

CURBING ELECTRIC UTILITIES' POLITICAL INFLUENCE

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EXECUTIVE SUMMARY

Virginia's weak campaign finance laws combined with the monopolies granted to Virginia's electric utilities reward these corporations with undeniable influence in shaping energy policy. Dominion Energy, Virginia's largest utility monopoly and largest corporate donor,¹ can give unlimited money directly to the lawmakers in charge of regulating them. This flawed system drowns out the voices of everyday Virginians and opens the door for Dominion Energy to essentially regulate itself. It is time we shift more political power to Virginians by banning political contributions from electric utilities to the very lawmakers responsible for regulating them.

CHALLENGE

Virginia grants investor-owned electric utilities Dominion Energy and Appalachian Power Company a monopoly in their respective service territories. In exchange for a captive customer base, Virginians are entitled to diligent regulation and oversight by the General Assembly. Instead, due to Virginia's abysmal lack of campaign finance and ethics laws, this regulatory contract permits Virginia's utility monopolies to pour millions of dollars into Virginia politics each year, including giving large sums to the chairs of powerful legislative committees. Further, lawmakers can own stock in these corporations and vote on measures that can potentially increase their personal wealth.

Virginia's electric utility monopolies alone have donated \$16 million² to Virginia legislators since 1996 to influence public policy in their favor. Utilities often wield the influence and political power these contributions bring against the interests of Virginians. Specifically, Dominion and Appalachian Power often lobby against more distributed and affordable renewable energy measures like rooftop solar and stronger regulatory oversight from the State Corporation Commission (SCC). As a result, Virginians pay

some of the highest energy bills in the nation. Additionally, Virginia's captive customers have no choice but to subsidize their electricity provider's political spending every time they pay their monthly bills, which are some of the highest in the country and place a disproportionate burden on low-income and fixed-income communities.

This severe power imbalance and system of self-regulation makes it difficult, if not impossible, for Virginians to have a meaningful say in energy policies that directly impact them.

SOLUTION

Virginians would benefit from a more equitable and fair legislative process that ends unjust influence. Over half the country bans these kinds of political contributions in some form, and 22 states ban corporate contributions altogether.³ A simple law prohibiting public utility monopolies from contributing to the political campaigns and committees of lawmakers would help restore balance to Virginians' political power by shrinking the outsized influence of electric utilities on the legislative process. Publicly-regulated utilities include a specific set of corporations in Virginia that provide public services - electricity, gas, water and sewer - and have been granted a monopoly by the state.

POLICY RECOMMENDATIONS

Prohibit public utility monopolies in Virginia from contributing to the political campaigns and committees of the government officials who are tasked with regulating them.

Ban members of the General Assembly from owning stock in any public investor-owned electric utility.

Monument Avenue, Richmond

Photo by Andre Eanes

