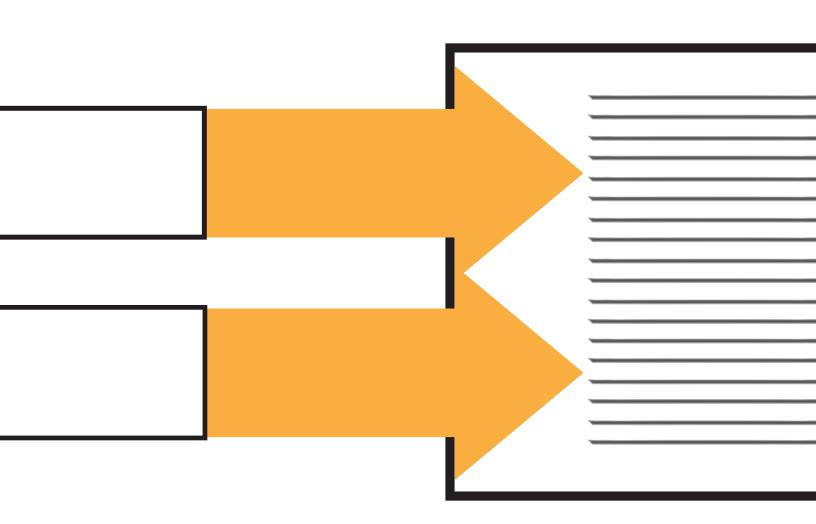


# Attacks on Renewable Energy Policies in 2015

Gabe Elsner and Matt Kasper



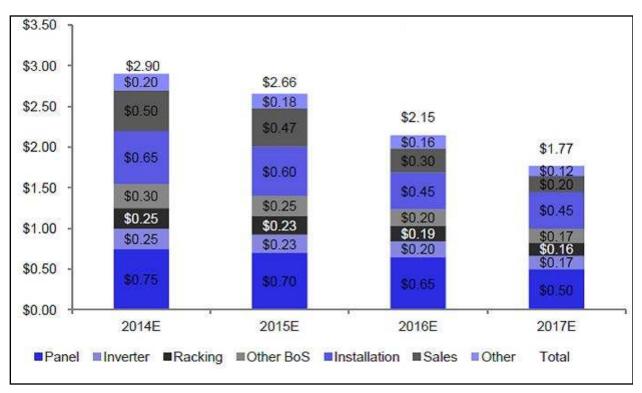
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# **Executive Summary: Competitive Clean Energy and Fossil Fuel Pushback**

Fossil fuel and utility interests, concerned about the rise of cheap clean energy, continue to finance attacks on pro-clean energy policies in an effort to delay the growth of their competition in the marketplace. These companies, along with the Koch Brothers' political network and front groups, want to continue selling as much coal, oil, and gas as possible – and, in their effort to roll back clean energy policies, are spreading misinformation about clean energy and the energy market.

A main component in the strategy to stop the growth of renewable energy is to fund front groups, who then attack clean energy policies across the United States. While corporate interests also lobby politicians and regulators, these front groups serve a fundamental role in these assaults by adding a supposed independent, anti-clean energy voice to energy policy debates.

This report highlights the front groups and utility companies involved in attacking net metering and renewable energy standards, as well as the states where debates played out.



Source: Deutsche Bank Report, Solar Grid Parity in a Low Price Era

Utilities and fossil fuel companies are alarmed at what the clean energy boom will do to their market share as the economics of clean energy see continued improvement year after year. An average family that <u>installed solar panels</u> on its home ten years ago would have

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spent approximately \$86,000, compared to a similar system that now costs less than \$26,000. Prices are expected to plummet an additional 40% by 2017 according to Deutsche Bank, and Bloomberg New Energy Finance predicts \$3.7 trillion in solar investment between now and 2040. The price of wind power also continues its downward trajectory, with the price of wind power down by more than 50% since 2009. Simply put, the economics of cleantech are having an impact on the electricity market. In April 2015, wind and solar power accounted for 100% of new electric generating capacity in the U.S. and 84% of new capacity from January through April.

The dramatic drop in the price of solar is, in part, a result of smart state and federal government policies to make renewable energy affordable for all Americans.

## Why Utilities Want to Eliminate Net Metering

Net metering, which currently exists in 44 states, allows homeowners to be credited at the retail rate for excess power generated and sent back into the grid. In recent years, more and more customers have installed distributed systems and enrolled in net metering programs as solar energy installations became more affordable for families across the country, and utility companies began to notice. With greater numbers of customers generating and using their own clean energy, utility corporations saw decreased revenues. A recent report from the business consulting firm, Accenture, found distributed energy and energy efficiency could "drive down utilities' revenues by up to \$48 billion a year in the United States..."

As a result of this competitive market threat, the utility industry, through its trade association, the Edison Electric Institute, <u>launched a calculated</u>, <u>multi-year campaign to weaken distributed solar energy policies</u> by targeting state legislatures and regulators. Utility executives, meeting at the Edison Electric Institute's 2012 annual board meeting, initiated a plan that would repeal or weaken net metering laws, according to <u>documents</u> provided by Energy & Policy Institute to the <u>Washington Post</u>.



While the opportunity exists to create a new 21st century utility business model that takes into account customers' demands for clean, renewable, and distributed energy (as some innovative utilities are working on), EEI and many utilities have instead worked to spread misinformation about the impact of solar on the grid, claiming that rooftop solar passes costs onto other ratepayers. However, independent studies commissioned by regulators in Mississippi, Nevada, and Maine, and the state consumer advocate in Vermont show that distributed solar produces benefits for all ratepayers by preventing the need for utility

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companies to build large expensive power plants and transmission infrastructure to bring the electricity to consumers.

Despite these benefits, utilities and front groups connected to utility interests have worked to weaken net metering policies in at least 16 states in 2015.

# Renewable Energy Standards Also Targeted By Fossil Fuel Interests

Renewable energy standards (RES) are another major policy under attack by fossil fuel interests and front groups. In 2012, fossil fuel companies and predominately coal-burning utilities met behind closed doors with supposed "free-market" organizations at the American Legislative Exchange Council (ALEC) to create a model bill to repeal RES laws. The standards, which currently exist in 29 states and the District of Columbia, require utilities to generate a certain percentage of electricity from renewable power sources by a certain year, meaning that electricity from coal and natural gas plants would be passed over for solar or wind farms. These laws were passed either through ballot initiatives or by state legislatures, and have helped diversify states' electricity portfolios, protect consumers from volatile fossil fuel prices, and reduce greenhouse gas emissions in the electricity sector. In addition, renewable energy standards have sparked billions of dollars of investment in renewable energy technologies and created tens of thousands of jobs.

While corporate interests also lobby politicians and regulators, these front groups serve a fundamental role in these assaults by adding a supposed independent, anticlean energy voice to energy policy debates.



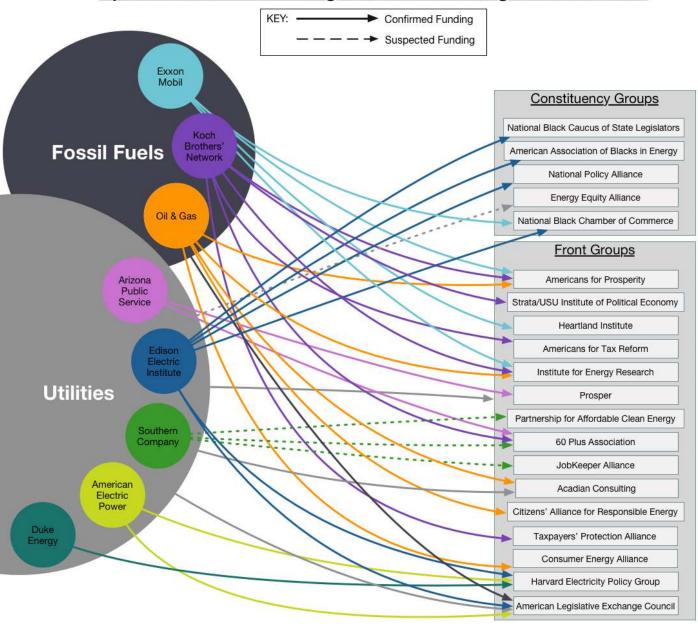
Two pro-clean energy policies, net metering and renewable energy standards, have helped make the country's electricity sector less carbon-intensive and challenged the century-old electric utility business model. As a result, the fossil fuel and utility industries have launched efforts to protect vested financial interests by repealing and weakening these laws through state legislatures and regulatory agencies.

The Energy & Policy Institute has tracked the industry's attacks on net metering and renewable energy standards over the past three years. This report exposes efforts by fossil

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fuel-backed organizations and utility interests to unleash yet another round of attacks to stall the growth of clean energy in the United States. Below, we highlight the front groups and utility companies involved in attacking net metering and renewable energy laws, reveal the use of front groups and backroom tactics to the public, and discuss the states where debates played out.

## **Special Interest Funding For Net Metering Battle in 2015**



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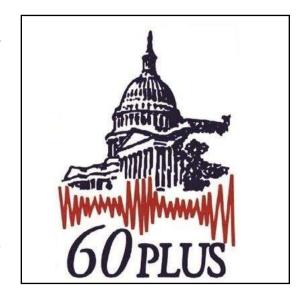
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## Front Groups Attacking Clean Energy Policies

#### **60 Plus Association**

The 60 Plus Association is a front group funded by the Koch Brothers that works to recruit senior citizens to support the organization's supposed "free market" ideology. 60 Plus has supported the fossil fuel-backed effort to weaken clean energy policies across the country, but has primarily been involved in Arizona. The organization is a non-profit led by former Arizona House Speaker Kirk Adams (who is also the president of Americans for Responsible Leadership).

During the last election season, 60 Plus took over \$20 million from the Koch political network's primary money groups, American Future Fund, Freedom Partners, the Center to Protect Patient



Rights. The latter sent 60 Plus only over \$10 million, but it also ended up being fined \$1 million money laundering and failing to disclose election spending in California. The group had funneled \$15 million into California's ballot proposition fights in 2012. A spokesman for Koch Industries said regarding the California fines, "We had no involvement whatsoever...". But Ann Ravel, the head of the California Fair Political Practices Commission, countered that Charles and David Koch were behind a complex network of groups transferring money to influence the outcome of ballot propositions in the State of California.

The 60 Plus Association		
Freedom Partners Chamber of Commerce	\$15,660,000	
American Future Fund	\$4,550,000	
Center to Protect Patient Rights	\$2,630,723	

Sean Noble is a paid lobbyist and consultant for Pinnacle West, a corporation that owns the largest utility in Arizona (Arizona Public Service), is also a Koch-network operative. Noble provided the pass-through for Arizona Public Service (APS) to launder money through the Center to Protect Patient Rights to two non-profit organizations: 60 Plus and Prosper. 60 Plus was part of a coordinated campaign on the state's net metering law that was being criticized by APS.

APS initially <u>denied</u> that it was providing funding to the two groups. At the time, an APS spokesman insisted that the company did not pay for the ads nor did it contribute to the groups. However, the spokesperson was unable to confirm whether or not Pinnacle West, contributed to the organization or paid for the ad. In October 2013, APS finally

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admitted that it did fund the 60 Plus and Prosper to run a campaign against net metering that was in favor of the utility's position.



In 2015, the group's chairman, Jim Martin, called for the <u>elimination of solar tax credits</u> in Louisiana, claiming that solar incentives "are costing taxpayers too much and are patently unfair" without mentioning the much larger subsidies handed out to the fossil fuel and utility industries in the state. Martin continued by saying, "The truth is we can't afford those subsidies any longer and it's time for the feeding frenzy on state dollars to end," a statement that most certainly applies to the hundreds of millions in subsidies provided to mature fossil fuel and utility companies.

Additionally in 2015, 60 Plus was one of the organizations working in North Carolina to urge legislators to repeal the state's renewable energy standard. It also signed onto Americans for Prosperity's letter calling for the repeal of the law.

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## **Acadian Consulting Group**



Acadian Consulting Group, run by David Dismukes, published a study for the Louisiana Public Service Commission (LPSC) on the subject of net metering earlier this year.

Dismukes has criticized renewable energy subsidies, while supporting those

for for fossil fuels. Critics of the consultant point to funding for the group. In fact, according to <u>reporting</u> from *The Times-Picayune*, Acadian has received direct funding from industry groups on several research projects, including \$20,000 from the America's Natural Gas Alliance for a report that was critical of federal wind energy subsidies. Acadian's other <u>clients in the utility and fossil fuel industry</u> include:

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

- Evangeline Gas Company, Inc.
- Florida Gas Transmission Company
- Mississippi River Transmission (subsidiary of Centerpoint)
- Reliant Energy Gas Transmission
- Sempra Energy
- Texas Gas Transmission Corporation
- Transcontinental Gas Pipeline Corporation
- Trunkline Gas Company (Energy Transfer Partners)
- Lake Charles Cogeneration LLC.
- U.S. Oil and Gas Association (Alabama and Mississippi Chapter)

The <u>2015</u> study for the <u>LPSC</u> was meant to study the cost of net metering "imposed" to other ratepayers, but instead focused on the state's <u>50 percent tax credit</u> for installing new solar panels. The study claimed those credits cost the state at least \$89 million.

Barry Goldwater Jr., a former congressman and co-chairman of the solar advocacy group Tell Utilities Solar Won't Be Killed, said, "This study is a blatant attempt to undermine the rights of Louisiana residents and to prevent the growth of the solar industry."



Politifact studied the claims made by Americans for Prosperity, which cited the Dismukes study, that electricity prices were skyrocketing because of solar subsidies and net metering. Politifact determined that increases in ratepayers bills did occur but not because of the solar policies:

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

Furthermore, <u>Sierra Club exposed severe flaws</u> in Dismukes' report, stating that the LPSC study included legislative tax incentives as a cost of the LPSC net metering program. Sierra Club concluded:

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

Acadian was also criticized for ignoring the costs of oil and gas subsidies since they analyzed solar subsides. In Louisiana, the <u>tax credits for solar are dwarfed by taxpayer giveaways to the oil & gas industry</u>. Louisiana taxpayers have provided over \$1.2 billion to the oil and gas industry to subsidize fracking operations since 2010. This is a cost of nearly \$250 million per year that is going to established, fossil fuel companies such as XTO Energy, owned by ExxonMobil, Halliburton, and Schlumberger.

In addition, a calculation of total oil and gas subsidies in Louisiana by Earth Track details that oil and gas subsidies in 2012 were at a minimum over \$500 million. Severance tax losses, almost exclusively from oil and gas, cost the state \$354 million in 2010. Finally, the utility, oil, and gas industry received an additional \$964 million from 2008-2010 as part of the state's Industrial Tax Exemption. For the electricity generation and utility sector alone, the state of Louisiana subsidized major utility companies by \$276 million over that three year time period. These ratepayer subsidies for utility interests are generally not factored into the price of electricity from natural gas.

Another issue with the Acadian report was the timing of its release. A draft of the report was sent out in an email to state legislators by Commissioner Eric Skrmetta, who was narrowly reelected last fall against solar advocate, Forest Bradley-Wright. Skrmetta's email came weeks before the report was supposed to be completed for the LPSC.

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#### **American Encore**



American Encore (formerly known as The Center to Protect Patient Rights) is a Koch-funded money laundering organization run by Sean Noble that has worked to eliminate the Affordable Care Act, and has funded attacks on solar energy in Arizona.

Sean Noble was also a <u>paid lobbyist and</u> <u>consultant</u> for Pinnacle West Capital Corporation, Arizona Public Service's parent company, and has consulted with 60 Plus Association and Prosper, two front groups involved in attacks on Arizona solar in the past few years. Noble provided the pass-through for APS to <u>launder money</u> to the two non-profit organizations involved in the attack on the state's net metering policy.

Noble oversaw millions of dollars in political spending that the <u>Koch Brothers routed</u> through various nonprofits and LLCs to obscure their funding sources. The Koch Brothers have spent <u>hundreds of millions of dollars on their political network</u> (and used the Center to Protect Patient Rights as a pass through for political contributions to numerous organizations). The Koch Brothers' supposed "free market" political activities often line up with the financial interests of Koch Industries, the second largest privately held corporation in the United States and a <u>major fossil fuel conglomerate</u> (it invests in coal, oil, and natural gas, among many other sectors). The Center to Protect Patient Rights has funded American Energy Alliance, Americans for Prosperity, Americans for Tax Reform, and other fossil fuel-funded <u>front groups</u> that have attacked clean energy in the past.

Noble's Center to Protect Patient Rights and Kirk Adam's Americans for Responsible Leadership were fined a record \$1 million by the State of California for failing to comply with California law. The groups funneled \$15 million into California's ballot proposition fights in 2012. A spokesman for Koch Industries said regarding the California fines, "We had no involvement whatsoever..." but Ann Ravel, the head of the California Fair Political Practices Commission, countered that Charles and David Koch were behind a complex network of groups transferring money to influence the outcome of ballot propositions in the State of California.

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## **American Legislative Exchange Council**



The American Legislative Exchange Council (ALEC) connects lawmakers with corporate lobbyists to produces model bills that are then introduced in

legislatures across the country. Model bills can be brought to ALEC by the lobbyists themselves, which has led some to describe this organization as a "corporate bill mill." In fact, 98% of <u>ALEC's funding</u> comes from corporations or corporate "foundations" like the Charles G. Koch Foundation. This money is then used to subsidize lawmakers' trips to ALEC meetings, where they are wined, dined, and then vote in committee meetings, side-by-side with lobbyists, on the model bills.



Most recently, a report aired on Atlanta's NBC TV Channel WXIA 11 showing investigative reporter Brendan Keefe revealing an exchange at a hotel bar between a lobbyist and an ALEC state legislator explaining how the subsidizing process works.

"Do you have to pay your own way?" Keefe asked the

state legislator. The lawmaker answered by explaining how the State Chair of ALEC in his home state looks for "financial supporters, lobbyists, and the like to send us a couple thousand bucks every so often."

ALEC <u>denied</u> to the investigative reporter that it subsidizes legislators' trips with corporation money.

The bills that have come out of ALEC over the past few years do much to advance the corporate members' interests at the expense of both the environment and the public's health. Examples include bills that would prevent the EPA from regulating carbon dioxide emissions, and a bill giving corporations legal protections against victims of lead poisoning. ALEC's Energy, Environment, and Agriculture Task Force, which includes representatives from major fossil fuel companies such as Exxon Mobil, Koch Industries, Duke Energy, and Peabody Energy, has approved model bills to repeal renewable energy standards (RES), weaken RES laws by watering them down with non-renewable sources of electricity, and eliminate solar net metering policies.

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#### Resolution Concerning Special Markets for Direct Solar Power Sales

#### Summary

This resolution reflects that creating a special market for the solar power industry to sell electricity directly to consumers increases subsidies, electricity costs, and taxes while shifting costs to non-solar customers. Creating such special markets in the states is especially troubling and antithetical to free markets when solar power alone is given the monopoly right to sell pow directly to consumers from on-site equipment. Any electricity market reforms must not designa a single energy source for a new monopoly privilege. Moreover, the overall economic impact o such reforms must not increase electricity costs, increase electricity subsidies, or increase necessary taxation. Creating a special market for the solar power industry to sell electricity directly to consumers violates all of these prerequisites.

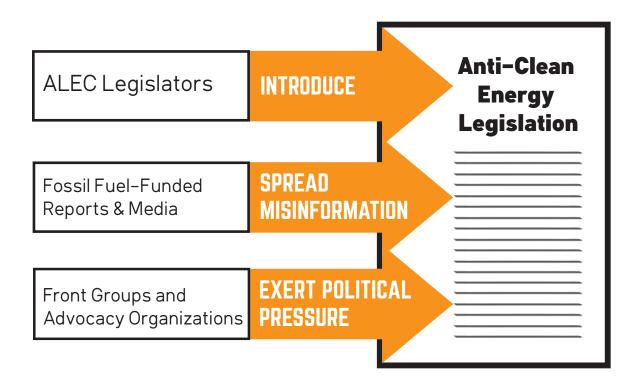
#### Resolution

WHEREAS, the solar power industry is pressuring the states to create special markets allowing

Last Week Tonight with John Oliver aired a segment on ALEC in 2014, and explained how the organization makes state lawmakers' jobs "troublingly easy." Oliver highlighted the model legislation that repeals RES laws and said, "so as long as you can remember and spell the name of your state, you can introduce legislation." And this year, it seems that many legislators could remember their

state name and spell it correctly, because many model bills were introduced. In fact, one bill appearing in the state of Washington, which weakens that state's RES, is nearly identical to an ALEC model bill that was distributed to its members this year.

Once ALEC model bills are introduced, allied legislators and fossil fuel-funded front groups cite flawed reports to back up their reasoning to either repeal or weaken RES laws or net metering laws. The reports cited are written by the fossil fuel-funded Beacon Hill Institute housed at Suffolk University, and the Koch-funded professor, Randy Simmons, who works at Utah State University. The groups tout university studies to generate more support to eliminate or weaken clean energy laws, and then State Policy Network lobbyists work to increase co-sponsors while providing testimony in favor of the ALEC bills. Finally, fossil fuel-funded member-based groups, such as Americans for Prosperity, put additional pressure on lawmakers to pass ALEC model bills.



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In total, there E&PI found 14 ALEC-related or inspired model bills in 2015 attacking renewable energy standards and net metering laws. These do not include the ALEC model bills that targeted state environmental agencies' ability to comply with the EPA's Clean Power Plan (CPP). The Natural Resources Defense Council reported that were 13 bills this year that attacked the CPP.

Corporations and trade associations also began to use ALEC's new organization, the <u>American City County Exchange (ACCE)</u>, to lobby lawmakers. ACCE's winter "policy summit" featured Todd Wynn of the Edison Electric Institute, which is the trade association for investor-owned electric utility companies. Wynn was also a former ALEC staffer.

At the summit, Wynn lobbied local elected officials about net metering and municipalization. He told the public officials at the <u>ACCE meeting</u>, "Engage and get to know your local electric utility. Those guys are really great. They can be awesome assets for you. They can help you out with your races at some point in time as well, which is always positive."

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## **Americans for Prosperity**



Americans for Prosperity (AFP) is a national astroturf group founded and funded by billionaire brothers Charles and David Koch, the owners of Koch Industries. In the 2012 presidential election, AFP was a significant component of the

Koch's \$400 million political operation, receiving large amounts of money from Koch-linked dark money groups like Freedom Partners, American Encore, and DonorsTrust. This year, Politico reported that the Koch brothers' political network plans to spend \$889 million for the run-up to the 2016 election, including an estimated \$125 million for just AFP in 2015.

AFP is registered with the IRS as a 501(c)(4) and as such, it is not required to disclose its donors, nor does it. It is allowed to advocate for political issues, but cannot solicit votes for a specific candidate.



AFP is in sync with other groups funded by the Koch brothers and the Koch's special interest groups that work against initiatives such as protecting the environment and combating climate change. AFP also distorts climate change science and the economics to "halt the encroachment of government."

The astroturf group attacked solar energy in Florida after the Floridians for Solar Choice, a recently formed alliance of conservatives, libertarians, and environmentalists, launched a ballot initiative in 2015 that would allow voters in the 2016 election to vote on whether or not property owners who generate solar electricity can sell the power directly to other ratepayers up to 2 megawatts of solar power. Three months after the ballot initiative was launched, the Florida Chapter of AFP circulated emails across the state <u>criticizing the initiative</u> as a way of using "government and taxpayers to prop up the solar industry."

Then in May, the North Carolina representatives passed a bill that included a provision that would freeze of the state's renewable energy and energy efficiency standard and create a committee to study its impact, which is similar to what developed last year in Ohio. This occurred just a few weeks after House Majority Leader Hager bill to freeze the state's standard failed as a standalone bill.

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After the provisions passed the House, the North Carolina Chapter of AFP applauded and began to put pressure on the General Assembly to pass the bill. AFP also phone-banked to get voters to call state officials to send HB 760 (later changed to HB 332) to the governor's desk. The state chapter also held a statewide Day of Action on May 16 to gather activists to do a full day of phone-banking and door-knocking to put pressure on the Senate. A week later, the state chapter released a "jobs agenda" that promoted repealing the state renewable energy standard. Rep. Hager was at the press conference to lend his support.

On a national level, however, Donald Bryson and Jeff Glendening, the North Carolina state director and Kansas state director for AFP, respectively, had an <u>op-ed published</u> on July 10 in *The Wall Street Journal*. The AFP directors, with help from WSJ, declared that states are "unplugging" renewable energy standards and used the developments in Kansas, North Carolina, and West Virginia as evidence. Similar to the blogs and op-eds published and written by <u>State Policy Network</u> organizations or <u>Heartland "experts" like Marita Noon</u> in 2015, Bryson and Glendening cited the <u>Institute for Energy Research, Utah State University and Strata</u>, and the <u>Manhattan Institute</u>. All of those cited Koch-connected organizations or fossil fuel companies, as we have detailed, fund organizations; and, all of those reports have serious flaws, as this report notes.

However, the groundwork that was once again built this year by <u>Heartland</u>, <u>Citizens' Alliance for Responsible Energy</u>, <u>AFP</u>, and all the groups in this report, culminates in not only getting legislators to introduce bills that attack renewable energy, but also the WSJ publishing these groups' erroneous claims.

It is a perfect encapsulation of the strategy to create and fund many different organizations and front groups to pretend a chorus of voices agree that renewable energy laws must be eliminated – or that they are even being repealed.

Dorothy Barnett, Executive Director of the Climate+Energy Project, responded to the WSJ opinion piece on July 20. Barnett <u>writes</u>,

Here's the truth: States that continue to embrace renewable energy standards are reaping the economic benefits. In June, for instance, a broad coalition of rural conservatives and local businesses rejected an attempt to end Texas' RPS, even as renewable energy is bringing in huge amounts of private investments while keeping Texans' electricity prices low. It's worth noting that 29 states maintain RPS standards, and that half a dozen states - including Hawaii, Vermont and California - are actually in the process of expanding and extending their RPS laws. On the flip side, Koch-funded groups have pushed anti-RPS bills in Colorado, New Mexico and New Hampshire, and each time they failed.

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#### **Americans for Tax Reform**

Americans for Tax Reform (ATR) is an anti-tax lobbying group founded by Grover Norquist. ATR is a member of the American Legislative Exchange Council, and is best known for its "Taxpayer Protection Pledge," which asks candidates for office to commit themselves in writing to oppose all tax increases.



ATR has received <u>funding</u> from a number of corporate interests and Koch-affiliated foundations including the

Claude R. Lambe Foundation, Center for Protect Patient Rights, R.J. Reynolds, the Tobacco Institute, DonorsTrust, and Karl Rove's Crossroads Grassroots Policy Strategies (GPS).

The group has long supported bills to repeal, weaken, or freeze renewable energy standards. Last year, <u>ATR applauded</u> the signing of SB 310 in Ohio, which froze the state's renewable energy and energy efficiency standard. In 2013, <u>Norquist lobbied in Kansas</u> for the weakening of that state's energy standard. In 2011, Norquist wrote an opinion <u>article in Politico</u> citing Beacon Hill Institute as a reason to oppose renewable energy laws and for state lawmakers to repeal laws that are already in place.

This year, ATR was not as active in efforts to repeal or weaken clean energy laws, compared to prior years, which has raised questions regarding a possible change of funding. Nevertheless, ATR was still involved in at least one state fight. The group signed onto a coalition letter sent to North Carolina state lawmakers urging them to freeze the state's renewable energy standard.

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## **Arizona Free Enterprise Club**



Arizona Free Enterprise Club is an anti-solar front group that was involved in electing anti-solar candidates to the Arizona Corporation Commission in 2014. Because the organization is a 501(c)4 nonprofit, Arizona Free Enterprise Club does not have to disclose its donors

but it has been reported that <u>APS might have been the front group's primary source of funding</u> for the 2014 election campaign. APS has neither <u>confirmed nor denied</u> its involvement.

The Arizona Free Enterprise Club worked to defeat pro-solar candidates for the Arizona Corporation Commission, Lucy Mason and Vernon Parker, while supporting the candidacies of pro-utility candidates, Tom Forese and Doug Little. In total, as reported by Kate Sheppard at Huffington Post, the Arizona Free Enterprise Club spent a total of \$1.1 million on the 2014 primaries.

Election officials at the Arizona Secretary of State office stated that there was reasonable cause to believe that the Arizona Free Enterprise Club violated state election law by spending more than \$1 million on the state's elections. Ryan Randazzo at *The Arizona Republic* reported, "An [August 15, 2014] reasonable-cause notice by Deputy Secretary of State Jim Drake said state officials found the Arizona Free Enterprise Club failed to properly file as a political committee and failed to report campaign contributions and expenses. The case is being referred to the state Attorney General's Office for further review."

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#### **Beacon Hill Institute**



Beacon Hill Institute (BHI) is based in the economics department of Suffolk University, a private university located in Boston,
Massachusetts. BHI is known for "marshaling economic arguments to roll back clean energy programs in the [United States]," as reported by The Guardian. The institute's executive director, David Tuerck, has a history of manipulating science on tobacco smoke and climate change. He is currently listed as an "expert" on Heartland's website and is a regular speaker at their climate denial conferences.

BHI is an affiliate of the State Policy Network (SPN) and has most recently been cited by both American Legislative Exchange Council members and SPN organizations to discredit renewable energy standards. The reports attacking the laws produced by BHI have been thoroughly debunked by independent economists at Synapse Energy Economics. Synapse found "fundamental flaws in both the energy data and the economic modeling used by BHI." Nevertheless, at least 20 states have seen BHI anti-RES reports over the years.

So far in 2015, BHI has spent its money and time attacking the EPA's Clean Power Plan. A series of 16 reports opposing the carbon dioxide rules have been funded by a grant passed through a corporate-linked front group called the Employment Policies Institute, run by Richard Berman. Berman is a corporate lobbyist known as "Dr. Evil," whose front groups "have launched attack ads against the EPA, environmental groups, fishermen and sportsmen, and green building organisations," according to Media Matters. As CBS' 60 Minutes documented, Berman is infamous for being the "arch-enemy" of government efforts to reduce the use of "products like caffeine, salt, fast food and the oil they fry it in," and for opposing "Mothers Against Drunk Driving, animal rights activists, food watchdog groups, and unions of every kind."

Some of BHI's reports have been <u>released in partnership</u> with industry-funded state think tanks with ties to the Koch brothers and other fossil fuel special interest groups, and pitched to advance the agenda of model legislation from ALEC. These actions mimic prior ones with regards to their anti-RES reports: a BHI report is published and it's then amplified via a SPN affiliate while ALEC model legislation is introduced.

The organization has also <u>received funding from foundations and organizations</u> associated with the Koch Brothers and other fossil fuel interests.

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## **Center for the American Experiment**

The Center for the American Experiment (CAE) is an advocacy group based in Minnesota and is a member of the State Policy Network (SPN). Members in SPN have <u>helped to move the American Legislative Exchange Council</u>'s (and its fossil fuel memberships') <u>anti-clean energy agenda in state capitols</u>.



In 2015, CAE released a report claiming that the solar industry is reliant on subsidies and that cities and schools are embracing solar installations even though "they can take 40, 50, or even 100 years to pay for themselves."

While the exact payback period for a solar installation varies by location and a number of other factors such as the price of electricity in a utility's territory, CAE's estimates are simply misinformation meant to attack the solar energy industry. According to Clean Power Research, a company that provides clients with software-based renewable energy data, the average payoff period for a Minnesota solar installation is 14 years. For comparison, California offers average payback periods of about 9 years, and it takes 7 years to recoup all upfront costs in New Jersey, and just 4 years to pay off solar panels in Massachusetts.

In 2013 and 2014, the Center for the American Experiment <u>repeatedly attacked</u> Minnesota's clean energy law and produced a <u>policy whitepaper</u>.

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## **Citizens' Alliance for Responsible Energy**



The Citizens' Alliance for Responsible Energy (CARE) is a <u>fossil fuel-funded advocacy group</u> based in Albuquerque, New Mexico. CARE is funded by more than 250 members, including <u>New Mexico oil and gas producers.</u> The group opposes environmental activism and the pursuit of "green," or sustainable, energy development, saying the pursuit of solar and wind power "will end the America we know and love." The group refers to sustainable energy advocates as "Gang Green."



<u>Marita Noon</u> is the executive director at CARE. Noon is also listed as an "Expert" on <u>The Heartland Institute's</u> website. CARE was a <u>co-sponsor of Heartland's</u> first International Conference on Climate Change (ICCC1).

In Louisiana, Noon published an op-ed in *The Advocate*, misleading readers by claiming, "No other industry receives \$63.5 million of Louisiana taxpayer's dollars in one year." Noon attempts to claim that because the fossil fuel industry pays some taxes, it "gives" while the solar industry "takes."

Energy & Policy Institute's analysis showed that the oil and gas industry has received at least \$1.2 billion since 2010. A calculation of total oil and gas subsidies in Louisiana by Earth Track revealed that oil and gas subsidies in 2012 were at a minimum over \$500 million. The utility, oil, and gas industry received an additional \$964 million from 2008-2010 as part of the state's Industrial Tax Exemption. For the electricity generation and utility sectors alone, the state of Louisiana subsidized major utility companies by \$276 million over that three year period.

Noon also published another column that disregarded common sense to claim that it's a bad time to be in the renewable energy industry and cited Louisiana as one of the reasons. Numerous sources, including <u>business experts</u>, <u>international agencies</u>, and <u>financial institutions</u>, agree that the renewable energy industry is booming.

CARE released a paper, "Solar Power in the U.S.: Lessons Learned and Guidance for Policymakers" in March 2015. The press release states that the report is intended to, "educate both consumers and lawmakers about the various consequences of using solar energy."

In addition, the American Legislative Exchange Council featured CARE's report in an email to members.

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## **Consumer Energy Alliance**

Consumer Energy Alliance (CEA) is a fossil fuel industry front group, run out of the offices of the PR firm HBW Resources. HBW is headed by <u>David Holt, Andrew Browning, and Michael Whatley.</u> BP, Chevron, ExxonMobil, Marathon, Shell and Norway's Statoil are among CEA's key financially backers, and many of these companies also happen to have deep ties to the Alberta tar sands. CEA supports lifting moratoria on offshore and land-based oil and natural gas drilling, and encourages the creation and expansion of petroleum refineries and easing the permitting process for drilling.



A 2015 investigation by <u>The Institute for Southern Studies</u> found that the Outer Continental Shelf Governors Coalition (OCSGC), "is largely run and managed by two groups tied to the oil and gas industry" HBW Resources and the CEA.

CEA works with Partnership for Affordable Clean Energy (PACE), which is also an anti-clean energy front group that often advocates for the positions of fossil fuel and utility interests. PACE has promoted and hosted commentary by CEA on the benefits of fracking in Florida.

In 2015, CEA attacked net metering and defended utility companies' fixed-rate increase proposals in Wisconsin. CEA submitted names of 2,500 state residents that "supported" the utilities' proposals. *Madison Capital Times* revealed that certain people on the CEA petition were in fact against the proposal. The PSC then dismissed the petition saying it would not be included in the record.

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## **Energy & Environment Legal Institute**



The Energy & Environment Legal Institute (E&E Legal) is a nonprofit think tank [formerly the American Tradition Institute (ATI)] that engages in litigation and policy research to "hold

accountable those who seek destructive government regulation that's based on agenda-driven policy making, junk science, and hysteria." The organization's website at one time stated it "is part of a broader network of groups with close ties to energy interests that have long fought greenhouse gas regulation," although that text has now been removed.

In 2012, *The Guardian* published a memo prepared by an E&E Legal fellow about a secret anti-wind meeting between local anti-clean energy groups and national fossil fuel-funded organizations seeking to organize widespread opposition against wind energy through a deceptive public relations campaign. Other members of E&E Legal's senior leadership have ties to fossil fuel interests as well: <u>David Schnare</u>, a fossil fuel-funded pundit with connections to The Heartland Institute, State Policy Network, and other front groups; and <u>Chris Horner</u>, a fossil fuel-funded climate denier who works at the Competitive Enterprise Institute, an advocacy group with ties to tobacco disinformation campaigns.

In 2011, ATI and plaintiff Rod Luck sued the State of Colorado over the state's renewable energy standard, arguing that the law violates the Constitution's Interstate Commerce clause by discriminating against out-of-state energy sources. But this year, a <u>federal judge upheld Colorado's RES</u> by rejecting E&E Legal's claims.

In 2014, Tom Tanton, Director of Science and Technology Assessment for E&E Legal, testified in Congress on state energy policies. Tanton criticized renewable energy standards and cited papers published by his organization that were produced by the Beacon Hill Institute. He also referenced an ALEC policy paper, which he authored, to back up his claim that net metering is an unfair policy.

E&E Legal's attacks on renewable energy policies continued this year in addition to their attacks on the EPA's Clean Power Plan. Tanton joined the Heartland Daily Podcast in January to discuss why states should re-examine their RES policies. Schnare also authored a post attacking RES laws. He cited a report by the Institute for Political Economy at Utah State University on Kansas' RES. Schnare fails to mention the Koch-funding connection with that report. He concluded his post by telling readers to urge their state representatives to oppose RES laws, and writes, "It's your money and your lives at stake."

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## **Harvard Electricity Policy Group**

## Harvard Electricity Policy Group

The Harvard Electricity
Policy Group (HEPG) is a
utility-funded university
institute that comments and
provides research on the
electricity sector.

Ashley Brown is the Executive Director, and previously served as a Commissioner of the Public Utilities Commission of Ohio. Brown also acts as counsel to Greenberg Traurig LLP, a major international law and lobbying firm that includes clients in the unregulated and regulated utilities market. Clients include Covanta Energy (which owns trash incineration facilities) and the National Rural Electric Cooperative Association. Greenberg Traurig previously housed Jack Abramoff and the lobbying team involved in the Indian gaming scandal.

HEPG states on its <u>website</u> that funding has been provided by a large list of utility interests:

- American Electric Power
- AES Corporation
- Arizona Public Service Company
- Duke Energy
- Edison Electric Institute
- Enron
- Entergy Services, Inc.
- Exelon/Commonwealth Edison
- FirstEnergy Corporation
- GenOn Energy
- Georgia Transmission
- National Grid

- National Rural Electric Cooperative Association
- Northeast Utilities
- PacifiCorp
- Pacific Gas and Electric
- Sempra Energy
- San Diego Gas & Electric
- Southern California Edison
- Southern Company
- Tucson Electric Power
- Wisconsin Electric
- Wisconsin Energy Corporation
- Xcel Energy

None of this funding was disclosed in <u>recent journal</u> articles written by Brown, including in the 2014 copy of *The Electricity Journal* (TEJ), on whose advisory board Brown sits. David Owens of the Edison Electric Institute also sits on TEJ's Editorial Advisory Board.

Brown is also a <u>member of the Board of Directors</u> of the Entegra Power Group, which is a natural gas power plant company with approximately <u>3,300 MW of power generation</u>. Brown was previously member of Advisory Council to Board of Directors of Electric Power Research Institute, a think tank funded by the electric utility industry, and he previously was a Board Member of the Oglethorpe Power Corporation (OPC) in Tucker, Georgia. OPC is <u>tied up with the expensive nuclear power plant, Vogtle</u>, being constructed by Southern Company.

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Brown wrote a <u>flawed opinion</u> <u>piece</u> used anti-solar rhetoric to attack the distributed solar industry. His piece was entitled "Valuation of Distributed Solar: A Qualitative View." The piece <u>contained little</u> <u>quantitative analysis behind its claims</u>.

Echoing the arguments of investor owned utilities, Brown holds that distributed solar leads to substantial cost shifting onto non-solar customers, but provides little data to support his opinion.



Furthermore, Brown's testimony in Wisconsin on the topic of distribute generation provided absolutely no state-specific data to support his theory that solar owners, who make up just 4 of every 10,000 We Energies customers, are causing undue hardship on the poor.

Yet, Brown's claims have been echoed by the Partnership for Affordable Clean Energy (PACE) and the National Black Chamber of Commerce to attack solar net metering policies.

Tyler Huebner, the executive director of RENEW Wisconsin, and Brad Klein, a senior attorney at the Environmental Law & Policy Center, examined its claims made by Wisconsin utility companies and found that the amount of fixed charges went far and beyond any impact on the utilities. Plus, a 2009 study commissioned by We Energies, an electric utility company operating in Wisconsin, found that the value of distributed solar was higher than the cost of retail electricity, which discounts Brown's argument on the cost of solar to non-solar customers.

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#### The Heartland Institute

# THE HEARTLAND INSTITUTE IDEAS THAT EMPOWER PEOPLE

The Heartland Institute is a fossil fuel-funded front group with over \$800,000 in contributions from fossil fuel interests that has routinely attacked clean energy policies and the science behind climate change. In 2012, Heartland was the center of controversy after comparing people that believe in climate change to the Unabomber. In the past, Heartland worked with the tobacco industry to minimize the negative public perception that second-hand tobacco smoke was bad for your health and lobbied against public health reforms.

Heartland is a primary player in attacks on renewable energy standards across the country. The organization <u>sponsored</u> the American Legislative Exchange Council's "Electricity Freedom Act," model legislation in 2012 that, if passed, would repeal state renewable energy standards. Efforts to eliminate these pro-clean energy policies failed in 16 states across the country in the last year and failed country-wide this year.

Supporters of Heartland's efforts will point to West Virginia and Kansas as states where it had succeeded in repealing RES laws, but these supporters fail to acknowledge that West Virginia's law featured coal as an eligible source of "renewables" under the law, and Kansas had already achieved the 20% renewables mandate. In addition, the North Carolina has yet to pass the senate's version of an RES freeze bill. Heartland and allies can only point to Ohio as a state that has paused its RES law, which it did in 2014. Yet, they again fail to acknowledge that the renewable energy requirements begin again next year if no action is taken by the legislature.

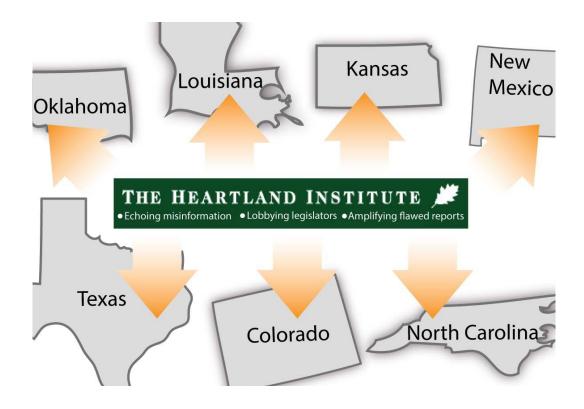
Heartland was also involved in attacking pro-solar policies and initiatives in multiple states in 2015. In each of these fights, Heartland lobbied and advocated for the repeal of the state's renewable energy law using misinformation and flawed economic research.

In Colorado, Heartland highlighted the Energy & Environment Legal Institute's law suit claiming that the state's RES was unconstitutional. Heartland also <u>pressured state lawmakers</u> to repeal the state's RES, spread disinformation about how the law has caused electricity prices to rise faster than the national average. However, if one reviews the Energy Information Administration's data on electricity prices, then one can find that Colorado prices increased only 3.3% faster than the national average - an increase that is <u>mostly a result of the state's fuel switch to natural gas and upgrades to pipelines</u>. Heartland also promoted fossil fuel-funded Citizens' Alliance

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for Responsible Energy Executive Director <u>Marita Noon's misinformed</u> <u>blog</u> attacking renewable energy policies.

In Louisiana, Heartland pushed Governor Bobby Jindal and the state legislature to eliminate state tax credits for solar energy. The organization again used misinformation to attack the pro-solar policy, claiming that solar tax credits were responsible for "running up large deficits" and state credits were adding to a "mountain of federal government favoritism." While solar industry tax credits totaled approximately \$57 million in 2015, eliminating these tax credits would have little impact on the state's projected \$1.6 billion budget deficit. The bill passed by the legislature would save approximately \$19 million.



Heartland's attacks on clean energy fail to account for much larger subsidies to the fossil fuel industry. A calculation of total oil and gas subsidies in Louisiana by Earth Track details that oil and gas subsidies in 2012 were at a minimum over \$500 million. In addition, severance tax losses, almost exclusively from oil and gas, cost the state \$354 million in 2010. Severance taxes help insure the costs associated with drilling are paid by the producers to help alleviate the burden on state and local taxpayers. An example of this includes constructing and maintaining roads to extractive sites. Furthermore, the utility, oil, and gas industry received an additional \$964 million from 2008 to 2010 as part of the state's Industrial Tax Exemption. For the electricity generation and utility sectors alone, the state of Louisiana subsidized major utility companies by \$276 million over three years. These ratepayer subsidies

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for utility interests are generally not factored into the price of electricity from natural gas.

In continuing their attack on solar in Louisiana, Heartland also cited Acadian Consulting Group's flawed report for the Public Service Commission on net metering as proof that solar is passing costs onto other ratepayers. Acadian Consulting, run by David Dismukes, was criticized by solar companies for its ties to the fossil fuel and utility industry, which may have impacted the rigor and outcome of their report. In the past, Dismukes has "publicly criticized renewable energy subsidies, while praising those for fossil fuels." According to reporting from *The Times-Picayune*, Acadian has received direct funding from industry groups on several research projects, including \$20,000 from the America's Natural Gas Alliance for a report that was critical of federal wind energy subsidies. Acadian's clients include Duke Energy, NRG Energy, Sempra Energy. The Sierra Club exposed severe flaws in Dismukes' report, stating,

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

<u>Heartland has joined</u> other fossil fuel-funded opponents of the Florida ballot initiative, including Americans for Prosperity, in attacking the attempt to open the Florida electricity market to solar companies, citing subsidies for solar installations.

In Kansas, Heartland attacked the state's RES, echoing a blog published by Bonner Cohen from the State Policy Network group, National Center for Public Policy Research. In the post, Cohen cites a report by the Utah State University Institute for Political Economy, which produced debunked economic analysis in North Carolina and Kansas attacking those states' renewable energy laws. The Utah State University report was authored by Randy Simmons, the "Charles G. Koch Professor of Political Economy" and used inflated costs for renewable energy to claim a negative impact on ratepayers' income and the state economy. Once corrected, the Utah State University/Strata study actually shows that renewable energy standards (and the increased use of wind energy) create economic benefits.

Heartland also advocated against the Kansas renewable energy standard in a *Washington Times* op-ed, claiming that energy prices skyrocketed without providing any evidence. Energy & Policy Institute debunked the Heartland's claims about "skyrocketing energy prices" last year. James Taylor claims that because electricity prices in Kansas have risen faster than the national average since 2009, the state's RPS is causing a spike in electricity prices. But Taylor ignores the fact that electricity prices are changing based on a number of different factors.

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This year, anti-clean energy groups were only able to convert the state's renewable energy standard into a "voluntary goal" but only after utilities exceeded the standard five years early. Heartland's misinformation campaign and desperate efforts to repeal a state renewable energy will have no affect on renewable energy growth in the state of Kansas.

The New Mexico State Legislature considered a <u>bill that would freeze the state's</u> renewable energy standard but it failed to move through the Senate after passing the State House of Representatives. Heartland <u>published a misleading blog attacking opponents of the anti-clean energy bill</u> and promoting the views of allied Rio Grande Foundation in promoting the renewable energy standard repeal. The State Policy Network's Rio Grande Foundation also advocated for the bill.

Despite misinformation being echoed by the Heartland Institute and Rio Grande Foundation, data from the Energy Information Administration shows that the New Mexico renewable energy law is not causing an increase in electricity prices over states that do not have renewable energy standards. The average increase in electricity prices across the United States from 2012 to 2013 was 2.86%, while the increase in electricity prices in New Mexico was just 2.74%. Also, according to an empirical study by Lawrence Berkeley National Laboratory, renewable energy standards have not caused electricity rates to increase more rapidly than states that do not have these standards.

In North Carolina, the House of Representatives passed a bill to freeze the renewable energy standard. It was sponsored by ALEC member Mike Hager, a former Duke Energy employee. In the Senate, the Chair of the Senate Finance Committee, Senator Bob Rucho, pushed the bill through his committee after refusing to count the votes during a controversial voice vote, amidst objections from both political parties. The entire state senate has yet to vote on the bill.

Heartland then published a <u>flawed editorial</u> on the supposed economic costs of the state's renewable energy law by Bonner Cohen, a senior fellow at the National Center for Public Policy Research, a <u>State Policy Network</u> group. Cohen, as mentioned above, cites the work of the Koch-backed Institute for Political Economy at Utah State University, which produced misleading reports attacking state renewable energy laws.

In addition, Heartland signed a <u>coalition letter spearheaded by Americans for Prosperity</u> (AFP) that called on the state legislature to repeal the renewable portfolio standard. The letter cited the <u>debunked Beacon Hill Institute</u> report on the North Carolina RES that inflated the costs of renewable energy and ignored entire statutes written into the law to keep costs down. The AFP was also signed by a smorgasbord of fossil fuel-funded front groups and organizations tied to the Koch political network.

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In Oklahoma, legislators reached a <u>compromise with the wind energy industry</u>, passing two bills that would phase out the state's five-year property tax exemption for wind energy projects and eliminate wind energy's eligibility for a job creation tax credit in the state, in exchange for keeping in place a zero-emission tax credit until the end of 2020. Governor Mary Fallin signed the bills in May 2015, stating,

Today, Oklahoma's wind industry is among the strongest in the nation and is an integral part of our power grid and our economy. Wind energy is here to stay. It no longer needs the same level of support and encouragement from the state. I appreciate the wind industry's participation in crafting this compromise and applaud the legislative leaders, especially Representative Earl Sears and Senator Mike Mazzei that invited them to the table. These bills will ensure we accomplish the dual goals of supporting an 'all of the above' energy strategy while delivering much-needed fiscal reform.

Heartland used the <u>Oklahoma compromise as supposed evidence</u> that states are backing away from RES laws. However, the bills passed by the Oklahoma legislature this year were related to wind energy incentives and tax credits, not the RES. Oklahoma has already met its voluntary renewable energy goal of 15% by 2015. According to the <u>most recent data available from the Energy Information Administration</u>, Oklahoma produces 19.4% of its electricity from renewable energy sources like wind, solar, and hydropower.

The Texas Senate passed a bill in April, SB 931, that would have ended the state's RES and the Competitive Renewable Energy Zone, which is a program to build high-capacity power lines that link wind-rich areas of the state to the highly populated cities. The Texas House of Representatives ended its 2015 legislative session without taking up the measure, effectively killing the repeal attempt. Heartland weighed into the debate by again promoting Marita Noon's misinformed blog attacking RES laws.

The West Virginia State Legislature passed a bill in January 2015 to repeal the state's Alternative and Renewable Energy Portfolio Standard, and Governor Earl Tomblin signed the bill in February. While this new law makes West Virginia the first state to fully repeal a renewable energy standard, the West Virginia statute did not actually require renewable energy development, because the standard could be met by natural gas, waste coal, and other carbon-intensive energy sources (like burning tires). Heartland applauded the West Virginia bill, and then claimed it as a victory. In addition, Heartland's comments on the West Virginia standard repeated misleading claims that renewable energy standards drive up electricity costs and hurt the economy. Heartland's James Taylor said,

West Virginia policymakers recognized, in a bipartisan and overwhelming manner, that renewable power mandates drive up electricity costs, kill jobs, punish the economy, and inflict substantial unintentional harm on the environment. Fortunately for electricity consumers and environmentalists, several other states are poised to follow West Virginia's lead and will be considering similar legislation this year.

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## **Indiana Energy Association**



The Indiana Energy Association (IEA) is a member-based group composed of the state's electric and gas utility companies. Mark Maassel, president of IEA, was formerly the president at the

Northern Indiana Public Service Company (NIPSCO), the second-largest electricity provider in the state. The Vice President of IEA is Tim Rushenberg, a former lobbyist for the Indiana Manufacturers Association.

Investor-owned electric utility companies that are members of IEA include Duke Energy, American Electric Power's Indiana Michigan Power, AES Corporation's Indianapolis Power & Light, Vectren, and NIPSCO. Some of these companies have led efforts opposing the passage of renewable energy laws or are working to repeal laws in place. For example, Duke Energy's Florida subsidiary has teamed up with other utilities in that state to oppose a solar ballot initiative, and American Electric Power (AEP) lobbied Ohio politicians to freeze that state's renewable energy and energy efficiency standard in 2014. AEP has also filed a proposal with Ohio's Public Utilities Commission to increase electric rates to pay for its coal plants, and appealed to the state supreme court the PUC's ruling that net metering should be valued at the full retail rate.

In 2015, IEA led a campaign to lobby Indiana legislators to add a fee to electric bills of rooftop solar owners, which will reduce the financial incentives to invest in distributed generation. And, while there are only 600 customers participating in net metering, the utilities were hoping to tack on the fee before the solar boom takes off in Indiana, thanks to the dramatic decrease in costs. IEA created a website, which has since been deleted, called electricfairness.com. The website featured a video by the Edison Electric Institute, which is now hosted on IEA's website.

In addition to lobbying, Maassel wrote an <u>opinion piece</u> in the *The Indianapolis Star* titled, "Current net metering system is unfair." He also submitted <u>letters to the editors</u> of several local papers as well as <u>testifying</u> on behalf of IEA supporting HB 1320. The bill was eventually pulled from the House calendar.

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## **Institute for Energy Research**



The Institute for Energy Research (IER) is a nonprofit "partner" organization of the American Energy Alliance, which is a 501(c)(4) grassroots organization designed to communicate IER's policies to

voters. IER was founded in 1989 from a predecessor nonprofit organization registered by Charles Koch and Robert L. Bradley Jr. The American Energy Alliance was founded by the National Association of Manufacturers and the American Petroleum Institute to fight the BTU tax proposal in 1993, and in recent years has been funded by Exxon Mobil and Koch Industries.

Last year, IER released a report criticizing renewable energy laws and said electricity prices are higher in states with RES laws, but failed to provide any other factors in the cost hikes. Nevertheless, this year, DBL Investors shed light on that claim and found that in fact, "states relying more on renewable generation have experienced retail electricity prices comparable to, or cheaper than, states relying less on renewable generation." The 10 states with the greatest share of generation from renewables averaged a retail electricity price of 9.79 cents/kWh in 2013, versus an average of 10.28 cents/kWh for the 10 states with the least share of renewable electricity generation.

This year, IER was not actively working to weaken or repeal RES laws across the country compared to prior years. For example, Daniel Simmons, Director of Regulatory and State Affairs at IER, testified in 2013 before the Ohio Senate Public Utilities Committee regarding that state's RES. In 2014, IER's Travis Fisher submitted written testimony in Kansas on a proposed repeal of that state's RES.

However, IER <u>released a report</u> this year on the topic of net metering, saying the policy only benefits higher-income households. IER based the claims mostly from the report authored by David Dismukes of the Acadian Consulting Group.

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#### John Locke Foundation



The John Locke Foundation is a North Carolina-based think tank that has ties to the State Policy Network and the American Legislative Exchange Council.

It was exposed by Jane Mayer in <u>The New Yorker</u> in 2011 as receiving approximately 80% of its funding from the Art Pope family foundation, with additional money coming from tobacco companies and two Koch family foundations.

<u>Art Pope is a conservative businessman</u> who has contributed millions of dollars to a network of foundations and think tanks designed to push free market ideas. He cofounded the John Locke Foundation.

Marc Farinella, a Democratic political consultant who was Obama's 2008 campaign director in North Carolina and was an adviser to the state's former Democratic governor, Beverly Perdue, told Mayer, "In a very real sense, Democrats running for office in North Carolina are always running against Art Pope. The Republican agenda in North Carolina is really Art Pope's agenda. He sets it, he funds it, and he directs the efforts to achieve it. The candidates are just fronting for him."

This year, Jon Sanders, director of regulator studies at the John Locke Foundation, wrote an op-ed on June 16 in *The News & Observer* supporting legislation to freeze the North Carolina renewable energy and energy efficiency standard. Sanders cited a 2014 Brookings Institution working paper, authored by nonresident senior fellow Dr. Charles Frank Jr., to explain why solar and wind are not viable sources of electricity. However, physicist and chief scientist Amory Lovins at the Rocky Mountain Institute explains Dr. Frank's methodology is flawed and the data used is outdated or otherwise incorrect.

The foundation also signed on to a <u>coalition letter</u> that was sent to lawmakers, pushing for the repeal of the REPS. The letter featured 21 organizations, including Americans for Tax Reform, the Heartland Institute, the National Black Chamber of Commerce, and Americans for Prosperity.

In addition, the foundation published a <u>report</u> and <u>numerous blog posts</u> about why legislators should repeal the REPS, as well as email <u>updates</u> about Rep. Hager's proposed legislation to freeze the law.

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#### Matrix, LLC

Matrix, LLC is an opposition research and lobbying firm that has provided political consulting services to Alabama Power for decades.

The Partnership for Affordable Clean Energy (PACE) is also directly linked to Matrix, with Matrix paying PACE Director Lance Brown's salary in 2009 and 2010 while he was already serving in his role at PACE. And, Matrix employees also provided services to PACE.



According to Eddie Curran, an investigative journalists based in Mobile, Alabama, "The power company won't say what Matrix does for them, and Matrix sure won't... PACE is for all practical purposes a subsidiary of Matrix that happens to devote immense resources to boosting Alabama Power, Mississippi Power, and blasting its enemies."

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#### **National Black Chamber of Commerce**



The National Black Chamber of Commerce (NBCC) is a nonprofit organization "dedicated to the economic empowerment of African American communities." The NBCC was founded by Harry Alford, who

serves as the organization's president and CEO; he is also a board member of the U.S. Chamber of Commerce. According to IRS form 990s, <u>NBCC's only officers</u> are Alford and his wife, Kay DeBow Alford.

Alford is a longtime ally to utility and fossil fuel companies. Since 1998, the NBCC has received \$800,000 from Exxon Mobil, according to ExxonSecrets. With the beginning of Exxon funding, NBCC opposed the ratification of the Kyoto Protocol. Alford testified in 1998 saying the climate treaty would be detrimental to minority-owned small businesses. NBCC membership at the time included General Motors, Texaco, Caterpillar, and Daimler Chrysler.



#### In 2011, the NBCC also started to receive

money from the Edison Electric Institute. Alford recently testified in Congress pushing back on the EPA's updating of ground-level ozone rules (emissions of nitrogen oxides and volatile organic compounds from cars and power plants make up smog when they are "cooked" by the sun). Alford has also criticized EPA's Clean Power Plan saying, "The EPA's carbon dioxide regulation is a slap in the face to poor and minority families." Alford's comments were then repeated by the climate-denying Committee For A Constructive Tomorrow (CFACT) and Heartland. The NAACP, however, fully backs the EPA regulations. When the standards were released in 2014, Lorraine Miller, NAACP Interim President and CEO, said, "African Americans overwhelming live in areas where millions of tons of carbon pollution are trapping, concentrating, and intensifying the myriad of toxins they breath every day... I commend President Obama for taking such a bold step for environmental justice in protecting our most vulnerable communities."

Dr. Michael Dorsey, Interim Director for the Energy and Environment Program at the Joint Center for Political and Economic Studies, told ThinkProgress that Alford is, "just mouthing off talking points from Edison Electric. It's disturbing that he would subject himself to being so manipulated."

The NBCC has also come out against net metering in recent months. In 2014, NBCC signed onto a <u>U.S. Chamber of Commerce coalition letter</u> calling for net metering

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reform. In March, the NBCC came out <u>against net metering in Louisiana</u> and praised a flawed opinion piece from the Harvard Electricity Policy Group. Weeks later, NBCC filed an <u>initial brief opposing</u> the Florida solar ballot initiative, joining the four utility companies in that state in opposition.

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# **Partnership for Affordable Clean Energy**

The Partnership for Affordable Clean Energy (PACE) is an anti-clean energy front group that often advocates for the positions of fossil fuel and utility interests, while claiming to care about ordinary consumers. PACE was incorporated by William D. Lineberry, an attorney with the Birmingham, AL office of Balch & Bingham, a firm that lobbies on behalf of Southern Company and its Alabama Power subsidiary.



PACE is <u>funded by dark money groups</u> Partnership for Alabama Leadership (PAL) and Vote Alabama (Vote AL), which are connected to Alabama Power through Matrix, LLC, an opposition research and lobbying firm that has <u>provided political consulting services to Alabama Power for decades</u>. The head of PAL, Mike Fields, is on retainer as a <u>consultant to Alabama Power</u>, being paid between \$10,000 and \$50,000 annually for several years.

PACE is also directly linked to Matrix, with <u>Matrix paying PACE Director Lance Brown's salary</u> in 2009 and 2010 while he was already serving in his role at PACE. And, Matrix employees provided services to PACE.

PACE has received the majority of its funding from the two groups listed above:

Year	Total Contributions	Contributions from PAL	Contributions from Vote AL	Total Unknown
2010	\$271,000	\$95,000	\$150,000	\$26,000
2011	\$419,768	\$135,000	\$165,000	\$119,768
2012	\$333,378	\$95,000	\$135,000	\$102,878
2013	\$654,500	\$315,000	\$229,000	\$110,500

PACE is also an "official partner" with the <u>Consumer Energy Alliance</u>, a fossil fuel-funded advocacy group that recently attacked solar energy in Wisconsin by spreading misinformation and actually <u>tricking citizens</u> into signing anti-solar petitions. CEA is also known to have funding and connections to oil and gas lobbying firm HBW Resources. PACE also co-hosted the <u>Gulf Coast energy forum in partnership with CEA to attack EPA clean air regulations</u> on coal-fired power plants. Finally, PACE has <u>promoted and hosted commentary by CEA</u> on the benefits of fracking in Florida.

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In addition to CEA, PACE lists the following fossil fuel interests as official partners:

- Alabama Rural Electric Association of Cooperatives
- Empower Consumers
- Tennessee Mining Association
- The National Federation of Indepdent Business
- <u>IBEW System Council U-19</u>, which represents 3,000 Alabama Power employees and is one of the largest member unions of the state AFL-CIO, another PACE partner.

According to the <u>Center for Media & Democarcy's Sourcewatch</u>, PACE is also part of the <u>Working People for Fair Energy</u> (WPFE), another 501(c)(4) group that describes itself as "a non-profit organization devoted to fighting for energy laws that are fair and affordable to working people and low-income families."

While appearing to be a group dedicated to <u>environmental justice</u> and working families, a <u>Facing South</u> Investigation found that WPFE has close ties to industry interests with a financial stake in fighting <u>EPA coal ash regulations</u>. In 2010, Steele testified against <u>coal ash regulation</u> at a North Carolina hearing on the issue, claiming that the costs would disproportionately burden the most economically vulnerable Americans. The research cited by Steele in his account of his EPA testimony came from a group called the <u>Affordable Power Alliance</u> (APA), an organization that supports anti-environmental initiatives such as expanded oil drilling and accepts money from <u>ExxonMobil</u>.



This year, PACE has been a primary player in anti-solar campaigns in the southeast. In March, Lance Brown wrote an op-ed in *The Hill* repeating the utility industry's claim that solar hurts low income customers, citing a flawed Louisiana study on the cost of net metering by a fossil fuel industry consultant, David Dismukes of Acadian Consulting Group.

<u>Politifact</u> dug into the claims made by Dismukes and front groups echoing his report and stated:

[Americans for Prosperity] Florida told us that's really the place that saw higher electric rates because of solar policies. They cited a 2015 study for the Louisiana Public Service Commission, which was debating what to charge solar power customers for electricity. The report focused on the state's 50 percent tax credit for installing new solar panels, and said those credits cost the state at least \$89 million. Louisiana customers outside of New Orleans did see a base rate hike in 2014, which cost the average ratepayer about 47 cents per month. But that increase was approved by the PSC in 2013 and was over several issues, including the cost of maintaining an aging power grid. Electric utility company Entergy did not specifically mention solar as being an issue when announcing

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the base rate change... So while Louisiana did see a rate increase, we don't see evidence that it was specifically related to a solar initiative."

<u>Sierra Club exposed severe flaws</u> in the Dismukes' report that PACE used to attack solar energy, stating that the LPSC study written by Acadian.

Brown also cited Ashley Brown in the op-ed. Ashley Brown is a utility-backed pundit at the Harvard Electricity Policy Group, who wrote a "paper" in *Electricity Journal* that <u>contained</u> <u>little quantitative analysis behind her claims</u>.

PACE advocated that Mississippi should be cautious in adopting solar net metering policies, claiming solar customers are pulling subsidies from other ratepayers, despite independent studies showing distributed solar benefiting all ratepayers.

In Georgia, Lance Brown has appeared at rallies supporting Americans for Prosperity's (AFP) positions <u>against the EPA</u> and <u>solar energy</u>. AFP's erroneous claims about solar in Florida earned a "<u>pants on fire</u>" rating from Politifact. PACE also signed onto a <u>letter spearheaded by AFP to the North Carolina state legislature</u> calling for the repeal of the state's RES law.

And finally, in an effort to speak to African American communities, <u>PACE paid more than</u> \$100,000 in each of its first two years to Southern Christian Leadership Conference leader Charles Steele, who then appeared at rate hearings and in videos created by the organization speaking in favor of positions favored by Alabama Power.

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# **Prosper**

Prosper is an Arizona-based free market advocacy group funded by <u>utility special interests</u> and connected to the <u>Koch political network</u> and is led by former Arizona House Speaker Kirk Adams (who is also the president of <u>Americans for Responsible Leadership</u>, another group connected to American Encore and the Koch Brothers' network).

In 2013, Prosper, along with 60 Plus Association, received funding from Arizona Public Service (APS) to back the utility's anti-solar effort to add fees for homeowners that install distributed solar. Prosper



released an ad claiming that <u>charging ratepayers who install solar is about fairness</u>; a <u>claim used by utility companies</u> to increase electric rates. Sean Noble from American Encore also <u>served as a consultant</u> with Prosper to help APS change Arizona's solar regulations to make installing solar uneconomical for families.

This year, Prosper sent a <u>press release</u> urging a utility in Arizona, Salt River Project (SRP), to increase fees on net metering customers. SRP's Board of Directors eventually passed a \$50 per month fee on customers who install solar panels, essentially gutting the solar market in the utility's territory. In fact, solar installations in the SRP territory dropped dramatically after the fees were approved: only 61 SRP customers applied to install solar between December 8, 2014 and April 30, 2015, according to <u>reporting</u> from *The Arizona Republic*. In 2014, several hundred people were applying to install solar each month.

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# **State Policy Network**



The <u>State Policy Network</u> (SPN) is a coordinated network of conservative think tanks in every state in the country. It's an \$83 million empire that drives corporate-backed American Legislative Exchange Council (ALEC) model bills in state capitals by issuing reports and testifying in favor of the legislation.

In 2013, *The New Yorker's* Jane Mayer highlighted SPN and wrote, "Although the think tanks have largely operated under the radar, the cumulative

enterprise is impressively large, according to the [Center for Media and Democracy] report. In 2011, the network funneled \$79 million into promoting conservative policies at the state level." It is considered ALEC's biggest ally in the states.

The Internal Revenue Service classifies most of the think tanks in SPN as 501(c)(3) charities, which means that they are exempt from taxation. However, *The Guardian* revealed,

Though the groups are not involved in election campaigns, they are subject to strict restrictions on the amount of lobbying they are allowed to perform. Several of the grand bits contained in *The Guardian* documents propose the launch of "media campaigns" aimed at changing state laws and policies, or refer to "advancing model legislation" and "candidate briefings", in ways that arguably cross the line into lobbying.

SPN, along with the think tanks in its network, receive money from foundations that are funded by the Koch Brothers, and <u>two secretive groups</u> called the "<u>Dark Money ATM</u>" of the conservative movement: DonorsTrust and Donors Capital Fund.

In 2015, SPN continued its role as a coordinating umbrella group to advance legislation to repeal or weaken clean energy laws in conjunction with ALEC.

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# Strata & Utah State University's Institute of Political Economy



The Utah State University's (USU) Institute of Political Economy and Strata are affiliated organizations run by Dr. Randy Simmons. Simmons was the "Charles G. Koch Professor of political economy" at USU from 2008 through 2013, and is the President and Director of Research for Strata, which describes itself as the "premier research hub on environmental, energy and public land issues."

The Koch Bothers have provided Utah State University with at least \$170,000 in funding. USU is also the <u>fifth-biggest recipient of money</u> from Koch-linked foundations among all colleges since 2012. In addition to serving as the Koch Professor at USU, Simmons also <u>runs the "Koch Scholars" Program</u>, which receives an annual grant from the Charles Koch Foundation.

In 2015, Newsweek published an op-ed by Simmons attacking wind energy tax breaks but the <u>publication failed to disclose his ties to the Koch Brothers</u> and fossil fuel funding. Newsweek added this note after publication recognizing Simmons ties to fossil fuel interests:

The author of this piece, Randy Simmons, is the Charles G. Koch professor of political economy at Utah State University. He's also a senior fellow at the Koch- and ExxonMobilfunded Property and Environment Research Center. These ties to the oil industry weren't originally disclosed in this piece.



USU and Strata published two flawed reports attacking state renewable energy standards in Kansas and North Carolina. Michael Goggin at the American Wind Energy Association (AWEA) notes the serious flaws in the reports. He writes, "when major errors in the study's methods are corrected, the study's results actually confirm that state Renewable Energy Portfolio Standards (RPS) like those in Kansas create hundreds of jobs and save consumers tens of millions of dollars."

Furthermore, Simmons' study uses a "statistical trick to blame the Great Recession on renewable energy" and misses the most basic statistical principle: correlation is not causation. Strata and USU would have simply needed to look at one state that did not have a renewable energy standard to see that the economic downturn was not a result of the

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state enacting a renewable energy standard, but was the result of the Great Recession.

Additionally, the funding for USU/Strata reports has not been disclosed. And, when the funding question was brought up during a hearing in Kansas on legislation dealing with the state's RES, state senator Rob Olson cut off his colleague's line of questioning.

The Heartland Institute featured Simmons on a podcast and highlighted the USU report to advocate for the repeal of the North Carolina renewable energy standard. And, the State Policy Network member John Locke Foundation also published an article echoing the findings from Simmons in calling for the repeal of that state's RES.



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## **Taxpayer Protection Alliance**



The Taxpayers Protection Alliance (TPA) is an advocacy front group that is part of the <u>Koch political network</u>, and is largely funded by money <u>funneled through the Kochconnected Americans for Job Security</u>, <u>Center to Protect Patient Rights</u> (now called <u>American Encore</u>), and <u>Freedom Partners</u>.

TPA essentially exists as a shell for its advocacy, based on its own IRS form 990s: "The Taxpayers Protection Alliance has given control of the management duties and the daily activities of the organization to MLM Consulting, LLC (MLM). MLM will be responsible for managing the organization and work to support the exempt purposes of TPA. The President of TPA, David Williams, is the sole owner of MLM Consulting LLC."

Stephen DeMaura is also on the board of TPA. DeMaura is the President of Americans for Job Security (AJS), which is a major entity that helps to launder Koch money to front groups in the Koch political network. In 2012, AJS funneled at least \$24 million into the Center to Protect Patient Rights, some of which made its way to the TPA.

In 2014, TPA launched SolarSecrets.org, a website that has cited other fossil fuel-funded front groups to attack solar energy. SolarSecrets.org was registered and launched in November 2014 (along with SolarSleuth.org) by Sean Paige, a political consultant as well as a former Americans for Prosperity staff member; his shop is located in Colorado Springs and is called Affinity Advocacy. Affinity Advocacy is a public affairs firm that works on energy issues. It claims to offer a variety of services, including "guerrilla marketing" and "crisis communications." Paige also worked at the fossil fuel-funded Competitive Enterprise Institute and Media Research Center.

Energy & Policy Institute tracked down the original Solar Secrets twitter feed (@SolarSecretsTPA) when it had just eight followers. The followers included Drew Johnson and Michi Iljazi of Taxpayer Protection Alliance, and consultant Sean Paige. On <u>Facebook</u>, the Solar Secrets page had, among its 14 followers, Sean Noble from the Center to Protect Patient Rights, Ellen Hubbard of the Heritage Foundation.

TPA also released a <u>report</u> on solar tax credits this year called "A House of cards: Solar Energy's Subsidy-Based Business Model." The report is filled with cherry-picked anecdotes and misinformation used to make the solar industry look like a stalling, government-reliant industry, when in fact, it's driving billions of dollars in private sector investment.

In addition to writing its own report, TPA <u>echoed CARE's misinformed anti-solar paper</u> in March 2015. TPA also <u>signed a letter</u>, <u>spearheaded by Americans for Prosperity</u>, to the North Carolina state legislature calling on lawmakers to repeal the state's RES.

Finally, TPA also echoed Heartland's <u>attack on free market conservatives in Florida</u> who are joining with the clean energy industry to allow third-party solar sales in the Sunshine state.

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# **Texas Public Policy Foundation**

The Texas Public Policy Foundation (TPPF) is a conservative think tank based in Austin, Texas, and a member of the State Policy Network (SPN). The think tank's funders from 2010 were inadvertently made public a few years ago. According to <u>Al Jazeera America</u>, "A 2010 donor list from the IRS shows the Texas Public Policy Foundation receives funding from groups long associated with big oil, gas, and coal, such as Koch Industries, the electric utility Luminant, and the oil and gas investment company the Permian Basin Acquisition Fund."



A 2013 report by Progress Texas and the Center for Media and Democracy (CMD) found that TPPF received over 3 million dollars from the Koch brothers or organizations they fund. For example, the Koch family foundations and Koch Industries sent \$733,333 to TPPF, and

\$2,581,258 has been donated from the dark money groups DonorsTrust and Donors Capital Fund.

TPPF is also a member of <u>several task forces within the American Legislative Exchange Council (ALEC)</u>.

In 2015, TPPF was supportive of legislation that would have repealed Texas' RES. The organization's support for the legislation comes after its 2015-2016 "Legislators' Guide to the Issues" recommended that state officials eliminate the policy. The guide was issued October 20, 2014.

Bill Peacock, TPPF's Vice President of Research, <u>said</u> renewables can compete in the market, and the RES is "no longer needed."

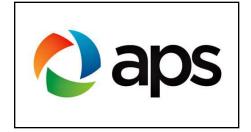
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# **Attacks on Clean Energy Policies State-by-State**

## **Arizona**

There is perhaps no greater attack on net metering ongoing than that being unleashed by the utility industry in Arizona. Starting in 2013, Arizona Public Service (APS), the state's largest utility, admitted that it had paid a Koch-funded group (60 Plus Association) to run anti-solar ads after denying it was funding the campaign earlier in the year. Sean Noble,

who has been <u>described</u> as the "wizard behind the screen" in the Kochs' donor network, was running the coordinated attack on net metering at the time. This campaign led up to a November 2013 regulatory hearing on APS' proposal to charge net metering customers between \$50 and \$70 per month. Regulators ultimately <u>ruled</u> that the utility could charge 70 cents per kilowatt, which comes out to a \$5 per month fee.



In 2014, The Arizona Republic <u>reported</u> that, "APS is widely believed to have contributed to the independent groups that supported Forese and Little and ran \$1.3 million in negative ads against Democrat Sandra Kennedy as well as primary opponents of Forese and Little." The Arizona Free Enterprise Club and 60 Plus Association, ran ads in support of Republicans Tom Forese and Doug Little for the two open seats on the Arizona Corporation Commission (ACC). The ACC regulates and sets rates for the electric utility companies in the state.

This year, Tucson Electric Power (TEP), another utility in the state, proposed changes to weaken net metering in the state, as did APS and Salt River Project (SRP). The latter is a municipal utility that is governed by board of directors, not the ACC. 12 of 14 board directors of SRP voted to approve solar-rate charges that will add \$50 to the average solar customer's monthly bill. The fee increase began in April. Customers who already had solar installed will not see a fee increase for 20 years and anyone who buys a home with a solar system installed will be "grandfathered" from the fee during that 20 year period. The fee increase was hotly opposed. A crowd of over 500 people showed up at the SRP board meeting to protest the utility's proposal and the increase prompted SolarCity to file a lawsuit against the utility for "violations of antitrust law."

TEP's proposal argued for adding monthly fees of about \$22 onto solar customers current bills. The ACC staff recommended rejecting the changes, but only until the TEP proposal could be analyzed in a full rate case.

The ACC staff also recommended that regulators reject APS' proposal to increase monthly fees for solar customers by about \$21 per month, which is an increase from the current \$5 fee that the utility has been charging since 2013.

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The <u>staff recommendations are not binding</u> and commissioners may still choose to hear the utility proposals.

These policy and regulatory discussions were not the only developments in Arizona. A whistleblower in February revealed that a former utility regulator, Gary Pierce, held <u>frequent "secret" meetings with the CEO of APS</u> and other top executives from the utility during his time as commissioner. The allegations are under review by the state attorney general's office. However, a review of commissions' calendars by *The Arizona Republic* recently <u>revealed</u> more relationships between the commissioners and the companies they regulate.

The water got even muddier when it was brought to light that Justin Pierce, Gary Pierce's son, <u>received</u> nearly half a million dollars from groups that were funded by APS during his campaign for secretary of state.

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## California

At the end of 2014, the distributed generation capacity in California totaled 5,200 MW of capacity, with an additional 3,700 MW of authorized and pending power to come online shortly, according to the California Energy Commission. Generally, the distributed generation in California is on-site solar photovoltaic under a net metering contract. The goal of installing 12,000 MW of renewable distributed generation by 2020, set by Governor Jerry Brown, along with other state policies, especially net metering, has been enormously helpful in transforming the market. But this revolution of the electricity market has presented California with new challenges – increasing the integration of renewable power.

In 2013, state legislation, <u>AB 327</u>, required the California Public Utilities Commission (CPUC) to <u>review net metering rules</u> to determine the path forward once the total amount of net-metering customers' solar output reaches 5% of a utility's aggregate customer peak demand, or on July 1, 2017. This policy is often referred to as "Net Metering 2.0."



The utilities (San Diego Gas & Electric, Pacific Gas & Electric, and Southern California Edison) opposed the expansion of net metering in 2013 when the cap on the policy was changed, and we will soon begin to see what policies utilities push in order to reduce the economic reward for distributed generating customers. The deadline to submit proposals for "Net Metering 2.0" was July 2, 2015, and Pacific Gas & Electric has already signaled it wants to replace net metering with a feed-in tariff structure. AB 327 requires that the new net metering policy be adopted no later than December 21, 2015.

The net metering 2.0-policy debate is not the only one in California. The CPUC has also, in a unanimous vote, approved a proposal to reform the state's electric rate structure for residential customers, which has serious implications for solar power. For instance, the approved proposal will flatten the rate structure and change it from a four-tiered system to a two-tiered system, as proposed by the utility industry.

However, the plan does benefit the future deployment of distributed generation. Greentech Media's Jeff St. John notes that the <u>CPUC approved plan</u> did not include a fixed fee of \$10 a month, per the utility industry's request. The CPUC, however, is proposing a minimum bill charge. Shayle Kann, senior vice president of research for Greentech Media, says, "A minimum bill is generally preferable for solar and, for most solar customers, will have a minimal but non-zero impact on their bill savings."

In addition, the CPUC has proposed that a time-of-use rate system to be functional by 2019. The system would be incorporated into the two-tiered rate structure and power would be most expensive during peak demand periods in the late afternoon and would be cheapest at night.

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"The commission basically handed the utilities exactly what they have been lobbying for," said Evan Gillespie, director of the Sierra Club's My Generation campaign, which encourages the use of renewable power. "It jacks up bills for low-income customers, lets energy hogs off the hook, and will slow the transition to clean energy."

Debate since the passage of AB 327 has garnered much attention from the utility industry and its allies. This year, Energy & Policy Institute uncovered documents that exposed Edison Electric Institute's internal discussions on net metering. A 2014 EEI briefing book, titled "Grid Talk: 2014 Advocacy and Engagement Forum on Distributed Generation," reveals Martha Rowley, Regulatory Analysis Manager at EEI, tracked updates in the states.

Plus, the American Legislative Exchange Council (ALEC) annual meeting was hosted in San Diego this year, where the Energy, Environment and Agriculture Task Force discussed and debated multiple solar energy items and model bills. <u>EEI is a member of ALEC and worked on the model bill</u> that penalizes net metering customers. <u>Southern California Edison is also a member of ALEC.</u>

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## Colorado

The Colorado renewable energy standard has seen attacks in the legislature and the courts from anti-clean energy front groups.

In the courts, the Heartland Institute highlighted the fossil fuel-funded Energy & Environment Legal Institute (EELI)'s <u>law suit claiming that the state's renewable energy standard (RES) was unconstitutional</u> because it "violates the U.S. Constitution's Interstate Commerce Clause by providing economic benefits to renewable electricity generators located in Colorado unavailable to out-of-state renewable power producers and by imposing Colorado's laws on businesses operating in other states." EELI claimed that provisions defining retail distributed energy as those located in the state of Colorado discriminates against out-of-state power producers. The U.S. 10th Circuit Court of Appeals <u>upheld the Colorado RES</u>, saying that the law does not violate interstate commerce laws or discriminate against out of state coal suppliers.

Heartland also <u>pressured state lawmakers</u> to repeal the state's RES, spreading disinformation about how the law has caused electricity prices to rise faster than the national average. Reviewing the Energy Information Administration's numbers on electricity prices, one finds that Colorado prices increased only 3.3% faster than the national average. However, this is likely not because of the renewable energy standard.

Energy & Policy Institute challenged Heartland's claims last year in <u>Kansas</u> and <u>Ohio</u>, showing that the renewable energy standard did not cause electricity prices to rise. Colorado uses less natural gas for electricity generation than other states and less natural gas than the national average. Record low natural gas prices have helped prevent electricity prices from increasing in states that use natural gas for electricity generation. Unfortunately, Colorado only uses 14% natural gas for the state's electricity generation, compared to 21% for the national average. Therefore, the slight increase over the national average is likely due to Colorado's use of more expensive electricity sources.

Heartland also promoted fossil fuel-funded Citizens' Alliance for Responsible Energy Executive Director <u>Marita Noon's misinformed blog</u> attacking renewable energy policies, including the renewable energy standard in Colorado.

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## Connecticut

Representative Mitch Bolinsky introduced a bill, HB 6026, in January 2015 to freeze Connecticut's Renewable Energy Standard. The legislation proposed would have suspend the clean energy law for five years, but the bill did not move forward after being referred to the Joint Committee on Energy & Technology.

The Yankee Institute for Public Policy released a report written by the Beacon Hill Institute (BHI) that claims enormous economic costs to Connecticut because of the renewable energy standard. In the Yankee Institute report, which was released in January 2015, BHI's authors cite flat electricity demand as a rationale for not transitioning the electricity grid to clean energy sources. However, the authors fail to acknowledge that electricity demand increased between 2007 and the Great Recession. The reports attacking RES laws produced by BHI have been throughly debunked by independent economists at Synapse Energy Economics. Synapse found "fundamental flaws in both the energy data and the economic modeling used by BHI."

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## **Florida**

Floridians for Solar Choice, a <u>2015 formed alliance</u> of conservatives, libertarians, and environmentalists, launched a ballot initiative that would allow voters in the <u>2016</u> election to vote on whether or not property owners who can put solar panels on their roofs and then purchase the solar electricity generated from third parties.

The coalition is composed of Conservatives for Energy Freedom, Florida Retail Federation, Christian Coalition, Florida Alliance for Renewable Energy, and Florida Solar Energy Industries Association. The Republican Liberty Caucus of Florida and the Libertarian Party of Florida also support the initiative. This collection of parties, while disagreeing on many political issues, agree that the electricity market should be opened to allow solar energy the chance to compete with utilities in the state.

Tom Perfetti, chairman of Floridians for Solar Choice, <u>told</u> *The Daily Fray* that he has been seeking support across the entire political spectrum in order to change Florida's energy policy and "open it up to an all-of-the-above free market policy."

At the press conference announcing the ballot initiative in January, <u>Alex Snitker, the Libertarian Party of Florida Vice President, said</u>,

"Who is the opposition? The opposition is the people that are profiting off of the current monopoly they have right now... One of the things Libertarians complain about a lot of times is government-sponsored monopolies. I can't think of a better example then what we currently have in Florida right now."

If the court approves the ballot initiative, then Floridians for Solar Choice must gather 683,149 signatures to get the vote on the ballot.

The opponents of the Florida ballot initiative include fossil fuel-backed front groups such as the <u>Americans for Prosperity</u>, <u>Heartland</u>, <u>the National Black Chamber of Commerce</u>, and <u>the Partnership for Affordable Clean Energy</u>.



Fossil fuel companies have also recently come out against the initiative. In June, Florida Power & Light, Duke Energy, Tampa Electric Co., and Southern Company's Gulf Power, all filed briefs with the state Supreme Court opposing the ballot. Perfetti told ThinkProgress that the opposition

didn't surprise him: "When you upset the status quo, you're going to have of course the utility industry fight back and use allies of their's or other individuals who have associations. I was not surprised on any of those groups."

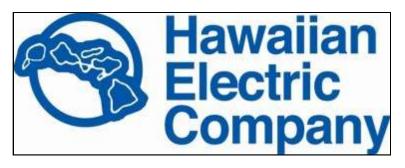
In July 2015, a utility-sided group called "Consumers for Smart Solar" announced it was launching a campaign for an alternative ballot proposition that would not allow third party sales of solar energy. Perfetti commented on the new ballot initiative saying it "appears to be a very slickly devised campaign to potentially confuse voters."

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## Hawaii

In June 2015, Hawaii Governor David Ige signed a bill directing the state's utilities to generate 100% of their electricity sales from renewable energy sources by 2045. It was a bold step for the most oil dependent state in the nation for electricity, but ultimately an easy decision because renewable energy technology advances have made clean energy generation cheaper than producing power from fossil fuels in Hawaii. According to Julia Pyper at Greentech Media, Hawaiian Electric Industries "came out in support of the 100 percent renewable energy goal. The proposed merger between HEI and Florida-based NextEra Energy would provide additional resources to help make the renewable energy target a reality, according to an HEI press release." This great news, however, has been perhaps overshadowed by the debates over net metering.

Solar energy in Hawaii continues to set new records. There are now a total of nearly <u>70,000</u> rooftop solar net energy meting applications that have been approved by Hawaiian Electric, Maui Electric, and Hawaii Electric Light Company - which make up The Hawaiian Electric Companies (HECO). These installations make up more than 12% of Hawaii's electricity customers, resulting in the state regulators opening proceedings aimed at creating a new net metering scheme that is acceptable to all parties involved.



According to <u>Utility Dive</u>, each stakeholder filed a Final Statement of Position (FSOP) at the end of June that lays out where each party stands on the issue of net metering. HECO argues net metering customers do not pay their fair share of grid maintenance costs and the current law is no longer

sustainable, which should result in the end of net metering in the state. On the other hand, the joint filing from The Alliance for Solar Choice (TASC), the Hawaii Solar Energy Association, the Hawaii PV Coalition, the Hawaii Renewable Energy Alliance, Life of the Land, and SunPower argues for a minimum bill, time-of-use rates, and a new net metering credit that is based on costs and benefits.

With the two sides opposed, state regulators will have to jump in and decide the path forward. HECO, however, has asked the Public Utility Commission to remove TASC from the proceeding.

In July 2015, Ige <u>stated</u> that "any merger or investment must align with the state's 100 percent renewable energy goal" and that his administration is "taking the position that the merger as proposed at this point is unacceptable." Ige described NextEra's responses regarding the state's 100% goal as "vague and noncommittal, to say the least."

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## Illinois

In the early weeks of Illinois' 2015 legislative session, environmental and business groups came together to form the "Illinois Clean Jobs Coalition" to push for a new renewable energy and energy efficiency standard. A bill designed to increase the current RES from 25% by 2025 to 35% by 2030 was then introduced. Chicago Mayor Rahm Emanuel was one of the officials supporting the coalition and the legislation.

The coalition came together not only to make Illinois a leader in renewable energy development, but also to both fix the current RES law and to protect the alternative compliance payment fund, a pool of funds set aside for renewable energy credits, from Republican Governor Bruce Rauner, who has been looking to allocate funds in that account for other purposes.

However, Exelon and its subsidiary, Commonwealth Edison, stand in the way of the Clean Jobs Coalition. They are working to place charges for the costs of smart grid and distributed energy investments to ratepayers while forcing ratepayers to protect its aging, unprofitable nuclear fleet.

Exelon is specifically lobbying for the adoption of HB 3293, which would require investor owned utilities in the state to purchase "low-carbon energy credits" for 70% of their total power by 2021. The law would sunset at the end of 2021 or when the state submits a State Implementation Plan to the EPA to comply with the Clean Power Plan. Exelon's bill makes sure that its nuclear power plants would earn credits. Analysis conducted by regional transmission organization, MISO, has estimated that the credits could amount to \$300 million per year.

Commonwealth Edison is also complicating the debate by lobbying for HB 3328, which would "rewrite the incentive to do distributed generation or energy efficiency in Illinois," according to SolarCity Policy Deputy Director Aaron Kraus.

All of these bills have failed to pass and will likely continue to remain in committee even if the legislature gets called back to Springfield due to the inability to resolve the state's fiscal issues with Gov. Rauner, <u>according</u> to Nick Magrisso at the Natural Resources Defense Council.

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## Indiana

During the first two months of 2015, anti-solar legislation, HB 1320, was gaining momentum. The legislative process culminated when a committee <u>voted</u> 9-4 on February 19 to advance the bill to the full chamber. Five days later, the bill, which would have charged a monthly fee to customers with solar panels, was pulled off the legislative calendar. <u>House Speaker Brian Bosma said</u>, "There are a whole variety of issues that have arisen around it and it just seems to be a little weighty."

Bosma was likely referring to the fact that journalists began questioning the financial ties of the sponsor of the bill, Representative Eric Koch, has to fossil fuel companies. Bosma could have also been referring to the fact that a hundred plus people filled the committee room to voice opposition to the bill, whereas only the utility industry spoke in favor.



The utility industry used the Indiana Energy Association (IEA), an organization that the utilities themselves are members of, to push for the bill's passage. Mark Maassell, president of IEA, testified in favor of the bill, in addition to writing an opinion piece explaining the utility's point of view and asking citizens to visit www.electricfairness.com, which is now defunct.

Another issue to which Bosma might have been referring to was, and continues to be, the growing pressure of <u>public records requests</u> by the Citizens Action Coalition (CAC) and E&PI. Rep. Koch and the Indiana Republican Caucus rejected the requests several times despite the Public Access Counselor, Luke Britt, issuing an opinion saying that the state legislature is subject to the public records law. CAC, E&PI, and Common Cause Indiana have since filed a lawsuit against the Indiana House Republican Caucus and Rep. Koch for <u>violating the Indiana Access to Public Records Act</u>.

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## Iowa

Last year, Iowa Governor Terry Branstad surrendered a \$1 million grant from the U.S. Department of Energy (DOE) that would have been used to help cut costs and ease regulations on Iowans wanting to generate their own electricity. The grant was surrendered because of disagreement with the Iowa Utility Association, which represents Alliant Energy and Berkshire Hathaway Energy's MidAmerican Energy.

<u>Emails obtained by the Associated Press</u> showed that Iowa utility lobbyists worked to pressure Iowa officials to amend the grant to study adverse effects of solar rather than how solar can be expanded to help customers - which resulted in the DOE grant's termination.

This year, both Alliant and MidAmerican stayed stuck in their trenches due to the inability to change their outdated business model. The utility companies have been refusing to net-meter solar projects financed by third parities, according to Midwest Energy News. This policy was upheld last year by the state Supreme Court.

Josh Mandelbaum, a lawyer for the Environmental Law & Policy Center, <u>said</u> both utilities will not change their position and another court challenge will likely transpire.

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## Kansas

The Kansas legislature passed a bill to repeal the state's renewable energy standard in May 2015. The bill was soon signed by Governor Sam Brownback. But while the bill eliminated the state's official RES, targets for renewable electricity have already been met in the state, with wind energy producing over 20% of the state's power.



The Koch Brothers and their political machine have tried to eliminate Kansas' RES for the past four years, but failed every time. This year, anti-clean energy groups were only able to convert the state's **RES** into a "voluntary goal," and only after utilities exceeded the standard five years early.

These supposed free market and anti-tax groups were only able to achieve their goal because they worked with legislators to threaten passage of legislation that would apply an excise tax on the wind energy industry. The wind industry negotiated with the governor and legislators to stop the excise tax, in exchange for converting the renewable energy standard to a voluntary goal.

But before the negations were completed, anti-clean energy front groups with connections to fossil fuel interests spread misinformation to attack the RES. Heartland <a href="echoed a blog">echoed a blog</a> published by Bonner Cohen from the State Policy Network group, National Center for Public Policy Research. In the blog post, Cohen cites a report by the Utah State University Institute for Political Economy that produced debunked economic analysis attacking the RES. The Utah State University report was authored by Randy Simmons, who was the "Charles G. Koch Professor of Political Economy." Simmons is also the co-founder of Strata, which is a public policy organization in Utah. He used inflated costs for renewable energy to claim a negative impact on ratepayers' income and the state economy. Once corrected, the Utah State University study actually shows that renewable energy standards (and the increased use of wind energy) creates economic benefits.

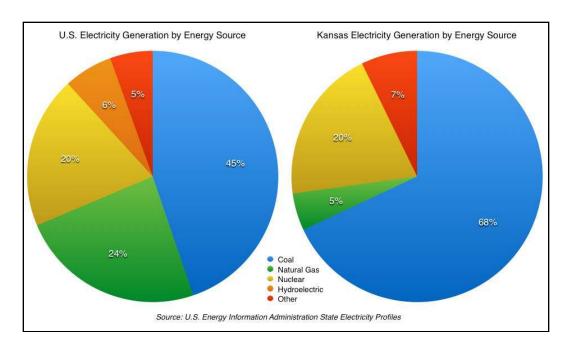
Heartland also <u>advocated against the Kansas renewable energy standard in a Washington Times op-ed</u>, claiming that energy prices skyrocketed without providing any evidence.

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Data from a Lawrence Berkeley National Laboratory report showed that renewable energy standards have not caused electricity rates to increase more rapidly than those in states that do not have these standards. According to the Energy Information Administration, electricity prices increased an average of 3.2% between 2013 and 2014 while renewable energy standards have increased electricity rates by 2% or less in deregulated states and 3% or less in regulated states.

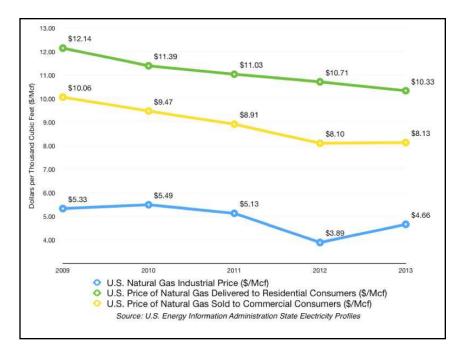
As of 2012, Kansas's RES had increased electricity rates by less than 1%. Utilities in Kansas have asked for electricity rate hikes, not to pay for the RES, but because of their need to upgrade or retrofit coal fired power plants, and build new transmission capacity.

Energy & Policy Institute debunked the Heartland's claims about "skyrocketing energy prices" last year. James Taylor claims that because electricity prices in Kansas have risen faster than the national average since 2009, the state's RPS is causing a spike in electricity prices. But Taylor ignores the fact that electricity prices are changing based on a number of different factors.



In reality, Kansas uses much less natural gas (see Kansas Electricity Profile <u>Table 5</u>) than the national average (see United States Electricity Profile <u>Table 5</u>), which likely impacted the faster rise in electricity prices over the past few years.

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Since 2009, the low price of natural gas (as result of the fracking boom in the United States) led to decreased rise in electricity rates around in country especially in states that use natural gas for electricity generation. The average residential price for natural gas dropped from \$12.14 per thousand cubic feet in 2009 to \$10.33 per thousand cubic feet in 2013, a decrease of 14.9%. The average price of natural gas for industrial and commercial use also dropped significantly.

In 2010, Kansas used natural gas for only 4.8% of electricity generated and coal for 67.8%. Nationwide, the electric power industry used natural gas for 23.9% of electricity generated, which explains, in part, why Kansas saw a more dramatic increase in electricity rates than the rest of the country. The low price of natural gas contributed to cheaper electricity prices, and states utilizing natural gas for electricity generation saw a smaller increase in electricity prices, at least in part because of the abundance of natural gas.

Heartland's misinformation campaign and desperate efforts to repeal a state renewable energy standard did result in an unimportant "victory" that had little-to-no effect on renewable energy growth in the state of Kansas.

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## Louisiana

The Louisiana legislature approved a bill to <u>significantly reduce state tax credits</u> available for homeowners and solar leasing companies that install solar energy systems and put restrictions on the financing of solar systems in the state. The bill, HB 779, sponsored by American Legislative Exchange Council (ALEC) member Erich Ponti, was approved by the House and Senate in June 2015, and quickly signed by Governor Bobby Jindal.

HB 779 amends the state's solar energy tax credit law, reducing the cap on the cost of the system from a 50% credit on the first \$25,000 system cost, to a 50% credit on the first \$20,000 system cost. The bill limits the amount spent by the state for both purchased and leased systems to only \$10 million in FY2015–2016 and FY 2016–2017, and only \$5 million after July 1, 2017.

Fossil fuel-connected front groups were heavily involved in attacking Louisiana solar tax credits in 2015.



The state legislature's action comes on the heals of a flawed economic report on the impact of distributed solar on ratepayers in Louisiana written by Acadian Consulting Group. Led by David Dismukes, a utility and fossil fuel consultant. Acadian wrote and published a study for the Louisiana Public Service Commission (LPSC) that was commissioned to study the costs of net metering, but instead focused on the cost of solar tax credits. The firm has been criticized for its ties to the fossil fuel and utility industries, which may have impacted the rigor and outcome of their severely flawed report.

In the past, <u>Dismukes has</u> "publicly criticized renewable energy subsidies, while praising those for fossil fuels." According to <u>reporting</u> from *The Times-Picayune*, Acadian has received direct funding from industry groups on several research projects, including \$20,000 from America's Natural Gas Alliance for a report that was critical of federal wind energy subsidies. Acadian's other <u>clients in the utility and fossil fuel industries</u> include:

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

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- Colorado Interstate Gas Transmission
- Columbia Gas Transmission (NiSource)
- Columbia Gulf Transmission
- El Paso Corporation
- Evangeline Gas Company, Inc.
- Florida Gas Transmission Company
- Mississippi River Transmission (subsidiary of Centerpoint)

- Reliant Energy Gas Transmission
- Sempra Energy
- Texas Gas Transmission Corporation
- Transcontinental Gas Pipeline Corporation
- Trunkline Gas Company (Energy Transfer Partners)
- Lake Charles Cogeneration LLC.
- U.S. Oil and Gas Association (Alabama and Mississippi Chapter)

The <u>2015</u> study for the <u>LPSC</u> written by Acadian Consulting Group, which was commissioned to study the cost of distributed solar panels to other ratepayers, instead focused on the state's 50 percent tax credit for installing new solar panels and said that those credits cost the state at least \$89 million.

Barry Goldwater Jr. <u>said</u>, "This study is a blatant attempt to undermine the rights of Louisiana residents and to prevent the growth of the solar industry." Goldwater, Jr. is a former congressman, the son of the 1964 GOP presidential nominee, and the co-chairman of the solar advocacy group, Tell Utilities Solar Won't Be Killed.

Politifact studied the claims made by Americans for Prosperity, which cited the Dismukes study, that electricity prices were skyrocketing because of solar subsidies and net metering. Politifact <u>determined</u> that increases in ratepayers bills did occur but as a result of the solar policies:

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

"Electric utility company Entergy did not specifically mention solar as being an issue when announcing the base rate change...So while Louisiana did see a rate increase, we don't see evidence that it was specifically related to a solar initiative."

Politifact



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Furthermore, <u>Sierra Club exposed severe flaws</u> in Dismukes' report, stating that the LPSC study included legislative tax incentives as a cost of the LPSC net metering program. Sierra Club concluded:

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

In addition to faulty economic research, another issue with the Acadian report was <u>how the report was released</u>. A draft of the report was sent out by email to legislators by Eric Skrmetta, a commissioner who was narrowly won reelection last fall against solar advocate Forest Bradley-Wright, weeks after the report was supposed to be completed for the Public Service Commission.

The Partnership for Affordable Clean Energy (PACE) also spearheaded efforts to attack solar in Louisiana. In March 2015, Lance Brown, PACE's executive director, wrote an op-ed in *The Hill* repeating the utility industry's claim that solar hurts low income customers and <u>citing</u> a <u>flawed Louisiana study</u> on the cost of net metering by a fossil fuel industry consultant, David Dismukes of Acadian Consulting Group.

#### Fossil Fuel Front Group Assault on Solar in Louisiana Acadian Americans for Consulting Prosperity Flawed report · Amplify misinformation ALEC Working with · Media/communications Model legislation regulators Lobbying legislators **Harvard Electricity** Partnership for **Policy Group** Affordable Clean Energy Louisiana Flawed paper Media/communications Media/communications Lobbying legislators · Op-ed Heartland Institute National Black Chamber Lobbying governor & legislators of Commerce Citizens' Alliance · Media/communications Media/communications for Responsible Energy Op-ed · Media/communications · Op-ed

Lance Brown also cited
Ashley Brown, a utility-backed
pundit at the Harvard Electricity
Policy Group, who wrote
a paper in *Electricity Journal* that contained little
quantitative analysis behind the
claims. Lance Brown also cited
Louisiana solar tax credits as a
reason why solar is not cost
competitive, but did not
mention anything about
outsized tax credits given to the
oil, gas, and utilities in the state.

Brown is also a member of the board of directors of the Entergy Power Group, which is a wholesale natural gas power

plant company and is part of the Entergy Corporation. He was previously member of the advisory council to board of directors of Electric Power Research Institute, a think tank funded by the electric utility industry. Previously, he served as a Board Member of the Oglethorpe Power Corporation (OPC) in Tucker, Georgia. OPC is tied up with the expensive

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Vogtle nuclear power plant, which is being constructed by Southern Company, according to SEC <u>disclosure filings</u>.

The Heartland Institute also was involved and <u>pushed Governor Bobby Jindal and the Louisiana state legislature to eliminate state tax credits</u> for solar. Heartland again used misinformation to attack the pro-solar policy, claiming that solar tax credits were responsible for "running up large deficits" and state credits were adding to a "mountain of federal government favoritism." While solar industry tax credits totaled approximately \$57 million in 2015, eliminating these credits would have little impact on the state's projected \$1.6 billion budget deficit. The bill passed by the state legislature would save approximately \$19 million.

The Citizens' Alliance for Responsible Energy (CARE) executive director, Marita Noon, had an <u>op-ed published</u> in *The Advocate*, misleading readers by claiming, "no other industry receives \$63.5 million of Louisiana taxpayer's dollars in one year." Noon claims that because the fossil fuel industry pays some taxes, it "gives" while the solar industry "takes."

In March, the NBCC also came out <u>against net metering in Louisiana</u> and praised the flawed opinion piece from the Harvard Electricity Policy Group. The NBCC <u>has received money</u> from the Edison Electric Institute. Alford has recently testified in Congress to push back on the EPA's updating of ground-level ozone rules.

Dr. Michael Dorsey, the Interim Director for the Energy and Environment Program at the Joint Center for Political and Economic Studies, told ThinkProgress that Alford is, "just mouthing off talking points from Edison Electric. It's disturbing that he would subject himself to being so manipulated."

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## Maine



In May 2015, Maine Governor Paul LePage proposed numerous changes to the state's energy policy, including eliminating the state's RES and shifting funds generated by the Regional Greenhouse Gas Initiative away from energy efficiency programs.

LePage also worked in 2013 and 2014 to weaken Maine's RES by allowing existing hydro facilities from Canada to receive energy credits, which would have effectively eliminated the incentive for clean energy in the state. All of LePage's efforts have failed thus far.

However, a bipartisan group of state legislators passed a resolve to "Create Sustainable Growth in Maine's Distributed Energy Sector That Uses Market Forces To Fairly Compensate Energy Producers" over Governor Paul LePage's veto in June 2015. The new law resolved that state regulators would appoint a

"Standard Buyer," who would work with the Public Utilities Commission to determine the value of solar and then acquire distributed generation from residential installations for that set price based on how much solar power is being connected to the grid.

Karl Rabago, the executive director of the Pace Energy and Climate Center, highlighted some of the problems with the legislation, stating in a <u>Utility Dive article</u>, "First, if more value is returned by solar than is paid at the retail electricity rate, solar owners end up essentially subsidizing non-solar owners. Second, it seems to pass over the quantifiable system benefits solar provides to non-solar owners. Third, it asks for solar to be bid at below its full value."

The Maine Public Utilities Commission is now <u>required to produce</u> a report to the Maine Legislature by January 30, 2016, outlining stakeholder discussions and an alternative to net metering for the state.

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# Maryland

Neil C. Parrott, a Maryland State Legislator and member of the American Legislative Exchange Council (ALEC), introduced a bill to repeal the state's Energy Efficiency Resource Standard, which requires utilities to meet a 15% reduction in per capita energy consumption by 2015, compared to 2007. The bill, HB 933, was assigned to the Maryland House Economic Matters Committee and was voted down.

Maryland legislators also <u>sponsored a bill</u> to <u>double the state's renewable energy standard</u> from 20% by 2020 to 40% by 2025, including an increase in the amount derived from solar energy to at least 4%. However, the bill, HB 377, <u>received an unfavorable report</u> by the Economic Matters Committee and was withdrawn.

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# Michigan

In early 2015, Michigan Democrats presented a plan that doubles the state's RES to 20% by 2022. In the announcement, State Senator Hoon-Yung Hopgood, the vice chairman of the Senate Energy and Technology Committee, said, "This plan is probusiness, pro-consumer and pro-environment. Michigan has the potential to be a leader in renewable energy and create thousands of jobs for hardworking men and women across the state."

House Republicans followed the announcement by introducing a stand-alone bill that would repeal the state's current 10% RES. <u>HB 4308</u>, introduced by Representative Ray Franz, failed to receive a hearing.

But months later, Senator Mike Nofs, chairman of the Senate Energy and Technology Committee, introduced his <u>long-awaited energy package</u>. SB 437 and SB 438, which are the bills in the Republican Senate energy package, seek to do away with the state's RES. The senators believe the utility companies in Michigan, including DTE Energy and Consumers Energy, will continue meeting the mandate and administering the energy efficiency program. The package of legislation would also require any future energy policy development to be conducted through an Integrated Resources Planning (IRP). The state's Public Service Commission runs the IRP, but the utility companies file energy plans, which then have to be approved by the commissioners.

Nofs' package of legislation also attacks net metering, which is set to expire at the end of the year. The legislative plan <u>prevents net metering customers</u> from actually using their own electricity generated to offset usage because it forces them to sell the power back to the utilities at the wholesale rate. This attack on net metering is happening just as the state saw rooftop solar installations triple from 2010 to 2013.

Nof has said the bills are a <u>work in progress</u>, but it remains to be seen what changes will occur as Republicans and Democrats battle over their energy plans – and how the utility companies will respond.

DTE Energy has been a <u>corporate funder of the American Legislative Exchange</u> <u>Council</u>, and one of its coal plants has been listed as a <u>top environmental justice</u> offender.

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## **Minnesota**

In 2014, Minnesota became the first state to approve a "value-of-solar" tariff, but utilities have chosen to continue with net metering as the preferred compensation method for distributed generation. While regulators and other stakeholders continued to work together to figure out how to get utilities to use the tool, the largest utility in the state, Xcel Energy, attempted to increase fixed charges for residential customers. Fortunately, the state Public Utility Commissioners denied Xcel's request, and in doing so remarked that Xcel has increased customer charges four times in the past five years. But this was not the only attack on distributed generation.

In May 2015, <u>legislators</u> in the state house passed an energy bill, HF 1437, in order to make net metering customers of municipal utilities and electric cooperatives pay higher fees. But <u>HF 1437</u> was introduced less than an hour before the close of the state legislative session, and passed with two minutes to spare with only 84 of the 134 members voting on the 93-page bill.

Representative Rick Hansen <u>said</u>, "What a joke - it comes over with a couple minutes to spare."

Governor Mark Dayton vetoed the bill and in his veto letter, specifically mentioned changes to the net metering law as reasons for doing so. Unfortunately, several weeks later, the bill was signed into law during the state's special session. It is not clear how much co-ops and municipalities will charge new net metering customers. The only guidance in the new law is that a charge must be "reasonable and appropriate."



The Minnesota Municipal Utilities Association and the Minnesota Rural Electric Association backed the law. In fact, an East River Electric Cooperative December 2014 newsletter highlighted a board hearing where the Minnesota Rural Electric Association laid out their legislative initiatives. The newsletter featured net metering reform as the "top legislative priority."

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## **Missouri**

Missourians voted overwhelmingly in 2008 to create the state's RES by <u>passing Proposition C</u>. Investor-owned utilities have since been required to increase renewable energy generation incrementally so that their energy mix will include 15 percent renewables by 2021. However, the state, which houses the headquarters of the largest private sector coal corporation in the world (Peabody Energy), has seen RES repeal bills introduced annually, and 2015 was no different.

HB 783, introduced by American Legislative Exchange Council member Representative Bart Korman, would repeal the RES by allowing all Missouri hydro generation facilities, that are owned by a Missouri utility or under a power purchase agreement with a Missouri utility, to be classified as an eligible technology under the law.



This is not the first time Rep. Korman tried to water-down the RES. In 2013, he sponsored HB 44 that would have done the same thing and it passed the House. In 2014, he sponsored HB 2235 with the same language. However, both last year's and this year's bills failed to get out of committees.

Ameren Corporation, the state's largest electric utility company, is the <u>second largest</u> <u>contributor</u> to Rep. Korman's election campaigns.

Also, Missouri Representative T.J. Berry introduced a bill, <u>HB 481</u>, calling for a comprehensive study of solar's costs and benefits by the state Public Utilities Commission. But a study <u>conducted by the Missouri Energy Initiative</u> already shows that net metering provides a benefit to all ratepayers because of reduced emissions and energy costs. The bill did not pass, but <u>Berry said</u> the intent of introducing the bill was to create sustained debate. Missouri's rural electric cooperatives, along with Ameren and Kansas City Power & Light, have begun to indicate they want monthly fixed fee added to homeowners with rooftop solar.

Developments transpired in the courts as well. Empire District Electric Company has insisted that they were legally exempt from offering solar rebates to customers. However, a 5-2 decision in February by the Missouri Supreme Court <u>ruled against Empire</u>.

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## **Montana**

Ten years ago, Montana lawmakers enacted a RES requiring utilities (competitive electricity suppliers were added to the law in 2007) to obtain a percentage of their retail customer sales from renewable resources. Beginning in 2008, utilities were mandated to acquire renewable energy equal to 5% of its retail sales, increasing to 10% in 2010, and finally 15% in 2015.

In 2013, lawmakers passed the Renewable Power Production and Rural Economic Development Act to study the economic impacts of the RES knowing that utilities were nearing the 15% standard. Last fall, the report was finished. It <u>concluded</u> that the law did indeed have a positive economic impact on rural communities. However, the eight-member committee failed to recommend increasing the standard, beyond the 15% RES by 2015. The committee did acknowledge that changes might occur as a result of the EPA's Clean Power Plan.

This committee recommendation did not stop <u>ALEC-connected</u> Senator Debby Barrett from <u>once again</u> introducing a bill, SB 114, to include hydro facilities in the standard. Barrett's bill would free utilities from the requirement to purchase renewable energy credits. The bill passed both legislative chambers only to be <u>vetoed</u> by Governor Steve Bullock. In his veto, Bullock <u>wrote</u>:

The RPS has been a strong driver of economic development, especially in rural areas... SB 114 would completely defeat the purpose of the RPS by expanding the definition of resources eligible to meet renewable energy standards to include existing hydropower... with the end result that Montana's legitimate renewable credits are devalued.

Bullock vetoed a similar bill introduced by Sen. Barrett in 2013.



A NorthWestern Energy spokesperson said that the utility. which is the largest in the state, accepts the RES as it is and can secure enough renewable power to meet the mandate through 2022 (Northwestern recently closed on a \$900 million purchase of 11 hydro facilities from PPL Montana).

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Montana's distributed energy law was also not shielded from debate this year, and it will likely remain a subject of debate next year.

Debate began last fall when a bipartisan op-ed from Republican Representative Art Wittich and Democrat Senator Mike Phillips <u>announced</u> their intent to introduce legislation to allow more businesses and families to generate their own electricity, while receiving full credit for electricity returned to the grid. NorthWestern Energy <u>declared</u> opposition to the proposal in a guest column in the Bozeman Daily Chronicle, and later announced <u>support</u> for a Senate joint resolution calling for an interim committee to assess the costs and benefits of net metering.

The legislation introduced by Wittich and Phillips, the Local Energy Investment Act, would have increased the net metering cap from 50 kilowatts to 1 megawatt. NorthWestern Energy lobbied hard, and the bill quickly was defeated in the House Federal Relations, Energy and Telecommunications committee. The Senate joint resolution <u>passed</u>, and the study will be reported back to the chamber next year.

Additionally, Montana-Dakota Utilities Company (MDU), has proposed an "unprecedented" fee to the Montana Public Service Commission on net metering customers that is built in the 21% rate increase on customers' bills. The net metering fee would only apply to few ratepayers, but critics have said this is happening because as electricity prices are going to increase more families would likely invest in small-scale renewables, such as distributed solar. The MDU fee would be \$1.50 per kilowatt of electricity demand

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## Nevada



The largest utility company in Nevada, NV Energy, worked in 2015 to stop any attempt to increase the state's net metering cap, which solar installers had predicted would be met sometime in 2015. After reaching the solar net metering cap, solar companies anticipate a large drop in demand for distributed solar installations, because the cap would eliminate the ability of solar customers to receive a fair rate of return for distributed solar energy sent back into the electricity grid.

In May 2015, the solar industry and utilities reached a compromise that was passed by the legislature and signed by Governor Brian Sandoval. The compromise agreement allows 235 MW of solar to be eligible under net metering through the end of 2015 (instead of the 3% net metering cap) and requires the state public utilities commission to determine the value of solar by the end of the year, which could lead to additional charges for those who install solar.

E&PI submitted a public records request to the Nevada Executive Branch in April 2015, asking for correspondence regarding solar energy between Governor Brian Sandoval and NV Energy, the lobbying firm R&R Partners, and the Edison Electric Institute (EEI). E&PI is still waiting for the requested public records from Sandoval's office.

NV Energy and EEI have both hired R&R Partners, a firm run by Sandoval campaign advisor, Pete Ernaut. R&R Partners received over \$500,000 in 2013 from EEI, according to the latest available tax records. In addition, R&R Partners lists Arizona Public Service as a client and, on their website, R&R highlights their public relations campaign to "humanize" APS, which is looking to increase its fixed fee for ratepayers that install solar from \$5 to \$21.



Ernaut, who has been lobbying for the utility industry since 2001, boasted that he played a key role in allowing the utility industry to compete in a deregulated environment, which critics said could <u>allow</u> the largest electricity users to avoid rate increases.

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In addition to having clients in the utility industry and being a campaign advisor for Sandoval, Ernaut is <u>close friends</u> with the Governor. The pair became friends in college and were in the state legislature together before Ernaut served as Sandoval's campaign director for Attorney General and then as an advisor in his gubernatorial campaign.

Sandoval served the utility industry as an attorney for Utility Shareholders of Nevada, a group that advocated on behalf of utility shareholders. The group was widely viewed as a proxy for management of NV Energy. *The Las Vegas Sun* reported, "In his new role, Sandoval supported the company's (NV Energy) bids to raise electricity rates. When the Public Utilities Commission rejected a \$110 million rate hike, Sandoval, on behalf of shareholders, joined a lawsuit against the commission, court papers show."

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# **New Hampshire**

The Republican-controlled New Hampshire State Legislature has introduced multiple pieces of legislation to repeal the Regional Greenhouse Gas Initiative (RGGI), gut the state's renewable energy standard, and allow utility companies to purchase solar installations.

The bill to repeal the state's involvement in RGGI (HB 208), which has <u>reduced emissions</u> in nine New England states by 40% since it was created, was eventually amended in the New Hampshire State Senate to eliminate the repeal provisions. The amended bill, which adjusts how auction proceeds should be allocated, <u>passed the Senate but the House did not agree</u> to the changes.

Representative Howard Moffett wrote of the RGGI repeal effort:

Well more than 100 members of the public attended. Dozens spoke in opposition to RGGI repeal. Of the four who spoke in favor of the bill, two were members of the House Republican leadership, one was concerned about communist plots and the fourth was the director of Americans for Prosperity-New Hampshire, funded by the Koch brothers' oil and gas interests.

Three bills were also introduced to rollback New Hampshire's RES that requires 25% of the state's electricity to be renewable energy by 2025. HB 143 would include hydroelectric plants (including electricity from Canada) in the RES, similar to the attempt by Governor Paul LePage to include large hydroelectric plants from Canada in Maine's RES. HB 143 got stuck in the House Science, Technology, and Energy Committee. HB 234 would eliminate the "Classes" defining energy sources eligible to meet the standard, effectively eliminating the renewable energy industry in favor of hydroelectric power. HB 234 was voted down in the House Science, Technology, and Energy Committee.

The third anti-RES bill, <u>HB 543</u>, <u>would have repealed the RES</u>. It also <u>failed to pass out of the House Science</u>, <u>Technology</u>, and <u>Energy Committee</u>.

Finally, <u>SB 117</u>, would have more easily allowed utilities to buy solar installations, by eliminating the requirement to show the benefits and impacts of solar on ratepayers. According to the <u>New Hampshire Union Leader</u>, "Utility companies backed the bill, but solar energy proponents feared the changes would allow the utilities to buy solar systems and take them off the grid." The bill <u>passed the State Senate but was killed in the House Science</u>, <u>Technology</u>, and <u>Energy Committee</u>.

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## **New Mexico**

The New Mexico State Legislature briefly considered a <u>bill that would freeze the state's renewable energy standard</u>, but it failed to move through the Senate after passing the House.

The Heartland Institute <u>published a blog attacking opponents of the anti-clean energy bill</u> and promoted the views of State Policy Network member, the Rio Grande Foundation, in pushing for the RES repeal. The Rio Grande Foundation <u>hosted</u> Heartland's James Taylor on April 8, 2015 to discuss electricity in New Mexico.

Paul Gessing, president of the Rio Grande Foundation, erroneously said freezing the rates would benefit ratepayers:

Since adopting its current, aggressive renewable portfolio standard, New Mexicans have seen their electricity rates rise dramatically, with rates jumping nearly 40 percent for residential customers over that time frame" and the bill "would provide welcome relief for New Mexicans facing a still-struggling state economy and the prospect of even more rapid growth in electricity costs.

Despite misinformation from Heartland and the Rio Grande Foundation, data from the Energy Information Administration shows that the New Mexico RES is not causing an increase in electricity prices. The average increase in electricity prices across the United States from 2012 to 2013 was 2.86% while the increase in electricity prices in New Mexico was 2.74%. And according to an empirical study by Lawrence Berkeley National Laboratory, renewable energy standards have not caused electricity rates to increase more rapidly than states that do not have these standards.

The Public Service of New Mexico (PNM), the largest electricity provider in the state, also went after clean energy this year. The utility <u>filed a proposed rate change</u> at the end 2014 and carried into 2015 that would have added a \$6 per kilowatt per month charge on solar owners. The fee would have added \$18 to \$36 to monthly electric bills, in addition to the overall rate increase proposed by the utility.

On May 13, 2015, the state's <u>Public Regulation Commission unanimously rejected PNM's plan</u>. The rejection follows an earlier recommendation from a hearing examiner who criticized PNM for failing to present adequate information to justify the solar fee and rate increase. Attorney General Hector Balderas also <u>supported</u> a motion to dismiss the monthly solar charge.

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## **North Carolina**

The North Carolina Senate is still considering a bill to freeze the state's renewable energy standard (which currently requires 12.5% clean electricity by 2021) and reduce the size of clean energy projects that would be eligible for simple contracts though the Public Utilities Regulatory Policies Act (PURPA). HB 760, later changed to HB 332, passed the House on May 6. If it becomes law, the bill would require a 6% renewable energy standard while a study determines whether modifications are needed. The Chair of the Senate Finance Committee, Senator Bob Rucho, pushed the bill through his committee after refusing to count the votes during a controversial voice vote, amidst objections from both political parties.



A member of the American Legislative Exchange Council (ALEC), Representative Mike Hager, initially sponsored the bill. Hager is also a former Duke Energy employee. The utility giant

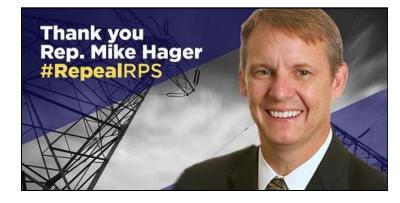
has remained neutral regarding the legislation, and in June, a spokesperson for Duke Energy <u>said</u> it wants, "a collaborative process that involves all the issues, including the [RES] and the tax credit, and includes all the stakeholders."

So while Duke Energy, which is a member of ALEC, remains neutral on the legislation, many fossil fuel-front groups are trying to move the legislation forward. Heartland published a <u>flawed editorial</u> on the supposed economic costs of the RES. Bonner Cohen, a senior fellow at the National Center for Public Policy Research, a State Policy Network group, wrote the editorial. He citied the work of the Kochbacked <u>Institute for Political Economy at Utah State University</u>, which also produced misleading reports this year.

In addition, Heartland co-signed a coalition letter, spearheaded by the North Carolina chapter of Americans for Prosperity (AFP), that called on lawmakers to

repeal the RES. The letter cited the debunked Beacon Hill Institute report that says electricity prices are increasing due to the standard. In reality, the primary drivers behind rate increases in the state are due to the rising costs of building natural gas and coal infrastructure.

After the bill passed the House, AFP began to put pressure on the



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General Assembly to pass the bill. The organization started phone-banking to encourage voters to call their state officials and urge a vote. AFP also held a statewide <u>Day of Action</u> on May 16, to gather activists to do a full day of phone-calling and door-knocking to put pressure on the Senate.

A week later, the AFP state chapter released its <u>jobs agenda</u>, which included repealing the state RES. Rep. Hager was at the press conference to lend his support.

Another group making the case for the freeze is the John Locke Foundation. Jon Sanders, Director of Regulator Studies, wrote an op-ed on June 16 in The News & Observer citing a 2014 Brookings Institution working paper authored by nonresident senior fellow Dr. Charles Frank Jr. to explain why solar and wind are not viable sources of electricity. However, as explained by physicist and chief scientist Amory Lovins at the Rocky Mountain Institute, "Using Dr. Frank's methodology — flawed as it is — but swapping in accurate numbers for the nine key data points mentioned in the previous paragraph reverses his conclusion."

This should not be a surprise, since the John Locke Foundation has ties to ALEC and the State Policy Network. And, as the Institute for Southern Studies concluded in a 2010 investigation, the John Locke Foundation works in concert with other groups funded by the Koch Brothers and Art Pope, AFP's former board chair and a conservative financier, to create the illusion of disagreement about the fundamentals of climate science.

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# Ohio

In 2014, the Ohio State Legislature passed a bill freezing the state's renewable energy standard (RES). The bill also required an "Energy Mandates Study Committee" (EMSC) to produce a report with recommendations on policy changes regarding the RES. The study committee is scheduled to produce a report by September 30, 2015, as required by law.

The sponsor of the bill, Senator Troy Balderson, also co-chairs the study committee and is an active member of the American Legislative Exchange Council (ALEC), according to a <u>2011 report</u>. His co-chair, Representative Kristina Roegner, is also a member of ALEC. In fact, there are at least <u>eight of the 13 members</u> of the EMSC connected to ALEC:

- Representative Ron Amstutz
- Senator Troy Balderson
- Representative Christina Hagan
- Senator Bob Peterson
- Representative Kristina Roegner
- Senator Bill Seitz (also previously an ALEC Board Member)
- Representative Michael Stinziano
- Senator Cliff Hite



ALEC has worked with its fossil fuel corporate members, particularly American Electric Power, and front groups to attack Ohio's RES. However, Senate Bill 310 is part of a national campaign paid for by the billionaire Koch Brothers. The most prominent front group is ALEC, which is a membership group for conservative

lawmakers that drafts legislation for the lawmakers to then introduce in their own states. Last year, ALEC <u>wrote two model bills</u> targeting renewable energy laws, one of which is exactly like the one that froze Ohio's RES.

Other fossil fuel-backed front groups were involved in attacking the Ohio RES again in 2015. The former "Charles G. Koch Professor of Political Economy" Randy Simmons produced a report released by Strata and the Institute for Political Economy at Utah State University, in partnership with the Beacon Hill Institute. The Heartland Institute echoed the report's findings, and acknowledged the well-timed release of the report, saying, "The Utah State study comes as Ohio legislators await a report from the Energy Mandates Study Committee, formed late last year to study alternative and energy efficiency standards in the state."

The Koch Bothers have provided <u>Utah State University with at least \$170,000</u> in funding. Utah State is also the <u>fifth-biggest recipient of money</u> from Koch-linked foundations among all colleges since 2012. In addition to serving as the "Koch Professor" at USU, Simmons <u>runs the "Koch Scholars" Program</u>, which receives an annual grant from the Charles Koch Foundation.

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Michael Goggin at the American Wind Energy Association (AWEA) noted serious flaws in the anti-renewable energy reports published by USU, stating, "When major errors in the study's methods are corrected, the study's results actually confirm that state Renewable Energy Portfolio Standards (RPS) like those in Kansas create hundreds of jobs and save consumers tens of millions of dollars."

Simmons' study uses obsolete and outdated wind energy cost assumptions to inflate the costs of clean energy in Kansas. Wind energy prices are nearly half of the Koch-backed study's estimates, which were used to analyze the impact of the renewable energy law on the state. Furthermore, Simmons' study uses a "statistical trick to blame the Great Recession on renewable energy" according to Goggin and misses the most basic statistical principle: correlation is not causation. Strata and USU would have simply needed to look at a state without a renewable energy standard to see that the economic downturn was not a result of the state enacting a renewable energy standard, but instead, a result of the Great Recession.

Wind energy prices are nearly half of the Koch-backed study's estimates, which were used to analyze the impact of the renewable energy law on the state.



A <u>separate report</u> from the Center for American Progress <u>noted</u> that, "[Ohio] has lost millions of dollars in energy <u>investment</u> as a result of the rollback." The report continued, "the full effects of the rollback of these standards will start to come in over the coming year. But I think what's really important is we have this overwhelming initial evidence that Ohioans are being harmed economically in terms of investment and in terms of jobs."

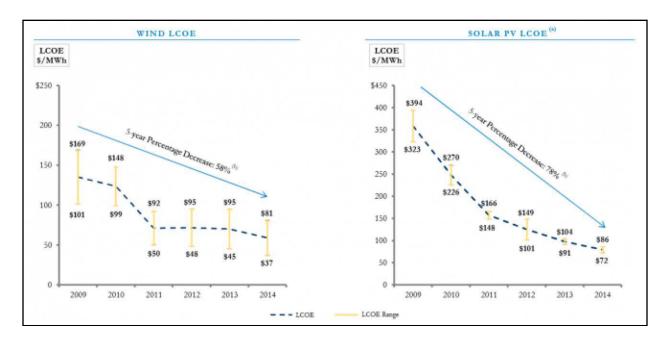
Net metering is also being attacked in Ohio by the utility companies, this is despite the <u>Public Utilities Commission of Ohio (PUCO) confirming</u> that solar installations should receive the full retail rate. The ruling, therefore, upholds the concept of net metering for the state. However, American Electric Power, the major utility that operates in Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia, <u>sued in the Ohio Supreme Court</u> to challenge the commission's ruling.

While the case is still pending, the <u>commision is back to debating</u> the net metering rules in hopes that it would resolve the Supreme Court case. The re-debate favors the major utility companies in the state, American Electric Power and FirstEnergy.

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# Oklahoma

The Oklahoma State Legislature reached a <u>compromise with the wind energy industry</u> 2015, passing two bills, that would phase out the state's five-year property tax exemption for wind energy projects and eliminate wind energy's eligibility for a job creation tax credit in the state, in exchange for keeping in place a zero-emission tax credit until the end of 2020.



The Heartland Institute used the <u>Oklahoma compromise as supposed evidence</u> that states are backing away from renewable energy standards. However, the bills passed by the Oklahoma legislature this year were related to wind energy incentives and tax credits, not the renewable energy standard. Oklahoma has already met its renewable energy goal of 15% by 2015. According to the <u>most recent data available from the Energy Information Administration</u>, Oklahoma produces 19.4% of its electricity from renewable energy sources like wind, solar, and hydro.

In addition, the cost of wind energy has fallen nearly 60% in the past five years, enabling the industry to be cost competitive even without subsidies in many states, though tax beaks and incentives help deploy wind at a more rapid pace.

Marita Noon of the fossil fuel-funded Citizens' Alliance for Responsible Energy also cited the Oklahoma legislature's bills on wind energy as proof that renewable energy is failing, despite the facts showing otherwise. Heartland <u>promoted Noon's anti-clean energy piece</u> on their website.

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## **Texas**

The Texas Senate voted in mid-April to eliminate the state's renewable energy standard (RES) with a party-line vote of 21-10. Senator Troy Fraser argued that the state had accomplished the RES and introduced SB 931 to repeal the law. But Fraser's bill was met with opposition, who pointed out that the wind industry would lose confidence if legislators make the energy credit trading program a voluntary one. And with carbon dioxide regulations about to be finalized by the EPA, opponents of the bill said repealing the RES would hurt efforts to comply.

The opposition to the anti-clean energy bill was enough to prevent the House from moving the bill forward and it subsequently <u>died with the end of the session</u>. Fraser's office declined comment on the bill's defeat.

Those pushing for the repeal of the RES included The Heartland Institute and the Texas Public Policy Foundation. Heartland promoted <u>Marita Noon's misinformed blog</u> attacking renewable energy policies, including Texas' RES, claiming "it's a bad time to be in the renewable energy industry," despite record industry growth, private sector investment, and job creation.

The Texas Public Policy Foundation supported the bill, and its vice president of research, Bill Peacock, <u>said</u>, "Why can't wind energy just survive on their own and compete like everybody else did in the level playing field?" Peacock made no mention of the billions in subsidies given to the oil, gas, coal, and utility industries.

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# Washington

In 2006, Washington voters passed <u>Ballot Initiative 937</u> creating what was, at the time, the country's second renewable energy standard (RES). The RES requires large utilities to obtain 15% of their electricity from renewables, excluding hydropower, by 2020. Hydro is excluded because it accounts for the <u>largest percentage</u> of the state's electricity generation, and many geographic opportunities for large-scale hydro have already been developed.

But with utilities facing an interim target of 9% renewable energy next year, the Republican-backed Senate passed SB 5735. The bill, "Providing Incentives for Carbon Reduction Investments," which was introduced by Senator Doug Ericksen, allows utilities to meet RES targets through carbon reduction investments, defined as those that support eligible projects or actions that reduce, prevent, or remove emissions of greenhouse gases.

An analysis of the bill's <u>text</u> shows why the bill has failed to move forward in the Democrat-controlled House. One eligible project cited in the bill is investment in the installation of infrastructure that provides natural gas for motor vehicles. Another is investment in carbon sequestration, a failed technology endeavor that has recently been in the news due to the ballooning price tag of <u>Southern Company's Kemper power plant</u>.

These eligible projects clearly would not produce more renewable electricity on Washington's power grid. It should be no surprise that SB5735 exemplifies a disguised version of fossil fuel-funded ALEC's agenda (to weaken clean energy policies).

On April 10, ALEC sent out its 35-day notification to members of the Energy, Environment, and Agriculture Task Force for its May 15 meeting. That notification featured a model bill called, "Act Providing Incentives for Carbon Reduction Investments." The similarities between the ALEC model bill and the bill introduced in the Washington Senate are striking.

#### Except from the ALEC model bill:

'Carbon reduction investment' means an investment in support of eligible projects or actions that reduce, prevent, or remove from the atmosphere the emissions of greenhouse gases in the state of {state}. An eligible project or action includes, but is not limited to, investment in or purchase of the emissions reductions attributable to the following: (a) conservation measures exceeding the avoided cost of power; (b) installation of electric vehicle chargers and related infrastructure; (c) installation of infrastructure to provide compressed natural gas, liquefied natural gas, and renewable natural gas for motor vehicles, locomotives, and marine vessels; (d) the fuel conversion of state ferries to liquefied natural gas; (e) demand side management of electricity consumption; (f) energy storage technologies; and (g) carbon sequestration programs...

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For the purposes of complying with an annual target, one-half metric ton of carbon dioxide equivalent emissions reduced, prevented, or removed from the atmosphere is equal to the compliance equivalent of one renewable energy credit.

#### Excerpt from Washington SB 5735:

'Carbon reduction investment' means an investment in support of eligible projects or actions that reduce, prevent, or remove from the atmosphere the emissions of greenhouse gases in the state. An eligible project or action includes, but is not limited to, investment in or purchase of the emissions reductions attributable to the following: (a) Conservation measures exceeding the avoided cost of power as identified by the Pacific Northwest electric power and conservation planning council; (b) installation of electric vehicle chargers and related infrastructure; (c) installation of infrastructure to provide compressed natural gas, liquefied natural gas, and renewable natural gas for motor vehicles, locomotives, and marine vessels; (d) the fuel conversion of state ferries to liquefied natural gas; (e) demand side management of electricity consumption; (f) energy storage technologies; and (g) carbon sequestration programs...

For the purposes of complying with an annual target in (a) of this subsection, one-half metric ton of carbon dioxide equivalent emissions reduced, prevented, or removed from the atmosphere is equal to the compliance equivalent of one renewable energy credit.

The sponsor of the bill, Sen. Ericksen, is an ALEC member.

Weeks after the introduction of SB 5735, Heartland <u>posted a blog</u> by <u>Alyssa Carducci</u>, <u>a freelance writer</u>, explaining how the bill is designed to reduce the cost burden on customers. The blog includes quotes from Todd Myers, environmental director at the Washington Policy Center, which is a <u>member of the State Policy Network and ALEC</u>.

The bill is currently still alive, but only because Governor Jay Inslee has called for a 30-day special session for state lawmakers to pass a budget that will take effect July 1, 2015. The regular session ended in April.

It remains unknown which corporation, trade association, or front group brought the model bill to ALEC.

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# **West Virginia**

The West Virginia State Legislature passed a bill in January 2015 to repeal the state's Alternative Renewable Energy Standard (RES). Governor Earl Tomblin signed the bill in February. Groups and reporters calling this a victory for the American Legislative Exchange Council (ALEC) failed to acknowledge that the state's alternative RES allowed advanced coal and natural gas to count towards the standard. The inclusion of fossil fuels in the law even led Jeff Herholdt, the head of the state's division of energy to say, "We're the only state that has an alternative portfolio standard that would be met with 100 percent coal."



It is likely that opponents of clean energy wanted the West Virginia law repealed so that they could point to a "success," when in reality, it had effectively no impact on the clean energy market.

The state's coal industry helped create the alternative RES in 2009, which explains why the vast majority of power generation earning credits under the law is from coal technologies, but changed its position this legislative session and supported the repeal. A West Virginia Coal Association spokesperson said the flip was a result of the EPA Clean Power Plan.

The Heartland Institute, a fossil fuelfunded front group, applauded the West Virginia bill after failing to pass any RES repeals in 2013 and 2014. Heartland claimed victory despite the fact that West

Virginia's RES did little for the renewable energy industry. In addition, Heartland's comments on the West Virginia standard repeated misleading claims that renewable energy standards drive up electricity costs and hurt the economy. Heartland's James Taylor <u>said</u>:

West Virginia policymakers recognized, in a bipartisan and overwhelming manner, that renewable power mandates drive up electricity costs, kill jobs, punish the economy, and inflict substantial unintentional harm on the environment. Fortunately for electricity consumers and environmentalists, several other states are poised to follow West Virginia's lead and will be considering similar legislation this year.

Heartland also promoted the work of Marita Noon from the oil and gas industry-funded Citizens' Alliance for Responsible Energy. Noon has <u>highlighted</u> the West

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Virginia bill and repeated misinformation that renewable energy policies are bad for the economy.

The repeal of the alternative RES did leave the state's net metering policy in place. However, that law was not shielded from changes this year.

Governor Earl Ray Tomblin also <u>approved a bill</u> in March that caps net metering at 3% of utility peak demand and requires the state's Public Service Commission (PSC) to study the policy. American Electric Power (AEP) lobbied to prohibit the state PSC from considering the benefits of net metering, according to The Alliance for Solar Choice.

"I think the bill is an attempt to stop solar in West Virginia," <u>said</u> Delegate Stephen Skinner. And James Van Nostrand, director of West Virginia University's Center for Energy and Sustainable Development, <u>said</u> the targeting of these laws is inherently anti-renewable energy because homeowners are the ones being paid for electricity production.

A task force <u>has been created</u> to study the net metering law and is currently working with the PSC.

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## Wisconsin

Last fall, three Wisconsin utility companies won the ability to increase fixed charges from the state utility commission, despite public outcry and a lack of precedent. The Wisconsin Public Service Commission (PSC) gave WeEnergies, Madison Gas & Electric, and the Wisconsin Public Service Corporation approval, which will drastically reduce the economic benefits of installing solar panels on homes. The commissioners voted 2-1 in favor of the increases, and both commissioners who voted in favor are surrounded by controversies.



PSC Commissioner Ellen Nowak made statements at an Edison Electric Institute (EEI) conference earlier in the year advocating for higher fixed fees, and PSC Commissioner Phil Montgomery was previously a Republican state representative and named the American Legislative Exchange Council (ALEC) "legislator of the year" in 2005. EEI is currently working within ALEC to lobby not only state lawmakers but also local legislators to weaken distributed solar energy policies.

Furthermore, during the hearings an organization called the Consumer Energy Alliance (CEA) attacked the state's net metering policy and defended the utility companies' fixed-rate increase proposals. CEA submitted names of 2,500 state residents that "supported" the We Energies and Madison Gas & Electric proposals. A *Madison Capital Times* reporter revealed that some people on the CEA petition were in fact against the proposal. A Washington, D.C.-based public relations firm, HBW Resources, manages CEA. In fact, the managing partner for HBW Resources, David Holt, is also the president of the CEA. The PSC then threw out the petition preventing it from being included in the record, but this did not stop the rate increases from occurring.

Wisconsin Public Service Corporation and Northern States, a Xcel Energy utility, have announced plans to increase customers' fixed charges for 2016.

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