

Virginia Electric Co-ops Need Consumer Protection Legislation

Rural electric cooperatives (RECs) serve hundreds of thousands of Virginians and cover nearly one-third of the Commonwealth's geography. RECs are essential service providers -- providing electricity and sometimes even broadband/communication services to their members.

RECs in Virginia operate as monopolies with relatively little independent oversight to protect consumers (co-op members). They claim to be democratic and self-regulated by their members, but only one of the 13 co-ops in Virginia allows members to observe board meetings.

REC members have few protections due to minimal regulation and governance issues at cooperatives--even though electricity is an essential service. Grassroots member efforts to reform individual RECs have been met with strong resistance and limited success. This has resulted in:

“Surprise” rate hikes that harm members

- Some RECs have increased/proposed increases to fixed access fees that disproportionately harm low-income members and discourage investments in solar and energy efficiency.
- Closed board meetings held by 12 of Virginia's RECs mean co-op members have no ability to see how boards make important decisions affecting their utility bills.

Slow adoption of the new technology and energy options that members want

- Some RECs are dragging their feet in taking advantage of state legislation that would authorize co-ops to bring needed broadband options and on-bill energy efficiency tariffs to members.
- Most RECs have long-term supply contracts that lock members into expensive fossil generation.

Member funds used to lobby for political positions that aren't transparent

- Co-ops engage in political lobbying at all levels of government, but don't disclose these positions to members, even when they work against member interests (including opposing clean energy or minimum-wage increases).

The Solution: Consumer Protection Legislation for Cooperative Members

Co-op member-led groups: Repower REC & SVEC Check along with: Appalachian Voices, Piedmont Environmental Council, Solar United Neighbors, Virginia Organizing, & Virginia Sierra Club represent tens of thousands of co-op members & have proposed common-sense legislation to address these problems:

Open Board Meetings

- Require RECs to open board meetings and to make meeting minutes available to members, so that decisions affecting members are visible to them and held in written record, as at cooperatives elsewhere (e.g., CO and SC).

Fair Elections and Member Control

- Prohibit election processes (like proxy voting) that enable incumbent boards to control elections.

Transparency in use of member funds for political lobbying

- Require RECs to disclose all political lobbying positions to their members, who fund that work.

[**Take Action to Support this Legislation in Virginia**](#)