

A Regulatory Life



PUF's Steve Mitnick with Edward Salmon, President,
NARUC Commissioners Emeritus



UF's Steve Mitnick: Ed, give us a sense of the amazing career that you have had, and are still having, in utility regulation and policy.

Ed Salmon: I have been blessed to have had a threefold career in education, government and the private sector. In my twenty-six years in government, I held the offices of mayor, freeholder director of Cumberland County, assemblyman in the New Jersey State Legislature, and served as a member of the governor's cabinet as president of the Board of Public Utilities.

My time as mayor, freeholder, and assemblyman provided me with a great opportunity to help enhance policy that had to do with utilities, their regulations and their policies. For example, as a freeholder I helped build consensus to site New Jersey's first ever solid waste landfill. In the Assembly, I sponsored legislation that affected the state's short-term and long-term competitiveness.

At the Board of Public Utilities, I led the team that was responsible for creating, implementing and overseeing public policy that affected all the New Jersey investor-owned utilities. That included telecommunications, cable, electric, gas, water and wastewater.

At the NJBPU I oversaw a staff of two hundred fifty of the brightest minds in the state and a budget of twenty-two million. On the Board I was also responsible for creating communication plans for the state as an appointed member of the governor's Task Force on Communications/Information Technologies and Services. We helped create and implement public policy that extended competition in the telecommunications, electric and natural gas industries.

I had the honor of serving as NARUC's Vice President, as chair of NARUC's Executive Committee and as the founder of NARUC's Washington Action Committee. In addition, I was president of the Great Lakes Conference and president of the Board of Directors for the National Society of Rate of Return Analysts and of the National Regulatory Research Institute.

Today, I am beginning my twenty-first year in the private sector as chairman of our national consulting firm, Salmon Ventures Limited and as chairman of the New Jersey Energy Coalition.

PUF: Basketball and coaching seems to have played a major role in your life. You seem to really enjoy coaching.

Ed Salmon: Coaching was a great joy for me. In June of 1964 I graduated from Gettysburg College and got married in the same week. We moved to Millville, New Jersey to begin my work as a physical education teacher and coach at Millville Memorial Junior High School. I was a freshman coach of football, basketball and track & field. At twenty-three, I was promoted to head coach of cross country, basketball and track & field at Millville Senior High School.

My major love is basketball. Our Millville senior high school basketball teams won numerous conference championships and a state title. My coaching career ended with an eighty-three percent winning record. I was inducted into two Halls of Fame. Even today, I still play basketball at 5:30 a.m. in the gymnasium where I taught and coached.

PUF: How did you get started in regulation?

Ed Salmon: My career in regulation began after I lost my last election for New Jersey State Senate. After that, Governor Florio asked me if I would take a seat on the New Jersey Board of Public Utilities as president. And from there, it's history.

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PUF: Well, we appreciate those people that voted against you.

Ed Salmon: I know I do! That loss opened a whole new world for me in the utility world.

PUF: After you left the position at the Board of Public

Utilities, you became very active with your own business and in the industry. Tell me about your businesses.

Ed Salmon: We have two organizations that I have been involved with founding and that I currently serve as chairman. One is Salmon Ventures Limited, which is a national consulting firm where we work with utilities across the country.

We specialize in creating a close working relationship between our associates and our clients to provide the best service possible. We take a team approach when it comes to achieving our clients' goals that includes creating shared services relationships, electric and natural gas buys, efficiency studies, and mergers and acquisitions.

We have been fortunate to be seven for seven with acquisitions and mergers that our firm has assisted with in the past years.

The second organization that I serve as chairman is the New Jersey Energy Coalition. The Coalition is made up of sixty-five major firms that are involved with the energy world in New Jersey. The Coalition's purpose is to educate the public, decision makers, and major players on the energy needs and issues that face our state.

We are very much involved in creating a diverse energy mix in

New Jersey, whether through keeping our nuclear plants open to produce carbon-free electricity or promoting infrastructure that will help cheaper, cleaner natural gas make its way to consumers in New Jersey.

PUF: Mergers are proposed all the time and some are successful, but many are not. Do you have any perspectives on what makes a successful merger?

Ed Salmon: It takes a lot for a merger to be successful. First, you must have a story to tell. Second, the merger must make sense for the ratepayer. Third, the two companies must mesh with one another, you cannot have duplication. Finally, the merger must be in the best interest of the states that the companies are working in. Without these, a merger will not be a success.

PUF: What are the major challenges facing the utility industry?

Ed Salmon: The American utility industry faces several major challenges. These include aging infrastructure; cybersecurity; the need for increased reliability and redundancies in our distribution systems; the ever-growing demand for a diverse fuel portfolio; the ongoing and continued development of renewables; and getting the pipelines required to meet America's energy needs.

PUF: Tell us about the challenges of the U.S. nuclear industry today.

Ed Salmon: Almost all states that have nuclear facilities are currently facing challenges. Each state is working to make sure they do not lose these facilities that provide carbon-free energy. If these facilities shut down, it will have an impact on each of the states. For example, nuclear energy provides more than ninety percent of New Jersey's pollution-free energy. Without the plants, there would be fourteen million more tons of pollution in the air, equivalent to adding three million more cars on the roads.

New York and Illinois have addressed these issues with legislation that provides help to these facilities. New Jersey has also been considering legislation to provide help to plants, should they need it.

PUF: When you were a regulator in the early '90s, did NARUC have a high profile in Washington?

Ed Salmon: I felt one of the most important things I could do, having had a background in government, was to get NARUC involved as a player at the White House and in Congress. I talked to the president of NARUC at the time, Keith Bissel, and together we started the Washington Action Committee.

We visited many members of Congress. Because of the

relationship Keith had with his fellow Tennessean, Vice President Al Gore, we had access to the White House and made them aware of what NARUC was.

PUF: What is one of the things that you're proudest of?

Ed Salmon: This moment came in 1992, when I helped found and was named as the first chairman of NARUC's Washington Action Committee. In that position, I was able to help create a lasting relationship between NARUC leadership, members of Congress, and White House personnel.

PUF: You've also been involved with the NARUC Commissioner Emeritus organization. Tell us about it.

Ed Salmon: I'm beginning my seventeenth year as president of NARUC's Commissioners Emeritus. As a group, we are over four hundred strong, with former Commissioners from all around the country. The goal of Commissioners Emeritus is to keep our former commissioners informed and involved so that we can be a resource for current commissioners.

PUF: And you're still going strong. Do you consult with organizations, do you write, how do you keep involved these days?

Ed Salmon: My days have never been busier. With the help of my business partner Kimberly Schalek Downes, we organized and currently run two firms: Salmon Ventures and the New Jersey Energy

Coalition. Both firms are constantly involved in writing position papers, testifying at public hearings, creating strategic plans and working with key decision-makers in New Jersey and around the country.

In addition, we make every effort to dedicate time and resources to local community groups, as well as to mentoring young professionals with an interest in the legislative and regulatory arenas. We are very active in NARUC. I consider it a privilege to have worked in the utility industry for the past twenty-seven years. **PUF**

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"Investment is a journey of patience, discipline, dogged persistence . . . Plans are detained, diverted, deferred. A hostage to an investment's ultimate resolution. We invest nonetheless. For investment is a homage to the future. Though the future – when an investment finally bears fruit – extends beyond the investor's lifetime. Investing is noble. It is a sacrifice of the present for the future. Investing defies financial analysis in which the principle of discounting pronounces the present to be more important than the future. The investor denies herself or himself today so that days far off shall be enriched." From the Editor, January PUF 2.0.