



FACTSHEET

HOW DOMINION HURTS LOW-INCOME RATEPAYERS MORE THAN IT HELPS

MAY 2019

For hundreds of thousands of Virginians, paying their energy bill every month is a major financial burden. At a time when regulators say Dominion should lower rates or issue refunds, energy bills are still increasing. The cost to low-income Virginians is too high for too many.

Background: Who Gets Hurt by High Energy Bills

- Dominion's current programs for struggling and low-income ratepayers — while commendable — are a scattershot approach to alleviating a major economic hardship for too many.
- **EnergyShare** -- This is Dominion's main program for providing bill assistance, weatherization upgrades, and energy-saving improvements such as more efficient light bulbs or better insulation.
 - Only \$4.7 million was spent on energy assistance in Virginia in 2017. That's less than 20 cents in assistance per ratepayer per month in Virginia.¹
 - The amount spent on EnergyShare should rise in coming years with additional funding provided in the 2018 Grid Transformation and Security Act.
- Virginia's Department of Social Services also offers energy assistance programming, but programs are often limited to those in extreme poverty.²
- Unfortunately, Dominion's low-income assistance programming only addresses a small fraction of the problem.
 - In recent polling, 43% of Americans making less than \$40,000 a year said they made "sacrifices" spending less on things like education and healthcare in order to pay for utility bills.³
 - 19% of Americans making less than \$40,000 a year say they make "serious sacrifices" to pay their utility bills.
 - Those making "serious sacrifices" to pay utility bills were 3 times more likely to be African-American and twice as likely to be Latino rather than non-minority respondents.

Minorities report more difficulty paying utility bills.

- Three times as many African-Americans and twice as many Latinos report making serious sacrifices to afford their utility bill.

¹ Dominion Energy's EnergyShare 2018 Annual Report. Accessed here:

<https://www.dominionenergy.com/library/domcom/media/community/energy-assistance/energysshare/energysshare-annual-report-2018.pdf?la=en&modified=20180629185947>

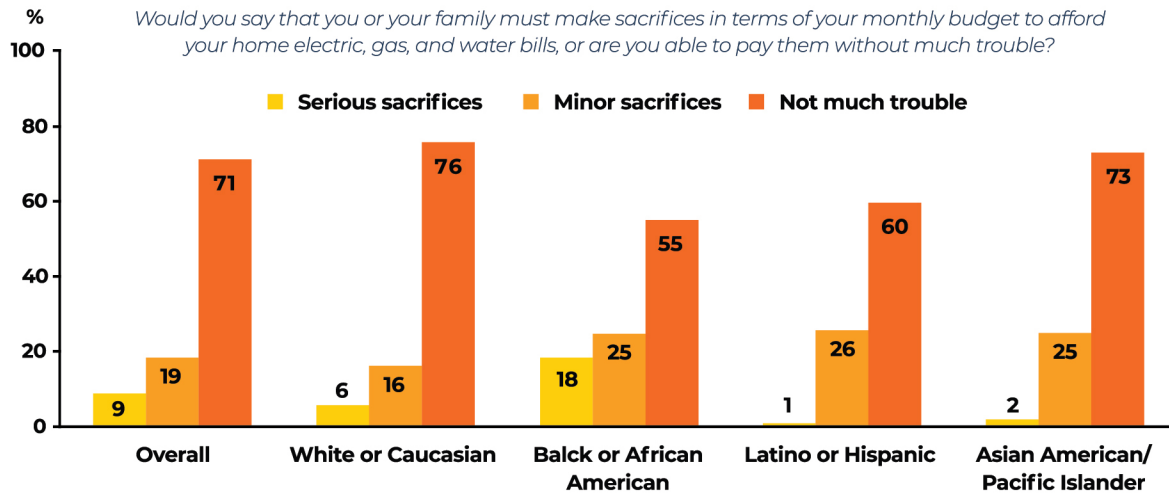
² Virginia's Department of Social Services "Need Help With Cooling or Heating?" Factsheet. Accessed here:

http://www.dss.virginia.gov/files/division/bp/ea/intro_page/publications/EAP_Information_Sheet_eng.pdf

³ Polling commissioned by Energy Efficiency for All with 1,600 respondents conducted June 26-July 1, 2018. Accessed here:

https://assets.ctfassets.net/ntcn17ss1ow9/1fWYmD0qPgtdqjy2tSBTf/aad9fddf8f5ea687e79e49a61119869c/EEFA_Poll_Infographic.pdf

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How Dominion Hurts More Than it Helps

- Again, Dominion's low-income assistance programs are commendable, but rising energy bills more than outweigh the level of assistance being provided.
 - Dominion earns excessive profits of roughly \$350-\$425 million every year that would normally need to be refunded back to ratepayers or be reflected in lowered rates.⁴
 - Virginia has the 11th highest energy bills in the nation, and the burden rests heaviest on low-income ratepayers.⁵
 - Dominion's lobbyists convinced legislators to pass legislation prohibiting regulators from reviewing rates for 6 years, ensuring that rates remain too high.

What Virginia Can Do About It

- There are plenty of ways to lower the energy burden for low-income Virginians, and to do so without harming reliability or quality of service.
 - **Issue refunds or lower rates** — Clean Virginia's own analysis shows that Dominion ratepayers pay around \$250 a year for excessive spending with little (and often no) benefit to the public.⁶
 - Ratepayers could easily be refunded large portions of this simply by giving back the State Corporation Commission (SCC) its powers in setting fair rates.
 - **Create a new low-income bill assistance program** — Families at or below the federal poverty line should be able to qualify for a Percentage of Income Plan (PiPP) that limits energy bills to a small percentage of each qualified ratepayer's income.
 - Ohio already has a program just like this, and it ensures that energy bills for low-income ratepayers never take up too large a proportion of their limited income.

⁴ SCC Report to the Governor, August 29, 2018. Accessed here: https://www.scc.virginia.gov/comm/reports/2018_veurcomb.pdf

⁵ U.S. Energy Information Administration (EIA) data for 2018. Accessed here: https://www.eia.gov/electricity/sales_revenue_price/

⁶ Clean Virginia's 2018 "Dominion Tax" Report. Accessed here: <https://www.cleanvirginia.org/the-dominion-tax/>