

POLITICS

Utility PAC donations rolled in ahead of solar industry bill fight

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FRANKFORT – Four big utility interests pumped \$327,050 into the political committees of legislative candidates and the political parties during the 2018 election cycle.

That compares with the \$6,500 contributed by the tiny political action committee of Kentucky's solar industry.

A Courier Journal review of campaign contributions shows a vast discrepancy in the amount of political contributions coming from the two sides that are clashing over a bill that would reduce credits utilities pay to customers who generate power with solar panels on their homes and businesses.

The analysis shows 90 percent of the utility contributions went to political committees of Republicans, who hold majorities in the Kentucky House and Senate. Democrats got 10 percent of the utility PAC contributions.

A solar contractor from Lexington who testified against the bill says the campaign money makes a difference.

"The contributions come into play 100 percent," said Jamie Clark, who owns Synergy Home, a Lexington heating, cooling and solar company. "It's a big part of why this bill is such a David versus Goliath situation."

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Richard Beliles, chairman of the watchdog group Common Cause of Kentucky, agrees. "The big, established PACs give because they know it helps. In some situations like this solar bill, there are not many people within the universe of donors on the other side."

Beliles said contributions help utilities — or any group — establish relationships with lawmakers. And on a closely contested bill, he said, "I think it could make the difference."

Spokespeople on the utility side insist contributions do not give them an unfair edge. They note that their PACs are independent of the corporate entity — voluntary organizations of employees who make decisions based on a candidate's overall outlook — not any particular bill.

"In our current system, contributions are part of the way to help you discuss your issues with the politicians ... to help them understand your positions," said Melissa McHenry, spokeswoman for the Columbus, Ohio-based American Electric Power. "... It's a question of communicating with politicians and having access to share our viewpoint."

Sen. Brandon Smith, sponsor of the bill sought by the utilities, said that lawmakers often find themselves voting against the interests of particular contributors and that he does not believe contributions are a factor.

Smith, a Hazard Republican, said if utility donors thought contributions would decide the issue “they really didn’t do so well with their money because the bill didn’t fly out of here like people thought it was going to do.”

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Senate Bill 100 would do away with the current “net metering” law, where a homeowner with solar panels is credited at a one-to-one rate by utilities for power their panels generate beyond their needs. That power is returned to the power grid.

The bill would give the Kentucky Public Service Commission the authority to set the value of credit given to solar customers.

Utilities say they are now paying solar customers more than what it costs to generate their own power — a subsidy that must be paid by customers without solar.

Opponents say utilities are not accounting for the full benefits of having access to the solar power during peak demand times in the summer, and they say the new law would stifle growth of Kentucky’s solar industry.

The bill flew through the Senate early this month, but got stalled by a House amendment that made the bill more acceptable to solar companies. The Senate rejected the House changes. The bill is likely to be referred to a conference committee of members of the two chambers to try to resolve the differences.

House Speaker David Osborne, R-Prospect, said he believes contributions play no part in this issue.

“I think that generally PACs give to people of like mind. I don’t think it’s about specific legislation,” Osborne said. “... I believe they give because they want people here that support their way of thinking, policies in general — the same reason education groups give to education-minded people.”

He said the same point could have been made last year when the big Kentucky Education Association PAC, whose contributions heavily favor Democrats, opposed the pension reform bill.

But on that issue. many business sector interests with PACs, including the Kentucky Chamber of Commerce, were supporting the pension bill.

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The Courier Journal’s review of political contributions in the Kentucky Registry of Election Finance’s online database covering roughly the two-year period since the November 2016 election shows:

The LG&E-KU Political Awareness and Civic Education Committee made 99 contributions during the period totaling \$114,750 to committees of members of the

General Assembly, candidates for the legislature, legislative political caucuses and political parties. Of that total, \$105,500 went to Republicans, and \$9,250 to Democrats. **Speak Up for Rural Electrification PAC**, affiliated with the Kentucky Association of Electric Cooperatives, made 93 contributions totaling \$86,500 to legislative candidates, legislative caucuses and political parties. Of that, \$63,750 went to Republicans, and \$22,750 to Democrats. (Unlike the other three utility entities listed that are investor-owned, this group is an association of 26 not-for-profit, consumer-owned electric cooperatives.)

American Electric Power's PAC made 36 contributions totaling \$59,500 to legislative candidates, caucuses and political parties during the cycle. But the corporation itself also gave \$25,000 last October to Kentucky's main Republican super PAC (Kentuckians for Strong Leadership), which was raising big contributions at the time for independent advertising supporting Republicans in closely contested House races. That brings the total to \$84,500. Of that total, \$83,750 went to Republicans, and \$750 to Democrats.

Duke Energy Corporation PAC made 35 contributions totaling \$41,300 to legislative candidates, the caucuses and political parties during the period. Of that, \$41,000 went to Republicans and \$300 to Democrats.

Kentucky Solar Industries Association PAC made 14 contributions totaling \$6,500 in contributions in the last election cycle. Of that \$1,500 went to Democrats and \$5,000 to Republicans.

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