THE PERCOCO CONNECTION

THE MONEY TRAIL LINKING

COMPETITIVE POWER VENTURES,

CUOMO, AND TRUMP



I. Introduction

On March 13, 2018, Joseph Percoco, a top aide to New York Governor Andrew Cuomo, was found guilty on three charges tied to political corruption. Percoco was convicted of not just accepting, but also soliciting, over \$300,000 in payments from two companies doing business in the state. At the center of the scandal was Competitive Power Ventures (CPV), an energy company behind a slew of fracked gas power plants in the US and Canada, including the controversial Valley Energy Center in Orange County, New York. The trial confirmed that CPV paid Percoco's wife a total of about \$285,000 for a low-show job to teach school kids about energy. The position - more a pass-through for Percoco's payment money than a legitimate job - was set up by Peter Galbraith Kelly Jr., a top CPV executive.

In response, opponents of the Valley Energy
Center have called for the plant's permit to be
revoked - not merely because of the myriad
environmental and public health concerns in the
plant's surrounding community, but because
the permits that New York State gave to CPV
that allow it to operate were granted under the
shadow of corruption, with a top Cuomo official
being given hundreds of thousands of dollars
in payment money by CPV at the same time the
Cuomo administration was granting permission
to the plant to operate.

This report brings to light and closely examines a key part of the story surrounding the Percoco scandal that has gone largely unnoticed until now: the massive uptick in lobbying by CPV as the Percoco trial loomed large over Albany and the Cuomo administration. It offers a close and previously unreported look at the Percoco connection – the extensive money trail left by lobbyists tied to Cuomo and Trump who worked hard to ensure that the Valley Energy Center, a top priority project for CPV, was not derailed by the corruption trial of Percoco.

During 2017, as the process that went into approving the CPV plant came under increased scrutiny because of the Percoco indictment, CPV drastically intensified its lobbying efforts federally and in Albany, including its lobbying of Cuomo's office directly. It hired Mercury Public Affairs, a firm known for its very close ties to the Cuomo administration, to lobby in New York.

Mercury's expanded role came as the Millennium Pipeline Company's lobbying efforts also increased in 2017, at a time when the state was debating whether to approve its proposed pipeline that would service the CPV plant with fracked gas from Pennsylvania.

Another aspect of the controversy surrounding the CPV plant that has not received attention is that a key Trump insider - one who has had ties to the administration's regulatory oversight that impacts CPV and the Millennium Pipeline, including the Federal Energy Regulatory

Commission (FERC) - has served as the top DC lobbyist for CPV since 2013 and lobbied FERC for CPV regularly throughout 2017.

Here's why his role matters: the Millennium
Pipeline and the CPV plant are bound together.
The plant needs the pipeline to feed it the fracked
gas that it will process. If FERC commissioners
- four out of five of whom were appointed by the
Trump administration (more on this below) insist on overriding New York, the state and its
governor have the option of revoking the CPV
plant's permit, which would also likely kill the
pipeline.

The Percoco connection revealed and examined below shows that the paper trail and money trail left by top lobbyists with close ties to Cuomo and Trump all converge at CPV's Valley Energy Center. This report bolsters the case for revoking the state permits given to Valley Energy Center, which were granted under the shadow of corruption.

Key findings of this report include:

CPV RAMPED UP LOBBYING AS PERCOCO TRIAL

LOOMED. After the November 2016 indictment of Percoco, CPV's state and federal lobbying efforts more than quadrupled. Whereas CPV spent \$100,909 on lobbying in 2016, it spent \$430,000 in 2017.

CPV HIRED CUOMO-TIED LOBBYING FIRM IN

2017. In March 2017, with the Percoco trial looming, CPV hired Mercury Public Affairs, a lobbying firm with close ties to Cuomo. Since that time, CPV has paid Mercury \$180,000 to lobby Cuomo, the state legislature, and the DEC - a huge increase from CPV's lobbying expenses of \$10,909 in 2016 and \$30,000 in 2015 in New York.

CPV LOBBYIST A CLOSE CUOMO ALLY. One of the two Mercury CPV lobbyists is Michael McKeon, an important Cuomo ally who headed Cuomo's outreach efforts to Republican voters in the 2010 gubernatorial race and was involved in these efforts again in 2014. McKeon also personally donated \$10,500 to Cuomo from 2014 to 2016.

CPV DRASTICALLY INTENSIFIED ITS LOBBYING EFFORTS
AS VALLEY ENERGY CENTER CAME UNDER INCREASED
SCRUTINY BECAUSE OF THE PERCOCO INDICTMENT.

MILLENNIUM RAMPED UP LOBBYING AS PERCOCO TRIAL AND PIPELINE DECISION

LOOMED. As the Percoco trial and the decision over its pipeline loomed, Millennium Pipeline Company also ramped up its lobbying in New York State in 2017. Whereas Millennium spent \$142,000 to lobby in 2016, it spent \$198,000 in 2017 - about a 40% rise. It also spent \$25,000 in state lobbying for the first two months of 2018.

MILLENNIUM LOBBYING FIRM CLOSE TO CUOMO.

Millennium's biggest lobbying firm in New York State in 2017 was Brown & Weinraub, which has several lobbyists close to Cuomo - lobbyists who have been part of Cuomo's campaigns and administration, have personal ties to Cuomo, or were tied to Governor Mario Cuomo, Andrew Cuomo's late father. The firm has also been a major donor to Andrew Cuomo.

CPV LOBBIED FERC HEAVILY IN 2017. In addition to the \$180,000 CPV spent on lobbying in New York from 2017 to the present, it also spent \$280,000 lobbying at the federal level. One of the two entities it lobbied was the Federal Energy Regulatory Commission (FERC), which was deciding on fate of the proposed Millennium Pipeline which would service the CPV plant.

OVER \$1.6 MILLION IN LOBBYING SINCE 2012.

All told, CPV and Millennium paid a total of \$1,603,909 to lobby state and federal politicians and regulatory entities from 2012 to 2018, including \$690,000 federally and \$913,909 in New York State.

cpv Lobbyist TIED TO TRUMP AND FERC. CPV's main lobbyist in DC is Michael McKenna, who is the former head of Donald Trump's energy transition team, which was in charge of shaping Trump's Department of Energy, including the composition of FERC, which overruled New York's rejection of the Millennium Pipeline. Since 2013, CPV has paid McKenna \$590,000 to lobby in DC, including \$270,000 in 2016 and 2017. McKenna personally lobbied FERC almost every quarter of 2016 and 2017 - all except for the fourth quarter of 2016, when he briefly served as the head of Trump's Department of Energy transition.

CPV PAID OUT
\$430,000 TO LOBBY IN
2017 VERSUS \$100,909
IN 2016 - A MORE THAN
400% RISE THAT CAME
AS THE PERCOCO TRIAL
LOOMED.

II. CPV Valley Energy Center and the Millennium Pipeline

competitive Power Ventures (CPV) is a US energy company that operates a range of energy infrastructure projects, including natural gas pipelines, power plants, a liquefied natural gas terminal, and coal, oil, and wind projects. It is owned by Global Infrastructure Partners (GIP), a private equity firm focused on infrastructure investments. GIP acquired CPV in 2015. GIP is headed by Adebayo Ogunlesi, the former global investment manager for Credit Suisse, current lead director of Goldman Sachs, and a former member of Donald Trump's business council. GIP was founded in 2006 with backing from General Electric and Credit Suisse, though Credit Suisse has since sold its stake.

CPV owns and operates the controversial \$900 million Valley Energy Center in Wawayanda, a town in Orange County, New York. The plant is a 680 megawatt fracked gas combined-cycle electric generation facility. Opponents of the plant in Orange County have pointed out the major health and safety risks it poses, and nearby residents have complained of headaches, burning eyes and noses, stomach aches, coughing, and bad smells since the plant recently began testing equipment and burning ultra low-sulfur diesel oil. The plant says it hopes to switch to burning natural gas and selling energy by the summer.

The CPV plant has made headlines because of its connection to the corruption trial of top Cuomo

aide Joseph Percoco. CPV paid Percoco through Todd R. Howe, who was lobbying for CPV without registering. With Howe's arrangement, Peter Galbraith Kelly, a CPV executive, paid \$285,000 to Lisa Percoco to run a children's energy education program. A jury found that the "low-show" job for Percoco's wife was actually a payment in exchange for Percoco's help winning state <u>power</u> purchasing contracts from the CPV Valley plant. Howe <u>arranged</u> the payments and has since pleaded guilty to eight felonies and has been cooperating with prosecutors against Percoco and other federal defendants. On March 13. Percoco was found guilty of conspiracy to commit honest services fraud and of soliciting payments, and he may face jail time.

In light of the plant's health and safety risks and the Percoco verdict - which indicates that the circumstances surrounding the construction of the plant are tainted by corruption - opponents of the CPV plant have called for Governor Cuomo to pull its permits.

Another battle tied to the CPV plant involves the proposed Millennium Pipeline Company's Valley Lateral Project (VLP), a 7.8-mile natural gas pipeline that will feed Marcellus Shale fracked gas to the CPV plant. Millennium is owned by three major energy companies: TransCanada (47.5% stake), National Grid (26.25% stake), and DTE Energy (26.25% stake). The pipeline fits onto

THE CPV PLANT HAS MADE HEADLINES BECAUSE OF ITS CONNECTION TO THE CORRUPTION TRIAL OF TOP CUOMO AIDE JOSEPH PERCOCO.

the companies' larger pipeline and plant network that's been building out of the Marcellus and Utica shale formations - which also includes, for example, DTE's controversial billion-dollar 1,100-megawatt <u>fracked gas plant</u> for St. Clair County, Michigan.

Since the pipeline will be getting fracked gas from out of state through Millennium's mainline, it must be approved by FERC. While New York has opposed the pipeline, FERC has overridden the state's wishes. After the New York State DEC denied key permits for the pipeline in August 2017, FERC overturned those denials in September 2017. In December 2017, the US second circuit

court upheld FERC's overturning of New York
State's denial - a decision that was further <u>upheld</u>
by a federal appeals court on March 12, 2018.

As noted above in the introduction, the
Millennium Pipeline and the CPV plant are
inextricably linked. The plant needs the pipeline
to feed it the fracked gas that it will process. If
FERC commissioners insist on overriding New
York, the state and its governor have the option of
revoking the CPV plant's permit, which would also
likely kill the pipeline.

III. CPV and Millennium Lobbying Skyrocketed before Percoco Trial and Pipeline Decision

While the details of the lobbying efforts of CPV and Millennium are discussed in depth below, it is important to point out that their lobbying – and especially that of CPV – skyrocketed in 2017 as compared to 2016 and other prior years. This is significant because 2017 saw the lead up to the Percoco trial – which, again, involved an unregistered lobbyist arranging a low-show job for Percoco's wife, through which CPV paid her \$285,000. The second half of 2017 was also when FERC – which CPV specifically lobbied – overrode New York State's rejection of the proposed Millennium Pipeline that will service the CPV plant.

CPV paid out \$430,000 to lobby in 2017 versus \$100,909 in 2016 - a more than 400% rise that came as the Percoco trial loomed. In New York State, CPV paid \$150,000 to lobby in 2017 (and, so far, an additional \$30,000 in 2018) versus \$10,909 in 2016. During 2017, CPV lobbied the state legislature, Executive Chamber, and DEC on regulatory issues, state regulations, and energy issues (more details on this below). CPV also paid \$280,000 to lobby at the federal level in 2017 versus \$90,000 in 2016.

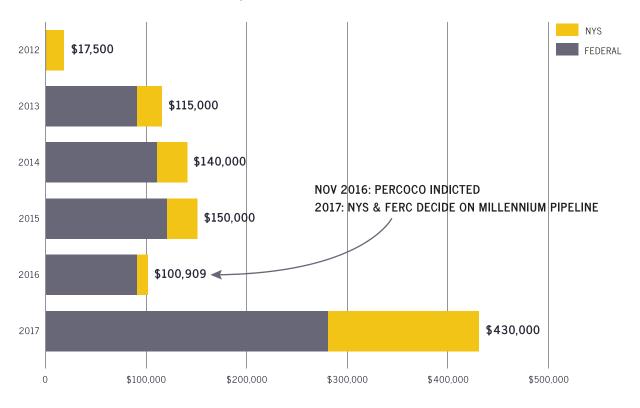
In total, CPV paid \$953,409 to lobby in New York and federally from 2012 to 2017. Figure 1 below is a graph of CPV's federal and state lobbying in New York State during that time.

MILLENNIUM RAMPED UP ITS LOBBYING EFFORTS

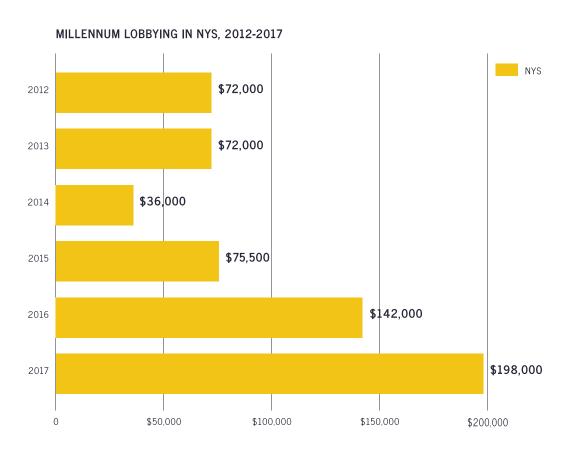
AFTER THE PERCOCO INDICTMENT AND AS NEW

YORK DEBATED ITS PROPOSED PIPELINE IN 2017.

CPV LOBBYING IN NYS & FEDERALLY, 2012-2017



CPV FEDERAL & NY STATE LOBBYING, 2012-2017



MILLENNIUM PIPELINE NY STATE LOBBYING, 2012-2017

One point needs to be made here: while it is true that the Cuomo administration placed a temporary lockdown on CPV lobbying after the Percoco investigation became public in April 2016, which may partly account for the lower lobbying total in 2016 in New York State, the 2017 lobbying amount still represents a huge increase from the any time in the past. For example, in 2015, CPV spent just \$30,000 on lobbying in New York, versus \$150,000 in 2017; it spent \$150,000 in total state and federal lobbying in 2015 versus \$430,000 in 2017. No matter how you cut it, CPV drastically ramped up its lobbying efforts after the Percoco indictment.

Millennium also ramped up its lobbying efforts after the Percoco indictment and as New York debated its proposed pipeline in 2017. Whereas Millennium paid \$142,000 to lobby in 2016, it paid \$198,000 in 2017 - about a 40% rise. During this time, it lobbied Cuomo's office, the New York State Senate and Assembly, and a host of local governments specifically on the issue of the pipeline. (Millennium's semi-annual lobbying reports from 2017 are here and here).

Millennium paid a total of \$595,500 to lobby in New York from 2012 to 2017, plus \$25,000 so far in 2018 (January-February 2018 filings are here and here above is a graph of Millennium's federal and state lobbying in New York State from 2012 to 2017.

In total, CPV and Millennium paid \$1,603,909 from 2012 to 2018 to lobby politicians and regulatory agencies in New York and federally.

These trends in CPV's and Millennium's lobbying activity indicate that they ramped up their lobbying efforts to influence decisions in Albany and DC at a time when both the CPV plant and the Millennium Pipeline faced increased pressure because of the Percoco trial and the battle between New York State and FERC over the pipeline.

CPV ALSO PAID
\$280,000 TO LOBBY AT
THE FEDERAL LEVEL IN
2017 VERSUS \$90,000
IN 2016.

IV. The Cuomo Swamp:CPV and MillenniumLobbyists in NYS

Both CPV and Millennium have lobbied heavily in New York State since 2012, spending a combined total of \$913,909 on a slew of high-powered firms. Some of these firms have lobbyists with close ties to Governor Andrew Cuomo - sometimes as former officials in his or his father's administrations.

i. CPV lobbying

CPV has spent a total of \$293,409 on lobbying in New York since 2012. Furthermore, as we show below, CPV has ramped up its in-state lobbying since 2017 to the tune of \$180,000 through a new firm it hired, Mercury Public Affairs.

MERCURY PUBLIC AFFAIRS

As the Percoco scandal and impending trial loomed over 2017, putting more pressure on the CPV plant, CPV dramatically ramped up its lobbying efforts in New York State by hiring Mercury Public Affairs, a lobbying firm that has close ties to the Cuomo administration. CPV hired Mercury in March 2017 and retains the firm's services through the present. As Politico wrote in May 2017, CPV was "working to re-open communications with the Cuomo administration after a lockdown was put in place when the [Percoco] investigation became public last year" and that CPV hired Mercury to "burnish its image".

Mercury has a range of top-level executives and

lobbyists who are closely tied to Cuomo and to the New York State legislature. The decision to hire this firm in March 2017, and to significantly intensify lobbying efforts in New York State and federally in 2017 and into 2018, suggests that CPV sought to tap deeper into connections to the Governor and other state politicians to protect and advance its Valley Energy Center, which was under construction, at a time when the already-controversial plant was likely to face more scrutiny because of the coming Percoco trial.

CPV has paid out a total of \$180,000 to Mercury through \$30,000 disbursements every two months. According to JCOPE, Mercury lobbied the

state legislature on "regulatory issues" (March-April 2017), the state legislature, Executive Chamber, and the DEC on "state regulations" (May-June 2017), and the state legislature on energy issues (November-December 2017).

It should be noted that lobbying reports filed in New York State are historically vague on the specific details of the lobbying activity they are supposed to document, so CPV's lobbyists were not required to report a more extensive and transparent explanation of their lobbying efforts.

There is little doubt, though, that these efforts were tied to advancing CPV's agenda around its main project in the state at the time - the Valley Energy Center that is tied to the Percoco scandal.

MERCURY HAS A RANGE

OF LOBBYISTS WHO ARE

CLOSELY TIED TO THE CUOMO

ADMINISTRATION.

MERCURY'S CUOMO-CONNECTED LOBBYISTS

Mercury's two lobbyists who have lobbied for CPV are Michael McKeon and Patrick McCarthy. Both are revolving door figures with strong connections to Governor Cuomo and to state politics more broadly.

Michael McKeon is a partner at Mercury and is a big power player in Albany. As Executive Director of Republicans for Governor Andrew Cuomo, McKeon has been an important ally of the governor, heading his outreach efforts to Republican voters in the 2010 gubernatorial race (he was involved in these efforts again in 2014). McKeon donated \$10,500 to Cuomo from 2014 to 2016. He was also a senior advisor to a range of campaigns involving Rudy Giuliani, George Pataki, and others.

Patrick McCarthy directs Mercury's Albany office. He formerly was a managing partner at NYS lobbying powerhouse Patricia Lynch Associates. Before becoming a lobbyist who was Governor George Pataki's Deputy Secretary for Appointments and Government Affairs and also oversaw the Offices of Local Government and Regional Affairs. McCarthy also served as Pataki's Deputy Press Secretary from 1995 to 2000. Additionally, McCarthy was the Executive Director of the New York Republican State Committee from 2001 to 2003.

MERCURY'S MICHAEL MCKEON, WHO LOBBIES FOR CPV, HEADED CUOMO'S OUTREACH EFFORTS TO REPUBLICAN VOTERS.

A range of other Mercury lobbyists have close ties to Cuomo:

Charlie King was a senior campaign advisor during Andrew Cuomo's 2014 re-election campaign, and he also ran for Lieutenant Governor alongside Cuomo in 2002 when Cuomo staged a short-lived campaign to become the Democratic Party's gubernatorial nominee. He is also a former state executive director of the New York State Democratic Party. King has been Mercury's Co-Chairman since January 2015.

Alexandra Greene was a <u>senior policy advisor</u> to Cuomo from August 2015 to December 2017. She is now a Vice President at Mercury.

Fernando Ferrer is co-chairman at Mercury

even as he serves as Vice Chairman of the

Metropolitan Transportation Authority - a position
he was recommended for by Governor Cuomo.

Additionally, Ferrer was appointed by Cuomo
in 2016 to serve on the Board of Trustees of City
University of New York.

Jon Weinstein was a <u>Vice President</u> at Mercury from November 2014 to October 2016. He went from Mercury straight into the Cuomo administration in October 2016, becoming the Governor's Deputy Director of Communications for Transportation for the following year <u>as well</u> <u>as</u> the Director of Communications and Senior Advisor to the Chair of the New York Metropolitan Transit Authority, positions he holds today.

Morris L. Reid was a senior staff aide to Cuomo when he served as New York State Housing Secretary. He is now a <u>partner</u> at Mercury.

WHITEMAN OSTERMAN & HANNA

The firm of Whiteman Osterman & Hanna lobbied for CPV in New York State from 2012 through the first half of 2016. During that time CPV paid Whiteman a total of \$113,409.

Whiteman has several ties to Cuomo. Nathaniel Dorfman, the Governor's Deputy Counsel at the Department of Financial Services, is a former partner at Whiteman. Whiteman Partner Scott Fein was part of Cuomo's task force to reform state authorities and on the advisory counsel to the Authorities Budget Office. Whiteman Partner Norma Meacham was appointed by Cuomo to the Judicial Screening Panel for the third department of New York State's appellate division. Former Whiteman Partner John Regan served as an Assistant Counsel to Andrew Cuomo as well as Associate Deputy Counsel for State Operations until February 2015.

Finally, Todd R. Howe <u>led</u> WOH Government Solutions, a DC-based lobbying subsidiary of Whiteman Osterman & Hanna at the time.

Though Howe was not registered as a lobbyist at the time, it has since been revealed - as discussed above - that he arranged CPV's payments to Joseph Percoco, to which Howe has pled guilty and Percoco has been convicted on felony charges.

ii. Millennium Pipeline Lobbying

Millennium Pipeline Company has paid three outside firms a total of \$620,500 since 2012 to lobby for the pipeline. All three firms have ties to Andrew Cuomo, and the two that received the largest share of Millennium's lobbying dollars – Brown & Weinraub and Plummer & Wigger – have especially close ties to the governor.

BROWN & WEINRAUB

Millennium paid Brown & Weinraub \$104,000 from January 2017 to February 2018. The firm has major ties to Governor Cuomo - including these registered lobbyists for Millennium:

Michael Cassidy, lobbyist, was Governor Andrew Cuomo's assistant director of state operations before joining Brown & Weinraub. Before joining the Cuomo administration he was legislative director of the New York State Senate Committee on Investigations, Taxation & Government Operations.

Ron Greenberg, lobbyist, is the former Deputy Budget Director for Andrew Cuomo.

David Weinraub, co-partner, was former Governor Mario Cuomo's - father of Andrew Cuomo - Director of Legislative and Intergovernmental Affairs. Weinraub was also counsel to Mario Cuomo's Lieutenant Governor Stan Lundine.

<u>Patrick Brown</u>, co-partner, was a member of Governor Mario Cuomo's Counsel's Office.

John Tauriello, lobbyist, was appointed by Andrew Cuomo to serve as Acting Commissioner of the Office of Mental Health in 2013 and spent more than 30 years total in state government.

Ron Rock, lobbyist, was assistant secretary of transportation for Mario Cuomo.

Brown & Weinraub has also been a big donor to Governor Cuomo. From June 2010 to December 2017, the firm gave Cuomo at least 23 donations totalling \$210,764. Moreover, since December 2016 - right after the Percoco indictment and as the debate over the pipeline was heating up in New York - Brown & Weinraub has given Cuomo \$74,500 through just 5 donations, which is about double the average of its donation rate from 2010 until October 2016.

PLUMMER & WIGGER

Millennium paid Plummer & Wigger (previously Plummer & Associates) a total of \$454,000 from January 2012 to February 2018 to lobby the governor, state senate, assembly, DEC, and other entities. The firm's two main lobbyists are Dan Plummer and Scott Wigger. Plummer has been lobbying Albany since 1980, while Wigger became a firm partner in 2013.

Dan Plummer has had cozy and questionable interactions with the Cuomo administration. For example, the NY Daily News revealed in 2013 that that Cuomo inserted a friendly film production tax credit into his budget that benefited NBC after Plummer, who was lobbying for NBC, contacted a Cuomo aide. When Cuomo was trying to bring "The Tonight Show" back to Manhattan, Plummer emailed Cuomo aide Leecia Eve to check in on whether "relocation language will be included in the budget" - a reference to tax credits for NBC relocating the show to New York. Eve responded with a friendly: "Yes. Thanks Dan." Four days later, the tax credit was included in Cuomo's 2013-2014 budget.

Meanwhile, Scott Wigger's father is the former superintendent of the Albany County jail, where he was tied to a <u>prison gambling ring</u> that was targeted for a criminal investigation. *The Times Union* reports that Scott Wigger also placed bets with the jail officers driving the ring.

CORDO & COMPANY

Millennium paid Cordo & Company \$62,500 between July 2015 and April of 2016. Lobbyists
John Cordo, April Corrigan, Amy Folger, Steven
Harris, Eric Henderson, and Michael Lieberman have extensive lobbying experience and ties to state politics.

MILLENNIUM PAID
BROWN & WEINRAUB
\$104,000 FROM
JANUARY 2017 TO
FEBRUARY 2018. THE
FIRM HAS BEEN A BIG
DONOR TO CUOMO.

V. The Trump Swamp: CPV Lobbyist Michael McKenna

CPV has not taken any chances in pushing through its Valley Energy Center. In addition to its team of lobbyists within New York State, it has shelled out nearly \$700,000 since 2013 to lobby FERC and the US House. CPV's main lobbyist, by far, has been Michael McKenna, the president of a DC lobbying and consulting firm called MWR Strategies. McKenna is a longtime lobbyist for the chemical, energy, and fossil fuel industries, who he has lobbied for since at least 2004. McKenna is a Trump insider - he was the original head of Trump's energy transition, which was involved in laying the groundwork for shaping Trump's energy policy agenda and selecting new FERC commissioners. He left that role because of Trump's rule that new officials had to terminate their lobbying registrations and could not lobby for five years after leaving his administration.

McKenna and MWR Strategies

McKenna has lobbied for over thirteen years through MWR Strategies - of which he appears to be the sole lobbyist - though he has had relatively few clients during that time. In addition to CPV, he has lobbied for American Power Electric, El Paso, Engie, Greenberg Traurig, Koch Companies Public Sector, NiSource, PSEG, Southern Company, the National Petrochemical Refiners Association, Teco Energy, Suez, and Dow, according to federal lobbying filings. He currently still lobbies for CPV, Southern Company, Engie, and Teco Energy. McKenna has raked in at least \$9,302,600 from these 12 entities since 2004 - including \$670,600 from the Koch brothers between 2008 and 2016.

McKenna has a background in government.

From 1994 to 1997 he worked for the Virginia

Department of Environmental Quality - including
a stint from March 1995 to January 1997 as the
department's policy and planning director.

McKenna was forced to resign from the DEQ in January 1997 by Virginia Governor George Allen after a scandal was uncovered in which McKenna authored a memo that proposed questionable tactics to discredit the governor's opponents - including press leaks and threats of lawsuits. McKenna was denounced by legislators from both parties in Virginia, with one state senator comparing his proposals to the propaganda tactics of Nazi Germany. (McKenna's resignation letter was unrepentant, with a mere two words: "I resign.")

McKenna <u>also worked</u> as an "external relations specialist" at the Department of Energy under the administration of George H.W. Bush. Additionally, he has worked with other consulting and lobbying firms, including Andres McKenna Research, Vox Populi Communications, and the Luntz Research Companies, according to his <u>firm bio</u>.

McKenna, Trump, and FERC

Before entering the Trump transition, McKenna was concerned about issues involving FERC and was sometimes quoted in the media on issues related to FERC. In January 2014, for example, McKenna criticized the Obama administration's appointment of Norman Bay as FERC chairperson, while in August 2016 he expressed concerns over the shortage of FERC commissioners and the fact that they were all Democratic appointees.

When McKenna was tapped by Trump to head his energy transition in <u>late September 2016</u>, the longtime lobbyist was put in a position to potentially shape - pending a Trump victory - a department with crucial regulatory oversight over the clients he had long served. Perhaps most importantly, McKenna would have a role in shaping the composition of FERC, which has a major regulatory role over the business of companies like CPV and other McKenna clients.

While it is unclear how McKenna climbed into such a powerful position in the Trump transition, it is likely that McKenna's ties to major fossil fuel industry players - including the Koch brothers - may have helped. McKenna had made clear that he wanted to weaken or get rid of the Clean Power Plant Act and Clean Water Act, and that he thought the Paris Climate Agreement was an "annoyance".

McKenna, however, <u>resigned</u> his influential position on November 18, 2016, due to Trump's new rule that agency landing team officials would have to de-register as lobbyists and that those

those working in the administration would be banned from lobbying for five years. While McKenna's tenure as Trump energy transition head lasted only two months, his appointment speaks to the fact that he was viewed as a loyal representative of the fossil fuel industry and that he was well connected to the power players in that industry.

After McKenna's departure, he was replaced by climate change denier Thomas Pyle, who heads up the Koch-funded Institute for Energy Research and its advocacy wing, the American Energy Alliance. The successive appointments of McKenna - a Koch lobbyist - and then Pyle - a Koch-backed climate skeptic - shows the extent to which CPV's top federal lobbyist is part of the Trump/Koch DC nexus.

Moreover, even after he left the transition, and despite Trump's supposed ban on lobbyists,
McKenna was still party to official Energy
Department business. The Washington Post
reported that McKenna accompanied Pyle to an official meeting on November 29, 2016, about grid security that was attended by utilities executives and Obama Energy Department representatives.

MCKENNA IS A TRUMP
INSIDER - HE WAS THE
ORIGINAL HEAD OF TRUMP'S
ENERGY TRANSITION.

At the meeting McKenna introduced Pyle to Thomas A. Fanning, CEO of Southern Company, McKenna's client.

Immediately after leaving his top position in the Trump transition, McKenna went back to lobbying for CPV and other clients. Indeed, throughout every quarter in 2016 and 2017 - except for the fourth quarter of 2016, when he served in the Trump transition - McKenna lobbied FERC on behalf of CPV.

At an April 2017 luncheon at the Energy Bar Association, an energy industry conference, McKenna participated on a panel with Shannon M. Bañaga, another energy lobbyist who also had to leave the Trump transition because of the lobbying rule. (Pyle was supposed to be on the panel but canceled due to illness). Bañaga recalled the heavy workload that "us unsavory lobbyist-types" - lobbyists like herself and McKenna - put into the Trump energy transition, including meetings with industry representatives. Of FERC specifically, she commented, "I can't express to you how many man-hours were put into very specific ideas about what FERC should be working on in the next couple years." (Bañaga, who had previously worked for FERC as an attorney, has since become TECO Energy's director of federal affairs after leaving the Trump transition. A consulting firm that tracked Trump's transition appointments had **floated** her name around for a position in or around FERC.)

All this, again, raises serious alarm that McKenna - directly and through his various associates - has ties and special access to FERC and that he may have had some input in shaping its current composition. This is all the more alarming since McKenna lobbied FERC throughout 2017 on behalf of fossil fuel clients, including CPV, who come under its oversight.

ALL THIS RAISES SERIOUS

ALARM THAT MCKENNA
DIRECTLY AND THROUGH

HIS ASSOCIATES - HAS TIES

AND SPECIAL ACCESS TO

FERC.

McKenna and CPV

McKenna has lobbied for CPV since 2013. In that time, CPV has paid McKenna and MWR a total of \$590,000. McKenna has been CPV's main federal lobbyist during this period.

McKenna has regularly lobbied FERC and the US House of Representatives on behalf of CPV. The chart below shows, by year, who he lobbied from 2013 to 2017, and how much he was compensated.

Interestingly, CPV has ramped up its lobbying this past year. It paid McKenna \$60,000 more than its previous high in 2015, and the sole focus of its lobbying efforts was FERC, unlike other years. This indicates that CPV is seizing the moment of having a powerful lobbyist who is well-connected to the Trump presidency and a fossil fuel-friendly FERC commission to push its agenda around CPV and other projects. The timing of FERC's overruling of New York's decision to reject the Millennium Pipeline, along with the

vital importance of the pipeline to the CPV Valley plant, raises the question of whether McKenna was pressing FERC to force through the pipeline during his tenure on Trump's transition team and as CPV's lobbyist.

This "seize-the-moment" lobbying push by CPV is further illustrated by the fact CPV Valley LLC - the CPV subsidiary that oversees the Valley Energy Center - has, for the first time, also recently begun federal lobbying efforts. In the third and fourth quarters of 2017, CPV Valley paid powerhouse lobbying firm Akin Gump \$100,000 to lobby the US House on the issue of "natural gas infrastructure development".

CPV HAS PAID MCKENNA \$590,000 TO LOBBY SINCE 2013.

| YEAR | ISSUES LOBBIED | ENTITIES LOBBIED | PAYMENT |
|-------|--------------------------|-------------------------|----------------|
| 2013 | Energy Regulatory issues | House; FERC | \$90,000 |
| 2014 | Energy Regulatory issues | House; FERC | \$110,000 |
| 2015 | Energy Regulatory issues | House; FERC | \$120,000 |
| 2016 | Energy Regulatory issues | House; FERC | \$90,000 |
| 2017 | Energy Regulatory issues | FERC | \$180,000 |
| Total | | | \$590,000 |

SOURCE: <u>US LOBBYING DISCLOSURE ACT DATABASE</u> (CLIENT SEARCH: COMPETITIVE POWER VENTURES)