Value of Public Power Campaign

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Mission – to provide reliable, low cost energy and services to municipal entities to enable each municipality to be competitive, while maximizing the benefit to our stakeholders
OMPA Overview

- Serving 42 member cities in Oklahoma
  - 2 municipalities in Arkansas and 1 in Texas under short-term contracts,
- Governed by 11-member Board of Directors elected from member cities.
- Total estimated population served approximately 260,000.
- Diverse and low cost power supply (~$65/mwh all-in)
- Full Requirements contracts
- Total operating revenues approximately $190 million/year
- Approved headcount - 70
OMPA’s 42 Participating Trusts
Resources

- 5 Coal Plants - 181 MW
- 3 Combined-Cycle Gas 330 MW
- 2 Simple-Cycle Gas 145 MW
- Hydro 32 MW
- 3 Wind Projects 140 MW
- 1 Gas Steam 32 MW
- SWPA Hydro 121 MW
- Landfill Gas System Purchase 40 MW
- PPA Combined-Cycle 50 MW
Power Supply
Fuel Mix Based on Actual Energy Produced
2017 ytd

- Coal, 18%
- Natural Gas, 53%
- Renewables, 20%
- Purchases, 9%

Operate in SPP and ERCOT markets
Value of Public Power Campaign

What is it?

- A multi-year campaign to raise awareness among the leadership and citizens of public power communities as to the value of a municipally-owned electric utility.
- In addition, raise the same awareness among the membership of the state legislature.
What prompted this effort?

- Less than desirable results on retail customer satisfaction surveys
- Declining overall satisfaction
- Lack of awareness that they are served by a public power utility.
- Periodic calls to sell municipal systems
- No apparent efforts to promote value of municipal system at local levels
Overall Satisfaction w/ Municipal Utility

![Graph showing overall satisfaction from 2004 to 2016. The satisfaction percentage decreases over time.](image-url)
Survey Results

- The perceived value of having electric power provided by the city rather than by a non-local company dropped 6% from 2014 (73%) to 2016 (67%).

- There was a slight increase from 9% to 11% in the number of respondents who thought their utility was a rural electric cooperative. This increase was mainly in the South Central region where this measure increased from 9% to 16%.
Survey Results – cont’d

- Approximately half (56%) of all respondents were aware that municipal utility revenues are used for other municipal services.
  - The region least aware of this fact continues to be the Central region with only 46% indicating they were aware.

This needs to be higher!
Oklahoma Municipal Finance Dilemma

- Oklahoma cities & towns receive no property tax revenue
- Primary source of revenue – Sales Tax
- Smaller communities have limited sales tax opportunities
- Results
  - Rely heavily on utility transfers
  - Uncompetitive utility rates
Process

- Key topic of discussion at annual board planning retreat
- Referenced APPA’s survey results which supported our findings
- Staff recommended OMPA funded campaign
- Made it clear it was about promoting municipal systems, NOT OMPA.
- Board agreed it was worth pursuing.
Process – cont’d

- Staff provided more information at subsequent meetings in preparation of a 2018 budget request.
  - Approved $200k
- Established committee of OMPA staff and member city personnel
- Hired PR/Marketing Firm
PR/Marketing Firm

- Benefits of PR/Marketing Firm
  - Crafting message(s)
  - Content development
  - Strategy development
  - Assist with media purchasing
- Not (initially) looking at TV – expensive
- Social Media a prime medium
- Some print and radio likely
Potential Goals/Outcomes

- Common brand for Oklahoma Public Power
  - OMPA & Non-OMPA cities
- Value of Municipally-Owned Electric Utility Report
  - Modeled after MRES
- Outreach – workshops and advertising
- Build grass roots support
- Educate legislators
- Improved survey results!
Considerations

- Local Control
  - Will not promote message unless city approves

- How are funds used in communities?
  - Fair allocation of resources

- How do we measure success?