

**AMERICAN
PUBLIC
POWER™
ASSOCIATION**

Powering Strong Communities



Public Power's Perspective

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American Public Power Association

Industrial Energy Consumers of America
November 14, 2018

AMERICAN **PUBLIC POWER** ASSOCIATION

Trade association representing public power utilities across the U.S.

**MEMBER EDUCATION
AND INFORMATION**

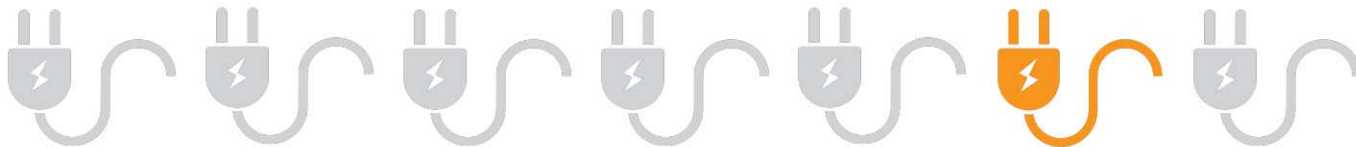


**POLICY
ADVOCACY**



**BEST PRACTICES
AND RESOURCES**

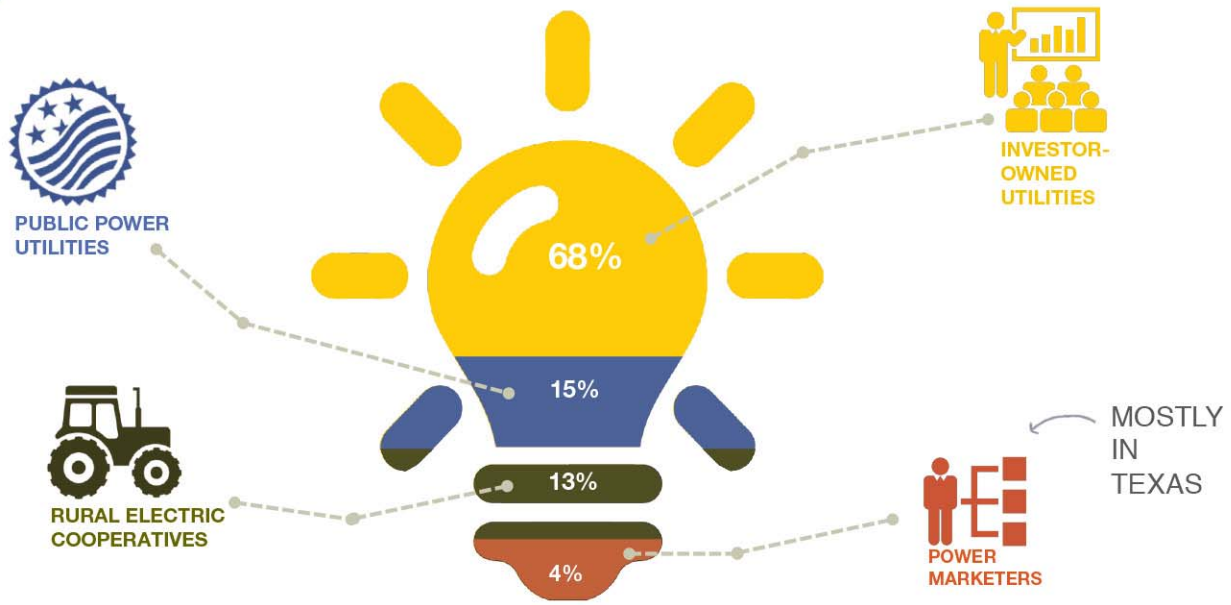
**2,011 PUBLIC POWER UTILITIES PROVIDE
ELECTRICITY TO 49 MILLION PEOPLE*
IN 49 STATES AND 5 U.S. TERRITORIES**



1 IN **7** ELECTRICITY CUSTOMERS IN THE U.S. ARE SERVED BY **PUBLIC POWER**

*Based on U.S. Census Bureau stats of 2.54 people per household/meter

ELECTRICITY CUSTOMERS SERVED BY



PUBLIC POWER REACH

Public power's share of the U.S. electricity market



10% of
generation



10% of
transmission



15% of
distribution

POWERFUL ECONOMIC ENGINES

Public power utilities employ **93,000** people
and earn **\$58 BILLION** in revenue annually



ECONOMIC
DEVELOPMENT



NEW BUSINESS TO
THE COMMUNITY



BUY LOCAL

HOW MANY CUSTOMERS DOES A **PUBLIC POWER UTILITY** HAVE?

1,352 PUBLIC POWER UTILITIES HAVE **UNDER 4,000** CUSTOMERS

332 PUBLIC POWER UTILITIES HAVE **4-10K** CUSTOMERS

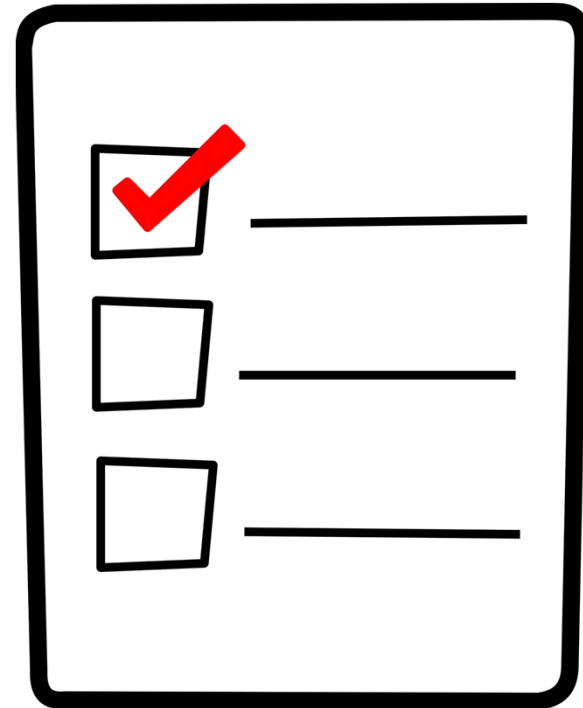
247 PUBLIC POWER UTILITIES HAVE **10-40K** CUSTOMERS

45 PUBLIC POWER UTILITIES HAVE **40-100K** CUSTOMERS

30 PUBLIC POWER UTILITIES HAVE **100K+** CUSTOMERS

Three Key Electric Regulatory Issues

- RTO and ISO organized markets, particularly capacity markets
- Federal and state jurisdictional issues and the changing grid
- Rising transmission costs in FERC-regulated rates



RTO and ISO Markets

- Capacity market matters
 - Major developments in PJM and ISO-NE
 - Major APPA issues: retain voluntary framework; ability to self-supply; fuel mix; overall cost
- Resilience and fuel security
- Price formation changes past and future
- FTR/ARR Issues

Federal and State Jurisdiction

- FERC Order 841 on energy storage
- Pending FERC rulemaking on aggregated DER in RTO and ISO markets
- PURPA considerations

Rising Transmission Costs

Transmission Investments Subject to Full or Limited Review in ISO/RTO Regional Planning Processes

	Years Reviewed	FERC Jurisdictional Additions by Transmission Owners (nominal \$million, based on FERC Form 1 Filings)	Investments Approved Through <u>Full</u> ISO/RTO Planning Process (nominal \$million)	% of Total FERC Jurisdictional Investments Approved Through <u>Full</u> ISO/RTO Planning Process	% of Total FERC Jurisdictional Investments with <u>Limited</u> ISO/RTO Review
CAISO	2014 - 2016	\$7,528	\$4,043	54%	46%
ISO-NE	2013 - 2017	\$7,488	\$5,300	71%	29%
MISO	2013 - 2017	\$15,530	\$8,068	52%	48%
NYISO	2013 - 2017	\$2,592	n/a	n/a	n/a
PJM	2013 - 2017	\$31,469	\$14,458	46%	54%
SPP	2013 - 2017	\$6,202	\$4,226	68%	32%
Total	-	\$70,810	\$36,095	53%	47%

Source: The Brattle Group: *Transmission Competition Under FERC Order No. 1000: What we Know About Cost Savings to Date* (Oct. 25, 2018)

Rising Transmission Costs

- Transparency and availability of stakeholder participation in the transmission planning process
- FERC methodology for setting allowed equity returns for transmission rates
- Rate savings from Tax Cuts and Jobs Act
- The role of competition in transmission planning

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