



Amazon Is Now Using Its Power And Influence To Secure Special Deals From Public Utility Commissions And State Legislatures To Avoid Paying Its Electricity Bills

“43 percent of people making less than \$40,000 a year say they make sacrifices such as forgoing opportunities in education and healthcare so they can pay for energy”

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Amazon secured a special deal in Virginia with the state legislature and Dominion Energy on a \$172 million utility project to host an Amazon Web Services data center that will be passed on to consumers with an “as-yet-unannounced monthly fee.”

“For a little while earlier this year, it seemed as though 87-year-old Rosie Thomas and her neighbors in the small town of Gainesville, Va., had beaten Amazon. Virginia’s largest utility, Dominion Energy Inc., had planned to run an aboveground power line straight through a Civil War battlefield—and Thomas’s property—to reach a nearby data center run by an Amazon.com Inc. subsidiary. After three years of petitions and protests in front of the gated data center, skirmishes punctuated by barking dogs and shooing police, Dominion agreed to bury that part of the line along a nearby highway, at an estimated cost of \$172 million. Within a month, however, the utility and state legislators had passed on the cost to Thomas and her fellow Virginians. The state’s House of Delegates approved Dominion’s proposal to raise the money needed for the Amazon line with an as-yet-unannounced monthly fee.” (Bloomberg, “[Amazon Isn’t Paying Its Electric Bills. You Might Be.](#)” Mya Frazier, 8.20.2018)

The Amazon Web Services Project will cost over \$170 million and will be spread out among “Dominion's 2.5 million customers in the form of a new monthly fee.”

“The State Corporation Commission regulates Dominion Energy and had to approve the project. It will cost more than \$170 million to bury the power lines to Amazon's data center and that cost will now be spread among all of Dominion's 2.5 million customers in the form of a new monthly fee.” (Fox 5, “[Prince William Co. residents unhappy with helping foot bill for new Amazon data center's power lines.](#)” Lauren DeMarco, 8.23.2018)

A similar deal was secured in Ohio between American Electric Power and the state’s public utility commission to pass \$77 million in electricity costs on to consumers.

“Amazon has also negotiated an unknown rate discount with American Electric Power in Ohio, where it received \$77 million in tax incentives for three data centers in 2016. Late last year, Amazon dangled 12 more in exchange for reduced electricity rates, and AEP exempted it from surcharges other Ohioans must pay. “That’s de facto cost--shifting,” says Ned Hill, an economist who teaches economic development policy at Ohio State University. “Other businesses and households in Ohio are now bearing all the costs of those riders.”” (Bloomberg, “[Amazon Isn’t Paying Its Electric Bills. You Might Be](#),” Mya Frazier, 8.20.2018)

Amazon is using its lobbying power and influence to secure special deals “unavailable to other customers” while passing the costs on “to regular everyday people.”

“Amazon has been successful in negotiating special electric rates that are unavailable to other customers. While some may argue that it is just a bulk use discount, exemptions from select fees offered by utility companies combined with tax incentives offered by governments pass the costs along to regular everyday people.” (Techspot, “[Amazon is one of the largest consumers of electricity but is offloading costs onto others](#),” Greg Synek, 8.20.2018)

Americans already struggle to make ends meet when it comes to paying utility bills, often “forgoing opportunities in education and healthcare so they can pay for energy.”

“According to the poll, 43 percent of people making less than \$40,000 a year say they make sacrifices such as forgoing opportunities in education and healthcare so they can pay for energy. Only 14 percent of those making \$100,000 or more do so. And almost one in five of the former report making a “serious sacrifice” while just 3 percent of the latter do.” (Energy Foundation, “[Poll: Most Would Pay More To Help Others With Energy Bills](#),” 8.16.2018)

Minority households are three times more likely to “report making serious sacrifices to afford their utility bills.”

“The poll also found that racial minorities and low-income renters are hit hardest by high utility bills. Three times as many African-Americans and twice as many Latinos report making serious sacrifices to afford their utility bills compared to non-minority households. Likewise, low-income renters with incomes less than \$40,000 a year report making serious sacrifices at higher rates compared to all other homeowners and renters.” (Energy Foundation, “[Poll: Most Would Pay More To Help Others With Energy Bills](#),” 8.16.2018)

Amazon has a history of using its power and influence with state and local governments who have already doled out \$1.5 billion in state and local tax subsidies – helping the company’s bottom line and subsidizing its growth.

“The answer has a lot to do with the fact that the company has received \$1.5 billion in taxpayer subsidies at the state and local level since 2000. Reams of taxpayer dollars have ended up in Amazon’s coffers as a result of the tech giant’s vast lobbying apparatus, which has opened a direct line of communication to local public officials and facilitated endless sweetheart deals and special treatment.” (Real Clear Policy, “[Time To Stop Subsidizing Amazon](#),” Robert B. Engel, 8.7.2018)

In Amazon’s most recent quarterly earnings, the company reported over \$2.5 billion in profits.

“The Seattle retail and technology giant on Thursday reported a record profit of \$2.5 billion, the latest sign of the company’s success in tapping new markets even as it deepens its dominant

position in e-commerce.” (*The Seattle Times*, “[Amazon posts record \\$2.5 billion profit as cloud sales growth continues](#),” Matt Day, 7.26.2018)

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