

In Support of the Federal Government’s Second Installment of the Quadrennial Energy Review

1 On February 4, 2016, the U.S. Department of Energy (DOE), along with the White House Office of
2 Science and Technology Policy and White House Office of Energy and Climate Change, held the first
3 public meeting on the second installment of the Quadrennial Energy Review (QER). The second QER,
4 referred to as QER 1.2, is an integrated study of the U.S. electricity system from generation through end-
5 use. The focus of this installment will be on the challenges and opportunities facing the electricity sector
6 and its key role in promoting economic competitiveness, energy security, and environmental
7 responsibility. QER 1.2 will develop a set of findings and policy recommendations, like those included in
8 the first installment of the QER (QER 1.1), to help guide the modernization of the nation’s electric grid
9 and ensure its continued reliability, safety, security, affordability, and environmental performance through
10 2040.

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12 QER 1.1 addressed the transportation, distribution, and storage of a wide range of infrastructure,
13 including electricity, natural gas, and liquid fuels, and encompassed pipelines, rail, trucks, barges, and
14 ports. The primary issues of interest to public power in the first QER were physical- and cybersecurity,
15 concerns with wholesale electricity markets, the resilience of electric infrastructure, natural gas prices and
16 supply constraints, and difficulties in the delivery of coal shipped by rail. Given that QER 1.2’s sole
17 focus is on electricity, public power utilities are keenly interested in all of the issues this report will
18 examine.

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20 The American Public Power Association’s (APPA) members have been providing highly reliable and
21 affordable electric service for over 100 years. Both APPA and its members will be heavily engaged in the
22 second phase of the QER to educate DOE and the Administration on what it takes to deliver this essential
23 service. This includes providing documents, statements, and member witnesses at each of the six regional
24 meetings to be held in Atlanta, GA; Austin, TX; Boston, MA; Des Moines, Iowa; Salt Lake City, UT; and
25 Los Angeles, CA.

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27 APPA itself is a proven leader in the electricity industry. Under APPA’s strategic plan, *Power with*
28 *Purpose*, APPA sees four drivers of change in the electric utility industry: 1) evolving customer
29 preferences; 2) new technologies; 3) increased government regulation; and 4) utility workforce issues.
30 These four factors will be used to drive the discussions of the QER between APPA, its members, and the
31 Administration.

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33 Policy changes being proposed as a result of these drivers of change in the electric utility industry could
34 cause challenges to the public power business model and relationships with our customers and
35 communities. APPA believes these issues are best handled at the state and local levels, and legislative
36 and regulatory attempts to federalize them could adversely impact public power communities and their
37 retail customers. Thus, APPA supports very limited federal intervention on these issues. The federal
38 government's primary role in addressing innovative technologies is to help with research and
39 development, in partnership with utilities. The federal government should not be in the business of
40 choosing technologies or fuels, or tilting the playing field towards certain types of utilities over others.

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42 Lastly, public power utilities employ thousands of people in a variety of jobs that combine public service
43 with a technologically forward-looking industry. New technologies are being developed to generate,
44 deliver, and use electricity. Public power utilities are also undertaking new environmental initiatives to
45 meet and exceed customer expectations and are or are becoming fast-paced public enterprises with
46 competitive salaries. Many dynamic career opportunities are available for women and men with diverse
47 educational backgrounds, from high school diplomas to advanced degrees. The federal government must
48 recognize these features of our business model and not adopt policies that impede or prevent public power
49 utilities from continuing to provide affordable, reliable electric service in a changing electric utility
50 industry.

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52 **NOW BE IT RESOLVED:** That the American Public Power Association (APPA) supports the
53 Administration's efforts to undertake the second part of the Quadrennial Energy Review (QER) and
54 welcomes the focus of QER 1.2 on electricity issues from generation to end-use; and

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56 **BE IT FURTHER RESOLVED:** APPA sees evolving customer preferences, new technologies,
57 increased government regulation, and utility workforce issues driving change in the electric utility
58 industry; and

59 **BE IT FURTHER RESOLVED:** APPA encourages the Department of Energy (DOE) and the White
60 House to work closely with APPA and its members throughout the QER 1.2 stakeholder engagement
61 process; and

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63 **BE IT FURTHER RESOLVED:** Based on APPA's six external strategic initiatives under *Power with*
64 *Purpose*, APPA and its members will educate DOE and others in the Administration on the public power
65 business model, how public power envisions the electricity industry changing, issues DOE needs to

66 examine to inform its report, and what it takes to deliver essential electricity service to customers in the
67 21st Century; and

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69 **BE IT FURTHER RESOLVED:** APPA’s comments to DOE on the QER 1.2 will specifically focus on
70 issues such as the Environmental Protection Agency’s final rule to regulate carbon dioxide emissions
71 from power plants and its impact on public power utilities, the operation of wholesale electricity and
72 mandatory capacity markets, and the benefits and challenges of distributed generation.

**As adopted June 14, 2016, by the membership of the American Public Power Association at its
annual meeting in Phoenix, Arizona.**