

2022 Lobbying, Advocacy, and Other Expenditures

February 2022

he Edison Electric Institute (EEI) is the trade association that represents all U.S. investor-owned electric companies. EEI's member companies provide electricity for more than 220 million Americans and operate in all 50 states and the District of Columbia.

EEI's member companies are woven tightly into the fabric of our nation. For nearly 140 years, they have provided the energy that has sustained our customers and our communities, while powering our nation's economy. Today, the electric power industry supports more than 7 million jobs in communities across the United States and contributes at least 5 percent annually to our nation's GDP.

In addition to our U.S. members, EEI has more than 65 electric companies with operations in more than 90 countries as international members, and hundreds of industry suppliers and related organizations as associate members. Organized in 1933, EEI provides public policy leadership, strategic business intelligence, and essential conferences and forums.

#Committed2Clean®

Across the country, EEI's member companies are leading the clean energy transformation and are working every day to get the energy we provide as clean as we can as fast as we can, without compromising the reliability and affordability that our customers and communities value. We know we are well-positioned to be a major part of the climate solution—and we want to be part of the solution.

Many factors are driving our industry's clean energy transformation, including declining costs for renewable energy resources, technological improvements, changing customer expectations, federal and state regulations and policies, and the increasing use of distributed energy resources.

Today, carbon emissions from the U.S. electric power sector are at their lowest level in nearly 40 years. Equally important, 40 percent of our nation's electricity now comes from clean, carbon-free sources, including nuclear energy, hydropower, wind, and solar energy. Almost 50 EEI member companies already have committed to reach zero or net-zero carbon emissions by 2050 or earlier.

To create a cleaner economy, we will need a cleaner transportation sector. EEI's member companies are investing more than \$3.4 billion to help build and to deploy electric vehicle charging infrastructure and to accelerate electric transportation programs, with more than \$1 billion of additional investment pending.

Our Federal and State Policy Activities

EEI's member companies are among the most regulated companies in the country, and EEI engages on their behalf with federal and state legislators, regulators, and other policymakers through lobbying, advocacy, and regulatory proceedings, with the goal of providing customers affordable, reliable, and resilient clean energy.

EEI also engages with a range of other industry stakeholders on issues related to grid reliability; cyber and physical security; mutual assistance and disaster response; finance and tax matters; and programs, services, and solutions for electricity customers.

EEI's Core Budget

EEI's core budget is funded through member dues. EEI's Board of Directors approves EEI's budget annually, including any increase in dues and proposed expected expenditures. In general, the dues a company pays is a function of its average number of customers, total revenues attributed to its electric operations, and owned generating capacity. For transmission-only members, dues reflect total revenues attributed to electric operations and transmission and distribution year-end assets that are either wholly or jointly owned.

Total dues revenue for 2022 is anticipated to be \$58.9 million; non-dues revenue, from meetings, publications, and international and associate memberships, is expected to be \$13.1 million.

EEI's core budget is devoted to business and policy issues that support our member companies in providing affordable, reliable, and resilient clean energy to the customers and communities they serve. The budget includes employee salaries and benefits; general office expenses and overhead; and programs and activities.

Business and Policy Issues	Core 2022 Expense Budget (in millions of \$s)	
Clean Energy	15.4	
Grid Security & Reliability	11.4	
Grid Investment & Modernization	9.4	
Customer Programs & Assistance	7.8	
Finance & Taxes	7.4	
Member Services	3.9	
Human Resources/Diversity, Equity & Inclusion & Workforce Development	3.6	
Total	58.9	

EEI's Board of Directors approved core budget expenditures by issue area for 2022 as follows.

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The approved core budget expenditures by department for 2022 are noted below.

Department	Core 2022 Expense Budget (in millions of \$s)	
Clean Energy & Environment	4.0	
Communications	7.5	
Customer Solutions	4.6	
Energy Supply & Finance	7.9	
General Counsel's Office	4.5	
Government Relations	3.5	
Human Resources	1.5	
Member Engagement	3.3	
Political & External Affairs	6.5	
Security, Preparedness & Reliability	9.2	
State & Federal Regulatory Affairs	6.4	
Total	58.9	

Lobbying Expenditures and Disclosure

EEI reports its lobbying expenses to Congress as required by federal law via the quarterly filing of Lobbying Disclosure Reports. EEI uses the definitions provided by both the Lobbying Disclosure Act and the Internal Revenue Code (IRC) section 162(e) to identify lobbying expenses. This includes both federal lobbying and state-level lobbying and grassroots advocacy.

Following are links to EEI's lobbying disclosure reports for 2021:

- Quarter 1
- Quarter 2
- Quarter 3
- Quarter 4

EEI estimates the amount of member dues that likely will be spent on lobbying each year and provides that percentage to members as part of their annual dues invoice. EEI provides an actual percentage at the end of the year after all reports have been filed.

In 2021, 14.3% of EEI dues was used for lobbying activities. For 2022, we estimate that the amount will be 13%.

In addition, EEI runs the Political Action Committee (PAC) known as PowerPAC. PowerPAC is funded by contributions made by EEI member companies, member company executives and other employees, and eligible EEI employees. EEI matches employees' PowerPAC contributions, directed to the charity of the employee's choice. In 2021, the PowerPAC match was approximately \$80,000 and came from EEI's core budget.

PowerPAC reports its activities to the Federal Election Commission (FEC) every month as required by law. These reports can be found on the <u>FEC website</u>.

Contributions

EEI makes contributions to various political and charitable groups, including IRC section 501(c)(4) and section 527 organizations. These amounts are included in the amounts EEI reports to members as lobbying expenses. The 2021 contributions to these groups totaled \$585,500. A similar contributions budget is expected for 2022.

A complete list of the groups to which EEI makes contributions that are greater than \$5,000 is reported each year on the Form 990, Return of Organization Exempt From Income Tax, filed with the Internal Revenue Service.

EEI's 2021 Form 990 will be filed in November 2022. The 2020 Form 990 can be found here.

Organizations to which EEI contributed more than \$5,000 in 2020:

- African American Mayors Association
- All Hazards Consortium
- Alliance to Save Energy
- Alzheimer's Association
- American Association of Blacks in Energy
- American Benefits Council
- American Council for Capital Formation Center for Policy Research
- American Legislative Exchange Council
- American Society of Association Executives
- American Working Families
- Americans for Tax Reform
- Board of Hispanic Caucus Chairs
- Carbon Utilization Research Council
- Center for Energy Workforce Development
- Citizens Against Government Waste
- Citizens for Responsible Energy Solutions
- Congressional Black Caucus
- Congressional Hispanic Caucus Institute
- Congressional Institute

- Consumer Energy Alliance
- Curators of the University of Missouri
- Democratic Attorneys General Association
- Democratic Governors' Association
- Democratic Legislative Campaign Committee
- Diabetes Research Institute Foundation
- Electric Drive Transportation Association
- Floodplain Alliance for Insurance Reform
- Foundation for Public Affairs
- Friends of Spencer Cox
- J Street Cup
- Massachusetts Institute of Technology
- Mid-America Regulatory Conference
- National Association of Manufacturers
- National Association of Regulatory Utility Commissioners
- National Association of State Energy Officials
- National Black Caucus of State Legislators

(continued)

Schedule LMM-S2

(Contributions, continued)

- National Capital Area Council Boy Scouts of America
- National Conference of State Legislatures
- National Endangered Species Act Reform Coalition
- National Energy & Utility Affordability Coalition
- National Energy Resources Organization
- National Foundation for Women Legislators
- National Governors Association
- National Hispanic Caucus of State Legislators
- National League of Cities
- National Multiple Sclerosis Society
- National Organization of Black Elected Legislative Women
- National Urban League, Inc.
- NCSL Foundation for State Legislatures
- North American Energy Standards Board
- Northwestern University
- One Nation, Inc.
- Prevent Cancer Foundation
- Republican Attorneys General Association
- Republican Governors Association

- Republican State Leadership Committee
- Roosevelt Institute
- Senate Presidents' Forum
- So Others Might Eat
- Southern States Energy Board
- State Government Leadership Foundation
- Taxpayers Protection Alliance
- The Artists and Athletes Alliance
- The Aspen Institute
- The Council of State Governments
- The Keystone Center
- The Latino Coalition
- The National Labor and Management Public Affairs Committee
- The Third Way Foundation, Inc.
- The U.S. Conference of Mayors
- U.S. Capitol Historical Society
- U.S. Chamber of Commerce
- Unites States Hispanic Chamber of Commerce
- Washington Tennis & Education Foundation
- Western Governors' Association
- Women's Energy Summit

Separately Funded Activities

Some EEI member companies choose to pay for separate activities and programs that fall outside of the core EEI budget. EEI runs these programs for the benefit of these members. These activities and their expected budgets for 2022 are noted below.

For a fee, members and other electric companies can access a range of employment tests that are validated specifically for job functions within the electric industry, including power plant operators, maintenance and craft positions, power dispatching positions, and customer service representatives, among others. Fees are based on the size of the company, with a maximum annual fee of \$7,500. None of these funds are used for lobbying or advocacy. More information about the Employment Testing Consortium can be found <u>here</u>.

In addition, most EEI members contribute to the Restoration, Operations, and Crisis Management Program (Restore Power), which focuses on improvements to industry-wide responses to major outages; continuity of industry and business operations; and EEI's all hazards (storms, wildfires, cyber, etc.) support and coordination of the industry during times of crises. Contributions to Restore Power depend on the number

of customers a member has, with a maximum contribution of \$15,000 annually. None of these funds are used for lobbying or advocacy.

In 2006, federal energy regulators approved the Spare Transformer Equipment Program (STEP), an electric industry program that strengthens the sector's ability to restore the nation's transmission system more quickly in the event of a terrorist attack. STEP represents a coordinated approach to increasing the industry's inventory of spare transformers and streamlining the process of transferring those transformers to affected companies in the event of a transmission outage caused by a terrorist attack. To participate in STEP, members make an annual voluntary contribution of not more than \$7,500. None of these funds are used for lobbying or advocacy. More information about STEP can be found <u>here.</u>

Activity	Budget (\$s)
Employment Testing Consortium	2,487,000
Restoration, Operations & Crisis Management (Restore Power)	589,000
Spare Transformer Equipment Program	351,000

Emerging Issues

Many EEI member companies choose to make an additional annual contribution of 10% of their dues to an emerging issues fund. This fund, controlled by EEI's President, is designed to allow EEI to respond to issues that were not expected and could not be planned for during the normal budgeting process. In addition, these funds are used to pay political consultants, litigation expenses, and engagement in state legislation and policy matters.

The 2022 emerging issues budget is \$5.5 million.

Some of these funds also are used for any advertising that EEI does, particularly social media ads designed to educate the public about power restoration events; public and media relations; and public opinion polling. In 2021, \$607,000 was spent on advertising, including social media ads designed to educate the public about power restoration events; \$634,000 was spent on public and media relations. For 2022, these expenses are expected to be similar.

EEI estimates the amount of funds in the emerging issues budget that likely will be spent on lobbying each year and provides that percentage to members as part of their annual dues invoice. EEI provides an actual percentage at the end of the year.

In 2021, 27.3% of these funds were used on lobbying activities. For 2022, EEI estimates that this amount will be similar.

Separately Controlled Groups

EEI provides accounting and other services to three unincorporated, issue-specific groups. These groups are the Avian Power Line Interaction Committee, Energy Wildlife Action Coalition, and the Utility Solid Waste Activities Group.

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These groups send separate invoices to their members. These amounts are not included in EEI dues. In addition, the Executive Directors of two of these groups are EEI employees for purposes of payroll and benefits. EEI is a member of these groups and pays them dues. These dues come from the emerging issues fund.

EEI's relationship to these groups is governed by separate Memoranda of Understanding (MOU), which explicitly state that EEI does not control these groups, their policy engagement, or any expenditures. These MOU require these groups, as appropriate, to compensate EEI for any office support provided, including overhead. Because these groups are not incorporated, EEI reports the dues these groups receive, and that EEI holds, on our 990 as if they are our own and includes any lobbying done by their Executive Directors in our lobbying disclosure reports.

These groups and their 2022 budgets are noted below, along with EEI's membership dues. EEI excludes these dues from amounts reported to member companies that may be recoverable from their customers.

Group	2022 Budget (\$s)	EEI 2022 Dues (\$s)
Avian Power Line Interaction Committee (APLIC)	193,000	2,500
Energy Wildlife Action Coalition (EWAC)	1.1 million	38,000
Utility Solid Waste Activities Group (USWAG)	4.1 million	41,000
Utility Water Act Group (UWAG)*	N/A	131,000

*EEI does not provide accounting or other financial services to UWAG. EEI is a member of UWAG and pays annual dues.

Charitable Organizations and Foundations

EEI has two associated IRC section 501(c)(3) organizations: The Center for Energy Workforce Development (CEWD) and the Institute for Electric Innovation/Edison Foundation. EEI pays dues of \$105,000 to CEWD annually. These funds are from the core budget. EEI does not make any contributions to the Edison Foundation.

In 2022, EEI anticipates providing \$337,000 of in-kind support to CEWD in the form of administrative, accounting, and legal support services. EEI does not provide any in-kind support to the Foundation.

EEI member companies can choose to support these organizations via separate voluntary contributions.

To learn more about these groups, visit:

The Center for Energy Workforce Development

The Institute for Electric Innovation/The Edison Foundation

About EEI

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For more information, visit our Web site at **www.eei.org.**

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