

**Jacob Veauhn**

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**From:** Hannah Barker  
**Sent:** Monday, June 14, 2021 8:30 AM  
**To:** Commissioner Correspondence  
**Subject:** Docket Correspondence  
**Attachments:** SG33-KM\_45821061408190.pdf; SG33-KM\_45821061408193.pdf; SG33-KM\_45821061408201.pdf

Good morning,

Please place the attachments in Docket No. 20200015.

**Hannah E. Barker**

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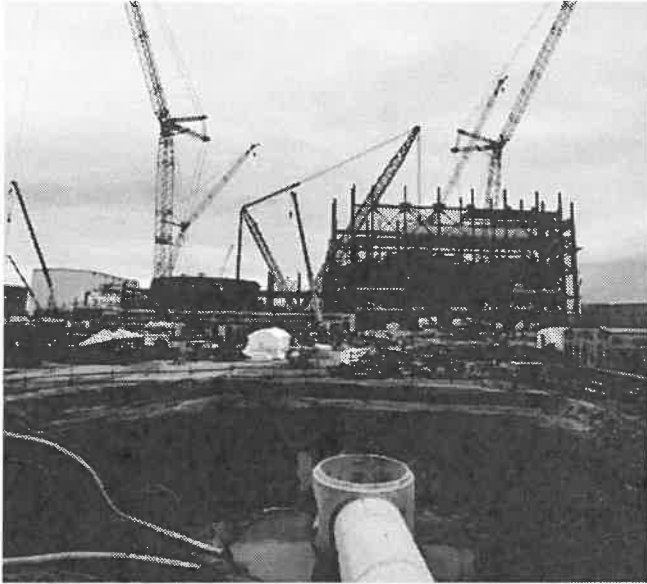
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# NextEra withdraws offer for Santee Cooper. Embattled utility likely to remain state owned.

BY AVERY G. WILKS AWILKS@POSTANDCOURIER.COM

APR 28, 2021



The SC Legislature's reluctance to sell Santee Cooper after the V.C. Summer debacle is more about dissatisfaction with NextEra's purchase bid than satisfaction with the state-owned utility, as Sens. Ronnie Cromer, upper right, and Shane Massey explained Thursday.

ETV SCREENSHOTS AND SANTEE COOPER AND FILE PHOTOS

COLUMBIA – NextEra Energy has withdrawn its offer to purchase Santee Cooper, a move that effectively ends the years-long debate over whether to sell South Carolina’s embattled electric and water utility, The Post and Courier has learned.

NextEra, the Florida-based power giant that has lobbied lawmakers for three years for a chance to take over Santee Cooper, sent a letter to the state this week pulling its multi-billion-dollar offer and asking for its \$25 million deposit back.



COLUMBIA

### **SC Senate passes bill to ‘reform,’ not sell, embattled state-owned utility Santee Cooper**

BY AVERY G. WILKS AND SEANNA ADCOX AWILKS@POSTANDCOURIER.COM  
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The company’s representatives also informed top lawmakers they have given up, a decision that came shortly after the S.C. Senate last week voted 36-8 to not continue exploring the sale of Santee Cooper. The withdrawal also came less than two weeks after NextEra CEO Jim Robo sent a letter to S.C. Senate President Harvey Peeler, R-Gaffney, offering to put in a revised bid for Santee Cooper.

“They’re no longer interested,” House budget committee chairman Murrell Smith, R-Sumter, told The Post and Courier. “Basically, they said they understand the politics and that (Senate) vote was overwhelming and insurmountable, and they were no longer going to be pursuing a sale of Santee Cooper.”



BUSINESS

### **Governor nominates former US Attorney McCoy as Santee Cooper’s next chairman**

BY AVERY G. WILKS AWILKS@POSTANDCOURIER.COM

A NextEra spokesman did not respond to a request for comment April 28. The state Department of Administration granted NextEra’s request and returned its \$25 million, according to a letter obtained by The Post and Courier.

S.C. lawmakers previously considered a sale of Santee Cooper as a way to protect its ratepayers, including customers of the 20 electric cooperatives that buy power from Santee Cooper, after the agency lost \$4 billion on the failed expansion of the V.C. Summer nuclear power plant in Fairfield County.

Lawmakers in 2019 sought formal, binding offers for the utility and paid consultants nearly \$15 million to review them. A handful of companies submitted bids, and NextEra's proved the best. But a NextEra takeover would mean hundreds of layoffs of state employees and higher electric rates for the 2 million South Carolinians who rely on Santee Cooper's power, a state analysis found.

Over the past year, it became clear that lawmakers lacked the votes for a sale and would instead seek to reform Santee Cooper to make it more accountable to the General Assembly, utility watchdogs and ratepayers. Both the S.C. Senate and House have passed reform proposals this year.

Santee Cooper's supporters — including employees, retirees and friends in the Legislature — will revel in NextEra's withdrawal, having campaigned against a sale over the past few years.



#### BUSINESS

### NextEra's bid for Santee Cooper includes 'land mine' in charging for incomplete projects

BY ANDREW BROWN AND AVERY G. WILKS  
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Senate Judiciary Committee Chairman Luke Rankin, a Myrtle Beach Republican who fought to prevent a sale to NextEra, said the Florida company has only itself to blame for **submitting a bid with clear flaws**.

“Raising rates, exempting themselves from the same oversight everyone else in South Carolina is subject to, and refusing to answer basic questions from the General Assembly was not a winning strategy,” Rankin said.

Senate Majority Leader Shane Massey said he wasn't surprised NextEra pulled out after the Senate's vote last week.

"The Senate last week didn't vote to reject a sale. The Senate voted to reject even talking about a sale," the Edgefield Republican said. "It doesn't surprise me that they withdrew because they looked at that vote and thought there's not even a pathway."

NextEra, which previously had no operations in South Carolina, had spent more than \$205,000 lobbying the S.C. Legislature over the past three years, state ethics filings show. It employed as many as nine lobbyists at a time to patrol the Statehouse grounds and poured tens of thousands of dollars more into an advertising campaign to build goodwill in the Palmetto State.

The company was said to have let go of its South Carolina-based contract lobbyists as part of this decision.

Previously, NextEra had been bullish about its prospects of sealing the Santee Cooper deal, even as powerful state senators vowed to block any effort to privatize the utility. One of the country's largest power companies, NextEra has aggressively sought to expand by acquiring other utilities across the United States.



#### BUSINESS

### How 3 bids for Santee Cooper could affect customers' rates, nuclear refunds and layoffs

BY ANDREW BROWN AND AVERY G. WILKS ABROWN@POSTANDCOURIER.COM  
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On an April 21 earnings call, a day before the Senate vote against further exploring a sale, Robo, NextEra's CEO, told analysts the Juno Beach, Fla.-based company remained interested in Santee Cooper.

"Fundamentally, our bid stands, and we're ready to get going and negotiating with the state on the sale," Robo said. "Ultimately, the most important thing is, it remains very clear to me that the best route for the state and its customers and the economy of the

state is to demunicipalize Santee Cooper and get it in the hands of an entity like ourselves that will run it in the best-in-class way.”

NextEra would pull its offer less than a week later.

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#### MORE INFORMATION

**Editorial: With NextEra out, no excuse for avoiding Santee Cooper reform**

**Santee Cooper CEO sees need to tame the ‘big dog drivers’ that’ll shape electric rates**

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#### **AVERY WILKS**

PROJECTS REPORTER

Avery G. Wilks is an investigative reporter based in Columbia. The USC Honors College graduate was named the 2018 S.C. Journalist of the Year for his reporting on South Carolina’s nuclear fiasco and abuses within the state’s electric cooperatives.





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**NATE MONROE**

# Nate Monroe: Dear FP&L, it's not really charity if you get something out of it

**Nate Monroe** Florida Times-Union

Published 7:00 a.m. ET Oct. 1, 2020 | Updated 12:00 p.m. ET Jan. 25, 2021

COMMENTARY | Florida Power & Light's high-powered team of Jacksonville lobbyists and consultants — assembled to support the company's bid to purchase JEA — met in the summer of last year to brainstorm which charities the massive utility company might give to that are close to the hearts of Jacksonville City Council members.

The company specifically honed in on two nonprofits led by City Council members Rory Diamond and Ju'Coby Pittman as potential recipients for \$10,000 and \$25,000 donations (both have said they received no money or word from the company about these plans). Florida Power & Light also identified a third nonprofit run by City Councilman Reggie Gaffney as a "stakeholder," along with a handful of politically influential churches in the city and well-known environmental groups.

Those details were included in a batch of documents one of Florida Power & Light's former consultants, Sam Mousa, turned over to a special City Council committee investigating the failed JEA privatization effort. They offer an unusually detailed and candid picture of how one of Florida's largest companies and most powerful political forces wins support in a community: Money.

The documents detail a savvy strategy aimed at financially boosting not just nonprofits connected to elected officials — who would have to formally sign off on any purchase agreement for JEA — but also high-profile projects that seemed likely to generate positive headlines and goodwill with the city's business class.

Florida Power & Light was also considering donations of \$25,000 to help revitalize the former site of the now-demolished Jacksonville Landing on the city's waterfront, as well as a "\$50,000+" contribution to an "innovation corridor" on Bay Street in downtown. One Florida Power & Light spreadsheet noted that Mayor Lenny Curry, JAX Chamber CEO Daniel Davis and Jaguars owner Shad Khan "are all primary drivers" of the innovation corridor project.

In addition to the planned community giving, Florida Power & Light's parent company at various times employed some of the city's best-connected lobbyists and consultants, including Susie Wiles, who is running President Donald Trump's re-election campaign in Florida, as well as people with ties to the mayor, including Mousa (his former top staffer) and Tim Baker, his political consultant.

NextEra, Florida Power & Light's parent company, submitted the highest bid to purchase JEA, totaling more than \$11 billion, though it fought the public disclosure of that figure for months in court.

A Florida Power & Light spokesman, David P. Reuter, told my colleague, Christopher Hong, the company's charitable giving in Jacksonville predates the JEA privatization campaign and would continue in the future. The spokesman was also highly critical of the Times-Union's coverage of the company and said the documents paint a "dangerously narrow snapshot" and that it would not comment on "cherry-picked" information.

"NextEra Energy participated ethically and responsibly in the JEA ITN process and we continue to cooperate with the ongoing investigations," Reuter said.

He also suggested my colleague "take your conspiracy theory hat off for two seconds and do some actual reporting."

But utility industry and government watchdogs have accused the company of possessing more cynical motives for its charitable giving.

The Energy and Policy Institute, a watchdog group that advocates for renewable energy and clean technology, found in a December 2019 report that NextEra was among a group of large utility companies that used its charitable giving to "buy support for its proposals from civic groups and charitable operations." In 2016, for example, amid a request from Florida Power & Light for a rate increase, several speakers who appeared before the industry's state regulatory body, the Public Service Commission, were connected to nonprofits that had received contributions from the company.

In the realm of government, through the use of massive political contributions spread throughout the state, the strategy is even more straightforward. Integrity Florida, a state government watchdog group, concluded in 2017 the Public Service Commission qualifies as a "captured agency" — one that has been co-opted by the interests it's designed to regulate.

"The utilities regulated by the PSC have a high degree of influence on the Governor and the legislature through political contributions and lobbying and have used that influence to

pursue favorable regulatory decisions by the PSC, at the expense of the public," the group said in a December 2017 report.

FP&L's braggadocio about its community involvement in other areas of the state often leaves out this unflattering reality: Its donations to good causes appear to have generated a meaningful return on investment.

## **Making a sale worthwhile**

Florida Power & Light's strategy of strategic generosity in Jacksonville mirrored one employed by JEA's own executives to offer massive financial incentives to its employees (in the form of accelerated pension payments and lucrative "retention" agreements), the city government (through a one-time windfall of cash) and the public (through rebates worth hundreds of dollars per customer) that made approving the sale too rewarding to turn down.

It was a crucial strategic insight to overcome the plain reality that the public has generally had starkly negative opinions of proposals to privatize the century-old, city-owned electric, water and sewer utility.

The formal solicitation for bids issued by JEA also encouraged companies to grease the wheels. Points were awarded for "community stewardship," which included a willingness to make charitable contributions and "commitments" to the city.

Florida Power & Light also courted important civic and political figures by showing up in their favorite playground: The company rented out a suite for two Jaguar games last year.

"Again, they wanted to raise their profile and meet the movers and shakers in the city," Mousa, the FP&L consultant and former mayoral staffer, told City Council attorneys in a sworn interview. "And there's no better place than to meet the movers and shakers in the city than there are at a stadium suite."

In this, the company had at least some success.

During an Oct. 27 game — a time during which JEA's official solicitation for offers had been issued — visitors in the Florida Power & Light stadium suite told a colleague and me that they saw the mayor's top administrator, Brian Hughes, wander in and speak with the company's CEO, Eric Silagy (both men told us they didn't speak about the JEA sale). Curry, the mayor, said he only recalled seeing Silagy in the hallway but that they didn't speak beyond "exchanging a mere, 'hello.'"

## Added scrutiny

Florida Power & Light's connections to the mayor's orbit have drawn scrutiny. In particular, the company's past contractual relationships with the mayor's former top staffer and his political consultant — paired with information one of them acted as an informal adviser to ousted CEO Aaron Zahn up to and during the sale process — are in large part why the company's motives and actions have come under suspicion by some city officials.

The company has also drawn the notice of federal prosecutors, who singled out the company in a grand jury subpoena sent to JEA that, in part, demanded all documents related to communications with any lobbyist connected with NextEra and FP&L.

Others involved in the effort to purchase JEA have speculated the general structure of the solicitation — the rapid timeline bidders had to submit final offers, and the lack of an opportunity to physically inspect JEA's plants and other assets before doing so — inherently benefitted FP&L because of its past partnerships with JEA on running power plants and purchase-power agreements.

"... FP&L had a lot of prior contracts and agreements with the JEA," Mousa, the former FP&L consultant and retired mayoral staffer, told City Council attorneys. "And it would not have surprised me if that would not have been an advantage to FP&L being a potential suitor of the JEA."

*Nate Monroe's City column appears every Thursday and Sunday.*

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