



Public Power Forward Challenges & Opportunities

SUE KELLY
President & CEO
American Public Power Association

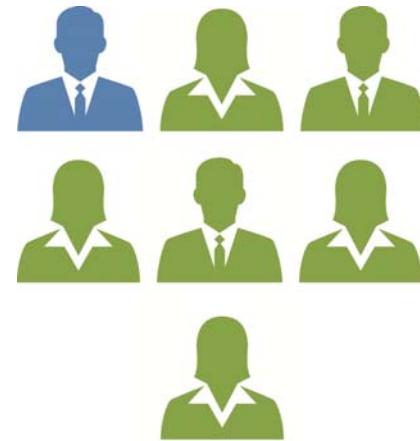
Florida Municipal Electric Association Annual Conference
July 22, 2015

SEVENTY FIVE YEARS 

APPA American
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Association

APPA Members

- 1400+ public power utilities
- Retail service in 49 states
- Very large (eg. Los Angeles Dept of Water & Power, CPS Energy in San Antonio) to very small systems
- *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

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APPA Leadership and Staff

- Board sets policy direction
- Doug Hunter of UAMPS is chair
- Barry Moline elected to 3-year term in June 2015
- Staff of 64 — lobbying, policy, education, communications, coordinating storm restoration...
- Sue Kelly, CEO 4/1/14; General Counsel 2004–2014



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APPA Academy
Where Power and Knowledge Meet
Education and training



Research & development program
Demonstration of Energy & Efficiency
Developments



Reliable Public Power Provider (RP3)
recognition

PublicPowerDaily
PublicPower Daily
(now with exclusive stories)

PublicPowerWeekly
PublicPower Weekly

PUBLIC POWER
PublicPower Magazine



CEO Blog

Hometown Connections
DELIVERING VALUE TO PUBLIC POWER™
Hometown Connections: Business services



Twitter, Facebook, Instagram,
Pinterest, YouTube, LinkedIn

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Entering a Time of Great Change

- Board recognized need to take stock
 - Evolving customer preferences
 - New technologies
 - Increased government regulation
 - Utility workforce issues



APPA's Strategic Plan

- To help members address these changes
- Strategic planning process started fall 2014
- Board approved strategic plan June 2015
- Executive summary at PublicPower.org (under About)
- Full version for members only



What We Did

Researched landscape and did extensive outreach

- Review of 2013 membership survey & other materials
- Staff survey and department meetings
- Many interviews with members, stakeholders, peer trade associations, government officials
- Four workshops
- Session with full board in March 2015

PD9



Slide 7

PD9

You may want to capitalizae "b" here.

Patterson, Delia, 7/11/2015

What We Found

- **APPA is strong**
Able employees; full array of advocacy, education, & information services
- **APPA is well respected**
By members, allies, “frenemies” in DC

APPA must focus on programs/services members will need most as the industry changes



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New Purpose Statement

APPA partners with its members to promote public power, helping community-owned utilities deliver superior services through joint advocacy, education and collaboration.



New Vision Statement

Shaping the future of public power to drive a new era of community-owned electric service.



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Six External Initiatives

- Communicate the value of public power
- Address technological change
Public Power Forward
- Address adverse impacts of federal regulation
- Improve physical preparedness/reliability, cyber & physical security,
- Focus on research and development
- Help meet utility workforce challenges



Communicate the Value of Public Power

PUBLIC POWER
ROCKS!

Help public power utilities tell their story to their communities and “build the brand”

- Service-oriented
- Customer-owned
- Not-for-profit
- Responsive to the community

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Communication Tools

- Turnkey resources for members — content & tools, social media feeds
- Recognitions — Reliable Public Power Provider (RP₃)
- Develop grassroots/grass-tops advocacy



Public Power's Secret Weapon- Our People

Help utility members build stronger relationships with elected officials, key influencers

**Local policymakers are essential
to this effort**



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Public Power Forward

- *Distributed generation* • *Solar PV* • *Demand response*
- *Energy efficiency* • *Energy storage*

Advocacy, education, and tools
to help members use new technologies
to provide enhanced retail products/services

*Utilities need to revise rate
structures and services to offer
customers more options
and control over energy usage*



Why We Need to Move Forward

Traditionally: Utilities sell power and send bills

Now: Expanded customer choices behind the meter due to new technologies

If utilities don't go behind the meter to offer the services and products customers want, others will

We need to be the locally owned, not-for-profit **provider of choice.**

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Address Increased Federal Regulation

- *Environmental* • *Wholesale markets* • *Reliability standards*
- *Tax-exempt financing* • *Distributed generation*
- Enhance grassroots efforts
- Educate federal policymakers
- Oppose unfavorable regulation
- Increase PowerPAC effectiveness
- Educate members on regulatory/compliance issues





Cyber & Physical Preparedness

- Help members develop “all-hazards” approach to physical/cyber security, disaster preparation and response
- Show federal policymakers public power’s commitment to security and mutual aid
- Strengthen government/industry partnerships
- Minimize new federal regulation

Research & Development

New tools and techniques to better serve customer through APPA's R&D program

DEED: Demonstration of Energy and Efficiency Developments

- 35 years, 885 members
- Grants for innovative utility research projects
- Training tools and manuals
- Sharing of best practices



Workforce Planning

Research and share best practices to help members

- Advocate for competitive salaries and benefits
- Address retiring baby boomer workforce (highest percentage of any U.S. industry)
- Attract and retain talent to compete in tech-savvy world
- Build workforce to reflect diversity in the communities



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Internal Initiatives

- Increase membership engagement and partnerships
- Ensure financial strength and stability
- Develop, enhance, retain our greatest asset—our staff
- Maintain/enhance IT resources

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Increase Member Engagement

- Enhance membership value proposition for different types of members
- Partnerships with other public power groups and industry organizations
- Leverage strengths, avoid duplication in education and training, advocacy, etc.
- Increase board participation and engagement



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Strengthen Finances

- Review member dues structure (now based on per kWh utility sales & revenues)
- Diversify revenues — govt. funding, grants, etc.
- Increase non-dues revenues — training, programs, etc.
- Identify potential overlap and duplication in programs and services





Maintain/Enhance IT Resources

- Better track member interest in APPA products, services, publications
- Address potential vulnerabilities, including cybersecurity and business continuity

Next Steps

Rest of 2015

- Develop work plan to implement initiatives
- Develop staff teams
- Assess resource and budget needs
- Develop performance measures

2016: Implement Phase One

2017: Course correct and
implement Phase Two



The Public Power Advantage

Will not be easy— limited resources, many challenges

But APPA is energized and looking forward to next phase

Our Advantage THE PUBLIC POWER BUSINESS MODEL

- Not-for-profit
- In our communities
- Responsive





Public power has a great opportunity if we stay true to our ideals and roots while adapting our mindsets and services to this new era

