

# Corporate Political Responsibility Taskforce

*Expert Dialogue with Tyler Duvelius*

## Tyler Duvelius - Module #2

**Elizabeth Doty:** [00:00:00] Hello, and welcome to the Erb Institute's Corporate Political Responsibility Task Force. Expert Dialogue series. My name's Elizabeth Doty. I'm the director of the CPRT, the Task Force, and I'm delighted to be moderating today's conversation with Tyler Duvelius of the Conservative Energy Network. The Corporate Political Responsibility Task Force, or CPRT, is an initiative of the Erb Institute.

A twenty-five-year-long partnership between the Ross School of Business and the School for Environment and Sustainability at the University of Michigan. Led by managing director Terry Naledov and faculty director Tom Lyon. The Erb Institute is known for its leadership in three areas: teaching and learning, business engagement with groups like the CPRT, and scholarly and applied research.

The CPRT's mission is to help companies better [00:01:00] align their approach to political influence with their commitments to purpose and values, sustainability and stakeholders. As we're seeing corporate political responsibility is an increasingly pivotal element in managing stakeholder trust, addressing systemic issues and rebuilding public trust in institutions.

I am delighted Tyler to have you with us today. Thank you so much for making time. Just so you all know, I met Tyler in Dallas for EarthX last year when we spoke and we've stayed in touch through the, in this together America leadership circle, working on building broad-based cross-partisan understanding of the need.

For action on climate and clean energy. Just a little background on Tyler. He's the director of External Affairs for the Conservative Energy Network, which is a national network of state-based organizations promoting clean energy innovation. He has worked tirelessly to educate, train, and organize conservative [00:02:00] grassroots groups on the need for clean energy issues and support while being an active participant in clean energy policy discussions locally.

At the state level in Ohio and federally, and he has had extensive experience on the campaign trail receiving the John R. Kasich Award for Outstanding Male Ohio, young Republican of the year in 2015 and 2017. Working in the Kasich administration on the boards and Commissions department. So all of that stuff that makes such a difference that we don't hear about the news and isn't glamorous.

But you really see how things are done. And he's told me some stories and written up some reports on how things can be distorted or. Lead to the common good. Welcome Tyler. Very glad to have you with us today, and thank you.

**Tyler Duvelius:** Great. Thanks for having me, Elizabeth. Excited for our conversation.

**Elizabeth Doty:** Let's talk about, in particular where you see a role for policy in fostering clean energy [00:03:00] innovation around not trampling on new technologies but also perhaps correcting for those harmful effects. We just talked about. I know Milton Friedman talked

about rules of the game, and we've heard others talk about being the referee or setting out minimum intervention but setting out the guardrails for free markets to do their magic.

What role do you see for policy around clean energy innovation?

**Tyler Duvelius:** I think the, the real policy opportunity here is to continue to invest in research and development, to, to create a, a bipartisan moonshot, if you will. You know, I'm a little bit of a space nerd, and when we see, you know, the, the launch of Artemis yesterday, right. That it's great to see that there's bipartisan support for the space program once again. There, there certainly was in the sixties. I think as we, when we put our minds towards wanting to achieve a common set of goals, and by the way, I'm okay if, if President Biden gets up and says, I have a [00:04:00] goal that by 2050 we're gonna, you know, have 80% carbon emissions reduction.

Because I, I do think that we're going to have Republicans that are saying. Great. Let's, let's invest in the best American minds that, that we have to offer. Let's go put money into the Ohio State University into the University of Michigan and allow their minds to help us think through what those new technologies are that the government can, can help steer the market in that direction.

When it comes to that, I also think that you have to look at ensuring that there's a level playing field and if we're being honest with ourselves. Yes, wind and solar and, and battery storage. They do receive subsidies, but there are plenty of subsidies for the coal industry and the natural gas industry as well.

And I, I, I think if we can kind of get past this politics of personality and really start to, to bring [00:05:00] back seriousness into the policy conversations, we can identify those and ensure that the government's not picking winners and losers, which certainly isn't a, a conservative ideal.

**Elizabeth Doty:** Tom, I think you had had some thoughts on this.

I know with the economics background.

Tom: I mean, I guess the thing I would jump on is what kind of bipartisan opportunities exist going forward? And I know this is kind of piling onto the midterms, but I'm a politics nerd too, so I have a hard time missing it. I was mentioning this before everybody else got on.

Howard Lerner, who runs the Environmental Law and Policy Center in Chicago, sent around a newsletter I think yesterday suggesting that there are real opportunities for the governors of the Great Lakes states to work together to accelerate clean energy that they've really gotten to know each other over the last four years, even though they come from different parties, they get along well. They share, he thinks a fair amount of the vision for a clean energy future. So I'd love to hear what your thoughts are about what [00:06:00] might be possible through that kind of Midwestern state collaboration.

**Tyler Duvelius:** It's amazing that, you know, when we allow states to really be the laboratories of, of democracy, like so many of our, our founders wanted to happen, that we can, can really drive good policy.

And, and you look at sort of this cohort of governors, it's really a unique time where so many are, are entering their second terms. And you have Governor Whitmer, for example, where. It surprised a bunch of us that there's a democratic trifecta in the state of Michigan. Now, from a policy perspective, and same to Minnesota.

It means that those states are going to be pushing after really progressive clean energy and climate goals, right? You look at, at my state and my governor, Mike DeWine, who has a mixed record when it comes to if anybody has followed House Bill six, if there's any grad students on, you want an interesting thesis project, come talk to.

To download on that. But, but recently, even down the stretch of his campaign, he was championing the jobs at First Solar. He was championing Honda's investment in [00:07:00] electric vehicle batteries. You know, several electric vehicle manufacturers are sprouting up across the state. You look at, at a state like Indiana, where governor Holcomb has super republican super majorities in both chambers of the State House.

They passed a dozen clean energy bills in just the last legislative session. And he recently did a press tour highlighting him going to COP 27 over in Egypt, which of course is not. I went to COP 26 last year in Scotland. That's an easy five, six hour flight, not the same commitment to, to get to Egypt for a few days.

You know, and, and we can go around. Governor Kim Reynolds from Iowa has, has been a, a tremendous champion on, on wind and solar energy in particular. And, and what we can see, I think particularly through IJJA and IRA. Our cross-state collaboration, we're already seeing that. You know, I can speak to Ohio, Pennsylvania, and West Virginia have entered into an MOU to attract one of the four major clean hydrogen hubs that's laid [00:08:00] out in the IJJA.

There are all sorts of, of examples of that going on, not just in the Midwest but across the country. And, and what you're gonna start to see is. Really selfishly, and this is a good, this is exciting as a conservative, right, as we, we think about making a marketplace where new technologies, where innovative technologies can flourish, you're gonna see Governor DeWine start competing to get the jobs that Governor Whitmer is also competing for.

And when that happens, we're not, you know, it's not the corporate. Race to the bottom right, and how low can we go? What happens in this case is it's a race to the top and creating the best possible policies to, to ensure that their state wins out in that, that race for the marketplace.

**Elizabeth Doty:** Before we dive into more practically, going forward. 'cause I think we all, everyone on this call has an interest in particular on clean energy and, and accelerating speed and scale. But just for a moment, defining CPR, defining corporate political responsibility. And I know you have seen corporate political responsibility [00:09:00] in the balance like this, right where we had chances and we've missed them. We've gone forward and back. You mentioned candidate McCain. What would you consider, let's start with the fun one. Let's, what would you consider corporate political irresponsibility in this market?

**Tyler Duvelius:** In my notes here, I wrote, I know what CPR doesn't look like.

As an energy focused nonprofit, we deal a lot with regulatory capture right. And, with, with utilities in particular stacking the deck so that they can't lose. Right. It's, it's the old, old adage. And Ohio was quite literally no matter, you know, who won on election night, it was a heads-eye-win-tails-you sort of proposition that they were going into in terms of would they control the, the central leadership in the state? That, and you have to look at the flip side, right? That's the dirty side that we see around Caps Square here in Columbus.

But if you're an average [00:10:00] citizen and you're going to a Cleveland Browns game, you're going to First Energy Stadium. Where they have a wind turbine and a solar array

sitting outside their stadium, and they're talking about the importance of keeping Lake Erie clean, right? Mm-Hmm. That's a great message to have.

Then on the back side here they are looking for, you know, billions of dollars and bailouts, not only for their nuclear plants and the merits of, of continuing old nuclear reactors can certainly be debated. But there are also billions of dollars for coal plants to keep coal plants on online there.

And straddling not just their ratepayers with that, but all Ohioans with that. And that's, I think, you know, as you, we look at kind of the, the incongruence of action between what companies are saying and, and what companies are, are actually doing as a, a conservative, I, I really believe. That corporations should be largely empowered to do what best fits the needs of their shareholders and [00:11:00] their customers.

But CPR really extends beyond that responsibility and extends that out to stakeholders and seeks to address those externalities that we were talking about earlier. And any forced adoption of CPR through government regulation, I think it has to be done carefully. You know, if at all.

As a business practice, I think companies have to consider how their actions are going to be viewed as consumers. You know, look, I'm a practicing Catholic, and I certainly don't wanna get too preachy here in this setting, but I, I wanted this as I was preparing for this call, this analogy came to me that I.

I don't believe that my good works are required for me to get to heaven, but I don't think that that means I should be an awful human being, and that's not what my faith teaches me either. Mm-Hmm. You know, I'm of the belief that if we have companies, they should be doing the right thing because it, it meets their goals of making more money.

It meets their goals of having a better business environment [00:12:00] to exercise their, their profits without, you know, necessarily having to be burdened down through onerous government requirements.

**Elizabeth Doty:** We've talked before that we're in the process of launching the Erb Principles for corporate political responsibility in December.

And I'm thinking about which ones. As we're working through the final principles, which ones you've just alluded to, and there's one which is the incongruence, right? It's just simply align what you're doing with what you're saying if you really believe it. And from my prior background in corporate change and corporate strategy execution, that's really hard.

You need to talk to each other. If you have your government affairs group just optimizing for what seems to be best regulatory practice for, for the company in a narrow sense, you're gonna contradict what your sustainability arm is saying, or your strategy arm is saying for the future. But I also heard you talking about the level playing field.

This probably can't be required by the government, but as a norm, would you say that CPR [00:13:00] means arguing for, for the business environment, a level playing field in which you can compete? Based on value, would that be beyond not being incongruent? Would you say it's a, it's responsible to lobby for a level playing field?

**Tyler Duvelius:** Absolutely. I think we have to eliminate as many barriers of entry as we can for a number of reasons, right? It shouldn't just be you know, people, quite frankly, that look like me, who have a chance to succeed in this space, right? And when you reduce barriers to

entry, you're not only ensuring a more equitable entrance into the marketplace. But you're allowing there to be competition. Competition is good. That's how we keep prices low. You look at, at the practices of some of the larger companies out there, and while we might not define them as monopolies, that's what they end up being at the end of the day.

Right. And we're the ones that pay the prices as the [00:14:00] consumer at the end of the day. And so, I do think that, you know, if the government has a role, it's ensuring that everyone is allowed to pursue that American dream, that everyone is allowed to, to get into this corporate space.

It's not gonna be easy, right? We're not gonna guarantee success. But you have to at least have a chance to get into the ball game.

**Elizabeth Doty:** Yeah, I'm with you. You could almost describe the difference as, look, we can't get that, so then I want my favors or shall we compete on favors or shall we compete on opportunity?

**Tyler Duvelius:** The utilities, you know, have to ensure electric reliability in this country. Right. You know, I have a ring light going on right now. I have an overhead light going on. I have a laptop and Wi-Fi that's functioning over here. A second monitor.

We need that. In modern American life, we can't risk not having that, but too often utilities what they're doing is they're ensuring that yeah, we'll take an innovative business [00:15:00] risk. Of course now we're gonna back it up and charge the rate payers to ensure that there's no actual risk to our finances.

Again, that creates problems because all we see are additional charges. We see fees that we can't really control. And again, that hurts us as a consumer. And so that's, that's really where you know, not just on, you know, I'm speaking on the energy side of things, but you'll look at Amazon. Right.

My Prime membership gets more and more expensive every year. And you know what, we all grin and bear it because we need to get our packages in two days time. Right. I agree that there's, there's a responsibility to ensure that that the rules of the game aren't stacked for any one entity.

**Elizabeth Doty:** It almost goes back to your sports analogy, right? Like you don't wanna win 'cause you could hijack the referee. Let's turn it to the group now, Isha.

Isha: I think we're seeing two themes emerging in the chat. The first is, of course, to understand what are the shortcomings in the current climate investments, and our audience [00:16:00] also I think, is interested in bipartisan proposals.

So Chris, I want to invite you first.

Chris: Tyler, I'd love to get your perspective on. I guess like what's, what's on the table? We obviously have 329 billion to play with between chips, IJ, and the IRA, which is great. But I'd love to get your take on how those bills fall short and what you think you know, we should be focusing on moving forward.

**Tyler Duvelius:** Chris, thank you for your question. One of the major shortfalls of, of all three pieces of legislation, maybe not so much for chips falls a little bit outside of my area of expertise, although it's certainly critical to the supply chain, which is, is a major, a major concern. But when it comes to IJ IRA, what's missing when it comes to real climate action is transmission. None of this spending, none of these goals or, or development really matter if

we don't have a place to put the energy. And if we don't have a way to get it from point A to point B and then to the consumer that's a huge [00:17:00] focus of our organization.

We're hoping to see permitting reform, which I know they're sort of dueling West Virginia proposals out there right now. One from Senator Manchin, and that was part of the deal, allegedly, for his support of the IRA. And then a Republican proposal from Senator Capito, also from West Virginia.

What these bills have created particularly IRA, which is passed, of course, along partisan lines. CHIPS and IIJA were bipartisan in their nature, but we're starting to sort of see this blue demand or what's perceived as a blue demand coming from President Biden and Congressional Democrats that can only be met.

Through red supply found here in the Midwest and in much of middle America where a lot of that energy is, is, is going to be sited. So permitting gets really difficult because you know, it sort of upsets the environmentalists on one side and upsets conservatives for a number of reasons, right?

They don't wanna look at the [00:18:00] transmission lines. And I think that this thing's all a hoax anyway. But we're starting to see more and more conversations in the stakeholder community but also in the policymaker community, recognizing that we, we have to get more wires either above the ground or in the ground one of the two to ensure that this clean energy can start to supplant some of the different substations that produce coal, natural gas.

Because that's the only way that this all works.

**Elizabeth Doty:** A classmate of mine tried to do the first high-capacity wind transmission. From Oklahoma to South Carolina, I think, and got stopped by one district in Arkansas, and then the whole thing collapsed. And that was in 2009. As you say, it points to our shared interests and it also gets to the distrust and frustrations.

You know, if this is a hoax and you're making me pay for it, or if we're avoiding environmental responsibilities.[00:19:00]

If you wanna take this further, there are several ways to go forward. Reach out to us. I've got our email addresses in the lower right there, either if you'd like to join as a company decision maker. Government affairs, sustainability strategy, execution roles. Let us know and help us think this through and build the frameworks we're gonna be building for the next year.

If you have a network that you'd like to join to amplify the message and elevate opportunities for action, let us know. And, or if you'd like to be a, a stakeholder advocate, expert affiliate, let us know and we'll keep you in the loop for focus groups or feedback and input. Coming up, we're kicking off year two of the task force.

It'll be an exciting time to move into how do the Erb principles apply to corporate political practices and or specific issues and or review the Erb principles and consider joining us as we launch in December or a second round in March. We have another expert dialogue next month. We'll be with the interfaith council.

On corporate responsibility, sorry, ICCR, I use it all the time. So [00:20:00] it'll be a shareholder perspective on business' impact on stakeholders and the planet. We have an updated resource list and a newsletter that will be expanded and improved over the next months. If you wanna follow up with Tyler, I highly encourage you to.

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Stay in touch this, these are really important avenues for collaboration and, and momentum. Conservativeenergynetwork.org Tyler. So appreciate the thoughtfulness and constructiveness of the way you're describing the reality and what might work. So thank you all and we'll call that a wrap for today.

Thanks so much, Tyler.

**Tyler Duvelius:** This was great conversation. Thanks Harry. Appreciate it, Elizabeth. Thank you very much. Appreciate it.