CLEAN VIRGINIA

HOW DOMINION USES OUR MONEY TO CORRUPT VIRGINIA

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HOW A TOXIC COMBINATION OF MONOPOLY POWER AND TENS OF MILLIONS OF DOLLARS OF RATEPAYER-DERIVED POLITICAL MONEY ALLOWS DOMINION TO KEEP ENERGY BILLS HIGH AND ACCOUNTABILITY LOW.

Dominion's Tactical Advantage: A Monopoly That's Too Big to Fail

- Dominion Energy's exclusive service territory covers about 67% of all Virginia ratepayers and brings in more than $7.5 billion in revenue every year.
    - That means only Dominion has the right to sell energy to consumers in their service territory--a monopoly on more than 2/3rds of Virginia's residents and businesses.
    - As a result, Dominion is inherently "too big to fail"-- there is no alternative provider of energy.
    - This dependence on Dominion creates incentives for regulators and lawmakers to "look the other way" on consumer abuses and oversized profits for fear that "cracking down" may result in unreliable service or crumbling infrastructure.
- Dominion leverages their "too big to fail" status, along with tens of millions of dollars in campaign contributions, to ensure accountability is held to a bare minimum.

The Role of Dominion's Money

- With billions of dollars in revenue to draw upon for political activity, Dominion has plenty of money to donate, lobby, and otherwise influence legislators into going along with their agenda.
    - Dominion has spent **more than $11.3 million on political donations** since 1996, making them the largest corporate contributor in Virginia.
        - This is nearly double the amount of money given by the second largest corporate contributor, Altria.
    - Dominion employees have donated an additional **$2.4 million** to campaigns, **$715,827** of which came from CEO Tom Farrell.
    - That doesn't even include the tens of millions of dollars they've spent on federal and state lobbying.
- All of this activity is subsidized by Virginia's ratepayers who, as a captive consumer base, legally cannot walk away from their utility.

How The Money Gets Translated Into Political Favors

- **Lobbying:**
    - Dominion Energy finds senior legislators to sponsor legislation written by their own lawyers and lobbyists.
    - Dominion relies on their "old friends" in party leadership on both sides of the aisle -- senators and delegates to whom they have given hundreds of thousands in campaign contributions -- to **"block unfriendly bills and steer friendly legislation into law."**
        - Because party leadership determines committee assignments, this results in anti-Dominion bills being killed in committees, never seeing a full debate or vote on the floor of the chambers.
    - During major legislative pushes, Dominion will dramatically increase the amount they spend on donations and lobbying; in 2018, Dominion's employed 22 lobbyists and their political spending **went up ten-fold** to help pass legislation that locked in higher energy rates and more expensive energy bills.
- **Political donations:**
    - There is an **overwhelming amount of evidence** that campaign contributions influence lawmakers' votes
        - An **analysis of Congressional votes** on financial and telecommunication policies found that "substantial numbers of legislators sell out the public interest in exchange for political money."
        - Legislators are **highly responsive** to the economic elite and interest groups representing businesses in setting policy agenda and voting, whereas "the preferences of the average American appear to have only a minuscule, near-zero, statistically non-significant impact upon public policy."

  - In addition to direct candidate contributions, Dominion donates heavily to state party and caucus committees, which strengthens their relationships with party leadership and means the amount of money legislators get from Dominion is often much higher--to the tune of tens of thousands of dollars--than it may appear.
    - This money is also used to bind junior lawmakers worried about reelection to the needs of senior lawmakers and Dominion.
- Weak "revolving door" laws enable legislators and state officials to take jobs with Dominion after they leave office. Good behavior leads to high-paying lobbying jobs.
- Some lobbying groups have even threatened **to "boycott" legislators** who don't take ApCo or Dominion's money.

How to End the Cycle of Legalized Corruption:

- End the "pay-to-play" nature of utility regulation.
  - Prohibit campaign contributions from utilities and their affiliates to candidates and party committees.
    - 22 states already ban all corporate contributions to candidates and 3 further states have bans on contributions from utilities.
    - Pass legislation like Del. Danica Roem's and Sen. Chap Petersen's (SB 10 and HB 562 in 2018) ban on campaign contributions by public service corporations (i.e. state-sponsored monopolies) and their affiliates.
    - Specify that the ban also applies to political parties, their caucuses, and PACs associated with a specific legislator.
  - Prohibit campaign contributions from all registered lobbyists.
    - North Carolina and Tennessee already ban elected officials from accepting donations from lobbyists.
  - To ensure non-essential spending is not ultimately subsidized by ratepayers, require dollar-for-dollar refunds on lobbying fees, political donations, and other non-essential spending.
- Until contributions from regulated utility monopolies are banned, encourage lawmakers to refuse campaign contributions from Dominion, APCO, and other regulated energy monopolies.

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