

**Antonia Hover**

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**From:** Ellen Plendl  
**Sent:** Tuesday, November 30, 2021 2:36 PM  
**To:** Consumer Correspondence  
**Subject:** Docket No. 20210001  
**Attachments:** morally bankrupt PSC activities; Consumer Inquiry - Florida Power and Light Company

See attached customer correspondence and FPSC reply for Docket No. 20210001.

## Antonia Hover

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**From:** Beatrice Balboa <beatricebalboa@gmail.com>  
**Sent:** Tuesday, November 30, 2021 11:47 AM  
**To:** Ellen Plendl  
**Subject:** morally bankrupt PSC activities  
**Attachments:** FPL gets backing to pass higher costs for natural gas on to customers.pdf; Utilities Continue to Profit from Pandemic Misery & Obstruct Energy Transition – Eyes on the Ties.pdf; US to boost current natural gas capacity 6% by 2025 – but why\_ - Electrek.pdf; FPL likely to get OK for \$810 million fuel-cost increase \_ Miami Herald.pdf; PowerLinesReport0429.pdf

29 November 2021 1200 hours

Ellen Plendl  
Regulatory Consultant  
Florida Public Service Commission  
Office of Consumer Assistance & Outreach  
1-800-342-3552 (phone)  
1-800-511-0809 (fax)

To whom it may concern,

I am writing to express my deepest disappointment and disgust that FPL and the FPL Corporation were permitted by the State of Florida Public Service Commission members to increase **hardworking taxpayers working class** residential rates to outrageous levels while subsidizing **special interest groups electrical rates of the wealthy and powerful members of the State of Florida society**, further underscoring a complete abrogation of the social contract between the governed and government.

In addition, FPL does not even seem to work with the communities that "pay the lifestyles of these captains of electricity industry"

"Throwing good money after bad money" to an energy industrial sector that only seeks immediate private financial largess at the expense of the public common good (reliable and robust electrical delivery infrastructure at reasonable rates) speaks volume of the ongoing dialogue between corporate behemoths like FPL and the small people (salt of the earth) of this social contract.

Thank you for your time in these matters and hope to hear from you soon.

Sincerely,  
Beatrice Balboa  
1010 South Ocean Boulevard, Unit 1008  
Pompano Beach, Fl 33062-6631  
USA

STATE

# FPL gets backing to pass higher costs for natural gas along to electricity customers

**News Service of Florida**

Published 10:03 a.m. ET Nov. 24, 2021

Florida Power & Light should be able to collect an additional \$810 million from customers next year because of higher-than-expected natural gas costs, staff members of the state Public Service Commission recommended Tuesday.

Florida utilities are generally allowed to pass through costs to customers for fuel used at power plants. Utilities each year file projected fuel costs that regulators then use to determine how much will be charged to customers in the subsequent year.

FPL made such a filing Sept. 3, with regulators approving it early this month. But the utility on Nov. 9 requested what is known as a “mid-course correction,” a sort of add-on to what was approved earlier.

The \$810 million sought by FPL represents gas costs above projections for the final months of this year and for 2022.

The commission is scheduled to take up the request and the staff recommendation during a Dec. 7 meeting. If the request is approved, FPL would begin collecting the additional money in January.

For residential customers who use 1,000 kilowatt hours of electricity a month — a common industry benchmark — the request would translate to paying \$6.82 or \$6.83 a month more than what had been expected in January, according to the filing.

Tampa Electric Co. last week filed a similar proposal because of higher-than-expected gas prices, and Duke Energy Florida also has warned that it might have to revamp fuel costs.

[Fossil Fuels](#) [Regional Power](#) [Utilities](#)

# Utilities Continue to Profit from Pandemic Misery & Obstruct Energy Transition

by [Rob Galbraith](#), [Munira Lokhandwala](#) and [Derek Seidman](#)

NOVEMBER 30, 2021



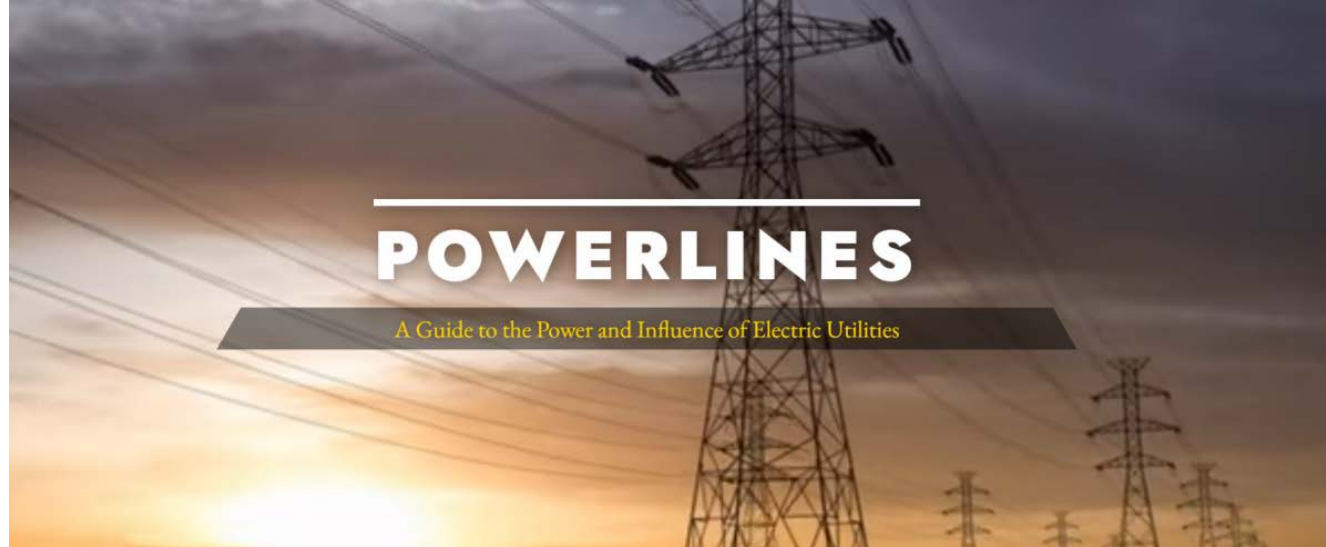
*Image: "Transmission Lines" by Chris Hunkeler ([Creative Commons](#))*

Hardly a day passes where we don't read another horror story about utility companies and how they are failing us. Gouging captive customers. Gobbling up bailout money. Stalling on renewable energy. The list goes on.

The pandemic has only made things worse. Covid-19 has wreaked havoc on the lives of utility customers. Millions of people fell behind on their gas, electric and water bills. One study found that utility debt increased from an already crisis-level of \$12 billion pre-pandemic to an [astounding](#) \$32 billion at the end of 2020. Currently, approximately [15 to 20%](#) of U.S. households are behind on their utility bills.

Meanwhile, utilities companies across the country have raked in over a billion dollars in [federal CARES Act](#) money while still leaving their customers without electricity, heat, and water.

We at LittleSis released [Power Lines](#) earlier this year to assist the challenge against the power and influence of utility corporations. Power Lines is a [resource](#) for organizers who want to understand the electric utility industry power structure and how to research and power map it across regions.



[Check out Powerlines101.org](http://Check out Powerlines101.org)

Here are just a few recent examples of how utilities are super-exploiting customers and profiting from their captive consumer base:

#### ***Oklahoma Natural Gas to customers: either burn fossil fuels or pay a huge exit fee***

In the fossil fuel utility industry's latest attempt to slow the energy transition, Oklahoma Natural Gas is proposing a \$1400 'exit fee' to customers who want to disconnect service with them and switch to electric utilities. The public utility is Oklahoma's largest natural gas distribution company and the oldest corporation in the state, serving one million customers.

This proposal is one of many that the company is pushing to help pay off its over [\\$1 billion of debt](#), which the company claims to have incurred during the unnaturally cold winter months that hit the state last year. The Oklahoma state government already passed a law that turned the company's debts into [public bonds](#), giving the company more time to pay back their debt and prevent the debt from being passed down to customers.

#### ***Widespread blackouts and protests after Puerto Rico grid privatization***

In Puerto Rico, where the U.S.-imposed Financial Oversight & Management Board controlling the island's finances aggressively pushed the privatization of the Puerto Rico Electric Power Authority (PREPA), [months of rolling blackouts](#) have left hundreds of thousands of residents without electricity and driven continued protests.

The June 2021 takeover of Puerto Rico's grid from PREPA to LUMA Energy LLC, a consortium of the Texas-based Quanta Services and the Canadian firm ATCO Energy, was widely protested by workers across the country as well as civil society and activist groups. LUMA forced PREPA workers to reapply for their jobs and [many skilled workers were transferred](#) to other government agencies.

Questions about LUMA's preparedness to operate the grid were answered almost immediately as blackouts affecting hundreds of thousands began this summer and stretched into the fall.

Puerto Ricans are already facing the task of rebuilding after devastating hurricanes in 2017 and a series of earthquakes in 2020 on top of an aggressive austerity push by the U.S.-appointed control board to finance sovereign debt payments to U.S.-based hedge funds.

Now with widespread blackouts lasting longer, on average, than those that occurred under public operation of the grid, anti-privatization protests have continued and escalated and the U.S. House of Representatives [has held hearings](#) questioning the blackouts and executive compensation at the consortium.

#### ***Utilities rake in CARES bailout payments while shutting down services***

A recent [Energy News Network article](#) reports that "a nationwide ban on utility disconnections could have reduced COVID-related deaths by nearly 15% in 2020," according to one [analysis](#), but that "utility companies lobbied against such ratepayer protections" even as "some paid out billions in CEO compensation and shareholder dividends."

Moreover, just a handful of these utility companies were behind most of the shutoffs. A [September report](#) from the Center for Biological Diversity and Bailout Watch "found six utility companies accounted for 94% of all documented shutoffs." These were: NextEra Energy (parent of Florida Power & Light, among others), Duke Energy, Southern Company, Dominion Energy, DTE Energy and Exelon. "NextEra Energy alone recorded more than 470,000 shutoffs between July 2020 and June 2021, said the ENN [article](#). "The company received \$41 million in CARES Act benefits — which alone could have covered much of the nearly \$50 million it would have cost to avoid those disconnections."



Jean Su

@ajeansu



NEW REPORT: Power utilities raked in \$1.25 bil in CARES Act funding while shutting families' power 1 mill times over COVID. They could have directed just 8.5% of

their govt bailout to stop shutoffs, but they didn't.  
@CenterForBioDiv @bailoutwatchorg

Electric utilities took Covid bailouts then cut off Americans' power  
American households' electricity was disconnected nearly a million times,  
increasing Covid's spread  
[bailoutwatch.org](https://bailoutwatch.org)

9:20 AM · Sep 30, 2021

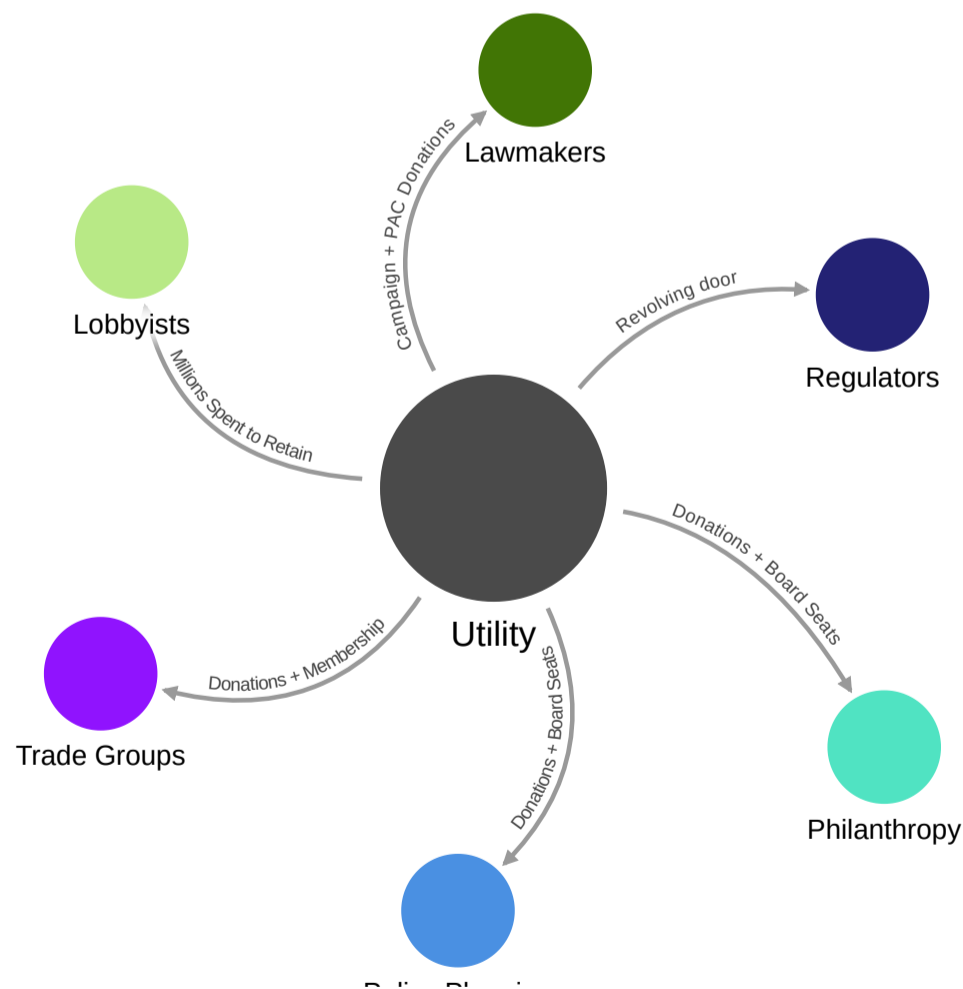
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ENN also [reports](#) – again, citing the Center for Biological Diversity and Bailout Watch study – that a mere 8.5% of the \$1.25 billion in federal bailout money that 16 utilities received “could have prevented every reported utility shutoff.” And throughout all this, executives and shareholders continued to rake in gobs of money: “For example, NextEra Energy paid out more than \$2.7 billion in CEO compensation and shareholder dividends — more than 55 times the amount required to prevent all of its utility shutoffs — between April 2020 and June 2021.”

Utilities clearly feel emboldened right now to try to deepen their exploitation of captive customers. These corporations can get their way because they have a powerful network of executives, board directors, and revolving door lobbyists, and money to buy influence through campaign and philanthropic donations.

## Utility Power Structure



In order to better challenge utilities, we need to understand their webs of power and influence, as well as the names and networks of the people who really run and prop up these corporations. Check out [Power Lines](#), our resource for organizers on how to research and power map the utility power structure.

NOVEMBER 24

# US to boost current natural gas capacity 6% by 2025 – but why?

Michelle Lewis - Nov. 24th 2021 7:46 am PT



110 Comments [f](#) [🐦](#) [📌](#) [in](#) [👤](#)

Between 2022 and 2025, 27.3 gigawatts (GW) of new natural gas-fired capacity is scheduled to come online in the US, boosting its existing capacity of 489.1 GW as of August 2021, according to the US Energy Information Administration (EIA). Here's where it's headed.

## US natural gas boost

Illinois, Michigan, Ohio, and Pennsylvania account for a combined 43% of the natural gas-fired capacity that's planned to come online between 2022 and 2025. Those states have pipeline access to the fossil fuel in the Appalachia region's Marcellus and Utica shale plays that spread across Ohio, Pennsylvania, and West Virginia.

According to the US Department of Energy, a [shale gas play](#) is:

*A set of discovered, undiscovered or possible natural gas accumulations that exhibit similar geological characteristics. Shale plays are located within basins, which are large-scale geologic depressions, often hundreds of miles across, which also may contain other oil and natural gas resources.*

Of those four states tapping into the Appalachian shale plays, Illinois has the most natural gas-fired capacity additions (3.8 GW), followed by Michigan (3.2 GW), Ohio (2.9 GW), and Pennsylvania (1.9 GW).

Florida is also planning to bring 3.2 GW of capacity online between 2022 and 2025. It [pipes the fossil fuel from out of state](#):

*Five new natural gas-fired plants plan to start commercial operations in Florida between 2022 and 2025: three plants are currently under construction, and two plants are not yet under construction but are scheduled to be completed by 2024.*

Meanwhile, more natural gas is produced [in Texas](#) than any other state. The EIA writes:

*Most of its natural gas production comes from the Haynesville and Eagle Ford formations and multiple shale formations in the Permian Basin. As of August, 70.7 GW of natural gas-fired capacity is currently operating in Texas, and another 2.8 GW of capacity additions is planned to come online between 2022 and 2025.*

## Electrek's take



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It particularly doesn't make sense in Illinois, which just passed the historic Climate and Equitable Jobs Act in September. That law dictates that all of the state's fossil fuel plants be shut down by 2045. So why is Illinois still planning to add 3.8 GW in the next three years? Why not scrap that and focus on renewables, which cost less for consumers to boot?

Further, Florida Power & Light **intends to collect** an additional \$810 million from customers in 2022 because of higher-than-expected natural gas costs. This is not only bad for the environment, it isn't sensible business, either.

Let us know your thoughts in the comments below.

**Read more:** [Illinois to shut all fossil fuel plants by 2045 and invest \\$580M a year in renewables](#)

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BUSINESS

# FPL customers likely to see higher fuel charges in '22 along with big rate increase

NEWS SERVICE OF FLORIDA

UPDATED NOVEMBER 23, 2021 2:21 PM



Florida Power & Light imploded its last Florida-based coal-fired power plant located in Indiantown, Florida on Wednesday, June 16, 2021.

BY [MATIAS J. OCNER](#) 



Only have a minute? Listen instead

Presented by [Art Miami](#)

-02:06



TALLAHASSEE

Florida Power & Light should be able to collect an additional \$810 million from customers next year because of higher-than-expected natural gas costs, staff members of the state Public Service Commission recommended Tuesday.

If approved, the fuel-cost charge to consumers will be added to monthly bills that were already scheduled to go higher in 2022 because of recently approved rate increases that roll out over the next four years.

Florida utilities are generally allowed to pass through costs to customers for fuel used at power plants. Utilities each year file projected fuel costs that regulators then use to determine how much will be charged to customers in the subsequent year. FPL made such a filing Sept. 3, with regulators approving it early this month.

#### TOP VIDEOS

AD



But the utility on Nov. 9 requested what is known as a “mid-course correction,” a sort of add-on to what was approved earlier. The \$810 million sought by FPL represents gas costs above projections for the final months of this year and for 2022.

The commission is scheduled to take up the request and the staff recommendation during a Dec. 7 meeting. If the request is approved, FPL would begin collecting the additional money in January.

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For residential customers who use 1,000 kilowatt hours of electricity a month — [a common industry benchmark](#) — the request would translate to paying \$6.82 or \$6.83 a month more than what had been expected in January, according to the filing.

Using the 1,000 kWh hours as a benchmark, FPL customers were already going to be paying \$12.15 a month more next year [because of the rate increase granted by the PSC](#). Adding the fuel cost to the rate increase takes the monthly bill for 1,000 kWh higher by almost \$19 a month.

Tampa Electric Co. last week filed a similar proposal because of higher-than-expected gas prices, and Duke Energy Florida also has warned that it might have to revamp fuel costs.

This story was originally published November 23, 2021 1:50 PM.

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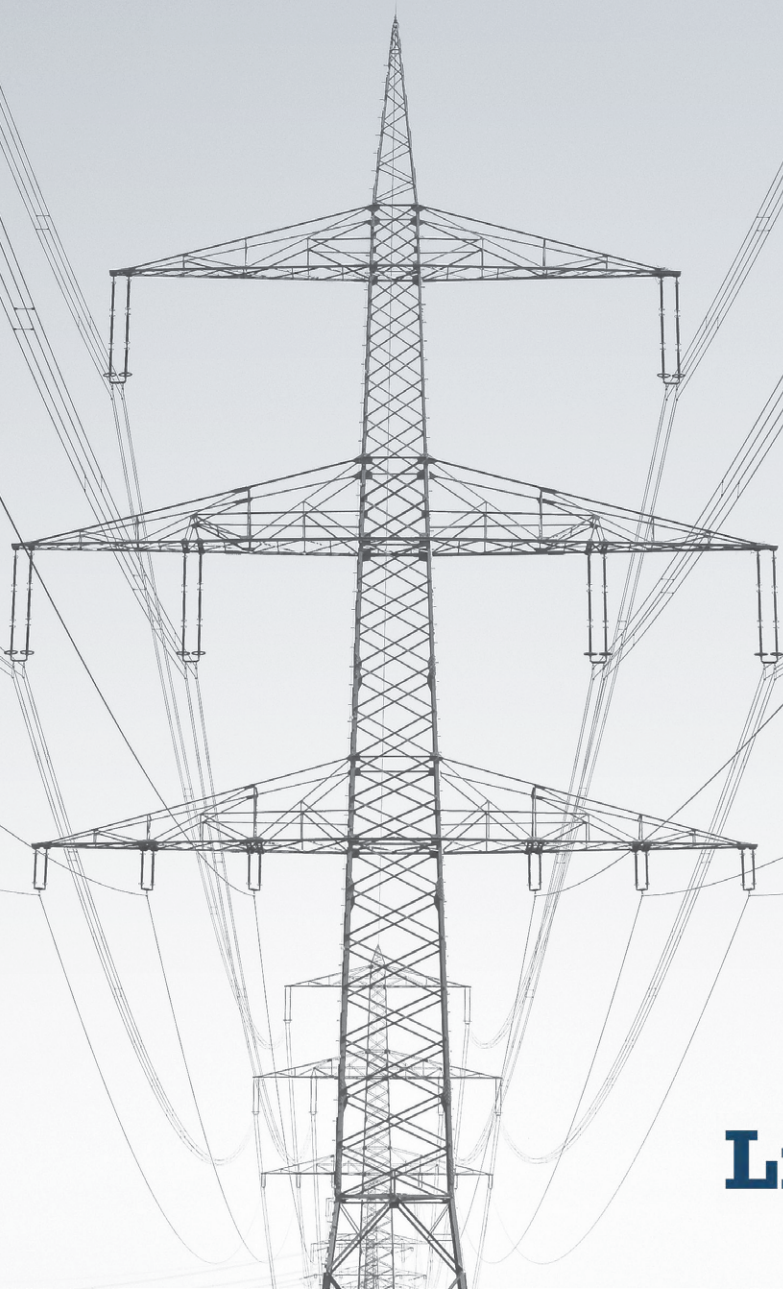
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# LINES

A Guide to the Power and Influence  
of Electric Utilities



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Utilities. We all know what they are. Well, kind of. Every month we're billed for water, electricity, and gas services that are supplied to our homes or businesses. And who supplies these? Utility companies.

In every city and state, utilities are some of the most powerful players around. Their names and logos are everywhere, from primetime TV commercials to sponsorship lists for summertime music festivals. We don't have much of a choice over which utility companies we do business with, and for many of us, we don't even *really* know how they work and why they are so powerful.

This primer is aimed at helping to demystify the power surrounding utilities. It sketches out the utility power structure, offers strategies for researching utility corporate power, presents case studies of utility power at the state and city levels, and profiles local movements that are leading the fightback against utility power.

We focus mostly on one kind of utility: investor-owned electric utilities.

Whether you're interested in joining or starting a campaign or simply want to know why your local utility company seems to be everywhere you turn, this primer is for you.



# WHAT IS A UTILITY?

Electric utilities sell electricity to homes, businesses, and other buildings. They often own and maintain the infrastructure that [generates](#) and delivers that electricity. Sometimes electric utilities purchase electricity from other power producers and deliver it to you. When you think about power plants, transmission lines, or power meters - that's the business of utility companies.

Many people across the U.S. receive their electricity from publicly-owned utilities and rural electric cooperatives, but most of us - [around 3 out of 4 customers](#) - get it from private, for-profit corporations known as “investor-owned” utilities, or IOUs.

These IOUs have a business, and that business is selling you electricity (or other services, in the case of investor-owned gas or water utilities). The overriding goal of IOUs, like any corporation, is to *make profits* to please its shareholders and to pay huge salaries to its executives. How huge? Investor-owned utility CEOs received [over \\$1 billion](#) between 2017 and 2019.

Utilities make their profits through revenue that is *guaranteed* to them through regulation - namely, as determined by “[ratemaking\\*](#)” processes overseen by [Public Utility or Public Service Commissions](#).

As we'll see, the profit-making imperatives of utilities are often in conflict with the public good - things like moving away from dirty fossil fuels, or investing in

“**Ratemaking**” is the process through which regulators set a price for electricity that a utility is allowed to charge, with that price set to guarantee a return on the utility's investment

infrastructure that could prevent disasters like state-wide wildfires ([California](#)), gas pipeline explosions ([Massachusetts](#)), or cold freezes ([Texas](#)).

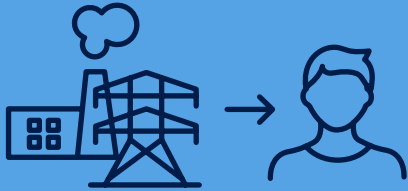
Maybe the most important thing to know about utilities is that they are essentially *monopolies*. Most of us, as rate-payers, have no choice but to do business with the utility company that controls our local market - be that PG&E in California, ComEd in Northern Illinois, National Grid in Rhode Island, or Entergy in Louisiana. And - get this - because utilities are regulated by public commissions, they are *guaranteed* profit - referred to as their [return on equity](#), or ROE - usually around 10-15%.

Because most of us are captive customers to our electric utilities, and are therefore forced to pay them guaranteed profits to receive our basic needs, these utilities rake in an endless stream of revenue - *from us*. They then use these big, guaranteed profits we provide them to perpetuate their own power and influence: make big campaign donations to the politicians who appoint their regulators

***The most important thing to know about utilities is that they are essentially monopolies.***

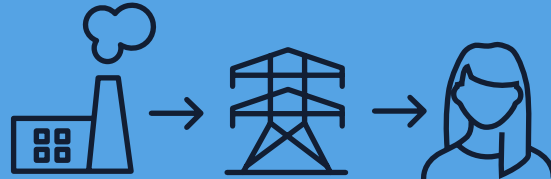


When thinking about how to campaign around utility power, you'll have to find out whether you live under a ["regulated" or "deregulated"](#) energy market. In both cases, utilities have guaranteed rates of return and quasi-monopoly power over delivering energy to your home or business. But there are some important differences, especially regarding the power generation side of things and also the number of entities you may be dealing with to get your electricity:



### REGULATED MARKET

You only deal with one entity: your utility company. Your utility takes care of generating power (either producing it through its own power generation facilities or contracting out its production) and then your utility also delivers that power to you. Your utility does all the producing or buying, transmission, and selling of your electricity. There is no "wholesale" energy market - just "retail" sales to you, the electrical end-user.



### DEREGULATED MARKET

These are more complicated, because the power generation and transmission side has been separated from the distribution side. While your utility still distributes your power to you, it doesn't actually produce that power. Rather, it's mostly "independent power producers" (IPPs) who produce electricity and sell it on wholesale electricity markets operated by an "independent system operator" (ISO) that are independent of your utility. Your utility buys electricity from this "wholesale" energy market and goes on to resell it to you at a "retail" rate. That retail rate is regulated just as it is in a "regulated market," so your utility is still getting its guaranteed profit.

It should be noted that some deregulated markets have gone even further: they offer "retail choice," where you can choose a different "power supplier" other than your distribution utility to power your home or business. Your utility still receives a "distribution charge" since it owns the infrastructure that's transporting the power to you, but a different power supplier (not your utility) is doing the actual buying and selling of your electricity on the market.

Not surprisingly, some refer to "deregulated" energy markets as being "reregulated" instead - overseen by complex rules that still end up allowing your utility to profit.

Whether you live under a regulated or deregulated energy market can have significant consequences. For example, Texas has a deregulated energy market, and the lack of coordination and regulation between the production and transmission sides of the energy system is largely what caused the [February 2021 winter storm disaster](#) in that state.

(or, some cases, to the regulators themselves); spend millions on well-connected armies of lobbyists; or shower civil society with charity and philanthropic gifts. All this helps utilities maintain their status across the US as among the most powerful corporate actors in every city, state and region.

Think about it: this also means that rate-payers who want to see climate progress end up funding - unwittingly - utilities' efforts to stall transitions to renewable energy and further environmental justice.

How do utilities stall climate progress? One major way is that many utilities oversee dirty "power generation" to create the electricity that is delivered to your home. This power generation can come from water, solar panels, wind turbines, and other sources. But most of it comes from burning fossil fuels - especially coal and natural gas - at power plants. Indeed, in [2019](#), the U.S. created 38% of its electricity from natural gas, 23% from coal, and about 1% from oil - so about 62% from fossil fuels, overall.

As we'll discuss below, while utilities are very slowly moving towards cleaner forms of power generation, many remain dedicated to burning fossil fuels and stalling on climate action. They have thrown millions of dollars - money we pay them - to stifle new energy sources that they may not fully control. Meanwhile, they seek to profit from [building new fossil fuel infrastructure](#) like power plants.

Moreover, utilities from California to Texas to Massachusetts neglect the safety and maintenance of their infrastructure - afterall, this upkeep can [interfere](#) with their profits. Nor do regulators always, or even often, exert strong oversight. Disasters - from wildfires to explosions to blackouts - are sadly becoming more commonplace.

Utilities are wedded to a fossil fuel-based power generation system that gives them monopoly power and guaranteed profits. They're not going to give any of this up easily. But electricity is a *basic human need*, for all of us. Why should we all be forced to be captive customers to these monopolies, giving them the money that they use to prop up their power, who don't operate in our interests? Why should things be run this way?

Things *shouldn't* be run this way. And as we'll see there are a lot of organizers trying to change this. But first, let's learn more about the power structure that for-profit utilities exist within.

**Rate-payers  
who want to see  
climate progress  
end up funding  
- unwittingly -  
utilities' efforts  
to stall transitions  
to renewable  
energy and further  
environmental  
justice.**

# WHY ARE UTILITIES SO POWERFUL?

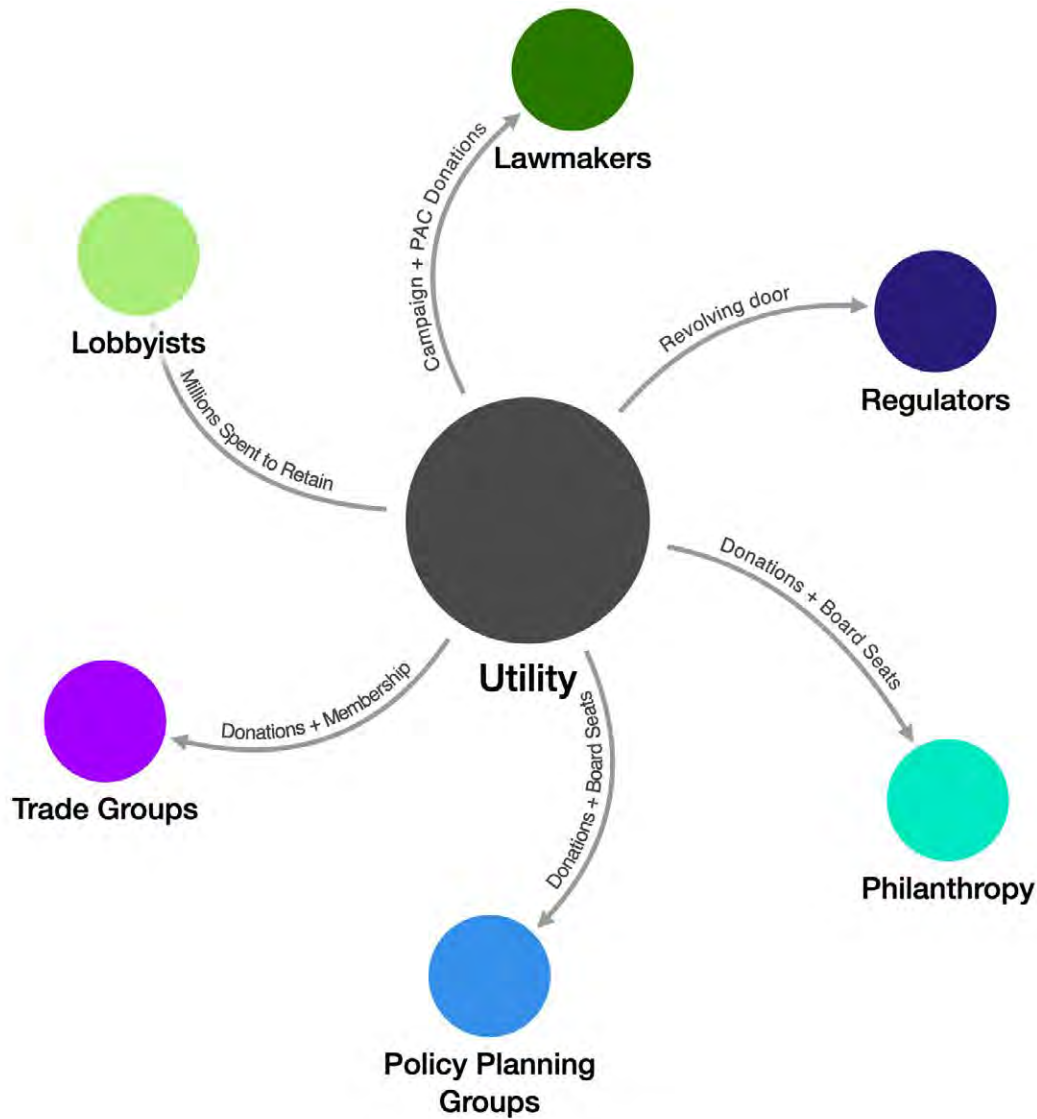
Utilities are some of the most powerful organizations in the regions where they operate. This power derives from utilities' ownership and control of the infrastructure that delivers essential services to homes, businesses, and governments. We need gas and electricity to light and heat our homes, to produce and distribute goods and services, to heal people in hospitals, and increasingly to get from one place to another.

The central role that utilities play in regional economies gives these businesses a large amount of political power. Using money paid by their captive customer bases, utility companies, their executives, and political action committees are major donors to state, local, and national elected officials. Utilities also spend large amounts of money on lobbying, both on in-house lobbyists employed by the company and on outside lobbying firms.

Utilities are also key players in political pressure groups, from regional, state, and national chambers of commerce to energy-focused trade organizations to astroturf\* organizations meant to give the impression of grassroots movements in support of utilities' interests. Moreover, utility employees and executives frequently assume positions in government, formulating energy policy and presiding over agencies that regulate the utility industry, appointed by politicians whose campaigns they fund and who are the targets of utility lobbying.

*"Astroturf refers to apparently grassroots-based citizen groups or coalitions that are primarily conceived, created and/or funded by corporations, industry trade associations, political interests or public relations firms."*

*- SourceWatch*



*[See the full map on LittleSis](#)*

Like all major industries, utility companies' political influence extends outside the sphere of government as well.

Local utilities are intertwined with local power through their presence in the local corporate and philanthropic communities. Utility companies frequently have interlocking boards of directors with local banks, hospitals, universities, and other important institutions, which builds good will towards the corporations and secures their leaders' places in the influential social and professional circles that drive public policy.

The fight against utility power is nothing new. For example, the Student Nonviolent Coordinating Committee (SNCC), which led the struggle to dismantle the Jim Crow regime in the U.S. South in the 1960s, laid out the central, interconnected role that utilities play in propping up the white supremacist power structure in Mississippi. The pamphlet (see insert) showed how the directors and executives at Mississippi Power and Light also had roles at important banks, in government, and in the racist White Citizens' Council.

Utilities are no less embedded in local, regional, and national power structures today.

The overwhelmingly dominant political machinery in Mississippi is the Mississippi Democratic Party. We will show that electric power, finance capital and the White Citizens' Council dominate the Democratic Party.

First, R. B. Wilson of Jackson, Mississippi, is a member of the Board of Directors of Middle South Utilities. Mr. Wilson is also President and a member of the Board of Directors of Mississippi Power and Light, which is wholly-owned by Middle South Utilities. In addition, Mr. Wilson is a member of the Board of Directors of the Deposit Guaranty Bank and Trust Company of Jackson, the largest bank in the state of Mississippi.

Then there is William P. McMullan, who is a Director of Mississippi Power and Light. Mr. McMullan is also Chairman, Chief Executive Officer, a Director, and important stockholder of Deposit Guaranty Bank and Trust Company. Furthermore, Mr. McMullan occupies a seat on the Board of Directors of the Jackson White Citizens' Council.

Another member of the Board of Directors of Mississippi Power and Light is Robert W. Hearin, who is President, Director and member of the Advisory Committee of the First National Bank of Jackson, and controls the second largest percentage of outstanding stock of the First National Bank. Mr. Hearin is a past president of the Jackson Chamber of Commerce and now a Director of the United States Chamber of Commerce. In addition he is a colonel on the official staff of Mississippi Governor Paul B. Johnson.

The Vice President and Secretary of Mississippi Power and Light is Alex Rogers, who was also appointed by Governor Johnson as a colonel on his official staff.

The Public Information Director for Mississippi Power and Light is Alex McKeigny, who holds a seat on the Board of Directors of the Jackson Citizens' Council.

- From "[The Mississippi Power Structure](#)"

## **Utility industry influence over elected officials**

Like all major businesses, utility companies have a keen interest in influencing government to ensure that public policy supports their profitability. To this end, utilities engage in traditional modes of political influence – giving campaign donations to politicians and hiring lobbyists to advance their interests before governmental bodies – in addition to fostering revolving door relationships with elected and appointed government officials.

According to the Center for Responsive Politics, as of April 6, 2021, electric utility industry political donors gave [\\$28.5 million](#) in contributions to federal political candidates, parties, and outside spending\* groups during the 2020 election cycle, with the overwhelming majority of these donations coming from IOUs. This money came both from corporate political action committees, which

aggregate contributions from employees and funnel the money to the company's preferred candidates, and from corporate employees to candidates directly. Among the top 20 utility industry political donors, roughly 60% of donations to candidates and political parties came from PACs and 40% came from individual employees.

Using Center for Responsive Politics data, the Energy and Policy Institute found that 70 utility companies had donated [\\$53.2 million](#) to six political outside spending organizations affiliated with the Democratic and Republican parties between 2008 and 2020, with \$10.1 million donated during the 2020 cycle .

The story is much the same at the state level, where utilities' campaign dollars go a lot further than in expensive federal elections, and where direct corporate campaign contributions are frequently permitted. For example, Thomas Farrell II, the recently-deceased former

"The term 'outside spending' refers to political expenditures made by groups or individuals independently of, and not coordinated with, candidates' committees. Groups in this category range from conventional party committees to the more controversial super PACs and 501(c) "dark money" organizations." - [OpenSecrets.org](https://www.opensecrets.org)

CEO and executive chairman of the Virginia-based gas and electric utility Dominion Energy, made [\\$957,327](#) in donations to Virginia politicians and PACs from 1996 to 2020, according to the Virginia Public Access Project. The top recipient of Farrell's donations was former Republican Virginia Governor Bob McDonnell and the second-top recipient is his son, former Republican Virginia House of Delegates member Peter Farrell. Though most of Farrell's money went to Republican candidates, he gave \$190,300 to Democrats as well.

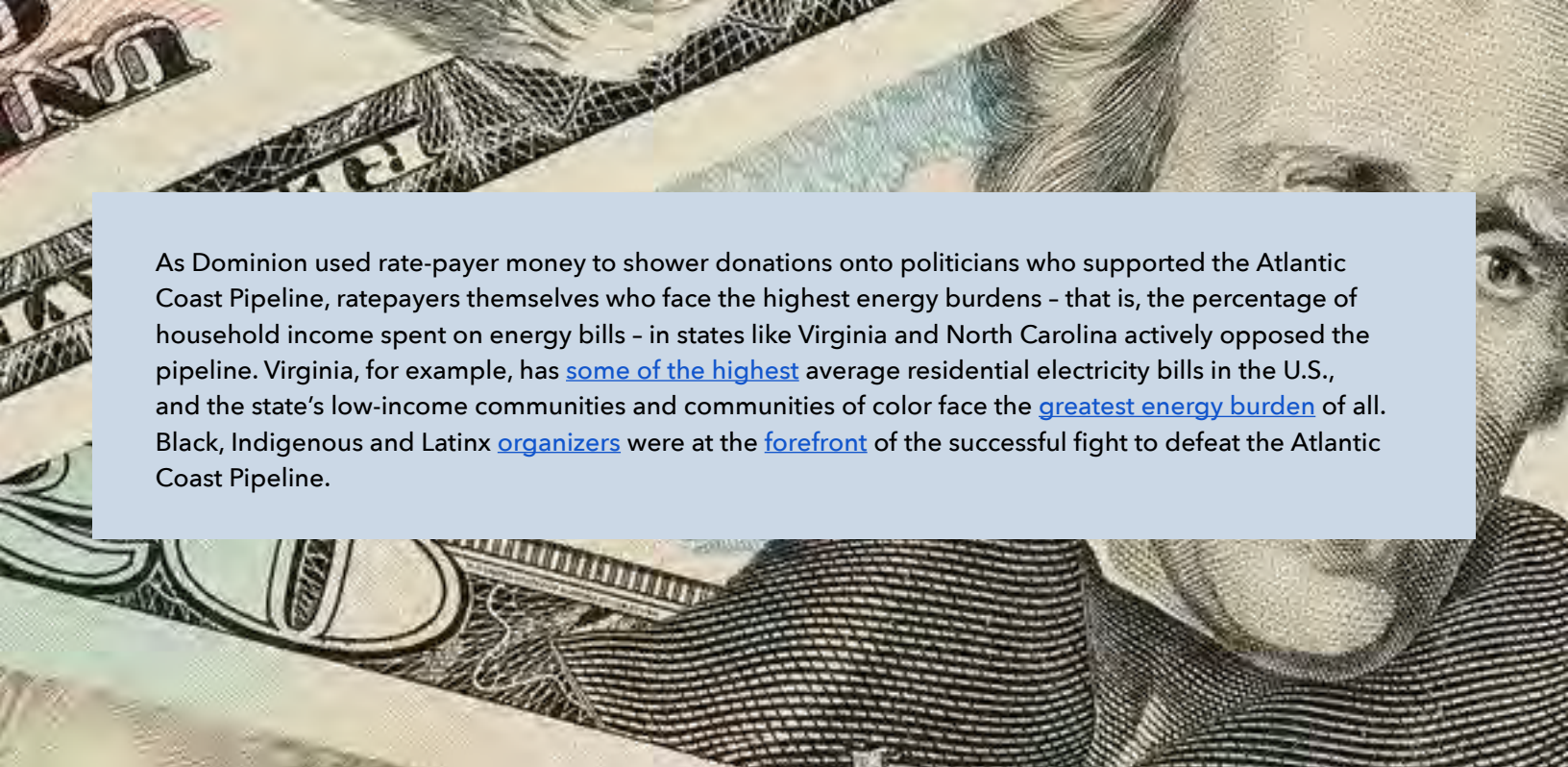
For-profit utility companies, and their boards and executives, are primarily in the business of making money. They would not pour this amount of money into political candidates, committees, and outside spending groups if they were not getting a return on that investment. While it is illegal for politicians to condition their support or opposition to a law or regulation on campaign donations, all this political money spent by the utility can buy access to policymakers.

The Energy and Policy Institute noted that political groups receiving tens of millions of dollars from utility companies [explicitly sold access](#) to elected officials to corporate donors. A 2018 membership document from the Republican Attorneys General Association (RAGA) offered private issue briefings with Republican attorneys general to companies that donated between \$50,000 and \$125,000 per year. RAGA also offered posting access to its "Briefing Room" file-sharing site for policy documents to corporate donors giving more than \$25,000 per year.

Another way that electric utilities influence the government is through lobbying, where utility company employees and professional consultants hired by utilities push policymakers to adopt policies that benefit the companies' bottom lines. According to the Center for Responsive Politics, the electric utility industry spent [\\$104.7 million](#) lobbying the federal government in 2020.

Simply put, politicians are more likely to be exposed to the points of view of utility companies who are sending representatives to attend high-priced political fundraisers and meet in legislative and executive offices than they are to the points of view of regular people. This exposure can translate into influence, whether through politicians' conscious choices to adopt policies beneficial to their

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A close-up, high-angle photograph of a US dollar bill, showing the intricate patterns and textures of the paper. The focus is on the right side, where the profile of a person's face is partially visible, along with the words 'FEDERAL RESERVE NOTE' and 'ONE DOLLAR'. The lighting creates strong shadows and highlights, emphasizing the physical details of the currency.

As Dominion used rate-payer money to shower donations onto politicians who supported the Atlantic Coast Pipeline, ratepayers themselves who face the highest energy burdens - that is, the percentage of household income spent on energy bills - in states like Virginia and North Carolina actively opposed the pipeline. Virginia, for example, has [some of the highest](#) average residential electricity bills in the U.S., and the state's low-income communities and communities of color face the [greatest energy burden](#) of all. Black, Indigenous and Latinx [organizers](#) were at the [forefront](#) of the successful fight to defeat the Atlantic Coast Pipeline.

utility industry donors or through an unconscious tendency to adopt and share the beliefs of the people in one's social and professional circles.

For example, when we reported on now-former Dominion CEO Thomas Farrell's political donations in 2018, we found that politicians receiving donations from Farrell and Dominion Energy - again, money that Dominion receives from rate-payers - were [vigorous advocates](#) for the Atlantic Coast Pipeline, a hotly-contested 600-mile pipeline project led by Dominion and Duke Energy:

In addition, Farrell has given heartily to some of the state's most vocal pro-pipeline politicians. For example, Richard Saslaw (VA Senate Minority Leader), Thomas K. Norment, Jr. (VA Senate Majority Leader), and M. Kirkland Cox (VA House Majority Leader) all signed an open letter to FERC in support of the Atlantic Coast Pipeline. Farrell has donated \$27,750 to these three politicians (\$15,000 to Saslaw, \$9,750 to Norment, and \$3,000 to Cox). Dominion also ranks as a top donor to these three politicians over the past decade.

### ***Utility industry capture of regulatory agencies***

Beyond political support for specific projects, the close ties between utility companies and politicians creates opportunity for industry capture of the government agencies responsible for oversight and regulation. The most visible form that utility industry regulatory capture takes is what's called the revolving door between industry and government - the practice of officials moving back and forth between private sector roles at utilities or other regulated businesses and public jobs at industry regulators.

The Federal Energy Regulatory Commission regulates interstate electric and gas transmission as well as oil pipelines, but acts as a [rubber stamp](#) for the industry, approving 99% of pipeline projects in the past 20 years.

State-level utility regulators, usually called Public Service Commissions (PSC) or Public Utility Commissions (PUC) are responsible for setting utility rates and ensuring public safety and upholding the interests of rate-payers. This inordinate level of state regulation over privately-owned utilities is the result of [a bargain made in the late 19th century](#) whereby utilities agreed to price regulation in exchange for being granted monopolies over

electricity production and distribution in their territories. As described in this section, utility companies' capture of the regulatory apparatus has largely ensured that, despite states' power to regulate them, utilities are able to extract profit relatively unfettered.

The revolving door between the utility industry and government regulators at the state and national levels is well documented.

In 2017, [we reported](#) on the revolving door between fossil fuel companies and FERC. We found that, at the time, 12 of 15 former FERC commissioners who retired since 2000 had taken jobs either directly or indirectly in the fossil fuel industry as executives, directors, partners, lobbyists and/or consultants.

The revolving door between FERC and the utility industry was even more clear in the case of Cheryl LaFleur, who was then the acting chair of FERC. Before

joining FERC, LaFleur was a [longtime executive at National Grid](#), a UK-based gas and electric utility serving New York and New England. National Grid is a member of a business lobbying group called the New England Council, which [lobbied the US Senate](#) to approve LaFleur's re-appointment to FERC in 2014 just months after lobbying LaFleur to approve a pipeline project for Spectra. LaFleur left FERC in 2019 and is currently a member of the board of directors of ISO New England, the private, non-profit regional transmission organization that oversees New England's power grid.

Similarly, in [a 2018 report](#) we found that four of the five commissioners on the Pennsylvania Public Utilities Commission at the time had close ties to the fracking industry, including companies building a controversial oil pipeline.

Revolving doors at utilities regulators have been recently documented in many other states across the country:



In [Texas](#), the Public Utilities Commission has been criticized for abdicating its regulatory authority in the wake of devastating blackouts in February 2021. The Texas PUC is chaired by a longtime former attorney and regulatory affairs executive with the utility CenterPoint Energy.



In 2020 the [Wisconsin State Journal](#) reported that Public Service Commissioner Mike Huebsch applied to be CEO of the Dairyland Power Cooperative utility just months after voting to approve two of the utility's controversial infrastructure projects.



Investigations into catastrophic wildfires [in California](#) implicated revolving door relationships between the California Public Utilities Commission and PG&E, whose outdated equipment has caused fires.



A [2017 report](#) from Integrity Florida found “egregious voting and unfair ratemaking” at the Florida Public Service Commission and documented “the revolving door between the legislature, the PSC and the companies the PSC regulates.”



## **Corporate trade groups and advocacy organizations**

Utility companies do not only exert their political influence on their own. One of the most effective ways that these businesses wield power is through trade groups, chambers of commerce, and other formations where corporations combine efforts to drive policy.

The Edison Electric Institute (EEI) is the largest national utility industry trade group in the US. The electric utilities serving the [vast majority](#) of Americans belong to EEI and the group's [board of directors](#) includes executives from some of the largest and most powerful utility companies in the country, including Xcel Energy, DTE, Ameren, and Edison International. EEI reported [\\$91.1 million](#) in revenue in 2018, the most recent year for which records are available, and according to the Center for Responsive Politics, the group spent [\\$8.6 million](#) on lobbying in 2020, making it the [second-largest](#) electric utility lobbying spender in the country.

On the state and local level, utility companies are frequently key members of chambers of commerce or other corporate advocacy groups. These groups advance pro-corporate policy at the local level and in statehouses.

In New York, the Business Council of New York, a statewide corporate lobbying group lobbied for years in opposition to a climate change bill aimed at transitioning New York State to 100% renewable energy by 2050 and using state funds to support low-income and climate-vulnerable communities. The Business Council has now removed the lists of its board of directors and member corporations from its website. However, the group [recently named](#) Donna DeCarolis, the president of the gas utility National Fuel, as board chair. When [we reported](#) on the group's lobbying campaign against the New York climate law in 2016, members included a number of utilities, such as Central Hudson Energy, Consolidated Edison, Dominion Resources, National Fuel, National Grid, New York State Electric & Gas, and Rochester Gas & Electric.

## **Philanthropy**

Executive representation on the boards of philanthropic institutions is key to utilities' ability to weave into the local power structure. These institutions represent all aspects of social and cultural life, including medical institutions, universities, art museums, environmental organizations, and more. Often utilities will also be corporate donors and/or sponsors to the institutions where their executives hold board seats, providing funding and further entrenching their hold on the institution.

In addition to the influential networks created by seeding executives across these organizations, utilities typically have their own charitable foundations. These foundations pour millions in donations into the communities in which they operate, funding a variety of organizations as well social and cultural events.

This begs the question: why would a for-profit entity spend executive time and corporate money on philanthropy?

Philanthropy provides a number of benefits for utilities in particular. Investing resources into philanthropy allows utilities to burnish their image and promote themselves as caring community members working to fund needed resources, sponsor exciting events, and improve conditions in the very same communities they pollute and exploit. Utilities can highlight their efforts to shareholders who might otherwise be squeamish about investing in the corporation.

Further, and perhaps most importantly, they can leverage their social and economic role against local communities and regulators to stymie dissent and accountability efforts around their profit-driven actions. In short, philanthropy is good for the brand and provides additional power and leverage against opposition.



sponsored in 2015 alone reached over [two million people](#) - meaning two million people linked the Dominion brand to these exciting public events.

In addition to trying to build general good will toward the company, these donations have helped Dominion overcome opposition to its agenda. Past recipients of Dominion's charitable donations have spoken publicly in favor of proposals sought by the company. In one example from 2015, Dominion was pushing for a bill that would institute a five year base rate freeze, an unusual move for a utility, that would restrict its ability to raise rates for consumers. The freeze sought by Dominion came with [a caveat](#) barring state regulators from conducting reviews of the company's finances during the five year freeze period, enabling the company to earn higher profits without having to answer to government regulators. Past financial reviews of the utility had produced "[significant refunds](#)" for customers and experts estimated that the bill sought by Dominion would cost rate-payers \$1 billion over the freeze period.

Despite this, representatives from several recipients of Dominion's charitable giving, including the [American Red Cross](#), endorsed the rate freeze plan, helping to sway policymakers who ultimately adopted the bill.

The symbiotic nature of this relationship was made clear by the Eastern Virginia regional chief executive officer of the Red Cross:

"They are financial supporters, but even more important, whenever we need help, their people volunteer time for us," Gordon [said](#). "Dominion has always been a good corporate friend."

Dominion's technique of using philanthropy to burnish its reputation and drum up support for its agenda is an industry-wide strategy. In the case studies include in this primer each of the utilities profiled - DTE Energy, NextEra, and Entergy - have their own charitable foundations that pour millions into philanthropic causes and public events where they operate. In many cases these companies leveraged their public image and the support of their grantees to move forward their agenda.



# OKAY - SO WHO HAS THE POWER WITHIN INVESTOR-OWNED UTILITIES?

We know utilities are extremely powerful and influential. But this raises another question: where does power actually lie *within* utilities? Who really calls the shots over whether - for example - this utility pays out dividends to its shareholders at the expense of infrastructure upgrades, or that utility decides to invest in a new fracked-gas power plant rather than renewable energy facilities?

These questions really matter, because their answers may help you determine where your focus is in your campaigning - after all, to win, you need to pressure and move the entities that have power and make decisions. So, who rules utilities?

## **Executives**

*What they are:* Executives are the members of a corporation's management team who are responsible for the execution of strategic plans, day-to-day operations, and profitability of the company. Executive roles include key positions such as the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Operating Officer (COO). Traditionally the management team reports to the CEO while the CEO reports directly to the board of directors. At least one member of the executive management team will sit on the board of directors.

The executive team will also largely be responsible for representing the company publicly and may do so by representing the company on the boards of policy planning and business advocacy groups as well as by sitting on the boards of philanthropic organizations, academic institutions, and cultural organizations among others. These connections help expand the reach and reputational power of the company as well as that of the executive within that role.

Ultimately however, corporate executives are responsible for one thing: ensuring that a company is profitable and, in the case of IOUs, meets the expectations of its shareholders.

*Why they're powerful:* While corporate executives are accountable to their board of directors, they represent the top tier in management at the company and hold a tremendous amount of decision-making power within the corporate hierarchy. While the board of directors must have final sign off, the executive team will formulate the corporate strategy and agenda that they believe will maximize the profit-making potential of the company.

With great power comes great reward: Corporate executives are the highest paid employees of a corporation, typically receiving a mix of traditional cash compensation, stock options, retirement benefits, and performance incentives. Their substantial compensation is set and approved by the board of directors.

*How mapping them out can provide leverage:* It is important to remember that corporations and how they operate in our communities is not by accident but rather the direct result of the purposeful decision making by corporate executives and boards of directors. Understanding how executives operate within a corporation, how they are compensated, and what other public positions they hold, is key to understanding the

To learn how to research these utility power players, visit our [Map The Power](#) research guide.

priorities of a corporate entity. Executives are supposed to bear ultimate responsibility within the company and as such should bear responsibility for corporate activities outside of the company.

## **Board of Directors**

*What they are:* A board of directors within a public company such as an IOU is a group of representatives elected by shareholders to serve as the top tier accountability structure for the company and ensure that shareholder interests are being met. A board of directors is largely responsible for approving larger strategic moves within the company as well as providing policies and oversight of the executive team.

Public companies are required to have a board of directors which may include a mix of members of the management team, major shareholders, and outside directors. Outside directors on a board will typically have traditional employment elsewhere but will be compensated for serving on the board.

*Why they're powerful:* The board of directors has final decision making authority within the corporate structure. They approve strategies presented by the executive team as well as hold hiring and firing power over top tier management.

*How mapping them can provide leverage:* As with the executive management team, the board of directors is the body responsible for directing a company's activities to maximize profit-making potential. As such they are the group of individuals directly responsible for a corporate entity's activities within a community. Understanding how the board functions as well as their personal connections to other companies, philanthropy, cultural institutions, and so on is key to developing an understanding of the company's reach and operations.

## **Investors and owners**

*What they are:* Big investors like [asset managers](#) and other financial institutions are typically the top shareholders of publicly-traded IOUs. This means they own a big chunk of the corporation through owning its stock. For example, take two of the biggest IOUs in the US: Duke Energy and Dominion Energy. These two utilities

have the same "beneficial owners" - shareholders who own more than 5% of the company's total stock. These beneficial owners are the three biggest asset managers in the world: BlackRock, Vanguard Group, and State Street Corporation: Duke Energy's [top owners](#) are Vanguard (with a 8.37% stake in Duke), BlackRock (7%), and State Street (5.07%), while Dominion Energy's [top owners](#) are Vanguard (8.3%), BlackRock (6.8%), and State Street (5.1%). In short, these three top asset managers together own about 20% of both Duke and Dominion.

*Why they're powerful:* Since these shareholders are the utilities' biggest investors, sometimes owning billions in company stock, they have major sway with company management. What they tell directors and CEOs behind closed doors, and how they vote at shareholder meetings, can have tremendous influence over companies. This is why - for example - climate activists have been [focusing on BlackRock](#) and other top asset managers, since these big investors hold power with the companies they invest in. What these big investors demand on climate can set the agenda for the companies they own.

*How mapping them out can provide leverage:* You can map out top utility investors through looking at their beneficial owners as reported in firms' proxy statements. By discovering who owns the utility you may be targeting, you can then strategize how to try to put public pressure on those owners, or to connect with other campaigns and movements that may also be focusing on the same investors. Moreover, the money that asset managers invest and manage is often *your* money - retirement funds of millions of people, for example - so many of us have personal stakes in how these firms behave.

## **Big Banks**

*What they are:* Big banks are massive financial institutions that hold and loan money and offer other financial services. They provide essential services to utility corporations. For example, they issue corporate credit facilities that utilities can borrow money from, both for the utility's general use and for specific projects like pipelines or power plants; they advise (for a big fee) on mergers and acquisitions and underwrite corporate bonds; and they directly own company stock through their asset manager wings. For example, Duke Energy has an [\\$8 billion credit facility](#) with JPMorgan, Wells Fargo,



and a host of other banks, through which it can draw funds when needed. You can find most of the credit facilities that utilities have with banks through scouring their SEC filings.

*Why they're powerful:* Banks essentially provide utility corporations with the loans and services to operate and expand. Simply put, IOUs could not do business without the financial arrangements they make with banks. This is why the banks that are helping to finance IOUs make powerful targets: utilities depend on them, and the terms and conditions that banks make on utilities, and whether or not they agree to do business with them altogether, hold major sway over utilities.

*How mapping them out can provide leverage:* As with researching and mapping out investors, doing the same with banks can help organizers to identify pressure points for campaigns, as well as the opportunity to connect with other movements that may be focusing on the same banks. Moreover, this information also helps identify hypocrisy from banks that organizers can highlight - for example, how they [greenwash](#) themselves by talking about their commitments to “sustainability” while they continue to [provide the financial lifelines](#) to major fossil fuel companies driving our climate crisis (this also applies to asset managers).

# ARE UTILITIES UNIQUELY CORRUPT?

With their tremendous power and influence - built-in through their quasi-monopoly status, their sway with elected officials, and their guaranteed rates of return - utilities may be even *more* prone to corruption than other corporations.

A recent slew of scandals - profiled last October by the Pulitzer Prize-winning investigative news site [ProPublica](#) - offers a glimpse into some of the different categories of utility industry antics:



## 1) Secret political spending.

Awash with money and power, utilities are prone to shower cash to defend their interests - sometimes in quite questionable ways. For example, authorities claim that FirstEnergy, a powerhouse electric utility, poured \$60 million into a nonprofit group controlled by Ohio House Speaker Larry Householder in exchange for passing legislation for a billion-dollar bailout of two of its nuclear plants and a weakening of renewable and energy efficiency programs. Householder has been [charged](#) with racketeering, while FirstEnergy claims no wrongdoing. Out West, the FBI and Justice Department are investigating Arizona Public Service for covertly giving millions to dark money groups that helped elect two state regulators in 2014.



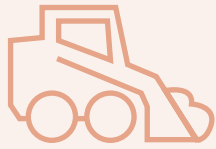
## 2) Offering jobs to allies.

There are other ways for utilities to get what they want, such as stealthily arranging cushy jobs for elected officials. For example, Commonwealth Edison, Illinois's largest electric utility, admitted that it set up jobs and payments for people tied to Illinois House Speaker Michael Madigan as recompense for friendly legislation. ComEd agreed to pay a whopping \$200 million fine in July 2020 to resolve the federal investigation into bribery.



## 3) Faking public support.

It's no secret: utilities are not very popular, and when they propose things like new fossil fuel infrastructure, that's often not very popular either. But utilities do have one thing: loads of cash to pay people to create the appearance of public support. For example, when Louisiana utility Entergy wanted to build a new natural gas plant, it paid dozens of people (through a subcontractor) to attend a meeting of the New Orleans City Council, who regulates Entergy, and pretend they were regular people supporting the plant. Entergy ended up paying a \$5 million fine, though it claims no wrongdoing. The industry also uses well-paid consultants - such as [those who run](#) the Consumer Energy Alliance - to wage [folksy PR campaigns](#) that run on corporate money.



#### **4) Undertaking mega projects that don't pan out.**

Rake in tax-payer funded subsidies for shoddy, delayed projects, with little to no accountability? Yep: that's another privilege utilities enjoy. For example, Southern Company's Kemper Project - run by Mississippi Power, a SoCo subsidiary - was supposed to be a new "clean coal" plant that would cost \$2.9 billion. Instead, the project dragged on for years and shot up to \$7.5 billion, all while plant owners accepted big subsidies even as it experienced delays and safety violations. "In the end," wrote the [New York Times](#), "the Kemper project is a story of how a monopoly utility, with political help from the Mississippi governor and from federal energy officials who pressured state regulators in letters to support the project, shifted the burden of one of the most expensive power plants ever built onto the shoulders of unwitting investors and some of the lowest-income rate-payers in the country."

Also, as the Center for Media and Democracy [noted](#), executives from at least three major utilities - South Carolina Electric and Gas, and ComEd and FirstEnergy, both mentioned above - faced criminal charges during 2020.

Often, though, utilities get their way not through corruption, but through mobilizing their everyday, totally-legal power, even in cases when they do decide to develop clean energy sources. For example, [ProPublica](#) reported on how Dominion Energy defended its future profits by lobbying to "reshape a major climate bill to cover its massive offshore wind project" which "shifted risk from the company's shareholders to its rate-payers." "The tweaks meant more money for Dominion," said the report, "because state law guarantees utilities roughly 10% profit on construction projects."



# HOW DO UTILITIES DRIVE CLIMATE INJUSTICE?

While many utilities are declaring their plans to move away from fossil fuels and reach net-zero\* targets in the decades to come, the stubborn fact remains: the U.S. utility industry is one of the biggest drivers of climate change in the world. Its business model is deeply connected to global warming and climate and environmental injustice.

“Net-zero” is a vague term - described by *The New Republic's* Kate Aronoff as “one part creative accounting and many parts a P.R. strategy” - meaning that a company’s carbon pollution is canceled out by its other activities. Importantly, net-zero does not mean completely fossil fuel free.

The overwhelming majority of electricity production by utilities comes from burning fossil fuels - mainly gas and coal. In fact, the production of electric power accounted for nearly [one-third](#) of all CO2 equivalent emissions in the US in 2019. Moreover, for-profit utilities have used their power and profits to fight against renewable energy and stall climate progress by bankrolling lobbyists and politicians dedicated to preserving fossil fuel-based energy production.

In 2019, electricity production [accounted for](#) around 32% of all CO2-equivalent emissions from the US energy system. This makes it the second-biggest emitter of GHG emissions among all economic sectors (transportation is first, accounting for 37% of all CO2-equivalent emissions).

The clear majority of U.S. electricity generation is produced by fossil fuels, though that number has decreased slightly year by year. In 2018, natural gas [accounted](#) for 35% of US electricity generation and coal

accounted for 27%. While utilities laud their growing reliance on natural gas over coal as a shift toward “cleaner” energy, natural gas is still a fossil fuel that emits carbon dioxide when burned, and the production of natural gas is a [major source](#) of methane emissions - a [significantly more potent](#) global-warming greenhouse gas than carbon dioxide.

Most of this carbon-producing electricity generation comes from power plants, many of which are owned and run by utilities. Power plants are *by far* the largest GHG emitters in any sector per facility, with the oil and gas industry a distant second, according to 2019 [EPA data](#) (1.22 million metric tons of carbon dioxide equivalent per reporter for power plants versus 0.14 million metric tons per oil and gas reporters).

This means that power plants offer the most climate-warming bang for the per-facility buck, so to speak. One study [noted](#) that, “In 2018, 10,435 fossil fuel-fired generators produced 63% of U.S. electricity” while emitting 1.9 billion tonnes of carbon dioxide.

Nor is pollution from U.S. utilities a problem just in the U.S. - it has global implications. According to the [World Resources Institute](#), the production of electricity and heat in the U.S. alone is responsible for 4.43% of all global GHG emissions.

Even more, power generation and the resulting emissions are deeply concentrated in just several dozen companies. “The 100 largest power producers in the United States” noted the [2019 Benchmarking Air Emissions report](#), “own roughly 3,000 power plants and account for more than 80 percent of the sector’s electric generation and reported air emissions.”

A number of huge and powerful investor-owned utility corporations dominate the top of this list. These include Duke Energy, Exelon, Southern Company,

NextEra, Entergy, Dynergy, Berkshire Hathaway Energy, Dominion, and American Electric Power, as well as the publicly-owned Tennessee Valley Authority.

The fuel mix of many of these utilities is overwhelmingly rooted in fossil fuels. Duke Energy, the [top carbon polluting](#) power company, has a fuel mix of 33% coal and 28% gas. Southern Company, the second-top carbon polluter, has a fuel mix of 29% coal and 48% gas. Dynergy and American Electric Power, the third- and fourth-top carbon polluters, have fuel mixes of 48% coal and 52% gas, and 70% coal and 10% gas, respectively.

On top of all this, powerful utilities have a [sordid record](#) of dumping toxic coal ash into unlined basins and landfills, contaminating groundwater and causing other ills. Duke Energy recently [settled to pay](#) \$1.1 billion in coal ash clean up costs for a disastrous 2014 coal ash spill, while *ProPublica* [reports](#) that Georgia Power may be buying up residential land to stall coal ash cleanup costs. As [EarthJustice shows](#), the burden of coal ash pollution falls more on communities of color and low-income communities, who live disproportionately closer to the most contaminated sites while also having less access to routine testing of drinking water, adequate medical care, and legal help.

Low-income communities and communities of color bear the [brunt](#) of energy injustice on both the production and distribution ends of electric utility power. This is not accidental, but [a product](#) of environmental racism and larger structures of oppression.

For example, fossil fuel power plants are disproportionately located in and near communities of

For more information on the ways utilities drive environmental racism check out “Utilities 101: A guide to the basics of the electric utility industry with a focus on justice” from [Initiative for Energy Justice](#)

color. A 2012 NAACP [report](#) found that 78% of Black Americans lived within 30 miles of a coal-fired power plant. Dirty NYC peaker plants [overwhelmingly burden](#) low-income communities and communities of color. Black and Brown people bear a significantly higher “[pollution burden](#)” than whites.

All this creates more pervasive and persistent public health crises in low-income communities and Black, Brown and Indigenous communities, [contributing to things](#) like higher rates of COVID-19. Meanwhile, underinvestment in energy efficiency disproportionately [impacts](#) African Americans, and low-income people and Black and Brown people experience [higher levels](#) of energy insecurity. Moreover, while BIPOC and low income communities [suffer the impacts](#) of the climate crisis more acutely, long term underinvestment means that these communities are less likely to rebound from climate-related events such as hurricanes and floods.

As environmental justice groups have [said for decades](#), all this makes the battle for energy democracy\* intertwined with the fight for racial justice and [jobs, public health, and clean air and energy](#).

“Energy Democracy represents a shift from the corporate, centralized fossil fuel economy to one that is governed by communities, is designed on the principle of no harm to the environment, supports local economies, and contributes to the health and well-being for all peoples.”

[Climate Justice Alliance](#)

# HOW DO UTILITIES STALL CLIMATE PROGRESS?

To be sure, things are starting to shift. The fossil fuel contribution to the mix of utility power generation has been declining year by year - mostly due to the terminal decline of the coal industry. And utilities have faced pressure to announce roadmaps to transition to net-zero carbon emissions.

However, many of these plans have come under criticism from climate advocates as little more than greenwashing and slow-moving half-promises - public relations cover to keep building and using fossil fuel-burning infrastructure.

“Net-zero carbon pledges are becoming common for utilities,” *Green Tech Media* [noted](#) in February. “But a huge number of them are failing to decarbonize within any timeframe that truly matters. They’re not phasing out coal, they’re building lots of new gas plants, and they’re not building enough clean energy.”

For example, Duke Energy came under criticism in a January 2021 [report](#) for beefing up its natural gas portfolio while simultaneously declaring, in word, its goal to become a net-zero carbon company. The report noted the “material tension between operating a newly built fleet of gas-fired generation throughout their engineering lifetime and meeting a net-zero carbon commitment.”

Moreover, many utilities sponsor industry-friendly conservationist groups as a way to greenwash their image. Charitable donations are a key tool utilities can use to burnish their image and buffer opposition. Donations to environmental groups specifically help utilities appear environmentally-conscious and proactive.

For example, utilities like Con Edison, Eversource, Entergy, National Grid, NRG, Exelon, and others are corporate [sponsors](#) of the New York League of Conservation Voters (whose board is filled with fossil fuel lobbyists).

In Detroit, DTE donated nearly \$600,000 to various environmental groups in a single year – including a [\\$200,000 donation](#) to The Nature Conservancy SE Michigan Chapter – through the DTE Foundation. NextEra donated over [\\$1 million](#) to Florida-based and national environmental groups – including nearly \$300,000 to the National Audubon Society – in 2019 through the NextEra Foundation.

**Many of these net-zero emissions plans have come under criticism as little more than greenwashing and slow-moving half-promises.**

## ***Fighting the Rise of Renewables***

Solar is widely considered one of the key energy sources needed to aid the transition away from fossil fuels as we work to address climate change. Despite this, and while many utilities are making dubious commitments to move to carbon neutrality by 2050, the industry has aggressively pursued limits on the growth of solar power and other renewable energy sources through legislation.

Utilities fight the expansion of rooftop solar for a number of reasons. Power generated through rooftop solar is sold back to the grid and repurchased with credits from the sale, meaning that the utility does not make money from the sale. Moreover, some utility companies such as NextEra are [investing](#) in their own solar technology and thus have an interest in maintaining their monopoly on energy production regardless of the energy source.

One of the more insidious plots to limit solar growth started in 2013 when the Edison Electric Institute [linked up](#) with the notorious American Legislative Exchange Council (ALEC), a right wing consortium of legislators and corporations that draft model legislation for state governments, to combat the meteoric rise of rooftop solar:

“As it stands now, those direct generation customers are essentially freeriders on the system. They are not paying for the infrastructure they are using. In effect, all the other non direct generation customers are being penalised.” - [ALEC](#) Legislative Analyst, John Eick

Together the groups worked to draft legislation to distribute to state lawmakers that would reduce and ultimately eliminate [net metering](#), the arrangement that allows solar array owners to sell their energy back to the grid, a commonly touted perk of solar array ownership that helps offset installation costs. This partnership produced a playbook for utilities that could easily be deployed in statehouses across the country.

Utilities also use their considerable financial resources to influence policy through more traditional avenues: lobbying and campaign donations, which we've discussed in other sections of this primer. In several instances, utilities funded PACs with names that suggest consumer protection to spread their talking points while masking the true messenger. Different tactics, including the EEI and ALEC playbook, can be seen in fights around the country:





In **Arizona** an alliance of 50 organizations banded together to help propel a 2018 ballot initiative to add renewable energy requirements for electric utilities into the state constitution. The [proposition](#) sought to compel state utilities to meet a 50% renewable energy threshold by 2035. The fight over Proposition 127 became one of the most expensive political fights in the country as Arizona Public Service, the largest IOU in the state, poured over \$30 million into Arizonans for Affordable Electricity, a PAC formed to fight the amendment. The utility-funded PAC, which put out ads alleging major cost increases for rate-payers under the new rule using dubious accounting, was accused of paying people to stop collecting signatures for the ballot initiative and even challenged the signature collection in court.

Ultimately APS prevailed in defeating the initiative, largely thanks to [the addition](#) of a line in the amendment by Arizona Attorney General Mark Brnovich that suggested rate-payers would be required to pay increased rates to meet the renewable requirement. Proposition supporters noted that support for the initiative fell 30 points after Brnovich's interference. APS is a [longtime supporter](#) of Brnovich, helping him win election in 2014 by funding ads against his opponent and donating hundreds of thousands of dollars to his campaign.



Utilities in **Florida** have been especially successful at limiting the growth of solar in the state through [spending](#) heavily on lobbying – \$6 million from 2014 to 2017 – and campaign donations – \$57 million from 2014 to 2017 – to state lawmakers. The utilities have not been subtle in their pursuit to limit solar as [described](#) by Florida state representative Kathy Castor:

“I’ve had electric utility executives say with a straight face that we can’t have solar power in Florida because we have so many cloudy days,” said Representative Kathy Castor, a Democrat from the Tampa area. “I have watched as other states have surpassed us. I think that is largely because of the political influence of the investor-owned utilities.”

In 2016 a Florida utility-funded PAC called [“Consumers for Smart Solar”](#) was exposed for trying to dupe consumers into voting for a ballot initiative called Amendment 1 that would restrict subsidies for solar panels. The PAC used deceptive language that appeared to protect consumers from scams and rising energy prices but in fact would have led to tighter restrictions on the renewable energy industry and made solar power prohibitively expensive. Utilities dumped over \$20 million into the effort with \$8 million coming from NextEra subsidiary Florida Power & Light alone, all to fund a wide-ranging media campaign across the state. Amendment 1 was ultimately defeated, but the utilities have still managed to [limit solar expansion](#), and Florida consumers interested in solar energy must purchase it directly from a utility or face steep insurance premiums on private solar arrays.



In 2017 **Indiana** utilities followed the playbook built by the EEI and ALEC to make a coordinated legislative push to end net metering. The utility-backed bill – [Senate Bill 309](#) – would reduce what utilities pay consumers for the energy they put back into the grid while charging them market rates to buy it back. Lobbyists for the utilities distributed [talking points](#) to state lawmakers who were considering the proposed bill, suggesting solar array owners were unfairly taking advantage of the system and that increased private ownership would result in higher rates for consumers. The aggressive messaging campaign from the utilities was successful and Republican Gov. Eric Holcomb signed SB 309 into law.

All this comes on top of for-profit utilities and the fossil fuel industry devoting *decades* to stalling climate progress through lobbying and dark money activism. As energy and environmental scholar Leah Stokes notes in her book *Short Circuiting Policy*, these entities began resisting laws to advance a renewable energy transition when they discovered this could “add significant costs to their bottom lines and threaten their existing assets...” Stokes notes:

These interest group opponents undertook major efforts to block, weaken, or rollback climate policies. Opponents worked across state lines through networks, most notably ALEC and AFP, as well as the private electric utility association the Edison Electric Institute (EEI)... In 2012, the Koch-backed, climate-denying Heartland Institute drafted the “Electricity Freedom Act” model bill alongside ALEC, and promoted it in legislatures across the country. This bill aimed to repeal clean energy laws. In early 2014, ALEC, working with EEI, began promoting a new model bill on “Updating Net Metering Policies.” While advocates attempted to counter these efforts, crossing state lines to defend clean energy laws, they lost many policy battles.

These same entities also fight against climate justice in other ways: for example, by backing so-called “critical infrastructure protection” laws that will criminalize protesters of new fossil fuel infrastructure that will harm BIPOC communities and accelerate global warming - and where Indigenous protesters stand to bear the brunt of repression.

As mentioned, the cruel irony here is that many of us who support climate justice have been forced to do business with monopoly utilities who have used our payments to fund their lobbying and activist efforts on climate delay.

***The cruel irony here is that many of us who support climate justice have been forced to do business with monopoly utilities who have used our payments to fund their lobbying and activist efforts on climate delay.***

# DO UTILITIES KNOW ABOUT THEIR ROLE IN DRIVING THE CLIMATE CRISIS? YES!

Like [ExxonMobil](#) and other Big Oil companies, utilities have long known about their role in driving global warming. It's just too bad that - again, like Big Oil - they never did enough to prevent us from falling into our state of climate crisis.

The utility industry has known about the climate-warming effects of burning fossil fuels for over fifty years. As the Energy Policy Institute [reported](#), the electric utility industry was warned by a presidential advisor as early as 1968 that continuing to burn fossil fuels could cause a climate crisis. That year, at the annual convention of the Edison Electric Institute, the utility industry's primary industry association and lobbying organization, Dr. Donald F. Hornig, then a science advisor to President Lyndon B. Johnson, stated that the President's Science Advisory Committee foresaw a 25% increase of carbon dioxide levels in the earth's atmosphere by 2000.

"Such a change in the carbon dioxide level might, therefore, produce major consequences on the climate - possibly even triggering catastrophic effects such as have occurred from time to time in the past," he told the industry gathering. Hornig's speech was printed in the [1968 Edison Electric Institute Bulletin](#).

During the 1970s and 1980s, writes EPI, the utility industry "sponsored cutting edge climate research," including one study conducted between 1985 and 1988 [that found](#) that "climate changes possible over the next 30

years may significantly affect the electric utility industry." In 1988, the Electric Power Research Institute [wrote](#): "There is growing consensus in the scientific community that the greenhouse effect is real."

Still, the utility industry refused to act on its growing awareness of the dire effects of climate change. While EEI president William McCollam, Jr. [told Congress in 1989](#) that climate change "could have significant effects on agriculture, rainfall, sea level, storm events, demography, and human health," he nevertheless added that "we believe that any plan calling for urgent and extreme action to reduce CO2 emissions is premature at best.

That same year, several major utilities joined the Global Climate Coalition, which, writes EPI, "[for years](#) worked to deny the causes and risks of climate change." Indeed, until recently, industry leaders continued to downplay the climate crisis. In a 2017 CNBC interview, Southern Company CEO and then-EEI chairman Thomas Fanning [denied](#) that CO2 emissions were a key driver of climate change.

After decades of climate denialism that benefited their bottom line, utilities remain core drivers of climate catastrophe, even as, with a green shift in the global political, legal, and investor climate, they are trying to quickly change their tune and highlight their climate bona fides.

# WHAT TO DO ABOUT IT?

Now you may be asking yourself: does it have to be this way? The answer is no!

Utilities work hard to keep out alternatives to their corporate models, but organizers and activists across the country are pushing alternative visions for [democratizing](#) energy production and distribution and [transitioning](#) away from the extractive economy to center the needs of people over profit.

Here are a few organizations providing critical leadership toward visionary models for energy, climate, and environmental justice:



[Initiative for Energy Justice](#): “We are lawyers entrenched in the policy debates concerning the nation’s transition away from fossil fuels and an extractive economy towards an equitable and renewable energy future, with direct connections to communities working on that transition.”



[Energy Democracy Project](#): “The Energy Democracy Project is a collaboration of more than 30 diverse, local, frontline organizations across the U.S. to strengthen their collective efforts to democratize energy and advance the emerging energy democracy movement in the United States.”



[Democracy Collaborative](#): “The mission of The Democracy Collaborative is to help catalyze a moral and political transformation of the US political economy into a next system that is inclusive, just, and ecologically sustainable—in contrast to today’s amoral economy of financial extraction.”



[Movement Generation](#): “Movement Generation Justice & Ecology Project inspires and engages in transformative action towards the liberation and restoration of land, labor, and culture. We are rooted in vibrant social movements led by low-income communities and communities of color committed to a Just Transition away from profit and pollution and towards healthy, resilient and life-affirming local economies.”



[Center for Biological Diversity](#): “To fight the climate emergency and extinction crisis, we must revolutionize our world to be entirely powered by clean, renewable, wildlife-friendly and democratic energy. The Center wages innovative legal and grassroots campaigns to drive this urgent transition for energy justice.”

This 101 introduction is just a start for exploring the current utility industry power structure in order to envision what alternatives are possible. Check out this Power Lines hub to find inspiring stories from on-the-ground organizers involved in major campaigns, how-to guides to start researching your local utility, and case studies documenting the networks that keep regional utilities in power.



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We would also like to extend thanks to Rachel Bridges for her excellent design work and cover art.



## Antonia Hover

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**From:** Ellen Plendl  
**Sent:** Tuesday, November 30, 2021 2:35 PM  
**To:** 'Beatrice Balboa'  
**Subject:** Consumer Inquiry - Florida Power and Light Company

Ms. Beatrice Balboa  
mailto:beatricebalboa@gmail.com

Dear Ms. Balboa:

This is in response to your e-mail to the Florida Public Service Commission (FPSC). You expressed concerns regarding Florida Power and Light Company (FPL) proposed fuel cost adjustment.

The fuel adjustment charge recovers the actual expenses associated with securing and processing fuel necessary to run the power plants used to generate electricity. Fuel rates mirror rising and falling fuel costs as reflected in the international marketplace. The revenue generated by the fuel adjustment charge does not add to the profit of the utility companies, but goes to pay fuel suppliers and transporters. The cost of fuel is shown as a separate cents per kilowatt-hour charge, and fuel costs are not contained in any other charge on your bill.

Each year, utilities file their projected fuel expenses for the upcoming calendar year. The FPSC, along with the Office of Public Counsel and other consumer representatives closely examine the fuel costs requested by the utilities. Public hearings are held annually to set the fuel factors for the next year. Since rates are set on projected costs, at the end of the year, the costs are "trued-up" or compared to the audited actual expenses incurred by the utility. If the utility recovered more than its actual costs, the amount of over-recovery is used to reduce the next year's costs. If the utility under-recovered (costs were higher than expected) that deficit is likewise rolled into the next year. The fuel cost adjustment is recognized by virtually all state commissions, by the Federal Energy Regulatory Commission, and is also used by most municipal electric utilities and rural electric cooperatives.

You may review all the information filed for Commission consideration in setting fuel rates by accessing the FPSC website at <http://www.floridapsc.com>. Under the Dockets and Filings tab at the top of the page, click on Dockets. Type in the docket number 20210001. Click the Search button to the right. Then select Document Filings Index for a list of all filings in the docket. This procedure allows you to view all of the information filed by the utilities and other parties in the fuel cost recovery docket.

The next fuel cost hearing will be held on December 7, 2021. You may watch the hearings live or afterwards by using the following link:

<http://www.floridapsc.com/Conferences/AudioVideoEventCoverage>

Thank you for sharing your views and articles. We will add your comments to the correspondence side of Docket No. 20210001 regarding the fuel cost adjustment.

If you have questions or concerns, please contact me at 1-800-342-3552 or by fax at 1-800-511-0809.

Sincerely,

Ellen Plendl  
Regulatory Consultant

Florida Public Service Commission  
Office of Consumer Assistance & Outreach  
1-800-342-3552 (phone)  
1-800-511-0809 (fax)