CURBING MONOPOLY UTILITY POLITICAL INFLUENCE

Elisabeth Chaves // Virginia Organizing // elisabeth@virginia-organizing.org
Wes Gobar // Clean Virginia // wes@cleanvirginia.org

WHY IT MATTERS

Virginia's largest **investor-owned utilities (IOUs)**, **Dominion Energy** and **Appalachian Power**, have spent tens of millions of dollars shaping state politics to favor shareholder profits over the public interest. NextEra Energy's proposed acquisition of Dominion threatens to increase utility influence over state policy.

Virginia's IOUs have consistently wielded political influence to advance fossil fuel projects and block clean energy development. Utilities also pushed for laws preventing the **State Corporation Commission** from resetting electricity rates, allowing Dominion to overcharge ratepayers by roughly $2.9 billion from 2009-2020.[1,2] The impacts of utility political influence fall hardest on low-income, rural, and minority households, who spend a greater share of their income on disproportionately higher electricity bills and are most likely to have polluting fossil fuel infrastructure placed in their communities (*see Environmental Justice, page 131*).[3,4]

NextEra, already the nation's largest utility, has the capacity to far exceed Dominion's influence. Dominion reported $63 million in overall political spending versus $126 million from NextEra and its subsidiaries, between 2010-2025.[5,6,7,8,9] However, leaked documents revealed NextEra laundered tens of millions through fake shell entities.[10] NextEra's subsidiary, **Florida Power & Light**, was implicated in a scandal to engineer a favorable supermajority by funding spoiler candidates in close state legislative races and manipulating media coverage. The scandal led to a formal Federal Election Commission investigation, the CEO's resignation, the felony conviction of a former state Senator, and a $150 million payment from NextEra to settle allegations that it lied about its role in the scandal.[11,12,13] In Florida, utilities employ more than one lobbyist for every two legislators.[14,15] And NextEra's customers deliver the 2nd highest percentage of utility bills towards corporate profit in the nation (27.4% versus 17.8% for Dominion).[16]

CURRENT LANDSCAPE

Virginia is one of only four states in the U.S. without laws preventing corporations, including utility monopolies, from making unlimited political contributions.[17] 23 states outright ban corporations from making political contributions from their general treasury accounts to candidates, political action committees, or political parties. Corporate political activity in these states must be conducted through a segregated political action committee solely funded by individual contributions from employees or shareholders. 23 states place contribution limits on corporate political donations. Oregon became the latest state to pass contribution limits in 2024.[18]

Federal law prohibited utilities from making direct political contributions to local, state, and federal political parties and candidates until 2005 when Congress repealed the **Public Utility Holding Company Act of 1935 (PUHCA)**.[19] After PUHCA's repeal, states without corporate contribution limits or bans on utility spending saw an average increase of $58,000 per year in utility political spending than states with corporate contribution limits. In turn, those states also authorized higher returns on equity for utilities, leading to around $4 million more in utility profits from customers each year.[20]

No Virginia law explicitly prevents utilities from recovering the cost of lobbying from ratepayers. Utilities also are not prevented from recovering from ratepayers the costs of other political activity, including trade association dues, institutional and goodwill advertising, and charitable contributions made to gain political favor. This creates a serious conflict of interest when monopolies can use profits from captive customer bases on unlimited political contributions and influence campaigns to influence the policymakers overseeing the laws and regulations that apply to them.

OPPORTUNITIES

The potential acquisition of Dominion Energy by an even bigger, wealthier, and more politically active utility company could exacerbate existing problems. Virginia could follow other states' lead and place meaningful restrictions on utility political spending. Prohibiting political donations from publicly regulated monopolies—companies that serve captive customers and are subject to state oversight—can reduce conflicts of interest and help ensure that decision makers remain accountable to the public rather than to their utility donors.

For example: Alabama, Georgia, and Mississippi prohibit utility contributions to Public Utility Commission elections. New Jersey and Massachusetts ban both direct contributions and third party electoral communications from public utilities. In November, Michigan voters will decide on a ballot measure to prohibit regulated electric and gas utilities, contractors with over $250,000 in annual government contracts, and organizations or individuals with substantial connections to those utilities or contractors from making direct or indirect campaign contributions to candidates for statewide offices,

Elisabeth Chaves // Virginia Organizing // elisabeth@virginia-organizing.org
Wes Gobar // Clean Virginia // wes@cleanvirginia.org

state legislators, certain local offices, and ballot measure committees.[21] In practice, this would also prohibit executives, lobbyists, large shareholders, board members, and non-profits associated with utilities or contractors from donating to campaigns or politically non-profits associated with those campaigns.

Ultimately, policies such as these can create a regulatory and political environment more responsive to consumer needs, public health, and climate goals.

TOP TAKEAWAYS

Virginia is one of only four US states without restrictions preventing utility monopolies from making unlimited political contributions. Virginia's IOUs have consistently wielded political influence to advance fossil fuel projects and block clean energy development.

Political campaign contributions from regulated utility monopolies create conflicts of interest in energy policymaking and lead to higher levels of utility profit in states with unrestricted utility political contributions.

There is an ongoing proposed merger between NextEra Energy and Dominion Energy. NextEra Energy spends at least 2x more than Dominion Energy on political activity and has been implicated in several political influence corruption scandals.

The purpose of this information is to analyze and explain the operation of the current regulations in a nonpartisan way. Virginia Conservation Network does not seek to influence the outcome of any candidate election.

ENDNOTES

1. *Electric sales, revenue, and average price: Table 6. Residential sector* (Data for 2024). (2025). U.S. Department of Energy. https://www.eia.gov/electricity/sales_revenue_price/
2. *SCC presentation Utility Rate-Making 101.* (2024, December 20). Virginia Department of Energy. https://energy.virginia.gov/public/documents/Stakeholders/SCC_DOE%20Ratemaking%20101.pdf
3. Keith Majors (February 15, 2023). *Rebuttal Testimony of Keith Majors Before the Missouri Public Service Commission in Union Electric Company d/b/a Ameren Missouri, Case No. ER-2022-0337* (Staff Exhibit 150, Missouri Public Service Commission. 3-4, https://www.efis.psc.mo.gov/Document/Display/97590
4. Costello, K. W. (2009). How should regulators view cost trackers? *The Electricity Journal*, 22(10), 22-33. https://www.sciencedirect.com/science/article/abs/pii/S1040619009002711
5. *Opportunities for performance-based and alternative regulatory tools in Virginia: Report pursuant to HJR 30 (2024), 54.* (2025). Virginia State Corporation Commission. https://rga.lis.virginia.gov/Published/2025/HD5/PDF
6. Prefiled staff testimony: Virginia Electric and Power Company, Case No. PUR-2021-00146 (Vol. I of IV), 76. (2021, November 16). Virginia State Corporation Commission. https://www.scc.virginia.gov/docketsearch/DOCS/60xs01!.PDF
7. *Opportunities for performance-based and alternative regulatory tools in Virginia: Report pursuant to HJR 30* (2024). (2025). Virginia State Corporation Commission. https://rga.lis.virginia.gov/Published/2025/HD5/PDF
8. J.R. Woolridge, *Direct Testimony and Exhibits of J. Randall Woolridge, Ph. D. For the Office of the Attorney General Division of Consumer Counsel.* (2025, July 16). (Case No. PUR-2025-00058), https://www.scc.virginia.gov/docketsearch/DOCS/86sn01!.PDF
9. *Direct Testimony of David J. Garrett On Behalf of the Data Center Coalition* (2026, July 16) (Case No. PUR-2025-00058); Errata Testimony of witness Mark E. Ellis submitted on behalf of Clean Virginia. (2026, July 24) (Case No. PUR-2025-00058), https://www.scc.virgenergy efficiencyinia.gov/docketsearch/DOCS/86xd01!.PDF
10. *Grid-scale procurements.* (n.d.). Connecticut Department of Energy and Environmental Protection. https://portal.ct.gov/deep/energy/grid-scale-procurements
11. *About the Illinois Power Agency.* (n.d.). Illinois Power Agency. https://ipa.illinois.gov/about-ipa.html
12. *Solicitations for long-term contracts* (n.d.). New York necessary State Energy Research and Development Authority. https://www.nyserda.ny.gov/All-Programs/Large-Scale-Renewables/RES-Tier-One-Eligibility/Solicitations-for-Long-term-Contracts
13. Joseph, B. (2025), *Lawmakers Aim to Cut Utility Returns.* LexisNexis. https://www.lexisnexis.com/community/insights/legal/capitol-journal/b/state-net/posts/lawmakers-aim-to-cut-utility-returns