



Action Report

Corporate Political Activity

Alliant Energy

May 2, 2017

Ticker	Exchange	Meeting Date	Record Date	Annual Meeting Location
LNT	NYSE	5-23-2017	3-29-2017	Cedar Rapids, Iowa

Agenda

Item	Proposal
1	MGT: Elect directors
2	MGT: Advisory vote on the frequency of future advisory votes on executive compensation
3	MGT: Advisory vote on executive compensation
4	MGT: Ratify selection of auditors
5	SH: Report on political spending and lobbying

Si2 Briefing

[Corporate Political Activity](#)

Report Author

[Robin Young](#)

Links

[Proxy Statement](#); [Political Engagement Guidelines](#); [Code of Conduct](#)

Resolved Clause

Resolved: The shareholders of Alliant Energy Corporation (“Alliant”) hereby request that the Company prepare and periodically update a report, to be presented to the pertinent board of directors committee and posted on the Company’s website, which discloses monetary and non-monetary expenditures that Alliant makes on political activities, including:

- expenditures that Alliant cannot deduct as an “ordinary and necessary” business expense under section 162(e) of the Internal Revenue Code (the “Code”) because they are incurred in connection with (a) influencing legislation; (b) participating or intervening in any political campaign on behalf of (or in opposition to) any candidate for public office; and (c) attempting to influence the general public, or segments thereof, with respect to elections, legislative matters, or referenda;
- contributions to, or expenditures in support of or opposition to political candidates, political parties, and political committees;
- dues, contributions or other payments made to tax-exempt “social welfare” organizations and “political committees” operating under sections 501(c)(4) and 527 of the Code, respectively, and to tax-exempt entities that write model legislation and operate under section 501(c)(3) of the Code; and
- the portion of dues or other payments made to a tax-exempt entity such as a trade association that is used for an expenditure or contribution and that would not be deductible under section 162(c) of the Code if made directly by the Company.

The report shall identify all recipients and the amount paid to each recipient from Company funds.

- Lead Proponent** NYC Pension Funds
- Vote History** This is the first time that this proposal has appeared on the Alliant Energy proxy ballot.
- Summary** Alliant Energy discloses policies on corporate political spending and direct corporate lobbying, but it falls short in the areas of full disclosure of corporate political contributions, lobbying expenditures, trade association memberships, dues amounts and political and lobbying expenditures made by those associations using Alliant Energy funds.

I. Alliant Energy and Political Activity

Alliant Energy is a public utility holding company that provides electric and natural gas services to customers in Iowa and Wisconsin through its two public utility subsidiaries – IPL and WPL. The company services approximately 960,000 electric and 410,000 natural gas customers.

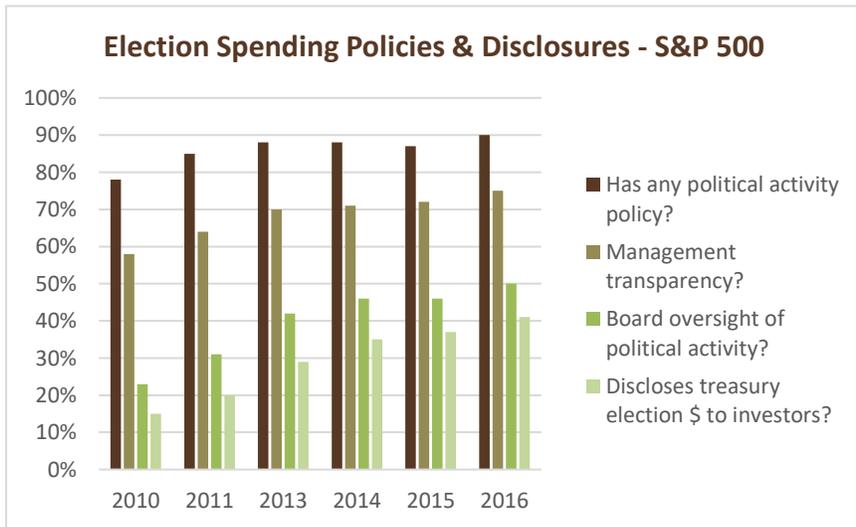
Financials			
(\$ millions)	2015	2016	% Change
Total Revenue	\$3,253.6	\$3,320	2%
Net Income	\$378.2	\$371.5	(1.8%)

The company has a service area of 54,369 square miles and operates 42,035 miles of electric lines and 9,426 miles of gas lines. It has an electric generation capacity of 31 million megawatt-hours per year.

Alliant Energy has approximately 4,070 employees.

Policies and Disclosures on Political Spending

The bar chart at right and the table below (next page) provide comparative data from Si2’s benchmarking research and show how company disclosure on corporate political spending has grown in the last several years. Si2’s review of S&P 500 companies’ political activity governance practices in 2016 shows that 90 percent of these companies disclosed at least some form of policy on corporate political activity, up from 78 percent in 2010.



The table shows how the company’s current spending disclosure policy stacks up against sector peers and the S&P 500, and provides comparative data. Alliant Energy was not included in Si2's 2016 study, but the following information has been provided for comparative purposes.

Alliant Energy's policies and procedures for corporate political spending are disclosed in its [Political Engagement Guidelines](#).

Corporate Political Spending Policies and Governance			
	Alliant Energy	Averages From 2016 Si2 Analysis	
		Utilities Sector	S&P 500
Governance			
Board oversight	Yes	75%	50%
Management transparency*	Yes	89%	75%
Policies			
Campaign spending	Yes	100%	90%
Independent expenditures	No	36%	33%
Spending disclosure to investors			
Treasury election \$ reported	No	61%	41%

*Identifies corporate officer(s) involved in decision-making

Board oversight: Alliant Energy's policy states that management annually provides the Nominating and Governance Committee with "a report regarding the company's government relations and political action committee activities and a report on direct corporate contributions in support of political activities."

Management transparency: Alliant Energy says that Senior Vice President and General Counsel approves all corporate campaign contributions.

Prohibited contributions: Company policy does not explicitly prohibit the use of treasury funds for any legally allowable contributions.

In the proxy statement Alliant Energy says, "the Company does not contribute directly to candidates for political office." However, that language does not appear in the company's policy on corporate political activity.

Independent expenditures: Alliant Energy does not disclose a policy on independent expenditures.

Disclosure of corporate contributions: The company does not independently disclose its corporate political contributions.

(The company's involvement with intermediary groups that spend on political contributions and lobbying is discussed below.)

Political Spending Record

Available information from the public record on the company's corporate contributions to national political committees and state candidates, parties and ballot initiatives shows it has given \$762,500 in the last four election cycles. These amounts exclude contributions that may have been disbursed through intermediaries discussed above.

Unlike most companies, Alliant Energy's political contributions at the state level appear to come exclusively from the company's political action committee. All the company's reported contributions at the state level appear to have taken place in Iowa and Wisconsin, both states that prohibit corporate contributions to candidates, PACs or parties.

Alliant Energy Political Contributions 2007-2016		
Election Cycle	527 Contributions	State Contributions
2007-2008	\$25,000	\$0
2009-2010	\$67,500	\$0
2011-2012	\$70,000	\$0
2013-2014	\$340,000	\$0
2015-2016	\$260,000	\$0
Total	\$762,500	\$0
527 contributions provided by Congressional Quarterly's CQMoneyLine . State contributions provided by the National Institute on Money in State Politics . Both services may include PAC contributions in their reports. All contributions identified as coming from a PAC were omitted by Si2.		

CPA-Zicklin Index Rating

Alliant Energy was not rated by the Center for Political Accountability's CPA-Zicklin Index. Most recently updated in September 2016, the Index assessed the practices of the 493 largest capitalized companies in the S&P 500. It used a scoring system to rate companies' disclosure, policy and oversight. Alliant Energy's performance on key study indicators is noted below. Consistent with Si2's research, the CPA determined that relatively smaller companies were less likely to have comprehensive policies and more likely to disclose less information about their spending.

Policies: The Index found that 274 (56 percent) of the 493 companies it examined reported detailed policies on political activity, while another 164 companies (33 percent) were given partial credit for their policies.

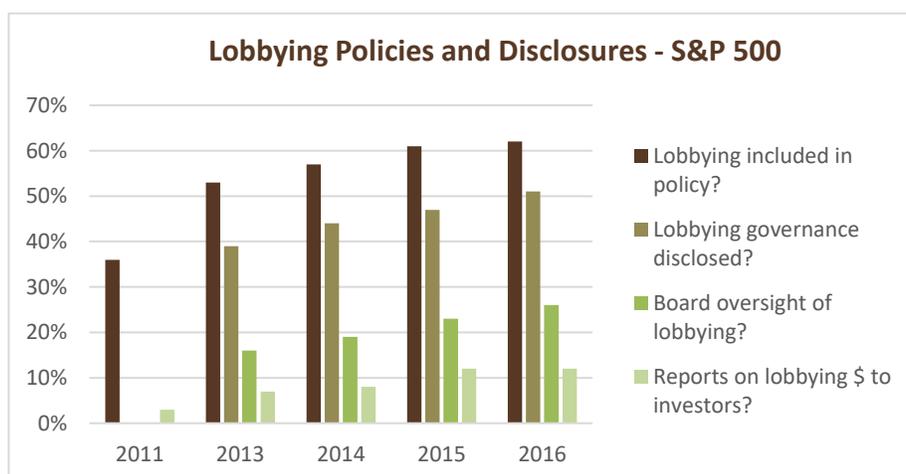
Oversight: The CPA found that 47 percent of firms profiled had regular board oversight of political spending.

CPA-Zicklin Index Performance – Key Performance Indicators				
Indicator		Alliant Energy	Percent of Index	
			Full/Partial Disclosure	Does Not Give
Spending	Direct to candidates/parties/committees	Not profiled	17%	17%
	Direct 527s	Not profiled	14%	13%
	Direct independent expenditures	Not profiled	19%	17%
	Trade associations	Not profiled	5%	4%
	501(c)4 groups	Not profiled	8%	6%
	Ballot initiatives	Not profiled	11%	10%
			Percent of Index Yes	
Policy is publicly disclosed?		Not profiled	90%	
Semi-annual spending report?		Not profiled	41%	
Archive of spending? (Full or partial)		Not profiled	36%	

Source: 2015 CPA-Zicklin Index of Corporate Political Accountability and Disclosure, Center for Political Accountability.

Lobbying Policies

The bar chart and the table at right provide comparative data from Si2's benchmarking research and show how board oversight and company disclosure on lobbying and intermediary group memberships and spending has increased in the last five years. The table shows how the company's lobbying policy stacks up against companies in the index and in Alliant Energy's sector, using data from Si2's 2016 survey of the S&P 500. Alliant Energy was not included in Si2's 2016 study, but the following information has been provided for comparative purposes.



Alliant Energy was not included in Si2's 2016 study, but the following information has been provided for comparative purposes.

Corporate Lobbying Policies – Governance & Disclosure			
	Alliant Energy	2016 Si2 Study Results	
		Utilities Sector	S&P 500
Governance			
Board oversight of lobbying	Yes	36%	27%
Management transparency on lobbying?*	Yes	71%	51%
Policies			
Federal lobbying mentioned?	Yes	89%	62%
State lobbying mentioned?	No	64%	32%
Intermediary Groups			
Trade association policy?	Yes	86%	55%
Other non-profit policy?	Yes	50%	30%
Discloses any memberships?	No	75%	44%
Discloses any payments?	No	68%	32%
Prohibits use of company \$ for politics?	No	0%	7%
Spending Disclosure to Investors			
Federal lobbying \$ reported?	No	14%	12%
Any state lobbying \$ reported?	No	4%	3%

*Identifies corporate officer(s) involved in decision-making.

Direct lobbying: Alliant Energy's policy on corporate lobbying is disclosed in its [Political Engagement Guidelines](#) and also briefly addressed in the [Code of Conduct](#). The company states that it is "actively engaged in advocating policies that support [its] mission and strategic plan." In order to accomplish that mission, it engages in the following ways:

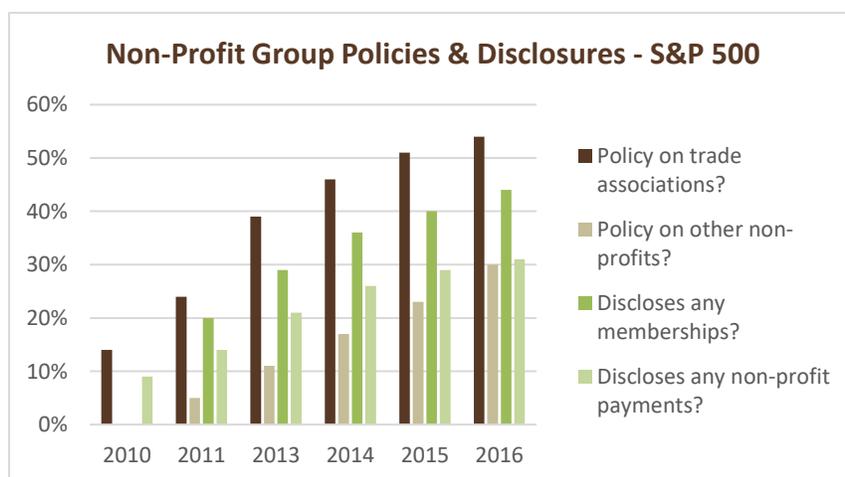
- Operate with integrity to build and maintain relationships with policy-makers.
- Work collaboratively with internal stakeholders to determine the impact of policy proposals and to advocate on behalf of our customers.
- Build coalitions and partner with external stakeholders, including trade and utility associations, as well as business and customer groups, to achieve policy goals.
- Educate employees about key policy issues affecting our company and industry.

Board oversight: Alliant Energy's policy states that the Nominating and Corporate Governance Committee regularly reviews the company's "political engagement," which includes reviewing a report on government relations activities.

Management transparency: Alliant Energy explains that the Public Affairs team is responsible for the company's advocacy efforts.

Grassroots lobbying: The company does not address grassroots activity.

Indirect lobbying: The bar chart below provides comparative data from Si2's benchmarking research and shows



how company disclosure on corporate indirect lobbying has grown in the last several years. Si2's review of S&P 500 companies' indirect spending governance practices in 2016 shows that 54 percent of these companies disclosed at least some form of policy on corporate trade association activity, up from 14 percent in 2010.

Involvement with trade groups and other non-profit organizations: Alliant Energy's policy does address the subject of trade association activity and lobbying.

Policy— The company's policy on trade associations states:

Alliant Energy belongs to trade associations. These trade associations provide expertise and insights on issues important to our industry. Some of these associations participate in the political process. Alliant Energy does not join the trade associations for their political activity and does not fully control their political activity. At times, Alliant Energy may disagree with the political positions taken by these associations. From these associations in which it is a member, Alliant Energy receives a breakdown of the portion of association dues used for lobbying and political activities and those amounts are reported to the NGC (Nominating and Governance Committee).

Alliant Energy also discloses a policy on 501(c)(4) activities:

Corporate contributions are allowed to be made to social welfare organizations organized under section 501(c)(4) of the tax code. These organizations may engage in political activities, as long as these activities do not become their primary purpose. Alliant Energy reports corporate contributions to social welfare organizations, if any, to the NGC.

Membership and payment disclosure: Alliant Energy does not disclose a list of its memberships in trade associations or any other tax-exempt organizations that may spend money on lobbying. Alliant Energy does not disclose any dues or payments to those organizations or the subset of those dues and payments used for political and lobbying expenditures. *(See below for more on the company's involvement with intermediary groups that spend on lobbying.)*

Lobbying Expenditures

Available information from the public record on the company's lobbying shows it has spent \$1.2 million on federal lobbying in the last five years. These amounts exclude contributions that may have been disbursed through intermediaries discussed below.

Company disclosure of lobbying activities: Alliant does not independently disclose federal lobbying expenditures. In addition, it does not provide any information on state lobbying or any links to relevant state disclosure websites.

Involvement with Intermediaries

The company does not disclose memberships in trade associations and other tax-exempt organizations that may spend money on political campaigns. Dues paid by the company help underwrite a percentage of each association's political and lobbying expenses. *(See table, next page, for available data.)*

Ties to the American Legislative Exchange Council

The [Center for Media and Democracy](#) (CMD), through its website [ALEC Exposed](#), reports that Alliant Energy was involved with the [American Legislative Exchange Council](#) (ALEC) in 1998, as Alliant Utilities. However, in 2014 the company confirmed to Greenpeace that it had ended its relationship with ALEC. *(More on ALEC and its corporate partners is in [Si2's Briefing Paper on Corporate Political Activity](#), pp. 34-37.)*

Alliant Energy Federal Lobbying Expenditures 2012-2016	
Year	Federal Lobbying Expenditures
2012	\$311,585
2013	\$270,000
2014	\$243,000
2015	\$210,000
2016	\$165,000
Total	\$1,199,585
Federal expenditures provided by the Center for Responsive Politics through their website OpenScreets.org . Quarterly lobbying reports are available at the Senate Office of Public Records .	

Company Involvement with Trade Associations						
Organization	Alliant Energy				Most Recent IRS Data	
	On Board	Member	2016 Contributions [#]		Total Dues	Political Spending*
			Dues	Political*		
American Gas Association	X	X	ND	ND	\$23.4 mil.	\$414,352
Edison Electric Institute		X	ND	ND	\$68.9 mil.	\$4.7 mil.

*Political and lobbying expenses non-deductible under Internal Revenue Code Section 162(e)1.

II. Proponent Position

The proponent argues that shareholders cannot properly assess the risks that companies may be exposed to by all forms of political spending if companies do not disclose information about their direct political campaign contributions, lobbying and financial support for trade associations and other tax exempt groups. Additionally, the proponent believes that without transparency company assets could be used for policy objectives that conflict with the long-term interests of the company.

The proponent points out that Alliant Energy currently lags several peers in terms of political spending and lobbying disclosure, including **AES Corporation, AGL Resources, American Electric Power, Dominion Resources, Edison International, Energy, Exelon** and **PPL**.

III. Management Position

Alliant Energy opposes the proposal, saying that, as a heavily regulated company, it has a responsibility "to be engaged and to participate in the political process with respect to issues that affect us or are significant to our business." Therefore, the company makes corporate contributions to political or social organizations to advance a purpose that supports the company.

The company goes on to provide a brief overview of its board oversight and management governance practices, which are discussed in detail above. It also provides some information on its political action committee, which is not the subject of this proposal, and states that "the Company does not contribute directly to candidates for political office."

As for trade association activity, Alliant Energy acknowledges that it participates in such organizations and that they "provide expertise and insights on issues important to our industry." While some associations engage in political activity, that is not the reason that Alliant Energy joins and the company points out that it does not control those activities. In addition, the company states that it reports all trade association dues used for political activities to the Nominating and Governance Committee.

Alliant Energy believes that providing the requested disclosures could open the company up to increased solicitation for contributions and grant its competitors insight into its public policy and political strategies. It also believes that the requested trade association disclosures would misrepresent the company's political positions for reasons discussed above. Finally, Alliant Energy believes that its current policies, oversight and disclosures appropriately address the concerns raised in the proposal.

IV. Analysis

Key Points at Issue

- Is Alliant Energy keeping pace with industry best practice?
- Do shareholders have enough information on Alliant Energy's political spending and lobbying to assess the risks and opportunities it poses?

Best practices: Alliant Energy's policies and procedures on corporate political activity and lobbying contain some elements that watchdog groups consider to be best practice, including board oversight and governance information for corporate political activity (both political contributions and lobbying), as well as a policy on trade associations and other politically linked non-profit activities.

Disclosure: The company does not independently disclose its corporate political contributions or its federal or state lobbying expenditures. Required federal lobbying disclosure forms provide information on the issues and legislation the company lobbies about as well as which federal legislators or committees are contacted. But since a public repository of all state level lobbying expenditures does not currently exist and state disclosure regimes vary, this means it is difficult if not impossible to accurately determine how much the company spends in the states on lobbying. Efforts to compile such information take extensive time and labor and do not yield easily comparable information.

As for trade association activity, Alliant Energy does not publish a list of trade association memberships or provide any information on dues or payments made to the associations or the portion of dues used for political and lobbying purposes.

While trade associations do not routinely report lobbying expenditures as a percentage of a member's dues to individual members, they do provide each company with a breakdown of total political-related expenditures—which includes both political contributions and lobbying. The company therefore already receives this information, as it acknowledges in the proxy statement, and legally must report it to the Internal Revenue Service. Thus, it could provide shareholders with specific information on how much of its dues are going to political expenses without incurring significant additional expenses.

Summing up: In short, while the company discloses policies on corporate political spending and direct corporate lobbying, it falls short in the areas of full disclosure of corporate political contributions, lobbying expenditures, trade association memberships, dues amounts and political and lobbying expenditures made by those associations using Alliant Energy funds.

Voting Considerations

Voting in favor: Investors may support the proposal if they want to send a message to management that Alliant Energy's current publicly available information does not provide a comprehensive view of the company's political activity and related decision-making. Those in favor of more detailed disclosure of direct and indirect contributions as well as lobbying expenditures may want to support the proposal. Some shareholders also may use a vote in favor of the resolution to signal unease with a company's refusal to provide more information that could be used to assess the company's risk exposure from all its political activity, including lobbying and trade association relationships.

Voting against: Investors may decide to vote against the disclosure resolution for several reasons. They may believe that current material available from the company and other public sources is satisfactory and provides shareholders with enough information to make an informed judgment about the company's political spending and lobbying activities. Some also may vote against the resolution because they do not consider corporate political spending to be relevant enough (either monetarily or from a public relations perspective) to require additional information. Still others may simply oppose further disclosure and vote against the resolution because they consider existing company policies and disclosure laws to be adequate.