

The Value of a Municipal Electric Utility

What we do. What we give. How we excel in value and share our story.

Jody Lamar Finklea

Florida Municipal Electric Association (FMEA),

General and Regulatory Counsel

Florida Municipal Power Agency (FMPA),

General Counsel and Chief Legal Officer

Florida Public Power

33 municipal electric utilities

>1.5 million customer meters - ~4.2 million Floridians

19% of Florida's population

Large Utilities

JEA (Jacksonville): 505,000 customers

OUC (Orlando): 272,000 customers

Lakeland: 140,000 customers

Small Utilities

Moore Haven: 1,093 customers

Chattahoochee: 1,121 customers

Williston: 1,462 customers

More than 2,000 public power utilities across the U.S., serving 49 million people in 49 states and 5 territories



Municipal Electric Utility Regulation

- Local City Commission or Governing Board
 - Decisions about utility made locally to best fits needs of local community
 - Operate in Sunshine – subject to public records and open meetings
 - Rate regulation
 - Municipal utilities serve a small geographic area
 - Local decision making to meet wide variety of needs from local community
- Many other state and federal agencies (FDEP, FERC, NERC, EPA)

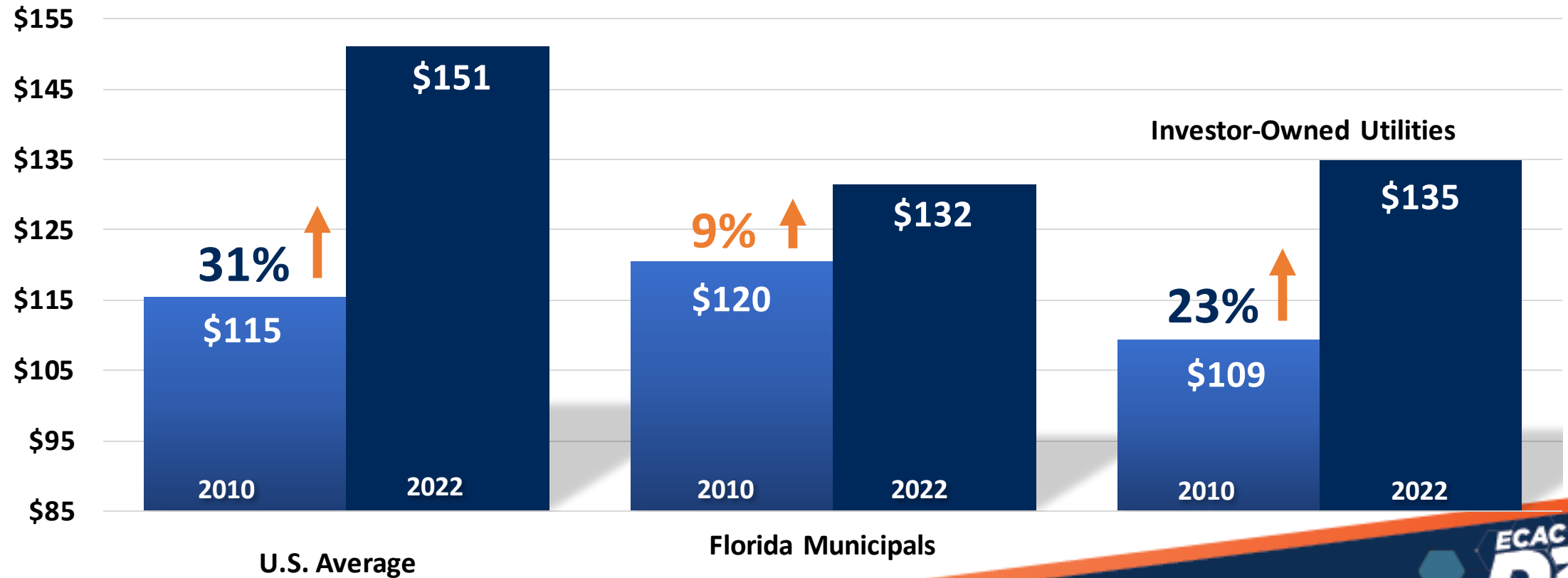
Munis Investing Heavily in Infrastructure

- Municipal electric utilities are making substantial investments in their utility and infrastructure
- System investments include undergrounding, self-healing technologies, hardened poles, substation upgrades, clean energy, AMI, and more
- Investments improve reliability, resiliency, storm hardening, customer service
 - Evident by hurricane response
 - Hurricane Ian – 99% of public power customers had power in 72 hours

Florida's Municipals Competitive

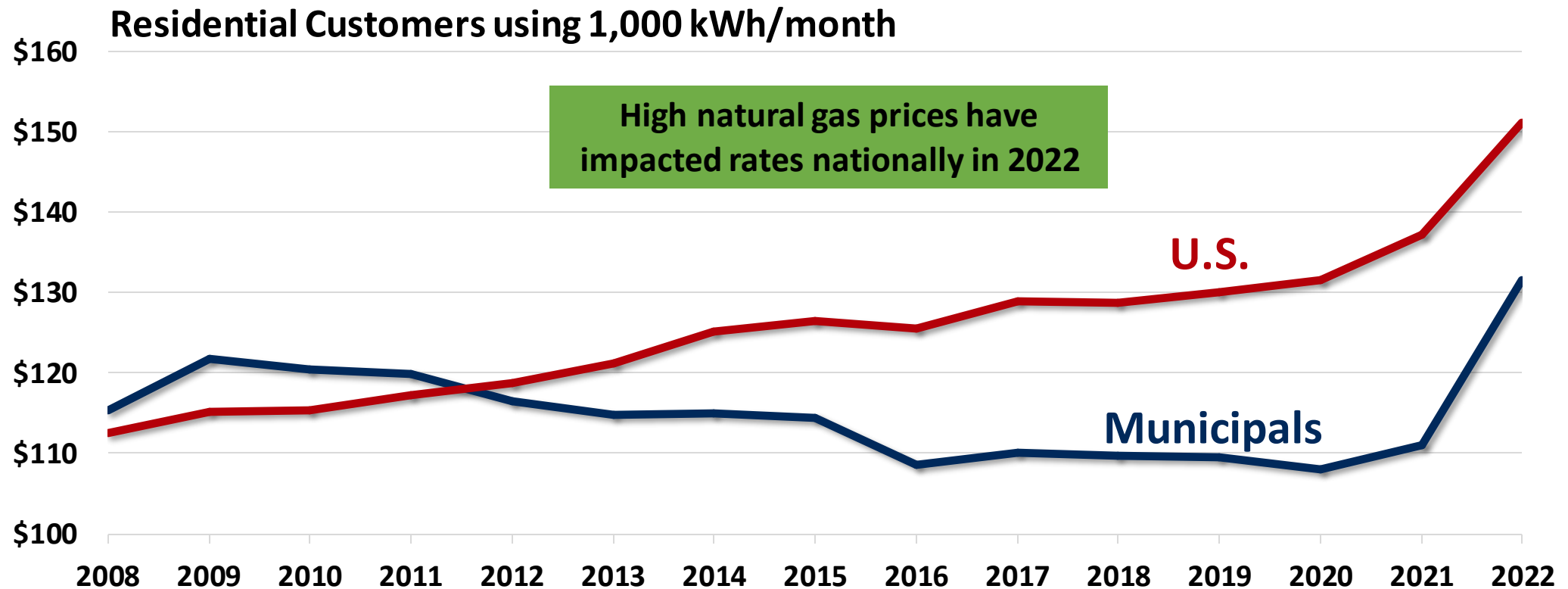
Municipal Rates 9% Higher than in 2010, U.S. Rates Up 31%

1,000 kWh Residential Bill Comparison



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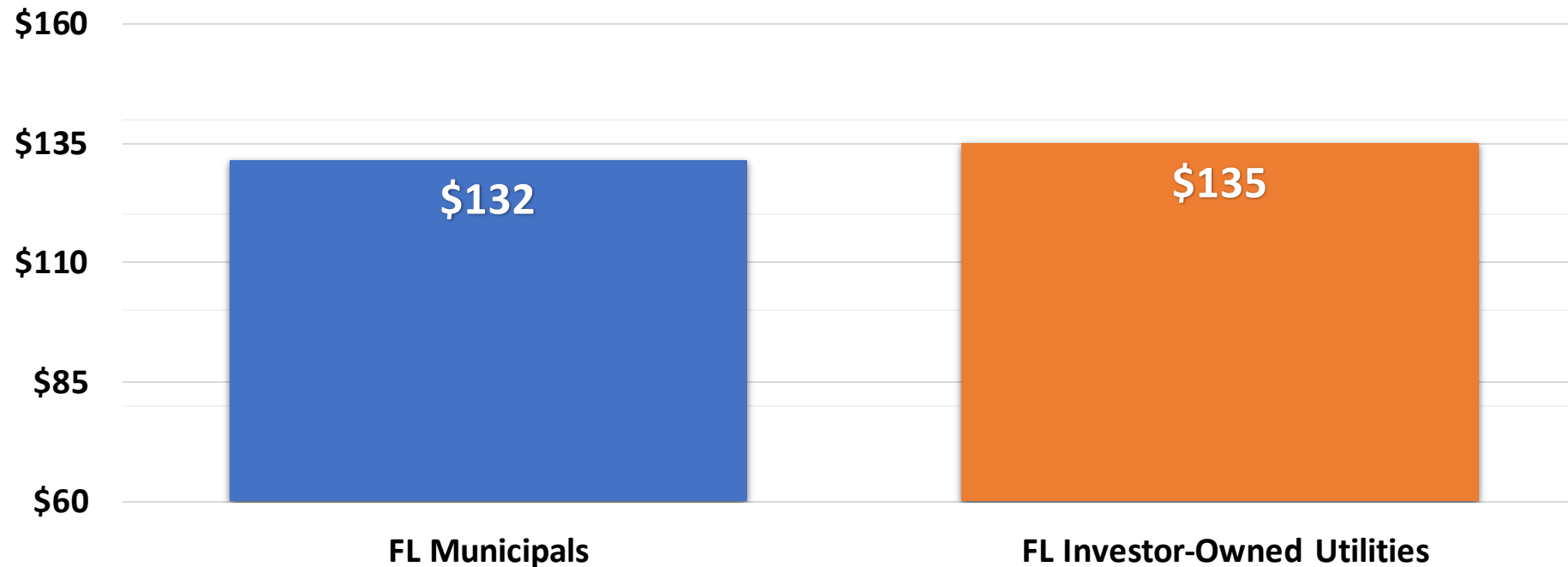


Retail Rates Competitive

\$124 million in annual savings for residents vs. IOU Avg.

Residential Bill Comparison

Cost per 1,000 kWh, Calendar Year 2022 Average



Providing an Essential Service to All Customers

- Municipal electric utilities serve customers inside and outside of city limits
 - Territories established by FPSC
- All customers are treated equally (State regulatory oversight ensures this)
- As authorized by FPSC, can charge up to 10% on customers served outside city limits equivalent to inside customer utility tax

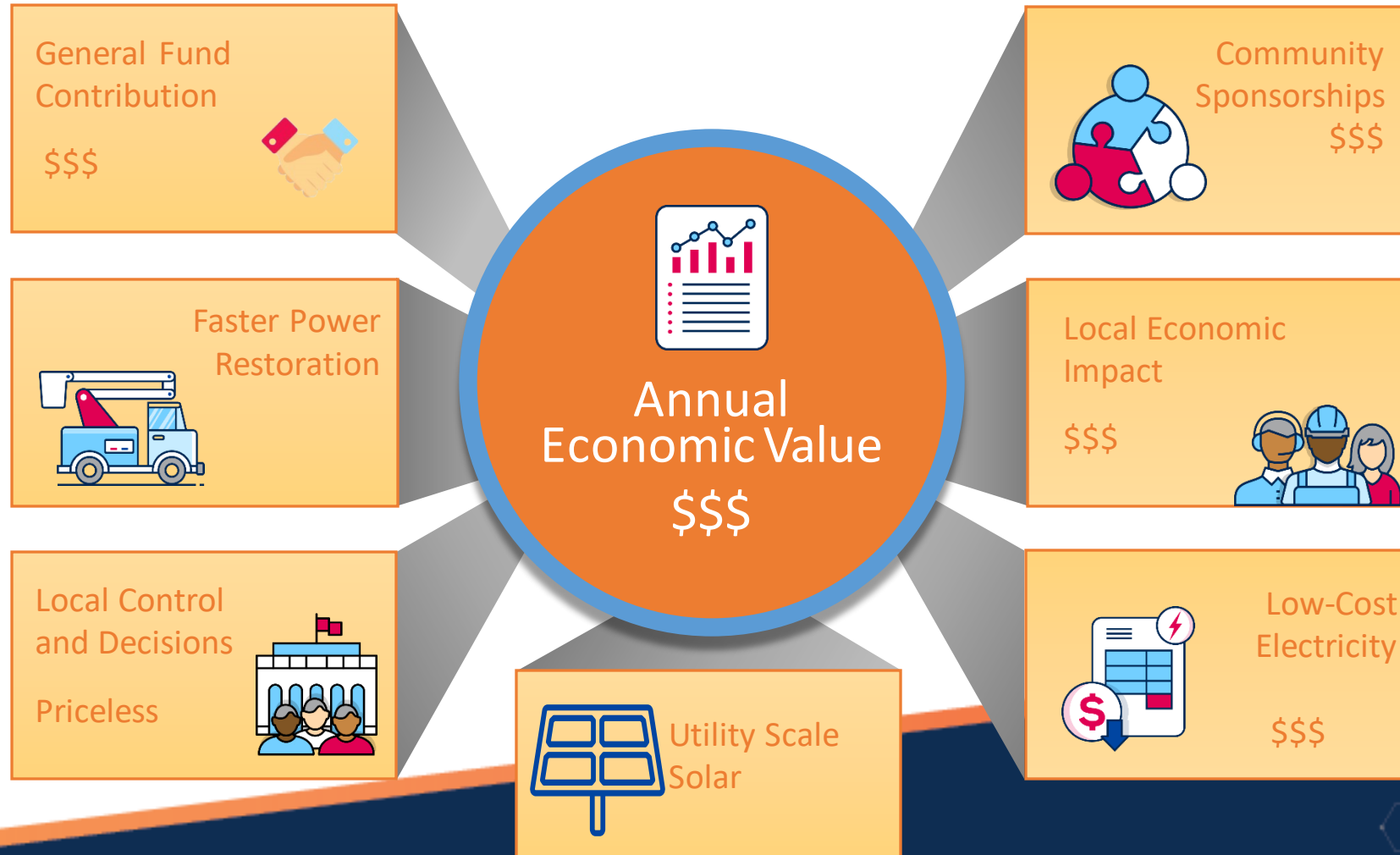


Municipal Electric Governance Structures

- City Council/City Commission – many
 - Commission/Customer Committee Hybrid – Lakeland
 - Customer Advisory Committee – many
- Appointed Utility Authority
 - Jacksonville, Orlando, Kissimmee, New Smyrna Beach, Fort Pierce
- Elected Utility Authority
 - Key West/Keys Energy Services
 - Elected by all customers in KEYS service territory; three from Key West, two from outside city limits



Value Contributions of a Municipal Electric Utility

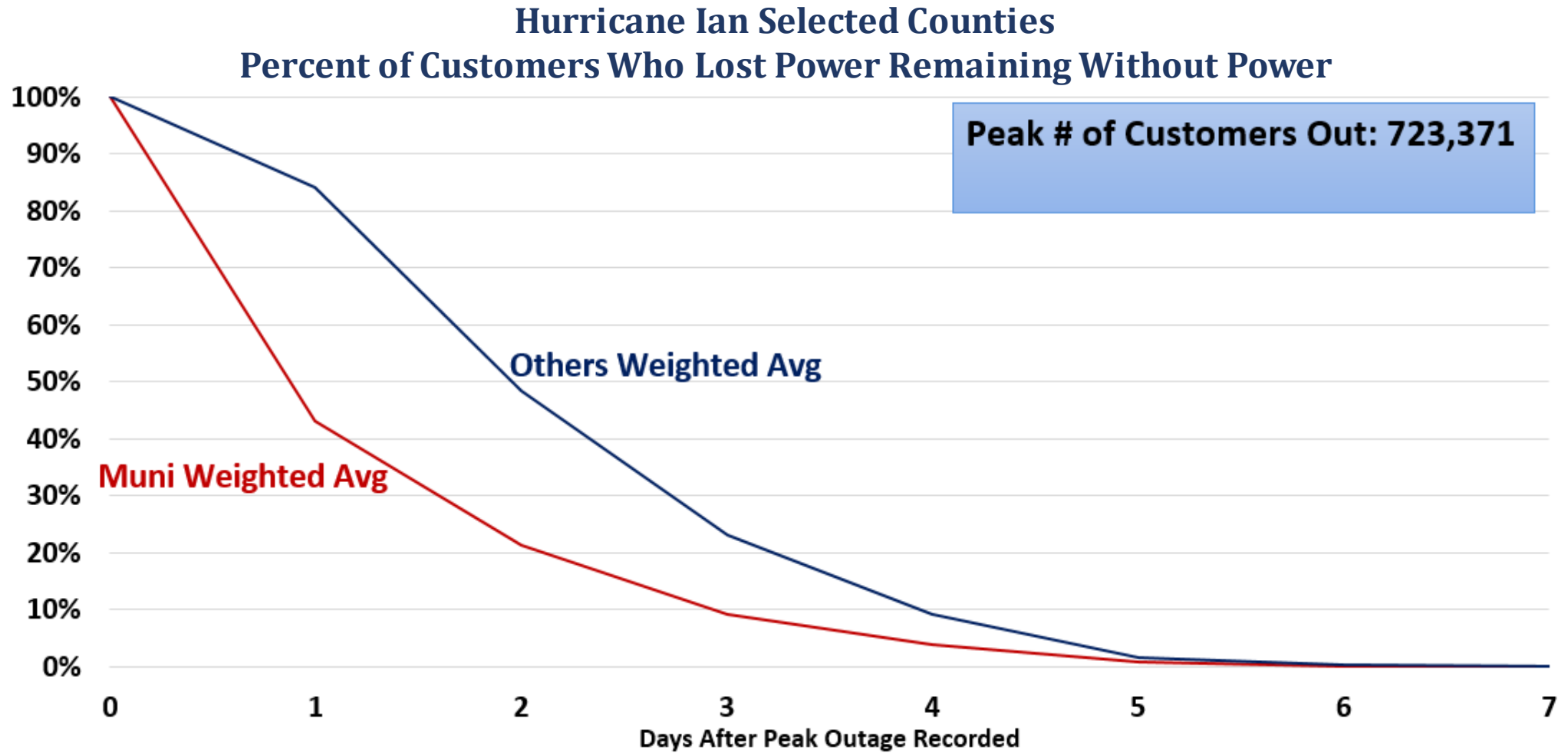


General Fund Transfers Support City

- FL municipals transfer funds from the electric business to the general fund
- Critical source of revenue to support basic city services, while keeping retail rates competitive
- Some cities have significant ad valorem revenue constraints
- Flexibility to meet needs of city and their customers



Faster Power Restoration After Ian



Utility-Scale Solar Offers Great Options for Customers

- FMPA advocates for affordable, clean energy
- Some customers can't afford to install solar panels on the roof Utility making solar accessible to all customers through community solar
- Customers get economic and environmental benefits of solar



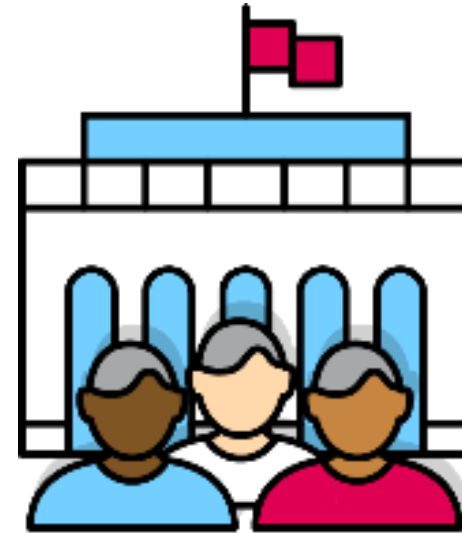
Utility Creates Good, Local Jobs That Support The Local Economy

- Utility operations that are local provide jobs for the community
- Disposable income stays in the local economy
- Some utilities provide job-shadowing or apprentice type programs to invest locally in providing opportunities



Personal Service and Local Control Means Customers Have A Voice in Decisions

- Local officials govern the utility
- Personal service with high customer satisfaction
- Local needs are the top priority when decisions are made
- City is the top priority following a storm



Utility Resources Help Enhance Local Community With Events and Programs

- Education/scholarships
- Art/culture (e.g., movies in the park)
- Seasonal decorative lights or event lighting support
- Festivals
- Economic development
- Diversity programs



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Community Power. Statewide Strength. ®

Thank you

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Understanding and Protecting the Value that of Your Community's Public Power Utility

Tim Blodgett

VP Member Services and Communications

Missouri River Energy Services

About Missouri River Energy Services

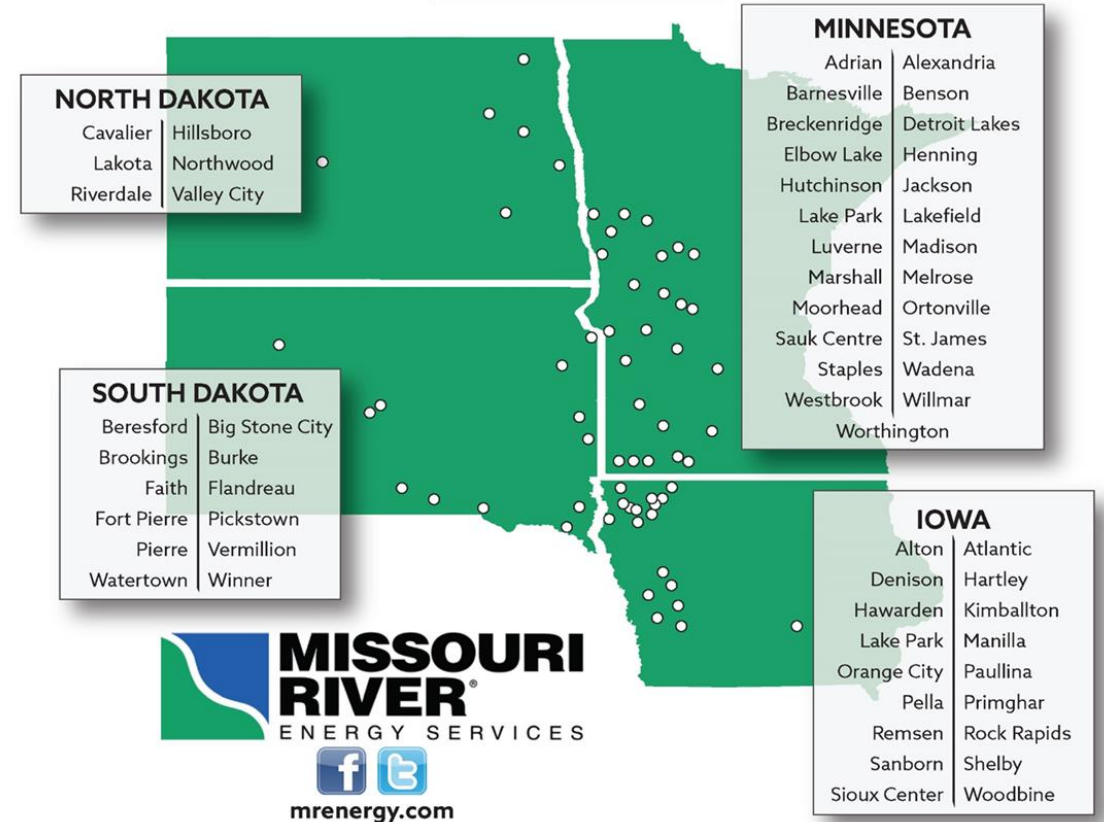
- ✓ Not-for-profit
- ✓ 61 members in four states
- ✓ Wholesale power supplier
- ✓ Support for transmission service
- ✓ Energy services
- ✓ Members working together for the common good
- ✓ Member formed/member owned



Our Core Purpose

To enhance the value of member utilities to their customers and communities through the provision of energy and energy services.

MRES MEMBERS



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Value of Public Power

- Local Customer Service
- Local Control
- Competitive Rates
- Reliability
- Energy Services
- Not-for-Profit
- Money Stays Local
- Customer Ownership



Average Home Electricity Prices in the U.S.



Community-
Owned Utilities

12.4

Cents/
per kWh



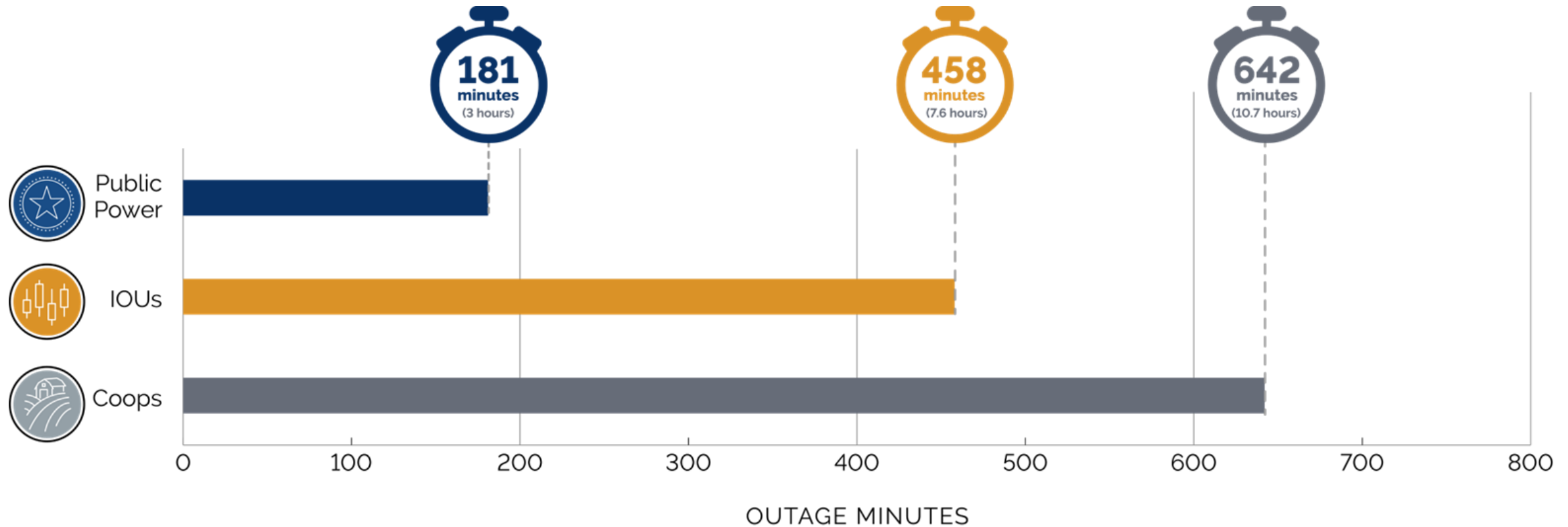
Investor-Owned
Utilities

13.9

Cents/
per kWh

**Public
Power
=
Affordable
Power**

Average Outage Time for Electric Customers*



*WITH MAJOR EVENTS

#PublicPower www.PublicPower.org

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Back to the Community

Public power utilities
employ more than
96,000 people
and earn **\$62 billion**
in revenue
each year.



Public power
supports local
commerce and jobs
and invests **back**
into the community.

#PublicPower www.PublicPower.org

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Public Power Supports Local Economies

Public power utilities' contributions to local and state government are **20% higher** than investor-owned utilities



2020 percent of electric revenue contribution median:

- **Public power = 6.1%**
- IOUs = 5.1%

Opelika, AL (Annual Savings to the Community)*

• General Fund Transfer:	\$3,000,000
• Occupational Tax: (\$2,875,991*1.5%)	\$43,140
• Electric Services to the City at no cost to the City:	\$465,000
• Estimated Labor Cost Savings to the City related to provided by the utility	In kind Services \$43,000
• Local Sales and Property Tax:	\$182,668
• (Alabama Economic Calculator) Rates Savings:	<u>\$4,398,240</u>
• Total:	\$8,132,048

*HCI presented at FMEA Annual Conference July 18, 2019



Value Through Joint Action

- ✓ Economies of scale
- ✓ Shared resources and opportunities
- ✓ Larger voice with legislators and regulators
- ✓ Mutually beneficial services and opt-in services
- ✓ Meet future challenges together
- ✓ Reduced risks
- ✓ Members are stronger together



CREATING A CLEANER ENERGY FUTURE

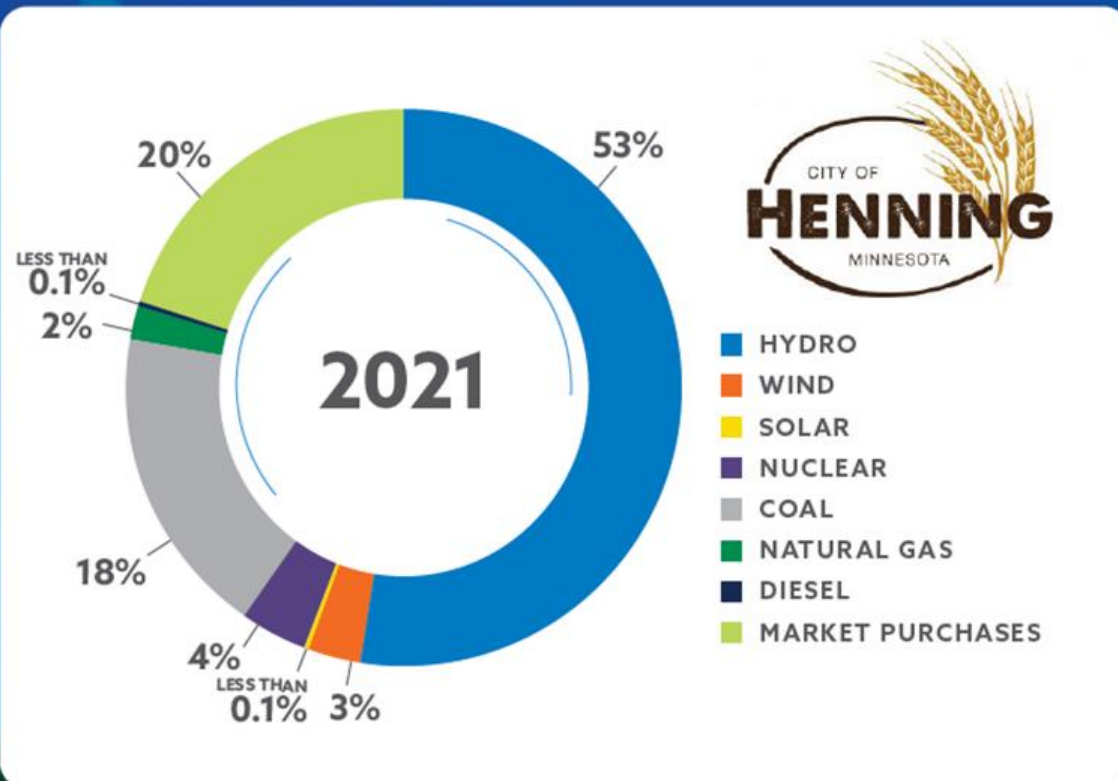
HENNING'S POWER SUPPLY MIX

Our diverse mix of power supply resources results in reliable, affordable and environmentally friendly electric service for Henning's citizens and businesses.

For more information about how our power supply percentages are calculated, go to mrenergy.com/energy-resources/generation.

80%
carbon-free
power supply

56%
renewable
power supply

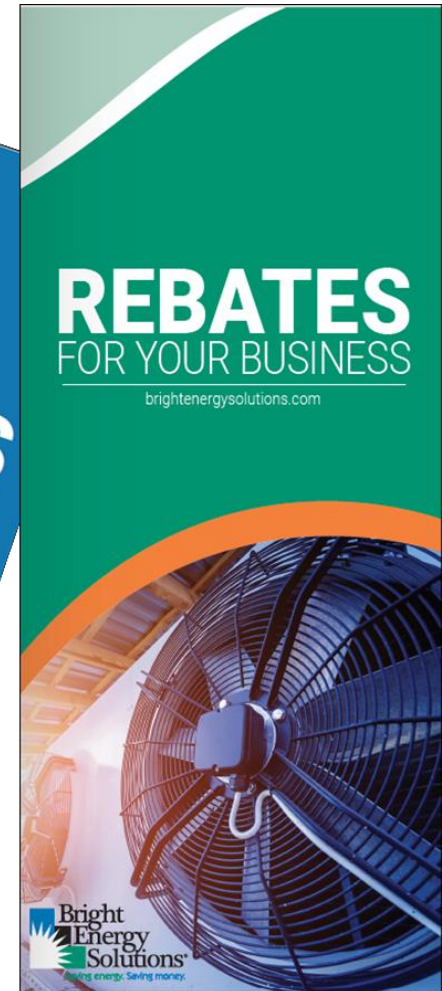


Henning Public Utilities

612 Front St
PO Box 55
Henning, MN 56551

Bright Energy Solutions®

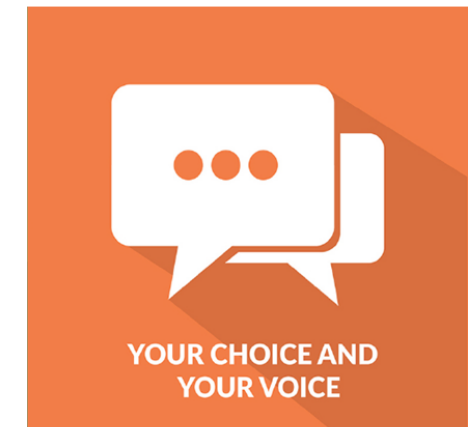
- ✓ Rebates for energy-efficiency that reduces peak demand
- ✓ Rebates for electrification that encourages smart load growth



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Ambassador Program

- An individual in each member community (mayor, policymaker, key stakeholder)
 - Not a member's employee
 - MRES member assists in recruiting their community ambassador
- **Raise awareness of public power and joint action** in member communities
- Build loyalty, support and goodwill



Ambassador's Role

- **Proactively advocate** public power/joint action value in community
 - Target key influencers
- **Periodically communicate** with key community influencers
 - Over a cup of coffee
 - At a civic club event
 - During a community gathering
- **Actively collaborate** with other member ambassadors to share ideas and success



Do I care who owns my utility?



Reflections on my utility

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Thank You

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