Electric Utilities’ Platform Monopoly Power

For-profit electric utilities have become too powerful due to their government-granted platform monopoly over electricity delivery.

**What is a platform monopoly?** A platform monopoly is a dominant company or small group of companies that uses its control over a platform or marketplace to gatekeep and hinder competition. Examples include Amazon, Google, and investor-owned utilities.

**A vicious cycle:**

Utilities use their platform monopoly power to **undermine competition and favor their own business.**

Utilities **pour their profits into political activity** to reinforce their monopoly and guarantee more profits.

Utilities **overcharge their captive customers to pad returns for shareholders.**
Costs of the Monopoly Utility Model

The platform monopoly granted to investor-owned electric utilities has become a costly problem for communities, climate, and our democracy.

**Communities**
- Thousands fewer clean energy jobs as utilities block competitor investments
- Higher electricity costs to pad utility shareholder profits
- Staggering health costs and premature deaths linked to utility pollution

**Climate**
- 32% of U.S. energy-related CO2 emissions come from electric utilities
- Record storms and wildfires juiced by utility carbon pollution
- Climate denial ads funded by utility interest group Edison Electric Institute

**Democracy**
- Widespread deceptive, unethical, and illegal political activity among monopoly utilities
- Lawmakers influenced by money extracted from captive customers, many of whom strongly oppose the utility’s interest
- A regulatory revolving door, with lax oversight caused by too many regulators leaving to take jobs at utility companies
How to Fix the Grid

The system of “regulated,” for-profit monopolies has failed, and the fix requires a three-step restructuring of the electricity sector.

1. Revise antitrust law to break up monopoly utility companies and mandate fair competition in most of the electricity system.

   Most grid services can and should be delivered competitively, including:
   - Power generation
   - Energy efficiency
   - Demand response
   - Ancillary services

2. Removing the natural monopoly parts of the grid from private markets will:
   - Break corporate monopoly dominance
   - End gatekeeping and abuse by monopoly utilities

3. Create a non-profit or public entity to operate transmission and distribution infrastructure as a commons.

4. Repair enduring harms imposed upon Black, brown, and indigenous electricity customers.

   From pollution to lack of affordability, harms against people of color can be addressed by prioritizing:
   - Access to financial resources for Black households
   - Federal funding for indigenous nations
   - Financing for tools that lower bills for low-income customers of color