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Consulting virtue: from judgement to decision-making in the natural gas industry

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Shifts in the terrain of energy politics have given rise to consultant experts who produce and distribute knowledge of energy futures. Drawing on fieldwork at executive roundtables in global cities across North America, this essay examines the consolidation of this form of expertise and the opulent settings in which it is distributed. By exploring the role of aesthetic judgement in market-orientated decision-making, it contributes to anthropological work on elites, expertise, and energy ethics by highlighting the relationship between credibility and luxury. The essay also considers the enrolment of the expert in a kind of virtue ethics, whereby adherence to neoclassical economic principles is taken to be a character trait worthy of emulation. While clients may not look to consultants for advice coded in terms of ethics, I argue that they regard the person-based qualities of consultants as proxies for their ability to recommend a judicious course of action. By adopting this analytic, the essay sheds new light on the confidence that clients place in consultants by drawing out the relationship between depersonalized, quantitative approaches to energy markets and the virtue of the persons who propose them.

In 2002, Ed Kelly was in his mid-forties and senior economist for the consulting firm Cambridge Energy Research Associates. When asked for his advice on energy issues, he would spin tightly knit sentences from memory and would take pride in the weight that others placed on his predictions. Kelly's statements were couched not just in terms of expert advice, but also in terms of a credible disposition. His immaculate features and slightly wooden manner gave me the impression of a man deeply committed to ideals of excellence.

When I first met Kelly, I was the energy co-ordinator for Alaska Governor Tony Knowles and reporting to Larry Persily, Knowles's assistant on oil and gas development. Kelly, Persily, and I met at the Palace Hotel in San Francisco, where, earlier that day, Kelly had delivered his latest market forecasts to executives at a Cambridge Energy roundtable event. Established during the California gold rush, the Palace Hotel had provided us with a room large enough to accommodate a chaise longue and Old World-style armoire, while stamped on the hotel stationery was a gilded two-headed eagle with the words 'The Luxury Collection'. We had gathered in this opulent setting to discuss strategies

for promoting a multibillion-dollar natural gas pipeline that would cross Alaska. Ever since the discovery of a large natural gas reservoir at Prudhoe Bay in the 1960s, state officials have harboured fantasies of delivering Arctic gas to lucrative North American markets thousands of miles away.

Ethnographic research in contexts such as this one raises a number of questions about the social life of energy extraction. What role do consultants play in the promotion of global oil and natural gas development? What is the nature of consultant knowledge, such that it demands to be conveyed in luxurious spaces like the Palace Hotel? What is the broader context for this form of knowledge production in terms of how industry actors understand energy systems? And, finally, how do answers to these questions offer insights into the ethical dimensions of knowledge production in a domain where reliable information is both scarce and prized?

In this essay, I draw attention to a shift in energy planning in the Global North whereby new spokespersons and spaces of knowledge provisioning coexist with older and more established mechanisms for deliberation and oversight. I identify three emergent features of this political landscape: first, the rise of consultant experts who analyse market information to produce knowledge of energy futures; second, the distribution of this knowledge at executive roundtable meetings; and, third, the enrolment of the consultant in a kind of virtue ethics, whereby adherence to neoclassical economic principles is taken to be a character trait of excellence and trust. Taken together, these features suggest a shift in energy planning from calculations based on political judgement to calculations made by economic decision-making.

To grasp the meaning of this shift from judgement to decision-making, I draw inspiration from sociologist Lucian Karpik's (2010) account of qualitative and quantitative choices in commodity purchases. For Karpik, certain types of commodities are unique or singular, including wine, artwork, and the professional services of lawyers and psychologists. Such so-called 'singularities' are marked by uncertainty about quality and therefore do not follow the logic of neoclassical economics by which choices are based on equal access to information about market pricing (see Kopytoff 1986). Neoclassical economic theory attempts to explain prices in terms of interactions between supply and demand, given the substitutability of production inputs. On this view, alternative methods of production exist for each commodity and consumers make rational choices between them on the basis of fully transparent pricing (Garegnani 1990: 76; Morgan 2016). In a letter written to Alaska's revenue commissioner around the time of my meeting with Kelly, Cambridge Energy consultants noted that modelling energy market prices in this way means that 'clients can better understand the forces driving the future'. That is, prices explained in terms of the substitutability of factors of production lay bare how significant uncertainties can affect the future strategically.

By contrast, purchases of what Karpik calls singularities must be made even when the nature of the product and how it is priced remain a mystery (see Appadurai 1986). Such uncertainty calls for qualitative choices, which depend on a synthesis of values and knowledge and for which judgement is ultimately associated with the notion of taste. Here, Karpik draws on the work of Pierre Bourdieu (1984), whose work rescued taste from essentialist doctrines of aesthetics and showed how the everyday judgements it entails are structured by the subject's habitus. That is, while taste may present itself as a naturally occurring phenomenon, Bourdieu reveals it to be a hierarchical, classificatory scheme of judgement with social origins, often shaped and transmitted

through formal education. According to Karpik, judgement – like taste – mobilizes preferences through ‘regulated improvisations’ (Bourdieu 1977: 78) that index social relations as they unfold. Importantly, Karpik grounds this concept of judgement in the judicial system, where legal decisions are handed down on a case-by-case basis by figures who remain personalized.

Whereas judgement consists in and is limited by particular points of view, decision-making, for Karpik (2010: 14), is ‘lodged in a system of equivalences’ set up to produce solutions that are not unique but instead substitutable. While judgement is hierarchical, decisions based on economic calculation assume an egalitarian form in which rational choice is available to all through the transparency of the market. Here, proponents of neoclassical economics align themselves with what Cymene Howe (this volume) describes as the political location of free speech: that is, as a kind of critique that selects ‘frankness over persuasion’ (Howe, this volume, p. 1).

The idea that decisionist knowledge or quantification has a significant role to play in displacing the idiosyncrasies of judgement is by no means a new one. Theodore Porter (1995) describes the nineteenth-century application of statistics to such diverse fields as the natural sciences, engineering, and accounting, displacing pre-industrial regimes of discretion and negotiation that favoured local interests. The result, for Porter, is the centrality of expressions of quantification to more and more aspects of society, serving as a kind of historical substrate for the rise of twentieth-century modernism and arguably signalling a threshold of modernity itself.

More recent studies of neoliberal governance have also identified a post-war form of decision-making that has had powerful effects in corporate management. Samuel Knafo and his colleagues argue that decisionist knowledge emphasizes quantitative and mathematical precision as an attempt to structure a process in explicit opposition to the privileging of judgement through experience (Knafo, Dutta, Lane & Wyn-Jones 2019). These scholars identify insights from game theory and rational choice theory, initially developed by economists working at the RAND Corporation, who model and quantify the uncertain environments in which organizations operate for the purpose of strategic decision-making. Elsewhere (Mason 2006), I connect futures research developed by RAND to the first comprehensive programme by the US Energy Information Administration (EIA) for producing forecasts on the nation’s energy supply system. The purpose of the EIA is to generate reliable data and methods and to produce relevant supply forecasts. Here, *reliable* means faithful representation, verifiability, and neutrality for the purposes of financial accounting, while *relevance* signifies information that has feedback and predictive value as well as timeliness for decision-making. Today, analysts from many of the well-known consulting firms, including Cambridge Energy, began their careers as EIA economists.

Thus, studying energy consultant practices builds on existing scholarship around efforts to promote decisionist knowledge amidst shifting traditional authorities. In this essay, I argue that the spread of consultant-driven neoclassical economic thought can be explained by two interconnected factors: first, *aesthetic judgement* in establishing luxury as a condition for consultant expertise; and, second, a process of emulation rooted in *virtue ethics* as the mechanism for the uptake of consultant expertise.

The growing and perhaps paradoxical importance of aesthetic judgement to decisionist knowledge coincides with a shift over the past few decades towards communicating predictions via new modes of expression for intellectual work. Bourdieu



Figure 1. The energy salon. (Photo by the author.)

(1984: 152) suggests that new ways of organizing intellectual life through brains trusts and think tanks as well as new institutionalized modes of communication arise among intellectual producers who are ‘more directly subordinated’ to economic demands. Neil Pollock and Robin Williams (2015) argue that industry conferences are particularly important in building acceptance of such knowledge and establishing distinctive formats for knowledge production and consumption. Energy development is one of several industries reliant upon such encounters for the alignment of distinct perspectives (Brown, Reed & Yarrow 2017: 15).

As I demonstrate in what follows, the mobilization of Arctic futures has come to require the provisioning of expertise in particular contexts such as executive roundtables, which take place in luxury hotels, art museums, and other elite spaces (Fig. 1). I refer to these settings, where luxurious lifestyles intersect with the work of energy planning, as *the energy salon* (Mason 2015). My use of the term ‘salon’ is meant to evoke a kind of trading zone where purpose, action, and affect mingle towards both instrumental and unintended ends. In such spaces, judgement does not necessarily entail a concern with the sense of goodness associated with deliberation over a set of possibilities (High & Smith, this volume). In the energy salon, the aesthetics of luxury serve as a ‘judgment device’ (Karpik 2010: 44) for discerning the quality of market information. What clients do with this information is, of course, susceptible to ethical evaluation by different parties. But in the process, the association of energy planning with neoclassical quantification becomes naturalized as a mode of action that is beyond reproach.

A second factor in the spread of decisionist knowledge is that the consultants I came to know fostered communities of interpretation that subscribed to neoclassical market rationality but derived their persuasive force from a kind of virtue ethics. Briefly, virtue ethics is a category of moral philosophy that emphasizes the character of the ethical actor in contrast to other varieties of normative ethics that emphasize rules or ultimate consequences (see van Hooft 2014). To be clear, clients of Cambridge Energy were not

necessarily looking to consultants for advice coded in terms of ethics. Instead, efficacy was their primary overt criterion. But clients seemed to regard the person-based qualities of energy consultants as guarantors of their ability to recommend a judicious course of action. The confidence that clients placed in the consultants was at once rooted in a depersonalized, highly quantitative approach to energy markets and in the matchless singularity or virtue of the person who proposed it.

The ethnographic data I present are drawn primarily from debates over Arctic natural gas development, which took place at the turn of the millennium when expectations began to mount about transporting natural gas from the North Slope of Alaska to continental markets. Proposals for a pipeline that could accomplish this task were first considered during the 1970s, when plans for constructing energy infrastructure led to the passage of the Alaska Natural Gas Transportation Act (ANGTA). By the early 2000s, though, energy consultants had embraced a growth imperative underpinned by a model of unlimited global gas development. Stoking expectations of dramatic industry expansion, consultants seized on legacy infrastructures like the ANGTA system as the raw material out of which new logics and systems of meaning could be elaborated. By 2010, these visions had extended across the Arctic from Alaska to natural gas basins in the Russian Barents Sea.

As I demonstrate in what follows, the rise of energy consultant knowledge and the distribution of this knowledge at executive roundtables function to replace political and legal judgements with economic decision-making. The aim of doing so is to establish conditions for making rational choices in a market of large-scale projects. I argue that consultants drive this shift from the qualitative (as reached through deliberative mechanisms like the legislative process) to the quantitative (based on neoclassical ideas of information about price) in a way that is, crucially, routed through the singularity of their own expertise. Consultants go to great lengths to frame markets as a function of relations between energy supply, demand, and price projection, from which competing actors can then make rational choices. If, for Caura Wood (this volume), it is a set of calculative procedures that makes it possible to render the qualities of prospective hydrocarbon sites into imagined economic assets, I argue that energy consultants and their clients take abstraction one step further by investing the qualitative dimensions of judgement in the figure of the expert. Here, the luxury of the executive roundtable, which requires aesthetic discernment to parse and participate in it, also thematizes the discernment that is needed if clients are to align themselves not just with any expert, but with the right one.

Has the rise of the consultant expert, who can speak in the name of the market, short-circuited a democratic sense of deliberation and oversight that characterized previous regimes of energy regulation? The nostalgic tone that many of my informants slip into when discussing the pre-consulting era might suggest so. I am wary of romanticizing the kind of turf wars between oil companies and federal agencies that I discuss below, because these power struggles were carried out in the context of more fundamental forms of collusion: the closed-circle, backroom arrangements of public utility officials, industry leaders, legislators, and technocratic elites who presided over much of the expansion of twentieth-century energy systems. Yet, analytically speaking, I am convinced that it is important to describe shifts in the terrain of energy politics, even without a normative stance to fall back on. Such an approach to energy ethics seeks to describe the material and epistemic processes by which the contingent becomes normative and even necessary.

Of quantities and qualities

Energy consultants like Ed Kelly gained prominence during the 1980s during a period of regulatory transition in North American natural gas markets when a highly integrated industry morphed into one composed of distinct, but interlocking segments. Before this restructuring, pipeline companies moved natural gas from producing areas in Western Canada, the Rockies, and the Gulf of Mexico to consumers on the East and West Coasts of the United States. Under the supervision of federal and state regulators, pipeline companies purchased gas at the production source or well-head, then gathered, treated, processed, compressed, stored, and transported it before delivering it to customers. Today, though, pipeline companies provide only transportation; all other merchant activities are performed by independent companies or by pipeline affiliates subject to the new regulatory mandates of open service.

The transition from integrated pipeline service to today's fragmentation has seen the emergence of distinct market segments which provide a host of services along the interconnected pipeline grid system. These segments operate alongside and in conjunction with gas commodity markets and include: gathering and processing; pipeline transportation; marketing and trading; management of market centres or 'hubs'; storage; and packaging of gas-related financial instruments. Each exerts an influence on the prices realized by producers at the well-head, as well as on end-use prices paid by consumers.

If there is one set of actors that straddles all aspects of today's gas industry, it is marketing companies. Gas marketers handle more than 80 per cent of natural gas consumed in North America. Their activities serve to link the production and distribution of natural gas to facilities like power stations that assemble gas supplies, hold and repackage them as necessary, and make deliveries to a portfolio of gas customers. Competition among marketers, coupled with the opportunity to earn unregulated profits, has created a demand for innovative services. The proliferation of marketing firms has spurred growth and innovation in related activities. The marketers' need for information has, in turn, created robust opportunities for firms such as Cambridge Energy which collect, interpret, analyse, and distribute information relevant to gas buyers and sellers, including information about weather, future prices of gas and other fuels, transactions, demand patterns, storage flows and levels, and much more.

Energy consultants rely on abstract models to advance particular market futures. Following Koray Çalıřkan and Michel Callon (2009a; 2009b), I understand future-making in terms of an interplay of institutions, material entities, socialization practices, and ways of seeing and speaking that serve to establish authority (see also Boyer 2005; Carr 2010). Susanne Wengle (2012), for instance, also frames this interplay in terms of market-shaping phenomena by describing shifts in the Russian power sector which have contributed to a transnational process of cultural evaluation constructed and configured by agents engaged in valuation practices.

My initial research in this space was structured by my role as a participant observer in the Office of the Governor of Alaska in Washington, D.C., where I worked on legislative issues related to the Alaska natural gas pipeline project. In this role, I became familiar with Cambridge Energy's Member Executive Roundtable Sessions. Following Peter Adey (2014), such events may be considered elite premium networked environments that take place in expensive hotels located in global cities; I have, over time, attended roundtables in Washington, Houston, San Francisco, Calgary, and Mexico City. At each roundtable, six or seven Cambridge Energy experts give individual talks lasting fifteen

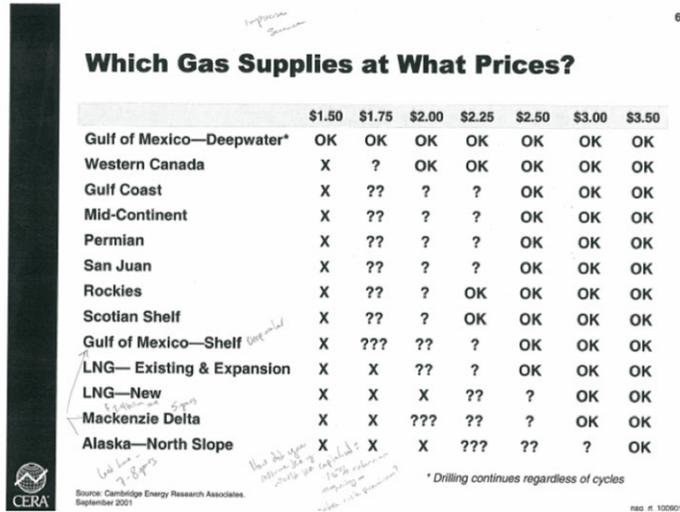


Figure 2. Natural gas supply regions lodged in a system of equivalences. (Reproduced courtesy of the PanArcticon Energy Archives.)

minutes each. The expert stands near a wall-screen onto which PowerPoint slides are projected. Clients observe and listen, but also follow along in an agenda booklet that they are issued upon arrival. This booklet contains reproductions of the slides that are being shown by the expert. Often clients scribble notes in the booklet, an activity that I came to understand as an effort to elucidate the relationship between the printed material and its meaning as explained by the expert. The tempo of scribbling would often pick up during Q&A sessions, when clients worked to transcribe points of expert clarification.

In Figure 2, I include an example of my own jottings in an agenda booklet. I do so to illustrate that the printed material itself does not tell the whole story, but requires added-value notations that draw on the singular expertise of the speaker. Clients saw the roundtables as encounters with charismatic individuals and not just conduits of information. As Larry Persily, whom I introduced above, explained it:

You're in a room with people who do this [market analysis] for a living. From that, you get a consensus on where gas supply and demand and price is headed. You get a consensus on what the rest of the world suppliers, users, utilities, are thinking. What are they planning on, what are their expectations, what do they think is going to happen? Because no one knows what's going to happen.

Note the date when the printed graphic was created in the bottom left corner of the page; this indicates the relevance or freshness of data and analysis. The timeliness of Cambridge Energy data series was important in providing adequate and accurate information for market analyses and policy decisions. Price fluctuations impose substantial risk on capital-intensive projects that require long lead times, such as the Alaska natural gas pipeline. Unpredictable pricing was also said to have deleterious consequences for natural gas consumers by increasing the risk associated with the operating costs of natural gas facilities. Restructuring in the industry facilitated the design of new data collection instruments, redoubling efforts by the EIA to assure data quality, accuracy, and timeliness. Cambridge Energy relied on EIA data and often

cited the organization directly. Yet the comparative advantage for getting this data from Cambridge Energy was the firm's ability to repackage it into market-specific analyses.

In learning to decode the various symbols and words ('X', '?', 'OK') that are put to use in this chart, the client would become acquainted with comparative cost estimates for various developed and proposed natural gas projects. This chart provides a real-time assessment of the cost of bringing units of natural gas to the marketplace. The cheapest paths for natural gas delivery are listed at the top. So, for instance, both Gulf of Mexico and Western Canada natural gas could be delivered to market at \$2 per thousand cubic feet of gas (Mcf). These sources are listed at this price with an 'OK'. However, at a cost of \$1.75 Mcf, delivering Western Canada gas to market becomes questionable ('?'), while Gulf of Mexico gas remains profitable ('OK'). At the bottom of the chart, Alaska gas is presented as the most costly to deliver to the marketplace. It is shown to be 'OK' only at \$3.50 Mcf.

While from a regulatory perspective, these energy regions differ as to how proposed developments might turn a profit, they appear in the chart and at the roundtable as, in Karpik's terms, 'lodged in a system of equivalences' (2010: 14). The basis of equivalence in this case is the relationship between natural gas supply and US energy demand. Most consultants viewed the US gas market as growing incrementally. They would therefore direct clients to protect market prices by avoiding large influxes of supply. Practically speaking, this required an economic environment in which individual supply sources would compete with each other in a sequence of staged developments. From the perspective of officials from Alaska, then, the chart indicated which other sources were most likely to compete with Alaska to fill the incremental gap between North American demand and supply. The development of other supply sources, while it exerted downward pressure on price, also jeopardized the economic fundamentals of demand for Alaska gas.

Each roundtable session that I attended lasted half a day and was given a title referring to the corresponding advisory service provided by Cambridge Energy. Clients, who included high-ranking individuals from private firms, government agencies, and other stakeholders along the energy value chain, sat around a U-shaped table and asked questions in polite, rapid exchanges. In the process, they gained and shared new insight about the functioning of energy markets. For the uninitiated, though, the significance of these exchanges, the visual materials they draw on, and their relation to a market out in the world might not be readily perceived.

At the beginning of my research, the idea of reducing the future to such an arcane set of symbols and acronyms seemed like a vast simplification. For Cambridge Energy experts and their clients, however, the arrangement of these quantifiable elements served to propel their expertise and its material effects into the future. This is because, as Karen Hébert and Samara Brock (2017) have pointed out, quantification enlivens registers of knowledge and experience. By accumulating individual numbers and interchangeable units, experts can build powerful stories of uniqueness. In this way, the qualitative, forward-looking judgements of energy consultants are visible signs of their associated quantities. Indeed, these quantities and the need to constantly refresh them might be said to reproduce the aura of uniqueness of qualitative reasoning by accelerating its depreciation.

Over the course of my work at the Office of the Governor of Alaska, I learned to summarize roundtable sessions. These summaries consisted of three typed pages which addressed whether competing gas supply sources were expected to be developed,

the time frames of development, and the elements, forces, movers, and uncertainties that favoured or deterred development. I circulated these reports to other officials in Alaska's state government, particularly at the Departments of Revenue and Natural Resources. Looking back at these documents today, I am struck by the emphasis that I was expected to place on the interplay of quantifiable qualities, measurable units, and quantities expressed as value. These data can be understood as crystallized economic and political relations. Quantities, the anthropologist Paul Friedrich (1989: 298) observed, often 'obsess' our informants during periods of historical change because they enable systematic realignments and reorientations.

Yet if the stakes of quantification were high for energy market actors, executive roundtable events were spaces where numbers could be curated in authoritative ways. The energy futures on offer at these events were commodities whose uncertain value to a great extent relied on trust. Consider this statement by a strategic planning analyst for the gas marketing firm KeySpan whom I met at a Cambridge Energy roundtable:

Our company needs to look at prices. We need to have supply for the customers [and know] when the prices will go up. We need to know that to let the customers know. We've been working with Cambridge Energy for a long time. We always renew the contract to get the Internet subscription and a spot to attend the roundtables. One time, they came in [to our offices] when we did scenario planning, to project the future and how the company could respond to different scenarios. They've been doing it for a long time, so people trust them in one way or another. Because internally, you're interested in [gas pricing and storage] but you don't have the time to develop that; as a company you only have so much resources and time. A lot of times, price projections and scenarios are important for us. Internally, I don't know if we have enough people to develop certain things so we look out, and [Cambridge Energy analysts] are the ones that we've been looking at.

Since firms like KeySpan lacked the capacity to produce projections of their own or even to validate the forecasts they were presented, assessing the quality of this knowledge required non-expert forms of judgement. Over time, I saw that representatives of such firms seized on the incidental features of luxury found at these roundtables as a way of dispersing judgement about the quality of consultant knowledge so that it was not solely directed at the speaking subject of expertise. In fact, after attending other roundtables that were viewed as insufficiently luxurious by participants, I became convinced that the aesthetic dimensions of these events and, specifically, the performance of luxury served as a proxy for the quality of the expertise on offer.

In moments when outdated technology or the absence of high-end retailers signalled a breakdown in the aesthetics of luxury, attendees openly complained about the quality of the event as a whole. It was as if knowledge provisioning and incidental luxury were bound up in what Marcel Mauss called a 'total social fact' (1990 [1925]: 3). I first became attuned to the linkage between aesthetics and credibility at Cambridge Energy's annual CERAWeek event after it was moved from the ageing Galleria hotel in Houston to the newly built Hilton Americas. Many of the attendees with whom I spoke told me, with a sigh of relief, that CERAWeek was now 'back on the A-list': that is, the expertise on offer at CERAWeek was now more credible because of its adequately luxurious surroundings.

A different connection between credibility and luxury at such events is access to knowledge and networking through the astronomical cost of attendance: \$7,000 to \$15,000 for three days. This point occurred to me at the Hilton Americas during 2010 CERAWeek when a few energy executives and event participants, myself included, gathered at the hotel bar for after-dinner drinks. In one exchange, Jad Mouawad, then energy reporter for the *New York Times*, deadpanned that the cost of staying

at the Hilton Americas was too expensive for his travel budget. More earnestly, he stated that staying at a cheaper off-site hotel in no way compromised his experience of CERAWeek. Unconvinced, the executives began teasing Mouawad over the missed personal exchanges that came from not staying at the hotel and the appearance of professional underachievement as indicated by an inadequate expense account. Staying off-site in a less luxurious hotel threatened the possibilities for achieving the knowledge acquisition and authoritative presentation of self for which roundtable attendance represented a bid.

Like expertise, luxury is distinguished from the world of interchangeable objects and operations. Indeed, it carries a sense of matchlessness (Gundle 2008). As a visible signature that affirms the presence of qualities that are both unique (Klingeis 2011) and superfluous (Featherstone 2016), luxury is taken to say something about the sort of persons who can command it.

Virtue ethics

What does the ethical life look like in action? Virtue ethicists from Aristotle to the present day have concerned themselves with human excellences that are deep and broad rather than mere habits. These involve ‘caring strongly about certain things and reasoning wisely about them’ (Russell 2013: 17). Thus, virtue ethics offers guidance not by offering rules to follow but by offering exemplars of how to become the sort of person – or, crucially, organization – that can act rightly. In this way, virtue and its aspirational emulation are distinguished from a prescriptive focus on deeds or rules of conduct (van Zyl 2018).

In a related discussion, the sociologist Steven Brint (1996) has analysed the stratification of ethics and conduct as a shift in social trustee professionalism. Where the highly educated once performed their social role in the name of ethical standards, Brint argues that since the 1960s professionals have become vital in creating market value by applying expert knowledge across industry and political sectors. Porter (1995: 110), too, refers to a narrative about professionals as ‘gentlemen of character’ as a strategy for legitimacy. Following these scholars, I propose a repurposing of virtue ethics for the theorization of energy expertise. Consultant experts, with both the content and the form of the advice they give, come to embody the right functioning of the market (and, implicitly, the distribution of rewards that justly follows from it). Clients then come to bring both their individual comportment, which must not be dissonant with the luxurious setting in which expertise is imparted, and the business decisions of the organization they represent into alignment with those of the consultant as exemplar.

To illustrate these points, let me return to the private client meeting at the Palace Hotel with which this essay opened. As part of incentivizing construction of a \$20 billion natural gas pipeline, state officials in Alaska were at the time advocating for a fiscal instrument that would compensate shippers of natural gas should the price fall below a certain benchmark for profit. This benchmark was known as a ‘commodity price floor’, and it would trigger a tax credit for the shipper if the price of gas fell below 52 cents per million British thermal units. Members of Congress from other states opposed the commodity price floor, as did competing gas producers and the Canadian government, as an unnecessary corporate subsidy that would inhibit so-called ‘organic growth in the market’. Opponents argued that the need for more natural gas should not be used as an excuse to set up an uncompetitive delivery system or to guarantee profits for a specific group of producers well into the future.

In reaching out to Ed Kelly, then, Larry Persily and I were seeking counsel on how to counter these objections to the commodity price floor. Several weeks earlier, the US Senate had voted in favour of a bill whose language included the tax credit mechanism for putting the price floor in place. Days after the bill passed, though, critical responses began to appear, including a letter in the *Wall Street Journal* from Michael Kergin (2002), then Canadian Ambassador to the United States, which singled out the tax credit as ‘a vast subsidy providing tens of billions of dollars in transfers from US taxpayers to producers of Alaska gas’. At the Palace Hotel, Larry Persily told Kelly that he wanted feedback on ‘how to advocate the commodity price floor’.

At first, our description of the tax provision did not seem to capture Kelly’s interest. As a political operative, Persily wanted Kelly to weigh in on what impact the tax provision might have on the overall market outlook. Given the prospect of confrontation with the measure’s critics, Persily wanted to know what their arguments were likely to be in terms of Kelly’s own neoclassical script. This was a familiar perspective for Cambridge Energy analysts to articulate. Using State of Alaska projections, Persily explained how an abundance of natural gas shipped to market from Alaska would drop prices more than would be paid out by taxpayers through the credit. The precise question he posed to Kelly was: ‘Given elasticity with respect to volume, how much would price drop? And if it’s large enough, can we promote the statement that “policywise, consumers are winners”?’

Kelly shook his head and let out a sigh. He looked at Persily and, with an air of scepticism, responded: ‘That may not be the most intellectually honest argument to make, given that we have three years of organic demand growth’.

Here, Persily interrupted to clarify his reasoning. Yes, he granted, the Alaska pipeline project, if built, would disrupt three years’ worth of relatively high-cost natural gas production in Canada and Texas. But that same high-cost production would, he argued, become profitable again because of economic growth and increased demand resulting from the availability of low-cost gas from Alaska. Kelly, speaking with dramatic distinctness, replied: ‘But those gas producers are still out 4.5 billion cubic feet [Bcf] no matter what. Right now, it is a 61 Bcf market in the US. The argument that consumers get lower prices because there’s a recovery for postponed gas production? We don’t actually need the Alaska project until 2015’.

With this, Kelly made the argument that whoever already held market position should not be pushed out by regulatory design. To devise political mechanisms for doing so would be a violation of the market’s organic unity, on behalf of which he spoke. But Persily persisted: ‘Will existing production be postponed, though? Will there be a price drop on gas from other areas with Alaska gas flooding the market?’

In responding, Kelly conjured a different, more ambivalent energy future than the one Persily had in mind. In doing so, he laid claim to a kind of market-based virtue through his responsibility for caretaking the future of the industry. He told Persily:

As long as we’re playing this conceptual game, there may be very little elasticity. What will actually occur is that prices go down in anticipation of new gas. It comes down to a level where development ceases and enters a fuel-switching layer [at which consumption shifts to a different, usually cheaper fuel]. The assumption is that, with natural gas prices below oil, switching occurs. Let’s say there’s 2.5 Bcf market capture of natural gas from oil.

As price begins to drop, Kelly forecasted, all industry sectors would take notice. Those sectors using oil or coal would begin to switch fuels in favour of cheaper natural

gas. But this shift would increase demand as capacity expanded, which would again force up price. Persily did not want to be sidetracked by such ripple effects, and shot back an actual figure that consumers might save (per thousand cubic feet of natural gas) as a result of the tax credit's implementation: 'So, would you say \$0.39?' It was at this moment that Kelly reminded us, with his own virtue on the line, of the value he placed on his own predictions: 'I know better than to say a specific number, where "Cambridge Energy says this is the figure consumers will save", and then it's in all the newspapers'. Here, quantification failed (or was set aside) so as to preserve the qualitative assessment of Cambridge Energy as a trusted arbiter. Besides, Kelly added, returning to his neoclassical catechism, 'the legislation you're talking about is utility supply planning for the benefit of consumers. It's a form of national utility supply procurement'.

Persily protested, with a catch in his voice that acknowledged he'd been beaten: 'Yes, but there are federal price supports for sugar'.

'Not nearly the same thing', Kelly snapped.

By speaking above what he framed as the petty interest mongering of energy-producing regions, Kelly worked to burnish the reputation of Cambridge Energy for transcending industry politics and thus enabling competitors to sit down together and work in their shared interests. But this apparent neutrality is also paradoxical, in that Kelly's desire to avoid committing to a particular number was hardly disinterested. That is, even as Kelly spoke on behalf of an impersonal market, he also spoke from the particular location of Cambridge Energy, a firm deemed to be trustworthy within a field of knowledge producers with its own share of hacks. Thus, Kelly's virtue ethics demands an aesthetics of disinterest as a means of reproducing an image of Cambridge Energy as one of a handful of knowledge leaders whose aim is the monopoly over the legitimate production of neutrality.

Terms and conditions

It is worthwhile to illustrate how the different regimes of judgement and decision-making in energy planning are bound up with different concerns of contestation and alignment. If, as I have argued, the rise of consultant knowledge and the luxurious spaces of its provisioning have changed how energy planning is undertaken in the Global North, then it is instructive to consider how decisions around the very same pipeline project were adjudicated before they were routed through experts like Ed Kelly. In February 2003, vice-presidents of BP, ConocoPhillips, and ExxonMobil, then sponsors of the pipeline project, sent a jointly signed letter to Alaska's Congressional delegation in support of legislation to expedite construction of the pipeline. Attached to the letter was proposed language that, the writers stressed, should be included in any legislation enacted by Congress. 'There is nothing in the enclosed language that should surprise you', the letter explained, noting that it also appeared in a proposal that passed the Senate the previous year. It went on to say:

We arrived at this language after a long, substantive process in which *all* interested parties had an opportunity to provide input, including the State of Alaska. Therefore, we strongly urge you to resist any attempt to further wordsmith the language. If the language is opened again, there will be countless efforts to pursue further changes. Considering the cost and risks associated with the Alaska Gas Pipeline, further modifications will weaken support for this legislation and undermine the \$20 billion pipeline project. We stand ready to, again, offer all of the assistance we can to move the Alaska Gas Pipeline closer to reality.

How is it that language, whether open or closed, can undermine the reality of a \$20 billion energy transportation project? And what is the ‘reality’ of a \$20 billion project that is vulnerable in this way? A crucial distinction, I argue, between the legislative process and the executive roundtable rests on the status of the differences between written and spoken language. If the former operates on a text-based framework that builds on juridical precedent, the latter distributes forecasts and scenarios in the form of visual materials that are assembled, but rarely contested, through economic evaluation. Judgement is deployed in the former through text, while decision-making holds sway in the latter through the interplay of images and virtuous expertise.

To draw out this contrast, consider the ANGTA, and in particular the associated transportation system documents that would define an initial vision for the Alaska pipeline. During the 1970s, the United States confronted energy shortages, including insufficient natural gas supplies. Energy producers seeking ways to bring new supplies to market filed three separate proposals with the Federal Power Commission (FPC) seeking authorization to construct transportation projects for Alaska’s North Slope natural gas. The applications set off a contentious and litigious proceeding before the FPC, in which competing applicants vied to be picked to build a natural gas pipeline. The shortcomings in the FPC’s process were referred to Congress and resolved, not through an appeal to economic decision-making, but with a debate over and the eventual passage of the statute known as the ANGTA.

One key question around the ANGTA was the role of a federal inspector with the authority to oversee pipeline construction. The first person to occupy this role was John Rhett, a civil engineer. Rhett oversaw construction of the southern segments of the pipeline, which today deliver Canadian gas to the United States and are known as the ‘pre-build’ in anticipation of the expected construction of an Alaska-to-Alberta pipeline. At the time of Rhett’s appointment, one concern of Congress was whether he could adequately monitor inflated construction costs, which would raise the price that consumers would pay for gas. Members of Congress feared that Rhett might become too cosy with the sponsoring firms and forget his responsibility to audit cost controls. In a conversation between Rhett and California Congressman William Dannemeyer during a 1983 hearing (Congressional Record 1983), Dannemeyer asks Rhett: ‘Are you a friend of the banker, or a friend of the consumer?’

‘Being a portion of the government’, Rhett replies, ‘I would hope I am a friend of all, trying to do what is in the best interests of the country. I guarantee you, there is no problem [with] our being too cosy with [the bankers]. There is much blood that is lying on the floor in many of those conference rooms’.

Dannemeyer responds: ‘You know, you are a very charming man, but you would, I think, give a better impression to this member from California if you would not smile so much when you talk about blood on the floor’.

Reading between the lines of these historical statements, Rhett would seem to be emphasizing his own ethical credentials by associating bankers with blood on the floor. But Dannemeyer reads his own affect back against him, noting that while his words say one thing, his smile says another.

In 1982, the companies sponsoring the Alaska-to-Alberta pipeline segment had difficulty attracting financing and suspended construction. In time, one of Rhett’s successors recommended dissolution of the position, noting in a letter to the President that ‘times have changed’. Congress agreed and transferred the office’s powers to the Department of Energy. But in 2003, with the prospect of restarting pipeline construction

on the horizon, the Federal Energy Regulatory Commission (FERC) requested guidance on how, specifically, those powers would be exercised.

At this point, Alaska's Congressional delegation called for legislation that would create a separate Office of the Federal Co-ordinator, with many of the same functions as the previous federal inspector. But FERC did not relish the prospect of being subject to the new co-ordinator's veto power. They made their objections known and a new version of the pipeline legislation was drafted with the co-ordinator's powers cut back significantly. But the sponsoring oil companies began lobbying legislators to include an official on the project whose interest was aligned not with the federal government but with the marketplace, as reflected in the proposed legislative language that they submitted. At one meeting that I attended, a lobbyist argued that a diminished role for the federal co-ordinator would leave FERC with 'virtually unlimited authority to unduly delay and add to the cost of the pipeline'. Moreover, the lobbyist added, 'there would be no check by those putting up the capital, who are taking the economic risk to build the pipeline'. Sceptical, legislators asked lobbyists to provide examples of instances when FERC had imposed 'terms and conditions permitted, but not required, by law' that had delayed other pipeline projects. While the original text of the ANGTA had included this language, the actual dynamics of federal oversight meant that no examples could be found.

This contestation over the role of the federal inspector/co-ordinator illustrates the regime of judgement that I argue precedes the regime of decision-making. Energy planning, in this era, was bound up with the turf wars of different government agencies. Significantly, though, the oil companies were forced to go through the legislative process in hopes of installing a regime of economic decision-making.

From hearings to roundtables

In the transformations I have discussed in this essay, I mark a distinction between, on the one hand, economic experts who are said to transcend proprietary attachments to the interests of their clients and, on the other hand, public officials and the technocrats reporting to them, who are said to remain tethered to either local interests or regulatory tidiness in a way that makes them incapable of advocating an industry-wide horizon of expectation.

As the former group has gained influence, knowledge within the energy system is increasingly back-ended and supplied by 'partial intellectuals' (Bauman 1987: 114) on whom both industry and government rely. Economic knowledge, here, emerges as in the vanguard and is presented as capable of making claims on behalf of impersonal forces, including the market and the future. As a result, this knowledge becomes attributed with a prestige value as its independence from local entanglements is positioned as an inherent attribute. In this context, executive roundtables offer the possibility of presenting knowledge as neutral so as to enrol competing parties in a shared setting. Yet, by linking the reliability of that knowledge to the aesthetics of luxury, on the one hand, and the personality-based virtue of the consultant, on the other, relationships of quantity and quality come to depend not only on the assembly of data, but also on its abstraction in the event itself.

In this way, roundtable events complicate the notion of a straightforward turn from qualitative to quantitative decision logics by replacing the rituals of constitutional politics not with the impersonal market, but with a highly crafted stand-in for it. As Thomas Princen (2005) has argued, experts claim that they will dodge the effects

of labour market restructuring because expertise is unique and not open to greater efficiencies. As with luxury, expertise is said to be matchless. By staging decisive points of view in elite settings, energy planning thus increasingly appeals to an image of rationality that derives neither from the endeavour to control energy-based power (as in techno-scientific rationality) nor from the competition for regulatory power (as in bureaucratic rationality). Rather, it arises from the calculated display of neoclassical quantification as a form of ethics that is, perversely, beyond critique.

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La vertu de la consultation : du jugement à la prise de décision dans le secteur du gaz naturel

Résumé

L'évolution des politiques énergétiques a suscité l'apparition d'experts consultants qui produisent et diffusent un savoir sur le futur énergétique. Une ethnographie de tables rondes réunissant des cadres d'entreprises dans des grandes métropoles d'Amérique du Nord permet l'examen de la cristallisation de cette forme d'expertise et du cadre opulent dans lequel elle est dispensée. En explorant le rôle du jugement esthétique dans la prise de décisions concernant les marchés, l'article contribue au travail anthropologique sur les élites, l'expertise et l'éthique de l'énergie, en mettant en lumière le lien entre luxe et crédibilité. L'analyse porte également sur l'engagement de l'expert dans une sorte d'éthique de la vertu, dans laquelle l'adhésion à des principes économiques néoclassiques est considérée comme un trait de caractère digne d'être imité. Bien que les clients ne demandent pas aux consultants de formuler leurs conseils suivant des principes éthiques, ils considèrent les qualités personnelles des experts comme un substitut de leur propre capacité à recommander des mesures judicieuses. Cette approche analytique éclaire d'un jour nouveau la confiance que les clients font aux consultants en dépeignant les liens entre les approches quantitatives et dépersonnalisées des marchés de l'énergie, d'une part, et d'autre part la vertu des personnes qui les proposent.