

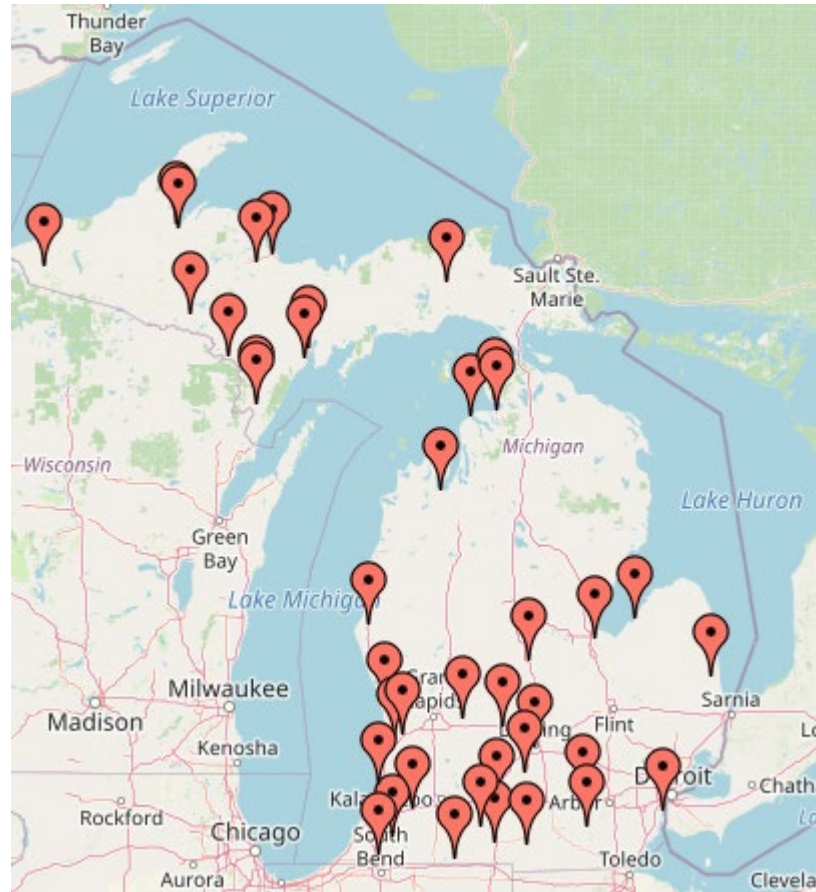
# U.P. Energy Task Force Discussion on Municipal Electric Utilities

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# Types of Electric Utilities

- ▶ IOU - Investor Owned Utility - A for-profit utility owned by shareholders. U.P. IOU's include Northern States Power, UMERC, and UPPCO
- ▶ Rural Electric Cooperative - a member-owned utility governed by a board of directors that are elected by the membership. U.P. cooperatives include Alger-Delta REA, Cloverland REA, and Ontonagon County REA
- ▶ Municipal Electric Utilities - Can be either a department within a municipal government or a publicly owned stand-alone utility.

# Michigan Municipal Electric Utilities



# Joint Action Agencies for U.P. Municipals

- ▶ WPPI Energy - a full-service Joint Action Agency with 51 members in Michigan, Wisconsin, and Iowa
- ▶ MPPA - Michigan Public Power Agency - a project-based Joint Action Agency with 22 members and 6 associate members which are all located in Michigan
- ▶ GLU - Great Lakes Utilities - a project-based Joint Action Agency with 12 members in Michigan and Wisconsin

# U.P. Municipal Electric Utilities

- ▶ Baraga\*
- ▶ Daggett
- ▶ Gladstone\*
- ▶ Marquette+
- ▶ Newberry
- ▶ Stephenson
- ▶ Crystal Falls\*
- ▶ Escanaba^
- ▶ L'Anse\*
- ▶ Negaunee\*
- ▶ Norway\*
- ▶ Wakefield

▶ \* WPPI Energy member

▶ + MPPA member

▶ ^ GLU member

# Power Supply and Reliability for U.P. Municipals

- ▶ WPPI Energy members get full requirements service from WPPI Energy
- ▶ Others get their power supply from Investor Owned Utilities, Energy Marketers, self-supply, market purchase, or some combination of above
- ▶ Municipal Electric Utilities deliver more reliable service. Municipal Electric Utility customers average about half the outage time per year as compared to customers of private utilities.

# Municipal Utility Features and Value

- ▶ A Municipal Electric Utility meets the unique needs of its' community. Some U.P. Munis offer other services such as cable tv or internet service.
- ▶ Municipal Electric Utilities provide large Payment In Lieu of Taxes (PILT) to the City's general fund.
- ▶ Municipal Electric Utilities meet state mandated renewable energy requirements, and many go beyond those requirements. There are U.P. Munis that own hydroelectric assets and others own photovoltaic assets.
- ▶ Municipal Electric Utilities follow state mandated Energy Optimization/Energy Waste Reduction requirements. Many Munis had programs in place before the Public Act 295 of 2009 mandate. Public Act 295 sunsets in 2021 allowing Munis to better serve their communities.

# Residential Rates across the U.P.

2018 Rates from the Energy Information Administration

<b>Entity</b>	<b>Ownership</b>	<b>Residential</b>
Northern States Power Co	Investor Owned	11.95
City of Escanaba	Municipal	12.12
Cloverland Electric Co-op	Cooperative	12.73
Village of Baraga	Municipal	13.19
City of Gladstone	Municipal	13.42
Village of L'Anse	Municipal	13.62
Upper Michigan Energy Resources Corp.	Investor Owned	14.51
City of Norway	Municipal	15.04
City of Marquette (2019)	Municipal	15.58
City of Crystal Falls	Municipal	15.81
City of Negaunee	Municipal	17.22
Alger-Delta Coop Electric Assn	Cooperative	20.61
Upper Peninsula Power Company	Investor Owned	21.77
Ontonogon County REA	Cooperative	26.00