

Stronger as a community

learning from each other's successes and challenges
making critical connections

**Looking out for you
in Washington DC**

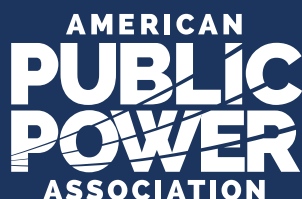
2018 YEAR IN REVIEW

**Supporting excellence
in your operations and business**

offering professional development for your entire team
helping you tell the public power story

Helping you tell the public power story

investing in your success



Powering Strong Communities



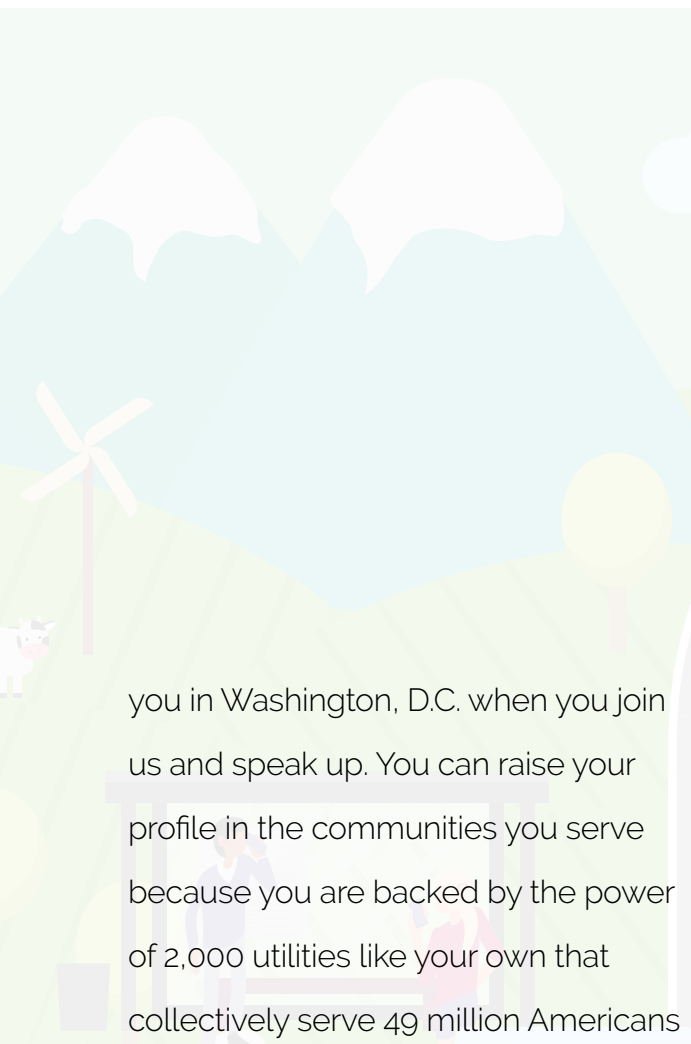
STRONGER as a Community

Dear Members,

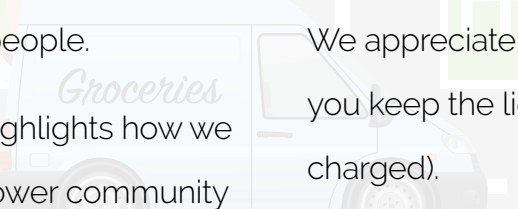
2018 was another eventful year for many of us in public power. We weathered many storms, literally and figuratively; countered a range of threats — from cybersecurity to sellout threats and unfavorable federal policies; and grappled with new technologies and new demographics in the workforce and in our customer base. We also had many opportunities to shine the

light of public power — to tell our story, and to come out strong by remaining true to our core values and responsive to our customers and communities.

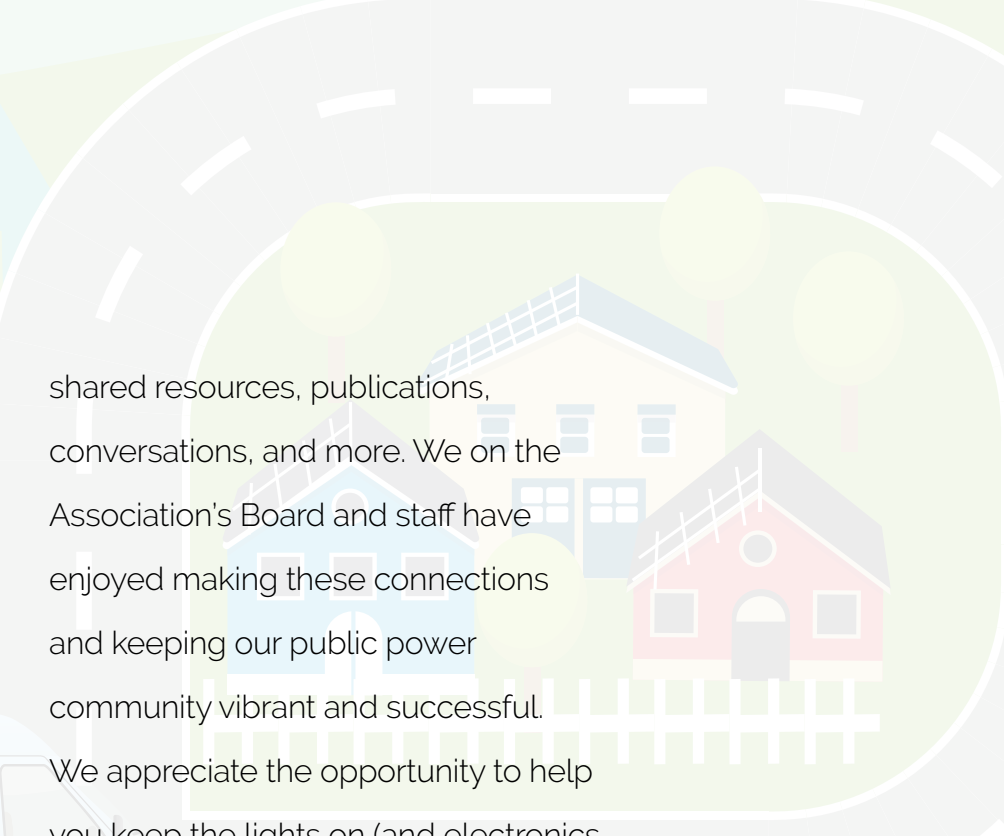
Through the many ups and downs, one truth was underscored yet again — when we join forces as a national public power community, we are much stronger. We can learn from each other's successes and challenges. We as your national association can be a stronger voice for



you in Washington, D.C. when you join us and speak up. You can raise your profile in the communities you serve because you are backed by the power of 2,000 utilities like your own that collectively serve 49 million Americans and employ 93,000 people.



This Year in Review highlights how we brought the public power community together in many ways in 2018 — through visits, conferences, webinars, listservs, mutual aid efforts, awards,



shared resources, publications, conversations, and more. We on the Association's Board and staff have enjoyed making these connections and keeping our public power community vibrant and successful. We appreciate the opportunity to help you keep the lights on (and electronics charged).

We look forward to powering the future, together.

Best Wishes,



Sue Kelly
President & CEO



Coleman Smoak
Board Chair

Looking out for you in **WASHINGTON DC**

BONDS



Rallied state and local stakeholders around a comprehensive municipal bond modernization proposal by the Government Finance Officers Association.

DISASTER RELIEF



Helped to improve the Stafford Act, which authorizes the President to provide supplemental federal disaster relief and emergency assistance grants, by limiting to three years the potential cancellation and return of such grants after a federal audit.

"The American Public Power Association provides a voice for public power utilities in Washington, D.C. and keeps us aware and assured of issues at a national level. Our membership is an investment in CDE Lightband and ultimately in our community. It's money well spent, and I can't imagine not being a member."

*Brian Taylor • General Manager
CDE Lightband, Clarksville, Tennessee*

CYBERSECURITY



Secured congressional approval of year-three funding for the Association's cooperative agreement with the Department of Energy to strengthen public power's cybersecurity.

Helped convince the Federal Energy Regulatory Commission it did not need to require the North American Electric Reliability Corporation to apply more prescriptive criteria for electronic access controls to low-impact bulk electric system cyber systems.

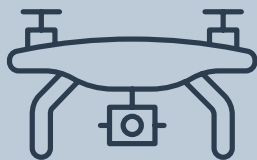
HYDROPOWER



Influenced passage of America's Water Infrastructure Act of 2018 that offers better licensing processes and investment opportunities for hydropower projects.

Protested proposals to privatize or sell the transmission assets of the Tennessee Valley Authority and the Power Marketing Administrations and for federal dams to charge market-based rates for wholesale power.

DRONES



Helped get provisions in the Federal Aviation Administration Reauthorization Act of 2018 that will require the FAA to improve regulations for commercial operation of drones (including by public power utilities).



YOUR VOICE MAKES A DIFFERENCE

Brought more than 500 public power leaders to the Legislative Rally in Washington D.C. to visit with their elected representatives on key issues.

Organized special fly-ins, with Hill visits, for the Association's Policy Makers Council and Board Executive Committee.

ENVIRONMENT

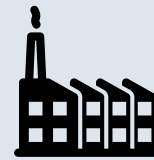


Filed comments on the Environmental Protection Agency's proposed Affordable Clean Energy Rule to regulate greenhouse gas emissions — supporting the framework that gives states the flexibility to regulate emissions at the plant level.

Joined the call for clarity and preservation of state rights to regulate waterways in the new EPA definition of Waters of the United States.

Advocated with EPA to allow for sources to implement risk-based performance standards and corrective action measures to protect groundwater.

ELECTRICITY MARKETS



Challenged FERC orders that could erode state and local authority over retail customers selling energy efficiency and storage resources into wholesale markets.

Called for the preservation of public power's right to self-supply wholesale power and argued to prevent FERC's blanket application of an expanded minimum offer price rule in the PJM market.

Successfully advocated for FERC to reject a centralized capacity market in the California Independent System Operator.

VEGETATION MANAGEMENT



Helped utilities secure timely federal approvals to allow tree trimming on rights-of-way federal lands where utilities have lines, to allow reliable and safe operations.

RATES & RELIABILITY



Urged FERC to ensure that the equity returns FERC authorizes on transmission investments are not excessive, to keep transmission costs reasonable and fair while supporting required infrastructure development.

Ensured passage of the Fair RATES Act to allow parties aggrieved by a rate change that takes effect after a FERC deadlock to seek rehearing within 30 days.

Helped secure a \$50 million increase in funding for the Low-Income Home Energy Assistance Program.

Provided the public power perspective in panel presentations at FERC technical conferences on reliability and distributed energy resources.

POLE ATTACHMENTS



Successfully advocated against legislation that would impose a “one-size-fits-all” approach to pole attachment rates and regulations that could require public power utility customers to subsidize infrastructure deployments of for-profit communications providers.

Initiated a challenge to a federal agency order that could result in oversight and regulation by the Federal Communications Commission on communications attachments to public power utility poles.

Supporting Excellence in Your **OPERATIONS & BUSINESS**

NEW RESOURCES AND CASE STUDIES ON

- Communications and outreach
- Community solar
- Customer research and benchmarks
- Disaster preparedness, response, and recovery
- Distributed energy resources and the grid
- Electric vehicles
- Electricity market primers
- Energy storage
- Human resources and workforce development
- Adapting to new technologies and customer preferences
- Rate design
- Smart cities
- Smart grid
- Sellout prevention

“As a joint action agency serving 52 public power communities throughout Georgia, ECG is always looking for cost-effective ways to provide value in new technologies and trends in multiple utility industries. The American Public Power Association came to Georgia to help our members with the Cybersecurity Scorecard process and then provided in-depth analysis and next steps based on the findings. This brought tremendous value to our member communities.”

*John Giles • President & CEO
Electric Cities of Georgia*

CYBERSECURITY

The Association continued to leverage the expertise and funding it received under a DOE cooperative agreement to strengthen the cybersecurity culture at public power utilities.

153

public power utilities completed the Cybersecurity Scorecard to assess their cyber readiness.

162

public power professionals attended 15 training courses to increase their cybersecurity awareness and skills.

160

attendees at the Cybersecurity Summit.

We partnered to produce a new whitepaper on best practices for cyber-related supply chain risk management by members with low-impact bulk electric systems.

MUTUAL AID

The Association helped to coordinate mutual aid for public power in the wake of many disasters — Hurricane Michael in Florida, Tropical Storm Florence in the Carolinas, Super Typhoon Yutu in the Northern Mariana Islands, and snowstorms in New England.

We hosted a storm preparedness and resilience workshop in the U.S. Virgin Islands.

We conducted a Mutual Aid Working Group exercise that simulated the recovery from California wildfires and flooding at the Los Angeles Department of Water and Power.

More than 100 public power utilities that provided mutual aid after various disasters were recognized through the Association's new Mutual Aid Commendation program.

The American Public Power Association earned a 2018 American Society of Association Executives (ASAE) Power of A Gold Award for coordinating mutual aid to restore power to the U.S. Virgin Islands after the territory was hit by back-to-back Category 5 Hurricanes, Irma and Maria, in 2017. We were recognized for rallying our members to provide mutual aid to the U.S. Virgin Islands Water and Power Authority during a complex restoration process that extended over 6 months.

LINEWORKERS RODEO

The 18th annual Public Power Lineworkers Rodeo was held in Raleigh and Wake Forest, North Carolina. It was hosted by ElectricCities of North Carolina, the North Carolina Association of Municipal Electric Systems, and the Town of Wake Forest.

65

journeyman teams

144

apprentices competed

200+

volunteers supported the event, which drew more than 2,500 spectators.

RESEARCH & DEVELOPMENT

940

Association members participate in the DEED research and development program.

DEED funded

21

grants for innovative and demonstration projects by public power utilities to the tune of

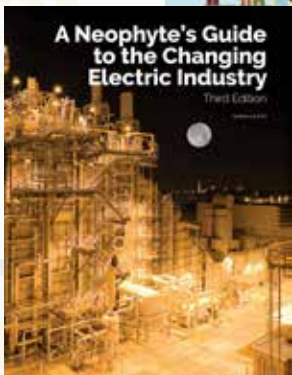
\$1,318,889

The projects span distributed generation, electric vehicles, energy efficiency, energy storage, grid modernization, customer education, and more.

DEED awarded

34

scholarships totaling \$143,000 to introduce students to career opportunities in public power utilities.



RELIABILITY & SAFETY

118

RP3

utilities earned the Association's Reliable Public Power Provider (RP3) designation in 2018.

443

public power utilities subscribe to the eReliability Tracker to monitor outages and benchmark and improve restoration times.

Nearly 35,000

copies of the new edition of the public power Safety Manual have been sold, showing the purchasing utilities' commitment to best practices and compliance with current safety standards for utilities.

108

public power utilities received Safety Awards of Excellence from the Association in 2018.

"We've been involved with RP3 designation since 2005. After each application cycle, we were able to make improvements in safety, workforce development, and system improvement. We've been able to make our utility stronger based on feedback and guidance from the experts on the RP3 panel. Our RP3 diamond designation affirms the hard work and dedication of our employees."

Ken Stone • Energy Services & Accounting Manager • Braintree Electric Light Department, Massachusetts

The difference a bulb makes

Just how much difference does choosing a different kind of light bulb make on how much you spend on energy? Here's a quick comparison of key stats about incandescent, compact fluorescent (CFL), and light-emitting diode (LED) bulbs.

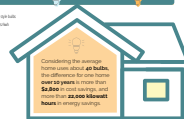
	INCANDESCENT	CFL	LED
Brightness	800 lumens	800 lumens	840 lumens
Energy used	60 watts	15 watts	9 watts
Cost per bulb*	\$1.41	\$2.46	\$1.37
Yearly energy cost**	\$1.55	\$1.04	\$1.11
Estimated lifespan	12 years (2,000 hours)	10 years (10,000 hours)	15 years (15,000 hours)
Total cost over 10 years	\$13.76	\$10.89	\$12.67

*This spend is based on the average price for each bulb type in the United States.

**Based on a 100-watt incandescent bulb being replaced by a CFL or LED bulb.

Want to customize and share this graphic with your customers? Download for free at www.PublicPower.org / Communication Templates

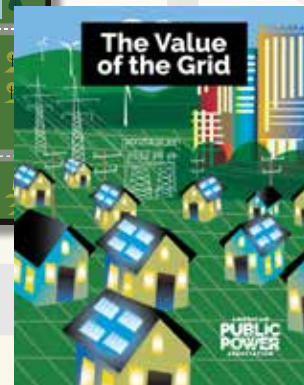
Considering the average home uses about 40 light bulbs, the savings for those homes who switch to CFL or LED bulbs is more than \$1,000 a year!



#PublicPower

**Restoration
Best Practices
GUIDEBOOK**

**PUBLIC
POWER**



Raising the Bar on **PROFESSIONAL DEVELOPMENT** for Your Team

Through events and trainings organized by our Academy, we offer complete professional education and certifications, helping you stay abreast of rapidly evolving technologies, regulations, and customer needs. We offer conferences, webinars, special events, continuing education, and custom in-house trainings. In 2018, we helped thousands of public power professionals enhance their knowledge, skills, and connections.

6 conferences


- National Conference
- Business & Financial Conference
- Customer Connections Conference
- Engineering & Operations Conference
- Joint Action Conference
- Legal & Regulatory Conference

5 workshops and training institutes

- CEO Roundtable
- Public Power Leadership Workshop
- Accounting & Finance Spring Meeting
- Spring, Fall, Winter Institutes featuring certification courses in
 - Energy efficiency management
 - Customer service management
 - Key accounts
 - Public power management

"I always return from Academy events with new ideas and approaches that make me more effective and efficient at work."

Dean Batchelor • Chief Operating Officer • City of Palo Alto, California



"Academy conferences are great for connecting with other people in the industry who may have similar issues that our utility has. We can discuss different solutions to problems and maybe learn something from the way that utility handled the issue."

Neal Suess • President/CEO • Loup River Public Power District, Nebraska

17 onsite
trainings with
400
attendees

50 webinars with
3,000+
attendees

135
Public Power
Forward Summit
attendees

3,373
attendees for the 6
major conferences

593
attendees for the CEO Roundtable,
Public Power Leadership Workshop,
and the institutes

160
Cybersecurity Summit
attendees



Helping You Tell the **PUBLIC POWER STORY**

80,000+
engagements across social media.

750+
articles in Public Power Daily, Magazine,
and blogs with more than
300,000
views.

Nearly
800
members subscribed to monthly emails
with ideas, tips, and resources to post on
social media.

Nearly
1,400
media mentions in national, regional, and
trade outlets — reflecting public power
perspectives, accomplishments, and
expertise.

6,000+ visits
to the member web portal for communication
resources and templates.





#CommunityPowered

Public power utilities across the country came together to engage customers and highlight the benefits of public power as part of a national campaign the Association supported to help you raise awareness about public power and its benefits in your communities.

#CommunityPowered campaign messages
received more than

2.3 million

impressions on Instagram and Twitter.

Live community events and other forms of outreach and engagement by utilities also made a significant impact.

"In Huntsville, we have a very engaged, very tech-savvy customer base. Providing interesting, engaging, relevant content across our social media platforms can be a challenge, but the resources provided by the American Public Power Association make it a lot easier. The monthly social media emails with communication tips and resources are so helpful. The variety of content in these emails and on the Association's blog and website help me provide customized content on each platform. We always get a good response from these posts, and they often lead to ideas for additional content. And I know the Association team is just a phone call or email away if I'm looking for more."

*Todd Long • Electronic Content
Administrator, Communications/Public
Relations • Huntsville Utilities, Alabama*

Meeting Members on **HOME GROUND**



We connected with members from
41 states
and
2 territories

In 2018, Association staff took 70+ trips to members' regional meetings and special events to share expertise, understand member needs and concerns, and offer advice on trends and technologies.

In addition, we represented public power at many industry events and meetings on a variety of topics — advocacy, branding, content management, cybersecurity, disaster response, innovation, safety, and more.

ASSOCIATION SPEAKERS IN 2018

Advocacy

Desmarie Waterhouse
Amy Thomas
John McCaffrey
Carolyn Slaughter

Cybersecurity

Mike Hyland
Nathan Mitchell
Sam Rozenberg

Municipalization

Ursula Schryver
LeAnne Sinclair

New technologies and rate design

Mike Hyland
Patricia Taylor
Paul Zummo

Engineering & operations

Mike Hyland
Alex Hofmann
Michele Suddleson

Raising awareness of public power

Meena Dayak
David Blaylock
Sam Gonzales
Tobias Sellier

Public power and Association benefits

Sue Kelly
Delia Patterson
Jeff Haas
Mike Hyland
Meena Dayak

AT STATE/REGIONAL/JOINT ACTION MEETINGS

Alabama Municipal Electric Authority
Alaska Power Association
American Municipal Power
Blue Ridge Power Agency
California Municipal Rates Group
Colorado Association of Municipal Utilities
Connecticut Municipal Electric Energy Cooperative
Delaware Municipal Electric Corporation
ElectriCities of North Carolina
Florida Municipal Electric Association
Florida Municipal Power Agency
Heartland Consumers Power District
Illinois Municipal Electric Agency
Illinois Municipal Utilities Association
Indiana Municipal Power Agency
Iowa Association of Municipal Utilities
Kansas Municipal Utilities
Large Public Power Council
MEAG Power (Municipal Electric Authority of Georgia)
Mid-West Electric Consumers Association
Minnesota Municipal Utilities Association
Missouri Public Utility Alliance
Missouri River Energy Services
Municipal Electric Power Association of Virginia
Municipal Electric Utilities Association of New York
Municipal Electric Utilities of Wisconsin
Nebraska State Public Power Rodeo
New York Association of Public Power
New York Power Authority
North Carolina Association of Municipal Electric Systems
Northeast Public Power Association

Northern California Power Agency
Northwest Public Power Association
Ohio Municipal Electric Association
Oklahoma Municipal Power Authority
Oregon Municipal Electric Utilities
Piedmont Municipal Power Agency
Pueblo City Council, Colorado
Southern California Public Power Authority
Tennessee Municipal Electric Association
Tennessee Valley Public Power Association
Transmission Access Policy Study Group
Upper Midwest Municipal Energy Group
Utah Associated Municipal Power Systems
Utah Municipal Power Agency

AT PUBLIC POWER UTILITIES

Alexandria Light and Power, Minnesota
Austin Energy, Texas
Austin Utilities, Minnesota
Conway Corporation, Arkansas
Delano Municipal Utilities, Minnesota
Elk River Municipal Utilities, Minnesota
JEA, Florida
Kissimmee Utility Authority, Florida
Los Angeles Department of Water and Power, California
Navajo Tribal Utility Authority, Arizona
Northern Wasco County PUD, Washington
Owatonna Public Utilities, Minnesota
Puerto Rico Electric Power Authority, Puerto Rico
Salt River Project, Arizona
USVI Water and Power Authority, US Virgin Islands

The National Public Power COMMUNITY

As an Association member, you are part of a national community

1,415 public power utility members

231 corporate associate members

61 state and regional associations

95 other members (individuals, federal government, other utilities)

Thank you for your support of public power ELITE CORPORATE ASSOCIATE MEMBERS

8minutenergy Renewables

ARCOS Inc.

AT&T

Automated Energy, Inc.

Avant Energy, Inc.

Baker Tilly

Burns & McDonnell

ChargePoint

Cypress Creek Renewables

Dimension Energy

Dragos, Inc.

Duncan & Allen

Duncan, Weinberg, Genzer & Pembroke,
P.C.

Hometown Connections

IGS Solar

IPKeys Power Partners

OMICRON

Preng & Associates

PRT, A DrillingInfo Company

Red Clay Consulting

Shapiro Lifschitz Schram

Siemens Energy, Inc.

Telensa

TextPower

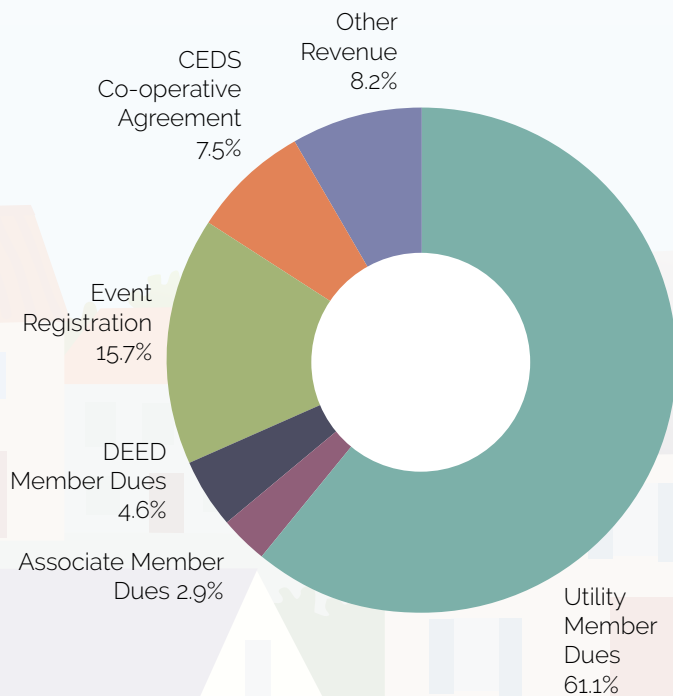
Utility Financial Solutions

Utility Services, Inc.

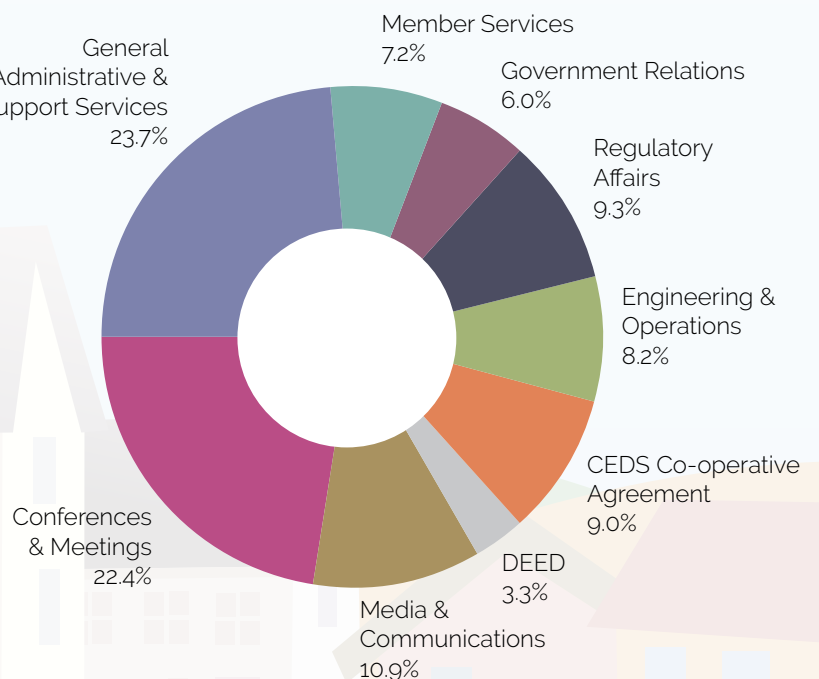
Witt O'Brien's

Investing in **YOUR SUCCESS**

2018 Association Revenue Total: \$24,063,389



2018 Association Expenses Total: \$21,238,225



Note: The 2018 revenues and expenses are projections based on unaudited numbers.



Powering Strong Communities

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www.PublicPower.org