

Case Study

## **A Leading Renewable Energy Financing Bank Gains Important Insights on U.S.- based Opportunities**

[Electric co-ops top industry's political donations; utilities change approach | S&P Global Market Intelligence](#)

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### **Electric co-ops top industry's political donations; utilities change approach**

The US trade group representing nearly 900 rural electric cooperatives nationwide has contributed more to congressional and presidential campaigns during the 2023–2024 election cycle than any other power industry player, according to the political finance tracker OpenSecrets.

The National Rural Electric Cooperative Association (NRECA) had given just over \$2 million as of Oct. 17, and \$1.2 million went to Republicans, the data showed. The group ranked second among industry donors in the 2020 election cycle, when NRECA gave about \$2.1 million, 54% of which went to Republicans.

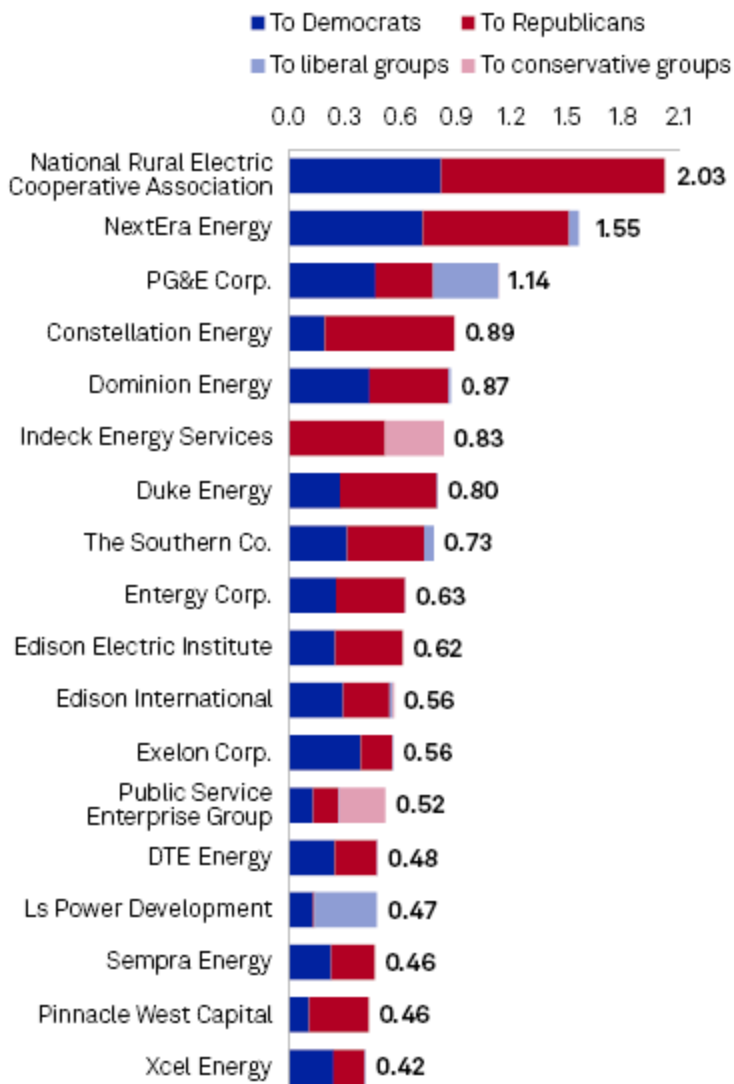
The association's rise to the top spot reflects, in part, a drop in political spending by other leading contributors such as Exelon Corp. and NextEra Energy Inc., and it comes as some electric utilities are taking a closer look at their campaign finance practices.

Kelly Cushman, NRECA's vice president of political programs, did not comment on the trade group's specific donations but called affordable electricity a "nonpartisan objective."

"NRECA supports candidates on both sides of the aisle who understand the importance of smart energy policies that keep the lights on," Cushman said in an email. "Forty-two million Americans in 48 states — and in Republican and Democrat congressional districts — receive electricity from an electric cooperative."

The trade group has been a vocal opponent of some of the Biden administration's regulatory policies, including a rule requiring utilities to capture 90% of greenhouse gas emissions from existing coal and natural gas-fired power plants by 2032.

## Electric utility campaign donations during the 2024 election cycle (\$M)



Data accessed Oct. 28, 2024.

Based on Federal Election Commission data released Oct. 17, 2024.

Source: OpenSecrets.

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### Some utilities change course

FirstEnergy Corp.'s political action committee was among the 20 largest electric industry donors a few election seasons back, giving more than \$604,000 in the 2020 cycle, but the company revised its campaign finance procedures after being charged in a yearslong federal racketeering conspiracy case in Ohio. The Akron, Ohio-headquartered utility, which operates transmission and distribution companies in Maryland, New Jersey, Ohio, Pennsylvania and West Virginia, did not rank among OpenSecrets' top 20 electric utility sector donors for 2023–2024.

On Oct. 25, First Energy and Sempra, a San Diego-headquartered electric and gas utility, became the first companies to commit to a new model code for political spending developed by the Center for Political Accountability (CPA) and the University of Pennsylvania's Wharton business school.

"FirstEnergy has a responsibility to advocate for public policy issues that impact the company and our stakeholders — especially our customers," Antonio Fernandez, the utility's chief ethics and compliance officer, said in a statement announcing the new code. "We are proud to be recognized for our dedication to robust oversight and disclosure of our political engagement activities, including a higher degree of involvement from our board of directors."

Sempra, also a major developer of LNG facilities along the Gulf Coast, has donated \$461,000 during the 2023–2024 election cycle. Sempra donated \$821,000 during the 2019–2020 cycle.

Changes at other large donors helped bring NRECA to the top of the money donation list this time around.

In the 2019–2020 election cycle, Exelon topped the chart with \$2.4 million in contributions to federal races, of which \$1.5 million went to GOP campaigns. This election season, the Chicago-headquartered company, which operates transmission and distribution utilities in five states and the District of Columbia, had donated \$556,786 as of Oct. 17, with more than two-thirds going to Democrats.

In the intervening years, Exelon in 2023 agreed to pay a \$46.2 million civil penalty to settle public corruption charges over payments its Illinois subsidiary Commonwealth Edison Co. made to the former speaker of the Illinois House.

Rather than a change in political donations, however, the drop reflects Exelon's 2022 split into two companies that left it with a smaller employee base and footprint, the utility said in an email.

"Exelon's political giving strategy is designed to support candidates who advocate for policies that advance the energy transformation in an equitable way for our customers and communities," the company wrote.

Exelon has also been ranking high on an index asking companies to disclose their corporate political contributions and policies, noted Bruce Freed, the CPA's president and co-founder.

"At least on the election side, they have taken that seriously," Freed said in an interview. "We've had a good relationship with Exelon."

The index, known as CPA-Zicklin after the Wharton School's Zicklin Center for Governance and Business Ethics, focuses on election-related spending in Washington, DC, and state capitals. Such spending is different from the lobbying expenses that companies incur when trying to influence already-elected public officials.

As a whole, the power industry has been one of the best-performing sectors in the CPA-Zicklin index, Jeanne Hanna, the CPA's vice president for research, said in an interview.

### **Utility donors favor GOP**

During this election cycle, 12 of the 20 largest donors in the sector are giving more to political action committees that support GOP candidates, the OpenSecrets data showed.

In general, however, US power companies play both camps and influence Republicans as well as Democrats, said Matt Kasper, deputy director of the utility watchdog group Energy and Policy Institute, which also tracks money in politics.

In this year's Senate races, for example, investor-owned utilities steered political action committee dollars to Sens. Martin Heinrich (D-NM) and John Barrasso (R-Wyo.), members of the Senate Energy and Natural Resources Committee who could be playing important roles in the next Congress.

"Utilities are looking at possible future congressional committee chair appointments," Kasper said during an interview. "They're trying to continue to remain in their good graces."

Meanwhile, Vice President Kamala Harris, the Democratic presidential nominee, led individual candidates with \$975,538 in campaign donations from the industry as of Oct. 17, more than twice what former President Donald Trump, the Republican nominee, received. The stronger financial support for Harris likely reflects employee donations, Hanna said.