ENERGY AND POLICY INSTITUTE

Attacks on Renewable Energy Standards and Net Metering Policies By Fossil Fuel Interests & Front Groups 2013-2014

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Executive Summary

Why are Fossil Fuel Interests and Utilities Attacking Clean Energy?

Fossil fuel and utility interests, concerned about the rise of cheap clean energy, are financing attacks on pro-clean energy policies, in an effort to delay the growth of a market competitor.

The price of a solar panel has dropped more than 60% since early 2011, and the price of wind power is down by more than 50% in the past four years. Approximately 29% of the power added in 2013 in the United States was solar energy.

But, special interests tied to the fossil fuel and utility industries are spreading disinformation about the cost of clean energy. The Koch Brothers and their allies want to continue selling as much coal, oil, and gas as possible — and in their effort to rollback clean energy policies, are spreading falsehoods about the energy market.

Why would Koch Industries and other fossil fuel interests want to make clean energy seem expensive? Because they have a financial interest in squashing the market for clean energy.

Furthermore, these attacks on pro-clean energy policies are not about "creating free markets" as opponents of clean energy policies, like the State Policy Network (SPN) and the American Legislative Exchange Council (ALEC), claim. It's about manipulating markets to benefit their allies (and financiers) in the fossil fuel business.

In a majority of states in the U.S., there is no free market for electricity; individuals cannot choose from which company to buy their electricity or from what source their electricity comes. In many locales, Public Utilities Commissions regulate monopoly utility companies in a closed marketplace.

Renewable energy standards (RES) and net metering policies are sparking massive investment and deployment of clean energy technologies. And these two key policies, driving more of the grid to clean energy, are now under assault at the state level from fossil fuel and utility interests.

Renewable energy standards set requirements for utilities to slowly increase the use of clean, renewable energy sources — which is exactly why fossil fuel interests like Koch Industries, Peabody Energy, and others want to eliminate them. RES laws have driven billions of dollars of investment into cleantech projects and generated thousands of jobs. The fossil fuel-funded Heartland Institute sponsored model legislation at ALEC's meeting in June 2012 to eliminate RES laws. In the past year and a half, these rollback attempts have surfaced in at least 15 states around the country.

Net metering policies ensure that utilities pay consumers the full retail price for electricity generated by customers when they invest in distributed energy systems (like a rooftop solar system). Edison Electric Institute (EEI), the utility industry's trade association, "worked with ALEC on the [model] resolution" calling for the weakening of solar net metering policies, which was approved during ALEC's meeting in December 2013, and has now appeared in numerous states. EEI released a report in January 2013 entitled, "Disruptive Challenges," detailing the threat that distributed energy (especially solar) poses to the traditional utility industry business model and began taking action on the issue in 2013, pushing to repeal solar policies to protect utilities' financial interests.

Ultimately, clean energy's downward cost trends pose a serious threat to the fossil fuel and utility industries' business model. Until recently, the electricity grid relied on centralized, mostly fossil fuel power plants to meet electricity demand. The emergence of affordable, clean electricity presents a serious threat to an industry that's operated largely in the same way since Thomas Edison turned on the first investor-owned power station in 1882.

Due to the realities of the electricity market, fossil fuel and utility interests are attacking RES and net metering in order to protect their business interests. ALEC is one front group that the utility industry is using to weaken or eliminate pro-clean energy policies, and is a valuable tool for utilities (and others) to lobby state legislators across the country. However, the real genius of this attack by special interests is the widespread use of additional front groups to lobby, spread disinformation, and pressure decision makers to eliminate clean energy policies.

How are Fossil Fuel Interests Attacking Renewable Energy Standards? Front Groups.

Fossil fuel-funded front groups repeatedly spread disinformation on renewable energy standard and net metering policies in an effort to overturn pro-clean energy laws in 2013 and 2014. This report details the efforts of these front groups to eliminate clean energy policies across the country.

The fossil fuel lobby aggressively uses lobbying and propaganda to achieve their goals. Self-identified "free market think tanks" are among the most effective advocates for the fossil fuel industry to lobby for policy changes. Dozens of these so-called free market organizations, a majority of which are members of the State Policy Network (SPN), worked to influence state level energy policies and attack the clean energy industry.

These organizations are usually described in neutral, nondescript terms, such as "think tank," "institute," or "policy group," but publicized internal documents from the American Tradition Institute, Heartland Institute, and the Beacon Hill Institute suggest that these types of organizations embrace transactional relationships with the corporate lobbying interests that fund their operations.

The Beacon Hill Institute, a “think tank” based out of Suffolk University (and a Koch-funded member of SPN) submitted a controversial grant request to the Searle Freedom Trust, a prominent conservative foundation, in they expressly stated: “Success will take the form of media recognition, dissemination to stakeholders, and legislative activity that will pare back or repeal [the Regional Greenhouse Gas Initiative (or RGGI)].” In other words, the Beacon Hill Institute proposed to pursue biased economic research to support the express goal to “pare back or repeal” a regional climate change accord — all before the institute performed any research determining the economic effect of the law.

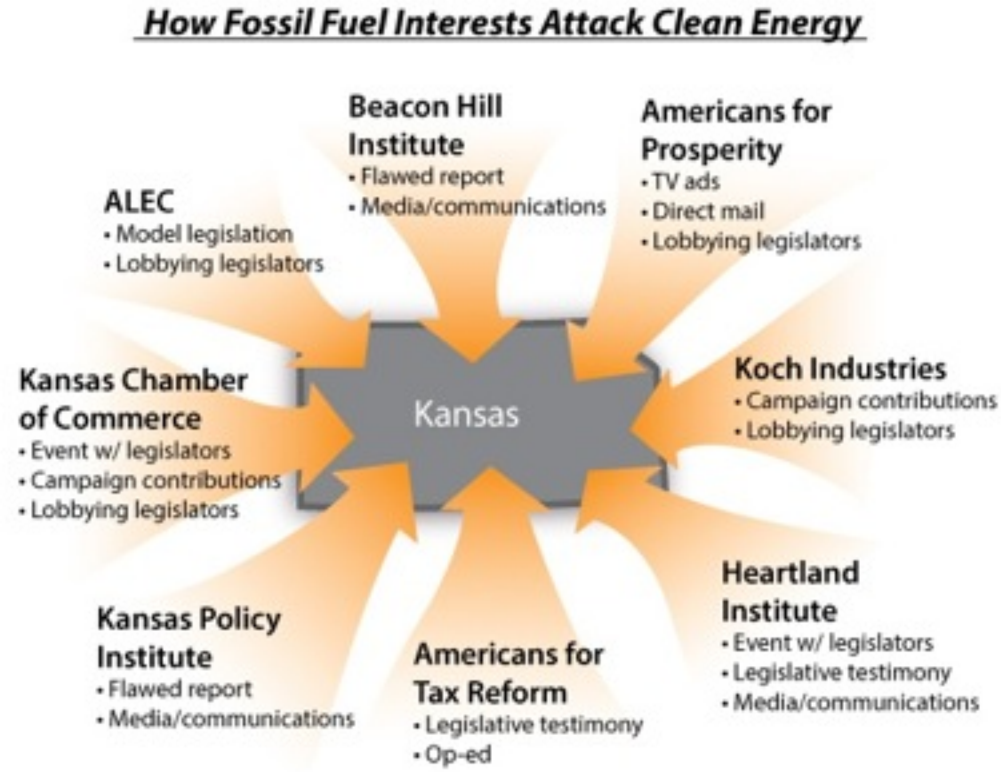
Another example of the pay-to-play nature of these so-called “think tanks” comes from Heartland Institute’s Internal fundraising documents which stated: “Contributions will be pursued for this work, especially from corporations whose interests are threatened by climate [change] policies.”

Despite positioning themselves as ideologically-focused on smaller government, dozens of these organizations aggressively denounce policy investments in clean energy as market-distorting and unnecessary, while remaining silent on the far-larger, decades-old stream of taxpayer dollars and policies supporting oil, gas, and coal interests.

Over the years, government support for fossil fuels has come from a variety of sources: tax deductions, tax credits, direct subsidies, cheap access to public property, pollution remediation, research and development, and entire government agencies devoted to helping promote and assist fossil fuel industry growth. By all credible measurements, fossil fuel subsidies are massive and extremely unpopular, and are flowing to some of the most highly profitable industries on earth.Yet, fossil fuel subsidies go largely unmentioned by these “free market” groups, such as the Heartland Institute, despite their avowed opposition to wasteful government spending.

Fossil fuel-funded front groups operate in multiple areas to influence the policy-making process in their attempts to eliminate clean energy policies. First, groups like the Beacon Hill Institute provide flawed reports or analysis claiming clean energy policies have negative impacts. Next, allied front groups or “think tanks” use the flawed data in testimony, opinion columns, and in the media. Then, front groups, like Americans for Prosperity, spread disinformation through their grassroots networks, in postcards mailed to the public, and in television ads attacking the clean energy policy. Finally, lobbyists from front groups, utilities, and other fossil fuel companies use their influence from campaign contributions and meetings with decision makers to push for anti-clean energy efforts.

Instead of advocating for a fair and free market for electricity, over the past year and a half, fossil fuel front groups have advocated to repeal, freeze, and eliminate pro-clean energy policies across the country on behalf of allies and funders in the fossil fuel industry.



First, see the map on the next page of state-level involvement by front groups. On page 8, there are brief descriptions of prominent front groups involved in these attacks. On page 13, see a state-by-state breakdown of the attacks by front group on cleantech policies in 2013-2014.

Map of Front Groups Attacking State Clean Energy Policies

Montana
- ALEC
- American Tradition Institute
- Beacon Hill Institute
- Montana Policy Institute
- State Policy Network

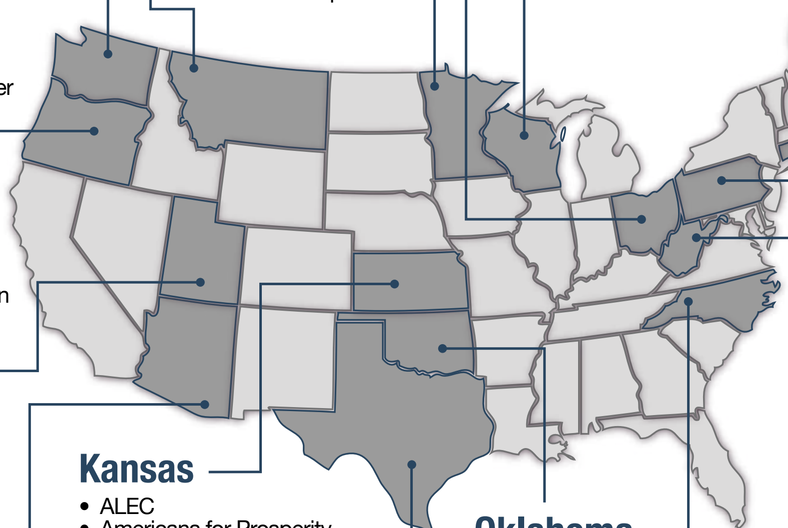
Minnesota
- ALEC
- American Tradition Institute
- Beacon Hill Institute
- Minnesota Free Market Institute
- State Policy Network
- The Center of the American Experiment

Ohio
- ALEC
- American Tradition Institute
- American Energy Alliance
- Beacon Hill Institute
- Continental Economics
- Energy and Environment Legal Institute
- Heartland Institute
- Institute for Energy Research
- State Policy Network

Washington
- ALEC
- Beacon Hill Institute
- National Center for Policy Analysis
- PacifiCorp
- Puget Sound Energy
- State Policy Network
- Washington Policy Center

Wisconsin
- ALEC
- Beacon Hill Institute
- State Policy Network
- Wisconsin Policy Institute

Maine
- ALEC
- Americans for Prosperity
- Beacon Hill Institute
- Maine Heritage Policy Center
- State Policy Network



Connecticut
- ALEC
- Heartland Institute
- Institute for Energy Research
- State Policy Network
- The Yankee Institute

Oregon
- ALEC
- Beacon Hill Institute
- Cascade Policy Institute
- Commonwealth Foundation
- Manhattan Institute
- National Center for Policy Analysis
- State Policy Network
- Umatilla Electric Cooperative

Pennsylvania
- ALEC
- American Tradition Institute
- Beacon Hill Institute
- Commonwealth Foundation
- Heartland Institute
- National Center for Policy Analysis
- State Policy Network

Utah
- ALEC
- Rocky Mountain Power

Kansas
- ALEC
- Americans for Prosperity
- Americans for Tax Reform
- Beacon Hill Institute
- Heartland Institute
- Kansas Chamber of Commerce
- Kansas City Power & Light
- Koch Industries
- Kansas Policy Institute
- State Policy Network
- Westar Energy

Oklahoma
- ALEC
- Americans for Prosperity
- Oklahoma Gas & Electric Co.
- Public Service Co. of Oklahoma

West Virginia
- ALEC

Arizona
- ALEC
- Arizona Public Service
- Beacon Hill Institute
- Edison Electric Institute
- Goldwater Institute
- Prosper
- State Policy Network
- 60 Plus Association

Texas
- Institute for Policy Innovation
- State Policy Network
- Texas Public Policy Foundation

North Carolina
- ALEC
- American Commitment
- American Conservative Union
- Americans for Prosperity
- Americans for Tax Reform
- American Tradition Institute
- Beacon Hill Institute
- Committee for a Constructive Tomorrow
- Competitive Enterprise Institute
- Duke Energy
- Freedom Action
- Heartland Institute
- Institute for Energy Research/ American Energy Alliance
- Independent Women's Forum
- John Locke Foundation
- John W. Pope Civitas Institute
- National Center for Public Policy Research
- National Taxpayers Union
- State Policy Network

Prominent Front Groups

Americans for Prosperity (AFP)

Americans for Prosperity is a national astroturf group founded and funded by the Koch Brothers, who own Koch Industries, a fossil fuel conglomerate. AFP has worked for years campaigning against climate change regulations and clean energy solutions. David H. Koch serves as Chairman of the Board of the AFP Foundation.

American Legislative Exchange Council (ALEC)

The American Legislative Exchange Council (ALEC) connects conservative lawmakers with corporate lobbyists and produces model laws that are then introduced in legislatures across the country. ALEC has been described as a “dating service” between politicians at the state level and many of America’s biggest companies, and, as a “corporate bill mill” that generates model legislation to benefit its corporate membership.

Over the past year and a half, ALEC’s Energy, Environment, and Agriculture Task Force (which includes major fossil fuel companies like Exxon Mobil, Koch Industries, Duke Energy, and Peabody Energy) has approved model language to repeal renewable energy standards (RES), weaken RES laws by watering them down with non-renewable sources of energy, and eliminate solar net metering policies.

In 2013, ALEC boasted in confidential Board of Director materials that “approximately 15 states across the country introduced legislation to reform, freeze, or repeal their state’s renewable [energy] mandate.”

Americans for Tax Reform (ATR)

Americans for Tax Reform is a front group headed by Grover Norquist that has served as a longtime ally of the tobacco industry and fossil fuel industry.

ATR has a well-documented history of working for the tobacco industry to advocate against public health reforms and received substantial funding to support lobbying activities and campaign for the tobacco industry's interests.

ATR has also served as a front group for fossil fuel interests, receiving at least $525,000 from the American Petroleum Institute between 2008-2011 and $60,000 from foundations connected to Koch Industries between 2003-2011. ATR advocated in numerous states to repeal the renewable energy standard in the past year and a half.

Beacon Hill Institute (BHI)

Based out of Suffolk University's economics department, the Beacon Hill Institute (BHI) wrote a series of distorted reports that ALEC and SPN members have used as a basis to convince state legislators to repeal RES laws. Staff at Beacon Hill are described as friends of Todd Wynn, former director of ALEC's Energy, Environment and Agriculture task force that created the Electricity Freedom Act, one of ALEC's model bills calling for repeal of RES laws.

BHI's reports were thoroughly debunked by independent economists at Synapse Energy Economics, whose 2013 analysis found "fundamental flaws in both the energy data and the economic modeling used by BHI." Using this faulty economic data, fossil fuel interests and fossil fuel-funded front groups mounted a full-frontal assault to push state lawmakers to eliminate renewable energy laws. Similar critiques of BHI's reports can be found in the Portland Press Herald, Maine Morning Sentinel, and the

Washington Post. In addition, the Union of Concerned Scientists and the Natural Resources Defense Council also critiqued the studies, and the Center for American Progress found that electricity prices do not correlate with state RES laws, and the Kansas Corporation Commission also concluded that the RES had little impact on electricity prices.

Below is a full list of Beacon Hill Institute anti-RES reports by publication date, including any State Policy Network (see page 12) co-publishers:

- North Carolina, August 2009, conducted for the John Locke Foundation
- Massachusetts, October 2010
- Montana, January 2011, with American Tradition Institute (ATI) and Montana Policy Institute
- Colorado, February 2011, with ATI
- New Mexico, February 2011, with ATI and Rio Grande Foundation
- Oregon, March 2011, with Cascade Policy Institute
- Minnesota, April 2011, with ATI and Minnesota Free Market Institute
- Ohio, April 2011, with ATI
- Delaware, May 2011, with ATI and Caesar Rodney Institute
- Kansas, July 2012, with Kansas Policy Institute
- Maine, September 2012, with Maine Heritage Policy Center
- Michigan, September 2012, with Mackinac Center
- Missouri, November 2012
- Pennsylvania, December 2012, with Commonwealth Foundation
- Wisconsin, March 2013, with Wisconsin Policy Research Center
- Washington, April 2013, with Washington Policy Center
- Nevada, April 2013, with Nevada Policy Research Institute
- Arizona, April 2013
- New Jersey, April 2014
- Maryland, April 2014

Energy & Environment Legal Institute (E&E Legal)

E&E LEGAL
Energy & Environment Legal Institute

The Energy & Environment Legal Institute (E&E Legal) is the successor to the American Tradition Institute (ATI)/Western Tradition Partnership/American Tradition Partnership, a fossil fuel-funded front group that broke campaign finance laws in 2010 when it mailed fliers attacking legislative candidates.

In 2012, ATI's Senior Fellow John Droz spearheaded a secret anti-wind meeting between local anti-clean energy groups and national fossil fuel-funded organizations. Another ATI Senior Fellow, Dr. George Taylor, was an attendee of that secretive meeting, and on a questionnaire filled out prior to the event, said that he was an active member of Heartland Institute and American Tradition Institute and had relationships with the Institute for Energy Research (IER) (see below).

David Schnare, a fossil fuel-funded pundit with connections to Heartland Institute, State Policy Network, and other front groups; Chris Horner, a fossil fuel-funded climate denier who works at the Competitive Enterprise Institute; and Tom Tanton, a consultant for the energy industry who has worked for the American Petroleum Institute and the Institute for Energy Research, are all members of the "Senior Leadership" of E&E Legal.

Heartland Institute

The Heartland Institute has received over $800,000 from fossil fuel interests and routinely attacks clean energy and the science behind climate change. Furthermore, Heartland Institute sponsored ALEC's "Electricity Freedom Act," model legislation which, if passed, would repeal state renewable energy standards. Efforts to eliminate these pro-clean energy policies failed in 16 states across the country this year.

Heartland was recently the center of controversy after comparing people that believe in climate change to the Unabomber. In the past, Heartland Institute 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.

Institute for Energy Research (IER)/American Energy Alliance (AEA)

Institute for Energy Research (IER), and its advocacy arm the American Energy Alliance (AEA), are pro-fossil fuel and anti-clean energy "think tanks" that have received funding from ExxonMobil and the Koch Brothers.

Daniel Simmons, IER's Director of Regulatory and State Affairs, testified against state clean energy laws in multiple states in 2013. Before joining IER, Simmons served as the Director of the Natural Resources Task Force at the American Legislative Exchange Council (ALEC) and was a Research Fellow at the Koch-funded Mercatus Center at George Mason University.

IER commissioned a flawed economic study by Spanish economist, Gabriel Calzada Alvarez, that concluded that for every job created in green energy, 2.2 jobs are lost elsewhere. This "study" questioning the job and economic benefits of renewable energy development has been thoroughly debunked by a wide range of organizations, from the National Renewable Energy Laboratory to The Wall Street Journal.

State Policy Network (SPN)

SPN STATE POLICY NETWORK

The State Policy Network (SPN) is the umbrella organization for 59 state-based front groups that serve a critical function for their donors (including fossil fuel interests like the Koch Brothers): providing intellectual backing and research to advance specific policy goals. The SPN has strong central control over the funding of its affiliates and coordinates its largely homogenous agenda. SPN is a member of ALEC's Energy, Environment, and Agriculture Task Force and at least eight SPN affiliates are also members of the task force.

SPN-groups have co-published flawed economic reports written by the Koch-funded and SPN-affiliated Beacon Hill Institute (see above) that were used to inflate the cost of renewable energy standards (RES) and ignore the economic benefits of pro-clean energy laws. SPN groups published carbon copies of the report by the same three authors in 20 states using the same flawed methodology.

Attacks on Clean Energy Policies State-by-State

Arizona

Net Metering Fight in 2013-2014

In late 2013, Arizona Public Service (APS) proposed charging customers who install rooftop solar panels an additional $50-100 on their monthly bills as an additional fee for connecting to the grid. APS sought to charge ratepayers who generate solar power despite the fact that multiple studies show that the value of distributed solar energy to the grid exceeds what homeowners are reimbursed for power they are producing.

APS led the first assault of a national campaign to weaken net metering policies, part of the utility trade association Edison Electric Institute's (EEI) long-term strategy to address business competition from distributed energy generation like solar. APS is an investor-owned utility that serves over one million customers and generates the majority of its electricity from coal, nuclear, gas, and oil.

Ultimately, the Arizona Corporation Commission (ACC) accepted a compromise between the solar industry and the ACC's public advocate, the Residential Utility Consumers Office (RUCO), to charge solar system owners a much smaller fee per month (an average of about $5).

EEI implemented its anti-solar campaign in 2013-2014 in part through the American Legislative Exchange Council (ALEC), which released new net metering model language in late 2013. APS claimed that it left ALEC in April 2012 due to "economic" reasons, but rejoined the organization in November 2012 by paying $10,000 for membership and fees to join the Energy, Environment, and Agriculture (EEA) Task Force. In December, the EEA Task Force voted to approve model net metering language that closely resembled the messaging of attacks on solar in Arizona.

APS spent millions to attack its competition in the solar industry, weaken net metering, and protect its bottom line. According to financial disclosures from Pinnacle West Capital Corporation (APS' parent company), APS spent more than $9 million on public relations related to net metering and deregulation — or about $9 for every APS ratepayer. In response to an inquiry from ACC Commissioner Bob Burns, APS stated, "in connection with [Net Energy Metering] public relations work, Pinnacle West spent approximately $3.7 million" in the third quarter of 2013.

APS coordinated a multi-pronged campaign on net metering campaign by laundering part of the $3.7 million through two non-profit groups (60 Plus Association, which is part of the Koch brothers' political network, and Prosper) that then attacked net metering and supported the utility's advocacy efforts.

EEI also joined the fight in Arizona, spending $520,000 on a 10-day television advertising campaign against net metering and in support of APS. Don Brandt, the president of APS and the chairman, president and CEO of Pinnacle West Capital Corp., APS' parent company, serves on the EEI board. EEI also spent significant funds on a broader public relations campaign, including ads on "both broadcast and cable television, radio, and online" according to an EEI spokesman. The Arizona Capitol Times reported that, as part of this effort, the "Global Strategy Group, a D.C.-based crisis management public relations firm working on behalf of Edison Electric Institute, APS's trade association, tried to secretly shop stories to local media outlets aimed at smearing a local solar panel company's employee, who lashed out at APS in an email to his customers."

Arizona Corporation Commission Actions Against Arizona's Renewable Energy Standard in 2013

In early 2013, Arizona Corporation Commission (ACC) member Gary Pierce sought to weaken the state's clean energy law by reducing the "Renewable Energy Standard and Tariff (REST)." But, Pierce withdrew his proposal in March after an outcry from solar industry advocates that weakening the REST would result in job losses in the state.

Pierce's withdrawal of the REST-weakening proposal came only after the ACC eliminated incentives for commercial solar development, a move that one business leader said "effectively kills the commercial solar marketing in Arizona."

Four (out of five) of the ACC members have been active members of the American Legislative Exchange Council (ALEC). Pierce attended at least one ALEC meeting while serving on the ACC in 2010 and was tagged in a Facebook photo with ALEC legislators from Arizona. An article from Bloomberg revealed that current ACC Chairman Bob Stump is a former member of ALEC's task force on health care public policy, which is also detailed in an ALEC document and his legislative biography. Commissioner Brenda Burns served on ALEC's board for nine years, becoming the group's national Chairwoman in 1999, according to her commission biography. Commissioner Bob Burns is a former ALEC state chairman for Arizona.

The Beacon Hill Institute (BHI) produced a report in April 2013 using the same flawed methodology to claim that the REST would have a severe, negative economic impact on the state of Arizona. The Koch-funded Goldwater Institute, part of the State Policy Network, also attacked the clean energy law and cited the flawed BHI report as reason for eliminating the REST.

Connecticut

Renewable Energy Standard Fight in 2013

In 2013, there were several attempts in Connecticut to incorporate hydropower into the state's RES law. One of these passed the legislature and was signed into law, resulting in a minor change to existing law.

The bill incorporating hydropower, SB 1138, was co-sponsored by ALEC member and Representative DebraLee Hoven, former State Chair in Connecticut, and passed after multiple amendments as a minor change to the renewable energy standard (RES). According to ALEC's bylaws, State Chairs are responsible for making sure that ALEC bills are introduced. The law now allows hydroelectric power to qualify for the RES, but only if utilities prove that they cannot get enough power from solar, wind, and fuel cells.

A previous bill to add existing hydropower into Connecticut's RES, HB 6086, was solely sponsored by ALEC's Former National Chairman, Connecticut Representative John Piscopo. Rep. Piscopo has been a member of ALEC's Energy, Environment, and Agriculture (EEA) task force, where the RES rollback model bills originated.

Other bills were also introduced to weaken the state's clean energy law. HB 5475, sponsored by ALEC member Rep. Lawrence G. Miller (a member of the EEA task force), would have slowed the implementation of the RES by five years. Finally, the state's Energy & Technology Joint Committee introduced HB 6532, which stalled after public hearing. It would have lessened the non-compliance fee for utilities not meeting the RES goals. Three known ALEC members sit on the committee: Rep. Dan Carter, Rep. Lawrence Miller, and Rep. John Piscopo.

Fossil fuel front groups including Heartland Institute, Institute for Energy Research, and SPN member The Yankee Institute, applauded the use of existing hydro in Connecticut's RES law, but also included a call for full repeal of Connecticut's RES. The Yankee Institute made repealing the RES a policy priority in their 2012 Policy Road Map.

Kansas

Renewable Energy Standard Fight in 2014

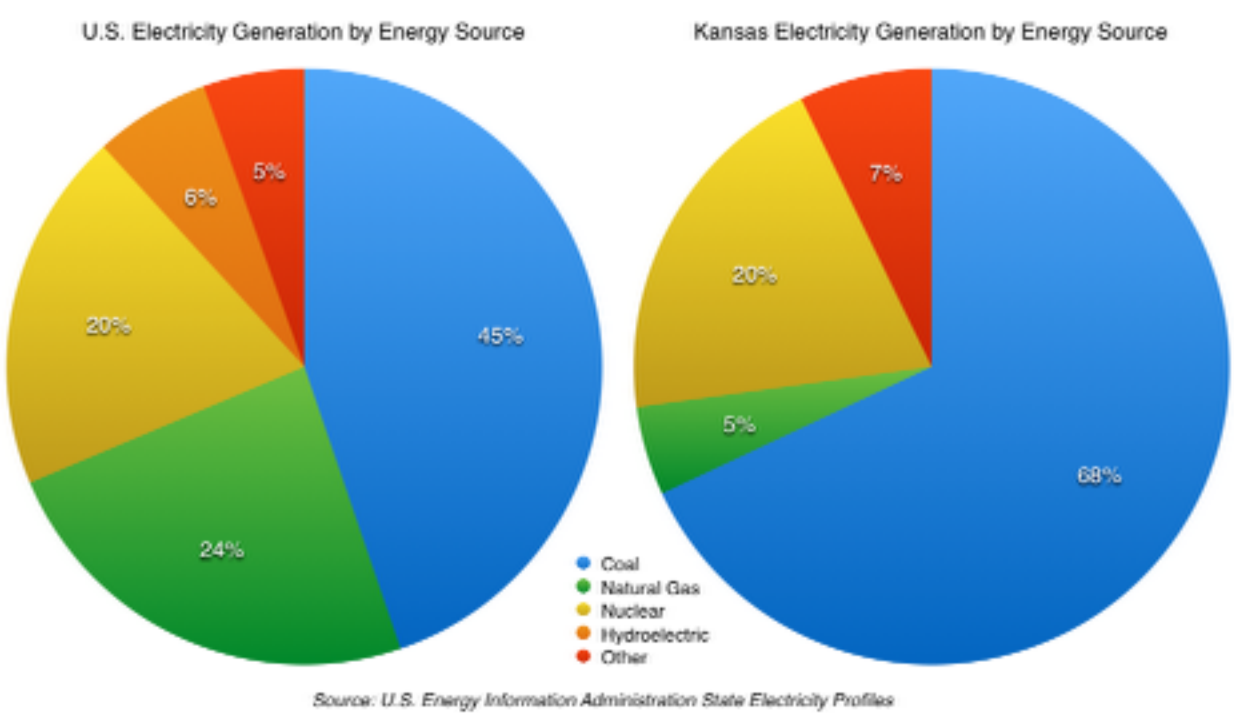
Fossil fuel interests worked to repeal the renewable energy standard through the entire legislative session in 2014, and were defeated six times in Kansas, including on the last day of the session. The Kansas House repeatedly rejected the bill (HB 2014) seeking to repeal the RES after it passed the Kansas Senate in March 2014.

Heartland Institute Pushes Flawed Analysis Attacking RES

The fossil fuel-funded Heartland Institute used flawed analysis to inflate the cost of renewable energy standards (RES), in an attempt to eliminate pro-clean energy laws in states across the country. Kansas' renewable energy standard has not led to the huge increases in electricity prices claimed by Heartland Institute, but rather has fostered billions of dollars of investment in wind power and created thousands of jobs.

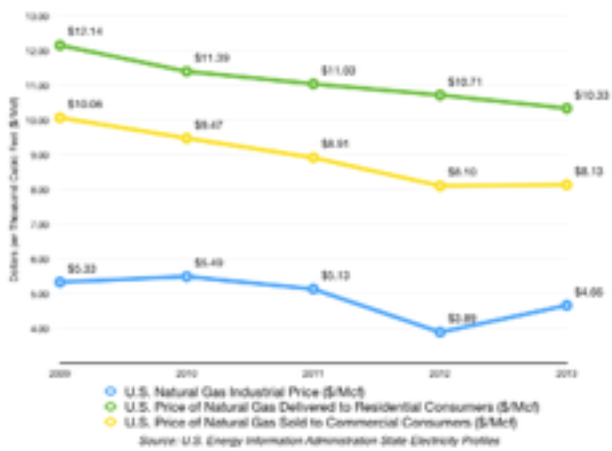
Heartland Institute's James Taylor claimed that because electricity prices in Kansas have risen faster than the national average since 2009, the state's RES is causing a spike in electricity prices. But Taylor ignored the fact that electricity prices change because of a number of different factors.

Electricity Generation by Source in U.S. vs. Kansas



In reality, Kansas uses much less natural gas (see Kansas Electricity Profile Table 5) than the national average (see United States Electricity Profile Table 5).

Price of Natural Gas 2009 - 2013



Since 2009, the low price of natural gas due to the fracking boom in the United States led to a decreased rise in electricity rates around in country, especially in states that use natural gas for electricity generation. 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. Furthermore, from 2009-2011, the average cost of coal increased 7.5% in the United States, much faster than the 2.3% average electricity price increase cited by Taylor.

Kansas uses more coal for electricity generation, which accounts, in part, for the increased rise of electricity prices in the state as compared to the national average.

The American Wind Energy Association explained why utilities are raising rates in a blog post debunking Heartland Institute's flawed analysis: "The cost of providing other forms of electricity to consumers has been increasing, and in Kansas, upgrades to aging plants have prompted Kansas City Power & Light to request rate increases. Westar Energy also sought rate increases for its customers to help finance its share of necessary upgrades to outdated facilities."

Utility Data Provide True Picture of RES Impact

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.

According to the Kansas Corporation Commission (KCC), Kansas City Power & Light reported less than a 1% rate increase due to the RES in 2012, and Westar Energy estimated a rate impact of 1.7%. In a 2013 report (.PDF) to Governor Sam Brownback and members of the state legislature, the Kansas Corporation Commission calculated the rate impact of the RES at about 0.16 cents per kWh of the approximately 9.2 cents per kWh retail electricity cost in 2012 across the state (or less than 2% of the revenue requirement while supplying more than 10% of generation capacity).

Finally, the KCC has submitted an annual report on each utility's efforts to fulfill RES requirements. As of 2012, five of the six affected utilities had already produced a surplus of clean energy in meeting the requirement.

		Kansas Utilities Subject to the RES					
		Empire	KCP&L	Westar	KEPCo	Midwest	Sunflower
2012 (Actual)	Renewable Capacity (MW)	248	210	738	114	54	146
	RES Requirement - 10% (MW)	7	164	477	43	35	78
	Surplus / Deficit	**241**	**46**	**261**	**71**	**19**	**68**
2016 (Projected)	Renewable Capacity (MW)	213	402	938	114	76	257
	RES Requirement - 15% (MW)	10	235	741	72	53	119
	Surplus / Deficit	**203**	**167**	**197**	**42**	**23**	**138**
2020 (Projected)	Renewable Capacity (MW)	123	402	938	114	76	257
	RES Requirement - 20% (MW)	13	321	1,027	106	75	164
	Surplus / Deficit	**110**	**81**	**-89**	**8**	**1**	**93**

Fossil Fuel Interests Attack Clean Energy Law For Driving Investment, Jobs in Kansas

The American Legislative Exchange Council (ALEC), its fossil fuel membership, and affiliated front groups were behind the push to repeal RES in Kansas.

Koch Industries, a major fossil rule conglomerate that has interests in electricity markets through its coal and natural gas interests, pushed for RES repeal in Kansas through the Koch Brothers' funded group, Americans for Prosperity, and the company's lobbyists.

Americans for Prosperity Kansas (the astroturf group founded and funded by the Koch Brothers) hosted the Emerging Energy Issues Forum in partnership with Heartland Institute (another fossil fuel-funded front group) and the Kansas Chamber of Commerce in February 2014.

During the event, operatives representing Heartland Institute and others attacked both the RES law in Kansas and solar net metering. Representatives on the panel at the event also cited the Institute for Energy Research's debunked "Spain green jobs study" (see IER on page 11) to claim that clean energy jobs result in other job losses. Americans for Prosperity has also launched a television advertising campaign, spending at least $300,000 to echo that the RES is causing electricity rate hikes.

Special interests pushing the anti-clean energy bill also created a front group in their effort to repeal the standard. The leader of Americans for Prosperity (AFP) Kansas admitted to contacting the group's lawyer to set up a new front group, the Kansas Senior Consumer Alliance, after previously denying that there was any connection between AFP and the Senior group. AFP also teamed up with the Heartland Institute and the Kansas Chamber of Commerce to advocate for repeal.

Finally, the Kansas Chamber of Commerce, which counts many fossil fuel and utility interests as members, also advocated for repeal of the clean energy law. Kansas Chamber of Commerce counts numerous fossil fuel and utility interests as members, in addition to Koch Industries, which could have benefited from repeal of the RES:

- Kansas Gas Service (part of ONE Gas)
- Murfin Drilling Company
- Black Hills Energy
- TransCanada
- Westar Energy
- Kansas City Power & Light
- Atmos Energy
- CVR Energy
- National Cooperative Refinery Association

The Chamber was ridiculed by the Red State Renewable Alliance for blaming rising rates on the RES, even though Kansas City Power & Light announced that purchasing 400 MW of wind would lower rates by $600 million over 20 years.

Utility interests and front groups attacking clean energy in Kansas are using disinformation to inflate the costs of clean energy and protect the fossil fuel status quo from competition. Cheap, clean energy poses a threat to the fossil fuel electricity sector, and Kansas' renewable energy standard has spurred investment in the state's clean energy economy, driving over $7 billion in investment since 2001. In total, more than 10,000 jobs have been created by the wind industry in Kansas, both directly and indirectly, according to a recent report studying the economic impact of wind energy in the state.

Net Metering Fight in 2014

The Kansas Legislature considered taking up anti-solar net metering legislation (HB 2458) pushed by two major utilities: Westar Energy and Kansas City Power & Light. In the end, the legislature adopted a compromise that preserved net metering, handing a defeat to the American Legislative Exchange Council (ALEC), which sought to eliminate the policy.

The House Energy & Environment Committee originally passed an amended HB 2458 with language that would have made substantive, negative changes to solar net metering if passed by the state legislature. The proposed bill would have calculated any excess credits for electricity generation at the end of each month's billing cycle and allowed utilities to pay solar customers generating excess electricity less than the retail rate of electricity. Utilities would have then been able to turn around and sell the electricity to customer-generators neighbors at the retail rate, thereby generating revenue for the utility from the customer's solar investment.

Anti-Solar Bill Pushed Through ALEC-Chaired Committee
The anti-solar bill follows model net metering policy approved during ALEC's ALEC's December 2013 meeting in Washington, D.C., where utility members and the utility trade association, Edison Electric Institute (EEI), almost certainly met with legislators to lobby support for anti-solar net metering efforts.

The Chairman of the House Energy & Environment Committee, Dennis Hedke, is a member of ALEC. At least five additional members of the Kansas House Energy Committee are known ALEC members: Representatives Steve Alford, Randy Garber, Charles Macheers, Scott Schwab, and Joe Siewert.

Testifying before the committee, the utility industry said that a less-than-retail rate of compensation would be fair, according to Andy Marso at the Topeka Capital-Journal. The utility aimed to credit customers who generate excess solar electricity at a rate of 150% of each utility's avoided cost, which would very likely be far less than the retail rate of electricity.

But, Dorothy Barnett, the Executive Director of the Climate and Energy Project in Kansas, said the amended bill would have meant that, "At end of month, excess credits would have no value. Solar power generators would have no "rollover" credits from one month to the next or get paid for excess power generated."

And, as Andy Marso also reported: Pro-solar advocates at the Vote Solar Initiative say that "customers who produce their own electricity save everyone money by lessening the amount of infrastructure needed within the grid, reducing the amount of electricity lost as it is transmitted over power lines, and preventing pollution."

An amended version of the bill eventually passed the legislature, protecting net metering and delivering another failure to utility interests and their ALEC allies in the legislature.

Chairman of Committee Tied to Fossil Fuel, Utility Industry

The Chairman of the House Energy & Environment Committee Dennis Hedke has substantial ties to fossil fuel and utility interests that sought to eliminate Kansas's clean energy policies.

In 2012, Hedke received approximately 20% of his campaign contributions from fossil fuel and utility entities. Hedke received contributions from:

- Koch Industries, a major fossil fuel conglomerate with interests in coal, gas and other fossil fuels
- Sunflower Electric Power Corp., which generates 76% of its electricity from big fossil fuel power plants
- National Cooperative Refinery Association
- Kansas Committee for Rural Electrification, which is funded by electric utility cooperatives

- ONEOK, Inc., one of the largest natural gas distributors in United States
- ANR pipeline, a natural gas pipeline company
- Kansas Chamber of Commerce

Furthermore, Hedke has personal ties to the fossil fuel industry — he's a "contract geophysicist whose client list includes 30 regional oil and gas companies," according to a report from the Topeka Capital-Journal.

Zack Pistora, a spokesman for the Kansas Sierra Club said to to the Topeka Capital Journal: "It is clear that Hedke has been influenced heavily by the money involved from his contract work with the oil and gas industry. As a state representative, he needs to put his own financial interests aside and focus instead on doing what's right for Kansans, our environment, and our future generations."

Renewable Energy Standard Fight in 2013

In Kansas, fossil fuel-funded front groups and Koch Industries also lobbied aggressively in 2013 to eliminate the state's clean energy law. The Senate Committee on Utilities sponsored SB 82 and had 3 known ALEC members. The House Committee on Energy & Environment sponsored HB 2241 and also had 3 known ALEC members. Lead House sponsor Dennis Hedke is a member of ALEC and also has ties to the Heartland Institute, which promoted a book he authored.

Grover Norquist's Americans for Tax Reform (ATR), which received $525,000 from the American Petroleum Institute between 2008 and 2011, worked to convince Kansas legislators to repeal the RES. Norquist testified before the Kansas legislature in favor of the rollback bills, as part of his advocacy for repealing renewable energy standards in multiple states around the country. In addition, Chris Horner, from the fossil fuel-funded Competitive Enterprise Institute, testified before the state legislature, citing flawed information from the Institute for Energy Research. Furthermore, Americans for Prosperity worked to generate support for repealing the Kansas' RES. Heartland Institute's James Taylor flew into Kansas for an Americans for Prosperity event to undermine the RES law and also testified before the state legislature.

The Beacon Hill Institute published a flawed report with the Kansas Policy Institute, a member of the State Policy Network.

Finally, Koch Companies Public Sector lobbyist Jonathan Small had private talks with Chairman Dennis Hedke about the anti-clean energy bill before it was passed out of committee in 2013.

Maine

Renewable Energy Standard Fight in 2013 - 2014

Governor Paul LePage pushed over and over to weaken the state's RES law by allowing existing hydro facilities (from Canada) to receive energy credits, which would effectively eliminate the incentive for clean energy in Maine.

The Beacon Hill Institute (BHI) published an anti-RES report for Maine, which was co-published by the Maine Heritage Policy Center in September 2012.

Subsequently, citing flawed data from the BHI and the Maine Heritage Policy Center, Governor LePage claimed the RES would have a negative impact on the state. In reality, the clean energy law resulted in more than $2 billion in local investment and created at least 2,500 jobs. ALEC's Maine state private sector chair is Ann Robinson, who was the co-chair of the LePage gubernatorial transition team. ALEC corporate members part of the Private Enterprise Committee also contributed nearly $96,000 to LePage's election campaign in 2010.

In February 2013, Senator Edward Youngblood and Senator Mike Thibodeau, a member of ALEC, introduced legislation to water down the state's RES law with existing hydro power. If passed, SP 237 would have removed the 100-megawatt limit on renewable sources of energy. This change would have allowed large hydro facilities (specifically from Canada) to receive energy credits, and as a result, water down Maine's clean energy law with big, existing hydroelectric power. The incentive for clean energy companies to continue investing in Maine would have been eliminated. Fortunately, SP 237 faced widespread opposition and was not passed as originally written.

According to a report from Maine People's Alliance, "In 2011, [Senator Mike Thibodeau] received a $350 scholarship, funded by corporate contributions, to travel to an ALEC conference in Scottsdale, Arizona." Sen. Thibodeau, one of the anti-RES bill's co-sponsors, has received over $15,000 from ALEC-affiliated organizations and companies. He also has close ties with the Koch-funded Americans for Prosperity (AFP). Since 2010, Americans for Prosperity (AFP) Maine director and former ALEC state co-chair Carol Weston has served as Sen. Thibodeau's campaign treasurer. AFP also send out a legislative alert regarding the Maine RES.

Member companies of ALEC, including oil, tobacco, and pharmaceutical companies have contributed more than $750,000 to Maine candidates, parties, and political action committees since 2002.

LePage continued his lobbying effort against Maine's RES in 2014, saying that he wanted to open the door to hydropower from Quebec. Renewable energy advocates pushed back yet again, saying that no other industry has come close to the $2.5 billion investment in infrastructure that's been made by the clean energy industry in Maine.

Minnesota

Renewable Energy Standard Fight in 2013

In Minnesota, HF 306 was introduced in 2013 to fully repeal the state's RES law, though the bill made little progress after introduction. Two of the five sponsors were known members of the American Legislative Exchange Council (ALEC): Representatives Michael Beard and Steve Drazkowski.

The Minnesota Free Market Institute, along with the American Tradition Institute, published a Beacon Hill Institute report attacking the state's RES law. In addition, State Policy Network (see page 12) member The Center of the American Experiment repeatedly attacked the state RES and produced a policy whitepaper.

In the end, the Minnesota legislature passed a 1.5% solar carve-out that will result in increased solar energy in the state (from 13 MW currently to 450 MW by 2020).

Missouri

Renewable Energy Standard Fight in 2013

In Missouri, a bill (HB 44) that would have watered down the state's renewable energy standard by allowing existing hydroelectric power to be included in the standard failed to pass before the legislature adjourned.

Republican state Rep. Bart Korman filed the bill in late 2012, which would have effectively eliminated incentives to increase renewable energy use in Missouri. The Republican-led Missouri House of Representatives passed HB 44 in February 2013 but the Senate committee never voted on the bill.

Rep. Korman is a dues-paying member of the American Legislative Exchange Council (ALEC), according to a 2012 report by Progress Missouri. Missouri House Speaker Tim Jones previously served as a state chairman for the organization.

The Beacon Hill Institute produced a flawed report attacking the Missouri RES.

Montana

Renewable Energy Standard Fight in 2013

In 2013, the Montana Legislature passed a slightly modified version of SB 45 after Governor Steve Bullock returned the original legislation with proposed amendments. The modified legislation makes a minor change to include the increased output of hydropower resulting from upgrades to existing hydro plants in the state's RES.

Another bill, SB 31, which was sponsored by Montana Senator Debby Barrett, would have included all existing hydropower in the state's RES. Senator Barrett first introduced the bill in December 2012. Sen. Barrett received a $1584.31 scholarship from the American Legislative Exchange Council (ALEC) in 2007 for travel to ALEC events. Gov. Bullock vetoed the bill after it passed both legislative chambers.

The Montana Policy Institute, a member of the State Policy Network, released a flawed Beacon Hill Institute report on the Montana RES that was co-published by the American Tradition Institute.

North Carolina

Net Metering Fight in 2014

In a meeting with local reporters in January 2014, Duke Energy CEO Lynn Good said the utility will push for "reducing how much North Carolina households are paid for generating electricity from solar panels."

The American Legislative Exchange Council (ALEC) recently released a model resolution calling for the weakening of solar net metering policies that threaten the traditional utility industry business model. ALEC is one front group that the utility industry is using to push for changes to net metering policies—a valuable ally for the utilities to lobby state legislators from across the country. Duke Energy is a member of ALEC.

Good claimed that the company supports solar and wanted it to be a part of its portfolio. In reality, Duke Energy Carolinas generates approximately 57% of its electricity from coal and natural gas plants, another 26% from nuclear power plants, and only .04% from solar.

TUSK (Tell Utilities Solar Won't Be Killed) launched an advertisement highlighting Duke's attacks on solar and emphasizing that Good was looking out for Duke's stock price. The NC Sustainable Energy Association said, "Utilities are attacking net metering and rooftop solar to protect their bottom line and monopoly control, plain and simple."

Duke Energy serves 3.2 million people in the state of North Carolina, with only 1,300 private homes currently using the net metering policy. As the price of solar continues to drop, more people will install solar and become electricity generators— by gutting the net metering policy now, Duke would hinder the adoption of more solar energy and maintain control of electricity generation in the state.

As of this report's publication, the North Carolina Utilities Commission is investigating the value of solar to determine the costs of integrating solar into the grid.

Renewable Energy Standard Fight in 2013

In North Carolina in 2013, American Legislative Exchange Council (ALEC) member and State Representative Mike Hager was the chief sponsor of a bill attacking the state's RES. He was joined by at least seven other ALEC members in sponsoring the bill.

Hager's bill started as a full repeal, but amendments turned it into a RES-weakening bill by freezing RES targets, repealing the solar carve-out, which sets aside part of the standard for solar energy, and allowing existing hydro and energy efficiency to qualify for the renewable energy standard.

Rep. Hager's bill, HB 298, was voted down 18-13 in the House Committee on Public Utilities and Energy, which he chairs, in a show of bipartisan support for the clean energy law.

Concurrently, the Senate companion bill, SB 365, stalled in another committee after Senator Bill Rabon, the co-chair of the Senate Finance Committee, forced the ALEC-backed bill through the Finance Committee without a vote count. Over the protests of dissenting Senators calling for a vote count, Rabon declared that the bill had passed and adjourned the committee.

Rep. Hager promised more attempts to undo RES. He is now appealing to Governor Pat McCrory's Blue Ribbon Study Commission to alter the renewable energy standard.

Koch Industries-funded Americans for Prosperity spearheaded a letter signed by 16 anti-clean energy groups, many of whom receive funding from fossil fuel interests targeting North Carolina legislators.

The Beacon Hill Institute (BHI) published a flawed report with the John Locke Foundation attacking the North Carolina RES.

Grover Norquist of Americans for Tax Reform also penned an op-ed in Politico that specifically focused on North Carolina and repeated the same flawed economic data from BHI.

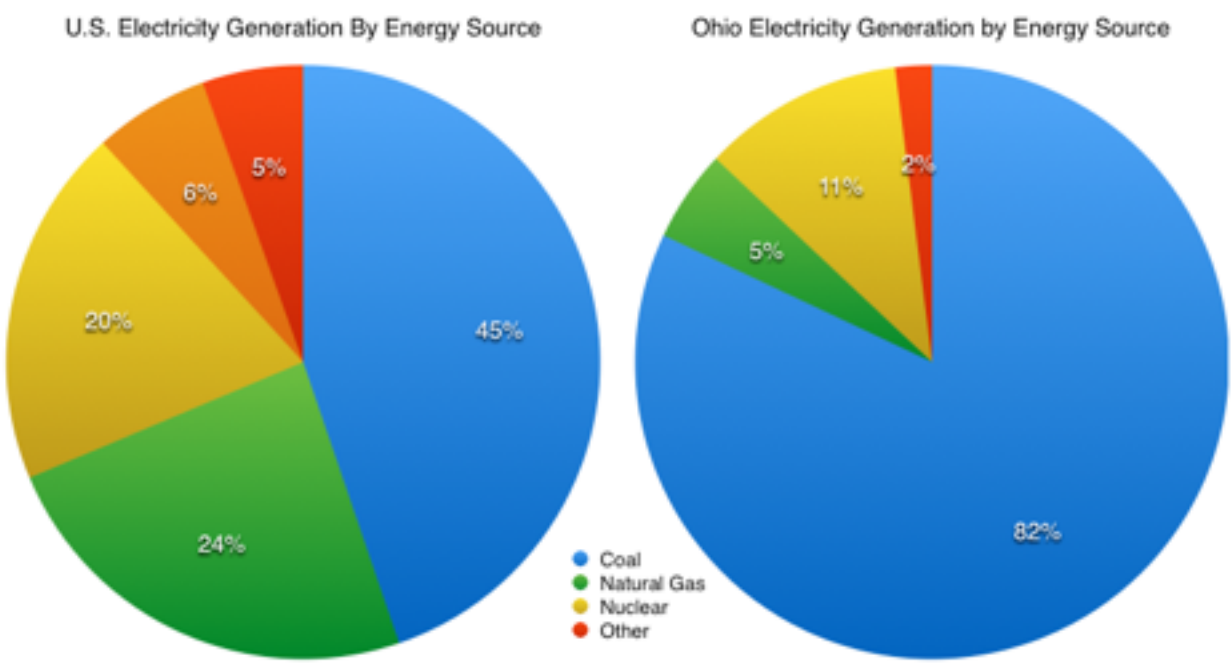
Ohio

Alternative Energy Portfolio and Energy Efficiency Resource Standard Fight in 2014

Utility and fossil fuel-funded front groups peddled disinformation to attempt a freeze on Ohio's Alternative Energy Portfolio Standard (AEPS) and Energy Efficiency Resource Standard (EERS) in 2014. Front groups' flawed arguments against the AEPS and EERS are not credible evidence to freeze the pro-clean technology laws. As unbiased research reveals, the true impact of Ohio's clean energy and energy efficiency standards were positive.

The fossil fuel-funded Heartland Institute has been using flawed analysis to inflate the cost of renewable energy standards in states around the country. Heartland Institute's James Taylor claims that because electricity prices in Ohio have risen slightly faster than the national average since 2008, the state's clean energy standard is the culprit causing a spike in electricity prices. But Taylor ignores several additional factors that impact electricity prices.

Electricity Generation by Source in U.S. vs. Ohio



Source: U.S. Energy Information Administration State Electricity Profiles

In reality, Ohio uses less natural gas (see Ohio Electricity Profile Table 5) than the national average (see United States Electricity Profile Table 5), which likely impacted the faster rise in electricity prices over the past few years. Since 2009, the low price of natural gas due to the fracking boom in the United States led to a 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, Ohio used natural gas for only 5% of electricity generated and coal for 82.1%. Nationwide, the electric power industry used natural gas for 23.9% of electricity generated, which explains, in part, why Ohio saw a more dramatic increase in electricity rates than the rest of the country. The low price for natural gas contributed to cheaper electricity prices and states utilizing natural gas for electricity generation saw less of an increase in electricity prices, at least in part because of abundant natural gas.

Furthermore, from 2009–2011, the average cost of coal in dollars per short ton (see Prices back to 1949) increased 7.5% in the United States, much faster than the 3.2% average electricity price increase cited by Taylor. Given that Ohio uses mostly coal for electricity generation, the increased rate in electricity prices is in part due to the cost of coal.

Utilities' For-Hire Economist Distorts the Facts

Utility industry consultant Jonathan Lesser claimed in testimony in front of the Ohio Senate Public Utilities Commission in February that the cost of energy efficiency and renewable energy standards would always be more than the savings. The data don't support Dr. Lesser's claims.

Dr. Lesser failed to include important pieces in his testimony. His anti-clean energy and anti-energy efficiency stance may be a result of his close business relationships with interests whose business model directly competes with clean energy and energy efficiency: past clients include major utility and fossil fuel interests like Exelon; Occidental; Duke Energy; and FirstEnergy, which is an outspoken opponent of energy efficiency measures in Ohio.

The Ohio Manufacturers Association (OMA) rebutted Dr. Lesser's testimony, saying that Dr Lesser:

- *significantly underestimates the price suppression benefits of energy efficiency (i.e., factors that drive down the cost of power), arguing incorrectly that customers will save no more than 37 cents on their monthly electric bills.*

- *completely ignores the direct benefits of reduced energy consumption and avoided energy purchases (i.e., savings resulting from using less electricity).*
- *argues that the energy efficiency program costs will continue to rise over time – completely ignoring the many downward pressures on program costs.*

OMA concludes that Ohio's anti-energy efficiency and clean energy standard bill is "a huge giveaway to electric utility companies."

Reports show benefits of programs to ratepayers
According to a study by the American Council for an Energy-Efficient Economy (ACEEE), the Energy Efficiency Resource Standard (EERS) helps utilities reduce customer demand, thereby lowering wholesale energy prices and saving ratepayers money. The study shows that implementing the standard would save consumers in Ohio nearly $5.6 billion in avoided energy costs, far exceeding the cost for utilities ($2.8 billion) to implement the program.

The Ohio Public Utilities Commission (PUC) studied the impact of the Alternative Energy Portfolio Standard in an effort to quantify how adding renewable energy to the grid would affect electricity markets in the state. The PUC concluded that renewable resources like wind and solar helped to produce "lower wholesale market clearing prices" as a result of the free fuel costs for clean energy generation.

The PUC studied two scenarios: first, looking at renewable energy projects that are already in operation and second, looking at proposed projects that have already received a green light from the Ohio Power Siting Board, which regulates new energy and transmission infrastructure. The Ohio PUC study found that in the first scenario, renewable energy capacity reduced prices by between .12% and .16%. In the second scenario, renewable energy additions reduced prices by between .47% and .52%. In total, the Ohio PUC study estimated that the overall savings for 2014 would be approximately $8 million in scenario one and $28 million in scenario two. The study concludes, "Ohioans are already benefiting from renewable resource additions through downward pressure on wholesale market prices and reduced emissions."

As Midwest Energy News reported: "The wholesale cost of power accounts for, very roughly, about two-thirds of a customer's bill," said [Tim] Benedict, the report's author and an economist for the Public Utilities Commission of Ohio. "The remainder of the bill, which likely would not be affected by the addition of renewables, reflects administration, capital investment and other costs."

Utility and fossil fuel interests, with help from the American Legislative Exchange Council (ALEC), spread anti-clean energy disinformation in an attempt to eliminate cleantech policies. However, both a third party study and a study by the

PUC contradict the disinformation being pushed by the Heartland Institute and Lesser.

These special interests want to stop cleantech policies in an effort to to sell as much dirty energy as possible—no matter what the cost to ratepayers. As of report publication, a bill seeking to freeze the AEPS and EERS is still pending before the Ohio legislature.

Renewable Energy Standard Fight in 2013

Senator Bill Seitz (ALEC Board member, Civil Justice Task Force co-chair) sponsored an attack on Ohio's clean energy and energy efficiency law in 2013.

An early version of SB 58 would have weakened the state's renewable energy standard (RES) by incorporating Canadian hydropower and eliminating a requirement for 50% of RES sources to come from within Ohio's borders. The language in SB 58 was the first iteration of the American Legislative Exchange Council's (ALEC) second round of anti-RES bills, the Renewable Energy Credit Act & the Market Power Renewables Act.

ALEC's second round of model bills are a "stealth attack" on RES. The bill (and SB 58) is framed to appear as pro-clean-energy, but in reality, would allow electricity sources like hydropower and landfill gas to be included in the standard.

Senator Seitz's bill would have been a windfall for ALEC's corporate members in the utility industry. In particular, SB 58 would have significantly benefit two out-of-state ALEC utility members by allowing hydroelectric power plants and cogeneration plants to count toward the clean energy standard. Those members, TransCanada and Ameren, operate facilities that could have qualified for the RES if Seitz's bill became law. TransCanada has numerous cogeneration and hydroelectric plants, and Ameren owns three hydroelectric facilities in Missouri. Both TransCanada and Ameren sponsored ALEC's 40th Annual Meeting, and while precise sponsorship rates are not known, sponsorship cost likely thousands of dollars, and as much as $100k.

Seitz's proposed changes to the state's energy efficiency standards would have generated profits for ALEC's Ohio utility interests, including Duke Energy and American Electric Power (AEP), at the expense of consumers. These two ALEC utility interests would have benefited from the guaranteed 33% profit on all energy efficiency programs and the expanded definition of qualifying energy efficiency projects. As reported by Midwest Energy News, "Ohio consumers already pay for energy efficiency programs through a rider on their monthly electric bills. Under current law, programs must save customers more than they cost, and customers benefit from all savings until the law's targets are met. Small incentives let utilities share in additional savings beyond those targets." But Sen. Seitz's bill would have given utilities a handout in the form of 33%

guaranteed profits on all energy efficiency programs – money that comes straight from consumers. In addition, utilities would have been allowed to keep these profits (one-third of after-tax benefits) until the targets are met but eliminate any incentive to do more than the law requires. Scott Gerfen of Ohio's Consumers' Counsel said, "The bill turns energy efficiency, which is supposed to be about saving money for consumers, into a profit center for AEP, DP&L, Duke Energy, and FirstEnergy. And, the bill takes away from customers some of the key benefits they're now receiving from energy efficiency."

ALEC Senator Kris Jordan (a member of ALEC's Energy, Environment, and Agriculture Task Force) introduced another bill in 2013, SB 34, which would have completely repealed the RES, but the bill did not move in the legislature.

The Beacon Hill Institute (BHI) and American Tradition Institute co-authored a flawed report calling for RES repeal. Heartland Institute's James Taylor and Institute for Energy Research's Daniel Simmons both flew into Ohio to testify in favor of repealing the RES in March 2013 and George Taylor, a Senior Fellow at E&E Legal, also provided testimony to the Ohio State Senate regarding the anti-clean energy bill SB58. Simmons recycled the debunked "Spanish jobs study" for his testimony to support his arguments against the RES.

Oklahoma

Net Metering Fight in 2014

The Oklahoma legislature passed a bill (SB 1456) that would allow utility companies to charge customers who install solar (or small wind turbines) an additional fee. The bill was signed into law in April 2014 by Governor Mary Fallin.

The bill was co-sponsored by ALEC member AJ Griffin. The Koch-backed Americans for Prosperity ran television ads in Oklahoma, and utilities in the state, Oklahoma Gas & Electric Co. and Public Service Company of Oklahoma, advocated in favor of the bill.

Shortly after signing the bill, Gov. Fallin issued an executive order that may moderate the effect of the bill, saying the bill "does not mandate tariffs or other increases for distributed generation customers." The executive order provided guidance to the Oklahoma Corporation Commission as they consider making changes to the state's solar energy policies and encouraged that all state agencies should promote "wind and solar power as important forms of clean energy."

Oregon

Renewable Energy Standard Fight in 2013-2014

The Oregon legislature adjourned in July 2013 without taking up a measure that would have weakened the state's renewable energy energy standard. SB 121, sponsored by Senator Alan Olsen and Senator Chuck Thomsen (both elected 2010), would have allowed the use of large-scale, existing hydroelectric power to qualify for the RES, thereby watering down the requirement to increase the use of clean energy in the state. The bill was stalled in the Environment and Natural Resources Committee when the legislature adjourned.

Oregon's RES has faced multiple attacks in the past. Last year, Representative Greg Smith co-sponsored a bill with at least 6 known ALEC members (Representatives Katie Eyre Brewer, Bruce Hanna, Mark Johnson, Mike McLane, Matt Wingard, and Matt Wand) to allow all hydroelectric power to be included in RES.

With the anti-RES bill stopped, Paul Cosgrove, a utility lobbyist (representing the Umatilla Electric Cooperative) and ALEC's Oregon private sector co-chair, spearheaded a ballot initiative that would also water down Oregon's RES by including hydroelectric power. The measure, if placed on the 2014 ballot and approved by voters, would have expanded the standard's definition of "renewable energy" to include hydroelectric power. The ballot proposition would have essentially eliminated the state's renewable energy standard because nearly 50% of the states electricity already comes from hydropower.

Although the initiative was approved for signature gathering in May 2013, renewable energy advocates worked with Governor John Kitzhaber and Representative Greg Smith to craft a compromise agreement to avoid a ballot initiative fight in 2014. The compromise allowed electricity cooperatives more flexibility in meeting the RES but preserved the standard. The ballot measure was withdrawn. Rachel Shimshak, executive director of Renewable Northwest said, "Oregon's Renewable Standard is a potent policy that helps lower our carbon footprint while substantially benefitting the state's economy and environment. We are pleased that the diverse stakeholder group found an outcome that addresses everyone's concerns while preserving the integrity of the state's renewable energy goals."

The Cascade Policy Institute published a flawed Beacon Hill Institute report attacking the state's RES law. The report was cited by State Policy Network groups, the National Center for Policy Analysis, and the fossil fuel-funded Manhattan Institute.

Pennsylvania

Renewable Energy Standard Fight in 2013

In Pennsylvania in 2013, at least five ALEC members co-sponsored HB1062 (Representatives Matthew Baker, Seth Grove, Glen Grell, Dick Hess, and Matt Gabler) which was an attempt to include natural gas in the RES. The bill was referred to the Consumer Affairs Committee and did not move before the end of the legislative session.

ALEC members also co-sponsored HB208 (Representatives Robert Godshall, Seth Grove, Tina Pickett, Matt Gabler), which would allow for biomass and hydropower to be included in the RES. The bill was also referred to the Consumer Affairs Committee and did not move before the end of the legislative session.

Finally, ALEC members co-sponsored HB1151 (Rep. Stan Saylor, Rep. Robert Godshall, and Rep. Seth Grove), which would add waste to energy facilities to the Tier I designations for the RES. The bill was referred to the Environmental Resources and Energy Committee and did not move before the end of the legislative session.

The Beacon Hill Institute published a report in December 2012, attacking the state's RES using flawed economic data, and was cited by the State Policy Network's National Center for Policy Analysis, the American Tradition Institute, Commonwealth Foundation, and the fossil fuel-funded Heartland Institute.

Texas

Renewable Energy Standard Fight in 2013

In 2013, Representative Scott Sanford and Representative Jonathan Stickland co-sponsored HB 2026 in an effort to eliminate the RES and strip the Public Utilities Commission of its authority to regulate trading of renewable energy credits. The bill was left pending in committee when the legislature adjourned in March 2013.

The Texas Public Policy Foundation, part of the State Policy Network, produced numerous reports and attacked the state RES. Merrill Matthews from the Institute for Policy Innovation (another State Policy Network member, funded by ALEC, the Koch brothers, and ExxonMobil) wrote a column claiming that consumers are being hammered by alternative energy and efficiency programs despite the fact that a U.S. Energy Information Association study showed that state-level renewable energy standards have virtually zero statistically significant impact on how electric rates changed from 2000 to 2010.

Utah

Net Metering Fight in 2014

In Utah, utility interest Rocky Mountain Power attempted to amend an existing bill to include an assault on net metering in the state.

Senator Curtis Bramble, a former Board member and ALEC legislator of the year, co-sponsored the bill and spoke about the effort at ALEC's meeting in Kansas City in May 2014.

After pushback from solar industry groups and other advocates, the bill, SB 208, was changed to a study bill that would look at the value of distributed solar to the grid, instead of gutting the net metering policy. But, the amended bill allowed the utility to propose additional charges for solar customers to the public utilities commission.

It was passed through the both chambers of the state legislature and was signed by Governor Gary Herbert.

Rocky Mountain Power recently included a "Net Metering Facilities Charge" of $4.25 per month in a rate case before the Utah Public Service Commission (PSC). At the time of publication, the PSC had not yet considered the proposal to charge solar customers the monthly fee.

Washington

Utility Protectionism and the Net Metering Fight in 2014

In Washington, utility interests pushed a protectionist, anti-free market bill in an effort to safeguard the monopolistic control of electricity generation by a handful of utilities.

The bill, HB 2176, stated that "if an electric utility offers a leased energy program, no other entity may offer leases to the utility's customers." If it had passed, HB 2176 would have given utilities monopoly control of the distributed solar market. Currently, no solar leases are allowed in the state of Washington, despite the fact that this financing mechanism accounts for approximately 60% of residential systems in top solar states like California and Arizona, because it allows homeowners to install solar panels with little or no upfront capital cost.

Instead of trying to eliminate net metering, utilities in Washington sought to monopolize the ability to lease solar systems to homeowners—allowing them to set the price for solar and protect their balance sheets. The effort failed to generate momentum and died in committee.

Utilities and the oil and gas industry spent more than $800,000 combined on state elections in the 2012 election cycle, with PacifiCorp contributing over $200,000 and Puget Sound Energy over $100,000.

PacifiCorp is also a member of the Edison Electric Institute (EEI), which worked with ALEC on the model resolution to weaken net metering policies. Puget Sound Energy, another utility that could benefit from the passage of HB 2176, is also a member of EEI. EEI unsuccessfully spent $520,000 in a 10-day television advertising campaign against net metering gut net metering policy in Arizona in 2013.

PacifiCorp currently generates 79% of its electricity from coal and natural gas with over 120,000 customers in Washington. Puget Sound Energy generates 48% of its electricity from coal and natural gas with 1.1 million customers in Washington.

Renewable Energy Standard Fight in 2013-2014

In 2014 in Washington, there was at least one ALEC-tied attempt to weaken state's renewable energy standard.

SB 6058, which would have allowed hydropower upgrades to be included in the renewable energy standard, was sponsored by at least three ALEC members: Senator Barbara Bailey, Senator Randi Becker, and Senator Don Benton (who also serves as ALEC's State Chairman in Washington). The bill was passed by the State Senate, but when brought before the State House of Representatives, was returned to the Senate Rules Committee.

In 2013 in Washington, five of seven sponsors of SB 5431, which would have allowed hydropower to be eligible for the RES, are ALEC members, including ALEC's State Chairman and Senator Don Benton, Senator Doug Ericksene, Senator Barbara Bailey, Senator Mike Carrell, and Senator Mike Padden. The bill did not move forward before the legislature adjourned in April 2013.

Washington State has seen at least ten previous bills, according the Greentech Media, which would have allowed existing hydroelectric power to count towards the state's RES and flooded out new clean energy sources.

The Washington Policy Center, a member of the State Policy Network co-published a Beacon Hill Institute (BHI) report using flawed economic data. The study was written about in the Business Examiner, the Washington State Wire, and the National Center for Policy Analysis, another State Policy Network group.

Wisconsin

Renewable Energy Standard Fight in 2013

Five ALEC members (Senator Glenn Grothman, Representative Dan LeMahieu, Representative Stephen Nass, Representative Michael Schraa, and Representative Tom Larson) sponsored SB 47, which would eliminate the state RES by freezing it at 2011 levels.

Another anti-RES bill, AB 34, would have allowed utilities to meet the renewable energy standards with nuclear energy and eliminated the 4-year time period for using credits to comply with such standards. Four of the 10 sponsors of AB 34 were members of ALEC: Representatives Andre Jacque, Daniel LeMahieu, Jeffrey Stone, and Michael Schraa.

Sen. Grothman was profiled by the Center for Media and Democracy (CMD) for his attacks on RES (and his attacks on Kwanzaa). CMD's Brendan Fischer predicted the attack in Wisconsin: "…once the ALEC-inspired bill is introduced, the right-wing infrastructure will spring into action. Beacon Hill will publish a study claiming that Wisconsin's renewable standards lead to higher energy costs (perhaps commissioned by one of the State Policy Network affiliates in the state, such as the MacIver Institute or the Wisconsin Policy Research Institute)."

Wisconsin Policy Research Institute published a flawed Beacon Hill Institute (BHI) report just days after CMD's post. And, an op-ed by one of the report's authors, BHI's Paul Bachman, amplified the report but was rebutted by local clean energy advocate, Michael Vickman, Policy Director of RENEW Wisconsin.

West Virginia

Renewable Energy Standard Fight in 2013

In West Virginia, ALEC's State Chairman Delegate Eric Householder co-sponsored HB 2609 to repeal the Alternative and Renewable Energy Portfolio Act. The bill was stuck in committee when the legislature adjourned in April 2013.

A different bill, HB 2564, would have completely stopped implementation of the RES until the United States stops importing coal. The bill was co-sponsored by an ALEC member, Delegate Ron Walters.

Former director of ALEC's Energy, Environment and Agriculture (EEA) Task Force, Todd Wynn, mentioned RES repeal attempts in West Virginia in an interview with Greenwire.