

**AMERICAN
PUBLIC
POWER
ASSOCIATION**

80 Years of Powering Strong Communities



APPA Update: Public Power Forward

JOY DITTO

President & CEO

American Public Power Association

USEA 16th Annual State of the Energy Industry Forum

January 23, 2020

What Are Public Power Utilities?

- **Public power defined:** “A utility owned by a political subdivision of a State, such as a municipally-owned electric utility; and, a utility owned by any agency, authority, corporation, or instrumentality of one or more political subdivisions of as state”
- **Not-for-profit**, public, community-oriented, responsive
- **Rates** are governed locally
- **Subject to federal** environmental, endangered species, reliability/critical infrastructure protection regulation – limited federal regulation for public power transmission owners (known as FERC-lite)
- **Mostly transmission-dependent** (pay for third-party access to transmission)
- **Purchase more power than produced**, but generating capacity is: 42% natural gas; 26.6% coal; 18% hydropower; 6.5% nuclear; 4.8% oil; 1.5% other, and .7% wind

Who Are APPA's Members?

- 1,400+ public power utilities (of 2,000 total in the U.S.)
- Retail service in 49 states (all but Hawaii)
- Very large to very small utilities
- *Median* size: 1,977 meters
- 14.4% of sales to electric consumers



1 IN 7

electricity customers in the U.S.
are served by public power

What Do We Care About in Federal Policy for 2020?

- **Climate change policy** best left to Congress; diversity of fuels important – from 2005-2017, public power utilities have reduced their CO2 emissions by 33% from 2005 levels
- **Comparable incentives** to those made available to for-profit entities for clean energy development
- **Municipal bonds** – primary funding source for projects, bills pending to make more workable
- **Grid security and grid security funding** – support H.R. 359/S. 2095 to permanently fund at DOE activities to enhance grid security

What Do We Care About in Federal Policy for 2020? (Cont.)

- **Power Marketing Administrations and the Tennessee Valley Authority** – defend core mission and cost-based rates
- **Pole attachments** – public power exemption to FCC regulation must be maintained
- **Spectrum policy** – utilities' reliable use of spectrum for critical networks and grid of the future deployments must be preserved
- **Electric vehicles** – support funding for charging infrastructure
- **Transmission** – FERC should adopt and enforce policies to keep rates reasonable
- **Wholesale markets** – oppose FERC's December order to expand PJM's minimum offer price rule
- **Distributed energy resources and storage** – support these technologies, but should not participate in wholesale markets without state and local regulator consent

Federal Policy Should Enable Public Power to Move Forward

- **Policies should incentivize** public power utilities to move into a future of greater communication and relationship with our customers -- **or at least do no harm.** Currently, this is a mixed bag
- **Positive example:** Great progress in the relationship between the electric sector and the federal government around resilience and preparedness -- cyber and physical. APPA using federal grants from DOE to help members develop “all-hazards” approach to disaster preparation and response.
- **Detrimental example:** wholesale market structures and preemptions of state and local decision-making – particularly in FERC’s expansion of the PJM MOPR.

Good to Be Home!

Questions?

Joy Ditto

jditto@publicpower.org

202-467-2901