

2016 YEAR IN
REVIEW

AMERICAN
PUBLIC
POWERTM
ASSOCIATION

Powering Strong Communities

2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES

THE AMERICAN PUBLIC POWER ASSOCIATION

is the **voice** of not-for-profit, community-owned utilities that power **2,000** towns and cities nationwide. We represent public power before the federal government to **protect the interests** of the more than **49 million** people that public power utilities serve, and the **93,000** people they employ. Our association **advocates and advises** on electricity policy, technology, trends, training, and operations. Our members **strengthen their communities** by providing superior service, engaging citizens, and instilling pride in community-owned power.



LEADERSHIP



SUE KELLY
President & CEO

“Our new tagline, ‘Powering Strong Communities,’ speaks to what you do as public power utilities — **powering and supporting communities**. It also speaks to what we do as your national Association — empowering members to work together on common issues and challenges, and building communities among utility staff, policymakers, and supporters nationwide.”



ANDY BOATRIGHT
Board Chair, 2016 – 17

Deputy Director, Independence Power & Light, Missouri

“Change is fast and furious and coming at us from every angle. You’ve heard much about how to deal with change — best practices, new business models, innovative programs, new partners... But the most powerful weapon you have in your arsenal to take on change is YOU. Get out of your comfort zone, and **push beyond your limits.**”



BILL ACEE
Policy Makers Council Chair, 2017

Mayor, Village of Sherburne, Sherburne, New York

“The Policy Makers Council directly reflects the attitudes and viewpoints of the elected officials who must respond to the concerns and changing needs of their communities. Congressional members understand and appreciate the **insights and updates that we share** when meeting with them on issues of importance.”

2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES THROUGH NEWS & OUTREACH

ROOTS IN THE COMMUNITY

We took a 360-degree look at our brand, and **capitalized on our roots** in the community.

Our **new logo** emphasizes PUBLIC POWER — the spanning power lines connect the two words, evoking the vital role our utilities play in the towns and cities they serve.

We **retain the core values** we've upheld for **76 years** — we are committed to serving our members.



Powering Strong Communities



PUBLIC AWARENESS

Nearly **1.4 million** page views on www.PublicPower.org

2,000+ trade and mainstream **media mentions** including in the

- Associated Press
- Baltimore Sun
- Morning Consult
- Municipal Magazine
- New York Times
- Time Magazine
- San Diego Union-Tribune
- Washington Post

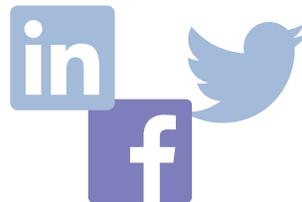


GOING VIRAL

Nearly **20,000** blog views.

1.3 million impressions

and **36,000** engagements on **social media**



NEWS COVERAGE

600 articles in

Public Power Daily:
17,478 subscribers, 5 issues a week

Public Power Magazine:
12,733 subscribers, 6 issues a year

Trending topics, in-depth coverage

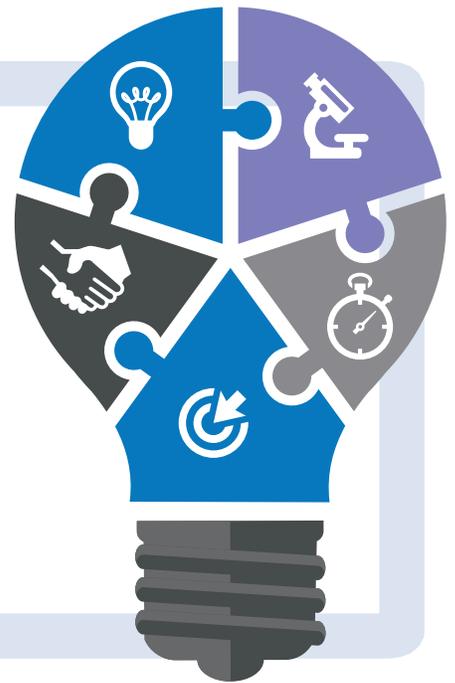
- Battery storage
- Clean Power Plan
- Community solar
- Cybersecurity
- Electricity markets
- Energy efficiency
- Federal policy
- Infrastructure
- Leadership & management
- Municipalization
- Nuclear
- Public communication
- Reliability
- Safety
- Time-of-use rates
- Utility of the future

2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES THROUGH STRATEGIC ACTION

In 2016, the American Public Power Association implemented year one of its 2016-2018 Strategic Plan, **“POWER WITH PURPOSE,”** to help public power respond to the rapid changes in how electricity is produced, delivered, and regulated.

We powered forward on **6** strategic initiatives.



RAISING AWARENESS OF PUBLIC POWER

Conducted extensive customer, member, and stakeholder research.

Among our findings — **Only 1 in 5 of our customers under age 55 understands the meaning of public power!**

Developed the new Association brand to better tell the public power story.

Equipped members with turnkey resources to raise their profiles in their communities.

- Infographics ■ Social media content & campaigns ■ Fact sheets ■ PowerPoint decks ■ Public Power Week materials
- Animated holiday card ■ Videos
- Bill stuffer templates ■ Safety messages

WORKFORCE PLANNING

Held education sessions and shared resources on

- Competitive pay.
- Succession planning and mentoring.
- Human resources best practices.
- Workforce diversity.

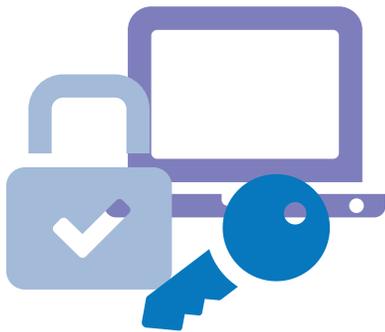
Fostered networking among women, young professionals, and new managers.

Formed Diversity Advisory Group to explore ways to encourage diversity in public power.



2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES THROUGH STRATEGIC ACTION



CYBER AND PHYSICAL SECURITY PREPAREDNESS

Entered into a multi-year **cooperative agreement** with the Department of Energy to promote public power cyber resiliency and security.

Consulted with members on **disaster preparation and response**.

PUBLIC POWER FORWARD

Developed a roadmap to help public power utilities chart their futures.

Produced reports on solar trends, rate design, community solar, and changing residential customer perspectives.

Provided member education and discussion forums.



RESEARCH AND DEVELOPMENT

The Association's R&D program, DEED

Helps **902** public power utilities pool ideas and resources.

Awarded **\$687,559** in **18** project grants and

\$130,000 in **35** student scholarships, internships, and grants.



Features reports on

575 completed projects — a rich source of new ideas, best practices, and lessons learned.



ADVOCATING & EDUCATING ON INCREASED FEDERAL REGULATION

Advocated before the legislative, executive, and judicial branches of government on

- Environmental regulations — Clean Power Plan, coal ash, and the Waters of the U.S. rule.
- Wholesale electricity markets and public power's right to self-supply generation.
- Protecting the tax-exempt status of municipal bonds.



- Public power priorities in comprehensive energy legislation.
- Keeping distributed generation decision-making at the local level.
- Complying with revised OSHA workplace safety regulations.

2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES THROUGH ADVOCACY

BONDS AND TAX-EXEMPT FINANCING

#BuiltByBonds

Partnered to educate lawmakers on importance of municipal bonds for infrastructure projects.

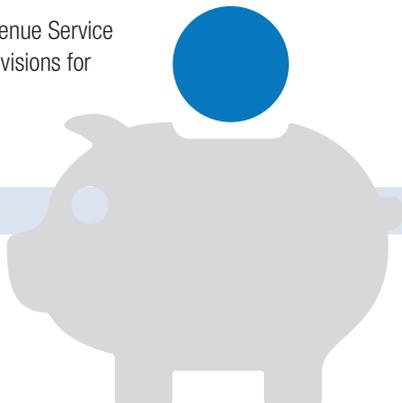
Tax-exempt financing for **\$14.2 billion** in power-related bonds issued in 2016 will reduce their total lifetime debt service costs by more than **\$4 billion.**

Emphasized negative impact of proposals to cap or eliminate the tax-exempt status of bonds.

Helped create the **Municipal Finance Caucus** on Capitol Hill.

Filed comments with congressional committees looking at comprehensive tax reform.

Filed comments with the Internal Revenue Service on a proposal to define political subdivisions for issuing tax-exempt municipal bonds.



ENERGY BILL

Lobbied in support of Senate passage of the Energy Policy Modernization Act emphasizing public power's priorities

- Hydropower licensing reform
- Grid reliability regulations
- Pipeline permitting reform
- Vegetation management
- Capacity markets
- Energy efficiency
- Distributed generation

ENVIRONMENTAL REGULATIONS

Filed comments and participated in court proceedings on the Clean Power Plan and New Source Performance Standards.

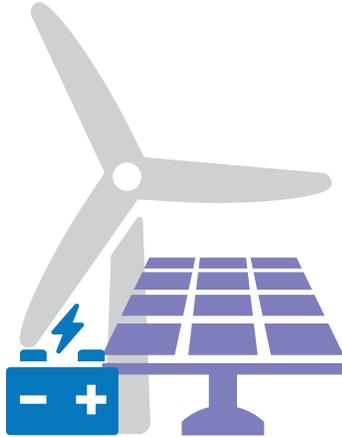
Developed modeling software to help public power utilities run Clean Power Plan compliance scenarios.

Filed comments on the EPA's Clean Energy Incentive Program.



2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES THROUGH ADVOCACY



DISTRIBUTED GENERATION

Educated Hill staff on distributed generation issues.

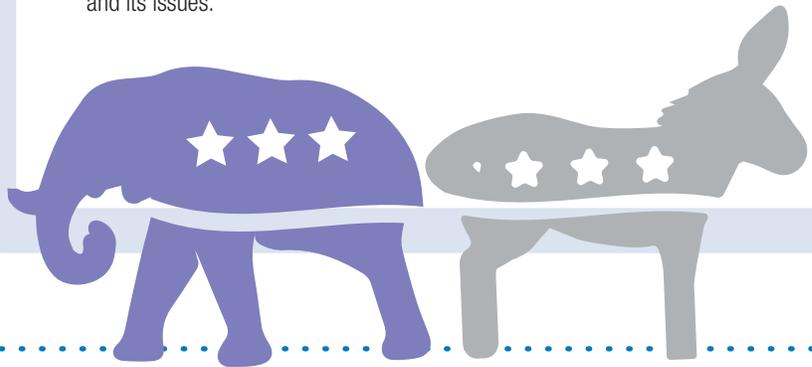
Pushed back strongly on attempts to federalize rate design and other retail issues properly left to states and localities.

GRASSROOTS ADVOCACY

Nearly **600** stakeholders visited Washington, D.C., for the 2016 Legislative Rally to tell their elected representatives about public power's contributions and needs.

Public power mayors, city council members, and utility board members on the Policy Makers Council flew into Washington, D.C., in June 2016 for **100+** meetings with members of Congress and federal agency staff.

PowerPAC received contributions of **\$75,134**, used to support members of Congress who've been responsive to public power and its issues.



WHOLESALE ELECTRICITY MARKETS

Advocated for the inclusion of language in legislation to **expand self-supply rights in wholesale capacity markets.**

Monitored and filed comments with FERC on a MISO proposal for a **mandatory capacity market in certain zones.**

Filed comments on FERC proposals to **reform RTO energy price formation.**

Sought judicial review of FERC approval of PJM Capacity Performance plan and **helped form broad coalition of parties to pursue.**

Coordinated with members in the West and commented on potential expansion of the CAISO into a Western ISO, **underscoring public power's opposition** to the creation of a capacity market.

2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES THROUGH EDUCATION & NETWORKING

In 2016, the American Public Power Association's Academy offered live, virtual, and at-your-site events to help public power staff, leaders, and policymakers

- Gain new knowledge and skills.
- Learn from the experts.
- Take away actionable ideas and practical tips and resources.
- Keep up with the latest technologies and regulations.
- Earn continuing education credits.
- Network with peers.



6,000 public power professionals trained — through live and online events — on electric utility leadership, governance, operations, administration, compliance, and policy issues.

2,400 organizations, each with multiple attendees, joined us for **53** webinars.

613 utility staff trained in-house at their offices, through **35** custom events.

Nearly **1,300** key influencers attended the National Conference in Phoenix, Arizona, in June 2016.

ONLINE PEER DISCUSSION FORUMS

30+ listservs with 12,500 subscribers

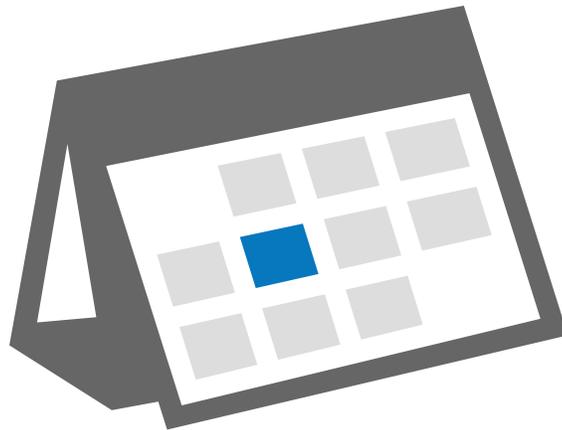
Accounting and Finance
CFTC
Communications
Costs to Prices
Customer Services
Drones
Energy Services
Environmental Issues
FERC
Generation and Fuels
Governance
Government Relations Working Group
Human Resources
IT
Joint Action
Key Accounts and Economic Development
Legal
Markets (RTO)
Mutual Aid
NERC/NAESB
Nuclear
Public Power Forward
Risk Management
Safety
Supply Management
Telecom
Transmission and Distribution



2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES THROUGH EDUCATION & NETWORKING

2017 ACADEMY CALENDAR



Joint Action Workshop

Jan 11 – 13, Naples, Florida

Winter Education Institute

Jan 30 – Feb 3, Scottsdale, Arizona

CEO Roundtable

Feb 12 – 14, Phoenix, Arizona

Legislative Rally

Feb 27 – Mar 1, Washington, D.C.

Accounting and Finance

Spring Meeting

Apr 20 – 21, Arlington, Virginia

Public Power Lineworkers Rodeo

May 5 – 6, San Antonio, Texas

Engineering & Operations

Technical Conference

May 7 – 10, San Antonio, Texas

Spring Education Institute

May 15 – 19, Minneapolis, Minnesota

National Conference

& Public Power Expo

Jun 16 – 21, Orlando, Florida

Business & Financial Conference

Sept 17 – 20, Nashville, Tennessee

Fall Education Institute

Oct 2 – 6, Charleston, South Carolina

Public Power Leadership Workshop

Oct 4 – 6, Charleston, South Carolina

Legal & Regulatory Conference

Oct 8 – 11, New Orleans, Louisiana

Customer Connections Conference

Nov 5 – 8, Sacramento, California

Webinars are offered throughout the year and custom onsite trainings can be scheduled on demand.

WWW.PUBLICPOWER.ORG/ACADEMY

2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES THROUGH BEST PRACTICES & INNOVATION

SECURITY

Cyber and physical threats to grid security are on the rise. The American Public Power Association is helping members become **resilient**.

Worked with the Electricity Subsector Coordinating Council and Electricity Sector Information Sharing and Analysis Center to develop **industry-government relationships and information sharing** procedures.

Participated in Departments of Energy and Homeland Security initiatives on **emergency preparedness**, response, and resiliency.

Entered into 3-year cooperative agreement with the U.S. Department of Energy — **funding of up to \$7.5 million** to be used to develop security tools and training to help members

- Cultivate a cyber and physical security culture
- Evaluate cyber threats and mitigations
- Defend against cyberattacks
- Participate in exercises and expert working groups
- Conduct vulnerability assessments
- Pilot technology deployments

WWW.PUBLICPOWER.ORG/CYBERSECURITY



SAFETY

Formed the Safety Manual Review Task Force to factor OSHA's new workplace safety regulations into the **16th edition of the public power Safety Manual**.

Worked on the **forthcoming eSafety Tracker** subscription program to help utilities collect, categorize, and benchmark safety data.

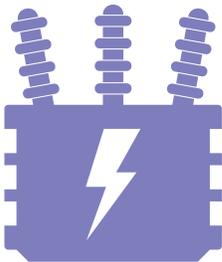


2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES THROUGH BEST PRACTICES & INNOVATION

RELIABILITY

219 utilities are now designated **Reliable Public Power Providers (RP3)** for excellence in reliability, safety, workforce development, and system improvement.



372 utilities are using the **eReliability Tracker**

Tracking outage data and causes

Benchmarking against national averages



112 utilities were recognized for performing in the top quartile of national reliability.

“Squirrel index” attracted frequent national media attention.



DISASTER RESPONSE

New version of the Public Power Mutual Aid Playbook released, with tips on **disaster communication and coordination**.

PublicPower.org/Ready went live, with **storm preparation tips for customers** — members can replicate or link to this webpage.

More than **40** public power utility, Department of Energy, and industry representatives participated in a national **public power mutual aid tabletop exercise** to test communications in an earthquake scenario.



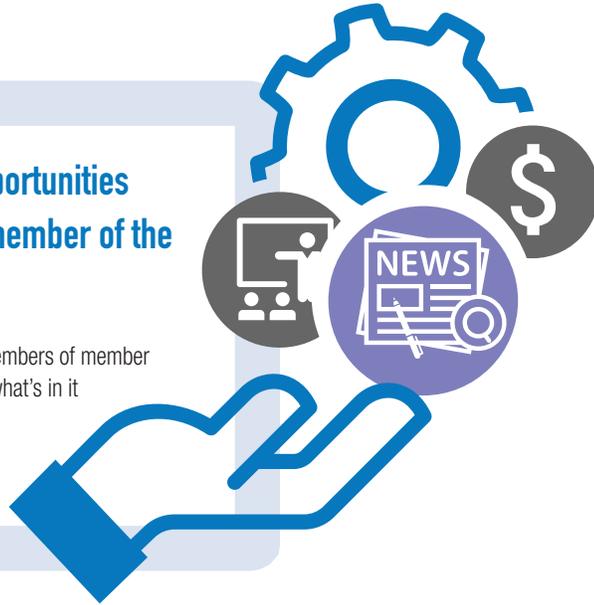
2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES THROUGH MEMBER BENEFITS

Are you taking advantage of all the opportunities and resources you're entitled to as a member of the American Public Power Association?

Membership benefits extend to all staff and board/council members of member utilities, joint action agencies, and state associations. Learn what's in it for you and contact us with any questions.

MEMBERSHIP@PUBLICPOWER.ORG



NEWS AND CASE STUDIES

Subscribe to the Public Power Daily e-newsletter; read Public Power Magazine articles; and visit www.PublicPower.org regularly. Find out what's happening in Washington that impacts you and learn from other utilities like yours.

Subscriptions@PublicPower.org

GRANTS AND SCHOLARSHIPS

Our DEED research and demonstration program supports innovation to improve utility business and operations. You can apply for project grants and scholarships to fund interns to work at your utility. Apply to become a DEED member today.

DEED@PublicPower.org

PUBLIC POLICY AND ADVOCACY

We represent your interests before Congress and federal regulatory agencies. From environmental regulations to generation and rates, we have you covered. Visit www.PublicPower.org for legislative priorities, resolutions, issue briefs, white papers, and reports.

GovernmentRelations@PublicPower.org

CONSULTING AND BEST PRACTICES

Get help from industry experts in customer service, governance, rate design, cybersecurity, safety, reliability, disaster readiness, sellout resistance, municipalization, and more.

Academy@PublicPower.org

Engineering@PublicPower.org

AWARDS AND RECOGNITION

Earn national recognition and honors for your accomplishments in utility operations, leadership, advocacy, community service, safety, innovation, and more.

Awards@PublicPower.org

TRAINING AND CONFERENCES

Learn, network and grow your skills through live and recorded webinars, conferences, certificate programs, and in-depth classes — on leadership, business and operational topics. Members get steep discounts on all registrations. In-house programs at your facility can be organized at your convenience.

Academy@PublicPower.org

PUBLIC EDUCATION MATERIALS

Download turnkey resources and templates you can adapt to educate customers and policymakers and raise your profile in your community.

Communications@PublicPower.org

PEER DISCUSSION FORUMS

Join one or more listservs to connect with your peers on issues of mutual interest, trade ideas, and find answers to your questions and challenges.

Info@PublicPower.org

2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES BY THE NUMBERS

MEMBERSHIP ON THE RISE

1,773

all-time high in total membership

1,403

public power utilities

238

corporate associates

61

joint action agencies and state/regional associations

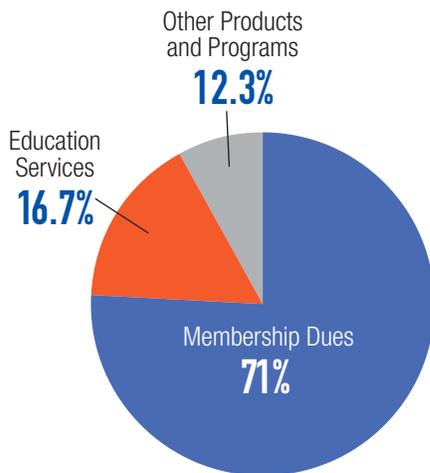
71

other member types



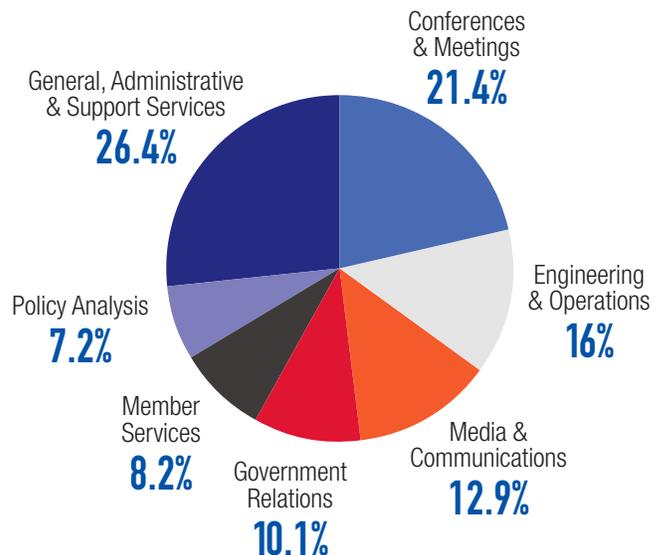
2016 ASSOCIATION REVENUE

TOTAL REVENUE \$21,606,242



2016 ASSOCIATION EXPENSES

TOTAL EXPENSES \$19,418,397



Note: unaudited financials

2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES INTO THE FUTURE PUBLIC POWER'S 2017 LEGISLATIVE PRIORITIES



Protect public power's ability to **BUILD WITH BONDS**

Municipal bonds help public power create new infrastructure at the rate of **\$11 billion annually**



The new administration is likely to try to **cap or eliminate** tax exemptions for municipal bonds

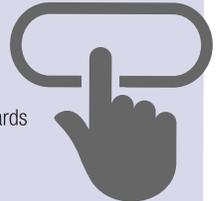
Congress should prevent further cuts of **Build America Bonds** and protect bonds from sequestration

Learn more @PublicPowerOrg #BuiltbyBonds



Strengthen partnerships for a **SECURE GRID**

The electric sector is the **ONLY** critical infrastructure sector with **mandatory & enforceable** grid security standards



The grid is constantly evolving and so are the threats

Strong industry-government partnerships allow us to prepare and respond to cyber attacks



Protect against a one-size-fits-all approach to **DISTRIBUTED GENERATION**

Public power utilities throughout the country are working with their customers to **enable solar and other distributed generation** while ensuring all customers who benefit from the grid help maintain it



Rate design is a **state and local matter** and should remain so

Congress should not seek to **federalize** rate design or set a one-size-fits all approach



2016 YEAR IN REVIEW

POWERING STRONG COMMUNITIES INTO THE FUTURE PUBLIC POWER'S 2017 LEGISLATIVE PRIORITIES



Prepare for changing ENVIRONMENTAL REGULATION

The Trump administration may **roll back** the Clean Power Plan and Waters of the U.S. rule



Public power utilities will continue to be **environmentally responsible** and **care for their communities**

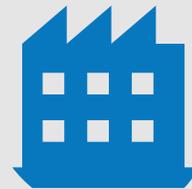


The American Public Power Association **supports common-sense regulatory reform**



Fight to remove restrictions in WHOLESALE ELECTRICITY MARKETS

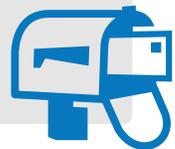
Public power's ability to **supply or buy its own generation** is no longer protected; FERC has scaled back exemptions



Educate policymakers on the **problems in wholesale markets** and potential impact on **your community's economy**



Engage **residential and business customers** — wholesale market restrictions can **impact their electricity bills**



Avoid increased costs Preserve the FEDERAL POWER PROGRAM

Federal dams provide **cost-based wholesale hydropower** to millions of Americans



There's been talk about modifying, and even privatizing, the federal power program in ways that could significantly **increase public power rates**

Protect **reliable, low-cost electricity**. Oppose action by Congress and the Administration to modify the federal power program





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