

Congress of the United States
Washington, DC 20515

October 13, 2022

Chairman Richard Glick
Federal Energy Regulatory Commission
888 1st Street NE
Washington, DC 20426

Dear Chairman Glick:

We are encouraged by the Federal Energy Regulatory Commission's (FERC) Notice of Inquiry (NOI) on utility accounting for industry trade association dues, as well as civic and political activities. This is an important step in comprehensively examining how utilities finance the political activities of trade associations using funds from captive ratepayers. **We urge FERC to amend the Uniform System of Accounts to classify industry association dues as presumptively non-recoverable from ratepayers. We also strongly encourage that FERC moves forward with the NOI with deliberate speed to address the underlying abuse that occurs when utilities charge their ratepayers for political advocacy.**

Global events have sparked a much-needed conversation about our energy future, and what it will take to ensure secure, resilient, and affordable energy for all people. The confluence of crises—spiking fossil fuel prices and inflation, Russia's war on Ukraine, and the ongoing COVID and climate emergency—are leaving customers vulnerable to unaffordable energy, the threat of shutoffs, and massive utility debt, while utilities continue to turn a profit.

As an issue of grave concern, utilities are using part of our constituents' rising utility payments to fund industry trade associations whose political activities—including lobbying against climate action, clean air and water, and the renewable transition--may not align with their values. The current Uniform System of Accounts (USofA), used by many utility providers to determine which costs are recoverable from ratepayers, allows utilities to recover funds for such activities. **We strongly believe that ratepayers should not be saddled with paying fees to support industry groups that work against the public interest by actively fueling the very energy crisis we find ourselves in.**

As it stands, industry association fees are considered presumptively recoverable, meaning a utility can bill a ratepayer for these costs unless its regulator – or the ratepayer - objects. Commonly, utilities prop up trade associations engaging in activities that fundamentally serve the interests of utilities – not the public – despite those funds trickling in from ratepayers.

These associations have played a major role in stifling the renewable energy transition and climate action, including funding a nationwide campaign to sow public doubt about climate science and coordinating a multi-year campaign to fight solar net metering and similar policies to slow distributed solar growth. As such, utility money – ratepayer money – is leveraged to move their agenda forward, at the expense of our constituents and the climate.

Against this pattern of intense lobbying and influencing by trade associations and the dark money groups they fund, we urge FERC to amend the USofA to classify industry association dues as presumptively non-recoverable from ratepayers. This is a crucial step in advancing much-needed utility transparency and accountability to how utilities classify operating and non-operating expenses, thereby clarifying what can and cannot be recovered from ratepayers.

FERC should also look a step further and consider entirely banning recovery from ratepayers. Just last year New York passed a law that prevents utilities from recovering payments to trade groups engaged in lobbying.

Finally, and extending beyond trade associations, FERC should adopt common-sense transparency reforms to ensure that utilities are not charging customers for any of their political activities. As consumer advocates have suggested in their responses to the NOI, FERC can require utilities to itemize their expenses from key USofA accounts in annual disclosures where they often hide political expenses.

Updating the USofA to fully encompass all influencing activities will provide FERC with the requisite information to ensure utility rates are just and reasonable. It is difficult enough for consumers to keep up with soaring energy prices, and they must not be forced to also pay for activities that benefit utilities rather than ratepayers—and in some cases, work actively against the best interests of ratepayers seeking a clean and safe environment.

Sincerely,



Sean Casten
Member of Congress



Kathy Castor
Member of Congress



Jamaal Bowman, Ed.D.
Member of Congress

CC:

Commissioner James Danly
Commissioner Allison Clements
Commissioner Willie L. Phillips
Commissioner Mark Christie