HALEY BARBOUR’S DIRTY MONEY: LOBBYING FOR THE KEMPER COUNTY COAL PLANT

A REPORT FROM THE SIERRA CLUB
Haley Barbour, former Governor of Mississippi, lobbied on behalf of Southern Company before taking office as Governor, and went back to work for the electric utility as soon as his term ended. As Governor, Barbour worked to bring hundreds of millions in federal tax dollars to fund Mississippi Power’s experimental Kemper County Coal Plant. Now that he’s a private citizen, Barbour is still working as a lobbyist and is still promoting the Kemper coal plant, but he’s not telling the public about his financial ties to the company.

Mississippi Power is the smallest state-based wing of Southern Company; the company is building the Kemper County Coal Plant, also called Plant Ratcliffe, in rural Eastern Mississippi. The Kemper plant is currently the only commercial coal plant under construction in the United States that will employ unproven carbon-capture technology. Barbour and Mississippi Power CEO Ed Day have been active in championing the proposed plant statewide, and as a lobbyist for Southern Company, Barbour helped secure hundreds of millions of dollars in federal support to build the experimental plant. Unfortunately for Barbour and Day, the plant is currently less than fifty percent complete and massively over budget.¹

The Mississippi Business Journal issued a report in 2010 outlining Barbour’s financial ties to Southern Company via his lobbying firm, BGR Group.² The article reports that, at the time of writing, BGR Group prominently featured the DOE funds awarded for the Kemper coal plant—owned by Southern Company—as a “Client Success Story” on its website, saying the firm, “Negotiated successfully with the U.S. Department of Energy to approve the transfer of a clean coal power plant to a new location and approval to transfer the funds that had been appropriated for the project.”

One month after the Mississippi Business Journal ran the article linking Barbour to Southern Company, The New Republic published a blog post which revealed that BGR Group eliminated the “Client Success Story” section of its website.³ The Center for Public Integrity published a story in 2011 showing that Barbour still had vested financial interest in BGR Group even after he became governor— including owning 50,000 shares in his former lobbying firm.⁴

Barbour again became a lobbyist for Southern Company after leaving elected office in 2012.

The plant has been plagued by significant problems from the beginning. In June 2012, Mississippi Power sought its first electric rate increase from its South Mississippi customer base in June, which would have raised rates for residential customers by approximately 15%, or about $20 per month,⁵ while the first monthly reports for the plant showed that the Kemper project was $366 million over budget while less than one-third complete.⁶ The Public Service Commission denied Mississippi Power’s request for the rate increase, leaving customers relieved and Mississippi Power reeling.⁷ In August, Mississippi Power cut ties with the construction and engineering firms working at the construction site.⁸

An August 2010 report from the Mississippi Business Journal estimated that the Kemper coal plant would raise electric rates by at least 45%,⁹ or nearly $60 more each month, for the average family in Mississippi.¹⁰ The Journal calculated this figure before Mississippi Power began seeing massive cost overruns at the construction site. Current estimates from the Institute for Energy Economics and Financial Analysis suggest that the Kemper County Coal Plant will likely cost more than $3 billion to total to build,¹¹ further burdening the small, low-income customer base in coastal Mississippi.

Instead of facing facts and working to prevent the Kemper project from spiraling further into disaster,
Mississippi Power has put Haley Barbour front and center,12 he’s spinning the story in the news media and trying to convince Mississippi Power customers that the plant will not make their power bills balloon for decades to come. In his public relations efforts, Mr. Barbour has failed to disclose his financial ties to Southern Company and to the Kemper project. Mississippi Power customers, and the public at large, deserve to know the truth about Barbour’s financial ties to the project.

**TIMELINE OF HALEY BARBOUR’S TIES TO SOUTHERN COMPANY:**

- After working as a Republican political operative for years, Haley Barbour founded a new lobbying firm, called BGR Group, in 1991.13
- Barbour left BGR Group from 1993–1997 when he was chairman of the Republican National Committee. After he retired from the position, he returned to BGR Group. Southern Company became a client of BGR Group in 1999, and Barbour began lobbying for Southern Company shortly thereafter.14
- When Barbour became governor of Mississippi in 2004, he promised that his lobbying career was behind him and that he had put all of his assets in a blind trust to avoid conflicts of interest. But media accounts have since disclosed that Barbour’s assets include 50,000 shares in Interpublic Group - the company that bought BGR Group for a period of time beginning in 1999.15 Reports show that Barbour also had a profit sharing plan, an arrangement where the stakeholder typically receives a percentage of profits based on a company’s earnings.16
- In August 2008, Barbour co-hosted a party with Southern Company at the Republican National Convention.17
- A few months later in December of 2008, while Governor Barbour was not employed by BGR Group, but continued to have vested personal interest in its lobbying, the firm negotiated with the U.S. Department of Energy to approve $270 million in funds for the Kemper coal plant. Southern Company owns the energy company – Mississippi Power Company – that is building the Kemper coal plant.
- After Barbour’s governorship ended in 2012, he rejoined BGR Group as a lobbyist.18 BGR Group continues to lobby for Southern Company.
- Barbour joins Mississippi Power CEO Ed Day and Southern Company CEO Tom Fanning at the Governor’s Energy Summit, hosted by current Mississippi Governor Phil Bryant in Jackson, MS, on October 4. Barbour, Day, and Fanning promote the Kemper County coal plant.

**LOBBYING DISCLOSURES:**

According to the Center for Responsive Politics, Southern Company paid BGR Group $150,000 in lobbying expenses in 2012 alone.20 Haley Reeves Barbour, Jr., the son of former Governor Barbour, was registered as a lobbyist for Southern Company in 2011, while his father was still in office.21 Southern Company paid BGR Group $200,000 in 2011.22 Southern Company has paid a total of $2.6 million dollars to BGR Group since it became its client in 1999.23

Mississippi residents deserve to know the truth about Haley Barbour’s financial ties to the dirty, expensive, and unnecessary Kemper County Coal Plant.
ENDNOTES

   ...(Subscription may be required.)
11. https://docs.google.com/open?id=OB1sk6uYv0lC2Q0JJRXNkb0t3dE0