MRES Role in Defense of Privatization Threats

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What Can We Learn From “The Offense”?

• Prerequisites for Success
  • Head
  • Spread
  • Bread
MRES Lines of Defense

1) EDUCATION
2) SERVICES
3) CONTRACTS
Value of Public Power Campaign

• Educate Customers, Policymakers, Stakeholders
  • Quarterly marketing package / daily social media
  • Fact sheet

• Benefits of Having a Municipal Electric Utility
  • Community-owned
  • Local governance / control
  • High reliability
  • Financial benefits
  • Care for the environment
Policymaker Education

• Municipal Power Leadership Academy
• Policymaker Dinners
• New Policymaker Information Packets
• Presentations to Councils & Boards
• Meetings with State Legislators
Municipal Power Advantage℠

- Retail Rate Comparisons
- Transfer in Lieu of Taxes
- Shared and Donated Services – Quantified
- Energy Efficiency Incentives
- Economic Development Support
- Other Benefits
Services to Support Members

• Distribution Maintenance Service
  • Ensure high reliability
  • Ensure system is well maintained
  • Ensure timely service extensions
  • Meet customer needs and requests
Services to Support Members

- Hosted Coordinated Demand Response
- Hosted Advanced Metering Infrastructure
- Hosted Smart Grid Technologies
  - Meter Data Management System
  - Online customer portals
  - Outage management visualization
  - Distribution analytics
Services to Support Members

• Economic Development Rate Discount
• “Green Energy” Offering and Rate
• Electric and Water Rate Studies
• Energy Efficiency Rebate Program
• Proactive Maintenance Services
• School Education Program
Contract Provisions - WAPA

• Western Area Power Administration
  • 59 of 61 MRES members have WAPA allocations
  • Allocations cannot be transferred to an IOU
  • Allocations transferred to Co-ops are typically socialized
Contract Provisions - MRES

• No Transfer or Assignment If:
  • Amount of supplemental power would be reduced
  • Receiving party does not have adequate bond rating
  • MRES Power Sale Agreement as security for bonds would be adversely impacted
  • Tax-exempt status of bonds would be adversely affected
Buy-Out / Sell-Out Attempts

1) EXTERNAL INVESTORS
2) INTERNALLY INITIATED
3) HOW DID WE STOP THEM?
Which Members Were Targeted?

Pierre, South Dakota
Population 14,000
Service Territory Issue
Buy-out Attempt
Tried to Force Vote of Citizens
Which Members Were Targeted?

Barnesville, Minnesota
Population 2,600
IOU Dropped Distribution Maintenance
Offered Buy-Out Instead

Willmar, Minnesota
Population 20,000
Proposal Directly to Large Customers
Sell-Out Efforts by Cities

Riverdale, North Dakota
Unable to Maintain System
Population 205

Shelby, Iowa
Population 650
Council Wanted Cash Infusion
How Did MRES Help?

• Education of City Leaders
  • Financial analysis of benefits of utility
  • Strategy session on strengths & weaknesses
  • Contract and other legal implications

• Education of Customers / Voters / Public
  • Educational materials – fact sheets/newspapers ads
  • Letters to the Editor
  • Presentations
  • Radio interviews
Limitations on Our Efforts

• No Public Funds for “Advocacy” of a Ballet Issue (for or against) – All States

• City/Utility MAY Present Factual Information for Purposes of Educating Voters

• Iowa and South Dakota – City/Utility MAY Pass Resolution Expressing Body’s Opinion
Future Plans for Defense

- Ownership of Member Infrastructure
  - AMI meters
  - Transformers

- Management Support Services
  - Distribution maintenance management support
  - Interim or permanent city/utility management

- Reliability Tracking
  - APPA’s eReliability Tracker (eRT)
  - APPA’s Reliable Public Power Providers (RP3)
Defense Against Buy-out

- Head
- Spread
- Wed - Not Bread
Questions