HOW REGULATED UTILITY MONOPOLIES CHEAT VIRGINIA'S RATEPAYERS

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ELECTRICITY USAGE IS FLAT IN VIRGINIA. BUT OUR ENERGY BILLS KEEP GOING UP. WHAT'S GOING ON?

CLEAN VIRGINIA

That's Right, Electricity Sales Are Flat.

- Virginia's energy usage has flatlined since 2010, a fact that is reflected in Governor Northam's energy plan and Dominion Energy's own regulatory filings.
- This has created a dilemma for utility monopolies like Dominion: how to keep shareholders happy by increasing profits if sales are flat?
- The answer is two-fold:
  - (1) **Overcharging consumers:** whenever the law would normally require refunds of excessive profits, lobby to get the law changed.
  - (2) **"Gold-plating" projects:** because infrastructure investments in the energy sector come with legally guaranteed returns on investment--regardless of their necessity or added value to consumer--spend billions of dollars on questionable projects to guarantee increased profits for shareholders.

Higher Energy Bills, But Getting Little in Return:

Overcharging Consumers:

- Virginians pay the 8th highest electricity bills in the country, and while many states have seen their bills drop over recent years, our bills continue to increase.
- Dominion has over-charged consumers by more than $1 billion since 2015, when they convinced the General Assembly to let them freeze electricity rates at artificially high levels.
- The General Assembly even suspended rate reviews until 2022 making it impossible for rates to decrease until then.
- When ratepayers revolted in 2018, Dominion successfully lobbied the General Assembly to allow them to keep nearly all of those overcharges by promising to spend them on a litany of projects--with guaranteed returns on investment--that utilities are normally required to invest in anyway. No refunds.

Gold-Plating Projects:

- The projects Dominion proposed in return for keeping consumer overcharges are not required to improve energy efficiency, transition to renewable energy sources, or go to other efforts that would result in lower bills for Virginians. Instead, Dominion will plow billions into infrastructure projects with limited value to ratepayers, but guaranteed profits for shareholders.
- One project already approved by the General Assembly to underground power lines, supposedly to decrease power outages, will cost ratepayers $2 billion dollars - of which Dominion is guaranteed at least a roughly 10% return on their investment, or $200 million on top of earning their $2 billion back--was found by the VA Attorney General's office to **only improve the reliability of the grid by 0.00002%.**

Why Don't Lawmakers and Regulators Stop This?

- **The money:** some lawmakers--particularly senior ones and committee chairs--simply agree with Dominion that the rules should be bent to guarantee excess profits. They know those profits will trickle to them in the form of campaign contributions (which they can spread around), greater standing in Richmond, and higher stock prices (many lawmakers own Dominion stock).
- **Lack of quality information:** lawmakers are often reliant on Dominion for information on how their self-authored bills work. Finding the "rip-off clauses" in these bills can be extremely difficult with sometimes only days to review.
- **Cozy relationships:** weak "revolving door" laws also enable legislators and state officials to take jobs with Dominion after they leave office. Good behavior leads to high-paying lobbying jobs. It's such a cozy relationship, senior lawmakers will literally let Dominion draft the bills on their behalf.
- **Political downside to standing against Dominion:** lawmakers who oppose Dominion must decide to wage a costly uphill battle that hurts their standing in Richmond, often with their own party leadership. Some lobbying groups have even threatened to "boycott" legislators who don't take Appalachian Power Company or Dominion's money.

How to Stop the Cycle of Corruption:

- Ban candidate contributions from publicly-regulated utility monopolies like Dominion and APCO (has already been done in 25 other states) and contributions from lobbyists.
- Ban lawmakers from owning stock in publicly-regulated utility monopolies.
- Mandate dollar-for-dollar refunds for utility monopolies' non-essential "influence costs," such as lobbying and advertising.
- Support candidates who refuse regulated utility money and fight for Virginia's ratepayers.

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