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MARCH - APRIL 2021

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# ABOUT THE AMERICAN PUBLIC POWER ASSOCIATION

The American Public Power Association is the voice of not-for-profit, community-owned utilities that power 2,000 towns and cities nationwide. We advocate before federal government to protect the interests of the more than 49 million customers that public power utilities serve, and the 93,000 people they employ. Our association offers expertise on electricity policy, technology, trends, training, and operations. We empower members to strengthen their communities by providing superior service, engaging citizens, and instilling pride in community-owned power.

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# PUBLIC POWER'S QUALITIES BENEFIT COMMUNITY BUSINESSES

BY JOY DITTO, PRESIDENT AND CEO
AMERICAN PUBLIC POWER ASSOCIATION

hat I am about to write is logical, but maybe not always evident to those outside of the electric sector. Electricity is an essential, significant input into every industrial and commercial business endeavor, as well as to college campuses, military bases, and schools. Of course, it is also essential to residences, but for now, I want to focus on the relationship to commercial, industrial, and governmental, or quasi-governmental, functions.

The industrial sector consumes about a third of all energy in the U.S. and about 25% of electricity. Combined with commercial businesses, these customer segments account for more than 60% of all electricity consumed, making energy a key consideration in both their day-to-day operations and their growth strategies. The cost and, sometimes more importantly, the reliability of their electricity are often major factors in where they locate, relocate, or expand. These considerations also apply to military needs. As any decent historian will admit, U.S. industrial might was a major reason we were able to provide pivotal support to our allies and ultimately win World War II.

IN 2020, PUBLIC POWER

UTILITY CUSTOMERS, ON

AVERAGE, EXPERIENCED

LESS THAN HALF THE TOTAL

OUTAGE MINUTES PER YEAR

AS CUSTOMERS OF OTHER

UTILITY TYPES

Based on my 20 years working on behalf of public power, visiting public power utilities across the country and researching our members to provide examples to policymakers in the legislative arena, my sense is that we have a disproportionate amount of key businesses and defense facilities in our service territories. This is only a sense, however. The American Public Power Association has surveyed our members in the past about "key accounts" (i.e., major commercial and industrial, or C&I, customers), but has not, on a national level at least, evaluated how such accounts compare, proportionally, to those in other parts of the electric sector.

But what I do know is that public power utilities excel at reliability, and they serve more than 3 million C&I customers. Public power communities have been able to attract and maintain many industrial and commercial heavyweights, from more traditional sectors of the economy to emerging sectors, because of a desire to maintain those businesses by providing competitive rates and high levels of reliability. Data from the Energy Information Administration show that in 2020, public power utility customers, on average, experienced less than half the total outage minutes per year as customers of other utility

types — about 116 minutes less than cooperative customers and 87 minutes less than customers of investor-owned utilities.

That extra time with the lights on is worth a lot to C&I customers. Using the Lawrence Berkeley National Laboratory's Interruption Cost Estimate Calculator, which estimates the economic loss that customers incur during an outage (and which is integrated with our eReliability Tracker), a public power utility with about 16,000 customers (and 2,800 C&I customers) that had a three-hour all-system outage would cost its customers more than \$9 million. The overwhelming majority of that cost would be shouldered by C&I customers — from potentially lost revenue, decreased productivity, equipment damages, spoiled supplies, and security concerns.

Anecdotally, we know that public power's reliability edge has been a deciding factor for many large C&I customers. In places like California's Silicon Valley, where production of computer chips and microprocessors cannot be interrupted for even a millisecond, many high-tech industrial facilities are served by Silicon

Valley Power, a public power utility. Toyota decided to build its manufacturing headquarters in Jackson, Tennessee, where Jackson Energy Authority is the local public power — utility. Many data centers, food processors, chemical manufacturers and others are sited in public power communities. One of my favorite stories is that of the classic American company, Smucker's, which was formed in the small public power town of Orrville, Ohio — its corporate headquarters remains there to this day. Not to mention the many defense facilities served by public power.

Public power utilities often also work with their key accounts to provide enhanced redundancy in the electric infrastructure if desired. While this typically entails additional fees, public power utilities can often respond quickly to these requests. They can do so because of local governance and decision-making regarding rates and approval of projects. Of course, the not-for-profit public business model makes public power utilities' basic rates extremely competitive and transparent to their customers.

As many communities look to revive their economies, these qualities combine to provide powerful incentives for businesses to make their homes — and remain — in our communities, supporting economic development at all levels.



# GENERATING NEW REVENUE FOR PUBLIC POWER UTILITY AND COMMUNITY STRENGTH

BY JESSICA PORTER, CONTRIBUTING WRITER





means it's no longer enough for utilities to only sell electricity from the grid to customers for the lowest possible price. Utilities must think creatively to determine new ways to grow, to fulfill customer needs, and to use all resources as efficiently as possible.

How utilities diversify revenue can vary as much as the utilities themselves, depending on factors such as how many customers the utility serves, what resources and system components the utilities have, and location. But they all have one thing in common: a commitment to improving their customers' lives.

Here's how three public power utilities have turned outside-the-box thinking into mutually beneficial solutions for the utility, customers, and the community.



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# INCENTIVIZE ELECTRIFICATION

n 2015, JEA, the public power utility that serves Jacksonville, Florida, began a program to incentivize large commercial and industrial, or C&I, customers to adopt electric end-use technologies and shift away from using equipment that runs on fossil fuels.

Equipment incentivized includes the most common technologies, such as forklifts, golf carts, welders, cranes, and truck refrigeration units. JEA offers customers who purchase this equipment incentives of \$50 to \$75,000, depending on the cost of the equipment.

"Electrification is a nexus of interests for public utilities," said Dave McKee, program manager at JEA. He added that incentivizing electric equipment can encourage economic growth, create healthier workplaces, improve the environment, and increase utility revenue. The boost in revenue and economic growth, in turn, mitigate upward pressure on electric rates for the utility's approximately 478,000 electric customers.

To ensure program success, JEA has dedicated engineering staff through its implementation partner ICF, a global advisory and digital services provider. Program field engineers meet with customers and equipment manufacturers in the area to facilitate adoption of the new technologies and accurately administer program incentives. Field engineers provide technical application and business case information that clarifies how companies in specific industries will benefit from the electrification program. In addition to the JEA incentives, proposals include life-cycle costing, efficiency, and environmental advantages associated with the new technologies.

"An industrial revolution of sorts is emerging for new electrotechnologies coming online. We want to get behind them, advance them."

### **VICKI NICHOLS**

DIRECTOR OF CUSTOMER SOLUTIONS AND MARKET DEVELOPMENT JEA.

"We approach companies and advise them on the technologies that may be valuable," McKee said. "We work with staff to do engineering studies and develop specific business plans, monitor loads, obtain benchmarks and load profiles, then make a proposal outlining how we can benefit their business."

If the proposal is accepted, then JEA staff help guide the company through installation and continue to monitor results once the equipment is online.

"An industrial revolution of sorts is emerging for new electrotechnologies coming online. We want to get behind them, advance them, and bring them to our market," said Vicki Nichols, director of customer solutions and market development at JEA. "It has delivered an unprecedented opportunity for [us to focus on growth] following more than a decade of focus on traditional energy efficiency and resulting energy declines."

Approximately 400 customers took advantage of the incentives under the first phase of the program. Much of the participation comes from the logistics industry, which uses the incentives to purchase equipment such as electric forklifts and truck refrigeration units. The Jack-

sonville Port Authority has added six electric super cranes and plans to add three more.

The program has been a success. Between 2015 and 2020, it generated 600 gigawatt-hours of sales, led to nearly \$40 million in new sales, and prevented 400,000 tons of greenhouse gases from entering the atmosphere. An added benefit is that 80% of the load consumed by the electric-powered equipment is off-peak, resulting in high levels of return on the utility's investment.

JEA is now moving into phase two of the program, which expands the targeted electrotechnologies and introduces custom incentives. By 2030, Phase 2 will result in 1,500 GWh sales, in excess of \$70 million revenue, and prevent 2 million tons of carbon dioxide from entering the atmosphere.

"This is a new revenue stream, but we're not selling a new product, we're selling electricity," Nichols said. "That's the discovery — when you have the same product, but an accelerated and modern way to introduce it to customers. We're still selling electricity, but it's packaged unlike anything that preceded it before. That's the role of the utility in many ways."

### **PATHWAYS TO GROWTH**

# SET AND REACH HIGH GOALS

ipley is a small city in western
Tennessee with a population of
less than 10,000, but that doesn't
stop Ripley Power

and Light from thinking big. In 2003, the utility installed a dark fiber network to increase communication among its electrical substations, breakers, and offices. Since then, the network has grown exponentially and connected to other nearby networks.

Installing fiber is a big investment for a rural utility, but it's one with a strong return on investment. Shortly after installation, Ripley Power and Light began leasing out the network to C&I customers. Currently, more than 80 customers lease the fiber network, which generates more than \$191,000 per year. Customers include banks, sewer plants, pumping stations and farm equipment distributors. Funds generated by leasing the network help the utility keep rates low for all customers.

"It's a little expensive, so it's important to watch the return on investment to make sure it's still worth it, and that's a challenge as a small utility," said

Mike Allmand, president and CEO of Ripley Power and Light. "But fiber lasts a long time, and we've had very few outages."

To install fiber to each participating customer, Ripley Power and Light brings the network to the building, then works with local internet providers that handle service management with

the customer. The internet providers pay the utility a certain amount per customer in addition to leasing dark fiber, so as the providers' customer base grows, so does Ripley Power and Light's return on investment.

Having access to such reliable communication benefits Ripley Power and Light as well. "We have a real-time voltage-control system that

provides end-of-line voltage readings, which constantly adjust our system voltage. Fast and reliable communication helped us eliminate 99% of voltage complaints," Allmand said. The utility was also able to increase security by installing more cameras. Allmand can reliably monitor what's captured on 36 cameras on

utility property by connecting cameras to the network.

Under his direction, Ripley Power and Light has made other decisions that benefit the utility financially and help keep rates low for its customers.

In 2004, the utility built an 8-megawatt generation plant and leased it to one of its industrial

customers for 12 years. Leasing the generation plant allowed Ripley Power and Light to earn back the associated building cost in just five years. However, 5.5 years after construction of the plant, the industrial customer changed ownership, and the facility was closed.

Soon after closing the facility, the new owners bought out the remainder of the 12-year lease, which resulted in a buyout of more than \$1 million for Ripley Power and Light. As the buyout was occurring, Allmand was simultaneously signing an agreement to lease the generation plant to another company for \$40,000 per month for 20 years — a total of \$9.6 million dollars.

During this same time, Ripley Power and Light was moving forward with plans to construct a building to meet environmental regulations for storing transformers, which was estimated to cost \$600,000. Allmand approached the company that purchased the industrial

facility, simply asking if the utility could have the closed plant. The company agreed.

Allmand's request provided Ripley Power and Light with 20 acres of land and 259,000 square feet of buildings. The buildings included two environmental facilities that now store transformers, allowing Ripley Power and Light to

# "Anything we can do to help constituents or our local businesses perform better is great customer service."



avoid the \$600,000 expense of a new building. The additional buildings were converted into a truck shop and a 20,000-square-foot operations center. The remaining 96,000 square feet of buildings contained leasable space, providing continuous and reliable income for the utility.

"Everything we needed and were about to build we got just for asking — a \$3 million facility was given to us," Allmand said. Giving the facility to Ripley Power and Light was beneficial to the original owner because it resulted in a large tax write-off and prevented the company from needing to maintain the facility during what was anticipated to be a long period on the real estate market, given the property's size, con-

dition, and location. The utility was also able to mitigate some environmental concerns with buildings on the property by getting a brownfield clearance from the Tennessee Department of Environment and Conservation.

In addition, the Tennessee Department of Economic and Community Development gave Ripley Power and Light a \$500,000 grant to add a new roof and make other upgrades to one of the buildings it leases. Because of the environmental and other upgrades made on the property, it has been designated the No. 1 spec building in Lauderdale County by Tennessee economic development consultants.

# CREATE SOLUTIONS TO COMMON PROBLEMS

ore than 15 years ago, leadership at Easton Utilities in Easton, Maryland, noticed a major disconnect in processes that were common to most utilities: streamlining electric, water, and natural gas offerings with cable and internet. In 2005, these offerings ran on two completely different systems at Easton Utilities, with two sets of staff, two ways of monitoring use, and two bills on different billing cycles.

Leadership at Easton Utilities — under the direction of President and CEO Hugh E. Grunden — decided to solve the problem for good by hiring Fred Christie, who had an extensive background in software engineering, to create new software to combine and streamline the utility's offerings into one holistic system.

"I knew we needed something and couldn't buy it, so we had to develop special integration software to get all the different systems aggregated," said Christie, who oversees Easton Utilities' IT Professional Services Division.

The software began as a utility business portal that simply aggregated water, natural gas, electric, cable and internet services in one place. It wasn't long before the software grew. Soon came a customer management platform, and then a portal to allow customers to manage their account information online. Next came an outage management system and then mobile apps.

The initiative was a success from the beginning, and Christie quickly realized other utilities needed the same software. Easton Utilities began selling the software to other utilities and businesses around the country. In 2008, the first two companies — Tri Gas and Oil on the

### **PATHWAYS TO GROWTH**

eastern shore of Maryland and Newnan Utilities in Georgia — signed on to implement the software. Today, Easton Utilities has 120 customers nationwide.

"If we see a need, internally or externally, we put a solution together and assume we're selling it to someone else," Christie said. "Because we're a not-for-profit public utility, other utilities are quick to put their guard down when dealing with us. They trust us because we are a public utility just like they are. We understand their business."

When creating new additions to the software suite, Christie said Easton Utilities has two key principles. The first is that everything it designs is very simple to use and does not require training. The second is that everything looks professional and attractive, which Christie said aids in user adoption and acceptance.

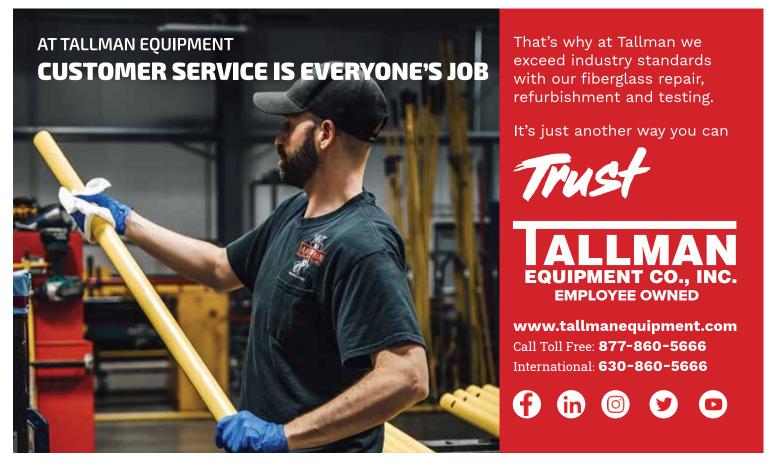
Creating and deploying a holistic suite of software to help utilities and other companies run a better business is no easy feat. The primary requirement is hiring the right IT talent to support customers, which is a challenge to companies like Easton Utilities that operate in rural areas. In response, the company relies on telecommuting to secure talent and has employees who live all around the country.

Since the utility brought on a staff of high-quality IT professionals, it realized an opportunity to help customers with their IT needs and created the IT Professional Services Division. This division now serves as the IT department for many local businesses.

"We're on the eastern shore of Maryland, so for us to be able to get that kind of IT talent is a big plus. We can supply that for any businesses we support in the region, too," Christie said. "So, if a business is having IT challenges, we're fully customer service-oriented. We're agile and deep enough to help customers in whatever way they need to be helped."

The IT Professional Services Division and the software suite have been successful, generating more than \$1 million per year. This revenue helps Easton Utilities keep its rates low.

"The main reason we can do this is because our CEO runs our business very entrepreneurially," Christie said. "Anything we can do to help constituents or our local businesses perform better is great customer service. We will go to that extent — even if it's a little out of the norm."



# **A CRITICAL LINK:**

# PUBLIC POWER STEPS UP TO CONNECT CUSTOMERS WITH ASSISTANCE

BY JAMES PATERSON, CONTRIBUTING WRITER

# **COMMUNITY** is not just a feel-good term for

annual reports and corporate websites — for public power, it is a core part of the utility's identity. When a public power utility's community thrives, so does the utility, and vice versa. So, when the COVID-19 pandemic hit communities across the U.S., many public power utilities took action to help both their residential customers struggling to pay bills and local businesses facing financial strain.

From offering direct financial relief and grants to serving as a bridge to assistance programs, public power utilities stepped up to do what they always do: keep their communities going.





# NEIGHBORS IN NEED

n the early dark days of the COVID-19 pandemic, Glencoe Light and Power Commission gave the Minnesota town's 6,000 residents and its businesses an unexpected gift, although utility officials weren't certain how the move would be received, by both its customers and by other utilities.

GLPC decided in March 2020 to forgive electric bills for a month for its some 2,500 residential and 360 commercial customers, using a portion of a catastrophic reserve fund that commission members had wisely set aside more than 30 years earlier.

"It was established for a big storm or some sort of major emergency," said Dave Meyer, general manager, who brought the idea to the board. "The fund had been building through the years, and as we were thinking of how to help our customers, we decided that if this pandemic wasn't an emergency, then what was? It was a big decision, but it was the right thing to do."

Meyer said the commission moved quickly so that people would get some immediate financial relief, but also so that local businesses and families could have time to plan for the way the pandemic might affect them long-term.

"So many lives were being disrupted, and our customers are our friends who own businesses and restaurants and live next door," he said. "We were all beginning to see how this was going to have a devastating effect on them. We wanted to get them help early to give them a break and time to work on a path forward."

Budgetary issues and concern about spending the some \$410,000 from the emergency fund for the lost revenue also was a worry at Glencoe.

"I had a lot of concerns about this being perceived the wrong way," said Meyer. "Ultimately, the commission approved the move, and it was roundly applauded throughout the community."

Community members thanked Glencoe officials and employees with calls and notes to the utility office and words of appreciation as they ran into each other on the sidewalks, in shops and restaurants, and at church services and schools.

"I didn't really hear any negative response. We got cards and calls, and our employees got comments from customers in the street," he said. "It was the right decision. And it's what public power utilities do."

# A LIFELINE FOR SMALL BUSINESSES

ew Ulm Public Utilities Commission, located about 45 minutes from Glencoe in south central Minnesota, suspended all penalties and shutoffs through the worst months of the pandemic, as did many public power utilities in Minnesota, and is working with customers on arrears to allow them to spread payments over the next 12 months, according to Kris Manderfeld, utilities director.

In addition, through the city of New Ulm, businesses were offered three rounds of small

business grants. The first round was \$2,500, and the second was \$1,500. Through the first two rounds, the city has given out more than \$260,000. Manderfeld said the third round of grants is under way and is offering \$2,000 to qualifying businesses.

There were also small business loans offered up to \$10,000, and the utility is also offering businesses an opportunity to skip three consecutive utility bills and spread the payment out over six or 12 months.

"We are trying to work with our customers as much as we can and help them find the resources that are available to them not only through the utility and city, but also through the state," Manderfeld said.

"It was the right decision. And it's what public power utilities do."

### **DAVE MEYER**

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# MAKING THE CONNECTION

PS Energy in San Antonio, one of the country's biggest municipally owned natural gas and electric utilities, took action early in the pandemic to assess customer needs.

"Not only was San Antonio hit hard by the virus with the number of cases, this region depends on the hospitality industry, and those businesses really suffered. The unemployment rate here went from 3% to over 7% [in summer and fall 2020]," said Rudy Garza, who heads customer engagement at CPS Energy. "The pandemic was a huge blow here, and we needed to respond."

In June 2020, CPS Energy staff started making hundreds of phone calls each day to customers. The calls were a way for the utility to check on customers and see if CPS Energy could assist them with their bill or help connect them with financial assistance and other support services.

The utility used some two dozen customer service representatives along with members of its staff community engagement team to make calls from 9 a.m. to 7 p.m. The work was connected to an advertising and public relations campaign that promoted the effort and educated customers about their options.

Garza said the utility has so far made some 66,000 calls and linked customers to more than \$20.3 million in support.

"This is what public power is about," said Garza. "We wanted to call our customers to check on them and see how we could help, and the response has been incredible."

Customers thanked the utility for "lifting a burden" and making a connection to services "that didn't even involve the electric bill."

"My family has really suffered during COVID-19, and we didn't know where to turn," one customer said in an email, while another said they were "so grateful to CPS Energy for offering to help. No one else has done anything like this."

Garza said that through the calls the utility encouraged customers to be proactive with programs that could help them with finances and bill-paying, and the calls let them see the utility in a different light and more positively. Another customer noted that they were reluctant to answer the call because they worried it was about an overdue bill. "What I received instead was an offer to help," the customer said, thanking the utility.

Employees who made calls also reported they had a better sense of what customers were going through and felt a connection to them, which can be key to customer care.

# MEETING THE NEED

n Kansas City, Kansas, the Board of Public Utilities put in place and promoted a battery of supports for its some 65,000 customers, including \$9 million in direct aid from federal coronavirus relief funds, which included utility assistance, along with a hardship payment program that provided \$96,000 in aid and a separate support program through social service agencies that passed on about \$100,000 to customers needing assistance. It bolstered and promoted its traditional payment arrangement and flex pay programs, too, and suspended disconnections for several months.

David E. Mehlhaff, chief communications officer at Kansas City BPU, said the utility also serves a high-need, diverse population that was hit hard by the pandemic.

"We have a financially challenged community to begin with, so our utility understands that we have to go above and beyond to help customers who might be struggling to pay their bills. We have always offered more payment arrangements than the average utility, but under these circumstances we felt we had to do even more. We are very different than a private, for-profit utility."

Like the leaders at CPS, those at BPU believed that in many cases programs to help were already in place, but customers needed information about them and encouragement to get the aid for which they were eligible.

"About one-quarter of our customers live below the poverty level and are eligible for various support programs, and we hope they take the steps to get it," said Mehlhaff. "The key thing is that they have to ask for help — and they should get to us early, before they get in trouble. We tell them to contact us so we can help them be successful."

He noted that a combination of factors, including customers struggling to pay their bills, has meant the utility has had to cut corners, and it has developed a 2021 budget that cuts expenses by \$25 million. He said those cuts are not only necessary, but they also send the right message to customers who are struggling.

# NISC has been a terrific partner in every sense of the word.

~ **Carole Hilton**Customer Service Administrator
Concord Municipal Light Plant



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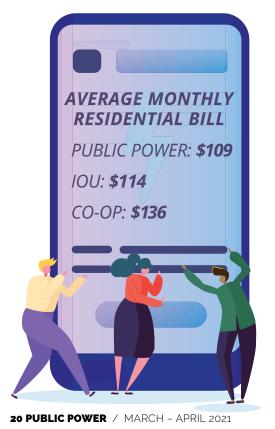
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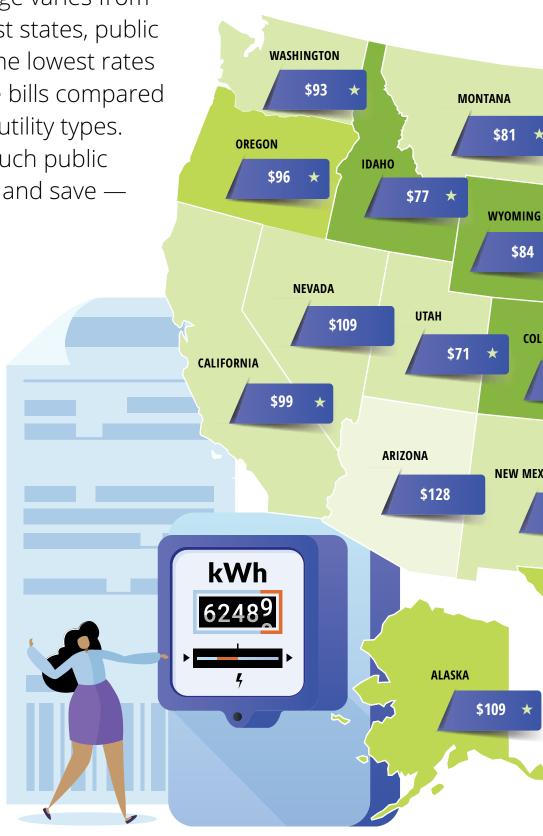
# **Paying Less with Public Power**

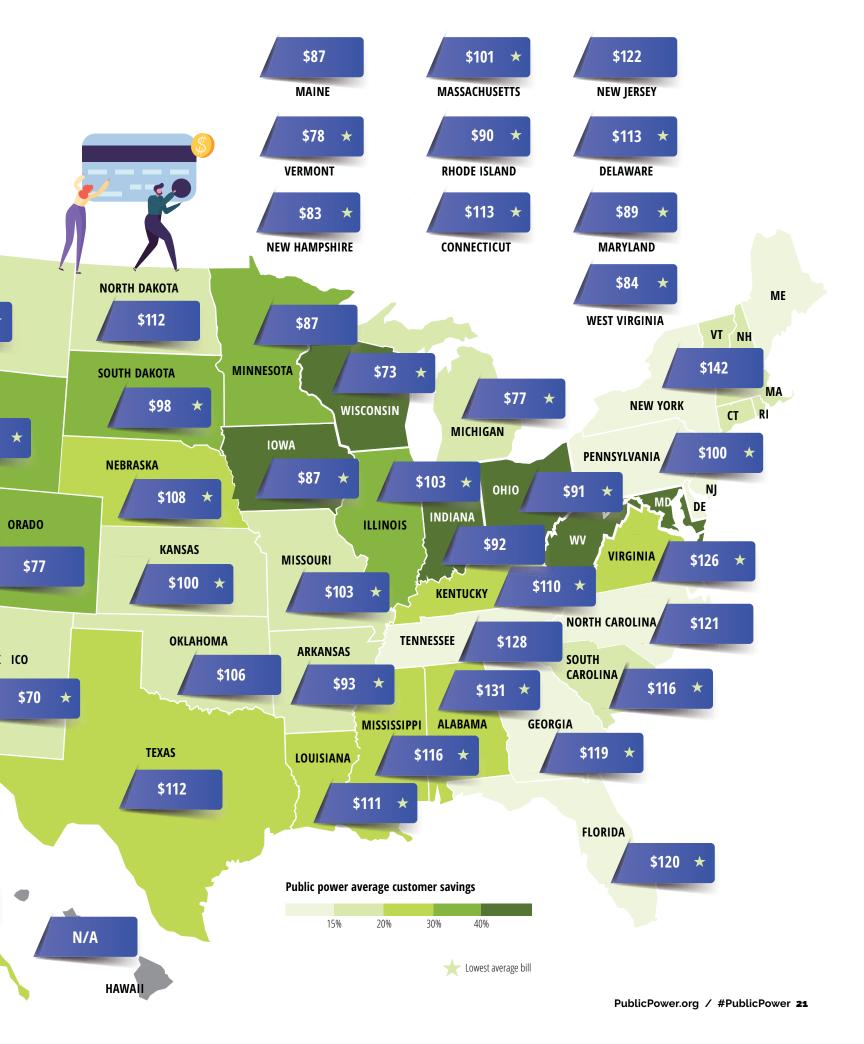
Electricity prices and usage varies from state to state, and in most states, public power customers have the lowest rates and the smallest average bills compared with customers of other utility types.

Here's a look at how much public power customers pay — and save — in each state.

Note: The average monthly bill is the bundled rate, without fixed customer charges, for average usage in the state. Comparative savings only apply to average bills for residential customers buying electricity from their utility and do not include retail choice customers.





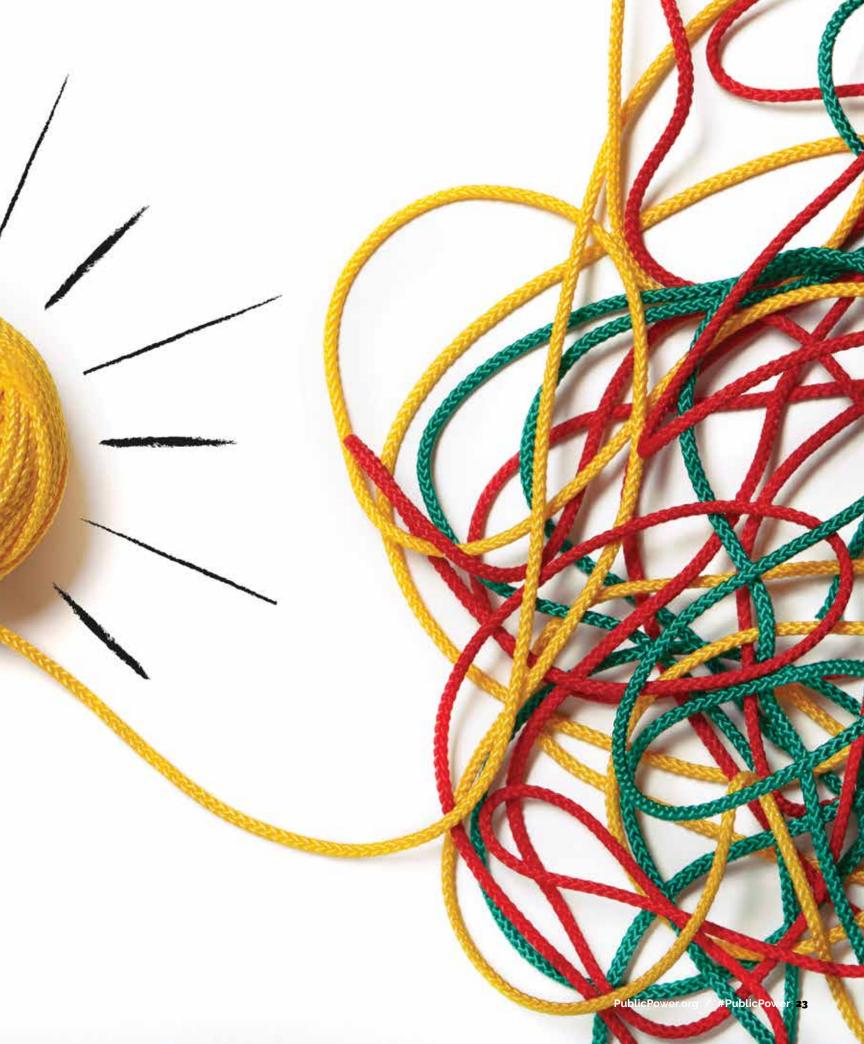


# BALANCING ACT:

# REDESIGNING ELECTRIC RATES FOR A COMPLEX WORLD

**BY SUSAN PARTAIN,** SENIOR MANAGER, CONTENT STRATEGY, AMERICAN PUBLIC POWER ASSOCIATION

etting electricity rates is an increasingly complex exercise. For public power utilities, the process is a careful balance in ensuring adequate cost recovery, fair cost allocation between customer classes, affordability, local business growth, and support of community objectives.



# ADAPTING TO FIT MODERN REALITIES

or the past 100 years, we never really had the metering technology to charge customers appropriately," said Mark Beauchamp, president of Utility Financial Solutions, a consulting group. "What we did was pull together customers with common usage patterns into classes."

"What's happened in the past 10 years is that usage patterns started to vary a lot between customers within the same class," he explained. For example, he noted, some residential customers have taken advantage of energy efficiency programs while others have installed solar panels or purchased electric vehicles.

"Some customers were starting to subsidize other customers because our rate designs were not fine enough to be able to properly recover our costs."

Beauchamp laid out a few common scenarios for how some rates might lead to some customer segments subsidizing others. These include not setting a proper customer charge for seasonal customers as compared to year-round customers, not having different customer charges for single-phase and three-phase customers, or not having the right customer charge for customers with solar panels.

With more advanced metering technology, Beauchamp sees potential for the industry to shift to more dynamic pricing that he said will allow for proper cost recovery.

He ranked coincident peak demand rates, which look at how much electricity a customer uses at the system peak, as the most accurate form of dynamic pricing. Beauchamp praised public power for being on the forefront of instituting some of the more advanced pricing structures, including coincident peak demand rates.

# "WE ARE GIVING BACK AS MUCH AS POSSIBLE." JASON GREY DIRECTOR OF UTILITIES DANVILLE UTILITIES, VIRGINIA

# INCREMENTAL CHANGES

hen Traverse City Light and Power in Michigan did a thorough cost-of-service study in 2017, it identified three key problems to solve: Some commercial customers were paying more than their fair share of costs, there were too many different offerings, and many of the utility's fixed costs were reliant on being recovered through a variable charge.

Instead of addressing each issue at once, TCLP set up a plan to prioritize and spread out the changes to have the least impact on its customers, said Karla Myers-Beman, controller for TCLP.

The first year after the study, TCLP made some revenue-neutral changes to provide relief to the commercial customers that were paying more than they should have been. Commercial customers saw rates decrease by about 1.5% and residential customers saw a small increase.

Then, the utility moved to simplify its offerings for its 12,000 customers. The public power utility had 19 rates, and some plans only had one or a handful of customers in them. Simplifying the rates included phasing out separate water- and space-heating rates, which had been established in the 1970s, by matching them with the regular electric rates for each customer class.

Myers-Beman said the plan is to continue to make incremental increases over the next several years to get the utility to where it should be to properly recoup fixed costs.

Even with small changes, TCLP wanted to be sure customers were aware of and prepared for any changes.

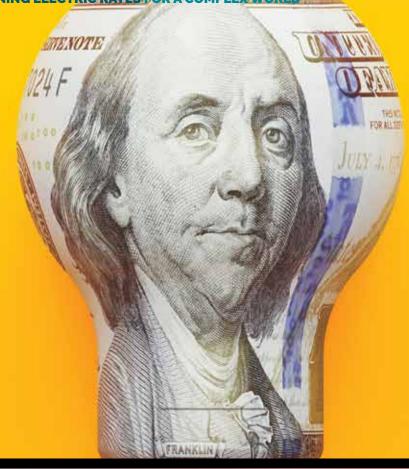
"With the customer not having a large impact to their bill, there's not a lot of commentary back from the ratepayers," said Myers-Beman. She added that for the rate classes that TCLP eliminated, in which only a few customers participated, the utility "did forewarn them that we were looking at closing the rate, [explained] why we were closing the rate, and then we provided financial forecasts of the rate class they were going in so they could be prepared, budget-wise, for the impact of moving to that rate."

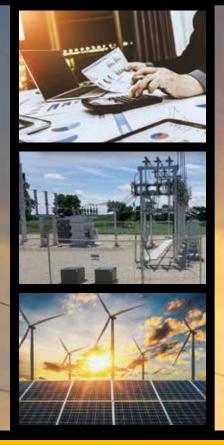
Myers-Beman acknowledged that for more sweeping changes, such as shifting to a time-of-use rate, there is an educational hurdle in helping customers understand the rate and how they might be able to control use so as not to experience "rate shock."

## REDESIGNING ELECTRIC RATES FOR A COMPLEX WOR

While the utility originally presented the changes as a five-year plan, Myers-Beman noted that the schedule can change based on an annual rate analysis. TCLP had planned to increase rates by 2.5% in 2020, but it deferred the change given the financial hardships customers were facing because of the pandemic. Being able to shoulder the deferral meant the TCLP team had to determine how to reduce fixed and operational costs, which account for about 30% of the utility's expenses.

"It is really important to have a guide to follow," she said. "We have it on our website so customers can go in and see what the five-year rate plan is for their rate class, but it also provides guidance to the board and staff to move forward with the budgeting process."







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# GIVING BACK WHILE RECOUPING COSTS

ason Grey, director of utilities for Danville Utilities in Virginia, noted that the utility is in the midst of "aggressively updating to new technology," including several multimillion-dollar upgrades to substations. Danville Utilities replaced and updated infrastructure at two facilities in 2020 and plans to update four additional facilities in 2021.

Grey and Danville Utilities consulted with Beauchamp and UFS for the most recent costof-service study, and Grey noted that future projections of sticking with the current rate showed where adjustments might be necessary.

"We realized that if we kept the same rate structure, we could potentially fall below our adopted financial policies," said Grey. Those policies include maintaining a certain debt coverage ratio and other financial health indicators.

With a new power contract for lower-cost energy in place, the utility was able to reduce a power cost adjustment charge that got passed on to customers. The changes will allow for the utility to recover more of its fixed costs through increased customer charges while providing customers with a net savings on their monthly bills. Grey shared some projections that showed between 3.5% and 7.9% savings for average customer use across each rate class, including a 4.8% projected reduction for residential customers who use 1,000 kilowatt-hours per month.

"We're able to take care of all of our needs," said Grey. "We also want to be able to have competitive rates with our neighbor co-ops and IOUs, and [we] need to be a financially sound utility, maintain a good bond rating, and meet all our financial policies."

The utility commission approved the changes in January 2021, and the city council will review the change in March. The last step is for the utility to hold two public hearings on the changes later in the spring. Danville has not made changes affecting every rate class since 2015, said Grey. Assuming there are no challenges to the changes, the new rates will go into effect in summer 2021.

"We are giving back as much as possible," said Grey. "The commission feels that we can and remain financially sound with our ratings agency and bond agency."

# PARTNERING WITH CUSTOMERS

n Coldwater, Michigan, a rapidly growing community in the southern part of the state, change started from the top.

Jeff Budd, utilities director at the Coldwater Board of Public Utilities, estimated that about half of the utility's current load was added within the past 10 years, including from a new large industrial customer that set up in the area in the past few years.

Coldwater decided to dip its toe into the TOU waters by providing the rate option for its three largest industrial customers.

"We wanted to give them the opportunity to have some say in their power usage," said Budd. "The intent was to provide them some rate relief due to their sheer volume and provide them some incentives to shift some of their load to off-peak." Budd pointed to the municipal ownership of the BPU in allowing for the conversations about rates and energy usage to be mutually beneficial. "They were happy to feel that we as a municipal electric were working with them. We don't have the profit motive, so we tried to really dig into how they are impacting our costs and what they can do to contain them, but also, if they could help us to contain some of our costs, how could they get the benefit of that — whether that's in peak reduction or moving some of their larger electric usage to off-peak."

Budd said the previous design offered little enticement for the customers to move load to off-peak hours and was not reflective of the true cost to the system.

Coldwater began offering the TOU rate to the customers in October 2020, and two of the three had moved over to the rate by January 2021. Although it is still early in the offering, Budd said that the customers have already started to see some savings from the change.

"We've got to make sure that we're providing them an equitable and fair rate so they can expand their business and compete in the global markets," said Budd.

He stressed that the change was an educational effort and discussion that went beyond just costs. "They are becoming more aware of what they can do to reduce their demand and how the electric markets actually work and how to avoid transmission peaks," he said.

"If they can shave some of their peak, they save money, but we also save money," he said.
"The goal was to try not to have them subsidize any of the other rate classes. Now, they are a little more engaged as to how they continue to watch their peak demand."

# A DYNAMIC FUTURE

ver the course of the next five years, if you want to stay in the electric industry business and be effective at it, you need to put in [advanced metering infrastructure]," said Beauchamp.
"Dynamic pricing is going to become common ... and there will be rate options for customers. There has to be a plan for utilities to move their rates from where they are today to these dynamic pricing schedules."

Beauchamp recommends that utilities take a gradual, phased approach, possibly over five to 10 years, toward instituting mandatory or optout dynamic rates to avoid creating backlash.

Both Danville Utilities and Coldwater BPU, which have worked with Beauchamp and UFS, are looking to take such an approach.

Danville plans to phase in a residential TOU rate over the next six years, by first introducing the concept of different peak periods and gradually adjusting the on-peak and off-peak rates to have more differentiation, along with its biannual cost-of-service study. Grey said this approach will help customers "get acclimated" to the concept of TOU rates, and that the timeline aligns with an expected increase in EVs on the market.

"Our customers are becoming more educated on their habits and [our] pricing structures," said Grey. "Customers should be fully aware of what TOU is and what the benefits are and [how they] can fully maximize the value of TOU," said Grey.

"For us it is about fairness and making sure that the other rate classes aren't subsidizing one or the other," said Budd. "We ultimately feel that everyone should be on a TOU rate when you talk about fairness," he added, noting that the utility needs to complete a shift to AMI be-

# "IF THEY CAN SHAVE SOME OF THEIR PEAK, THEY SAVE MONEY, BUT WE ALSO SAVE MONEY."

**JEFF BUDD** 

UTILITIES DIRECTOR
COLDWATER BOARD OF PUBLIC UTILITIES

fore it can roll out a TOU rate. As of February 2021, about 80% of the utility's customers have AMI, and Budd expects the deployment to be completed by June 2021.

TCLP's board reviewed a proposal for piloting a TOU rate in February 2021. If the pilot is approved, Myers-Beman said that she will be interested to see how much the price signals change customer behavior.

# RATES REFLECT VALUES

ate changes aren't just about cost recovery, noted Budd, but about getting people to shift their behavior in a way that will help net energy savings and reduce network outages. "The only way people will change their habits is if there's a financial consideration that goes with that."

Beauchamp noted that rate design is meant to support community objectives and that communities need to be able to understand how any change will support or undermine such objectives.

For example, he cautioned that inclining block rates can harm some customers with lower incomes who have higher energy needs, and that demand charges can be punitive for commercial EV charging stations with a low load factor.

The important factor is that any rate structure or change is intentional in how it supports the utility's unique objectives and community, said Beauchamp, and that any decisions on changing rates are made with an informed picture of how certain customers might be affected.

"The biggest thing that concerns me," he said, "is if the governing body makes a decision without being properly informed as to the cost of the consequence."



# How different factors affect the cost of electricity

The amount you pay for electricity on your monthly bill might look like a straightforward calculation, but how that rate gets determined combines a multitude of factors.



**58**%

of electricity costs are related to its **generation** — the cost of the fuels and processes to create the energy.

- This cost fluctuates with the availability of resources and the varying demand for electricity at a given time.
- Electricity market factors also play a role in generation costs.

13%

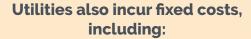
are related to **transmission** — delivering the high-voltage power from the generation site to local communities.

 On top of regular operations and maintenance, transmission costs can include congestion fees and other expenses associated with the shared interconnection **29**%

are related to the **distribution** system — the lines, poles, and other assets that safely connect the transmission system to your home.

# Each utility has a different share of expenses in these categories, depending on:

- System efficiency
- Peak demand
- Access to markets (both to buy and sell generated electricity)
- If the utility owns or operates any generation facilities
- Local climate and risk of natural disasters
- State and local regulations



- Equipment (lines, poles, transformers, lineworker gear, etc.)
- Infrastructure
   (construction for
   power plants,
   substations,
   bond repayments, etc.)
- Operations needs
   (vehicles and related maintenance, computers, phones, software)
- Facilities
   (rent/mortgage, storage, security, environmental fees)
- Employee salaries and benefits

On your bill, these costs can be recouped through:

# **BILL**

## **VARIABLE CHARGES,**

which depend on how much energy you use.

### **DEMAND CHARGES**

(typically only for commercial customers), which reflect peak use.

## **CUSTOMER CHARGES,**

which are a flat rate each month.

4

TOTAL CUSTOMER USE



When you take steps to **use electricity wisely** — using less when people typically use the most — you save money for you and your utility.

# **A FAIR DEAL:**

# SPARKING BENEFICIAL ECONOMIC DEVELOPMENT

BY JOHN EGAN, CONTRIBUTING WRITER



s communities across the U.S. look to rebound their economies, economic development professionals at public power utilities face a fundamentally transformed landscape, with a new set of priorities and challenges and a new sense of urgency.

As public power utilities seek to retain, revive, or attract business customers to their service areas, they are engaging in tried-and-true economic development activities, touting the unique benefits and qualities of the public power model, and working on addressing challenges that might be holding the community back from growth.

# WORKING ON THE FUNDAMENTALS

ome economic development professionals interviewed for this story said they would be focusing exclusively on retaining (or reviving) existing commercial and industrial, or C&I, customers in 2021. This logic follows the truism that the least expensive customer to get is the one you already have.

Others said finding creative ways to support ailing or shuttered businesses, while convincing prospective business customers that your community is right for them, is not an "either/or" dilemma. Instead, it's a two-sided "both/and" challenge. Both need to be done, and with equal urgency.

Having competitive electric prices (including incentive prices for retaining, expanding, or attracting C&I customers) is a necessary first step, said Mike Shook, director of Coffeyville Municipal Light & Power in Kansas. Having a line-extension policy in place also is essential.

High electric reliability, sometimes taken for granted, has emerged as a new "must have" in today's increasingly competitive economic development game, he commented.

"These days, it's hard to find a C&I customer that's not power sensitive," said Shook, who has worked at Coffeyville for 35 years. "A blip can cost a large nitrogen fertilizer facility or an oil refinery \$1 million in wasted product, and restarting the refinery after that blip can take in excess of eight hours."

That's why the Kansas public power utility, which serves about 6,200 customers in a community of just under 10,000 residents, touts its platinum Reliable Public Power Provider, or RP3, designation.

# DON'T THROW MONEY AT PROSPECTS

hook has another piece of advice for public power economic development professionals: "You cannot buy a new customer." That's a hard lesson drawn from experience. A little more than two decades ago, Amazon came to Coffeyville looking to set up a fulfillment center in the largest unoccupied warehouse in town, which used to house a publisher of comics and children's books.

The recently vacated warehouse had over 1 million square feet of space. Amazon wanted to turn the lights back on and make it the company's biggest fulfillment center at the time.

Shook said Coffeyville "provided substantial financial incentives," including about \$375,000 per year to Amazon, to make the deal. When the incentives ran out, the company did, too, after about 14 years in the space.

"That was an economic development nightmare," he recalled.

However, Shook said Amazon's departure triggered a number of positive changes, including:

- Lifting a 12-year electric price freeze;
- Replacing a 30-year-old economic development price plan that included potential for electric curtailments; and
- Revising the utility's distribution service fee schedule for new C&I businesses. Deep discounts, up to 33%, off the distribution charge were available during the first year of service, followed by four subsequent years of steadily declining distribution charges until the business was fully paying its distribution costs.

"It's important that utilities don't cover all of the infrastructure costs to serve new customers," Shook said. "New customers need to have skin in the game."

# SELLING THE COMMUNITY

ohn Marshall, CEO and co-founder of the Golden Shovel Agency, works with cities, electric cooperatives, and economic development organizations across the country.

A few years ago, Golden Shovel worked with the Greater Fremont Development Council in Nebraska to develop and launch a successful rebranding and economic development campaign for the town.

Fremont's public power utility, the Fremont Department of Utilities, was intimately involved in the campaign, contributing about \$1 million in line-extension credits and discounted electric prices. "If your community's not grow-

ing, it's dying," commented Lottie Mitchell, executive assistant and grant administrator at the city of Fremont.

"For years," she continued, "we were a lowgrowth utility serving a bedroom community for Omaha, about 30 miles away. But we wanted to rebrand our city and welcome new homes and businesses to our community."

The GFDC identified a housing shortage as a critical limiting factor for economic growth. Over a few years, the group was able to raise several million dollars of investment capital to facilitate the construction of more than 1,000 housing units, including single-family homes, multifamily homes, and senior housing developments. Another 1,000 or so will be built over the next two or three years, said Garry Clark, who served as CEO of GFDC until February 2021.

"NEW
CUSTOMERS
NEED TO
HAVE SKIN IN
THE GAME."

### MIKE SHOOK

DIRECTOR

COFFEYVILLE MUNICIPAL
LIGHT & POWER, KANSAS



# "START WITH WHAT YOU'VE GOT IN TERMS OF PHYSICAL INFRASTRUCTURE, HAVE A LONG-TERM PLAN, AND STAY IN IT FOR THE LONG HAUL."

### **STEVE NASBY**

CITY ADMINISTRATOR WINDOM, MINNESOTA

The campaign and the housing led to an "explosion" in the community's agricultural industry, Clark said. "Having enough affordable housing was the deciding issue for us."

Last year, Costco opened a 400,000-squarefoot, \$450 million poultry campus where birds will be hatched, grown, and harvested. The Fremont facility processes about 2 million birds per week, which constitutes about 50% of the chain's rotisserie chickens sold around the country.

The facility, which employs about 1,200 people, consumes about 10 megawatt-hours of electricity a day. It operates 24 hours a day, five days a week. It generates annual electric sales of \$4 million to \$5 million per year, estimated Troy Schaben, assistant city administrator for the utility, which serves an estimated 12,000 customers in a community of about 27,000 people.

"Landing the Costco facility was the result of a broad, long-term collaborative effort headed by the GFDC," he continued. Getting there starts with prospective businesses being able to experience the community—whether in person or remotely.

Golden Shovel started offering virtual tours of a community about four years ago, Marshall said, and the pandemic drove up demand sharply.

For between \$25,000 and \$35,000, the agency can create a virtual walking tour of a community. If a community is just trying to find a new tenant for an existing building, the cost is between \$5,000 and \$10,000.

These tours of buildings and communities have replaced air tickets and hospitality packages as a foundational element of economic development.

"We're in a new normal now, where there's less face-to-face interaction and more emphasis on digital," Marshall said. "Today, social media, your website, and your digital presence are essential tools of economic development. Before, they were just important."

# PLAYING UP THE PUBLIC POWER BUSINESS MODEL

hile money plays a role in any economic development package, Shook advised that serious prospects will pay attention to the long-term benefits of what it means to operate in a public power community.

"If you explain the business model of public power, including local control and that margins go back to customers and the community, businesses that buy into that vision will sign on. We give back more to our communities than investor-owned utilities. We make an 8.5% payment in lieu of taxes each year, while the nearby IOU pays a 5% annual franchise fee to cities."

The public power model also aligns well with a current trend: environmental, social, and governance, or ESG, criteria, which are a cluster of attributes institutions use to guide decision-making about investing in certain companies, industries and, potentially, communities.

"We didn't get any inquiries about our electric fuel mix five years ago, but today we are," Shook said. Some businesses are looking for power that is clean as well as reliable. Coffeyville owns two gas-fired power stations, but most of its power comes from the Grand River Dam Authority, which is working to decarbonize its fuel mix.

A public power utility's fuel mix is a reasonable first-order proxy for some aspects of the "E" in ESG. Other environmental components could include energy (and water) efficiency programs, pollution reduction, and natural resource conservation goals.

Public power's tradition of community engagement checks the social impact box. Factors that favor public power utilities can also include charitable giving, employee safety, and employee volunteerism.

### A FAIR DEAL: SPARKING BENEFICIAL ECONOMIC DEVELOPMENT

With regard to governance, public power utilities naturally hit the mark, from local decision-making, having elected or locally appointed board members, and the ability of citizens to attend board meetings. A selling point for public power is that it is accountable to only one group of stakeholders — its community. Not having investors and not being concerned with paying a cash dividend to those investors means public power utilities can focus on running the business in a way that makes the most sense, today and tomorrow, for the community.

# ADDRESSING COMMUNITY CHALLENGES

fter Fremont decided to reinvent itself a few years ago, the town experienced a few bumps in the road. One was a 500-year flood that wiped out a lot of the city's affordable housing. Another was a nationally televised investigative report by Katie Couric, who visited Fremont in 2018 to report on tensions between white residents and the community's rising population of Black and other nonwhite newcomers.

GFDC's Clark, who is Black, found himself stuck in the middle. After the TV special aired in May 2018, he spent the better part of a year meeting with local groups that had sharply different views on nearly everything related to immigration, diversity, and inclusion.

"There was a deep divide within the community on a lot of issues," he recalled. "A lot of people had assumptions that were way off."

He was invited to speak at meetings of the Tea Party Patriots, the Fremont Forum on Diversity and Inclusion, and a youth group at Fremont Public Schools that has a heavy Latino representation.

In mid-2019, he formed an inclusion council, telling residents of all colors and

persuasions, "If you want a Target store to come to Fremont, you have to understand that Target will not come to communities that are not diverse."

Since that imbroglio, Clark said he has spoken to numerous groups around the country — both in person and virtually — that are seeking new ideas about lowering the heat around immigration and inclusion. "It seems like I run to those places where change is needed," he said.

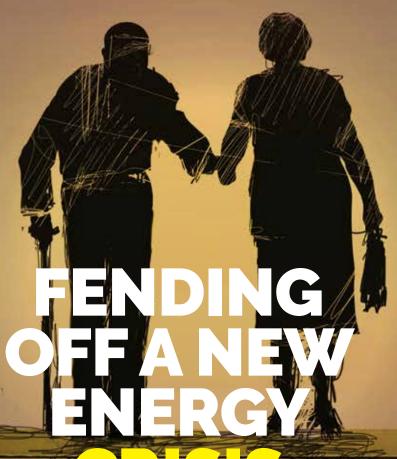
Clark sees economic development as a highly collaborative activity, like playing a team sport. He likens this to when he played guard on his high school and college basketball teams. Every member of the team had a specific role. On any given night, if they all executed, a "W" likely followed.

# FINDING YOUR OWN RECIPE

wo hundred miles north of Fremont,
Steve Nasby, city administrator for
Windom, Minnesota, considers economic development through a different set of
experiences: barbecue sauce and rubs. "I make
my own, and there's a lot of experimentation
and trial and error," he said. "Too much salt?
Not enough brown sugar? Maybe more onion?
Be sure to write down what works so you can
repeat it in the future. It's no different for economic development."

"There's a recipe, but no cookie-cutter solution," he continued. "Most important, start with what you've got in terms of physical infrastructure, have a long-term plan, and stay in it for the long haul."





# PODDERA OF SUBSTOUDE

BY MARK WOLFE, EXECUTIVE DIRECTOR, AND CASSANDRA LOVEJOY, POLICY DIRECTOR,
NATIONAL ENERGY ASSISTANCE DIRECTORS ASSOCIATION

THIS NOTE IS LEGAL TENDER

efore the pandemic, millions of Americans lived from paycheck to paycheck. Many were one crisis away from losing everything, including their homes. Now, many of these families have lost their jobs, have seen their work hours reduced, or have had to stay home to help their children study remotely until schools reopen. We know from the long lines seen at food pantries around the nation that millions of Americans are living precariously, on the edge of sinking into homelessness.

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SERIES Tim

Secretary of the Treasury.

The numbers are heartbreaking. One out of three families reported that they struggle to pay their home energy bills. And this proportion is even higher for nonwhite families, who have been hardest hit by COVID-19, where 50% of African American households, 40% of Latinx households, and 60% of Native American households report struggling to pay their home energy bills.

Utilities across the nation are reporting significant increases in the numbers of households falling behind on their utility bills. Electric and natural gas arrearages are expected to reach \$40 billion by the end of the pandemic, based on an analysis of utility arrearages by the National Energy Assistance Directors Association. NEADA estimates that 15% to 20% of residential customers are at least 60 days behind on their electric and natural gas bills. We are hearing reports of households with arrearages already up to \$3,000 and expect the debt to only get worse as the pandemic drags on.

The effects of this crisis are starting to be felt by utilities and their customers. The U.S. energy infrastructure is not designed to absorb arrearages of this magnitude. Large investor-owned utilities with diverse customer bases would likely be able to weather the storm by raising rates and offering repayment plans. However, smaller publicly owned and cooperative utilities, many of which have a disproportion-

# 15% TO 20% OF RESIDENTIAL CUSTOMERS ARE AT LEAST 60 DAYS BEHIND ON THEIR ELECTRIC AND NATURAL GAS BILLS.

ate amount of customers with low-income, are more vulnerable. And for customers who have been staving off economic ruin since last March, having their electricity turned off or being stuck with a repayment plan or rate increase will set them back even further.

The primary federal program to help with energy bills, the Low Income Home Energy Assistance Program, only receives enough funding to help about 1 out of every 6 eligible households, funding that cannot be stretched to help the newly unemployed with their growing bills. The \$900 million in supplemental funds provided for LIHEAP by the Coronavirus Aid, Relief and Economic Security, or CARES, Act in the summer of 2020 are now fully obligated and have been able to reach only a fraction of the households that need support.

NEADA and the American Public Power Association are calling for an additional \$10 billion in supplemental LIHEAP funds. The states would use 50% (\$5 billion) of the additional funds to help up to 4 million families pay off their growing utility debt. The other \$5 billion would be used to help up to 7 million families pay current bills through September 30, 2021, when both the winter heating and summer cooling seasons are over and pandemic conditions are expected to improve.

The long-delayed stimulus bill passed by Congress in December 2020 included no additional funding for LIHEAP. A \$25 billion rental and utility assistance program will help up to 5 million families facing eviction, but it is not enough to help all families, and it will likely not do much to help those who are behind on their utility bills.

According to John J. Drew, president/CEO of Action for Boston Community Development, "The victims of the current economic collapse are coming through our doors — low-income workers, elderly, disabled, all struggling to put food on their tables and hold off evictions in the midst of a bitter New England winter following several months without federal unemployment assistance."

Drew said that last year's LIHEAP funding will not provide enough fuel and utility assistance for the unprecedented 2020–21 year. He added, "The next six months are critical. We are pleading now, on behalf of the millions facing homelessness, cold, and food deprivation, for a major federal commitment beyond the pending funds, to save lives and keep our most vulnerable neighbors, friends and loved ones safe and secure."

The Biden administration's proposed COVID-19 relief package includes \$5 billion for LIHEAP, water assistance, and a competitive clean energy program. President Joe Biden has also extended the rental moratorium through the end of March this year to give local relief agencies time to help families pay their outstanding bills. We also need to let Congress know that LIHEAP alone will need \$10 billion before the pandemic is over to prevent both small utilities and their customers from facing crippling debt that will affect their financial stability for years to come.

# OF SUPPORT FOR PAYING UTILITY BILLS



he devastation the COVID-19 pandemic has wrought, both physically and economically, will be with us long after most Americans get vaccinated and the death toll and hospitalizations subside. While public power's immediate concern has been the safety of our workers and customers, looking ahead, public power must also address concerns about the millions of Americans falling further and further behind on their utility bills.

Over the past year, Congress has enacted a number of new programs and beefed up existing ones that can help. There are five programs public power utilities can point customers to, with some restrictions and stipulations to be mindful of for each.

One of the most well-known resources is the Low Income Home Energy Assistance Program. Early in 2020, as part of the Coronavirus Aid, Relief, and Economic Security, or CARES, Act, Congress appropriated \$900 million for LIHEAP in addition to the \$3.74 billion already appropriated for the year. In December, Congress appropriated another \$3.75 billion for fiscal year 2021. One of the challenges for LIHEAP has been getting customers to seek out assistance, and the National Energy Assistance Directors' Association suggests that public power utilities work with their local community action agency to identify likely eligible households and conduct targeted outreach to those households. The American Public Power Association is also working with Congress secure additional

funding so that LIHEAP will have the resources needed when more families do seek assistance.

Also included in the CARES Act was a \$150 billion Coronavirus Relief Fund to be distributed to states and local governments. One of the approved uses is economic assistance for COVID-19-related hardships, including the inability to pay utility bills. APPA secured guidance from the Department of the Treasury outlining that public power utility customers could benefit from CRF-funded utility assistance programs. While most CRF funds are spoken for at this point, Congress is likely to consider giving the program another cash infusion this year.

The CARES Act also made available \$5 billion in supplemental Community Development Block Grant coronavirus grants. One use for these grants is emergency payments for residents, including for utilities. Many public power customers are benefiting from several such programs established throughout the country. However, an underlying CDBG rule has the Department of Housing and Urban Development taking the position that a public power utility customer cannot benefit from such a program unless the customer's public power utility is clearly distinct — or at least has separate finances — from the granting city or county. APPA is working to resolve this issue.

Congress has also taken steps to help cash-strapped small businesses by creating the Paycheck Protection Program. Congress has appropriated nearly \$1 trillion for the program. While forgivable PPP loans are primarily intended to be spent on wages, up to 40% can go to fixed costs, including mortgages, rent, and utility payments. The hurdle for public pow-



er here is making sure that small business customers are aware of the program and use the proceeds to pay their utility bills.

Finally, a new program approved by Congress could also help public power utility customers. The Consolidated Appropriations Act created a \$25 billion **Emergency Rental Assistance** program, the proceeds of which are intended to be used for rent and utility assistance to residential customers who rent their homes. The Treasury Department is distributing these funds to states and to requesting cities and counties with a population of more than 200,000. It is likely that the bulk of funding will go to rent, not energy, needs. However, APPA has strongly encouraged its members

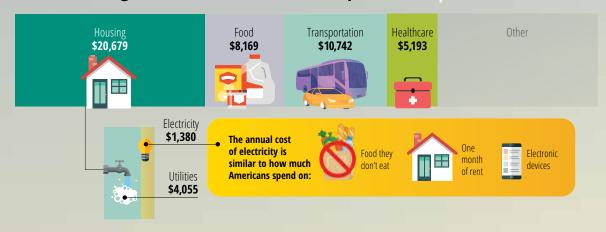
to reach out to eligible cities and counties and to state LIHEAP and housing agencies with the best estimate of the number of renters in their service territory who are behind on energy bills. We also suggest that utilities identify a list of renters who are behind and inform these customers that funding is available and provide them with information on how to access applications and who to contact at local agencies to sign up for help.

None of these is a silver bullet that will solve all their problems, but each of these solutions can offer some relief to public power customers. By helping our customers most in need, we can help our communities as a whole recover and move forward.

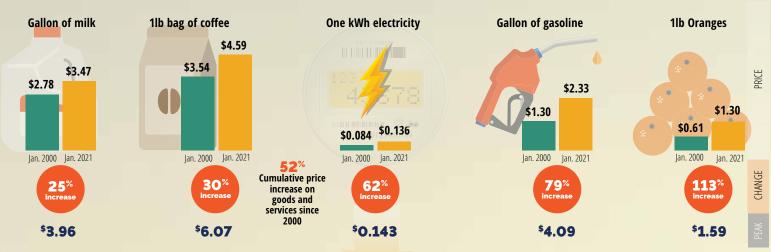


# How electricity prices have changed along with other household expenses

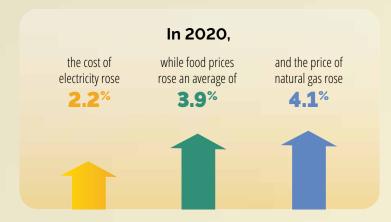
The average American household spent \$63,000 in 2019.



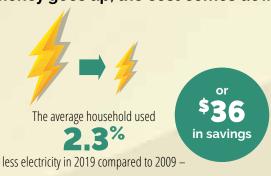
# Compared to other usual household expenses, the cost of electricity is fairly stable.



Public power rates increased 4.5 cents over this time, compared to 5.2 cents nationally



## As efficiency goes up, the cost comes down.



# CONGRATULATIONS

ongratulations to the 2021 Reliable Public Power Provider (RP3) program designees. We salute your commitment to operating at the highest levels of reliability, safety, workforce development, and system improvement as you build and support strong public power communities.

### **DIAMOND**

Benton PUD Braintree Electric Light Department Burbank Water and Power City of Albemarle City of Bowling Green City of Calhoun City of College Station City of High Point Electric Utility City of Lompoc Electric City of Rock Hill City of Tallahassee Electric Utility Coldwater Board of Public Utilities Colorado Springs Utilities Cowlitz PUD Fort Pierce Utilities Authority Glendale Water & Power Grand Haven Board of Light & Power Greenville Utilities Commission Hannibal Board of Public Works Heber Light & Power Idaho Falls Power Kissimmee Utility Authority

Manitowoc Public Utilities Memphis Light, Gas & Water Division Northern Wasco County People's Utility District Norwich Public Utilities **Opelika Power Services** Owensboro Municipal Utilities Piqua Power System Rice Lake Utilities Richland Center Electric Department Sacramento Municipal Utility District Shakopee Public Utilities Commission Sun Prairie Utilities Taunton Municipal Lighting Plant Town of Granite Falls Town of Smithfield Traverse City Light & Power Truckee Donner Public Utility District Two Rivers Water & Light Wake Forest Power Waverly Utilities Wisconsin Rapids Water Works & Lighting Commission

### **PLATINUM**

Albany Utilities Borough of Ephrata Borough of Lansdale Electric Department BrightRidge City of Ames Electric Services City of Bartow Electric Dept. City of Columbia Water & Light City of Danville -Department of Power & Light City of Elizabeth City City of Fremont City of Harrisonville Electric Department City of Kinston City of Milan Department of Public Utilities City of Palo Alto Utilities City of Shelby Clarksville Connected Utilities Coffeyville Municipal Light & Power Danvers Electric Division Denton Municipal Electric Evansville Water and Light Greenfield Power and Light **Greenwood Commissioners** of Public Works Holyoke Gas & Electric Department Hope Water & Light Kansas City Board of Public Utilities Kaysville City Power and Light Lehi City Power Lewisburg Electric System Long Island Power Authority Macon Municipal Utilities Mansfield Municipal Electric Department Municipal Utilities Board of the City of Albertville

Navajo Tribal Utility Authority
New Prague Municipal Utilities
Oak Harbor Public Power
Orrville Utilities
Pasadena Water and Power
Reading Municipal Light Department
Redding Electric Utility
River Falls Municipal Utilities
Rock Falls Electric Department
Springville City Electric Department
Stillwater Electric Utility
Tillamook People's Utility District
Tullahoma Utilities Authority

### **GOLD**

**Brainerd Public Utilities** City of Cartersville Electric System City of Gastonia City of Lodi Electric Utility City of Lumberton City of Monett City of Newberry City of Ottawa Kerrville Public Utility Board Kirkwood Electric Department Lewes BPW McMinnville Electric System Newnan Utilities Paris Board of Public Utilities St. Clairsville Electric Wakefield Municipal Gas and Light Department



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# Engage · Network · Innovate

Connect with public power's leaders for ideas and critical insights on the key issues you are facing.

The 2021 National Conference will be held in two parts: in-person (June 20-23 in Orlando, Florida) and then virtually (July 13-14). Each portion will feature exclusive educational content and networking opportunities. Participate in the full conference (in person and virtual), or just the virtual component.

# Learn more and register:

www.PublicPower.org/NationalConference

