

Public Power's Affordability Agenda

Public power utilities keep electricity affordable for more than 55 million Americans in 49 states and five territories. As community-owned, not-for-profit electric utilities, public power utilities are accountable to their communities – not shareholders.

- Public power residential customers saved an average of \$191.97 on their electric bills compared to customers of other utilities in 2023 (the latest year for which data is available).¹ That translates into \$4.2 billion saved by public power residential customers each year across the U.S. – from rates alone.²
- Americans are feeling the pressure from increased costs across the economy, and the electric utility industry is no exception. Supply chain challenges, tariffs, building new generation and transmission to meet growing demand, updating aging infrastructure, and complying with federal regulations are contributing to these rising costs.
- Public power utilities are working to manage these pressures and protect their customers, but federal policy can either help them contain costs or it can make necessary investments more expensive.

Public Power Means:



Local Control – Decisions are made by and for the community



Not-for-profit – Revenues are reinvested in the system



Reliable, affordable service – Focused on long-term community needs



Ensure New Large Load Customers Pay Their Fair Share

Under current Treasury regulations, a public power utility that uses tax-exempt bonds to finance capital investments may be unable to enter contracts longer than three years with a large load customer, like a data center. That puts existing customers at risk of being saddled with "stranded costs" incurred to meet these new demands. Extending the length of individual contracts that public power utilities can make with large customers to 15-20 years would allow public power utilities to meet growing demand while protecting affordability for existing customers.



Cut Permitting Delays That Drive Up Customer Costs

Despite abundant resources and potential projects to meet the rapidly growing demand for electricity, permitting red tape has slowed energy infrastructure development to a crawl, and made projects more expensive. Utility customers ultimately pay the high cost of slow, cumbersome permitting rules. Congress should enact infrastructure-neutral permitting reform that protects public power's local decision-making while providing clear timelines, predictable reviews, and durable decisions so public power utilities can build needed infrastructure faster and at lower cost.



Lower Financing Costs for Local Infrastructure

Public power utilities rely on municipal bonds to finance generation, transmission, distribution, and reliability investments. Congress should restore public power utilities' ability to use tax-exempt advance refunding bonds (a tool similar to refinancing a home mortgage). Advance refunding bonds generally reduce financing cost a minimum of 3 percent, which helps reduce rates. Similarly, Congress should encourage banks to lend to smaller communities by raising the "small issuer" exemption from \$10 million to \$30 million. This can reduce borrowing costs and help small state and local entities that might otherwise have difficulty finding affordable financing for critical investment projects.



Support Reshoring of Critical Energy Equipment Manufacturing

Trade policy impacts the supply chain, and the federal government should adopt policies that promote the reshoring of manufacturing of critical energy equipment. The federal government should also recognize that reshoring will take time and that trade policies should account for the importance of utilities getting access to key energy infrastructure to meet high demand while containing costs.

Public power utilities are investing to meet growing demand while keeping costs as low as possible. Congress can help protect customers by ensuring federal policy supports affordability, reliability, and local control.

¹ Savings extrapolated from average bills customers of each utility type, based on average revenue per kilowatt hour and average electric usage for residential customers of public power, cooperative, and investor-owned utilities. Averages based on data reported to the Energy Information Administration, Form 861 for 2023.

² Based on reliability data submitted to EIA for 2023 for utilities using the IEEE standards for SAIDI, SAIFI, and CAIDI. Associated cost savings derived from the difference in these metrics from the Lawrence Berkeley National Laboratory's Interruption Cost Estimator Calculator.