



August 2016

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Governor Jerry Brown paints himself a foe of climate change. But an exhaustive review of company donations, publicly released emails and documents at PUCPapers.org_court filings, and media reports show that fossil fuel and fossil fuel-reliant companies have supported Brown in close proximity to actions that he and his Administration have taken on their behalf. Twenty-six energy companies with business before the state greased the skids via \$9.85 million in political donations to Brown's gubernatorial campaigns, ballot initiatives, favorite causes such as the Oakland Military Institute and Oakland School for the Arts, and the California Democratic Party since Brown's run foroffice in 2010, according to campaign reports.

The three major investor-owned utilities, Edison International, parent of Southern California Edison (SCE), Pacific Gas & Electric (PG&E) and Sempra, parent of Southern California Gas (SoCalGas) and San Diego Gas & Electric (SDG&E), contributed nearly \$6 million of the total. The three utilities and Chevron also made the biggest donations of any energy companies to the State Democratic Party. Donations were often made within days or weeks of winning government favors. The evidence points to Brown and his operatives using the Democratic Party as a political slush fund to receive contributions in amounts greater than permitted to his candidate committee, and masking money from unpopular energy entities.

The timing of donations suggests that the Brown Administration used the Democratic Party as a pass-through to Brown committees as reward for legislative or regulatory action on behalf of these companies. For example, at the end of December 2013, three months after weakened fracking legislation was chaptered, Chevron donated \$350,000 to the Democratic Party. One week later, the party donated \$300,000 to Brown for Governor 2014, while Chevron donated \$54,400 to the campaign that day—the maximum amount allowed. Weeks later, Brown came out against an oil severance tax, or well-head tax, that would have produced billions for the state's coffers. Chevron had long opposed the tax.

These 26 companies have found support in the Brown Administration by virtue of Brown's own staffers. Brown's executive secretary Nancy McFadden, and his former cabinet secretary Dana Williamson, both held high-level positions at Pacific Gas & Electric. The Democratic Party paid them both for consulting and fund-raising services, while they worked for Brown. McFadden and Williamson worked for the Party at various times between June 5, 2013 and March 25, 2016, Democratic Party spending records show. Between 2011 and 2014, the energy companies gave \$4.4 million to the California Democratic Party, while the Democratic Party donated \$4.7 million to Brown's relection.

This review helps explain how the Brown Administration, despite its public posture hostile to the oil industry, privately aided oil companies at key junctures while receiving major oil industry contributions. Brown quashed the oil severance tax as Democratic Party support built for it. He rejected a fracking moratorium. He refused a Senate compromise with Assembly moderates on the climate change bill, SB 350, to slash petroleum use in cars. Brown turned SB 350 instead into a Christmas tree for utilities by granting them billions in new business and entrée into a vast, largely unregulated regional grid. Utilities responded in kind with big contributions. In this pay-to-play environment, ratepayers also got the short end of the stick. Under Brown, the Public Utilities Commission (PUC) has granted the three biggest investor-owned utilities in the state more than a combined \$130 billion in rate hikes approved from 2011 through 2015, according to PUC 748 annual reports. California tops the nation in excess electricity generating capacity. In the last few years, energy regulators have approved billing Southern California ratepayers alone at least \$10 billion over the next two decades for fournatural gas-fired power plants at Otay Mesa, Carlsbad, Huntington Beach, and Alamitos, locking the state into fossil-fuel natural gas instead of embracing renewable alternatives like rooftop solar and battery storage to avoid buildingnew plants.

Energy Companies Have Given Big Dollars and Received Big Favors

• Southern California Edison donated \$130,000 to the California Democratic Party on the same day former PUC President Michael Peevey cut a secret deal with an SCE executive in a Warsaw, Poland hotel room to make ratepayers, not shareholders, cover 70 percent of the \$4.7 billion cost to close the fatally flawed San Onofre nuclear plant. Peevey is now under criminal investigation for conspiring to obstruct justice by illegally engaging in and concealing *ex parte* communications, and inappropriately interfering with the San Onofre settlement process by pushing SCE to fund \$25 million of greenhouse gas research at UCLA in exchange for the deal.¹ In the media's glare, the case has been reopened. But Brown backed the dirty deal, telling Edison's CEO personally, according to an email by the CEO uncovered by the Public Records Act, that the Governor was willing to tell the media that SCE was acting responsibly and had done all the right things in closing San Onofre. Brown praised Peevey subsequently in a taped interview with the *Mercury News* where he called Peevey "a very effective leader" who "gets things done." ²

• Emails from PG&E's former top lobbyist Brian Cherry to his boss claim that Brown personally intervened with a PUC Commissioner to persuade him to approve a natural-gas fired power plant called Oakley for the utility. In a January 1, 2013 email, Cherry described a New Year's Eve dinner with Peevey where the pair shared "a dram or two of Johnnie Walker Blue Label." According to Cherry, Peevey reminded him "how he and Governor Brown used every ounce of persuasion to get [PUC Commissioner Mark] Ferron to change his mind and vote for Oakley...Jerry's direct plea was decisive."³ PG&E donated \$20,000 to the California Democratic Party the day after the PUC voted for the project. An appeals court would later strike the PUC decision down because the utility had not proved the plant's necessity.

• PG&E's vice president Nancy McFadden was named Brown's executive secretary. PG&E gave \$25,000 to the Democratic Party days before Brown's election. While Cherry and Peevey fed names to McFadden to appoint the critical swing-vote commissioner in February 2011 to the PUC who could cast pro-utility votes, PG&E donated \$75,000 to the Party. The same day that Brown appointed ex-banker Mark Ferron to the commission, PG&E donated another \$41,500. The appointment bolstered PG&E's sagging stock price and also lifted the value of up to one million dollars in PG&E stock options held by Nancy McFadden.

• Lawmakers sent Brown a package of six PUC reform bills in 2015 which would have increased oversight, transparency and accountability at the PUC, and received unanimous, bipartisan support. Brown vetoed the reform bills on October 12, 2015. One week later, PG&E donated \$50,000 to the Democratic Party. In December, PG&E donated another \$175,000 to the Party.

• Brown's climate change bill, SB 350, gave utilities a monopoly on electric vehicle infrastructure and large-scale renewable energy projects to the disadvantage of rooftop solar, which was never added to the state's renewable portfolio standard. Three weeks after an eleventh hour amendment setting the stage for utilities to have access to a regional grid, PG&E donated \$80,000 to the Democratic Party. The utility donated another \$50,000 two weeks after the bill was chaptered. Stock prices of California's three investor-owned utilities increased by at least 14 percent within two months.

• Occidental Petroleum's attorney, former Governor Gray Davis, successfully pressured Brown to fire two oil and gas regulators who wanted oil companies to prove their wells wouldn't contaminate groundwater under federal law before getting waste injection permits, and had overhauled well safety to the disliking of oil companies. They had tried to enforce requirements for injection wells after a Chevron worker waskilled when he fell into a sinkhole filled with oil waste. Two months later, Brown's new oil and gas supervisor granted Occidental a permit to frack in Kern County without an environmental review to protect aquifers, violating EPA standards. Four days after that, Occidental contributed \$250,000 to Prop 30, Brown's effort to raise taxes. The same day of the contribution, Brown bragged about expedited permitting in Sacramento where he reaffirmed his support of all forms of energy development. "There are going to be screw-ups. There are going to be bankruptcies. There will be indictments and there will be deaths. But we're going to keep going," he said.⁴ Occidental made a second \$250,000 donation to Prop 30 seven months later.

• Sempra donated \$115,000 to the California Democratic Party a week before PUC President Michael Picker reversed a negative PUC decision and approved an SDG&E gas-fired power plant in Carlsbad. Chevron, which produces and sells natural gas in California, contributed \$215,000 the day before the approval. The Carlsbad plant was approved without first considering renewable resources and energy storage. Former PUC President Peevey had long been working to pave the way for the plant, emails show. He had encouraged Sempra to lobby the city of Carlsbad aggressively. On January, 17, 2014, Peevey wrote Sempra's CEO about James Avery, SDG&E's chief development officer. "I just want you to know that Jim Avery did an outstanding job of managing the situation in Carlsbad, getting the city to support a new plant, etc. And he did it quickly. A tough assignment, very well done. My best."⁵

• Power plant developer NRG wasn't a Brown donor until the company cut a sweetheart deal with the PUC to settle its case against NRG for electricity price manipulation, touted as a win by the Governor's office.⁶ The company agreed to spend \$100 million out of a \$120 million fine to install electric vehicle charging stations. The release quoted Peevey saying that the deal would "launch a virtuous circle" in which Californians would getcomfortable driving EVs, while companies would invest in building the state's needed electric vehicle infrastructure.⁷ "It will create jobs in California, help clean our air, and support attainment of our greenhouse gas reduction goals," the release said. Brown simultaneously issued an executive order to reach the state's goal of 1.5 million zero-emission vehicles on California roads by 2025. The punishment looked a lot like a no bid contract. Two months later, NRG began donations to Brown, his causes, and his party that would come to \$105,000. A lawsuit against the PUC, filed by electric charging station competitor Ecotality, called the deal illegal because it awarded a monopoly to anout-of-state company. As of 2015, NRG had not reached benchmarks for the work that was supposed to constitute their fine, and the PUC has not taken action.

• Brown's sister has profited from his policies toward Sempra, parent of SoCalGas and SDG&E. Sempra invited Kathleen Brown onto Sempra's board of directors in June 2013, after the utilities had enjoyed two and a half years of favorable treatment under her brother's governorship. Sempra paid Kathleen Brown a total of \$691,300 in stock and cash for her work from 2013 through 2015. Brown's Administration has taken extraordinary steps to keep open Sempra's biggest natural gas storage asset in the West, Aliso Canyon, following the biggest methane gas leak from a well blowout in US history. Months into the efforts to stop the leak, Brown issued an executive order keeping any investigation of the causes and whether it could or should be shut down secret.⁸ During Brown's Administration, Sempra's stock has risen 116 percent, the most by far of the three investor-owned utilities.

• Brown's sister Kathleen holds \$749,000 worth of stock in real estate and oil company Forestar Group—which owns 700 acres next to Porter Ranch where it plans to build a luxury home community, and another 1,000 acres of oil and gas interests in California. She was on the board of directors, but stepped down one month after Brown issued his declaration of emergency at Aliso Canyon, which ensured secrecy around the investigation, and the true threat of the wells to the real estate value in the area.⁹ She now sits on the board of Renew Financial, a funder of renewable energy projects that stands to gain from new utility business spurred by legislation (SB 350) that increases renewables to 50 percent of California's electricity generation by 2030.

• In 2012, 16 energy companies donated \$1.2 million to Prop 30, Brown's initiative to raise taxes. A large chunk of that sum came from just two companies, Occidental and California oil and gas producer Aera Energy. The passage of Prop 30 in November 2012 cemented Brown's national reputation as a budget-balancing governor after the election, likely saving the Brown Administration from presiding over persistent state budget problems and economic turmoil. Fracking legislation was introduced barely a month later, and the Brown Administration helped to dramatically scale it back.

• On May 24, 2013, Chevron donated \$135,000 to the California Democratic Party. That same day, lawmakers exempted an common method of well stimulation from the fracking legislation. After the bill passed with an amendment dropping a moratorium on permits, Occidental gave \$100,000 to one of Brown's favorite causes, the Oakland Military Institute. Brown signed the weakened bill. On December 23, 2013, Chevron donated \$350,000 to the Democratic Party. On December 30, the Democratic Party donated \$300,000 to Brown for Governor 2014, while Chevron donated the maximum to Brown's campaign, \$54,400, on the same day. In early 2014, Brown then came out publicly to oppose a proposed oil severance tax.

Brown has protected the oil and gas industry and its fossil fuel-reliant clients via a coterie of regulators and keystaff. Many of them walked through the revolving door of government to business and back again. Some feathered their nests during California's energy crisis, and some continue to do favors for one another. Current PUC Commissioner Liane Randolph was previously appointed by Brown as general counsel at the Natural Resources Agency, where she delivered ultimatums to the two oil well regulators ultimately fired by Brown for refusing oil company demands for weakened well safety standards. Previously, Randolph was an attorney at Pillsbury, Winthrop, Shaw, Pittman, where her clients included Chevron and the Western States Petroleum Association. Former PUC President Michael Peevey, currently under criminal investigation for secret backroom dealing with the utilities and rigging of proceedings that cost ratepayers billions, was a trusted Brown Administration confidante. The PUC in particular has shielded companies from tough regulation and public investigations that assign blame and responsibility for disasters and near disasters, and that hold companies and their executives responsible.

These key regulators have allowed utilities to raise connection fees and lower payments to customers who generate their own solar power, and have endorsed building new fossil fuel power plants even without proven need, eschewing renewable alternatives. Regulators have been willing to overlook utility negligence in accidents that put profits ahead of safety. They have protected utilities from fines that could have been much bigger, permitted more natural gas plants than necessary, and have scuttled or suppressed public investigations into disasters and neardisasters.



HIGHLIGHTS TIMELINE



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FULL REPORT



All in the Family

The Brown family has long been connected to fossil fuels and utilities. Some portion of the Brown family's wealth comes from Indonesian oil. It began with Jerry Brown's father, **Governor "Pat" Brown**, who after stepping down from office in 1967 helped Indonesian generals who had overthrown Sukarno, the dictator who had nationalized Royal Dutch Shell's oil holdings. Brown reportedly organized a consortium of banks to lend \$12 billion to the military junta.¹⁰

The generals gave Brown control of a California oil trading company and half-ownership of a Hong Kong office. The offices earned a fee for each barrel traded, or as the Sacramento Bee's Dan Walters put it, got "a little taste, as they might say in the Mafia." When Chevron built an El Segundo refinery to bring in Alaskan crude during Jerry Brown's first administration, the state's Air Resources Board, run by Brown's former campaign manager, passed an air-quality standard for sulfur that Chevron couldn't quite meet with Alaskan crude, but that Indonesian oil could. That move helped secured the Brown family's oil wealth. The Brown family had ties with the utility industry too. Brown's late sister, Cynthia Kelly, was married to Joe Kelly, a long-time top PG&E attorney.¹¹

While Jerry Brown served as Governor in the 1970s and 80s, his father "Pat" also worked for Sempra's predecessor, Pacific Gas & Electric and Pacific Lighting, to sell Californians on the alleged need for LNG from Indonesia, according to the *Ventura County Star.*¹²

Brown's fascination with fossil fuels is still evident. In 2014, he inappropriately directed his Division of Oil, Gasand Geothermal Resources to map any oil or gas that might underlie his own family ranch and quickly received a 51- page report plus personalized satelliteimaged oil and gas drilling map for the area. Brown's State Oil & Gas Supervisor, Steve Bohlen, had made the mistake of emailing the report to Brown, creating an official record. When Brown found out, he threatened to fire Steve Bohlen, according to a lawsuit against the state filed by the R. Rex Parris law firm on behalf of Kern County farmers over rushing through waste injection permits for oil companies. Bohlen wound up resigning.¹³

While there are no oil or gas prospects under Brown's ranch, he does have one investment that could grow invalue thanks to a fossil fuel. Brown's Statement of Economic Interests reveals a real estate investment in Edgewater Park Plaza, worth between \$100,000 and \$1 million, that Brown shares in East Oakland with Phil Tagami, a friend and one of Brown's longtime financial supporters. Tagami won significant business with the city of Oakland when Brown was mayor. Now, Tagami's real estate company, California Capital and Investment Group (CCIG), which owns Edgewater, stands to make significant profit from a plan to ship coal out of the former Oakland Army Base. CCIG is developing part of the former base and has plans to lease a new terminal to a company that wants to ship coal from Utah to Asian markets. Brown has refused to answer local lawmaker and environmentalists' calls that he oppose the deal that would release coal dust along the East Bay transportation route, polluting the air and threatening public health.

Little Sister

Perhaps the most problematic family connection to the utility and oil business today is Jerry Brown's sister **Kathleen Brown**. In 2013, she left Goldman Sachs' Chicago office, where she chaired regional investment banking, for a Los Angeles partnership in the lobbying and law firm of Manatt Phelps & Phillips. Manatt represents energy companies among others. When Brown joined Manatt, *The Wall Street Journal* reported that Kathleen Brown was especially interested in the energy sector because it was undergoing "transformational change."¹⁵

That year Sempra, parent of Southern California Gas and San Diego Gas & Electric, invited her onto its board. Sempra wanted Kathleen Brown for "her extensive experience in both the public and private financial sectors, as well as in-depth knowledge of California government processes," according to its 2015 proxy statement. Brown sits on Sempra's environmental, health, safety and technology committee, as well as its corporate governance committee, and LNG joint venture and financing committee. Sempra paid Brown a total of \$691,000 in a combination of stock, cash, and other remuneration for her directorship between 2013 and 2015, according to SEC filings.¹⁶

The environmental committee on which Brown sits would be responsible for pinpointing the reasons for the well blowout at SoCalGas's Aliso Canyon storage facility. She has reason to want to defend SoCalGas, given herposition and sizeable Sempra investment. Her brother issued a carefully worded declaration assuring the public that a PUC "investigation" was underway and that oil and gas regulators would perform a technical review of what went wrong. However, the review will release only the results to the public, effectively sealing evidence in the investigation from the public. No information about the review has yet been released.

It has become imperative for the Administration to justify keeping Aliso open, not for reasons of energy reliability but for commercial priorities. Aliso Canyon markets itself as a place for big companies that buy natural gas when the price is right to store it there for a fee.17 But the Administration has played the "reliability" card. Southern California Edison and other companies maintained that "the loss of natural gas to those [power] stations could ultimately lead to supply shortages and possibly electricity blackouts."18 Energy regulators produced a biased report, largely authored by Southern California Gas, stating that the state couldn't do without Aliso Canvon and could experience up to 14 days of blackouts this summer without it.

The study left out that California has excess natural gas storage capacity, according to the Energy Information Administration, while utilities themselves report that natural gas usage is



in steady modest decline.¹⁹ The report also left out other gas storage facilities that could substitute, and understated existing pipeline capacity to bring in gas on demand.²⁰

At a California Senate hearing in May on Aliso Canyon, utility executives themselves began to back-pedal on the veracity of the report's threat of blackouts. A Southern California Edison executive said, "the natural gas pipeline network in the LA basin was sufficient to meet demand" as long as the right amounts of gas were ordered at the right time, the *Los Angeles Times* reported.²¹

At the same time, one subject regulators don't want to discuss is culpability for poor maintenance of wells at Aliso Canyon that led to the well blowout. Governor Brown ensured that Sempra's dirty laundry about its safety culture will never be aired. The only agency that can launch a formal public investigation is the PUC. Brown's declaration about the PUC investigation served to give regulators cover, with no timeline or obligation to inform the public whether any SoCalGas negligence played a role in the disaster. The PUC has declined to even accept a petition from Consumer Watchdog and the law offices of Aguirre & Severson to open a public investigation into the causes of the Aliso Canyon blowout, a violation of the California Constitution that guarantees the public the right to petition.²² By law, the PUC must accept a public petition and rule either for or against a public investigation. They are doing neither.

Meantime, Sempra's stock has risen 116 percent under the Brown Administration, according to Bloomberg.

Kathleen Brown has one more investment that makes the situation even more fraught. As of mid-2015, Kathleen Brown held \$749,000 worth of stock in a real estate and oil company called Forestar Group, according to Bloomberg. She became a company director in 2007, resigning in 2016. Forestar Group's 2014 annual report specifically targeted increased regulation as a threat to royalties earned from its oil-rich land due to the impact on "the timing and cost of extractive activities." Forestar, which owns 1,000 acres of oil and gas interests in California, also owns 700 acres of land next to Aliso Canyon and is planning a 285-acre luxury home community called "Hidden Creeks Estates" near Porter Ranch, the community most affected by the well blow out at Aliso Canyon. Forestar would have an interest in promoting the idea that the natural gas storage field, studded with wells as old as a century, is perfectly safe for natural gas injections, in order to preserve and maximize the value of its investment.

Kathleen Brown resigned from that company's board a month after Jerry Brown declared a state of emergency at Porter Ranch in January 2016. She now sits on the board of Renew Financial, a funder of renewable energy projects that stands to gain from new utility business spurred by Governor Brown's signature on legislation (SB 350) that increases renewables to 50 percent of California's electricity generation by 2030.

Stacking the PUC

When Brown took office in 2010, it wasn't clear what he would do with the PUC. But he inherited a PUC President, **Michael Peevey**, who had been serving since he was appointed by Governor Gray Davis. Brown kept Peevey on; he had known him for years. He admired Peevey, comparing him to **John** There are going to be screw-ups. There are going to be bankruptcies. There will be indictments and there will be deaths. But we're going to keep going."

- Brown on fracking and waste injection permits

Bryson, Brown's PUC president during his first administration.²³ Bryson, who went on to become Chairman, CEO and President of Edison International, SCE's parent, was one of the principal architects of the electricity deregulation disaster two decades ago.²⁴

Peevey too was a cheerleader. Peevey had become an electricity broker after leaving Edison, leading the charge for deregulation in 1995, and had made millions of dollars off of it. According to an investor research analysis that year by Bernstein Research, "Brown is a close friend of commission president Michael Peevey, who has endorsed Brown's candidacy for Governor."25 In fact, right before starting his career at Edison, Peevey had worked from 1973 to 1983 as president of the California Coalition for Environment and Economic Balance, a non profit that Pat Brown had founded to make "environmental and economic balance a reality," according to its mission statement.26

Peevey's CCEEB leadership overlapped with Jerry Brown's first and second terms as California Governor. Under Peevey, in 1979, oil and gas companies and utilities, and later investment banks, funded an offshoot called the California Foundation for the Environment and Economy (CFEE). The foundation made a name for itself taking PUC officials like Peevey, state politicians, and utility executives on free domestic and foreign junkets where they could rub shoulders and cut deals about which ratepayers knew nothing and that were not necessarily in their interests.²⁷

Wall Street analysts at Bernstein Research expected no change in the "current leadership and policies of the Commission" under Brown. Industry was clearly excited about Peevey's friendship with Brown. A 1977 photo of Brown with PG&E employees at The Geysers, the company's controversial geothermal field, showed just how far back that friendship went. It was forwarded to the PUC's executive director Paul Clanon in 2010. "This is a classic! Paul—please forward to Peevey. Thanks," read the email from PG&E's lobbyist Brian Cherry. ²⁸

With Peevey in place, Brown appointed two commissioners that were viewed as consumer-friendly. Wall Street was speculating wildly about who Brown would appoint and if they would be environmental advocates. In mid-January 2011, Brian Cherry was already forwarding Peevey PG&E's own investment analysis warning that Wall Street banks were fretting that Brown's picks might not maintain a "balance" between the need for regulatory oversight whilestill allowing utilities to earn a reasonable rate of return. Peevey's advice to Cherry in an

email was: "You should find a way to get this info to Brown as he makes his decisions on Commissioners ASAP. Probably best coming from a non- utility source, such as investment banker(s)." In response Cherry wrote Peevey: "Done."²⁹

Nevertheless, on January 25, 2011, Brown appointed Michael Florio, a former senior attorney for The Utility Reform Network, and Catherine Sandoval, a law school professor. The day after the appointments, on January 26, 2011, PG&E's investment analyst reported continued UBS and Deutsche Bank speculation on California utilities, including whether Peevey would remain president and if the third commissioner Brown picked would make the PUC far too consumer-oriented to the detriment of investors.

On January 27, 2011 the senior investment analyst at PG&E reported JP Morgan had downgraded PG&E and Edison stock from a "buy" to "hold."

Nancy McFadden, whom Brown had hired as his Executive Secretary in charge of appointments, legislation, and policy from PG&E where she was executive vice president, had her own interest in the price of PG&E stock. She joined Brown's staff with a \$1 million cash bonus from PG&E and up to \$1 million in PG&E stock options. The utility, a big Democratic Party donor, had given \$25,000 to the Democratic Party days before his election.

When PG&E's stock was downgraded following the Florio and Sandoval appointments, Peevey advised Cherry, "This information should go to the Governor's Office, probably best to Nancy McF. Jerry has to be made aware that actions have consequences and the economy is best off with a stable utility sector."³⁰

Emails produced by the Public Utilities Commission through Public Records Act requests show Cherry and Peevey calling McFadden the utility's "back door route" on PUC appointments.³¹ Evidence shows that McFadden intervened in the decision on whom to appoint to the CPUC, though public officials are prohibited from usingtheir official positions for personal financial benefit. Cherry wrote Peevey, "Nancy asks if you have any names you would recommend. You can call her directly if you like."³²

In March 2011 Jerry Brown appointed a long-time investment banker, **Mark Ferron**, formerly of Deutsche Bank, to the PUC. A pro-utility majority on the commission was assured. PG&E's sagging stock jumped, benefitting McFadden as much as it did PG&E.

A conflict of interest complaint filed in early 2016 by Consumer Watchdog with the Fair Political Practices Commission about McFadden's improper involvement in the appointment fell outside the statute of limitations, although McFadden is being investigated for her failure to fully disclose her stock holdings in PG&E.

McFadden herself was a product of the revolving door, first working as a senior advisor to Governor Gray Davis, before taking a job at PG&E, and then working for Brown. She didn't land the Brown appointment as Executive Secretary by chance. In the Davis administration. McFadden worked under Susan Ken**nedy**, a long-time political hand who had been executive director of the California Democratic Party. Kennedy was Davis's cabinet secretary and handled the worst of the California energy crisis by pushing legislators to arrange the sale of billions in bondsto buy power, and advocating to hike rates to save the utilities. McFadden was her protégé. After Davis appointed Kennedy to the PUC, McFadden left for PG&E. According to one insider, Kennedy had arranged for McFadden to get the job at PG&E in government relations.

In 2006, after three years as a PUC commissioner working alongside Michael Peevey, Kennedy became Governor Arnold Schwarzenegger's chief of staff, then a consultant to McKinsey, Alston & Bird and other well-heeled outlets, and started her own consulting firms, Caliber Strategies, and SPK Consulting. PG&E would be a client. Brown's next picks for the PUC would also be influenced by Kennedy, via McFadden, to ensure that a majority of commissioners would continue to vote in the interests of industry.

As Peevey fomented scandal, Brown would appoint **Michael Picker**, a former aide and another product of the revolving door to the PUC, to replace Ferron in 2014. Picker's association with Jerry Brown and friendship with Susan Kennedy went way back; Kennedy told Jeff McDonald of the *San Diego Union Tribune* that Picker had beenher "very first boss in politics" when she came to California a quarter of a century ago.³⁴ Picker served as deputy assistant for toxic substance control under Brown in 1981.





He would go on to be chief of staff for Sacramento Mayor Joe Serna Jr., and found Lincoln Crow Strategic Communications, a policy, media and campaign strategy group, in 2000. When Kennedy became Schwarzenegger's chief of staff, she hired Picker as an advisor on renewable energy, and passed him on as an advisor to the incoming Brown Administration.

Brown would make Picker PUC President once Peevey stepped down under a cloud of corruption at the end of 2014. Picker would continue to run the PUC in Peevey's image. Peevey, and then Picker, would push a building spree of fossil fuel-fired gas power plants. In 2013, Robert Weisenmiller, elevated by Brown to Chair of the California Energy Commission, maintained that natural gas was "the operational glue" of the California grid.³⁵

The Ferron Factor

The appointment of ex-Deutsche Banker Mark Ferron to the PUC served as a vaccination against tough enforcement. Emails and other documents at PUCPapers.org reveal that Ferron was far more interested in delivering guaranteed, gold-plated rates of return to Wall Street and shareholders than he was in regulatory oversight.

Ferron and other commissioners and high-level staffers met with Wall Street analysts regularly and discussed pending business before the commission. In one such exchange, between a Morgan Stanley banker and Ferron on September 26, 2012, the banker confirmed a broad and detailed list of questions to pass along to all the commissioners who would meet with him for three hours.

Prior to that meeting, Ferron wrote Morgan Stanley that he had one "stipulation"—that he be put on the distribution list for research on California utilities.³⁶ The *quid pro quo* was the free provision of exclusive reports so Ferron could track Wall Street's view of the financial health of utilities in exchange for information on how the PUC was approaching specific rate and enforcement cases and other business.

Among the questions, Morgan Stanley wanted to know what the "hold up" was for a Southern California Edison rate hike, where the "various" investigations into PG&E's deadly San Bruno explosion stood, and if regulatorswere planning to come to settlement.³⁷

In a memorandum to other commissioners on October 3, 2012, Ferron made the case that holding SCE and PG&E responsible for these disasters would affect investor perception of California as an "unfriendly place."³⁹ He claimed that this would lead to a higher "risk premium" on borrowed money for utilities, which would "cost ratepayers multiple billions in added expense."

Morgan Stanley's analysis of the California visit, emailed to a select group on October 4, 2012, said, "The key takeaway from our meeting with all the Commissioner offices at the CPUC is that regulation will remain balanced." Ferron and others had evidently signaled that PG&E would not face excessive fines for its lethal San Bruno pipeline explosion. "A settlement relating to the San Bruno explosion is progressing" Morgan Stanley wrote. "We believe our \$500mn fine estimate remains appropriate."

On the San Onofre scandal, the PUC appears to have told Wall Street not to fret. "Conversely, a San Onofre investigation is likely, but the CPUC appears to be reserving judgment on the cause/ recovery. As a result we do not expect a near-term EPS [earnings per share] hit to EIX/SRE [Edison International/ SCE]" the analysis continued.³⁸ A PUC administrative law judge would go on to cancel the last phase of the public investigation into who was responsible for the radioactive steam leak that permanently shuttered the facility. Ferron reinforced the tradition Peevey had begun in appeasing Wall Street. In a 2010 email, Brian Cherry praised Peevey's performance in a videoconference and Q&A with a Morgan Stanley analyst. Peevey had told bankers that he had no plans to "shrink" generous rates of return, and that low fuel prices meant utilities had extra money to engage in "asset development initiatives." No ratepayer refunds were in the offing. Cherry wrote in an email to Peevey, "Looks like your interview got rave reviews."⁴⁰

Peevey initiated Michael Picker into the ways of Wall Street as well, asking bankers to arrange a trip to New Yorkfor him. In June 2014, Picker went on a personal Wall Street road show, complete with a banker-supplied sedan, for a "full day of 1x1 meetings + intimate group meeting."⁴¹ On the list were ten investment companies, including Goldman Sachs and Prudential. Picker continued to meet with bankers like UBS in Sacramento. In August 2014, Picker wrote an email expressing "my deep gratitude" to





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UBS honcho Julien Dumoulin-Smith, "whose many research products already reach my inbox in great profusion daily."

Dumoulin-Smith would later write, "It's been described that you are cut from a different cloth from other CPUC folks. I tend to agree." He thanked Picker for his "insight," calling it a "refreshing change from a lot of folks we meet with." Experts, including the National Consumer Law Center's Charlie Harak in an interview given to the *SanDiego Union Tribune*, say there is no reason for regulators to meet with investors or rating agency analysts, unless it's to extract inside information.

A cache of Public Records Act emails and other documents available at PUCPapers.org show that Picker met with Bank of America, Merrill Lynch, UBS, and Credit Suisse representatives at West Coast spots like San Francisco's acclaimed Vietnamese restaurant, the Slanted Door. While Picker championed California utilities, PG&E, Sempra, and SCE donated heavily to the California Democratic Party. Sempra donated \$65,000 to the party in May 2014, and Southern California Edison donated \$130,000 in May and June, as Peevey made arrangements for Picker's visit to Wall Street. PG&E made a \$25,000 donation to the Oakland School for the Arts on July 3, a week after Picker's visit, and donations to the party totaling \$435,000 between July and October.

Brown's "Hands"

Publicly released emails confirm that Brown remains loyal to old aides and associates, and tolerates their corruption. Michael Peevey, under criminal investigation for his deal to require 70 percent of the cost of closing San Onofre to be paid by ratepayers, in exchange for a generous SCE grant to UCLA, was well known for *quid pro quos*. A favorite tactic was trading PUC support in regulatory matters for utility contributions to 'nonprofit' organizations set up by Peevey and the utilities to fund extra-curricular PUC activities. According to Senator Jerry Hill, Peevey had approved the spending of a total of \$160 million in ratepayer money to create seven 'nonprofits,' including the California Clean Energy Fund on whose board Peevey sat with PG&E appointees.⁴³ Peevey had demanded that the utility contribute \$30 million to the Fund as a condition of his support for PG&E's bankruptcy reorganizationplan.

When Peevey decided to create a "PUC Foundation" that would raise money ostensibly for educational purposes, he demanded money from utilities to attend the fundraiser. PG&E, SCE, and SDG&E each bought a \$20,000 table for the night of January 27, 2011. Brown had planned to attend. But as soon as *San Francisco Chronicle* columnists Phillip Matier and Andrew Ross panned the fundraiser as a way to create a slush fund to "pay for activities not covered by agency coffers," Brown was out.⁴⁴

"Brown is not coming," Peevey emailed that afternoon to his friend, PG&E lobbyist Brian Cherry. "Too much stuff in the Chron—Matier and Ross, editorial. Ugh."⁴⁵

While he wouldn't be seen with Peevey in public that January night in 2011, Brown praised him to the *San Jose Mercury News* editorial board in a taped video interview in August 2014. "I would say he's a very effective leader, he gets things done."

PUC Director of Policy and Planning, Marzia Zafar, recommended that PG&E's senior director of regulatory relations read the article and watch the video, according to an email from the PUCPapers.org. "The article in this weekend's *San Jose Mercury News* features Gov. Brown talking about how great Pres. Peevey is but you have to watch the video to get a sense of Gov. Brown's confidence in Pres. Peevey," she said. "The video is the best. He says thathe has to go back all the way to his first term in the late 70s to find an equally effective leader for the PUC."⁴⁶ Brown's hands would show up at a goodbye dinner for Peevey in February 2015. Susan Kennedy, Peevey's former fellow commissioner who had told him that she had been so "proud to be your wingman,"⁴⁷ handled invitations and rsvps. Michael Picker, Peevey's successor at the PUC, was the official sponsor, who would report that various organizations paid at least \$55,000 in sponsorships for the dinner.⁴⁸

The invitation read, "You're invited to join us in honoring Mike Peevey. A lifetime of service to the people of California."⁴⁹ By then his own staff, outraged by his facilitation of PG&E judge shopping in a rate case and lax regulation of PG&E prior to the San Bruno disaster, described Peevey as "something like an untouchable mob boss."⁵⁰ Brown would defend him to the last.

Brown's sister Kathleen, Robert Weisenmiller, chair of the California Energy Commission, Michael Picker who had assumed Peevey's position as PUC President, and about 200 other friends and energy industry contacts did attend the 250-dollar-a-plate dinner. Peevey was disgraced in public, but privately he was still very much in with the circle of Brown insiders who controlled the PUC.

Deregulation

A few of Brown's hands in attendance had profited from the energy crisis. In fact, Peevey himself was one of the chief architects of California's deregulation disaster. After leaving Edison, he founded New Energy Ventures in 1995. The electricity broker got paid by clients for a portion of what was saved on their energy bills. Unisource Energy, parent of Tuscon Electric Power, invested \$40 million in the venture, and guaranteed another \$26 million in debt.⁵¹

Shortly after Governor Pete Wilson signed deregulation legislation in 1996, Peevey complained that "the flood gates have not opened as much as I had hoped" when it came to commercial customers

peeling away from utilities to buy power from him.⁵²

By 1997, he was touting cheap coal and nuclear power, as well as hydropower, to customers. He boasted about selling power from Quebec to a Rhode Island utility. "This historic sale and purchase signals the end of regulated monopolies in the electricity marketplace and the beginning of customer choice, competition and lower energy prices," he said.⁵³

In 1999, he and his partners sold the firm for about \$100 million to AES, the global power company that would feature in federal investigations of collusion to drive up power prices during the California electricity crisis. Peevey and his wife, Carol Liu, then just elected to the state Assembly, had investments in AES, Enron and Unisource. They would sell more than \$200,000 in PG&E and Edison International stock in 2000—just in time to avoid the worst of the crisis.⁵⁴

In 2001, Governor Gray Davis turned to Peevey to help craft a way out of the crisis. Traders selling on the spot market had spiked electricity prices so much that the legislature passed a law putting the state in charge of buying power for SCE and PG&E, which were teetering on the edge of bankruptcy. Davis would assign Peevey to sort through and choose the bidders vying to sell power to the state, ultimately signing long-term power contracts for\$43 billion.⁵⁵

Utilities were allowed to bill customers \$20 billion for "stranded assets," meaning assets like nuclear plants theywere unable to sell off prior to the energy crisis. Meanwhile, energy marauders gouged consumers in 2000 and 2001 for at least an extra \$40 billion beyond the marginal cost of generating power, according to a 2003 report by the Public Policy Institute of California.⁵⁶

Then, in 2002, Davis made Peevey president of the PUC—to reconsolidate utility control over power generation. One of his first acts would be to saddle ratepayers with an additional \$8.2 billion to bring PG&E out of bankruptcy.

Robert Weisenmiller, Former California Energy Commission advisor during Brown's first administration, founded MRW & Associates in 1986 to provide energy consulting to businesses, including utilities. Peevey consulted Weisenmiller on exemptions to get his clients out of paying a so-called "competitive transition charge" to pay for utilities' unmarketable assets, even if customers switched to different providers. "It's become kind of a parlor game to guess who the ... exemptions are meant for and who else might try to use them for their own advantage," Weisenmiller guipped to the Public Utilities Fortnightly newsletter in 1996.57

Mark Ferron, too, made money off the energy crisis. He worked for Deutsche Bank's London office from 1996-2009, the last several years as Chief Operating Officer overseeing all operations, including energy investments. Deutsche Bank had been snagged in California's electricity crisis, from its lobbyists expressing interest in 2001 in buying California's grid to its Deutsche Bank Energy Trading division paying a \$1.6 million fine in 2009 to settle allegations of California market manipulation. After leaving Deutsche Bank he had settled in Mill Valley, California. Ferron founded the Silicon Valley Social Venture Fund that calls itself a "donor network" contributing its financial, intellectual, and human capital to "make a difference" in Silicon Valley and beyond.58 Ferron had also donated \$25,900 to Jerry Brown's 2010 campaign, according to state records.

Insiders would go on to award contracts to favorites, and bilk ratepayers. In 2012, the state settled a case overprice manipulation during the energy crisis with power plant developer NRG that looked a lot more like a sweetheart contract than a punishment⁸. The company agreed to spend \$100 million out of a \$120 million fine to install electric vehicle charging stations. The release from the Governor's Office quoted Peevey saying that the dealwould "launch a virtuous circle" in which Californians would get comfortable driving EVs, while companies would invest in building the state's needed electric vehicle infrastructure. "It will create jobs in California, help clean ourair, and support attainment of our greenhouse gas reduction goals," the release said.

NRG had never donated a dime to Brown, his causes, or the Democratic Party. That changed within two months of the settlement. The company would go on to donate a total of \$105,000. Electric charging competitor Ecotality was so incensed that it filed a lawsuit against the PUC, calling the deal illegal because it awarded a monopoly to an out- of-state company. As of 2015, NRG still hasn't delivered on the work it promised. And under PUC President Michael Picker, the company has not been held accountable.

Picker has continued in Peevey's footsteps. Under Picker, the PUC approved a spate of natural gas power plants for SCE when a boom in solar energy and other renewables and an oversupply of natural gas has raised serious questions about the state's need for them, especially when power plant capacity is currently underutilized.59 At the same time as SCE got its wish for new power plants, Kennedy was awarded a \$100 million contract to install storage batteries for the utility. She had chatted up Picker in emails about the technology she was developing. Companies like hers, she wrote, "are the pioneers who will bring these technologies to market by offering them to conservative utilities as a grid service."60

Her company, Advanced Microgrid Solutions, had star power, but little else. The company was cofounded with Jackalyne Pfannenstiel, a previous chair of the CEC who had worked for PG&E for two decades. The company had no track record or projects in the works, according to SCE testimony given before a PUC law judge in 2015 on procurement plans. "We looked at the personnel as to whether or not they had the expertise to do what they said they would do," said SCE's Colin Cushnie, vice president of

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BROWN'S HANDS: AN INSIDER NETWORK



I would say he's a very effective leader, he gets things done..."

- Jerry Brown praises Michael Peevey, under criminal investigation for improper dealings with the utilities

energy procurement and management at SCE. "And in total, they were deemed to be sufficient to be able to make con-tracts."⁶¹

Lubricating Big Oil For Big Bucks

At the beginning of his administration, Brown appointed oil and gas regulators who were admired by environmentalists for their diligence. That soon changed under pressure from the industry. Gray Davis had served as Jerry Brown's chief of staff in the 1970s and 80s. As Occidental's counsel in 2011, Davis pressured Brown to give the oil industry a break. According to depositions and declarations in the RICO lawsuit against oil companies, Brown, and the state, California oil and gas regulators were prevented by Brown's operatives from stopping oil waste injections into unprotected aquifers. The regulators repeatedly warned that Brown's orders to skip provisions of the federal Safe Drinking Water Act and to dole out oil and gas injection permits to oil companies without sufficient review would violate both state and federal laws protecting groundwater.

In a declaration signed by Derek Chernow, former acting director and chief deputy director of the California Department of Conservation, Chernow described how he lost his job trying to protect that groundwater.⁶² "I understood that one of my job duties was to ensure and improve California's compliance with the Safe Drinking Water Act. This is a Federal law that requires protection of groundwater from underground injections of waste water from oil production processes. This water...is so dirty, it cannot be used for hydraulic fracturing and must be disposed of in a manner that prevents it from migrating into fresh water."

The need to protect groundwater became more urgent in 2011 when oil companies upped their requests for injection well permits. The US Environmental Protection Agency had advised Chernow and his state oil and gas supervisor, Elena Miller, that the Division of Oil, Gas, and Geothermal Resources (DOGGR) had no authority under state law to issue gas waste injection permits under the Safe Drinking Water Act. The CaliforniaIndependent Petroleum Association then sponsored a bill introduced by Senator Michael Rubio-later hired as Chevron's director of California governmental affairs-to give DOGGR that authority. Chernow and Miller required wells to be remediated prior to injections, and the US EPA, which had audited California to ensure full compliance with federal rules on protecting water, agreed. Oil companies didn't want to hear that. They started pressuring Miller for permits up front, with no testing, surveying or required environmental documentation.

In early October 2011, Chernow described a weekly meeting with Secretary John Laird of the California Natural Resources Agency. "During the meeting, Laird took a call from Governor Brown," he wrote. "Laird finished the call and, when he hung up, he told me the Governor just received a call from Gray Davis who served as counsel for Occidental. Occidental wanted Governor Brown to fire me and the State Oil & Gas supervisor because of the alleged delays in permitting."

Later that month, Brown's office requested documentation about Occidental's waste gas disposal wells, operations, and permitting process, which Chernow supplied, stating in an email that he would be "willing to follow any direction as required..." On October 19, media reports appeared in which Occidental complained of being hurt by a hold up in permits. Chernow reported that Governor Brown's office and his energy advisor, **Cliff Rechtschaffen**, scheduled a meeting with him around October 28, 2011.

Future PUC Commissioner Liane **Randolph**, then deputy secretary and general counsel at the California Natural Resources Agency, attended the meeting where Rechtschaffen told the group that the Governor "wanted to do things a different way." 63 He turned the meeting over to Randolph. "Randolph slid a piece of paper over to Miller and Chernow," the RICO complaint said. The document, called the "Temporary Assistance Program," looked a lot like what the petroleum industry wanted. It proposed that regulators approve injection well permits without complete engineering studies or well casing diagrams. That meant oil companies would be allowed to inject contaminated wastewater underground before any remediation of damaged well casings. "During the meeting Rechtschaffen stated that DOGGR must immediately fast track permit approval," Chernow stated in his declaration.

Chernow sent a memo to the Brown Administration about the proposal. He explained that the proposal violated both state and federal rules requiring complete review before injections started. Environmentalists, he said, "will argue, correctly, that the laws...are intended to prevent damage before it occurs."

In a meeting on November 2 attended by Miller, Chernow, Liane Randolph and natural resources undersecretary Janelle Beland, and which Rechtschaffen joined by phone, "Rechtschaffen started yelling—he was angry about the memorandum...He further yelled at them that they had their orders," the lawsuit said. Miller told Rechtschaffen that the proposal violated the Safe Water Drinking Act, and that the EPA had agreed that the proposal, passed onto them by Chernow, was modeled on the Western States Petroleum Association proposal that DOGGR had already rejected.

"Rechtschaffen told Miller and Chernow this was an order from Governor Brown. He also notified Miller that she must make a public statement about the policy change," the lawsuit said. After Rechtschaffen hung up, "Randolph tried to reassure them and said it was their job to assume the Governor has a higher purpose. Randolph also told them that they were to do what the Governor sees fit even if they don't know the reason." The next day, November 3, Chernow was fired. Ultimately, the oil industry was allowed to drill more than 2,400 injection wells for the disposal of its toxic waste into the state's protected aquifers. They included aquifers with water clean enough to drink or use for crop irrigation, according to the *Sacramento Bee*.⁶⁴ An *Associated Press* analysis found that 46 percent of those injection wells either got permits or began injections under Governor Jerry Brown.⁶⁵

After Chernow was fired, Brown assigned Rechtschaffen to temporarily take over Chernow'sjob.

Two months later in January 2012, Brown's new oil and gas supervisor granted Occidental a permit to frack in Kern County without an environmental review that should have protected aquifers. Four days after that, Occidental contributed \$250,000 to Prop 30, Brown's ballot initiative to raise taxes. It made a second \$250,000 donation to Prop 30 seven months later. Thousands of aquifers were ultimately polluted. The Administration has submitted an application to the US EPA for an exemption for fracking and waste disposal into aquifers in San Luis Obispo's Arroyo Grande oilfield and is preparing another for the Round Mountain oil field in Kern.⁶⁶

Fracked Up

Oil money also shaped California's efforts to enact legislation to regulate fracking in the state and shut down plans to enact an oil extraction tax.

Hopes had run high that Governor Brown would accept an outright ban on fracking in California. Not only did Brown oppose such a ban, disappointing environmentalists, but his office reportedly significantly weakened legislation regulating fracking. The involvement of Brown's executive secretary Nancy McFadden, who held stock in Linn Energy, a company that would benefit from less oversight, is the subject of a pending Fair Political Practices Commission complaint filed by Consumer Watchdog.

Introduced at the end of 2012 by Sen. Fran Pavley, SB 4 would have regulated fracking through permitting, monitoring of environmental effects, and public disclosure of fracking chemicals. March 2013 amendments included language to place a moratorium on fracking until the practice could be studied and deemed safe for the environment. The Western States Petroleum Association, Occidental, Chevron and other oil companies swung into action.



Jerry's plea was decisive...."

-former PG&E lobbyist Brian Cherry, now under criminal investigation, on Brown's lobbying of a PUC Commissioner to approve a billion-dollar natural gas-fired power plant that a judge would later determine was unnecessary.

Oil companies did not want the legislation to expand to include lucrative and long-standing cyclic steam and steam flooding extraction techniques. Sources in the Capitol report that Brown Administration officials, including McFadden, sought amendments to weaken the bill.

By May 24, 2013, Senate amendments specifically exempted steam injection from the bill. Chevron donated \$135,000 to the California Democratic Party that same day. On June 8, the moratorium on fracking permits was dropped. Occidental gave the Governor \$27,200 on June 29. After the bill was signed by the governor on September 20 Occidental gave another \$100,000 to the Oakland Military Institute on October 9. Between the bill's introduction and its chaptering, energy companies had donated more than \$700,000 to Brown's campaign.

McFadden reported holdings valued up to \$100,000 in Linn Energy when she began working for Brown, a company that would acquire Berry Petroleum and its 3,000 California fracking wells.

Severance Down

Save California, every other major oil producing state has a well-head, or oil severance, tax. SB 241 would have imposed an oil severance tax in California. The bill passed a Senate committee in May 2013 but was placed on the Senate Appropriations "suspense file" on May 20. If the measure had been enacted, it would have generated revenue gains of \$814 billion in 2013-14 and \$1.5 billion in 2014-15. SB 241 was shelved just four days before Chevron's \$135,000 donation to the Democratic Party.

In December 2013, three months after weakened fracking legislation was chaptered, Chevron donated \$350,000 to the Democratic Party. One week later, the Party donated another \$300,000 to Brown for Governor 2014, while Chevron donated \$54,400 to the campaign that day—the maximum amount allowed. Brown then came out against the oil severance tax in January 2014, just as Democratic support was building for a revived legislative and potential ballot measure campaign to enact a version of SB 241. "I don't think this is the year for new taxes," he said after he released his proposed 2014-2015 budget.⁶⁷ "When I went up and down the state campaigning for Proposition 30, I said it was temporary and it is going to be temporary. I just think we need everything we can to live within our means before going back again to try and get more taxes."

A Change in Climate: SB 350

SB 350 was introduced in February 2015. It doubled energy efficiency in buildings, and increased the state's renewable energy requirement to half of the state's electricity by 2030. It also proposed to slash in half the amount of petroleum to be used in cars.

There was a lot for utilities to like. It gave them billions in new business updating the grid for electric vehicles and providing charging stations, and carte blanche for new renewable projects and transmission lines. It also allowed rooftop solar to be excluded from the new renewable energy standard. And an amendment in the last days of session opened the door to a regional Western grid where utilities could import and export electricity with little regulation.

SCE donated \$130,000 to the California Democratic Party two weeks after SB 350 was introduced in February 2015. Within weeks of the September 2015 amendment to the bill authorizing California's integration into a larger Western grid, PG&E donated \$80,000 to the California Democratic Party.

The oil industry spent millions lobbying to prevent a reduction in the use of petroleum in cars, but Senate pro Tempore Kevin de Leon fashioned a compromise with moderates in the Assembly that included checks and balances on the Air Resources Board.⁶⁸ It was Brown's eleventh hour decision to reject De Leon's compromise. Brown summed it



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up like this: "No company wants to see its business cut 50% just because some governor of California says, 'Hey, that's what we're going to do.""69 That left lobbyists and staffers close to the deal disappointed, calling the decision inexplicable and wrong-headed. At the signing of the scaled-back bill, Brown said he planned to use his executive power through the Air Resources Board to keep rolling the ball forward, but a subsequent court decision raised questions about his ability to do so. Addressing lawmakers on why he did not want to add any limits on ARB, he said, "I love the Legislature but I don't want to entrust you with too muchpower."70

But the bill Brown signed was a Christmas tree for the utilities. A regional Western grid has been a long-held goal of the utilities, dating back to electricity deregulation. In 1996, PG&E vice president Jim Macias talked of "tremendous advantages of having interconnection of states."

The idea of a Western grid was a casualty of the failure of deregulation, but Brown revived it in last-minute amendments to SB 350 that created a study and road ahead for the concept. A California Independent System Operator (CAISO) study supporting the concept was released in July 2016. Governor Brown was pushing legislation to establish the Western gridin the last month of the legislative session in August 2016, but was forced to pull back in the face of legislative opposition.

The Western grid is a dream for utilities. Utilities would be able to continue to justify their traditional business model of building large power plants and other infrastructure paid for by ratepayers, while discouraging wide installation of rooftop solar and the adoption of smaller-scale battery storage technology that could avoid the need for new gas- fired power plants. The shift to a Western grid also opens California up to the import of cheap but dirty coal-fired power, the pricing of which would be largely opaque to ratepayers. Berkshire Hathaway's PacifiCorp, a giantpower producer running plants in six western



states, is entering the market. A half a dozen other utilities are also lining up. According to its own factsheet, 62 percent of the power PacifiCorp generates comes from coal.⁷²

One of the regulators who is backing this regionalization is Mark Ferron. After he stepped down from the PUC for health reasons in 2014, Brown reappointed him to the CAISO that manages California's electricity grid. It has sponsored about 190 transmission development projects since 2006 worth about \$7.5 billion -virtually all of them to the financial benefit of investorowned utilities that typically realize their highest guaranteed profit on transmission lines. According to a presentation that Ferron gave in March 2016, "west-wide coordination enables increased reduction in carbon emissions" and "consumers across the region will save millions of dollars peryear."73

Utility Favors

One of the biggest problems facing the Brown Administration in 2011 was what to do about PG&E in the wake of the lethal San Bruno explosion that had killed eight and levelled a neighborhood the year before. Brown himself apparently wanted to mitigate the damage. Emails released in 2015 by the City of San Bruno showed that Governor Brown's office choreographed statements by Peevey and Commissioner Mike Florio about the public investigation into San Bruno.

The Governor's staff knew in advance about a pending statement from Florio, seen as more pro-ratepayer than others, and Peevey about the commission's consideration of a fine against the utility in January 2012, according to Jeff Mc-Donald of the *San Diego Union Tribune*. "...Peevey and Florio are expected to issue a joint press release today stating their intent to work jointly to resolve the pending San Bruno and other investigations," wrote then PG&E vice president Thomas Bottorff to PG&E's chairman Anthony Earley. "Peevey will not be ceding control of the [investigation] to

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C "Occidental wanted Governor Brown to fire me and the State Oil & Gas Supervisor..."

- Former Department of Conservation official Derek Chernow

Florio," the email said. "The Governor's Office is aware of and approved the joint statement."⁷⁴

Susan Kennedy too was working to help PG&E. PG&E was a client of Kennedy's Caliber Strategies. A March 2012 email from Kennedy to PG&E lobbyist Brian Cherry indicated she had spoken with Peevey about the San Bruno explosion. "Peevey liked the idea of an independent forensic analysis," her email said. "New CPSD [Consumer Protection and Safety Division] director might present an opportunity to dump Overland," she wrote. Overland was an independent consultant who had audited the utility after the explosion. It discovered that ratepayer money was used to pad executive bonuses and pay shareholders instead of for safety. 75 Kennedy did not succeed in dumping Overland, but it was clear that Kennedy was working to shield PG&E from scandal.76 Under the Brown Administration, PG&E was let off the hook for the diversion of ratepayer money. 77

In May 2013, PUC staff recommended that PG&E pay \$2.25 billion for failing to maintain its gas main in San Bruno. Behind the scenes, that fine was knocked down to \$1.6 billion in 2015. PG&E was allowed to use most of the "fine" to pay for the very upgrades that customers had ostensibly financed through their rates for decades, but that the PUC and PG&E had never tracked.⁷⁸

The PUC's Office of Ratepayer Advocates, customers' only representation within the PUC, had said customers shouldn't pay a dime "given PG&E's mismanagement of its pipeline system and that customers have already paid for the costs of such pipeline maintenance and upgrades." Michael Picker defended the fine. "The purpose of a fine isto deter behavior," he told the *Los Angeles Times's* Ivan Penn in response to a question about the fine's size. "It's not revenge. We didn't want to fine them just to punish them."⁷⁹

Brown also appears to have played an instrumental role in helping Peevey muscle PUC votes for fossil fuel projects that weren't necessarily needed. PG&E wanted to build the Oakley gas-fired plant, but Mark Ferron didn't think it was needed. According to a January 1, 2013 email from former PG&E lobbyist Brian Cherry to his boss, Cherry and Peevey spent New Year's Eve sipping Johnny Walker Blue Label. Cherry wrote, "he reminded me how he and Governor Brown used every ounce of persuasion to get [commissioner Mark] Ferron to change his mind and vote for Oakley...Jerry's direct plea ...was decisive. Peevey suggested that Tony [Earley, PG&E CEO] call the Governor personally and thank him."80 A day after the PUC voted yes, PG&E sent a \$20,000 check to the California Democratic Party.

In February 2014, an appeals court judge threw out the PUC decision on Oakley. The judge said that PG&E had not proven that a plant in Contra Costa County was needed. CAISO claimed that the plant would be needed by 2020 to back up wind and solar plants, but supplied no evidence to the judge. On top of that, no one from CAISO would testify in court.⁸¹

Brown also pushed for power plant operator AES to renovate two natural gasfired power plants in Huntington Beach for SCE, approved by the PUC, over the objections of J.P. Morgan, which controlled the rights to theplant's output. "Any attempt by JPMorgan Venture to stand in the way of this important contract should be soundly rejected," Brown wrote to the FERC on November 28, 2012.⁸² SCE had donated \$50,000 to the Democratic Party on November 6, 2012.

The evidence of Brown's intervention in the approval of unnecessary, polluting natural gas power plants and the continued flow of utility money into the coffers of the California Democratic Party and his own causes, raises troubling questions about whether Brown has intervened elsewhere. On March 7, 2015, an administrative lawjudge at the PUC ruled against an updated \$2 billion natural gas power plant at Carlsbad for SDG&E. Instead the judge said SDG&E could buy more power from wind and solar sources.83 On May 21, the PUC reversed that decision, which is now in litigation.84 Sempra made large donations totaling \$115,000 to the California Democratic Party a week before the PUC reversal, Could Governor Brown have intervened there too?

Reliability for Decades To Come

In March 2013, Michael Peevey struck a secret deal in a Warsaw hotel room to put \$3.3 billion worth of the \$4.7 billion cost to close down defective nuclear generators at San Onofre onto ratepayers. He pressured SCE to give UCLA a \$25 million grant to study global warming as part of the deal. The PUC gave SCE a wrist slap -- later fining Edison \$16.7 million for failing to report the private talks.

On June 6, 2013 Edison International CEO Ted Craver turned to Jerry Brown to defend the settlement and Peevey's



actions. Senator Barbara Boxer had evidence that Edison may have lied to federal regulators about whatit knew of the faulty equipment before it was turned on, and she was demanding a criminal investigation.85 Craver reached Brown by phone as the Governor was meeting with President Obama at Rancho Mirage. Afterwards, Craver emailed his board that Brown had "indicated a willingness" to tell the media that he thought the company was acting responsibly and focused on the right things, Craver wrote. "He said what we were doing seemed right under the circumstances, good to reduce uncertainty..." Craver described Brown taking a "swipe" at the Nuclear Regulatory Commission for "bungling the process which was going to cause harm to California." Craver wrote that Brown "fished for whether we were going to blast NRC or Boxer; I said, 'No,' I didn't see any mileage in that."86

In a statement released the next day, Brown directed energy regulators to come up with a long-term plan ensuring electricity "reliability for decades to come" in the wake of San Onofre's closure.⁸⁷ In October 2013, Robert Weisenmiller told Marc Lifsher of the *Los Angeles Times* "that Brown cornered him in August and bluntly warnedhim to 'make sure the lights don't go out down there' in Southern California."⁸⁸ An industry publication, *California Current* got a hold of a draft copy of the longterm plan and published itin

September 2013. The plan indicated that SDG&E's proposal for the Pio Pico natural gas power plant in Otay Mesa and the Carlsbad plant was as good as approved. A reporter spilling the beans like that bothered regulators. *California Current* "makes it sound like Pio Pico and Carlsbad are done deals...," wrote CEC advisor Kevin Barker to top regulators at the PUC, and the CAISO.⁸⁹ "It'll be good to reiterate that these are options during the [energy policy] presentation and that it says timely decision for Pio Pico, not approval."

In March of 2013 the PUC had rejected approval of the Pio Pico plant on grounds that it would not be needed until at least 2018, and that would leave room for enough renewable energy to come on line. Peevey went to work to reverse that decision. In February, 2014 the PUC approved Pio Pico after Peevey pushed it through with help from Weisenmiller, who wrote a letter supporting the project at Peevey's request.⁹⁰

The CEC is responsible for environmental permitting of large thermal plants, forecasting state energy demand, promoting energy efficiency standards, renewable energy, and renewable transportation technologies. It is not responsible for determining the need for power plants. Weisenmiller's letter was inappropriate. But all the regulatory agencies were working in tandem to satisfy Brown's apparent appetite for natural gas power plants to fill the void left by the shuttering of San Onofre, despite the fact that the state is required to up its energy from renewable sources to 50 percent by 2030.

By November 2013, the PUC would approve four new natural gas power plants for SCE, and another for SCE in Oxnard in May 2016. Each of those projects cost roughly \$1.5 to \$2 billion a piece and ratepayers will pay for them. The fundamental question remains whether these investments are really needed, or whether the state could have relied more heavily on solar power, including rooftop generation. In just the last three years, California's share of solar power production has jumped from under one percent to 6.7 percent in 2015, according to California's Independent System Operator. That doesn't count rooftop solar and smaller commercial installations. Battery storage is a technology ripe for utilizing to store renewable energy, and leaps in energy efficiency, and new time-of- use rates, can also shave demand.91

Instead, under the Brown Administration, the amount of power that California generates from natural gas rose from 45 percent to 60 percent between 2011 and 2015, largely justified by the decision to close San Onofre. Ironically, the CAISO estimates that a crash in natural gas prices means that the amount of money utilities can make off of selling electricity from natural gas power plants is substantially below their fixed costs.⁹²

New gas-fired capacity "does not appear to be needed at this time," the CAISO wrote in a May report. The bad news is that Southern Californians will be paying at least \$10 billion for the next 20 years for new natural gasplants whether they are needed or not.

Worse, ratepayers are also picking up the tab for duds. In the wake of the energy crisis, the California legislature and regulators suspended a requirement that utilities must justify what they build as "useful and in use" before ratepayers pay to jumpstart new power plants. Under Peevey, and then Picker, building new natural gas-fired power plants without having to prove demand became a convenient way to pad the pockets of utility shareholders.

The Los Angeles Times has reported that Californians are paying billions of dollars for the now-shuttered San Onofre plant, tens of millions for an Edison coal plant in Nevada that was found to be in violation of the Clean Air Act and closed, and more for never-completed PG&E transmission lines after partners pulled out or permits were denied. An upgrade at Aliso Canyon will cost So-CalGas customers another \$200 million, whether the natural gas storage facility is shuttered as area residents want, or not.⁹³

Brown's Secrets

Even as Brown has broadened the use of fossil fuels, he has tried to keep details of crooked deals under wraps. PUC President Michael Picker declined to reopen the San Onofre settlement despite the fact that a public investigation into the causes of the San Onofre leak was abruptly cancelled by a PUC administrative law judge, and despite the absence of a PUC determination on whether SCE acted reasonably in deploying defective steam generators in the first place. "I can't say I find a basis in the record to do that," Picker told the Los Angeles Times' Ivan Penn at the end of 2015. "I don't think it's the greatest settlement, but on balance it's a fair and reasonable settlement."94 Underlegal pressure and intense media scrutiny, the PUC was forced to reverse itself and reopen the case.

But the PUC still refuses to release dozens of emails on the subject between Picker and the Governor's office, according to attorney Mike Aguirre who has sued to get them. Brown has so far authorized the PUC to spend \$12.3 million on outside counsel to prevent the emails release.95 It is unclear whether Brown even has the power to approve such spending. According to the California Department of General Services, the PUC signed contracts with private law firms that they were not permitted to execute, among a host of other problems. The audit by DGS found that the PUC didn't maintain required paperwork and paid vendors even when the work was not performed to specifications, according to the Los Angeles Times. The report "referenced more serious issues that were not made publicly available," the Times wrote.96

On October 12, 2015, Brown vetoed six bills meant to reform the PUC by making it easier to sue the commission, appointing an inspector general within the State Auditor's Office to oversee the PUC, and by requiringlegislative review if the agency hired outside counsel for criminal investigations. He called many of the reforms "unworkable." They were no doubt unworkable for utilities. A week after the veto, PG&E donated \$50,000 to the California Democratic Party. Two months later, it donated another \$175,000 to the Party.⁹⁷

Now, Brown is working with legislators on a proposal to revamp the agency that critics say is more cosmetic than substantive. The plan targets low-hanging fruit, strengthening *ex parte* rules and subjecting Public Records Act denials to judicial review. But more substantive reforms from the 2015 legislation, including Superior Court review of PUC decisions, are not included. Nothing in the proposed reforms would flip the PUC's priorities so ratepayers nolonger take a backseat to investors.⁹⁸



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CONCLUSION

While Governor Brown has taken oil and gas companies to task over climate change, his Administration hashelped oil companies that have contributed to his campaigns at key junctures: compromising well safety that led to the methane leak at Aliso by the firing of tough well regulators, stopping momentum for a well-head tax, permitting fracking to continue in the state, and deciding to abandon legislative reforms that could have reduced petroleum usage in the state. The oil and gas companies have funneled major contributions to Brown, often through the Democratic Party, in return for the favoritism his Administration has shown them.

With regards to utilities, the corruption so well documented under former PUC President Michael Peevey, who is now under criminal investigation for his coziness with utilities, has continued through the Brown Administration, just in more surreptitious ways. Brown, his appointees and aides have protected the old guard at the PUC, the proliferation of fossil fuel powered natural gas plants, and utility investors. Utilities have responded in kind with large, well-timed donations.

Twenty six energy companies that have contributed to Brown and his causes have shaped a legacy that is one of a governor who has time and again chosen the interests of dirty energy companies and their investors over the environment and the consumer.

APPENDIX A - ENERGY COMPANY CONTRIBUTIONS - TOTAL

2009 - 2016

	Prop 30	Props 1&2	Brown 2010	Brown 2014	California Democratic Party	Oakland Military Institute	Oakland School for the Arts	Governor's 2011 Inaugural Committee	California State Protocol Foundation	TOTALS
Aera Energy	\$300,000.00	\$250,000.00								\$550,000.00
AES						\$15,000.00				\$15,000.00
Anschutz Entertainment Group						\$10,000.00				\$10,000.00
Berkshire Hathaway Energy				\$5000.00						\$5,000.00
Berry Petroleum	\$50,000.00									\$50,000.00
Breitburn Operating	\$29,750.00									\$29,750.00
CA Independent Petroleum Association	\$9,918.00	\$100,000.00			\$5,917.77	\$5,000.00				\$120,835.77
Calpine Corporation					\$50,000.00	\$6,000.00				\$56,000.00
Chevron				\$54,400.00	\$1,337,500.00	\$65,000.00	\$25,000.00	\$5,000.00		\$1,486,900.00
Clean Energy			\$25,900.00		\$32,400.00	\$100,000.00	\$60,000.00			\$218,300.00
ConocoPhillips	\$50,000.00				\$100,000.00					\$150,000.00
ExxonMobil				\$20,000.00						\$20,000.00
Freeport-McMoran Oil & Gas	\$100,000.00									\$100,000.00
Macpherson Oil	\$50,000.00									\$50,000.00
Manatt, Phelps & Phillips							\$5,000.00			\$5,000.00
Naftex Operating Co	\$10,000.00									\$10,000.00
NRG				\$30,000.00	\$25,000.00	\$10,000.00	\$20,000.00		\$25,000.00	\$110,000.00
Oberon Fuels	\$1,000.00									\$1,000.00
Occidental (Subsidiaries and Associates)	\$500,000.00		\$94,950.00	\$27,200.00	\$217,400.00	\$235,000.00				\$1,074,550.00
Pacific Coast Energy	\$5,250.00									\$5,250.00
PG&E (Subsidiaries and Associates)	\$25,000.00		\$112,145.00	\$54,200.00	\$2,574,924.00	\$75,000.00	\$125,000.00			\$2,966,269.00
Sempra			\$32,400.00	\$53,200	\$1,294,000.00					\$1,379,600.00
Signal Hill Petroleum	\$20,000.00									\$20,000.00
SoCalEdison/Edison (Subsidiaries and Associates)			\$58,500.00	\$54,400.00	\$1,500,195.00					\$1,613,095.00
Sun Edison	\$10,000.00									\$10,000.00
Tesoro				\$25,000.00						\$25,000.00
Vaquero Energy	\$35,000.00									\$35,000.00
VENOCO	\$25,000.00									\$25,000.00
World Oil								\$5,000.00		\$5,000.00

APPENDIX B -

Date of contribution	Amount	Recipient	Donated By
4/3/09	\$45,000.00	California Democratic Party	Sempra
4/29/09	\$50,000.00	California Democratic Party	Chevron
5/2/09	\$25,000.00	California Democratic Party	ConocoPhillips
5/2/09	\$30,000.00	California Democratic Party	SoCalEdison
5/12/09-5/13/09	\$43,000.00	California Democratic Party	Sempra
6/9/09	\$30,000.00	California Democratic Party	SoCalEdison
8/31/09	\$2,500.00	California Democratic Party	Chevron
11/20/09	\$8,000.00	Brown for Governor 2010	Multiple Occidental Employees
11/20/09	\$9,000.00	Brown for Governor 2010	Occidental
12/14/09	\$1,000.00	Brown for Governor 2010	PG&E Senior Vice President - Thomas E Botto
12/29/09	\$10,000.00	Brown for Governor 2010	PG&E
12/31/09	\$25,000.00	California Democratic Party	Sempra
1/5/10	\$40,000.00	California Democratic Party	Sempra
2/19/10 - 2/24/10	\$3,500.00	Brown For Governor 2010	Multiple PG&E Executives and Vice President
3/1/10	\$1,500.00	Brown for Governor 2010	PG&E Senior Vice President - Rand L Rosenbe
3/10/10	\$5,000.00	Brown for Governor 2010	Edison International Civic Action Committee
3/10/10	\$4,000.00	Brown for Governor 2010	Edison International Southern California Edison Chairman and CEO - John E. Bryson
3/10/10	\$8,000.00	Brown for Governor 2010	Multiple Occidental Employees
3/10/10	\$22,160.00	Brown for Governor 2010	Multiple PG&E Executives, Vice Presidents , a Employees
3/10/10	\$6,000.00	Brown for Governor 2010	Occidental
3/10/10	\$2,000.00	California Democratic Party	PG&E
3/10/10	\$12,000.00	Brown for Governor 2010	PG&E CEO and Chairman - Peter A Darbee
3/10/10	\$250.00	Brown for Governor 2010	PG&E Political Affairs Manager - Dana Williams
3/10/10	\$6,500.00	Brown for Governor 2010	Sempra
3/15/10	\$10,000.00	California Democratic Party	SoCalEdison
3/16/10	\$1,000.00	Brown for Governor 2010	PG&E Vice President - Brian Cherry
3/29/10	\$2,500.00	Brown for Governor 2010	Edison International Southern California Ediso Chairman and CEO - John E. Bryson
3/30/10	\$75,000.00	California Democratic Party	PG&E
4/7/10	\$50,000.00	California Democratic Party	Chevron Policy Govt. & Public Affairs
4/7/10	\$35,000.00	California Democratic Party	SoCalEdison
4/9/10	\$60,000.00	California Democratic Party	Sempra
4/12/10	\$5,000.00	Brown for Governor 2010	Edison International Business Executive - Rob Adler
4/13/10	\$40,000.00	California Democratic Party	Sempra
4/22/10	\$1,500.00	Brown for Governor 2010	SoCalEdison Employees
4/29/10	\$10,679.87	Brown for Governor 2010	PG&E
4/29/10	\$4,320.13	Brown for Governor 2010	PG&E
5/19/10	\$1,000.00	Brown for Governor 2010	Occidental Chairman & Chief Executive - Ray Irani
5/21/10	\$50,000.00	California Democratic Party	Chevron Policy Govt. & Public Affairs
5/21/10	\$3,000.00	California Democratic Party	Sempra
5/21/10	\$5,000.00	California Democratic Party	SoCalEdison
5/21/10	\$45,000.00	California Democratic Party	SoCalEdison

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Date of contribution	Amount	Recipient	Donated By
5/28/10	\$4,100.00	Brown for Governor 2010	Occidental
5/28/10	\$10,900.00	Brown for Governor 2010	Occidental
6/7/10	\$25,000.00	Brown for Governor 2010	SoCalEdison
7/15/10 - 7/23/10	\$3,500.00	Brown for Governor 2010	SoCalEdison Employees
7/23/10	\$2,000.00	Brown for Governor 2010	Edison International Employees
7/26/10	\$2,500.00	Brown for Governor 2010	SoCalEdison CEO
7/29/10	\$1,000.00	Brown for Governor 2010	Edison International Southern California Edison - Chairman and CEO - John E. Bryson
7/29/10 - 8/6/10	\$4,500.00	Brown for Governor 2010	SoCalEdison Employees
8/18/10	\$25,000.00	Brown for Governor 2010	Occidental
8/26/10	\$75,000.00	California Democratic Party	PG&E
9/1/10	\$21,800.00	Brown for Governor 2010	Occidental
9/1/10	\$5,000.00	Brown for Governor 2010	PG&E- Director, Workforce Development - Van To Quinlivan
9/2/10 - 9/3/10	\$1,150.00	Brown for Governor 2010	Multiple Occidental Employees
9/3/10	\$5,000.00	California Democratic Party	ConocoPhillips
9/8/10	\$125,000.00	California Democratic Party	PG&E
9/8/10	\$100,000.00	California Democratic Party	PG&E
9/25/10	\$2,500.00	Brown for Governor 2010	PG&E- SVP Public Affairs - Nancy E. Mcfadden
9/26/10	\$10,000.00	Brown for Governor 2010	PG&E- Director, Workforce Development - Van To Quinlivan
9/27/10	\$25,000.00	California Democratic Party	Occidental
10/11/10	\$10,000.00	Brown for Governor 2010	PG&E Former Executive - Daniel D Richard
10/13/10	\$2,000.00	Brown for Governor 2010	Edison International Southern California Edison - Chairman and CEO - John E. Bryson
10/16/10	\$50,000.00	California Democratic Party	PG&E
10/16/10	\$22,000.00	California Democratic Party	Sempra
10/20/10 - 10/25/10	\$3,015.00	Brown for Governor 2010	PG&E Employees
10/21/10	\$15,220.13	Brown for Governor 2010	PG&E
10/26/10	\$25,900	Brown for Governor 2010	Clean Energy
10/28/10	\$25,900.00	Brown for Governor 2010	Sempra
10/28/2010 - 10/29/10	\$32,400.00	California Democratic Party	Clean Energy
10/29/10	\$7,400.00	California Democratic Party	Occidental
10/30/10	\$25,000.00	California Democratic Party	PG&E
11/2/10	\$50,000.00	California Democratic Party	SoCalEdison
1/5/11	,,	BROWN APPOINTS PG&E's MCFADDEN AS EXEC SECY	
1/6/11	\$5,000.00	Governor's 2011 Inaugural Committee	World Oil
1/18/11	\$0,000.00	Cherry Fingers McF as "Back Door Route" to PUC Appts.	
1/27/11		Cherry Advises Peevey to Call McF with Names	
1/28/11	\$25,000.00	Oakland Military Institute	Clean Energy
		California Democratic Party	
3/9/11	\$75,000.00 \$10,000.00	Oakland Military Institute	PG&E Chevron
			Chevron
3/16/11	\$50,000.00	California Democratic Party	SoCalEdison
3/21/11	\$25,000.00	Oakland Military Institute	Occidental
3/22/11	\$6,500.00	California Democratic Party	PG&E
3/22/11	\$35,000.00	California Democratic Party	PG&E

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ate of contribution	Amount	Recipient	Donated By
3/25/11	\$5,000.00	Governor's 2011 Inaugural Committee	Chevron
4/11/11	\$25,000.00	Oakland Military Institute	PG&E
4/12/11	\$40,000.00	California Democratic Party	Sempra
4/12/11	\$45,000.00	California Democratic Party	Sempra
4/25/11	\$5,000.00	Oakland School for the Arts	Chevron
4/25/11	\$25,000.00	Oakland School for the Arts	PG&E
5/6/11	\$50,000.00	California Democratic Party	Chevron Policy Govt. & Public Affairs
5/6/11	\$50,000.00	California Democratic Party	Chevron Policy Govt. & Public Affairs
5/10/11	\$25,000.00	California Democratic Party	PG&E
5/13/11	\$25,000.00	Oakland School for the Arts	Clean Energy
5/20/11	\$50,000.00	California Democratic Party	SoCalEdison
5/27/11	\$1,000.00	California Democratic Party	Sempra
6/1/11	\$10,000.00	California Democratic Party	SoCalEdison
6/13/11	\$15,000.00	California Democratic Party	SoCalEdison
7/26/11	\$10,000.00	California Democratic Party	PG&E
9/10/11	\$383.00	California Democratic Party	PG&E
9/10/11	\$678.50	California Democratic Party	PG&E
9/15/11	\$25,000.00	California Democratic Party	ConocoPhillips
9/15/11	\$10,000.00	California Democratic Party	PG&E
9/30/11	\$25,000.00	California Democratic Party	SoCalEdison
11/3/11		OIL REGULATORS FIRED	
12/12/11	\$35,000.00	California Democratic Party	Sempra
12/16/11	\$5,000.00	California Democratic Party	Sempra
1/13/12	\$250,000.00	Prop 30	Occidental
1/13/12	\$25,000.00	California Democratic Party	SoCalEdison
1/19/12	\$25,000.00	California Democratic Party	Sempra
1/25/12	\$100,000.00	Oakland Military Institute	Occidental
1/27/12	\$75,000.00	Prop 30	Freeport-McMoran Oil & Gas
1/30/12	\$25,000.00	California Democratic Party	PG&E
2/3/12	\$10,000.00	Oakland Military Institute	Clean Energy
2/6/12	\$80,000.00	California Democratic Party	PG&E
2/6/12	\$60,000.00	California Democratic Party	PG&E
2/10/12	\$25,000.00	Prop 30	PG&E
2/10/12	\$195.00	California Democratic Party	SoCalEdison
2/20/12	\$10,000.00	Oakland Military Institute	Chevron
2/27/12	\$6,000.00	California Democratic Party	PG&E
3/9/12	\$25,000.00	Prop 30	ConocoPhillips
3/9/12	\$25,000.00	California Democratic Party	Occidental
3/12/12	\$30,000.00	California Democratic Party	ConocoPhillips
3/12/12	\$25,000.00	California Democratic Party	Occidental
3/15/12	\$25,000.00	Oakland Military Institute	PG&E
3/16/12	\$60,000.00	California Democratic Party	SoCalEdison
3/17/12	\$25,000.00	Prop 30	CONOCO Phillips
3/17/12	\$65,000.00	California Democratic Party	SoCalEdison
3/17/12	\$5,000.00	Prop 30	Sun Edison

APPENDIX B -

te of contribution	Amount	Recipient	Donated By
3/17/12	\$25,000.00	Prop 30	Vaquero Energy
3/23/12		NRG GETS SWEETHEART EV ELECTRIFICATION DEAL	
3/23/12		NRG SETTLES CA PRICE MANIPULATION SUIT	
3/26/12	\$5,000.00	Oakland School for the Arts	Chevron
3/27/12	\$125,000.00	Prop 30	Aera Energy
3/28/12	\$100,000.00	California Democratic Party	Sempra
3/29/12	\$5,469.00	Prop 30	CA Independent Petroleum Association
4/11/12	\$25,000.00	Prop 30	VENOCO
4/17/12	\$45,000.00	California Democratic Party	Sempra
4/19/12	\$21,250.00	Prop 30	Breitburn Operating
4/19/12	\$3,750.00	Prop 30	Pacific Coast Energy
5/2/12	\$65,000.00	California Democratic Party	Sempra
5/11/12	\$25,000.00	Oakland School for the Arts	PG&E
5/16/12	\$100,000.00	California Democratic Party	Chevron
5/16/12	\$15,000.00	California Democratic Party	ConocoPhillips
5/19/12	\$35,000.00	Prop 30	Berry Petroleum
5/31/12	\$5,000.00	Oakland School for the Arts	NRG
6/5/12	\$10,000.00	Oakland School for the Arts	Clean Energy
6/20/12	\$75,000.00	California Democratic Party	SoCalEdison
6/26/12	\$112.00	California Democratic Party	PG&E
6/26/12	\$150,000.00	California Democratic Party	PG&E
6/30/12	\$10,000.00	California Democratic Party	Sempra
7/17/12	\$5,000.00	California Democratic Party	PG&E
7/26/12	\$225,000.00	California Democratic Party	PG&E
7/26/12	\$15,000.00	California Democratic Party	Sempra
7/26/12	\$5,000.00	California Democratic Party	SoCalEdison
8/16/12	\$250,000.00	Prop 30	Occidental
8/17/12	\$20,000.00	California Democratic Party	PG&E
8/21/12	\$5,000.00	California Democratic Party	Calpine Corporation
8/24/12	\$10,000.00	Prop 30	Signal Hill Petroleum
8/30/12	\$125,000.00	Prop 30	Aera Energy
9/24/12	\$25,000.00	Brown for Governor 2014	Sempra
9/27/12	\$25,000.00	Brown for Governor 2014	Tesoro
10/2/12	\$1,000.00	Prop 30	Oberon Fuels
10/8/12	\$100,000.00	Brown: Yes on Props 1 & 2	CA Independent Petroleum Association
10/10/12	\$25,000.00	California Democratic Party	NRG
10/10/12	\$10,000.00	California Democratic Party	PG&E
10/19/12	\$25,000.00	California Democratic Party	Sempra
10/22/12	\$25,000.00	Prop 30	Macpherson Oil
10/26/12	\$1,000.00	Brown for Governor 2014	Sempra
10/29/12	\$4,449.00	Prop 30	CA Independent Petroleum Association
10/29/12	\$50,000.00	California Democratic Party	SoCalEdison
10/29/12	\$30,000.00	California Democratic Party	SoCalEdison
10/30/12	\$8,500.00	Prop 30	Breitburn Operating
10/30/12	φ0,300.00	Prop 30	Freeport-McMoran Oil & Gas

APPENDIX B -

te of contribution	Amount	Recipient	Donated By
10/30/12	\$25,000.00	Prop 30	Macpherson Oil
10/30/12	\$10,000.00	Prop 30	Naftex Operating Co
10/30/12	\$1,500.00	Prop 30	Pacific Coast Energy
10/30/12	\$10,000.00	Prop 30	Vaquero Energy
11/2/12	\$10,000.00	Prop 30	Signal Hill Petroleum
11/5/12	\$15,000.00	Prop 30	Berry Petroleum
11/5/12	\$15,000.00	California Democratic Party	Sempra
11/6/12	\$50,000.00	California Democratic Party	SoCalEdison
11/20/12	\$40,000.00	California Democratic Party	Sempra
12/3/12		SB 4 FRACKING BILL INTRODUCED	
12/19/12	\$5,000.00	Oakland Military Institute	Occidental
12/20/12	\$3,000.00	PUC APPROVES OAKLEY GAS PLANT FOR PGE	Occidental
	¢00.000.00		DO% F
12/21/12	\$20,000.00	California Democratic Party	PG&E
12/27/12	\$5,000.00	Oakland Military Institute	NRG
1/4/13	\$25,000.00	California Democratic Party	Calpine Corporation
1/18/13	\$25,000.00	Oakland Military Institute	Clean Energy
2/19/13	\$7,000.00	California Democratic Party	PG&E
3/12/13	\$25,000.00	California Democratic Party	Occidental
3/20/13	\$25,000.00	California Democratic Party	PG&E
3/22/13		PUC REJECTS SDG&E PIO PICO PLANT AT OTAY MESA	
3/26/13	\$65,000.00	California Democratic Party	SoCalEdison
3/26/13	\$65,000.00	California Democratic Party	SoCalEdison
3/26/13		PEEVEY/SCE SECRET DEAL ON SAN ONOFRE	
4/5/13	\$25,000.00	Oakland Military Institute	Chevron
4/15/13	\$5,000.00	Oakland School for the Arts	Chevron
4/24/13	\$25,000.00	Oakland School for the Arts	Clean Energy
5/20/13		SB 241 OIL TAX GOES INTO SUSPENSE FILE	
5/8/13	\$25,000.00	Oakland Military Institute	PG&E
5/24/13	\$135,000.00	California Democratic Party	Chevron
5/24/13		SB 4 EXEMPTS CYCLIC STEAM FROM REGS	
6/4/13	\$25,000.00	California Democratic Party	SoCalEdison
6/6/13		BROWN TELLS SCE HE WILL SUPPORT CROOKED DEAL	
6/7/13	\$5,000.00	Oakland School for the Arts	NRG
6/7/13	\$65,000.00	California Democratic Party	PG&E
6/7/13	\$25,000.00	Oakland School for the Arts	PG&E
6/7/13		BROWN DIRECTS REGULATORS TO ENSURE ELECTRIC POWER "RELIABILITY FOR DECADES TO COME"	
6/7/13		SCE ANNOUNCES CLOSURE OF SAN ONOFRE	
6/18/13		SB4 DROPS MORATORIUM ON PERMITS	
6/25/13	\$10,000.00	California Democratic Party	SoCalEdison
6/27/13	\$50,000.00	California Democratic Party	Sempra
6/27/13	\$10,000.00	California Democratic Party	Sempra
6/29/13	\$5,000.00	Brown for Governor 2014	NRG
6/29/13	\$27,200.00	Brown for Governor 2014	Occidental
7/2/13	\$65,000.00	California Democratic Party	Sempra
7/29/13	\$125,000.00	California Democratic Party	PG&E

APPENDIX B -

ate of contribution	Amount	Recipient	Donated By
8/9/13	\$25,000.00	Brown for Governor 2014	PG&E
9/19/13	\$25,000.00	Brown for Governor 2014	SoCalEdison
9/20/13		SB 4 CHAPTERED	
10/9/13	\$100,000.00	Oakland Military Institute	Occidental
11/1/13	\$65,000.00	California Democratic Party	PG&E
11/6/13	\$10,000.00	California Democratic Party	Sempra
11/11/13	\$10,000.00	Brown for Governor 2014	ExxonMobil
11/14/13	\$80,500.00	California Democratic Party	PG&E
11/21/13	\$2,000.00	Brown for Governor 2014	PG&E
12/11/13	\$5,000.00	Oakland Military Institute	Occidental
12/23/13	\$350,000.00	California Democratic Party	Chevron
12/30/13	\$27,200.00	Brown for Governor 2014	Chevron
12/30/13	\$27,200.00	Brown for Governor 2014	Chevron
12/30/13	\$27,200.00	Brown for Governor 2014	SoCalEdison
12/30/13	\$2,200.00	Brown for Governor 2014	SoCalEdison
1/9/14	\$10,000.00	California Democratic Party	Sempra
1/21/14	\$5,000.00	Oakland Military Institute	AES
1/21/14	\$5,000.00	Oakland Military Institute	Clean Energy
1/29/14	\$10,000.00	California Democratic Party	PG&E
2/5/14		PUC APPROVES SDGE/CALPINE PLANT AT OTAY MESA	
2/6/14		APPEALS COURT OVERTURNS PUC OAKLEY DECISION	
3/13/14	\$10,000.00	California Democratic Party	PG&E
3/13/14	\$10,000.00	California Democratic Party	PG&E
3/13/14		PUC TELLS SCE/SDGE REPLACE SAN ONOFRE POWER	
3/17/14	\$60,000.00	California Democratic Party	Occidental
3/17/14	\$50,000.00	California Democratic Party	Occidental
3/26/14	\$105,000.00	California Democratic Party	Chevron
4/8/14	\$50,000.00	California Democratic Party	Sempra
4/9/14	\$10,000.00	California Democratic Party	SoCalEdison
4/15/14	\$15,000.00	California Democratic Party	PG&E
4/25/14	\$5,000.00	Oakland School for the Arts	NRG
4/28/14	\$5,000.00	Oakland Military Institute	Calpine Corporation
5/6/14		PUC PREZ PEEVEY SETS UP WALL ST VISIT FOR PICKER	
5/7/14	\$27,200.00	Brown for Governor 2014	PG&E
5/8/14	\$65,000.00	California Democratic Party	Sempra
5/13/14	\$65,000.00	California Democratic Party	SoCalEdison
5/20/14	\$5,917.77	California Democratic Party	CA Independent Petroleum Association
6/11/14	\$10,000.00	Oakland Military Institute	Clean Energy
6/20/14	\$65,000.00	California Democratic Party	SoCalEdison
6/23/14		PICKER TALKS UP UTILITIES TO WALL ST INVESTORS	
7/3/14	\$25,000.00	Oakland School for the Arts	PG&E
7/21/14	\$30,000.00	California Democratic Party	Chevron Policy Govt. & Public Affairs
7/28/14	\$70,000.00	California Democratic Party	PG&E
7/28/14	\$125,000.00	California Democratic Party	PG&E
8/13/14	\$10,000.00	California Democratic Party	PG&E

APPENDIX B -

ate of contribution	Amount	Recipient	Donated By
9/2/14	\$5,000.00	California Democratic Party	PG&E
9/10/14	\$150,000.00	California Democratic Party	PG&E
9/25/14	\$5,000.00	Brown for Governor 2014	Berkshire Hathaway Energy
9/26/14	\$25,000.00	Brown for Governor 2014	NRG
10/8/14	\$10,000.00	Brown for Governor 2014	ExxonMobil
10/10/14	\$250,000.00	Props 1 & 2	Aera Energy
10/15/14	\$75,000.00	California Democratic Party	PG&E
10/21/14	\$27,200.00	Brown for Governor 2014	Sempra
10/22/14	\$5,000.00	California Democratic Party	Sempra
10/22/14	\$100,000.00	California Democratic Party	SoCalEdison
10/24/14	\$40,000.00	California Democratic Party	Sempra
1/15/15	\$5,000.00	Oakland Military Institute	NRG
1/26/15	\$1,000.00	Oakland Military Institute	Calpine Corporation
2/2/15	\$25,000.00	Oakland Military Institute	Clean Energy
2/4/15	\$5,000.00	Oakland Military Institute	CA Independent Petroleum Association
2/4/15	\$10,000.00	Oakland Military Institute	Chevron
2/11/15	\$5,000.00	Oakland Military Institute	AES
2/24/15	\$0,000.00	SB 350 CLIMATE CHANGE BILL INTRODUCED	
3/2/15	\$5,000.00	Oakland School for the Arts	Chevron
3/6/15	\$65,000.00	California Democratic Party	SoCalEdison
3/6/15	\$65,000.00	California Democratic Party	SoCalEdison
	\$03,000.00		SUCALCUSUI
3/6/15	\$50,000,00	PUC PROPOSES DENYING SDGE CARLSBAD PLANT	0
3/30/15	\$50,000.00	California Democratic Party	Sempra
4/2/15	\$65,000.00	California Democratic Party	Sempra
4/7/15	\$215,000.00	California Democratic Party	Chevron
4/8/15		PICKER ISSUES CONDITIONAL APPROVAL ON CARLSBAD	
5/7/15	\$25,000.00	California Democratic Party	PG&E
5/12/15	\$5,000.00	Oakland School for the Arts	NRG
5/21/15		PUC APPROVES CARLSBAD PLANT FOR SDGE/NRG	
5/27/15	\$25,000.00	Oakland School for the Arts	PG&E
6/5/15	\$35,000.00	California Democratic Party	PG&E
6/17/15	\$10,000.00	California Democratic Party	SoCalEdison
6/17/15	\$50,000.00	California Democratic Party	SoCalEdison
8/6/15	\$20,000.00	California Democratic Party	Calpine Corporation
9/4/15		REGIONAL ISO WRITTEN INTO SB 350	
9/11/15		LEGISLATORS STRIKE SB 350 SLASHING OIL IN HALF	
9/29/15	\$5,000.00	California Democratic Party	PG&E
9/29/15	\$75,000.00	California Democratic Party	PG&E
10/7/15		SB 350 CHAPTERED	
10/12/15		BROWN VETOES SIX BILLS TO REFORM PUC	
10/19/15	\$50,000.00	California Democratic Party	PG&E
10/23/15		SOCALGAS ALISO CANYON BLOWOUT DISCOVERED	
11/19/15		PUC APPROVES NEW NATGAS PLANTS FOR SCE	
		AT ALAMITOS, HUNGTINGTON BEACH, STANTON	
12/10/15	\$175,000.00	California Democratic Party	PG&E

APPENDIX B - ENERGY COMPANY CONTRIBUTIONS - INDIVIDUAL

Date of contribution	Amount	Recipient	Donated By
12/23/15	\$75,000.00	California Democratic Party	SoCalEdison
12/29/15	\$65,000.00	California Democratic Party	SoCalEdison
1/6/16		BROWN DECLARES ALISO CANYON STATE OF EMERGENCY	
1/17/16	\$25,000.00	California State Protocol Foundation	NRG
2/1/16	\$10,000.00	Oakland Military Institute	Chevron
2/15/16	\$5,000.00	Oakland Military Institute	AES
3/2/16	\$5,000.00	Oakland School for the Arts	Chevron
3/11/16	\$25,000.00	California Democratic Party	PG&E
3/25/16	\$21,750.00	California Democratic Party	PG&E
3/25/16	\$100,000.00	California Democratic Party	PG&E
4/21/16	\$65,000.00	California Democratic Party	Sempra
4/21/16	\$65,000.00	California Democratic Party	Sempra
4/25/16	\$150,000.00	California Democratic Party	Chevron
5/20/16	\$50,000.00	California Democratic Party	SoCalEdison
5/26/16		PUC APPROVES SCE/NRG OXNARD PLANT	
	\$10,076,549.40		

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