

NEWS RELEASE

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Restrictions Proposed on Duke Energy Influence Spending, but Groups say Loopholes Should be Closed

Rules would stop energy giant from making ratepayers fund its influence-buying and deception

Statement by Director Jim Warren:

Durham, NC – In a case that could have national ramifications, North Carolina regulators are proposing to stop Duke Energy's state utilities from charging ratepayers for efforts to buy influence, stifle criticism and mislead the public about its corporate practices. This week, NC WARN and Friends of the Earth [together called](#) on the NC Utilities Commission to close several loopholes in the new rules, and several other parties have filed similar comments.

In response to a [petition](#) filed late last year by NC WARN and Friends of the Earth, the Commission in August proposed to explicitly prohibit Duke Energy's public utilities from charging ratepayers for lobbying, image-polishing propaganda, targeted philanthropy, political giveaways and other efforts to buy favor and distort public debate.

For the first time, the Commission has proposed [firm rules](#) to prohibit customers from having to pay for such influence spending. In the past, the regulators sometimes disapproved those expenditures, but those decisions were often challenged.

Moreover, in past rate cases, Duke Energy has consistently tried to slip millions of inappropriate influence dollars past regulators – but often have been caught by NC WARN and/or by the Commission's Public Staff. For that reason, NC WARN and Friends of the Earth now propose that the Commission establish stiff financial penalties if utilities attempt to recover influence spending from ratepayers.

We and other parties are now calling on the commission to strengthen the rule by closing loopholes; for example, we urge them to expand the NC definition of utility lobbying to match the federal definition.

As Michelle Chan, Vice President of Programs at Friends of the Earth, said, “Influence spending by energy corporations is a national epidemic that is polluting our democracy and driving the climate crisis.”

In addition to the damage posed by Duke’s deceptive lobbying, the millions spent annually on misleading advertising has led the public to think that Duke Energy is a “green” corporation even as it is massively expanding its fossil fuel use.

NC WARN and allies calculate that Duke Energy uses more than \$80 million annually in the Carolinas to buy favor and stifle criticism of the corporation’s role in driving the climate crisis, its coal ash fiascos and constantly raising rates to build unneeded power plants and pipelines. Much of that happened for seven months this year as Duke tried but failed to buy passage of its “Ratepayer Rip-off” bill, SB 559.

The Commission dismissed part of our original petition pertaining to the parent corporation – but that issue might be appealed. We detailed how virtually all the influence spending originates from customer bills, and how Duke Energy uses an “accounting fiction” to claim that its stockholders or employees pay for the various influence expenditures.

Attorneys with the Center for Biological Diversity assisted with our original petition and have now [directly intervened](#) in the case. [Vote Solar](#) and political watchdog [Bob Hall](#) also submitted insightful comments on the Commission’s proposed rules. Finally, our case is bolstered by the former Chairman of the New York Utilities Commission, Peter Bradford, who filed an [affidavit](#) describing utility influence spending as a long-running national problem, urging the NC Commission to take the lead in reining it in.

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