiger	2019	$692,694	$1,458,368	$1,050,000	$2,218,536	$21,846	$5,441,444	$3,222,908
Executive Vice President and Chief Operating Officer	2018	$658,271	$1,248,802	$815,000	$538,978	$53,896	$3,314,947	$2,775,969
	2017	$634,078	$1,334,961	$775,000	$1,225,581	$21,418	$3,991,038	$2,765,457
Leon J. Olivier (7)	2019	$715,963	$1,521,738	$950,000	$889,070	$15,203	$4,091,973	$3,202,903
Former Executive Vice President - Enterprise Energy Strategy and Business Development	2018	$699,617	$1,323,995	$800,000	-	$14,778	$2,838,390	$2,838,390
	2017	$678,270	$1,428,841	$775,000	$397,791	$14,464	$3,294,366	$2,896,575
Gregory B. Butler	2019	$643,270	$1,202,147	$740,000	$2,948,208	$15,518	$5,549,143	$2,600,935
Executive Vice President and General Counsel	2018	$618,271	$968,412	$645,000	$634,394	$15,143	$2,881,220	$2,246,826
	2017	$597,886	$1,032,562	$625,000	$1,670,745	$15,361	$3,941,554	$2,270,809

(1) Includes amounts deferred in 2019 under the deferred compensation program for Mr. Olivier of $178,990. For more information, see the Executive Contributions in the last FYE column of the Non-Qualified Deferred Compensation in 2019 in Eversource's 2020 DEF 14A filing.
(2) Reflects the aggregate grant date fair value of restricted share units (RSUs) and performance shares granted in each fiscal year, calculated in accordance with FASB ASC Topic 718. RSUs were granted to each Named Executive Officer in 2019 as long-term compensation, which vest in equal annual installments over three years, except that Mr. Olivier's RSUs vested upon his retirement on February 28, 2020, and will be distributed six months thereafter. In 2019, each of the Named Executive Officers was also granted performance shares as long-term incentive compensation. These performance shares will vest based on the extent to which the two performance conditions described in the CD&A of Eversource's 2020 DEF 14A filing are achieved as of December 31, 2021. Mr. Olivier's performance shares vested on February 28, 2020 upon his retirement, but will not be distributed until the completion of the performance period. The grant date fair values for the performance shares, assuming achievement of the highest level of both performance conditions, are as follows: Mr. Judge: $5,080,453; Mr. Lembo: $1,109,815; Mr. Schweiger: $1,109,815; Mr. Olivier: $1,158,039; and Mr. Butler: $914,831. Holders of RSUs and performance shares are eligible to receive dividend equivalent units on outstanding awards to the same extent that dividends are declared and paid on Eversource's common shares. Dividend equivalent units are accounted for as additional common shares that accrue and are distributed simultaneously with those common shares that are issued upon vesting of the underlying RSUs and performance shares. No dividends are paid unless and until the underlying shares vest.
(3) Includes payments to the Named Executive Officers under the 2019 Annual Incentive Program: Mr. Judge: $3,000,000; Mr. Lembo: $1,000,000; Mr. Schweiger: $1,050,000; Mr. Olivier: $950,000; and Mr. Butler: $740,000.
(4) Includes the actuarial increase in the present value from December 31, 2018 to December 31, 2019 of the Named Executive Officers' accumulated benefits under all of Eversource's defined benefit pension programs and agreements, determined using interest rate and mortality rate assumptions consistent with those appearing in the footnotes to Eversource's Annual Report on Form 10-K for the fiscal year ended December 31, 2019. The Named Executive Officer may not be fully vested in such amounts. More information on this topic is set forth in the Pension Benefits table. There were no above-market earnings in deferred compensation value during 2019, as the terms of the Deferred Compensation Plan provide for market-based investments, including Eversource common shares. Please see pages 57 and 58 of Eversource's DEF 14A filing. Mr. Judge was elected to the position of President and Chief Executive Officer in 2016, such that 2017 was the first year that he served in his more highly compensated position. This has resulted in substantial increases in the actuarial present value of his pension benefits. These accounting-based increases, while representing for Mr. Judge a substantial portion of his 2017 - 2019 total compensation disclosed in the SEC total above, resulted in no actual W-2 earnings for him for these years.
(5) Includes matching contributions allocated by Eversource to the accounts of Named Executive Officers under the 401k Plan as follows: $11,200 for each of Messrs. Judge, Lembo and Schweiger, and $8,400 for each of Messrs. Olivier and Butler. For Mr. Judge, the value shown includes financial planning services valued at $5,000 and $10,357 representing the value in 2019 of a company-owned vehicle provided to Mr. Judge. For Mr. Schweiger, the value shown includes financial planning services valued at $5,000 and $5,646 representing the value in 2019 of a company-owned vehicle provided to Mr. Schweiger. None of the other Named Executive Officers received perquisites valued in the aggregate in excess of $10,000.
(6) The amounts in the "Adjusted SEC total" column reflect an adjustment to the total compensation reported in the column marked "SEC total." The adjusted SEC total subtracts the actuarial change in pension value disclosed in the column titled "Change in pension value and non-qualified deferred earnings" as further described in footnote 3 above in order to reflect compensation earned during the year by the executive without consideration of pension benefit impacts. The amounts in this column differ substantially from, and are not a substitute for, the amounts noted in the SEC total.
(7) Mr. Olivier retired effective February 28, 2020.
Source: 2020 Eversource Securities and Exchange Commission Form DEF 14A filing

Table 34: Eversource Board compensation, 2019

Name	Fees earned or paid in cash (1)	Stock awards (2)	Total
Cotton M. Cleveland	$115,000	$138,465	$253,465

Sanford Cloud, Jr.	$160,000	$138,465	$298,465
James S. DiStasio	$130,000	$138,465	$268,465
Francis A. Doyle	$135,000	$138,465	$273,465
Linda Dorcena Forry	$115,000	$138,465	$253,465
John Y. Kim	$115,000	$138,465	$253,465
Kenneth R. Leibler	$115,000	$138,465	$253,465
David H. Long	$86,250	$91,068	$177,318
William C. Van Faasen	$130,000	$138,465	$268,465
Frederica M. Williams	$115,000	$138,465	$253,465
Dennis R. Wraase (3)	$57,500	$138,465	$195,965

(1) Represents the aggregate dollar amount of all fees earned or paid in cash, including annual retainer fees and committee chair fees. Also includes the amount of cash compensation deferred at the election of the Trustee. For the fiscal year ended December 31, 2019, Mr. Doyle and Mr. Kim each deferred 100 percent of his cash compensation.

(2) Reflects the grant date market value, based on a closing price of $66.41 per share on January 15, 2019, of 2,085 RSUs, determined in accordance with the provisions set forth on the preceding page of Eversource's 2020 DEF 14A filing, which were granted on January 15, 2019, and which vested on January 16, 2019. The current non-employee Trustees held the following aggregate number of RSUs received as stock compensation, including dividend equivalents, as of December 31, 2019: Ms. Cleveland: 58,485; Mr. Cloud: 38,129; Mr. DiStasio: 18,356; Mr. Doyle: 18,356; Ms. Forry: 3,790, Mr. Kim: 4,451; Mr. Leibler: 18,356; Mr. Long: 1,232; Mr. Van Faasen: 17,286; and Ms. Williams: 17,286.

(3) Mr. Wrasse retired effective May 1, 2019.

Source: 2020 Eversource Securities and Exchange Commission Form DEF 14A filing

Exelon

Exelon operates six utilities that deliver electricity and natural gas to customers in Delaware, the District of Columbia, Illinois, Maryland, New Jersey, and Pennsylvania. It is also one of the largest power generators in the country and owns a retail energy company. Exelon's executive compensation is composed of fixed and variable programs, and categorized into three different plans: base salary, an annual cash incentive plan, and a long-term incentive plan.

The base salary is set by the Board's Compensation Committee. The recommendations for the CEO are then also reviewed and approved by the rest of the independent directors. In 2019, the Board approved a 2.5% increase in base salary for the CEO and the rest of the named executive officers (NEOs), along with a 3% increase for Calvin Butler, a Senior Executive Vice President and Chief Executive Officer of Exelon Utilities, who succeeded Anne Pramaggiore in that role. Pramaggiore abruptly retired in October 2019 amid federal investigations into Exelon and ComEd regarding their lobbying activities. ComEd agreed to pay $200 million in July 2020 to resolve the federal criminal investigation into bribery of Illinois politicians, as part of a three-year deferred prosecution agreement. (WBEZ and others have reported that Pramaggiore is the unnamed "CEO-1" who took part in the bribery scheme detailed in the prosecution agreement.) The base salary for Exelon president and CEO Christopher M. Crane in 2019 was $1,293,000, but that made up a small fraction of Crane's $15,444,692 total compensation that year.

The annual incentive program provides NEOs the opportunity to earn additional cash depending on the achievement of several predetermined financial and operations goals. These goals include earnings per share (EPS), the number of customer outages and the frequency of outages, the average capacity factor of all Exelon nuclear units, and the responsiveness of its fossil generating units. Despite boasting that it operates one of the nation's cleanest power generation fleets, Exelon Generation owns 9,665 MW of fossil generation asset capacity, primarily oil and gas peaking units.

In 2019, Exelon executives surpassed each of the annual metrics targets except the outage duration category, earning hundreds of thousands of additional dollars as a result. Crane was awarded $2.1 million, while Exelon Generation CEO Kenneth Cornew and Exelon Vice President and Chief Strategy Officer William Von Hoene, Jr. were each awarded $1.04 million.

The long-term incentive program rewards NEOs with equity in the company in the form of restricted stock units and performance shares. The metrics in this program are divided between earning a high return on equity (ROE), net income, and the funds from operations (FFO) to debt ratio.

Performance share metrics:		What it is	Why it is Important
Utility Earned ROE	33.3%	**Average utility ROE weighted by year-end rate base.** Earned ROE is calculated using adjusted (non-GAAP) operating earnings, reflecting all lines of business for the utility businesses (electric distribution, gas distribution, transmission), divided by average shareholder's equity over the year.	Measure of value created by utility businesses. Aligned with our strategy to invest in our utilities where we can earn an appropriate return.
Utility Net Income	33.3%	**Aggregate utility adjusted (non-GAAP) operating earnings**, including Exelon hold-co net operating income (loss).	Measures financial performance of the Utilities. Aligned with our strategy to grow our regulated utility business.
Exelon FFO/Debt	33.4%	**Funds from operations to total debt ratio.** The ratio is calculated following S&P's current methodology. Management uses FFO/Debt to evaluate financial risk by measuring the company's ability to service debt using cash from operations.	Key ratio for determining our credit rating and thereby our access to capital. Aligned with our strategy to generate free cash and reduce debt.

Exelon's long-term incentive program metrics (2017-2019). Source: [Exelon's 2020 Proxy Statement]

As the above table illustrates, Exelon's Board of Directors encourages executives to earn a high ROE through the regulated utility subsidiaries. The Board has set a target of 9.5% weighted average ROE over a three-year period, which Exelon surpassed for the 2017 to 2019 timeframe with a 10% average ROE. This is an increase from the 9.7% average during the 2016 to 2018 timeframe. For the 2017 to 2019 performance period, Exelon executives also achieved the net income target of $1.7 billion (actual $1.9 billion), and the FFO/debt ratio target range of 18% to 22% (actual 19.6%). As a result, Crane received $11 million under the total long-term incentive plan in performance shares and restricted stock units.

Crane and the other NEOs receive various perquisites. For instance, they and their families are allowed personal use of the corporate aircraft, fleet services, and rail passenger services. In 2019, Crane received values of $94,049 in the personal use of corporate aircraft, $60,955 for spousal travel, and $9,307 for other transportation-related benefits. Additionally, Von Hoene received a value of $119,917 for personal use of corporate aircraft, which the company said is largely related to commuting between Chicago and Washington D.C. The D.C. Public Service Commission mandated that Von Hoene and other senior leadership move their offices to D.C. as part of Exelon's purchase of the D.C. utility Pepco. Von Hoene also received a value of $15,459 for spousal travel.

NEOs are also entitled to personal financial planning benefits, and can request Exelon to match gifts to charitable organizations in amounts up to $10,000.

The NEOs are also offered benefits if terminated for reasons other than cause or disability, including a 24-month severance period, which is the continuation of payment in the amount representing base salary and target annual incentives. Crane, for example, was entitled to $34 million in total payments and benefits if he retired at the end of 2019.

CEO compensation ranking among utilities studied, 2019	7/19
Compensation ratio: CEO to median employee, 2019	122:1

Percent change in CEO compensation, 2017-2019	+3.9% ($586,833)
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is Exelon's executive compensation structure aligned with decarbonization?	No.
Is there evidence from SEC filings that Exelon is using misleading financial metrics to determine executive compensation?	No.
What key perquisites or benefits do Exelon executives receive?	Exelon executives receive personal use of the corporate aircraft, fleet services, and rail passenger services. Spousal travel is also permitted. Executives have received relocation and living benefits as a result of regulatory commitments associated with the 2016 acquisition of Pepco Holdings. Additionally, executives receive personal financial planning, company gifts, matching charitable contributions, physical examinations, event tickets, and non-qualified supplemental retirement benefits.

Table 35: Exelon executive compensation, 2017-2019

Name and principal position	Year	Salary	Bonus	Stock awards (1)	Non-equity incentive plan compensation (2)	Change in pension value and nonqualified deferred compensation earnings (3)	All other compensation (4)	Total
Christopher M. Crane	2019	$1,335,633	-	$11,000,064	$2,103,957	$468,171	$536,867	$15,444,692
President and Chief Executive Officer, Exelon	2018	$1,261,000	-	$10,099,725	$2,123,070	$1,734,587	$424,696	$15,643,078
	2017	$1,261,000	-	$10,099,755	$1,585,531	$1,524,765	$386,808	$14,857,859
Joseph Nigro	2019	$790,823	-	$2,388,777	$846,875	$234,992	$85,985	$4,347,452
Senior Executive Vice President and Chief Financial Officer, Exelon	2018	$767,496	-	$4,589,122	$885,414	$188,680	$99,509	$6,530,221

Kenneth W. Cornew	2019	$924,181	-	$2,918,842	$1,041,774	$774,571	$72,769	$5,732,137
Senior Executive Vice President and Chief Commercial Officer, Exelon	2018	$935,596	-	$2,918,830	$1,089,182	$281,793	$89,336	$5,314,737
President and Chief Executive Officer, Exelon Generation	2017	$878,865	-	$2,918,832	$854,618	$235,324	$87,667	$4,975,306
William A. Von Hoene Jr.	2019	$962,271	-	$2,920,831	$1,045,311	$270,738	$481,983	$5,681,134
Senior Executive Vice President and Chief Strategy Officer, Exelon	2018	$904,673	-	$2,920,823	$1,092,880	$242,061	$534,420	$5,694,857
	2017	$882,696	-	$2,920,829	$857,520	$202,125	$374,057	$5,237,227
Anne Pramaggiore	2019	$758,915	-	$2,388,777	$668,209	$223,801	$263,087	$4,302,789
Senior Executive Vice President and Chief Executive Officer, Exelon Utilities	2018	$720,225	-	$3,892,882	$885,414	$194,694	$220,915	$5,914,130
Calvin G. Butler, Jr.	2019	$559,495	-	$2,075,734	$706,986	$116,481	$45,972	$3,504,668
Senior Executive Vice President and Chief Executive Officer, Exelon Utilities								

(1) Amounts shown in this column include the aggregate grant date fair value of restricted stock unit and performance share awards for the 2019-2021 performance period granted on February 4, 2019.

(2) Amounts shown in this column for 2019 represent payments made pursuant to the Annual Incentive Plan

(3) Amounts shown in this column represent the change in the accumulated pension benefit for the NEOs from December 31, 2018, to December 31, 2019.

(4) Amounts in this column include perquisites, reimbursement for income taxes, company contributions to savings plans, and life insurance premiums.

Source: 2020 Exelon Securities and Exchange Commission Form DEF 14A filing

Table 36: Exelon Board compensation, 2019				
Name	**Annual Board and Committee retainers (1)**	**Stock awards**	**All other compensation (2)**	**Total compensation**
Anthony Anderson	$180,549	$155,000	$311	$335,860
Ann Berzin	$150,000	$155,000	$16,119	$321,119
Laurie Brlas	$125,000	$155,000	$576	$280,576
Yves de Balmann	$155,549	$155,000	$15,471	$326,020
Nicholas DeBenedictis	$145,000	$155,000	$15,782	$315,782
Linda Jojo	$125,000	$155,000	$15,333	$295,333
Paul Joskow, Ph.D.	$125,000	$155,000	$595	$280,595
Robert Lawless	$155,549	$155,000	$785	$311,334
ADM Richard Mies	$165,000	$155,000	$15,000	$335,000
ADM John Richardson (3)	$47,283	$50,543	$1,257	$99,083
John Rogers (3)	$46,538	$51,525	—	$98,063
Mayo Shattuck	$435,549	$155,000	$15,378	$605,927
Stephen Steinour	$125,000	$155,000	$515,950	$795,950
John Young	$145,000	$155,000	$15,100	$315,100

(1) Amounts reported for Anderson, de Balmann, Lawless and Shattuck each include pro-rated Special Oversight Committee Chair fees. The Special Oversight Committee was formed on June 21, 2019.

(2) Amounts reported in this column represent contributions made by Exelon or the Exelon Foundation to qualified not-for-profit organizations under Exelon's matching gift program or in honor of Board service; tax gross-up payments; and reimbursements for additional taxable income in connection with spousal and guest travel to certain Board events during 2019.

(3) Prorated retainers were paid to Richardson upon his election to the Board on September 3, 2019, and to Rogers, who retired from the Board on April 30, 2019.

Source: 2020 Exelon Securities and Exchange Commission Form DEF 14A filing

FirstEnergy

FirstEnergy Corporation's regulated electric distribution companies serve customers in Maryland, Ohio, New Jersey, Pennsylvania, and West Virginia. The compensation mix for FirstEnergy's CEO in 2019 was 87% performance-based, and 13% base salary. Long-term incentives were 72% of total compensation and short-term incentives were 15%.

For other named executive officers (NEOs), the compensation mix was 74% performance-based and 26% base salary. Long-term incentives were 54% of total compensation, and short-term incentives were 20%.

FirstEnergy's executive incentive compensation plans prioritize earnings over ESG goals

FirstEnergy's long-term incentive program for 2019 to 2021 is based on two equally weighted metrics: operating earnings per share (EPS) growth and average capital effectiveness.

The utility's short-term incentive program (STIP) "provides annual cash awards to executives whose contributions support the achievement of the Company's identified financial and operational KPI [Key Performance Indicators] goals, which are linked to the Company's business strategy and corporate objectives, including ESG-related [environmental, social, and governance] goals."

Performance metrics for the STIP are weighted as follows: operating earnings comprise 70% for the CEO and 60% for most other NEOs, operational 10% (except CEO), safety 15%, and diversity 15%.

FirstEnergy has a goal of reducing carbon dioxide emissions by 90% from 2005 levels by 2045, and said in its 2020 proxy statement that it "achieved an 80% reduction of carbon dioxide (CO2) emissions as a result of its transformation to a high-performance, pure-play regulated utility."

FirstEnergy's carbon reduction goal does not cover the power it purchases, which accounted for 30% of its carbon emissions in 2017. The utility's carbon reduction claims also take credit for the loss of much of its fossil fuel generation during the bankruptcy of its former subsidiary FirstEnergy Solutions, CO2-emitting generation that is now largely owned by a new company called Energy Harbor that emerged from the bankruptcy.

"To reinforce and align our executives with these objectives, a portion of our annual incentive cash program is tied to ESG related goals, including Diversity & Inclusion, environmental and safety," FirstEnergy said in its 2020 proxy statement.

No portion of FirstEnergy's incentives is tied specifically to decarbonization. Performance metrics for FirstEnergy's STIP include an operational component weighted at 10%, which is based on six equally weighted metrics, of which environmental measures account for only 1.67%.

Environmental performance metrics are limited to "environmental excursions and Notices of Violations (NOVs)", which measure "issues related to air emissions, water discharges or other unauthorized releases from facilities, that exceed the allowable limitations, conditions or deadlines established in the facilities' environmental permits and applicable NOVs issued by a Federal, State or Local Regulatory Agency for the violation of an environmental law or regulation."

In other words, FirstEnergy sets a low bar for executives on environmental performance, simply requiring compliance with the law, rather than meeting corporate targets for reducing emissions.

Metrics that could be used for performance-based awards under FirstEnergy's 2020 executive compensation plan include, "Shaping legislative and regulatory initiatives and outcomes."

FirstEnergy recently publicized how it won an award from the Edison Electric Institute for its role in passing a 2019 bill in its home state of Ohio that included subsidies for coal plants, and that rolled back the state's renewable energy and energy efficiency standards for electric utilities. It has also supported the Trump administration's rollback of the Environmental Protection Agency's limits on CO_2 emissions from power plants.

Executives benefit from FirstEnergy's exclusion of negative outcomes from performance measures

FirstEnergy pay-for-performance programs employ non-GAAP performance metrics, which tend to result in higher performance numbers than Generally Accepted Accounting Principles (GAAP) metrics.

Financial results for FirstEnergy based on GAAP show earnings per share of $1.70 for 2019 and $1.99 for 2018, compared to non-GAAP operating EPS of $2.58 for 2019 and $2.59 for 2018.

"Special Items" excluded from non-GAAP performance metrics account for the significant difference in earnings measurements. These special items include FirstEnergy's "exit of competitive generation" through the bankruptcy of its subsidiary FirstEnergy Solutions, which emerged from bankruptcy in 2020 as a separate company called Energy Harbor.

FirstEnergy's 2020 proxy statement describes many additional items excluded from calculations of non-GAAP performance metrics used in calculations of executive pay-for-performance programs, including operating earnings, capital effectiveness index, funds from operations (FFO) to adjusted debt index, and operating EPS.

Among the exclusions is "the impact of the Ohio Distribution Modernization Rider," a charge that cost customers in Ohio over $150 million per year, and which was struck down by the Ohio Supreme Court in 2019. The Environmental Defense Fund described the charge as "an illegal bailout of FirstEnergy's uneconomic coal and nuclear plants." Other exclusions include the impact of tax reform-related refunds to customers that "exceeded budgeted amounts," as well as the impacts of legal reserves or related expenses. Transmission outage frequency, another performance measure, excludes, "Scheduled outages, emergency forced outages, and operational outages."

"In establishing performance measures, the [Compensation] Committee may provide that any financial factor that in whole or in part comprises any performance measure will be determined in accordance with U.S. generally accepted accounting principles (later referred to as GAAP) or that any such financial factor may be non-GAAP (i.e., that such financial factor may be adjusted to exclude from its calculation one or more GAAP or non-GAAP items)," according to FirstEnergy's 2020 proxy statement.

FirstEnergy's proxy statement provided details about its 2020 incentive compensation plan, including a "non-exhaustive list of performance measures that could be used for performance based awards" under the plan.

FirstEnergy justifies its executive compensation by comparing to that of much larger companies

One of the common measures utilities employ to determine executive compensation is comparison to peer companies. FirstEnergy's Compensation Committee packed its 2019 peer group with larger enterprises, most from outside the utility industry. The Compensation Committee then approved certain NEOs an increase in compensation "to continue to align with the Blended Median, in the aggregate (within the 85% to 120% competitive range)".

FirstEnergy's net income was $908 million in 2019. Yet companies in its "general industry" peer group serving to benchmark its executives' compensation include the following - all of which earned much more income, and whose CEOs made millions more than FirstEnergy's CEO:

Table 37: FirstEnergy's "general industry" peer group skews its executive compensation

Company	Net income, 2019	Total CEO compensation, 2019
FirstEnergy	$908 million	$14.7 million
Honeywell International	$6.1 billion	$18.9 million
Raytheon Technologies	$5.9 billion	$21.5 million
Eli Lilly & Co.	$4.6 billion	$21.2 million
Qualcomm	$4.3 billion	$23 million
CSX	$3.3 billion	$15.5 million
Norfolk Southern	$2.7 billion	$16.6 million
Illinois Tool Works	$2.5 billion	$15.4 million
Northrop Grumman	$2.2 billion	$20.3 million
Ecolab	$1.5 billion	$19.8 million

None of these companies include FirstEnergy in their own peer groups to determine compensation.

FirstEnergy's decreased its CEO-to-employee pay ratio by eliminating employees of its bankrupt competitive subsidiaries from the analysis

Investor-owned utilities report annually on their CEO pay ratio, which illustrates the gap between the annual total compensation for a utility's CEO and average compensation for other employees of the company. Large swings in the annual CEO pay ratio reported by utilities may be due to changes in CEO compensation, but also to other factors like corporate restructurings.

FirstEnergy reported its highest CEO pay ratio of 115:1 in 2018, a year in which CEO Charles E. Jones received his lowest annual compensation for the three-year period between 2017 and 2019. In 2018, FirstEnergy reported CEO compensation of $11.1 million and median employee compensation of $96,805.

The previous year, in 2017, FirstEnergy reported its highest annual CEO compensation of almost $15.3 million for Jones, but a lower CEO pay ratio of 90:1. The median employee compensation FirstEnergy reported for that year was nearly double, at $170,299.

In 2018, FirstEnergy excluded all employees in its Competitive Energy Services businesses from its median employee compensation analysis due to the "deconsolidation" (i.e. bankruptcy) of its subsidiaries, FirstEnergy Solutions and the FirstEnergy Nuclear Operating Company. Those subsidiaries later emerged as a new company called Energy Harbor, and the median compensation of the employees left at FirstEnergy fell.

Perquisites include personal use of corporate aircraft

"The Company does not provide excessive perquisites to our NEOs," FirstEnergy says in its 2020 proxy statement.

However, perquisites offered by FirstEnergy include personal use of corporate aircraft for NEOs and Board members:

> "In 2019, our NEOs could use the corporate aircraft for limited personal use. Mr. Jones is authorized to use either a commercial carrier or our corporate aircraft for any business or personal travel at his discretion. With CEO approval, other executives, including the NEOs, may from time to time use our corporate aircraft for personal travel, which may include family travel. We have a written policy that sets forth guidelines regarding the personal use of the corporate aircraft by executive officers and other employees in accordance with the IRS regulations and customary compensation practices."

Personal aircraft usage in 2019 was valued at $59,308 for Jones, and $14,795 for Senior Vice President and CFO Steven E. Strah.

In 2017, Ohio state representative Larry Householder flew to Donald Trump's presidential inauguration on board FirstEnergy's corporate plane.

"The trip marked a new period of cooperation between Householder and FirstEnergy Corp. as they worked to save the company's struggling coal and nuclear plants in Ohio and Pennsylvania," E&E News later reported.

Three years later, Householder would be removed as speaker of the Ohio House of Representatives and indicted on federal racketeering charges. Federal investigators allege Householder and several other defendants secretly used $60 million from FirstEnergy to elect Householder as speaker, and then enact a $1 billion bailout that allowed a bankrupt subsidiary of the utility to cancel plans to deactivate two nuclear plants and a coal plant. FirstEnergy also benefits from a decoupling mechanism enacted along with the bailout, which has helped shield the company from the economic impacts of the COVID-19 epidemic, even as it prepares to resume disconnections for customers struggling to make ends meet.

Other compensation for 2019 also included charitable matching contributions made by the FirstEnergy Foundation that ranged from $2,500 to $2,600 for Jones and several other NEOs. A total of $5,000 in charitable matching contributions was reported for Leila Vespoli, who retired in 2019 and was previously Chief Legal Officer and Executive Vice President of Corporate Strategy and Regulatory Affairs.

FirstEnergy also made matching charitable contributions that ranged from $3,000 to $5,000 on behalf of several members of its Board of Directors in 2019.

CEO compensation ranking among utilities studied, 2019	10/19
Compensation ratio: CEO to median employee, 2019	98:1
Percent change in CEO compensation, 2017-2019	-3.9% ($597,226)
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is FirstEnergy's executive compensation structure aligned with decarbonization?	No. FirstEnergy says that its annual incentive program is tied to environmental goals, but its executive compensation policies do not consider greenhouse gas emissions reductions; instead the environmental metrics are focused on rewarding executives for abiding by legal air and water pollution laws and permits.
Is there evidence from SEC filings that FirstEnergy is using misleading financial metrics to determine executive compensation?	Yes. FirstEnergy excluded several "special items" from performance metrics like non-GAAP operating earnings and EPS, including its "exit of competitive generation" through the bankruptcy of FirstEnergy Solutions, which emerged in 2020 as a separate new company called Energy Harbor. These exclusions yielded a non-GAAP EPS in 2019 that was significantly higher than the standard GAAP calculation. Non-GAAP operating EPS accounted for half of the performance measures used to calculate FirstEnergy's long-term incentives, and also constituted 70% of short-term incentive measures for the CEO and 50 to 60% for other NEOs.

What key perquisites or benefits do FirstEnergy executives receive?	Executives are allowed “limited” personal use of corporate aircraft, and are eligible for charitable gift matching.

Table 38: FirstEnergy executive compensation, 2017-2019

Name and principal position	**Year**	**Salary**	**Bonus**	**Stock awards (1)**	**Non-equity incentive plan compensation (2)**	**Change in pension value and nonqualified deferred compensation earnings (3)**	**All other compensation (4)**	**Total**	**SEC total without change in pension value and nonqualified deferred compensation earnings (5)**
Charles E. Jones	2019	$1,136,113	$ -	$6,247,802	$1,615,111	$5,611,583	$74,050	$14,684,659	$9,073,076
President and CEO	2018	$1,136,113	$ -	$7,018,621	$1,662,674	$1,265,019	$40,701	$11,123,128	$9,858,109
	2017	$1,136,113	$ -	$6,208,144	$1,383,655	$6,530,282	$23,691	$15,281,885	$8,751,603
Steven E. Strah	2019	$643,599	$ -	$1,545,570	$626,590	$3,189,722	$28,647	$6,034,128	$2,844,406
Senior Vice President and Chief Financial Officer	2018	$594,835	$ -	$1,602,699	$574,240	$696,989	$26,749	$3,495,512	$2,798,523
	2017	$561,539	$ -	$1,097,892	$425,641	$1,875,015	$16,888	$3,976,975	$2,101,960
Samuel L. Belcher	2019	$604,308	$ -	$1,327,003	$540,575	$418,704	$13,650	$2,904,240	$2,485,536
Senior Vice President and President, FirstEnergy Utilities	2018	$548,060	$434,700	$1,503,221	$506,951	$101,296	$11,087	$3,105,315	$3,004,019
Robert P. Reffner	2019	$537,594	$ -	$973,901	$463,918	$479,043	$13,435	$2,467,891	$1,988,848
Senior Vice President and General Counsel									
Bennett L. Gaines	2019	$462,322	$ -	$588,121	$364,205	$558,635	$3,800	$1,977,083	$1,418,448

Senior Vice President, Corporate Services and Chief Information Officer	2018	$442,051	$ -	$626,379	$365,657	$ -	$8,062	$1,442,149	$1,442,149
Leila L. Vespoli (6)	2019	$185,629	$ -	$1,958,835	$191,737	$2,941,983	$1,744,328	$7,022,512	$4,080,529
Executive Vice President, Corporate Strategy, Regulatory Affairs and Chief Legal Officer	2018	$761,286	$ -	$2,200,498	$823,483	$322,011	$16,372	$4,123,650	$3,801,639
	2017	$761,286	$ -	$1,946,403	$719,783	$1,681,039	$9,100	$5,117,611	$3,436,572
James F. Pearson (6)	2019	$161,471	$ -	$2,138,277	$176,596	$3,200,025	$1,582,583	$7,258,952	$4,058,927
Executive Vice President, Finance	2018	$662,214	$ -	$2,402,070	$758,454	$55,023	$17,838	$3,895,599	$3,840,576
	2017	$662,214	$ -	$2,124,671	$662,943	$2,512,687	$15,451	$5,977,966	$3,465,279

(1) The amounts set forth in the "Stock awards" column for 2019 represent grants provided under the Incentive Compensation Plans at the aggregate grant date fair value calculated in accordance with FASB ASC Topic 718 “Stock Compensation” and are based on target payout. The assumptions used in determining values for the 2019 fiscal year are reflected in Note 6 to the Combined Notes to the Consolidated Financial Statements of the company’s Annual Report on Form 10-K filed with the SEC on February 10, 2020. The grant date fair value at the maximum payout level for each of the NEOs for 2019 is as follows: Jones: $12,495,604; Strah: $3,091,140; Belcher: $2,654,005; Reffner: $1,947,802; Gaines: $1,176,244; Vespoli: $3,917,670; and Pearson: $4,276,554. These awards are not payable to the executive until the vesting date or other qualifying event shown in the Outstanding Equity Awards at Fiscal Year-End 2019 table (for Ms. Vespoli and Mr. Pearson) or the 2019 Post-Termination Compensation and Benefits table described in FirstEnergy's 2020 DEF 14A filing.

(2) The amounts set forth in the "Non-equity incentive plan compensation" column for 2019 were earned under the FirstEnergy Short-Term Incentive Program for 2019 and were paid in the first quarter of 2020.

(3) The amounts set forth in the "Change in pension value and nonqualified deferred compensation earnings" column reflect the aggregate increase in actuarial value to the NEO of all defined benefit and actuarial plans (including supplemental plans) accrued during the year and above-market earnings on nonqualified deferred compensation. The disclosure assumes 3.34% (qualified pension), 3.28% (nonqualified supplemental pension), and 3.01% (Supplemental Executive Retirement Plan) are the discount rates for the present value obligation calculations. The change in values for the pension plans for 2019 are as follows: Jones: $5,606,026; Strah: $3,175,105; Belcher: $413,481; Reffner: $475,289; Gaines: $558,635; Vespoli: $2,894,498; and Pearson: $3,123,560. The change in pension value is heavily dependent on the discount rate and mortality assumptions and does not represent the actual value of the change in pension benefit accrued by the NEO during the year. The formula used to determine the above market earnings equals 2019 total interest multiplied by the difference between 120% of the Applicable Federal Rate for long-term rates (AFR) and the plan rate and divided by the plan rate. The above market earnings on nonqualified deferred compensation for 2019 are as follows: Jones: $5,557; Strah: $14,617; Belcher: $5,223; Reffner: $3,754; Gaines: $0; Vespoli: $47,485; and Pearson: $76,465.

(4) The table "All other FirstEnergy executive compensation, 2019" sets forth detail about the amounts for 2019 in the "All other compensation" column and includes compensation not required to be included in any other column.

(5) The amounts set forth in the "SEC total without change in pension value" column differ substantially from, and are not a substitute for, the amounts required to be reported in the "Total" column pursuant to SEC regulations. FirstEnergy is presenting this supplemental column to illustrate how the Compensation Committee views the annual compensation elements for the NEOs. The column adjusts the amount reported in the "Total" column, as determined under applicable SEC rules, by subtracting the value reported in the "Change in pension value and nonqualified deferred compensation earnings" column to show how year-over-year changes in these values impact total compensation. The change in pension value amount reported in the "Change in pension value and nonqualified deferred compensation earnings" column does not reflect current compensation and represents the present value of an estimated stream of payments to be made following retirement. The methodology used to report the change in pension value under applicable accounting rules is sensitive to external variables such as assumptions about life expectancy and changes in the discount rate determined at each year end, which are functions of economic factors and actuarial calculations that do not relate to the company's performance and are outside of the control of the Compensation Committee.
(6) Mr. Pearson and Ms. Vespoli both retired effective April 1, 2019.
Source: 2020 FirstEnergy Securities and Exchange Commission Form DEF 14A filing

Table 39: FirstEnergy Board compensation, 2019

Name (1)	Fees earned or paid in cash (2)	Stock awards (3)	Change in pension value and nonqualified deferred compensation earnings (4)	All other compensation (5)	Total
Paul T. Addison (6)	$44,863	$58,476	$4,233	$0	$107,572
Michael J. Anderson	$121,099	$149,898	$2,732	$0	$273,729
Steven J. Demetriou	$100,000	$149,898	$0	$0	$249,898
Julia L. Johnson	$109,148	$149,898	$0	$0	$259,046
Donald T. Misheff	$250,000	$149,898	$0	$0	$399,898
Thomas N. Mitchell	$114,773	$149,898	$743	$0	$265,414
James F. O'Neil III	$121,705	$149,898	$0	$0	$271,603
Christopher D. Pappas	$116,951	$149,898	$0	$3,000	$269,849
Sandra Pianalto	$100,000	$149,898	$0	$5,000	$254,898
Luis A. Reyes	$100,000	$149,898	$0	$0	$249,898
Dr. Jerry Sue Thornton (6)	$38,943	$58,476	$0	$5,000	$102,419
Leslie M. Turner	$100,000	$149,898	$0	$0	$249,898

(1) Charles E. Jones, President and CEO, is not included in this table for 2019 because he was an employee of the company and therefore received no additional compensation for his service as director. The compensation received by Mr. Jones for 2019 is shown in the 2019 Summary Compensation Table ("SCT") in FirstEnergy's 2020 DEF 14A filing.

(2) The amounts set forth in the "Fees earned or paid in cash" column consist of fees earned in cash whether paid in cash, deferred into the FirstEnergy Corp. Deferred Compensation Plan for Outside Directors ("DDCP"), or elected to be received in stock in lieu of cash.

(3) The amounts set forth in the "Stock awards" column represent the equity retainer received under the FirstEnergy Corp. 2015 Incentive Compensation Plan, as amended, ("2015 Incentive Plan") in the form of shares of common stock. Each amount constitutes the aggregate grant date fair value of stock awards for fiscal 2019 calculated in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718. The equity retainer is typically paid in quarterly installments. The fair value on the grant dates for each director listed in the table was $40.385 on February 22, 2019; $41.485 on April 26, 2019; $43.955 on July 26, 2019; and $47.1800 on November 6, 2019. Share amounts are rounded down. There were no option awards or stock awards outstanding as of December 31, 2019.
(4) The amounts set forth in the "Change in pension value and nonqualified deferred compensation earnings" column reflect only the above-market earnings on nonqualified deferred compensation. There are no pension values for directors. The formula used to determine the above market earnings equals 2019 total interest multiplied by the difference between 120 percent of the Applicable Federal Rate for long-term rates (AFR) and the plan rate and divided by the plan rate.
(5) The amounts set forth in the "All other compensation" column include compensation not required to be included in any other column. Charitable matching contributions made on behalf of our directors represent the entire amount in the column. Charitable matching contributions were $3,000 for Mr. Pappas, $5,000 for Ms. Pianalto, and $5,000 for Dr. Thornton. The FirstEnergy Foundation supports the charitable matching contributions under its Matching Gifts Program.
(6) Mr. Addison and Dr. Thornton retired effective May 21, 2019.
Source: 2020 FirstEnergy Securities and Exchange Commission Form DEF 14A filing

Table 40: All other FirstEnergy executive compensation, 2019

Name	401(k) employer contributions (1)	Health care employer contributions (2)	Wellness program (3)	Charitable matching (4)	Group personal excess liability (5)	Life insurance (6)	Personal aircraft usage (7)	Payments upon retirement (8)	Total
Charles E. Jones	$8,400	$1,000	$100	$2,600	$1,024	$1,618	$59,308	-	$74,050
Steven E. Strah	$8,400	$1,000	-	$2,500	$1,024	$928	$14,795	-	$28,647
Samuel L. Belcher	$8,165	$1,000	-	$2,590	$1,024	$871	-	-	$13,650
Robert P. Reffner	$8,400	$1,000	-	$2,500	$1,024	$511	-	-	$13,435
Bennett L. Gaines	$1,019	$1,000	$325	-	$1,024	$432	-	-	$3,800
Leila L. Vespoli	$8,400	$1,000	-	$5,000	$1,024	$271	-	$1,728,633	$1,744,328
James F. Pearson	$8,400	$1,000	$600	-	$1,024	$236	$1,144	$1,570,179	$1,582,583

(1) The value of matching company contributions under the FirstEnergy Corp. Savings Plan for all of the NEOs up to the maximum of $8,400.

(2) The value of company contributions to the NEOs' Health Savings Accounts or FirstEnergy Corp. Savings Plan or cash.

(3) The value of company credits under the broad-based wellness program up to the maximum of $600 annually.

(4) The value of charitable matching contributions for 2019. The company provides a dollar-for-dollar match, up to $5,000 annually, of employee contributions to qualified nonprofit organizations and educational institutions.

(5) Premiums for all NEOs covered under the group personal excess liability in 2019.

(6) Employer cost for basic life insurance premiums in 2019. Ms. Vespoli's and Mr. Pearson's coverage was prorated due to their retirements.

(7) The value of the personal use of the corporate aircraft is calculated based on the aggregate variable operating costs to the company, including fuel costs, trip-related maintenance, universal weather-monitoring costs, on-board catering, landing/ramp fees, and other miscellaneous variable costs. Fixed costs which do not change based on usage, such as pilots' salaries, the amortized costs of the aircraft, and the cost of maintenance not related to trips are excluded. NEOs' spouses and immediate family members may accompany NEOs on company aircraft using unoccupied space on flights that were already scheduled, and the company incurs no aggregate incremental cost in connection with such use.
(8) Upon their retirements, Ms. Vespoli received $110,588 for 434 hours and Mr. Pearson received $240,489 for 1,902 hours of banked and frozen vacation earned prior to 2008 and based on the effective pay rate as of December 31, 2008, when FirstEnergy's vacation policies were revised, and employees and executives could no longer accumulate banked vacation. Due to their participation in the Executive Voluntary Enhanced Retirement Program (E-VERP), Ms. Vespoli and Mr. Pearson received a lump-sum payment of $1,518,400 and $1,320,800, respectively, which was equivalent to what they would have received under the FirstEnergy Severance Benefits Plan. Additionally, Ms. Vespoli received $99,645 for 273 hours and Mr. Pearson received $8,890 for 28 hours of unused and deferred paid time off (PTO) in 2019. Refer to E-VERP Benefits on page 93 of FirstEnergy's 2020 DEF 14A filing for more information.
Source: 2020 FirstEnergy Securities and Exchange Commission Form DEF 14A filing

NextEra Energy

NextEra Energy is a utility company based in Florida that serves customers in that state via its retail utility, Florida Power and Light (FPL), and which develops renewable energy, natural gas, energy storage and transmission projects around the U.S. NextEra refers to its executive compensation as "pay for performance" with a focus on "shareholder value creation" and "executive retention," emphasizing performance-based compensation and de-emphasizing fixed compensation. Named executive officer (NEO) direct compensation has three principal elements: base salary, annual incentive awards, and long-term equity compensation, as overseen by the Compensation Committee and reviewed by the Executive Compensation Review Board. NextEra Energy CEO and President James L. Robo and several other NEOs sit on the latter body.

Robo received more than $62 million in total compensation from 2017 to 2019 and is the highest-paid CEO of all the utilities in this report over that period. NextEra Energy likewise reported the highest average CEO pay ratio at 164.3:1 for 2017 to 2019.

Ninety percent of Robo's compensation is performance-based - that is, tied to financial and operational metrics - with 75% coming in the form of long-term equity and 15% via an annual incentive. The remaining 10% of compensation is his base salary. Of the 15% annual incentive, 50% is tied to financial metrics and 50% is tied to operational metrics, as dictated by the Compensation Committee.

Per NextEra's 2020 proxy statement, the financial metrics are based on "enduring standards indicative of sustained performance—adjusted EPS [earnings per share] growth and adjusted ROE [return on equity]—as compared to the financial performance over the ten-year period ended on December 31, 2019 of the companies included in the S&P 500 Utilities Index." Operational metrics include items such as operations and maintenance (O&M) goals, generation availability, customer satisfaction, and safety standards, each with an individual weight towards the total incentive.

NextEra executives failed to meet some performance goals in 2019. For example, NextEra listed its Nuclear industry composite performance index as an "aggressive" goal and reported it as "missed". NextEra reported the goal for "performance under FERC [Federal Energy Regulatory Commission] and NERC [Nuclear Energy Regulatory Commission] reliability standards" as having "no significant violations," while also reporting the outcome as a "partially met goal" - indicating that some significant violations did occur. As these missed goals comprise only one line item within a percentage of a percentage of the total compensation package, even major safety or environmental violations would have minimal impact on NextEra NEOs' annual incentive awards.

NextEra uses an industry peer group in determining executive compensation that includes 14 energy services companies and 21 other publicly-traded companies, ranging from Kellogg to 3M. NextEra outlines a checklist of broad requirements that industry peers must meet in order to be considered in the peer group. NextEra references industry awards to justify its NEO compensation, despite the fact that these awards are effectively self-selected, chosen by peer executives within the industry.

NextEra's long-term performance-based equity compensation mix includes performance shares, performance-based restricted stock, performance-based restricted common units (NEP), and stock options. The percentage mix of the long-term equity compensation is fairly consistent for all NEOs' performance shares and stock options, at 60% to 65% and 20% to 25%, respectively. Performance-based restricted stock ranged from 3% to 20% of NEOs' long-term compensation, and performance-based restricted NEP common units ranged from none to 7%.

Payouts from the three-year 2017 to 2019 performance period were based on factors determined by the Compensation Committee. Fifty-two percent was based on adjusted EPS growth and adjusted ROE, 35% on total shareholder return (TSR) relative to the companies in the S&P 500 Utilities Index, and 13% on operational measures. The operational measures included metrics such as three-year average employee safety, nuclear industry composite performance index (combined - and missed in 2019 - for FPL and NextEra Energy Resources' nuclear facilities), three-year average equivalent forced outage rate for fossil and renewable generation, on-time execution of both renewable energy and interstate gas pipeline construction projects, and FPL's three-year average service reliability. NextEra does not include decarbonization as an incentive criterion nor does it refer to it as a guiding principle for other criteria.

In addition to direct compensation, NextEra provides a number of extra executive perquisites to its NEOs, including access to private corporate aircraft, supplemental retirement plans, professional legal and tax services, hospitality memberships, and home security.

NextEra also has a stock ownership and retention policy which dictates that within three years after appointment to their position, NEOs are expected to own NextEra Energy common stock with a value equal to a multiple of their base salaries: seven times the base for the CEO, three times for senior executives, and equal to the base for all other officers.

While NextEra has maintained promised levels of executive compensation throughout the COVID-19 pandemic, it plans to begin disconnecting customers in October 2020 who have been unable to pay their bills during the crisis. If NextEra's Robo took a 50% cut from his 2019 compensation - still allowing him to take home over $10 million - the company could use that money to wipe out the debt of 43,581 Florida Power & Light customers who were in arrears as of the end of June 2020, according to data NextEra submitted to Florida regulators.

CEO compensation ranking among utilities studied, 2019	2/19
Compensation ratio: CEO to median employee, 2019	168:1
Percent change in CEO compensation, 2017-2019	+16.3% ($3,065,904)
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is NextEra's executive compensation structure aligned with decarbonization?	No.
Is there evidence from SEC filings that NextEra is using misleading financial metrics to determine executive compensation?	No.
What key perquisites or benefits do NextEra executives receive?	Executives' "personal benefits" are extensive, ranging from use of company-owned private airplanes and vehicles to home security monitoring systems, financial planning, legal services, hospitality memberships, and supplemental retirement plans. For instance, NextEra spent over $130,000 on NEO vehicle expenses in 2019.

Table 41: NextEra Energy executive compensation, 2017-2019

Name and principal position	Year	Salary	Stock awards (1)(2)(3)	Option awards (1)(4)	Non-equity incentive plan compensation (5)	Change in pension value and nonqualified deferred compensation earnings (6)(7)	All other compensation (6)(8)	Total
James L. Robo (9)	2019	$1,450,000	$11,744,534	$2,825,000	$4,570,400	$906,719	$380,944	$21,877,597
Chairman, President and CEO of NextEra Energy and Chairman of FPL	2018	$1,400,000	$11,611,417	$2,624,993	$4,480,000	$854,722	$387,610	$21,358,742
	2017	$1,350,000	$9,607,113	$2,437,497	$4,320,000	$754,433	$342,650	$18,811,693

Rebecca J. Kujawa (10)	2019	$529,000	$1,496,724	$280,600	$729,500	$110,820	$66,153	$3,212,797
Executive Vice President, Finance and CFO of NextEra Energy and FPL								
John W. Ketchum (10)	2019	$983,800	$2,839,220	$532,200	$1,356,700	$278,554	$160,341	$6,150,815
President and CEO of NextEra Energy Resources	2018	$819,000	$2,311,181	$409,591	$1,089,300	$226,055	$122,942	$4,978,069
	2017	$650,000	$1,653,209	$325,089	$873,600	$185,793	$107,847	$3,795,538
Eric E. Silagy	2019	$1,154,100	$3,668,772	$687,700	$1,591,500	$368,555	$175,873	$7,646,500
President and CEO of FPL	2018	$1,049,200	$3,065,463	$543,287	$1,461,500	$315,204	$166,656	$6,601,310
	2017	$860,000	$2,264,864	$445,293	$1,204,000	$273,590	$173,490	$5,221,237
Manoochehr K. Nazar	2019	$997,500	$2,454,867	$460,100	$1,375,600	$382,497	$158,775	$5,829,339
President, Nuclear Division of NextEra Energy and FPL	2018	$950,000	$2,472,314	$438,200	$1,330,000	$357,796	$159,229	$5,707,539
	2017	$904,800	$2,122,451	$417,296	$1,266,700	$330,084	$146,425	$5,187,756
Charles E. Sieving (10)	2019	$1,002,400	$1,789,598	$335,500	$1,172,800	$295,814	$138,999	$4,735,111
Executive Vice President and General Counsel of NextEra Energy and Executive Vice President of FPL								

Armando Pimentel, Jr. (10)(11)	2019	$205,089	$5,841,140	$951,697	-	$23,254	$101,042	$7,122,222
Former President and CEO of NextEra Energy Resources	2018	$1,004,600	$3,296,321	$584,188	$1,272,800	$353,407	$153,133	$6,664,449
	2017	$897,000	$2,652,861	$521,600	$1,205,600	$320,145	$143,860	$5,741,066

(1) The amounts shown represent the aggregate grant date fair value of equity-based compensation awards granted during the relevant year, valued in accordance with applicable accounting rules, without reduction for estimated forfeitures. See Note 11 Equity—Stock-Based Compensation to the consolidated financial statements in the company's Annual Report on Form 10-K for the years ended December 31, 2019 and December 31, 2018, and Note 10 Equity—Stock-Based Compensation to the consolidated financial statements in the company's Annual Report on Form 10-K for the year ended December 31, 2017, for the assumptions used in this valuation.

(2) Includes performance-based restricted stock and performance share awards valued based on the probable outcome of the performance conditions as of the grant date; and for Mrs. Kujawa and Messrs. Robo, Ketchum, Sieving, and Pimentel, performance-based restricted NEP common units. The grant date fair value of performance-based restricted NEP common units is measured based upon the closing market price of NEP common units as of the date of grant, February 19, 2019. With respect to the performance shares granted in 2019 and 2018 to all NEOs, a performance rating assumption of 1.40 (i.e. target shares multiplied by 1.40) was used (in accordance with applicable accounting guidance) to value such performance share awards and grant date fair value for all NEOs was determined on the grant date using the Monte-Carlo simulation process with the variables listed in this table from NextEra's 2020 DEF 14A filing. With respect to 65% of the target number of performance shares granted in 2017 to all NEOs, a performance rating assumption of 1.40 (i.e. target shares multiplied by 1.40) was used (in accordance with applicable accounting guidance) to value such performance share awards. With respect to 35% of the target number of performance shares granted in 2017, grant date fair value for all NEOs was determined on the grant date using the Monte-Carlo simulation process with variables enumerated in the aforementioned table. For Mr. Pimentel, actual grant date fair value of stock awards granted in 2019 was $555,521. The additional amount shown in this column, $5,285,619, represents the incremental fair value of 2017, 2018, and 2019 stock awards, as required under applicable accounting guidance, in connection with Mr. Pimentel's retirement meeting the conditions for continued full vesting under his equity award agreements.

(3) The maximum payout of performance shares granted in 2019 is 2.00 times target. Therefore, the maximum aggregate grant date fair value of the awards granted in 2019 is: for Mr. Robo, 88,264 shares, or $15,163,755; for Mrs. Kujawa, 10,114 shares, or $1,737,585; Mr. Ketchum, 19,184 shares, or $3,295,811; for Mr. Silagy, 24,790 shares, or $4,258,922; for Mr. Nazar, 16,588 shares, or $2,849,818; for Mr. Sieving, 12,092 shares, or $2,077,406; and for Mr. Pimentel, 3,754 shares, or $644,937.

(4) Represents non-qualified stock options. For Mr. Pimentel, actual grant date fair value of option awards granted in 2019 was $104,200. The additional amount shown for Mr. Pimentel in this column, $847,497, represents the incremental fair value of 2017, 2018, and 2019 option awards, as required under applicable accounting guidance, in connection with Mr. Pimentel's retirement meeting the conditions for accelerated vesting under his option award agreements.

(5) Includes the amount earned by each NEO, as applicable, with respect to 2019, 2018, and 2017 under the Annual Incentive Plan. Mr. Pimentel, who retired in 2019, did not receive annual incentive compensation with respect to 2019.

(6) NextEra Energy maintains both defined benefit and defined contribution retirement plans (as described in Compensation Discussion & Analysis—Post-Employment Compensation—Retirement Programs, in NextEra's 2020 DEF 14A filing). Company contributions to defined benefit and defined contribution retirement plans (both qualified and nonqualified) are allocated between the columns "Change in pension value and nonqualified deferred compensation earnings" and "All other compensation," respectively.

(7) All amounts in this column reflect the one-year change in the present value of each NEO's accumulated benefit under the tax-qualified defined benefit employee pension plan and the Supplemental Executive Retirement Plan (SERP), except for Mr. Pimentel, whose amount only reflects the change in the pension plan. Mr. Pimentel received a lump sum payment for the SERP of $2,821,667 in October 2019 and thus, on December 31, 2019, Mr. Pimentel no longer had a balance in the SERP. The Deferred Compensation Plan does not permit above-market interest to be credited and, therefore, no above-market interest was credited in 2019, 2018, and 2017.

(8) Additional information about the amounts for 2019 set forth in the "All Other Compensation" column may be found in the table "All other NextEra Energy executive compensation, 2019".

(9) In accordance with SEC rules, for 2019, NextEra Energy's last completed fiscal year, the ratio of the total compensation of Mr. Robo, the PEO, to NextEra Energy's median employee's annual compensation was 168 to 1. The median employee's annual total compensation was $129,735. The total annual compensation of the PEO for purposes of calculating the pay ratio was $21,877,597. As permitted by SEC rules, NextEra is using the same median employee in its pay ratio calculation for 2019 as it used for 2018. NextEra stated it believes that there have not been any changes in its employee population or employee compensation arrangements since 2018 that would significantly impact its pay ratio for 2019. NextEra previously identified its median employee for 2018 from its employee population as of December 31, 2018. On that date, NextEra Energy had 14,148 U.S.-based active employees. NextEra Energy had 105 employees in Canada and 69 employees in Spain (total of 174 employees) that were excluded in accordance with SEC rules from the median employee determination as they represented less than 5% of the company's workforce. The compensation measure used to identify the median employee was total cash compensation, and no employee's compensation was annualized. Total cash compensation is the predominant form of employee remuneration at NextEra. For the previously identified median employee, all of the elements of the employee's 2019 compensation were combined in accordance with the applicable SEC rules.
(10) Effective March 1, 2019, Mr. Pimentel retired, Mr. Ketchum was appointed President and CEO of NextEra Energy Resources, and Mrs. Kujawa was appointed Executive Vice President, Finance and Chief Financial Officer. Mr. Ketchum previously served as Executive Vice President, Finance and Chief Financial Officer of NextEra Energy and FPL. Mrs. Kujawa and Mr. Sieving became NEOs in 2019. Therefore, in accordance with SEC rules, only 2019 compensation is presented.
(11) Mr. Pimentel retired from the company on March 1, 2019. The salary shown for 2019 includes the amount earned by Mr. Pimentel in 2019, when his annual base salary rate was $1,074,900.
Source: 2020 NextEra Energy Securities and Exchange Commission Form DEF 14A filing

Table 42: NextEra Energy Board compensation, 2019

Name	Fees earned or paid in cash (1)	Stock awards (2)	Option awards	Non-equity incentive plan compensation	Change in pension value and nonqualified deferred compensation earnings	All other compensation (4)(5)	Total
Sherry S. Barrat	$132,000	$166,175	-	-	-	-	$298,175
James L. Camaren	$128,000	$166,175	-	-	-	-	$294,175
Kenneth B. Dunn	$140,000	$166,175	-	-	-	$10,000	$316,175
Naren K. Gursahaney	$136,000	$166,175	-	-	-	-	$302,175
Kirk S. Hachigian	$148,000	$166,175	-	-	-	-	$314,175
Toni Jennings	$136,000	$166,175	-	-	-	$10,000	$312,175
Amy B. Lane	$147,000	$166,175	-	-	-	-	$313,175
Rudy E. Schupp	$160,000	$166,175	-	-	-	-	$326,175
John L. Skolds	$156,000	$166,175	-	-	-	-	$322,175
William H. Swanson	$165,000	$166,175	-	-	-	$20,000	$351,175
Hansel E. Tookes, II	$132,000	$166,175	-	-	-	-	$298,175
Darryl L. Wilson	$126,000	$166,175	-	-	-	-	$292,175

(1) In 2019, Ms. Jennings elected to defer $15,000 each quarter of her annual retainer.
(2) Non-employee directors of NextEra Energy received shares of NextEra Energy common stock in an amount determined by dividing $165,000 by the closing price of the common stock on the date of grant, rounded up to the nearest ten shares. On February 14, 2019, each non-employee director then in office received a grant of 910 shares of stock valued at $182.61 per share, which Ms. Lane and Mr. Tookes elected to defer. Dividends are paid on the shares in cash. Dividends on deferred shares are credited to the participant's account under the Deferred Compensation Plan. The amounts in this column represent the aggregate grant date fair value of equity-based compensation awards granted during 2019 to each non-employee director valued in accordance with applicable SEC and accounting rules. For the February 2019 equity compensation award, the grant date fair value was $166,175 per director.
(3) As of December 31, 2019, the following directors had unvested restricted stock awards outstanding awarded in connection with their initial election to the Board: Ms. Lane, 1,310. (See Common Stock Ownership of Certain Beneficial Owners and Management in NextEra's 2020 DEF 14A filing for complete March 23, 2020 balances.)
(4) In accordance with applicable SEC rules, perquisites and personal benefits with an aggregate value of less than $10,000 are omitted.
(5) Includes matching contributions to educational institutions on behalf of each of Messrs. Dunn and Swanson and Ms. Jennings made under the NextEra Energy Foundation's matching gift program, which is available to all employees and directors. The matching contribution on behalf of Mr. Swanson matched eligible contributions made by Mr. Swanson in 2018 and 2019.
Source: 2020 NextEra Energy Securities and Exchange Commission Form DEF 14A filing

Table 43: All other NextEra Energy executive compensation, 2019

Name	Total from summary compensation table	Contributions to defined contribution plans (1)	Perquisites and other personal benefits (2)
James L. Robo	$380,944	$281,620	$99,324
Rebecca J. Kujawa	$66,153	$40,776	$25,377
John W. Ketchum	$160,341	$98,292	$62,049
Eric E. Silagy	$175,873	$124,126	$51,747
Manoochehr K. Nazar	$158,775	$110,504	$48,271
Charles E. Sieving	$138,999	$96,862	$42,137
Armando Pimentel, Jr.	$101,042	$81,393	$19,649
(1) NextEra Energy maintains both defined benefit and defined contribution retirement plans. Amounts attributable to the defined benefit plans are reported in the 2019 Summary Compensation Table under the column, "Change in pension value and nonqualified deferred compensation earnings." Amounts attributable to the defined contribution plans are reported under the column, "All other compensation," and are further described in the Additional Disclosure Related to Pension Benefits Table in NextEra's 2020 DEF 14A filing. This column includes employer matching contributions to the company's qualified 401(k) plan of $13,300 for each NEO, except for Mr. Pimentel, for whom an employer matching contribution of $2,558 was made, plus the company's contributions to the nonqualified defined contribution portion of the SERP.			

(2) This column includes the aggregate incremental cost to NextEra Energy of providing personal benefits to the NEOs. For each NEO, the personal benefits reported for 2019 in this column include: annual premiums for $5 million in umbrella coverage under a group personal excess liability insurance policy; reimbursement for professional financial planning and legal services; for all NEOs other than Mr. Robo and Mrs. Kujawa, the cost of the officer's participation in an executive vehicle program, which includes use of a company-leased passenger vehicle, fuel and other ancillary costs (the incremental cost incurred for which was $24,794 for Mr. Ketchum, $27,475 for Mr. Silagy, $28,980 for Mr. Nazar, $23,051 for Mr. Sieving, and $7,447 for Mr. Pimentel); for Mr. Robo, a vehicle allowance; for Mrs. Kujawa, a perquisite allowance of $24,231; for Mr. Robo, fees paid for travel programs such as airline memberships and hospitality room memberships; and, for Messrs. Robo, Silagy, Nazar, and Sieving, costs for maintenance of a residential home security system and central station monitoring. For Messrs. Ketchum, Nazar, and Pimentel, the personal benefits reported in this column also include the costs of participation in a voluntary annual executive physical examination, including lodging costs and related expenses. For all NEOs, the personal benefits reported in this column also include premiums for a life insurance benefit in an amount equal to 2.5 times salary. For all NEOs, the personal benefits reported in this column also include the incremental cost to the company for personal use of company-owned aircraft, which is the variable operating costs of such use, net of payments to the company by or on behalf of the NEOs, as is generally required by company policy for such personal use. Variable operating costs include fuel, trip-related maintenance, crew travel expenses, on-board catering, landing fees, trip-related hangar/parking costs, excise taxes, and other miscellaneous variable costs. The total annual variable costs are divided by the annual number of statute miles the company aircraft flew to derive an average variable cost per mile. The incremental cost incurred was $48,640 for Mr. Robo.
Source: 2020 NextEra Energy Securities and Exchange Commission Form DEF 14A filing

PPL

PPL is a utility company that serves electric and gas customers across Pennsylvania and Kentucky. PPL also serves electric customers in the United Kingdom. PPL's executive compensation consists of three elements: base salary, annual incentive awards, and long-term incentive awards.

Base pay made up 15% of former CEO William H. Spence's[8] compensation, 28% of the CFO's compensation, 23% of the COO's compensation, and 29% of the compensation for all other named executives officers (NEOs) in 2019.

Annual incentive awards for all NEOs, except Chairman of the Board, Chief Executive Officer and President of LG&E and KU Energy Paul Thompson, and President of PPL Electric Utilities Corporation Gregory Dudkin, were determined by corporate earnings per share (EPS), weighted at 80%, and corporate operational goals, weighted at 20% in 2019. The operational goals comprise items such as customer satisfaction, system reliability, and forced outage rate. The corporate EPS target for 2019 was $2.40.

Thompson and Dudkin are the executives in charge of PPL's electric subsidiaries. Their annual incentive awards were determined by corporate EPS, weighted at 40%; corporate operational goals, weighted at 10%; net income for their subsidiary, weighted at 40%; and subsidiary operational goals, weighted at 10% in 2019. The subsidiary operational goals comprised items such as customer satisfaction and system reliability. The 2019 net income goal was $441 million at Thompson's subsidiary and $445 million at Dudkin's.

The annual incentive awards made up 20% of Spence's compensation, 21% of the CFO's compensation, 22% of the COO's compensation, and 23% of the compensation for all other NEOs in 2019.

The long-term incentive rewards executives with ownership of stock based on return on equity (ROE), which is weighted at 40%, and total shareholder return (TSR) over a three-year period, which is weighted at 40%. The remaining 20% of the long-term incentive is an automatic, non-performance based grant of stock which vests over a three-year period.

The long-term incentive makes up 65% of the CEO's compensation, 51% of the CFO's compensation, 55% of the COO's compensation, and 48% of the compensation for all other NEOs.

[8] Effective June 1, 2020, former PPL President and Chief Operating Officer Vincent Sorgi succeeded Spence as President and CEO of PPL Corporation. Spence became Non-Executive Chairman of PPL's Board of Directors.

The Board of Directors' Compensation Committee has the responsibility to review and evaluate the performance of the CEO and other executive officers of the company, including setting goals and objectives, and approving their compensation, including incentive awards.

The Compensation Committee retained Frederic W. Cook & Co., Inc. as its independent executive compensation consultant.

PPL uses the Philadelphia Stock Exchange Utility Index (UTY) to determine its TSR performance. TSR determines a portion of PPL's long-term incentive award.

PPL bases 40% of its NEOs' long-term incentives on ROE, which measures how much a utility is allowed to earn in profits on capital expenditures, and is determined by state regulators.

PPL's subsidiaries have some of the highest ROEs in the nation, and its compensation policy incentivizes executives to lobby regulators for even higher regulated rates of return, as well as to increase capital expenditures to attain those rates. In 2019, PPL increased the ROE achievement required for executives to receive their target payout from 10% to 11%, and increased the ROE achievement required for their maximum payout from 14% to 15%. Additionally, for performance periods beginning in 2020, PPL added a requirement that PPL's ROE from ongoing operations be in the top half of companies in the UTY in order for the ROE-based performance units to pay above target.

PPL said that its Electric subsidiary exceeded its 2019 ongoing net income target primarily due to "*higher electricity usage* and effective cost management" (emphasis added). In other words, some of PPL's compensation structure functionally disincentivized its NEOs from investing in energy conservation and efficiency.

PPL has established a voluntary corporate goal to reduce CO2 emissions 80% from 2010 levels by 2050, yet the company does not incentivize any of its executives for progress toward this goal. PPL's corporate goal is inconsistent with pathways to limit global warming to 2 degrees Celsius or below.

CEO compensation ranking among utilities studied, 2019	13/19
Compensation ratio: CEO to median employee, 2019	96:1
Percent change in CEO compensation, 2017-2019	+4.4% ($602,236)

Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is PPL's executive compensation structure aligned with decarbonization?	No. PPL does not incentivize any executive for progress toward its carbon reduction goal. Moreover, PPL says that its electric unit exceeded its ongoing net income target in 2019 primarily due to *higher electricity usage* and effective cost management. In other words, some of PPL's compensation structure functionally disincentivized its NEOs from investing in energy conservation and efficiency.
Is there evidence from SEC filings that PPL is using misleading financial metrics to determine executive compensation?	No.
What key perquisites or benefits do PPL executives receive?	PPL provides its executives with financial planning and tax preparation up to an aggregate cost of $11,000 per year, and estate planning up to $5,000. Additionally, each NEO is eligible for an executive physical, up to an aggregate cost of $6,000 every two years, and genetic testing not to exceed $5,000.

Table 44: PPL executive compensation, 2017-2019

Name and principal position (1)	**Year**	**Salary (2)**	**Stock awards (3)**	**Non-equity incentive plan compensation (4)**	**Change in pension value and nonqualified deferred compensation earnings (5)**	**All other compensation (6)**	**Total**	**Total without change in pension value (7)**
William H. Spence	2019	$1,184,580	$5,663,150	$2,867,395	$4,299,219	$128,223	$14,142,567	$9,843,348
Chairman and Chief Executive Officer	2018	$1,184,580	$5,740,353	$2,690,277	$1,602,097	$121,478	$11,338,785	$9,736,688
	2017	$1,183,469	$8,555,315	$2,255,772	$1,417,579	$128,196	$13,540,331	$12,122,752
Joseph P. Bergstein, Jr.	2019	$399,720	$603,465	$516,885	$677,931	$27,440	$2,225,441	$1,547,510
Senior Vice President and Chief Financial Officer								

Vincent Sorgi	2019	$644,678	$1,575,013	$1,089,766	$1,355,645	$66,307	$4,731,409	$3,375,764
President and Chief Operating Officer	2018	$564,543	$1,303,054	$733,397	$278,310	$55,891	$2,935,195	$2,656,885
	2017	$549,039	$1,783,550	$598,488	$709,887	$58,544	$3,699,508	$2,989,621
Paul W. Thompson	2019	$642,563	$1,025,636	$985,249	$2,699,085	$68,430	$5,420,963	$2,721,878
Chairman of the Board, Chief Executive Officer, and President - LG&E and KU Energy LLC (LKE)	2018	$618,846	$953,019	$920,564	$201,687	$54,444	$2,748,560	$2,546,873
Joanne H. Raphael	2019	$587,461	$1,128,342	$816,088	$1,923,130	$52,963	$4,507,984	$2,584,854
Executive Vice President, General Counsel, and Corporate Secretary	2018	$529,231	$988,567	$644,824	$796,734	$40,835	$3,000,191	$2,203,457
Gregory N. Dudkin	2019	$588,731	$1,128,314	$709,605	$810,821	$23,290	$3,260,761	$2,449,940
President - PPL Electric Utilities Corporation	2018	$559,423	$1,056,400	$661,606	$299,524	$19,733	$2,596,686	$2,297,162
	2017	$544,247	$1,555,810	$536,498	$589,068	$19,662	$3,245,285	$2,656,217

(1) This column reflects the title of each NEO as of December 31, 2019. Effective January 25, 2019, Mr. Sorgi and Ms. Raphael were promoted to Executive Vice President from Senior Vice President. Effective July 1, 2019: (a) Mr. Spence's title changed from Chairman, President, and CEO to Chairman and CEO; (b) Mr. Bergstein was promoted to Senior Vice President and CFO from Vice President-Investor Relations and Corporate Development & Planning; and (c) Mr. Sorgi was promoted to President and COO from Executive Vice President and CFO. Effective June 1, 2020, Mr. Spence was succeeded as CEO by Mr. Sorgi.

(2) Salary includes cash compensation deferred to the PPL Executive Deferred Compensation Plan or, for Mr. Thompson, to the LG&E and KU Nonqualified Savings Plan. The following NEOs deferred salary in 2019 in the amounts indicated: Mr. Spence ($35,538); Mr. Bergstein ($23,983); Mr. Sorgi ($19,341); Mr. Thompson ($35,692); and Ms. Raphael ($17,624). These amounts are included in the "Nonqualified Deferred Compensation in 2019" table on page 66 of PPL's 2020 DEF 14A filing as executive contributions for the last fiscal year.

(3) This column represents the aggregate grant date fair value of restricted stock units and performance units as calculated under ASC Topic 718, without taking into account estimated forfeitures. The grant date fair value of restricted stock units is calculated using the closing price of PPL common stock on the NYSE on the date of grant. The grant date fair value of the performance units reflected in this column are the target payouts based on the probable outcome of the performance condition, determined as of the grant date, and are disclosed in the "Grants of Plan-Based Awards During 2019" table on page 56 of PPL's 2020 DEF 14A filing. The maximum potential values as of the grant date of the TSR-based performance units granted in 2019 assuming the highest level of performance are as follows: Mr. Spence — $4,929,538; Mr. Bergstein — $525,297; Mr. Sorgi — $1,370,987; Mr. Thompson — $892,773; Ms. Raphael — $982,149; and Mr. Dudkin — $982,150. The maximum potential values as of the grant date of the ROE-based performance units granted in 2019 assuming the highest level of performance are as follows: Mr. Spence — $4,264,507; Mr. Bergstein $454,422; Mr. Sorgi — $1,186,026; Mr. Thompson — $772,332; Ms. Raphael — $849,648; and Mr. Dudkin — $849,651. For additional information on the assumptions made in the valuation of performance units, refer to Note 10 to the PPL financial statements in the Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as filed with the SEC. Further information regarding the 2019 awards is included in the "Grants of Plan-Based Awards During 2019" and "Outstanding Equity Awards at

Fiscal Year-End 2019" tables elsewhere in PPL's 2020 DEF 14A filing.
(4) Amounts represent cash awards paid in March 2020 for performance under the company's annual cash incentive award program for 2019, which were made under PPL's 2016 Short-term Incentive Plan for all NEOs. These amounts include amounts the NEOs have elected to defer to the PPL Executive Deferred Compensation Plan or, for Mr. Thompson, to the LG&E and KU Nonqualified Savings Plan. The following NEOs deferred cash awards in the amounts indicated: Mr. Spence ($86,022); Mr. Bergstein ($129,221); Mr. Sorgi ($108,977); Mr. Thompson ($59,115); Ms. Raphael ($24,483); and Mr. Dudkin ($21,288). These amounts will be included in the "Nonqualified Deferred Compensation in 2020" table as executive contributions in PPL's 2021 DEF 14A filing if the executive is an NEO for 2020.
(5) This column represents the sum of the changes during 2019 in the actuarial present value of accumulated benefit in the PPL Retirement Plan and PPL Supplemental Executive Retirement Plan (PPL SERP) for Messrs. Spence, Sorgi, and Dudkin, and Ms. Raphael, the PPL Retirement Plan and PPL Supplemental Compensation Pension Plan for Mr. Bergstein and the LG&E and KU Retirement Plan and the LG&E and KU Supplemental Executive Retirement Plan for Mr. Thompson. No above-market or preferential earnings under the PPL Executive Deferred Compensation Plan, the LG&E and KU Nonqualified Savings Plan, or the LG&E Energy Corp. Nonqualified Savings Plan were reportable for 2019. See "Nonqualified Deferred Compensation in 2019" beginning on page 65 of PPL's 2020 DEF 14A filing.
(6) The table "All other PPL executive compensation, 2019" reflects the components of this column for 2019, which include the company's matching contribution for each individual's 401(k) plan contributions under respective savings plans, the company's matching contribution for each individual's contributions under nonqualified deferred compensation plans (NQDC), and certain perquisites including financial planning and tax preparation services, executive physicals, and other personal benefits, as noted.
(7) In order to show the effect that the year-over-year change in pension value had on total compensation, as determined under applicable SEC rules, PPL has included an additional column to show total compensation minus the change in pension value. The amounts reported in the "Total without change in pension value" column may differ substantially from the amounts reported in the "Total" column required under SEC rules and are not a substitute for total compensation. "Total without change in pension value" represents total compensation, as determined under applicable SEC rules, minus the change in pension value reported in the "Change in pension value and nonqualified deferred compensation earnings" column. The change in pension value is subject to many external variables, such as interest rates, assumptions about life expectancy, and changes in the discount rate determined at each year end, which are functions of economic factors and actuarial calculations that are not related to the company's performance and are outside of the control of the Compensation Committee.
Source: 2020 PPL Securities and Exchange Commission Form DEF 14A filing

Table 45: PPL Board compensation, 2019

Name	Paid in cash (1)	Deferred into restricted stock units (2)	Total	Stock awards (3)	All other compensation (4)	Total
Rodney C. Adkins (5)	$55,000	-	$55,000	$70,000	-	$125,000
John W. Conway	$140,000	-	$140,000	$140,000	-	$280,000
Steven G. Elliott	$135,000	-	$135,000	$140,000	$10,000	$285,000
Raja Rajamannar	$110,000	-	$110,000	$140,000	-	$250,000
Craig A. Rogerson	-	$130,000	$130,000	$140,000	-	$270,000
Natica von Althann	$130,000	-	$130,000	$140,000	$5,000	$275,000
Keith H. Williamson	$110,000	-	$110,000	$140,000	$10,000	$260,000
Phoebe A. Wood	$115,000	-	$115,000	$140,000	$10,000	$265,000
Armando Zagalo de Lima	-	$110,000	$110,000	$140,000	-	$250,000

(1) This column reports the dollar amount of retainers either actually paid in cash or voluntarily deferred into cash accounts under the Directors Deferred Compensation Plan (DDCP) for Board and committee service by each director for 2019. Ms. Wood voluntarily deferred $57,500 into a deferred cash account under the DDCP. The cash retainers for the committee chairs were: Mr. Elliott (Audit — $25,000); Mr. Rogerson (Compensation — $20,000); Ms. von Althann (Finance — $20,000); and Ms. Wood (GNC — $20,000, of which Ms. Wood received $5,000 when the GNC was formed on October 1, 2019). Mr. Conway received a $30,000 retainer for serving as the Lead Director.
(2) This column reports the dollar amount of retainers voluntarily deferred into deferred stock accounts under the DDCP.
(3) This column represents the grant date fair value of the mandatorily deferred portion of the annual retainer during 2019 as calculated under ASC Topic 718. The grant date fair value for the deferred stock units was calculated using the closing price of PPL common stock on the NYSE on the date of grant. All deferred stock units held in each director's deferred stock account are vested. As of December 31, 2019, the aggregate number of deferred stock units (including dividend equivalents) held by each current non-employee director was as follows: Mr. Conway — 155,237; Mr. Elliott — 46,748; Mr. Rajamannar — 42,614; Mr. Rogerson — 126,127; Ms. von Althann — 51,908; Mr. Williamson — 75,943; Ms. Wood — 9,621 and Mr. Zagalo de Lima — 45,845.
(4) This column reflects contributions made under PPL's charitable matching gift program. Non-employee directors are eligible to participate in PPL's charitable matching gift program on the same basis as employees. Under the program, PPL will contribute, on a 100% matching basis, up to $10,000 per year per person to specified charitable institutions.
(5) Mr. Adkins retired from the Board effective May 13, 2019.
Source: 2020 PPL Securities and Exchange Commission Form DEF 14A filing

Table 46: All other PPL executive compensation, 2019

Name	401(k) match	NQDC employer contributions	Financial planning and tax preparation	Executive physical	Other (1)(2)	Total
Spence	$8,400	$101,348	$11,000	$1,495	$5,980	$128,223
Bergstein	$8,400	$8,040	$11,000	-	-	$27,440
Sorgi	$8,400	$32,942	$11,000	$2,965	$11,000	$66,307
Thompson	$10,877	$54,774	$2,000	$779	-	$68,430
Raphael	$8,400	$28,568	$9,000	$1,495	$5,500	$52,963
Dudkin	$8,400	$595	$11,000	$3,295	-	$23,290

(1) Cost of residential security updates for Mr. Spence.

(2) For Mr. Sorgi and Ms. Raphael, includes contributions made by the company under PPL's charitable matching gift program, pursuant to which PPL will contribute, on a 100% matching basis, up to $10,000 per year per person to specified charitable institutions. For Mr. Sorgi, also includes a contribution through Dollars for Doers, the company's employee-volunteers recognition program, which supports those who volunteer at least 40 hours in a calendar year to a single nonprofit organization by contributing a $1,000 grant on their behalf to the qualifying organization.

Source: 2020 PPL Securities and Exchange Commission Form DEF 14A filing

PSEG

The executive compensation of PSEG, a utility providing electric and gas service across New Jersey and portions of New York City and Long Island, consists of four main components: 1) fixed base salary, 2) annual cash incentive, 3) equity-based long-term incentive, and 4) perquisites and retirement/post-employment benefits. Both the annual and long-term incentives are performance-based.

The majority of the compensation mix is performance-based, with 70% of the CEO's compensation comprised of long-term incentives, 17% of annual cash incentives, and 13% of base salary. The average pay mix for the other named executive officers (NEOs) is 53% long-term incentives, 20% annual cash incentives, and 27% base salary.

The annual cash incentive is evaluated based on achievement of specific performance goals relating to four factors: corporate earnings per share (EPS), as determined by non-Generally Accepted Accounting Principles (GAAP); business unit earnings; business unit scorecard and strategic goals; and individual performance. Participants also have "People Strong" goals that support strategic initiatives, including environmental, social, and governance-related (ESG) priorities. These focus on the following categories: "People," "Safe and Reliable," and "Economic and Greener Energy," which are benchmarked, when possible, against a group of peer utility industry companies which PSEG chooses and re-evaluates yearly. PSEG sets its targets according to the top quartile of that comparison, or the top decile for safety-related measures.

A larger percentage of the CEO's compensation is tied to additional strategic objectives focused more broadly on "Operational Excellence," "Financial Strength," and "Disciplined Investments." "Operational Excellence" pertains to 1) achieving top quartile performance in providing safe, reliable, economic, and greener energy in comparison to its peer group; 2) continuously improving operations through a culture that recognizes diversity and inclusion; and 3) attracting, developing, and retaining a high-performing and diverse workforce.

The long-term incentive plan is based upon performance share units (PSUs) and restricted stock units (RSUs), with a pay mix for NEOs of 70% PSUs and 30% RSUs. PSUs are measured over a three-year period based 50% upon total shareholder return (TSR) versus PSEG's peers and 50% on return on investment capital (ROIC) versus its peers, with the opportunity to earn between zero and 200% of the target. RSUs "cliff vest" (i.e. the executive earns the right to the full benefit) at the end of three years, unless the executive is retirement-eligible, in which case RSUs vest one-twelfth per month over one year.

CEO compensation ranking among utilities studied, 2019	14/19
Compensation ratio: CEO to median employee, 2019	92:1
Percent change in CEO compensation, 2017-2019	+23.1% ($2,453,112)
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is PSEG's executive compensation structure aligned with decarbonization?	Not directly. PSEG has a general goal that mentions "greener energy" as part of its annual cash incentive, which itself forms no more than 20% of NEOs' compensation. The company does not provide any specific detail on how it measures its "greener energy" metric. No incentives directly reward decreased carbon emissions.
Is there evidence from SEC filings that PSEG is using misleading financial metrics to determine executive compensation?	Yes. PSEG excluded plant retirements and dispositions as "one-time items" in calculating its executive compensation for 2019. These exclusions were part of the adjusted operating earnings, which helped increase executive payouts.
What key perquisites or benefits do PSEG executives receive?	These include an automobile stipend (and for the CEO, a driver), parking, reimbursement of relocation expenses, annual physical examinations, limited personal and spousal travel including use of aircraft (in accordance with company policy and with CEO approval), home security, limited personal technology, charitable contributions on behalf of individual executives, limited club memberships, limited reimbursement of credit card annual fees, limited personal entertainment, and non-qualified supplemental retirement benefits. No NEO received an individual perquisite in 2019 that exceeded the greater of $25,000 or 10% of the NEO's total perquisite and personal benefit amount.

Table 47: PSEG executive compensation, 2017-2019							
Name and principal position (1)	**Year**	**Salary (2)**	**Stock awards (3)**	**Non-equity incentive plan compensation (4)**	**Change in pension value and non-qualified deferred compensation earnings (5)**	**All other compensation (6)(7)**	**Total**
Ralph Izzo	2019	$1,380,000	$7,395,089	$2,052,800	$2,186,000	$60,338	$13,074,227
Chairman of the Board, President, and CEO	2018	$1,340,000	$6,985,019	$2,036,800	-	$57,472	$10,419,291
	2017	$1,300,000	$6,500,069	$1,803,800	$963,000	$54,246	$10,621,115
Daniel J. Cregg	2019	$660,200	$1,400,063	$599,200	$712,000	$31,057	$3,402,520
Executive Vice President and Chief Financial Officer	2018	$628,700	$1,200,039	$594,100	$95,000	$28,929	$2,546,768
	2017	$585,000	$1,000,041	$511,200	$483,000	$28,960	$2,608,201
Ralph A. LaRossa	2019	$737,700	$1,400,063	$608,600	$1,281,000	$28,559	$4,055,922
President and Chief Operating Officer (Power)	2018	$719,700	$4,400,095	$597,500	$1,770,000	$27,292	$7,514,587
	2017	$704,808	$1,300,050	$602,000	$777,000	$47,590	$3,431,448
Tamara L. Linde	2019	$620,000	$1,300,054	$562,700	$883,000	$29,974	$3,395,728
Executive Vice President and General Counsel	2018	$595,600	$1,200,039	$571,800	$54,000	$29,079	$2,450,518
	2017	$560,769	$1,000,041	$444,400	$528,000	$29,345	$2,562,555
David M. Daly	2019	$569,300	$1,100,050	$576,500	$550,000	$26,464	$2,822,314
President and Chief Operating Officer (PSE&G)	2018	$522,200	$850,033	$514,600	-	$25,929	$1,912,762
(1) Mr. LaRossa was elected President and COO of Power effective October 2, 2017; prior to that he was President and COO of PSE&G. Mr. Daly was not an NEO in 2017; he was elected to his position effective October 2, 2017.							
(2) Amounts shown are based on annualized salary. Mr. Cregg deferred $195,000, $129,944, and $232,000 of his 2019, 2018, and 2017 salary, respectively (see 2019 Non-Qualified Deferred Compensation Table in PSEG's 2020 DEF 14A filing).							

(3) The amounts shown reflect the grant date fair value of the awards. For a discussion of the assumptions made in valuation, see Note 20 to the Consolidated Financial Statements included in PSEG's 2019 Form 10-K. 2019, 2018, and 2017 LTIP awards were granted in February of each year. All 2019 awards are shown in the Grants of Plan Based Awards Table and discussed in the Executive Compensation section of PSEG's 2020 DEF 14A filing and consist of PSUs and RSUs. PSU value is shown at the target amount. Actual value of the shares received upon vesting of RSUs depends upon the price of PSEG's common stock. Payout value of the PSUs earned at the conclusion of the three-year performance period may be less than or exceed the grant date fair value, dependent upon achieving TSR and ROIC performance factors. The respective amounts shown in this table of PSEG's 2020 DEF 14A filing represent the grant date fair value of PSUs at target and maximum amounts.
(4) Amounts awarded were earned under the Annual Cash Incentive (SMICP) and determined and paid in the following year. Mr. Cregg deferred $179,760, $118,820, and $204,480 of his 2019, 2018, and 2017 SMICP, respectively.
(5) Includes the change in the actuarial present value of accumulated benefit under Defined Benefit Pension Plans and Supplemental Executive Retirement Plans between calendar years 2019 and 2018, 2018 and 2017, and 2017 and 2016, determined by calculating the benefit under the applicable plan benefit formula for each of the plans, measured at December 31 of each year, based on years of credited service, earnings in effect at the respective measurement dates, applicable interest rates, and other assumptions as discussed in Note 14 to the Consolidated Financial Statements included in PSEG's 2019 Form 10-K. If the aggregate change in pension plan values is negative, it is shown as zero. The changes are summarized in this table from PSEG's 2020 DEF 14A filing. Any interest earned under the Deferred Compensation Plan at the prime rate plus 1/2% did not exceed 120% of the applicable long-term rate for any of the NEOs in 2019, 2018, or 2017.
(6) For 2019, depending on the individual, includes perquisites and personal benefits which include (a) automobile, parking and related expenses, (b) physical examinations, (c) home security systems and services, (d) limited credit card annual fees, (e) limited personal entertainment, (f) limited airline club memberships, and (g) charitable contributions. For automobiles, the pro rata personal usage value of the vehicle lease cost based on the IRS Annual Lease Value Table was used or a stipend; for parking, the market value for the parking space was used; for the driver, actual pro-rata expense was used for the time devoted to CEO commuting and personal use. For all other items, actual expenses were used. No NEO received a perquisite in 2019 that exceeded the greater of $25,000 or 10% of the NEO's total perquisite and personal benefit amount.
(7) Includes the employer matching contribution to PSEG's 401(k) Plan at the same percentage generally available to all non-represented employees. For 2019, these amounts are summarized in this table from PSEG's 2020 DEF 14A filing.
Source: 2020 PSEG Securities and Exchange Commission Form DEF 14A filing

Table 48: PSEG Board compensation, 2019

Name	Fees earned or paid in cash (1)	Stock awards (2)	All other compensation (3)	Total
Willie A. Deese	$155,000	$135,018	$150	$290,168
William V. Hickey	$158,333	$135,018	$150	$293,501
Shirley Ann Jackson	$203,333	$135,018	$150	$338,501
David Lilley (4)	$206,250	$135,018	-	$341,268
Barry H. Ostrowsky	$148,333	$135,018	$150	$283,501
Thomas A. Renyi (5)	$65,000	-	$10,150	$75,150
Laura A. Sugg	$135,000	$135,018	-	$270,018
John P. Surma	$12,917	-	-	$12,917
Richard J. Swift	$178,333	$135,018	-	$313,351
Susan Tomasky	$158,333	$135,018	$150	$293,501
Alfred W. Zollar	$160,000	$135,018	-	$295,018

(1) Includes all meeting fees, chair/committee retainer fees and the annual retainer, as described under How Our Directors Are Compensated in PSEG's 2020 DEF 14A filing, and reflects time served in a particular position throughout the year. Includes the following amounts deferred pursuant to the Directors' Deferred Compensation Plan, described in this table from PSEG's 2020 DEF 14A filing.
(2) For each, the grant date fair value of the award on May 1, 2019, equated to 2,297 stock units, rounded up to the nearest whole share, based on the then-current market price of the common stock of $58.78. In addition, each individual's account is credited with additional stock units on the quarterly dividend dates at the then-current dividend rate. This table from PSEG's 2020 DEF 14A filing shows outstanding stock units granted under the Directors' Equity Plan and restricted stock granted under the prior Stock Plan for Outside Directors, as of December 31, 2019.
(3) Consists of charitable contributions made PSEG us on behalf of each individual, including a special contribution in honor of Mr. Renyi's retirement.
(4) Due to an administrative oversight, $41,250 that was payable in 2018 was delayed and paid in 2019.
(5) Service on PSEG's Board ended in April 2019.
Source: 2020 PSEG Securities and Exchange Commission Form DEF 14A filing

Southern Company

Southern Company is a utility company that serves electric and gas customers across Alabama, Georgia, Mississippi, Tennessee, Virginia, and Illinois. Southern Company also operates an unregulated development arm, Southern Power, as well as all of the outstanding common stock or membership interests of Southern Company Services, Southern Linc, Southern Holdings, Southern Nuclear, PowerSecure, and other direct and indirect subsidiaries. Southern Company's executive compensation consists of three elements: base salary, annual incentive awards, and long-term incentive awards. Base pay makes up approximately 11% of executive compensation, annual incentives awards make up 15%, and long-term incentive awards make up 74%.

Southern Company CEO Thomas A. Fanning's pay skyrocketed 77.5%, or $12,162,957, from 2017 to 2019. In 2019, Fanning was the highest-paid utility CEO in America at a chart-topping $27,865,185 in total compensation.

The Board of Directors' Compensation Committee has the responsibility to determine and approve the CEO's compensation, and it reviews and approves recommendations from the CEO for compensation of the named executive officers (NEOs).

The Compensation Committee retained Pay Governance as its independent executive compensation consultant.

Southern Company uses two separate company peer groups to determine compensation. One group of peers is used to determine direct compensation and another group is used to compare total shareholder return (TSR). TSR is a portion of Southern's long-term incentive award.

Fanning and CFO Andrew Evans' annual incentive awards are based on adjusted earnings per share (EPS), weighted at 45%; operational performance targets such as generation availability, customer service, and Plant Vogtle construction execution, weighted at a total of 30%; and an individual evaluation conducted by the Compensation Committee, weighted at 25%.

Other NEOs' annual incentive awards consist of adjusted earnings per share, weighted at 25%; adjusted net income, weighted at 25%; operational performance targets, weighted at 25%; and an individual evaluation, weighted at 25%.

The adjusted EPS target for the annual incentive plan was set at $3.04 for 2019.

Southern's long-term incentive rewards executives with ownership of stock primarily based on relative TSR and consolidated return on equity (ROE) over a three-year performance period and a one-year cash from operations target. The 2017 to 2019 consolidated ROE target was 10.5%, and the relative TSR target was the 50th percentile as compared to its utility peer group. The cash from operations target for 2019 was $2.43 billion.

ROE measures how much a utility is allowed to earn in profits on capital expenditures.

The higher the ROE, which is regulated by state utility commissions in Southern's service territories, the more profit a company earns directly from ratepayers. Alabama Power is allowed one of the highest ROEs in the country at approximately 13.5%, despite Alabama being one of the poorest states in the country. Georgia Power is allowed to over-earn above its regulated ROE and retain some of these over-earnings as profit for the company. Executive incentives based on ROE, coupled with Southern's ability to retain over-earnings as profit, could encourage executives to push the company to lobby regulators for higher ROEs and for greater capital expenditures against customers' interests. They could also encourage executives to earn in excess of Southern's regulated ROE for personal gain.

In determining the EPS and ROE for compensation purposes, the Compensation Committee excluded most, if not all, of the items that might threaten the payout of an executive. For instance, the Compensation Committee excluded the impacts of the failed Kemper County coal gasification project in Mississippi and many of the impacts of the over-budget and behind-schedule construction project at Plant Vogtle.

Southern's CEO also receives 10% of his long-term incentive based on progress toward the company's greenhouse gas (GHG) goal. However, Southern's greenhouse gas target is a misnomer. It does not incent lower greenhouse gas emissions, but rather the addition of zero-emission capacity and the removal of coal; adding 3,080 MW of zero-emissions capacity and/or reduction of coal would qualify Fanning for 100% of his GHG bonus. The goal allows the CEO to receive a bonus even if Southern's total greenhouse gas emissions increases or if the company adds new fossil fuels to its generation mix. Southern is doing the latter currently, as its Alabama Power subsidiary is currently seeking to add 2,000 MW of gas capacity. (Gas is a fossil fuel that contributes to climate change when leaked and burned.) Southern does not compensate its other NEOs for the addition of zero-emissions capacity, the removal of coal, or any other greenhouse gas reduction target.

Some consumer advocates have questioned Southern's recovery of executive compensation costs from ratepayers. For instance, Chattanooga Gas Company, a subsidiary of Southern Company, sought approval for both short-term and long-term incentives for its executives and other high-ranking employees. The Tennessee Consumer Advocate opposed the company's proposal. The Tennessee Public Utility Commission ultimately allowed Chattanooga Gas to recover 50% of the short-term incentive in rates while rejecting the company's request for recovery of long-term incentives.

While Southern Company has maintained promised levels of executive compensation throughout the COVID-19 pandemic, it has also begun disconnecting customers who have been unable to pay their bills during the crisis. If CEO Fanning took just a 32% compensation cut from his 2019 amount - still leaving him with a compensation of $19 million - Southern could use the savings to immediately wipe out the debt of every single one of the 74,006 Georgia Power customer that was over 90 days in arrears on their bills as of the end of July 2020, according to data the company submitted to Georgia regulators. Instead, Georgia Power disconnected 13,000 customers in July, starting when regulators allowed a state moratorium on disconnections to expire on July 14, 2020.

CEO compensation ranking among utilities studied, 2019	1/19
Compensation ratio: CEO to median employee, 2019	166:1
Percent change in CEO compensation, 2017-2019	+77.5% ($12,162,957)
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is Southern's executive compensation structure aligned with decarbonization?	No. CEO Tom Fanning receives a bonus for the addition of zero-carbon emitting resources and the reduction of coal. However, Fanning is allowed to earn his bonus even with the addition of new fossil gas infrastructure to the Southern system. Other NEOs, including for Southern's operating companies, do not receive a bonus for any decarbonization activities.
Is there evidence from SEC filings that Southern is using misleading financial metrics to determine executive compensation?	Yes. As part of its determinations of EPS and ROE for performance goals from 2017 to 2019, Southern Company excluded legal expenses and tax impacts related to plants under construction. While the company did not name these plants, the exclusions likely refer to its Plant Vogtle nuclear facility in Georgia. Southern Company added that this exclusion included "additional equity return related to the Kemper IGCC [integrated gasification combined cycle] in 2017." Southern was forced by Mississippi regulators

	to write off $6.4 billion due to losses of the failed Kemper project. Southern Company is inconsistent with its selection of peer utilities depending on the compensation metric. Southern uses larger diversified corporations to help determine direct compensation, which could put upward pressure on its executive pay. However, it excludes those corporations and instead uses many smaller corporations to determine its total shareholder return benchmark, a key metric in determining executive bonuses.
What key perquisites or benefits do Southern executives receive?	Tom Fanning received a $127,372 value in approved personal use of corporate aircraft in 2019. NEOs can receive personal use of company-provided tickets for sporting and other entertainment events, spousal expenses related to business travel, non-qualified supplemental retirement benefits, and gifts distributed to and activities provided to attendees at company-sponsored events.

Table 49: Southern Company executive compensation, 2017-2019

Name (1)	Year	Salary	Stock awards (2)	Non-equity incentive plan compensation (3)	Change in pension value and nonqualified deferred compensation earnings (4)	All other compensation (5)	Total	Total without change in pension value (6)
Thomas A. Fanning	2019	$1,389,616	$10,836,513	$3,496,675	$11,927,890	$214,491	$27,865,185	$15,937,295
Chairman, President, and CEO, Southern Company	2018	$1,350,000	$9,112,550	$1,522,699	$880,693	$231,749	$13,097,691	$12,216,998
	2017	$1,340,000	$8,774,953	$1,298,700	$4,174,657	$113,918	$15,702,228	$11,527,571
Andrew W. Evans	2019	$825,354	$2,530,039	$1,104,896	$973,986	$49,489	$5,483,764	$4,509,778

Executive Vice President and CFO, Southern Company	2018	$800,000	$2,199,958	$1,177,078	$105,985	$104,703	$4,387,724	$4,281,739
	2017	$784,615	$2,399,974	$1,286,400	$474,941	$122,839	$5,068,770	$4,593,829
W. Paul Bowers	2019	$904,568	$2,761,923	$1,319,531	$3,816,375	$59,846	$8,862,243	$5,045,868
Chairman, President, and CEO, Georgia Power	2018	$885,171	$2,448,751	$837,743	$1,153,981	$51,642	$5,377,288	$4,223,307
	2017	$859,486	$2,377,403	$1,135,359	$2,103,914	$53,783	$6,529,945	$4,426,031
Mark A. Crosswhite	2019	$825,158	$2,524,432	$1,129,045	$3,703,350	$52,679	$8,234,664	$4,531,313
Chairman, President, and CEO, Alabama Power	2018	$799,681	$2,216,483	$1,222,541	$672,043	$50,538	$4,961	$4,289,243
	2017	$758,588	$2,131,235	$996,588	$1,328,591	$46,466	$5,261,468	$3,932,877
Kimberly S. Greene	2019	$761,753	$1,987,512	$992,493	$1,301,978	$50,246	$5,093,982	$3,792,004
Chairman, President, and CEO, Southern Company Gas								

(1) Ms. Greene was not an NEO in 2017 or 2018.

(2) This column does not reflect the value of stock awards that were actually earned or received in 2019. Rather, as required by applicable rules of the SEC, this column reports the aggregate grant date fair value of performance shares and PRSUs granted in 2019. The value reported for the performance shares related to relative TSR and consolidated ROE is based on the probable outcome of the performance conditions as of the grant date, using a Monte Carlo simulation model and the closing price of common stock on the grant date. No amounts will be earned until the end of the three-year performance period on December 31, 2021. The value then can be earned based on performance ranging from 0% to 200%, as established by the Compensation Committee. The aggregate grant date fair value of the performance shares granted in 2019 assuming that the highest level of performance is achieved is as follows: Fanning — $14,813,008; Evans - $3,687,266; Bowers — $4,025,178; Crosswhite — $3,679,106; and Greene — $2,896,570. The value reported for the performance shares granted to Mr. Fanning related to the GHG reduction goals in 2019 is based on the closing price of common stock on the date of the grant. No amounts will be earned until the end of the three-year performance period on December 31, 2021. The value then can be earned based on performance ranging from 0% to 195%, as established by the Compensation Committee. The aggregate grant date fair value of the performance share granted to Mr. Fanning in 2019 related to the GHG reduction goals assuming the highest level of performance is achieved is $1,911,046. The amounts in this column also reflect the grant date fair value of PRSUs granted to all of the NEOs in 2019 as described in the CD&A in Southern's 2020 DEF 14A filing. The aggregate grant date fair value of the PRSUs granted in 2019 and reported in column (d) is as follows: Fanning — $2,449,985; Evans — $686,406; Bowers — $749,334; Crosswhite — $684,879; and Greene — $539,227. See Note 12 to the financial statements included in the 2019 annual report (10-K) for a discussion of the assumptions used in calculating these amounts.

(3) The amounts in this column reflect actual payouts under the annual Performance Pay Program. The amount reported for 2019 is for the one-year performance period that ended on December 31, 2019.

(4) This column reports the aggregate change in the actuarial present value of each NEO's accumulated benefit under the applicable Pension Plan and supplemental pension plans (collectively, Pension Benefits) as of December 31 of the applicable year. The Pension Benefits as of each measurement date are based on the NEO's age, pay, and service accruals and the plan provisions applicable as of the measurement date. The actuarial present values as of each measurement date reflect the assumptions the company selected for cost purposes as of that measurement date; however, the NEOs were assumed to remain employed at any company subsidiary until their benefits commence at the pension plans' stated normal retirement date, generally age 65. Pension values may fluctuate significantly from year to year depending on a number of factors, including age, years of service, annual earnings, and the assumptions used to determine the present value, such as the discount rate. For 2019, the discount rate assumption used to determine the actuarial present value of accumulated pension benefits, as required by SEC rules, was lower than in 2018. For Mr. Fanning, this lower discount rate assumption significantly increased the present value of the accumulated benefit. See page 59 of the CD&A in Southern's 2020 DEF 14A filing for more information regarding the amounts included in this column. This column also reports any above-market earnings on deferred compensation under the Deferred Compensation Plan. However, there were no above-market earnings on deferred compensation in the years reported. The values reported in this column are calculated pursuant to SEC requirements and are based on assumptions used in preparing the company's audited financial statements for the applicable fiscal years. The plans utilize a different method of calculating actuarial present value for the purpose of determining a lump sum payment, if any. The change in pension value from year to year as reported in the table is subject to market volatility and may not represent the value that an NEO will actually accrue or receive under the plans during any given year.
(5) The amounts reported in this column for 2019 are itemized in table "All other Southern Company executive compensation, 2019".
(6) In order to show the effect that the year-over-year change in pension value had on total compensation, as determined under applicable SEC rules, Southern has included an additional column to show total compensation without the change in pension value. The amounts reported in this additional column differ substantially from the amounts reported in the "Total" column required by SEC rules and are not a substitute for that amount. The change in pension value is subject to many external variables, such as interest rates, that are not related to company performance and does not represent compensation granted or received by the NEOs in the applicable year.
Source: 2020 Southern Company Securities and Exchange Commission Form DEF 14A filing

Table 50: Southern Company Board compensation, 2019

Name	Fees earned or paid in cash (1)	Stock awards (2)	All other compensation (3)	Total
Janaki Akella	$116,250	$140,000	-	$256,250
Juanita Powell Baranco	$110,000	$140,000	-	$250,000
Jon A. Boscia	$121,667	$140,000	-	$261,667
Henry A. Clark III	$110,000	$140,000	-	$250,000
Anthony F. Earley, Jr.	$110,000	$140,000	-	$250,000
David J. Grain	$130,000	$140,000	-	$270,000
Veronica M. Hagen	$45,833	$58,333	-	$104,167
Donald M. James	$110,000	$140,000	-	$250,000
John D. Johns	$130,000	$140,000	-	$270,000
Dale E. Klein	$127,917	$140,000	-	$267,917
Ernest J. Moniz	$127,917	$140,000	-	$267,917

William G. Smith, Jr.	$130,000	$140,000	-	$270,000
Steven R. Specker	$150,000	$140,000	-	$290,000
Larry D. Thompson	$120,000	$140,000	-	$260,000
E. Jenner Wood III	$110,000	$140,000	-	$250,000

(1) Includes amounts voluntarily deferred in the Director Deferred Compensation Plan.

(2) Represents the grant date fair market value of deferred common stock units.

(3) No non-employee Director of the company received perquisites in an amount above the reporting threshold.

Source: 2020 Southern Company Securities and Exchange Commission Form DEF 14A filing

Table 51: All other Southern Company executive compensation, 2019

Name	Perquisites (1)	Tax reimbursements	Company contribution to 401(k) plan	Company contribution to supplemental retirement plan	Total
Tom Fanning	$143,612	-	$14,280	$56,599	$214,491
Andrew Evans	$7,735	-	$13,942	$27,813	$49,489
Paul Bowers	$13,929	-	$14,064	$31,853	$59,846
Mark Crosswhite	$10,763	-	$14,113	$27,803	$52,679
Kimberly Greene	$11,637	-	$14,040	$24,569	$50,246

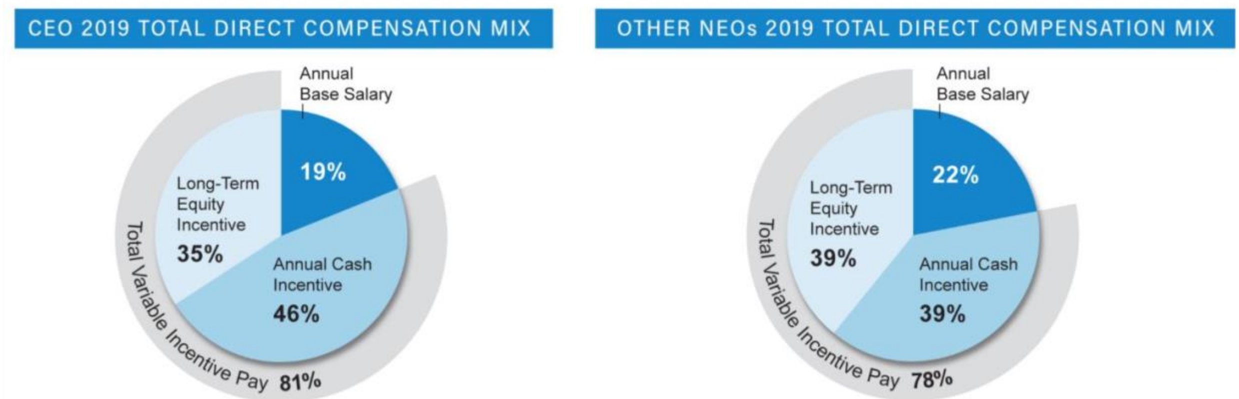
(1) "Perquisites" includes financial planning, personal use of corporate aircraft, and other miscellaneous perquisites. Financial planning is provided for most officers of the company, including all of the NEOs. The company provides an annual subsidy of up to $20,000 per year for Mr. Fanning and up to $15,000 per year for all other NEOs to be used for financial planning, tax preparation fees, and estate planning. The Southern Company system has aircraft that are used to facilitate business travel. All flights on these aircraft must have a business purpose, except limited personal use that is associated with business travel is permitted. The amount reported for such personal use is the incremental cost of providing the benefit, primarily fuel costs and airport costs as well as any incidental costs for the crew. Also, if seating is available, the company permits a spouse or other family member to accompany an employee on a flight. However, because in such cases the aircraft is being used for a business purpose, there is no incremental cost associated with the family travel, and no amounts are included for such travel. Any additional expenses incurred that are related to family travel are included. Southern says that its Compensation Committee recognizes that permitting limited personal use of system aircraft for certain executives allows the them to continue to perform their duties in a safe, secure environment and promotes safe and effective use of their time. For 2019, the Compensation Committee approved personal use of system air for Mr. Fanning. The amount included for Mr. Fanning includes $127,372 in approved personal use of corporate aircraft. Southern says that the personal safety and security of employees at home, at work, and while traveling is of utmost importance to the company. The amount reported for Mr. Fanning includes $7,065 related to personal security expenses. Given Mr. Fanning’s profile and high visibility, Southern says it believe that the costs of his security program are appropriate and a necessary business expense and that the company can benefit from the added security measures for him. Costs reported reflect the ongoing security services provided during 2019. Other miscellaneous perquisites include the full cost to the company of providing the following items: personal use of company-provided tickets for sporting and other entertainment events, spousal expenses related to business travel, and gifts distributed to and activities provided to attendees at company-sponsored events.

Source: 2020 Southern Company Securities and Exchange Commission Form DEF 14A filing

WEC Energy

WEC Energy is a Milwaukee-based utility holding company with electric and natural gas subsidiaries, including the Wisconsin electric and gas utility We Energies, and Peoples Gas, a Chicago gas utility. The corporation's executive compensation consists of three elements: base salary, annual incentive awards, and a long-term incentive award.

The base salary for WEC Energy executives is a fixed level of annual cash that is comparable to the market median of a comparison group of companies. In 2019, CEO J. Kevin Fletcher's base salary was $975,939. The base salary, however, is a fraction of Fletcher's and the other named executive officers' (NEOs') total compensation.



WEC Energy's compensation mix (2019). Source: WEC Energy's 2020 Proxy Statement

The primary driver of compensation, particularly for the CEO, is the annual cash incentive, which is referred to as the Short-Term Performance Plan (STPP). The Board's Compensation Committee approves a target level each year for each of the NEOs, along with several performance goals. The Committee's focus is on financial results; thus, it has made earnings per share (EPS) and cash flow the main metrics of the STPP, weighted at 75% and 25%, respectively. In 2019, the Committee set a maximum EPS threshold of $3.52 along with a $2 billion cash flow maximum threshold. WEC Energy's EPS was $3.58 and its cash flow was $2.3 billion, which satisfied the maximum payout level. Accordingly, the NEOs earned 200% of the target award.

Additionally, the Committee can increase or decrease NEOs' STPP payout by up to 10%, based on the company's performance in three additional areas: customer satisfaction (5% weight), safety (2.5% weight), and supplier and workforce diversity (2.5% weight). In 2019, the NEOs received only a 2.5% increase to the compensation awarded under the STPP. As a result, CEO Fletcher received $2,433,884 in total cash compensation under the STPP.

Operational Measure	Below Goal	Goal	Above Goal	Final Result
Customer Satisfaction Percentage of "Highly Satisfied":	-5.00%	0.00%	+5.00%	
Company	<77.1%	77.1% - 80.0%	>80.0%	80.5%
Transaction	<80.9%	80.9% - 83.5%	>83.5%	82.7%
Safety:	-2.50%	0.00%	+2.50%	
Lost Time Injury - Incidents	>54	33 - 54	<33	43
OSHA Recordable - Incidents	>182	128 - 182	<128	197
Diversity:	-2.50%	0.00%	+2.50%	
Supplier ($ in Millions)	<221.9	221.9 - 250.8	>250.8	282.6
Workforce - Assessment	Not Met	Met	Exceeded	Met

WEC Energy's operational performance metrics and results (2019). Source: WEC Energy's 2020 Proxy Statement

WEC Energy's long-term incentive compensation plan is primarily focused on rewarding NEOs with stocks based upon the company's total stockholder return (TSR), or the stock price appreciation plus reinvested dividends. The Compensation Committee amended the plan effective January 1, 2017 to provide for an additional incentive regarding the return on equity (ROE): "Utility net income is an important financial measure as it is an indicator of the return on equity earned by our utilities, and in order to meet our earnings per share targets it is important that our utilities earn at or close to their authorized rate of return."

The ROE measures how much a utility is allowed to earn in profits on capital expenditures, and is determined by state regulators. Using the ROE as a financial instrument to reward WEC Energy executives incentivizes WEC to increase its capital investments, and to lobby for WEC's regulators to increase the company's ROE at the expense of ratepayers.

If Actual Annual ROE is	The Annual Adjustment is	ROE Ranges
≤ 20 bp below the Authorized ROE	+ 3.33%	≥ 9.70%
21 - 30 bp below the Authorized ROE	0%	9.69% - 9.60%
> 30 bp below the Authorized ROE	(3.33)%	< 9.60%

WEC Energy executives are incentivized to achieve a >9.7% weighted average authorized return on equity ("ROE") from all utility subsidiaries. Source: WEC Energy's 2020 Proxy Statement

In 2019, WEC's utility subsidiaries achieved a weighted average authorized ROE of 10.34%. This resulted in a 3.33% increase in the vesting percentage of the performance units awarded in January 2019, January 2018, and January 2017.

Despite having a net carbon neutral by 2050 goal, WEC Energy's Compensation Committee does not have an emissions reduction incentive program for executives.

Executives are also provided with certain perquisites, such as financial planning services, annual physical exam costs not covered by insurance, limited spousal travel for business purposes, and dues and fees for club memberships. WEC Energy does not permit personal use of the airplane available to the company, but when traveling for business, spouses are allowed to accompany NEOs as long as the airplane is not fully utilized by company personnel. The company offers to pay club and membership dues because it has “found that the use of these facilities helps foster better customer and community relationships.”

CEO compensation ranking among utilities studied, 2019	17/19
Compensation ratio: CEO to median employee, 2019	73:1
Percent change in CEO compensation, 2017-2019	-32.1% ($4,380,136)
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is WEC’s executive compensation structure aligned with decarbonization?	No. There is no executive incentive for decarbonization, despite WEC’s 2050 net carbon neutrality goal.
Is there evidence from SEC filings that WEC is using misleading financial metrics to determine executive compensation?	No.
What key perquisites or benefits do WEC executives receive?	Executives receive complimentary financial planning, annual physical exam costs that are not covered by insurance, limited spousal travel on business trips, dues for club memberships, and non-qualified supplemental retirement benefits. If traveling outside the United States, then executives also receive health and safety services.

Table 52: WEC Energy executive compensation, 2017-2019

Name and principal position	**Year**	**Salary**	**Bonus (1)**	**Stock awards (2)**	**Option awards (3)**	**Non-equity incentive plan compensation (4)**	**Change in pension value and nonqualified deferred compensation earnings (5)**	**All other compensation (6)(7)**	**Total**	**Total without change in pension value**
J. Kevin Fletcher	2019	$975,939	-	$1,421,449	$385,495	$2,433,884	$3,958,141	$87,193	$9,262,101	$5,349,308
President and Chief Executive Officer	2018	$504,733	-	$521,122	$109,816	$792,078	$739,652	$52,100	$2,719,501	$2,023,895

	2017	$436,800	-	$535,648	$137,199	$633,095	$1,198,310	$44,062	$2,985,114	$1,800,225
Gale E. Klappa (8)	2019	$1,039,231	-	$1,052,213	$285,348	$2,147,112	$3,319,763	$360,277	$8,203,944	$5,012,243
Executive Chairman	2018	$1,425,000	-	$3,763,383	$793,166	$3,541,124	$158,568	$181,752	$9,862,993	$9,862,993
	2017	$2,225,000	-	$250,012	-	-	$2,529,057	$27,102	$5,031,171	$2,593,579
Scott J. Lauber	2019	$624,904	-	$969,107	$262,816	$1,012,500	$179,895	$93,413	$3,142,635	$2,983,624
Senior Executive Vice President and CFO	2018	$574,711	-	$858,790	$229,716	$952,418	$22,857	$76,186	$2,714,678	$2,714,678
	2017	$467,321	-	$534,890	$137,001	$764,441	$93,343	$66,124	$2,063,120	$1,977,525
Frederick D. Kuester (9)	2019	$804,846	-	$1,634,632	$443,330	$1,385,606	$1,321,225	$151,184	$5,740,823	$4,448,830
Senior Executive Vice President	2018	$638,481	-	$1,476,294	$297,827	$1,267,350	$33,485	$266,998	$3,980,435	$3,980,435
Margaret C. Kelsey (9)	2019	$540,651	-	$638,867	$173,264	$821,263	$162	$123,830	$2,298,037	$2,298,037
Executive Vice President, General Counsel, and Corporate Secretary	2018	$515,000	-	$596,445	$159,538	$746,535	$41	$88,223	$2,105,782	$2,105,782
Robert M. Garvin	2019	$457,956	$50,000	$473,476	$128,407	$602,869	$95,348	$79,102	$1,887,158	$1,795,310
Executive Vice President - External Affairs	2018	$441,462	-	$477,354	$127,639	$594,226	$75,976	$74,203	$1,790,860	$1,717,450
	2017	$428,604	-	$437,987	$112,203	$578,855	$80,450	$66,394	$1,704,493	$1,624,043

(1) This bonus amount reflects an adjustment made by the Board Compensation Committee to Garvin's 2019 annual short-term performance plan. The award is "to recognize Garvin's significant individual contributions and commitment to advancing the Company's legislative and regulatory matters in all four state jurisdictions."
(2) Stock amounts reported reflect the aggregate grant date fair value of performance units and/or restricted stock awarded to each NEO in the respective year for which such amounts are reported. The amounts reported for the performance units are based upon the probable outcome as of the grant date of associated performance and market conditions.
(3) The amounts reported reflect the aggregate grant date fair value of options awarded to each NEO in the respective year for which such amounts are reported. The actual value received by the executives from these awards may range from $0 to greater than the reported amounts, depending upon company performance.
(4) Consists of the annual incentive compensation earned under WEC Energy Group's annual short-term incentive program plan
(5) The amounts reported for 2019, 2018, and 2017 reflect the aggregate change in the actuarial present value of each applicable NEO's accumulated benefit under all defined benefit plans from December 31, 2018 to December 31, 2019, December 31, 2017 to December 31, 2018, and December 31, 2016 to December 31, 2017, respectively.
(6) Amounts include financial planning services and cost of an annual physical exam. Fletcher, Klappa, and Lauber were provided with membership in a service that provides healthcare and safety management when traveling outside the United States. Although Klappa utilized the benefit of spousal travel for business purposes in 2019, there was no associated cost to the company and Klappa was not eligible to receive reimbursement for taxes paid on imputed income attributable to him for such travel.
(7) Amounts also include employer contributions into the WEC Energy Group 401(k); tax reimbursements or "gross-ups" for all applicable perquisites; and Klappa's amount includes $24,562 attributable to WEC Energy Group's Directors' Charitable Awards Program in connection with his service on the Board of Directors.
(8) Klappa served as CEO of WEC Energy Group until February 1, 2019, which is also the effective date of Fletcher's appointment as CEO.
(9) Kuester, who was named Senior Executive Vice President effective March 1, 2018, and Kelsey, who was named Executive Vice President, General Counsel, and Corporate Secretary effective January 1, 2018, became named executive officers in 2018.
Source: 2020 WEC Energy Securities and Exchange Commission Form DEF 14A filing

Table 53: WEC Energy Board compensation, 2019

Name	**Fees earned or paid in cash**	**Stock awards (1)(2)**	**All other compensation**	**Total**
John F. Bergstrom (3)	$107,500	$286,873	$23,374	$417,747
Barbara L. Bowles	$115,000	$135,000	$21,947	$271,947
William J. Brodsky (3)	$100,000	$286,873	—	$386,873
Albert J. Budney, Jr.	$100,000	$135,000	—	$235,000
Patricia W. Chadwick	$100,000	$135,000	$20,608	$255,608
Curt S. Culver	$115,000	$135,000	$22,730	$272,730

Danny L. Cunningham	$100,000	$135,000	—	$235,000
William M. Farrow III	$100,000	$135,000	—	$235,000
Thomas J. Fischer	$120,000	$135,000	$23,374	$278,374
Maria C. Green	$25,000	—	—	$25,000
Henry W. Knueppel	$100,000	$135,000	—	$235,000
Allen L. Leverett (4)	—	—	—	—
Ulice Payne, Jr.	$107,500	$135,000	$16,710	$259,210
Mary Ellen Stanek	$100,000	$135,000	—	$235,000
(1) Other than Bergstrom (0 shares), Brodsky (0 shares), Green (0 shares), and Leverett (11,755 shares), each director held 2,037 shares of restricted stock as of the close of business on December 31, 2019.				
(2) The Compensation Committee accelerated the vesting of 1,966 shares of restricted stock to Bergstrom and Brodsky that were previously awarded to the two directors. The incremental fair value associated with each acceleration was $151,873, which is included in the reported amounts. It was awarded because of "exemplary service."				
(3) Bergstrom and Brodsky completed their service as directors at the Annual Meeting of Stockholders held on May 2, 2019.				
(4) Leverett resigned from the Board, effective July 18, 2019. Mr. Leverett did not receive any director compensation in 2019.				
Source: 2020 WEC Energy Securities and Exchange Commission Form DEF 14A filing				

Xcel Energy

Xcel Energy is an electric and gas utility company with customers in Colorado, Minnesota, Michigan, Wisconsin, New Mexico, South Dakota, North Dakota, and Texas. Xcel Energy's executive compensation includes a base salary (to reward "ongoing work performed"), annual incentives (to "reward short-term performance"), and long-term incentives (to "reward long-term performance").

In 2019 for CEO Ben Fowke, 13% of total compensation was made up of base salary, 16% of short-term incentives, and 71% of long-term incentives. For all other named executive officers (NEOs), 26% of total compensation was made up of base salary, 20% of short-term incentives, and 54% of long-term incentives.

Base salaries are set by the Governance, Compensation and Nominating Committee (GCN), and a "key consideration is the median base salary rates at peer companies, although the GCN has flexibility to review other relevant factors as outlined in our compensation philosophy."

Annual incentives for executives are up to 50% based on "superior financial performance as measured by ongoing EPS [earnings per share]." Up to 150% of targeted annual incentives are based on meeting operational objectives, which include customer satisfaction (per a J.D. Power residential survey), operations and management growth, employee safety (DART, or "Days Away; Restricted; Transferred"), public safety (gas emergency response), and Electric System Reliability (SAIDI, or System Average Interruption Duration Index).

Long-term incentives are 50% based on relative total shareholder return (TSR), 30% based on carbon emissions reduction, and 20% service-based, as a retention tool.

Xcel Energy is the only utility in this report with an executive compensation policy that clearly incentivizes decarbonization. The company's carbon emission reductions incentive program is "based on the achievement of a specified reduction in carbon dioxide emissions." For the three-year period ending in December 2019, the carbon emission reductions target (to receive 100% of the incentive) was a 33% reduction of CO_2 emissions, compared to 2005 levels. If the company had achieved a 36% CO_2 emissions reduction, that would have corresponded to 200% of the targeted incentive (the maximum payout), while achieving a 30% CO_2 emissions reduction was the minimum to receive any incentive, which would have corresponded to 30% of the targeted incentive. The company achieved a 33.8% emissions reduction, which resulted in executives attaining 127% of the targeted incentive. Xcel Energy has established a goal to reduce carbon emissions 80% by 2030 (from 2005 levels) and generate 100% carbon-free electricity by 2050.

For the three-year period ending in December 2021, the carbon emission reductions target (to receive 100% of the incentive) is a 47% reduction of CO_2 emissions from 2005 levels. If the company achieves a 51% CO_2 emissions reduction, that will correspond to executives attaining 200% of the targeted incentive (the maximum), while achieving a 43% CO_2 emissions reduction is the minimum to receive any incentive, which would translate to 30% of the targeted incentive.

Xcel Energy's carbon emission reductions incentive program constitutes 30% of executives' long-term incentive, which accounts for approximately 71% of the CEO's total compensation, and 54% of all other NEOs' total compensation. Therefore, the carbon emission reductions incentive program accounts for about 21% of the CEO's total compensation, and 16% of all other NEOs' total compensation - by far the most substantial decarbonization incentive among the utilities examined in this report.

While Xcel has maintained promised levels of executive compensation throughout the COVID-19 pandemic, it has also threatened to disconnect customers who have been unable to pay their bills during the crisis. Xcel could use half the compensation that it paid CEO Ben Fowke in 2019 - still leaving nearly $8.5 million for CEO compensation - to cover the arrearages of 23,173 residential gas and electric customers in Minnesota who were late on their payments as of the end of July 2020, according to data Xcel submitted to Minnesota regulators.

CEO compensation ranking among utilities studied, 2019	5/19
Compensation ratio: CEO to median employee, 2019	150:1
Percent change in CEO compensation, 2017-2019	+33.3% ($4,222,399)
Maximum payout of performance-based shares as a percentage of target, 2019	200%
Is Xcel's executive compensation structure aligned with decarbonization?	Yes. Xcel Energy's carbon emission reductions incentive program is "based on the achievement of a specified reduction in carbon dioxide emissions." The program accounts for about 21% of the CEO's total compensation, and 16% of all other NEOs' total compensation.
Is there evidence from SEC filings that Xcel is using misleading financial metrics to determine executive compensation?	No.

What key perquisites or benefits do Xcel executives receive?	Xcel minimizes executive perquisites compared to many of the other utilities in this report. It offers non-qualified supplemental retirement benefits for CEO Ben Fowke.

Table 54: Xcel Energy executive compensation, 2017-2019

Name and principal position	Year	Salary (1)	Bonus (2)	Stock awards (3)(4)	Non-equity incentive plan compensation (5)	Change in pension value and non-qualified deferred compensation earnings (6)(7)	All other compensation (8)	Total
Ben Fowke (9)	2019	$1,350,000	-	$7,750,015	$2,836,256	$4,898,003	$64,524	$16,898,798
Chairman and CEO	2018	$1,250,000	-	$7,125,029	$2,883,400	$830,215	$59,124	$12,147,768
	2017	$1,250,000	-	$6,500,012	$2,016,563	$2,854,922	$54,902	$12,676,399
Robert Frenzel (10)	2019	$650,000	-	$1,560,013	$787,849	$77,720	$28,402	$3,103,984
President and Chief Operating Officer	2018	$650,000	-	$1,954,029	$432,510	$54,281	$27,111	$3,117,931
	2017	$625,000	-	$1,698,003	$352,485	$52,034	$26,037	$2,753,559
Brett Carter (11)	2019	$550,000	$250,000	$1,260,031	$466,649	$54,141	$24,187	$2,605,008
Executive Vice President and Chief Customer and Innovation Officer	2018	$325,758	$250,000	$2,945,720	$434,728	$12,633	$220,584	$4,189,423
Kent Larson (12)	2019	$620,000	-	$1,250,007	$751,487	$555,933	$42,244	$3,219,671
Executive Vice President and Group President, Operations	2018	$600,000	-	$1,250,040	$798,480	$48,981	$26,846	$2,724,347
	2017	$575,000	-	$1,250,040	$656,571	$274,121	$25,742	$2,781,474
Scott Wilensky	2019	$575,000	-	$1,050,039	$650,480	$126,103	$27,461	$2,429,083
Executive Vice President and General Counsel	2018	$540,000	-	$1,000,042	$622,814	$53,849	$25,481	$2,242,186

	2017	$520,000	-	$925,039	$436,223	$118,647	$20,530	$2,020,439

(1) Amounts in this column reflect base salary earned for the corresponding year regardless of whether any portions were deferred under the 401(k) Savings Plan or otherwise.

(2) For Mr. Carter, this includes cash sign-on bonuses, which is subject to repayment of $250,000 if he terminates employment for any reason other than a termination without cause, on or prior to May 7, 2020.

(3) Amounts in this column reflect the aggregate grant date fair value of long-term incentive awards granted. The majority of the amounts in this column do not represent earned or paid compensation, as awards are still subject to performance and/or vesting conditions. The remaining amounts include awards earned under the annual incentive plan (AIP) that the executive officer elected to receive in shares of unrestricted and restricted common stock, in lieu of a portion of the cash payment. In each instance, the grant date fair value was computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures, as described below:

Restricted shares and unrestricted shares granted under the AIP are valued based on the closing price of Xcel Energy's common stock, as reported on the stock exchange where Xcel's stock was listed, on the trading date preceding the issuance date; shares are issued following the close of the performance year, and include a premium (5 percent for unrestricted common stock or 20 percent for restricted stock) for the election to receive shares of stock in lieu of cash.

The long-term incentive grants are valued based on the market price of Xcel's common stock on the grant date of the award, based on the assumption that target performance will be achieved or the service requirement will be met and the awards and future credited dividend equivalents will vest and will not be forfeited.

The aggregate grant date fair value of equity grants is equal to the closing price of Xcel Energy's common stock, as determined above. The aggregate grant date fair value of performance share awards granted in 2019 that have a variable vesting value, assuming the maximum performance conditions are achieved, is reflected in this table from Xcel's 2020 DEF 14A filing.

(4) For Mr. Carter, this represents long-term incentive awards for the performance periods of 2017-2019 and 2018-2020, an initial grant of common stock, a time-based restricted stock unit grant, and the value of Annual Incentive elected to be received as shares of common stock as described in footnote 3.

(5) Amounts in this column reflect annual incentive awards earned under Xcel's AIP, as more fully described in the Annual Incentive section on page 36 of Xcel's 2020 DEF 14A filing. The amounts in this column are part of the AIP earned, regardless of whether any portion was deferred under the Deferred Compensation Plan. These amounts do not include amounts that the executive elected to receive in shares of unrestricted stock and restricted shares in lieu of a portion of the cash payment. The value of stock received in lieu of the cash payment plus associated premiums are reflected in the "Stock awards" column for the respective years.

(6) Amounts in this column reflect the increase in the present value of the executive officer's benefits under all pension plans established by the company, using methods that are consistent with those used in Xcel's financial statements. The change from the prior year is generally due to (a) the additional years of service earned by the executive officer under the plans, (b) the change in the final average salary from the prior year used to determine plan benefits, (c) the interest earned on accumulated benefits during the year (that is, the decrease in the deferral period until benefits commence as the executive officer approaches retirement), and (d) changes in actuarial assumptions including interest rates.

For Mr. Fowke, the 2019 change in pension value includes approximately $2.1 million resulting from the change in discount and interest rate assumptions.

(7) Mr. Carter became a participant after completion of one full year of service. The value represents the amount he would earn assuming he remains employed at Xcel Energy under the pension plan.

(8) Amounts included in the column "All other compensation" include the company match under the 401(k) Savings Plan, company contributions to the nonqualified savings plan, imputed income on life insurance paid by the company, amounts related to Xcel's executive physical health program, amounts related to special executive development, and amounts related to relocation expenses for one NEOs. None of these amounts exceed $10,000 except the following: • Contributions to the nonqualified savings plan: Mr. Fowke $44,500; Mr. Frenzel $16,500; Mr. Carter $12,500; Mr. Larson $15,300; and Mr. Wilensky $13,500. • For Mr. Carter, the 2018 value included $219,859 in relocation expense reimbursement, which included $28,412 in income tax reimbursement for taxes related to the relocation reimbursement. Except for the executive physical health imputed amount and executive development, programs included in the "All other compensation" column were available to all eligible and qualifying employees of Xcel Energy. Under corporate policy, the corporate aircraft may not be scheduled for personal use. Executive officers and their families may use the corporate aircraft for personal travel only when the aircraft is already scheduled to fly to the same destination on company business. Because the aircraft may only be used for personal travel if the aircraft already is scheduled to fly to the same destination, there is no incremental cost to the company for such personal use. Xcel has significant corporate operations in Minneapolis, Minnesota, and Denver, Colorado, and some executive officers, including several of the NEOs, split time between those offices and use the corporate aircraft to travel between Minneapolis and Denver. Executive officers may also have the occasional personal use of event tickets when such tickets are not being used for business purposes, for which Xcel has no incremental costs.
(9) Mr. Fowke served as Chairman, President, and Chief Operating Officer until March 31, 2020, when he became Chairman and Chief Executive Officer.
(10) Mr. Frenzel served as Executive Vice President and Chief Financial Officer until March 31, 2020, when he became President and Chief Operating Officer.
(11) Mr. Carter was hired effective May 7, 2018.
(12) As of March 31, 2020, Mr. Larson was no longer serving as Executive Vice President and Group President, Operations, but remained an employee to assist with transition until May 31, 2020.
Source: 2020 Xcel Energy Securities and Exchange Commission Form DEF 14A filing

Table 55: Xcel Energy Board compensation, 2019

Name	Fees earned or paid in cash (1)	Stock awards (2)	Total
Lynn Casey	-	$276,000	$276,000
Richard K. Davis	$125,000	$150,000	$275,000
Netha N. Johnson (3)	-	-	-
George J. Kehl (3)	-	-	-
Richard T. O'Brien	-	$306,000	$306,000
David K. Owens	$105,000	$150,000	$255,000
Christopher J. Policinski	-	$312,000	$312,000
James T. Prokopanko	$105,000	$150,000	$255,000
A. Patricia Sampson	$115,000	$150,000	$265,000

James J. Sheppard	$121,658	$150,000	$271,658
David A. Westerlund	-	$288,000	$288,000
Kim Williams	$125,571	$150,000	$275,571
Timothy V. Wolf	$109,429	$150,000	$259,429
Daniel Yohannes	$115,000	$150,000	$265,000

(1) Represents cash payments of annual retainer and additional retainers for service as Lead Independent Director, committee Chairs or Audit Committee members, including deferred amounts.

(2) Amounts in this column represent the aggregate grant date fair value of the shares of common stock or stock equivalent units granted to directors in 2019 as computed in accordance with FASB ASC Topic 718 Compensation — Stock Compensation, which value is equal to the closing price of Xcel's common stock, as reported on Nasdaq, on the trading date preceding the applicable grant date. Directors may receive stock equivalent units for their annual equity grant and if they elect to defer their cash retainers into stock equivalent units. Stock equivalent units are only payable as a distribution of whole shares of our common stock upon a director's termination of service, disability, or death. The stock equivalent units fluctuate in value as the value of Xcel's common stock fluctuates. As of fiscal year ended December 31, 2019, the number of stock equivalent units owned by directors were as follows: Ms. Casey: 7,667 units; Mr. Davis: 66,569 units; Mr. Johnson: 0 units; Mr. Kehl: 0 units; Mr. O'Brien: 54,805 units; Mr. Owens: 8,195 units; Mr. Policinski: 93,460 units; Mr. Prokopanko: 17,652 units; Ms. Sampson: 143,414 units; Mr. Sheppard: 46,242 units; Mr. Westerlund: 128,289 units; Ms. Williams: 86,627 units; Mr. Wolf: 64,629 units; and Mr. Yohannes: 6,470 units. For updated information on holdings of common stock and stock equivalent units as of March 25, 2020, see the Beneficial Ownership of Certain Shareholders table on page 29 of Xcel's 2020 DEF 14A filing.

(3) Mr. Johnson and Mr. Kehl were elected as directors effective March 1, 2020.

Source: 2020 Xcel Energy Securities and Exchange Commission Form DEF 14A filing