



Public Power Forward

A GUIDE TO UTILITY OPERATIONAL EXCELLENCE

AMERICAN
**PUBLIC
POWER**
ASSOCIATION
Powering Strong Communities

Public Power Forward

A GUIDE TO UTILITY OPERATIONAL EXCELLENCE

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The American Public Power Association (APPA) created this guide and the “Take Action” checklists for you to use as a strategic tool. You and your team can access the guide on PublicPower.org to click on links and go directly to the APPA resources.

Take Action!

Use this guide to educate and inform your decision making as you prepare your utility for the future.

- Share it with utility staff.
- Incorporate it into new staff orientation.
- Present findings to the utility governing body.
- Focus on the 11 key areas identified in the report during strategic planning.
- Use the checklists with utility department heads to identify areas for improvement.
- Incorporate the report's findings and utility activities in each area into legislative communications.
- Take advantage of the APPA programs and services outlined in each area.

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Introduction



Despite continuous change in the electric utility industry, public power utilities remain steadfast in their commitment to provide safe, reliable, and affordable service to their communities.

As the industry evolves, utilities are upgrading aging infrastructure and investing in new technologies; changing or diversifying their power supply portfolio, including incorporating additional clean energy resources and increasing energy efficiency and demand response; and responding to changing customer expectations. All the while, electric utilities must ensure the reliability, sustainability, and security of the electric grid and other critical infrastructure.

The public power business model is based on the tenets of local control, not-for-profit operations, low-cost delivery of service, and a strong focus on customers' needs. While this model has been and continues to be successful, leaders must ensure that their utilities are well run and that customers and stakeholders understand the value they receive from owning their utility.

While public power utilities vary — in size, structure, resources, customer composition, community

priorities, and more — several key areas determine their success. This guide will help you determine your utility's strengths and weaknesses, identify potential warning signs, and develop strategies for future success. Your utility will need to evolve over time to meet changing needs, so it is important to reevaluate your operations and strategies regularly to ensure they align with your community's short- and long-term goals.

Public Power Forward: A Guide to Utility Operational Excellence identifies 11 strategic areas of utility governance, operations, and community engagement upon which you must focus your efforts to ensure future success.

1. Raise awareness of public power

Promote public power's distinct role in the community. Demonstrate the benefits of local ownership and community advocacy, and continuously communicate public power's value to your customer-owners. Beyond keeping the lights on, make sure your customers know all you do to support the community, including members of your community who have low or fixed incomes or are otherwise disadvantaged.



2. Focus on distribution performance and opportunity

Make efficient and reliable electric distribution system operations the cornerstone of your operations and offer new technologies and services to customers.

3. Deliver value through power supply management

Understand power supply options and work to increase supply diversity and limit price volatility, while assuring economic value for customers.

4. Maintain strong financial health

Encourage fiscal responsibility by understanding key financial targets and how they work together to navigate challenges and sustain long-term financial health, while providing reliable power at fair and equitable rates.

5. Optimize community infrastructure

Promote public service synergies by integrating utility infrastructure with other community assets to achieve maximum return on public

investment, enhancing customer service, and serving as a catalyst for technology development.

6. Invest in your technology future

Deploy technologies to create efficiencies that allow your customers and staff to innovate and thrive.

7. Lead in environmental stewardship

Establish public power as a leader in environmental stewardship by encouraging responsible use and conservation and by engaging and providing expertise to community efforts around energy and sustainability goals.

8. Promote human resource excellence

Recognize human resources' critical role in your utility's success by investing in your human capital and making your utility an employer-of-choice in your community.

9. Provide superior customer service

Use the advantages of local responsiveness and quality service to ensure that your customer satisfaction is top-notch. Continuously communicate with customers to ensure they remain loyal. Benchmark and measure your customer satisfaction.

10. Build consensus through democratic governance

Tap the full potential of democratic governance by assuring your processes are efficient and embrace all stakeholders.

11. Engage policymakers through legislative advocacy

Be a strong and consistent voice at the local, state, and national levels to protect and advance public power's interests.

Raise Awareness of Public Power



Your utility plays a vital role in your community, providing a crucial service to the community's economic health and quality of life.

Your governing board, staff, and community-owners ensure that the utility acts on their behalf and maintains its distinction as a citizen-driven institution. An educated, active, and supportive citizenry recognizes public power's role in the community and actively takes part in its future.

Your utility must continually demonstrate its public ownership and local decision-making values so there is no misunderstanding about its benefits and uniqueness within the electric utility industry.

GOAL



Promote public power's distinct role in the community. Demonstrate the benefits of local ownership and community advocacy, and continuously communicate public power's value to your customer-owners. Beyond keeping the lights on, make sure your customers know all you do to support the community.



TAKE ACTION!

Communicate the Value of Public Power

- Regularly provide customers with information on your utility services and energy topics, including rates, ownership, governance, and public policy proposals that would affect your utility.
- Share information via mail, email, advertisements, social media, your website, apps, bill stuffers, reports, newsletters, and community events. Offer information in languages spoken across your community.
- Have utility officials address business and community groups to explain public power's role in the community and what is happening in the electric utility industry.
- Educate key stakeholders, including children, your future consumers, about energy supplies, efficiency, the environment, and local ownership.
- Constantly articulate your utility's history, mission, and values and quantify its benefits to the community, including information about payments in lieu of taxes, in-kind contributions, and shared-service efficiencies.
- Share how your utility is supporting and addressing the needs of disadvantaged community members, including families with low income.
- Identify your utility as "community-owned" in all communications and through consistent use of a logo/slogan that expresses the community-owned concept.
- Participate in Public Power Week to highlight the benefits of community ownership.



Involve Your Customers

- Establish and publicize public processes to encourage customer input in community issues and policy decisions, such as rates and power supply. These may include citizen advisory boards and task forces, town hall meetings, ballot initiatives, or board meeting participation.
- Use online surveys, opinion polls, focus groups, town meetings, or citizen advisory groups, as appropriate, to regularly assess your customers' knowledge and opinions on issues affecting the utility and the community.

Get Involved in the Community

- Take a leadership role and encourage employee-wide involvement in community service.
- Train public power officials in media relations and public speaking so they can effectively advocate for the utility and the community.
- Communicate regularly with local, state, and federal officials.
 - o Get to know your local, state, and federal policymakers and their staff.
 - o Invite state/federal policymakers to tour your utility.
 - o Regularly visit your state capital and Washington, D.C.



Related APPA Resources

Community Groups on APPA Engage

<https://Engage.PublicPower.org>

Public Communications

Customer Service

Messaging and Stats

Benefits of Public Power

www.PublicPower.org/Public-Power

Resources for Promoting Your Utility

www.PublicPower.org/RaisingAwareness

We Are Community Powered

<https://WeAreCommunityPowered.com>

Public Power Week

www.PublicPower.org/PublicPowerWeek

Education and Training from the APPA Academy

Customer Connections Conference

<https://www.PublicPower.org/CustomerConnections>

National Conference

www.PublicPower.org/NationalConference

Public Power 101: On-Demand Training

www.PublicPower.org/PublicPower101

Recognition and Awards Programs

E.F. Scattergood System Achievement Award

www.PublicPower.org/Awards

Sue Kelly Community Service Award

www.PublicPower.org/Awards

Excellence in Public Power Communications Awards

www.PublicPower.org/CommunicationsAwards

Public Power Customer Satisfaction Award

www.PublicPower.org/CustomerSatisfaction

Publications and Products

Public Power Current

www.PublicPower.org/Current

Public Power magazine

www.PublicPower.org/Magazine

Monster Detective Collective Energy IQ Program

www.PublicPower.org/MonsterDetectiveIQ

Monster Detective Collective Public Power

Boost Program

www.PublicPower.org/MonsterDetectiveBoost

Public Power Data Source

www.PublicPower.org/DataSource

Focus on Distribution Performance and Opportunity



Your distribution system is your utility's backbone, so it is critical to allocate sufficient resources to ensure it is properly maintained and updated.

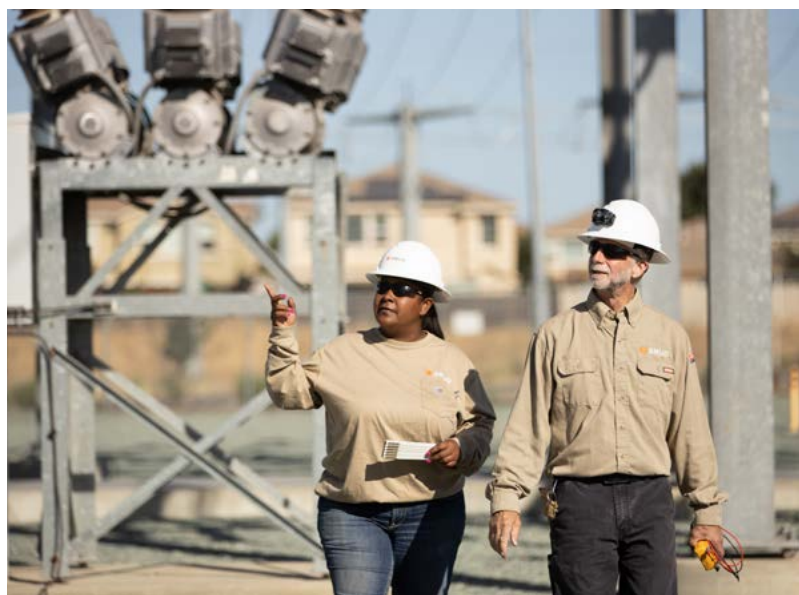
As the energy mix changes, there will likely be changes to transmission planning and distributed energy resource policies that will affect public power utilities. These changes are happening at different speeds throughout the country, so the impacts may be more or less important for some than for others.

As your community grows and implements new technologies, you must plan, build, and maintain your system to meet consumers' energy needs, with a focus on reliability, safety, security, and affordability.

GOAL



Make efficient and reliable electric distribution system operations the cornerstone of core operations and bring new technology services to customers.



TAKE ACTION!

Focus on Reliability

- Establish a data-collection system to track and benchmark reliability performance.
- Continuously calculate applicable reliability indices to monitor overall system trends.
- Implement outage mitigation techniques that are appropriate for your utility.
- Understand and meet your customers' power quality needs.

Highlight Safety

- Emphasize safety as a core utility goal.
- Ensure employees' knowledge of safety standards through continuous training.
- Apply the latest industry safety standards across your organization.
- Educate the public about electrical safety and the dangers of working and playing around electrical equipment.

Improve Security

- Assess your physical and cyber systems' vulnerabilities and develop a strategic plan to mitigate significant risks.
- Develop an emergency/disaster response plan and train staff to implement it.
- Coordinate disaster planning with other branches of the local and state government.
- Consider potential emergency response needs when setting inventory levels and material storage sites.

- Participate in mutual aid programs to ensure assistance during large-scale service interruptions.
- Conduct disaster drills and exercises.

Maintain Your Assets

- Allocate sufficient resources to properly maintain your distribution system and other assets.
- Preserve your distribution system's value by developing and implementing both short- and long-term operational inspection and maintenance plans.
- Implement proactive preventive/predictive maintenance programs.

Plan for Community Engagement

- Conduct and implement infrastructure planning on a community-wide basis to leverage efficiencies and meet community growth needs.
- Implement cost-effective behind-the-meter programs, like power quality services, energy conservation measures, energy savings programs, and technologies (e.g., smart homes and internet-based energy auditing).
- Differentiate yourself from the competition by efficiently delivering power that reflects customers' interests in cost, reliability, sustainability, and aesthetics.
- Be proactive in establishing interconnection policies and rates to address customer-sited generation.



Related APPA Resources

Community Groups on APPA Engage

<https://Engage.PublicPower.org>

IT	Safety
Energy Innovation	Security
Mutual Aid	T&D

Education and Training from the APPA Academy

Engineering & Operations Conference

www.PublicPower.org/EandO

Cybersecurity & Technology Summit

www.PublicPower.org/CyberSummit

National Conference

www.PublicPower.org/NationalConference

Public Power Lineworkers Rodeo

www.PublicPower.org/Rodeo

Underground Distribution Systems

(virtual or in-person class)

www.PublicPower.org/UndergroundDistribution

Advanced Underground Distribution Systems

(virtual or in-person class)

www.PublicPower.org/AdvancedUndergroundDistribution

Overhead Distribution Systems

(virtual or in-person class)

www.PublicPower.org/OverheadDistribution

Advanced Overhead Distribution Systems

(virtual or in-person class)

www.PublicPower.org/AdvancedOverheadSystems

Recognition and Awards Programs

Reliable Public Power Provider (RP₃) program

www.PublicPower.org/RP3

Smart Energy Provider (SEP) program

www.PublicPower.org/SEP

Safety Awards of Excellence

www.PublicPower.org/Safety-Award-Winners

Mutual Aid Commendation program

www.PublicPower.org/Submission-Mutual-Aid-Commendation

Publications and Products

eReliability Tracker

www.PublicPower.org/eReliability-Tracking

eSafety Tracker

www.PublicPower.org/eSafety-Tracker

Safety Manual

www.PublicPower.org/SafetyManual

Physical Security Essentials: A Public Power Primer

All-Hazards Guidebook

<https://www.publicpower.org/AllHazardsGuidebook>

Financial and Operating Ratios of Public Power

Utilities

www.PublicPower.org/RatioReport

Other Resources

Mutual Aid Network

www.PublicPower.org/MutualAid

Physical and Cybersecurity Resources

www.PublicPower.org/Physical-and-Cyber-Security

Deliver Value Through Power Supply Management



For most public power utilities, power supply is the largest component of their electricity rates. Increasing load, coupled with extreme weather events, has brought new concerns about resource adequacy, bulk power reliability, and congestion on the transmission grid. With these new risks come new opportunities and the obligation to limit exposure to risks, including price volatility and adequate resource supply.

You can achieve excellence in power supply by recognizing the new opportunities and risks that you face, while maintaining public power's traditional values of reliability, low rates, and customer value.

GOAL

Understand power supply options and work to increase supply diversity and limit price volatility while assuring economic value for customers.



TAKE ACTION!

Manage Power Supply Risk

- Assess the risks (including price volatility and changes in expected load) involved in meeting your power supply obligations, both to end-use customers and under wholesale delivery contracts.
- Diversify your power supply portfolio in terms of ownership, fuel type, grid location, and contract expiration date.
- Hedge risks of short-term price volatility through long-term contracts or financial derivatives.
- Plan for adequate reserve margins, and tailor your ownership of resources and wholesale contract portfolio to mirror your customers' business plans.
- Talk to creditors about your utility's perceived risk profile and public power's overall perception.
- Consider maintaining a reserve fund to hedge against volatility in power supply costs.

Maximize Opportunities

- To capture economies of scale, pool generation ownership and operations through a joint action agency.
- To capture industry expertise, contract with a wholesale power marketer to buy energy and manage the sale of surplus generation.
- Prepare to invest in generation when prices fall.
- Create or investigate new bundled wholesale energy products that your retail customers need.
- Consider opportunities to own new transmission lines, including jointly with other utilities, to ensure the right lines are built at the lowest possible cost for customers.
- Modernize your bond covenants to relax restrictions on your financial flexibility, so you can act quickly when new financing needs arise.
- Invest in innovative technologies, such as distributed generation, renewables, storage, and other new technologies.
- Invest in relationships with your interruptible load customers before contingent options emerge.





Related APPA Resources

Community Groups on APPA Engage

<https://Engage.PublicPower.org>
Risk Management & Insurance
Supply Management

Education and Training from the APPA Academy

Engineering & Operations Conference
www.PublicPower.org/EandO

Joint Action Conference
www.PublicPower.org/JointActionConference

Legal & Regulatory Conference
www.PublicPower.org/LandR

National Conference
www.PublicPower.org/NationalConference

Recognition and Awards Programs

Reliable Public Power Provider (RP₃) program
www.PublicPower.org/RP3

Publications and Products

Understanding Wholesale Electricity Markets
www.PublicPower.org/MarketsPublication

Public Power Risk Management Toolkit
www.PublicPower.org/RiskManagementToolkit

Financial and Operating Ratios of Public Power Utilities
www.PublicPower.org/RatioReport

Public Power Current
www.PublicPower.org/Current

Public Power magazine
www.PublicPower.org/Magazine

Public Power Suppliers Guide
www.PublicPower.org/Suppliers-Guide

Maintain Strong Financial Health



In today's changing landscape, it is crucial for governing boards, council members, and executive leadership to fully comprehend the utility's financial health. Understanding and analyzing financial statements and other key financial metrics can help inform decision makers in implementing crucial financial policy and confidently communicate the utility's financial position to the community.

Achieving financial excellence includes recognizing utilities as capital-intensive entities that require financial planning. Ensuring timely maintenance and re-investment in infrastructure is key for the utility to deliver continuous reliable power. Setting and achieving specific financial goals can help your utility maintain long-term sustainability and outstanding customer satisfaction.

GOAL



Encourage fiscal responsibility by understanding key financial targets and how they work together to navigate challenges and sustain long-term financial health while providing reliable power at fair and equitable rates.



TAKE ACTION!

Focus on Key Targets and Financial Areas

- Encourage employees and decision makers to learn the purpose of the balance sheet and income statement and the important information they convey.
- Identify key financial targets and how they work together to support short- and long-term financial goals.
- Review metrics that include minimum cash reserve requirements, rate of return, debt coverage ratio, debt-to-equity ratio, and age of system.
- Adopt sound financial policies that support the key financial targets and take action when targets are not being met.
- Conduct periodic reviews of industry benchmarks to help ensure operational financial efficiencies. Refer to Financial and Operating Ratios of Public Power Utilities as a guide.
- Conduct an annual assessment of capital needs and update your strategic capital plan accordingly.
- Research and evaluate state and federal funding opportunities that support capital goals.
- Ensure the budget supports the necessary revenues to achieve financial goals and capital reinvestment.
- Ensure any payments in lieu of taxes (aka, PILOT or transfers to the city) are based on a sound, defensible formula.

Establish Fair and Equitable Rate Structures

- Ensure the necessary expertise is available to help establish fair and equitable rates.
- Ensure rate structures include components for proper fixed and variable cost recovery such as customer, demand, and kWh charges, as well as a power cost adjustment (PCA).
- Implement continuous education and improvement of rate structures to account for innovative rate design as the industry changes.
- Implement technologies like AMI to provide data and the means to develop more robust rate structures for fair cost recovery.
- Develop detailed policies on customer connections (line extension, connection and impact fees), additional large loads (e.g., EV charging infrastructure and data centers), and distributed generation.

Transparency and Reporting

- Implement internal controls to ensure financial reporting is accurate with proper documentation and complies with applicable laws and regulations.
- Ensure transparency by making financial data available online and at public meetings, providing open and honest dialogue with residents to encourage trust.
- Commit to timely financial reporting, such as providing monthly reports to decision makers.
- Conduct an annual audit, performed by an independent professional organization, at the end of each fiscal year.



Related APPA Resources

Community Groups on APPA Engage

<https://Engage.PublicPower.org>

Accounting & Finance

Rate Design

Education and Training from the APPA Academy

Business & Financial Conference

www.PublicPower.org/BandF

Accounting & Finance Virtual Summit

www.PublicPower.org/AccountingandFinance

National Conference

www.PublicPower.org/NationalConference

Public Utility Accounting (virtual or in-person)

www.PublicPower.org/PublicUtilityAccounting

Electric Work Order & Fixed Asset Accounting

www.PublicPower.org/AssetAccounting

Advanced Public Utility Accounting

(virtual or in-person)

www.PublicPower.org/AdvancedUtilityAccounting

Cost of Service Workshop:

Implementation & Applications

www.PublicPower.org/COSWorkshop

Cost of Service & Rate Design: On-demand

www.PublicPower.org/Event/Cost-Service-and-Rate-Design

Publications and Products

Financial and Operating Ratios of Public Power Utilities

www.PublicPower.org/RatioReport

Public Power Current

www.PublicPower.org/Current

Public Power magazine

www.PublicPower.org/Magazine

Optimize Community Infrastructure



Public power utilities like yours provide essential services to their communities. Your utility delivers electricity to your community's homes, businesses, and organizations through a complex infrastructure of poles, wires, computers, and electronic equipment.

Your utility infrastructure represents a unique local asset. You must maintain and improve it to ensure that you deliver the highest quality and most advanced energy services to current and future customers.

Maintaining the viability of your electric infrastructure to maximize utility operations and core service delivery is your priority. To keep pace with developing community needs and to maximize your utility's value throughout your community, you should evaluate your operations to determine if you are making the best use of your infrastructure potential. You can then determine if coordination or shared services with other communities could lead to staffing or technology efficiencies. You should also analyze if new or expanded services, such as broadband, could be better delivered through your electric infrastructure.

GOAL

Promote public service synergies by integrating utility infrastructure with other community assets to achieve maximum return on public investment, enhance service to customers, and serve as a catalyst for technology development in the community.



TAKE ACTION!

Determine Your Utility and Community Needs

- Inventory your utility's infrastructure assets to ensure your needs are served in the most cost-effective and reliable manner.
- Work with community leaders to inventory the community's infrastructure assets and to determine additional technology/service needs that the utility might help provide.
- Develop appropriate responses to unfulfilled needs.

Evaluate Technology Expansion Opportunities

- Utilize advanced metering infrastructure to enhance customer service, automate processes, protect revenue, monitor power quality, verify outages, increase reliability, and evaluate asset health.
- Evaluate potential benefits of expanding your communications infrastructure to facilitate broadband to your community and utility.
- Evaluate potential benefits of leasing dark fiber to the community.
- Investigate the potential for expanding the utility's radio communication system to other governmental or nonprofit entities.

Evaluate Benefits of Partnership and Joint Action

- Investigate potential savings from consolidating existing utility services (like water, natural gas, solid waste pickup) or providing new services.
- Consider working with other public power utilities to invest in advanced billing or meter reading systems.
- Consider sharing technical positions with other utilities.





Related APPA Resources

Community Groups on APPA Engage

<https://Engage.PublicPower.org>

Accounting and Finance

Federal Funding Opportunities

Joint Action Agencies

Education and Training from the APPA Academy

Engineering & Operations Conference

www.PublicPower.org/EandO

Customer Connections Conference

www.PublicPower.org/CustomerConnections

Joint Action Conference

www.PublicPower.org/JointActionConference

National Conference

www.PublicPower.org/NationalConference

Recognition and Awards Programs

Reliable Public Power Provider (RP₃) program

www.PublicPower.org/RP3

Publications and Products

Public Power Current

www.PublicPower.org/Current

Public Power magazine

www.PublicPower.org/Magazine

Public Power Suppliers Guide

www.PublicPower.org/Suppliers-Guide

Other Resources

DEED, public power's research
& development program

www.PublicPower.org/DEED

Physical and Cybersecurity Resources

www.PublicPower.org/Physical-and-Cyber-Security

Invest in Your Technology Future



Move your community into the future by exploring cutting-edge technology and innovation as an integral part of energy delivery and community growth. Invest in asset improvement, research and development, and the technological skill development of your high-performing employees. Your utility's survival depends on your community's commitment to its technological future.

GOAL

Deploy technologies that improve your utility operations and allow your customers to innovate and thrive.



TAKE ACTION!

Invest in R&D

- Join a national research and development program, like APPA's DEED program, to support development of transferable, cutting-edge technology.
- Commit resources to install and pilot new technologies throughout your community.
- Support and/or sponsor university research projects or STEM students.
- Research and evaluate state and federal funding opportunities that may be available to your utility or community.

Support Innovation

- Incentivize employees to "think outside the box" to offer innovative services to the consumer.
- Lead the way by demonstrating that municipal projects can have national impacts and that innovation and high-tech solutions are not just for large corporations.
- Encourage employees to learn about the latest technological innovations and electric industry trends.

Apply Cybersecurity Best Practices

- Regularly conduct risk assessments to identify and mitigate potential cyber threats.
- Separate critical systems from less sensitive ones to limit the spread of cyber-attacks.
- Implement strong authentication methods and limit access to critical systems to authorized personnel only.
- Deploy intrusion detection systems (IDS) and intrusion prevention systems (IPS) to monitor and respond to suspicious activities.
- Regularly update and patch software and systems.
- Develop and regularly update an incident response plan.
- Ensure third-party vendors adhere to your utility's security standards.
- Continuously log network traffic and maintain logs for forensic analysis.
- Conduct regular training sessions to educate employees about cyber threats and safe practices.





Related APPA Resources

Community Groups on APPA Engage

<https://Engage.PublicPower.org>

Energy Innovation

IT

DEED Membership

Education and Training from the APPA Academy

Business & Financial Conference

www.PublicPower.org/BandF

Cybersecurity & Technology Summit

www.PublicPower.org/CyberSummit

Engineering & Operations Conference

www.PublicPower.org/EandO

National Conference

www.PublicPower.org/NationalConference

Publications and Products

Public Power Current

www.PublicPower.org/Current

Public Power magazine

www.PublicPower.org/Magazine

Public Power Suppliers Guide

www.PublicPower.org/Suppliers-Guide

Other Resources

DEED, public power's research
& development program

www.PublicPower.org/DEED

Physical and Cybersecurity Resources

www.PublicPower.org/Physical-and-Cyber-Security

Lead in Environmental Stewardship



Your utility operations affect the environment through air emissions, water use, wastewater discharges, and the disposal of solid waste like streetlight bulbs, spent batteries, and coal-combustion byproducts.

Local, state, and federal policymakers may all issue environmental laws and regulations that could affect public power utilities. It is important to understand and comply with any relevant requirements and to communicate regularly with policymakers and the community about your efforts to improve the utility's environmental performance.

As public awareness of environmental matters becomes more sophisticated, public power utilities must take a leadership role in the community to address environmental concerns. You should engage with community members, provide expertise on policy proposals, and broadly share information about initiatives designed to improve environmental outcomes.

Public power utilities may face challenges as they work to meet growing electricity demand, continue to reduce emissions while adding new generation, ensure electric reliability, support economic development, and keep rates affordable. Your success in communicating these challenges and opportunities to your customer-owners and positioning yourself as a resource to your community will provide a significant competitive advantage in a market where customers value these attributes.

GOAL



Position public power as a leader in environmental stewardship by encouraging responsible use and conservation, engaging and providing expertise to community efforts around energy and environmental goals, understanding and complying with regulations, and engaging and providing expertise as your community continues to strive for improved environmental outcomes.

TAKE ACTION!

Focus on Compliance

- Continue education on environmental laws and regulations, work with joint action agencies or state associations, and attend environmental compliance workshops.
- Make sure the necessary expertise — such as environmental engineers or regulatory compliance managers — is available through hiring, consultants, or job-sharing.
- Fold periodic environmental self-assessments into operations, maintenance, and safety regimes.
- Establish and maintain good procedures for environmental recordkeeping and reporting.
- Consider developing environmental performance indicators, (e.g., air emissions, sustainable land use, water quality, and wastewater management).
- Ensure suppliers, contractors, and support organizations are familiar with any environmental objectives your utility may adopt.

Involve the Community

- Hold public tours to acquaint the community with your operations and your personnel.
- Work with schools to promote energy and environmental education programs.
- Communicate cost savings or emission-reduction statistics resulting from utility initiatives.
- Involve all stakeholders in environmental decision making and education to build a culture of sustainability.

Be an Environmental Leader

- Consider offering clean energy options that reduce greenhouse gas emissions and educate customers on their benefits.
- Consider energy efficiency and demand-side management programs. Share information with customers on how they can reduce their energy consumption.
- Investigate the feasibility of landfill gas energy projects.
- Look for opportunities for pollution prevention projects at your facilities and in the community.
- Consider employee volunteer initiatives like recycling, tree planting or park/beach cleanups.
- Seek recognition for achieving environmental and energy objectives (e.g., APPA's Smart Energy Provider program)
- Highlight staff/teams responsible for achieving environmental and energy objectives.
- Develop and implement a sustainability plan.
- Consider the deployment of clean energy within the utility's generation portfolio.
- Implement strategies to increase resilience against climate-related impacts like flooding, heatwaves, and storms.
- Develop parks, community gardens, and green roofs to enhance urban environments and provide recreational areas.
- Protect local ecosystems, wildlife habitats, and green spaces to maintain biodiversity.



Related APPA Resources

Community Groups on APPA Engage

<https://Engage.PublicPower.org>

Energy Innovation

Energy Services

Environment

Policy and Regulatory Positions

Policy Positions

www.PublicPower.org/Policy-Positions

Environment Filings and Resources

www.PublicPower.org/Environment-Filings-and-Resources

Education and Training from the APPA Academy

Engineering & Operations Conference

www.PublicPower.org/EandO

Joint Action Conference

www.PublicPower.org/JointActionConference

Legal & Regulatory Conference

www.PublicPower.org/Event/Legal-and-Regulatory-Conference

National Conference

www.PublicPower.org/NationalConference

Public Power Forward Fundamentals

On-Demand Training

www.PublicPower.org/PPFFundamentals

Recognition and Awards Programs

Smart Energy Provider (SEP) program

www.PublicPower.org/SEP

Publications and Products

Public Power Current

www.PublicPower.org/Current

Public Power magazine

www.PublicPower.org/Magazine

Public Power Suppliers Guide

www.PublicPower.org/Suppliers-Guide

Promote Human Resource Excellence



Utilities are challenged more than ever with attracting and retaining employees who have the skills they need. Laying the foundation for a robust human resource function is critical to recruitment and retention of current and future employees.

GOAL

Recognize human resources' critical role in your utility's success by investing in your human capital and making your utility an employer of choice in your community.



TAKE ACTION!

Establish Sound Human Resources Policies

- Review and revise policies to ensure that they align with your utility's strategic and long-term goals.
- Promote the integration of human resource programs, processes, and strategies into your utility's overall strategic plan.
- Make sure the budget supports your utility's human resource programs.
- Provide resources for human resources staff to stay abreast of trends in the employment market, innovations in human resources practices, and changes in legal compliance matters.
- Create and support an environment that encourages two-way communication with employees and provides ways for employees to share ideas with management.
- Ensure that compensation and benefit programs are compliant with applicable laws and regulations at the federal, state, and local levels.
- Review your utility's compliance with safety laws, safety training requirements, and other safety measures.

Enhance Recruitment and Retention

- Review compensation programs to ensure that salaries and benefits are competitive.
- Consider enhancements that provide flexibility and accommodate personal values to attract and retain employees, including flexible work hours, telework, retention incentives, job-sharing, and educational opportunities.

- Educate elected officials and the community on the importance of competitive pay and benefits to ensure support for competitive compensation.
- Establish partnerships with technical and vocational schools to improve recruitment opportunities.
- Establish onboarding programs to ensure that new employees have the tools they need to effectively do their jobs.
- Build programs to encourage a positive work environment and support a culture of innovation.
- Hire co-op students and/or summer interns to expose them to public power.

Develop Succession Planning and Staff Development Strategies

- Develop a succession plan.
 - o Identify those in key positions eligible to retire in the next five years.
 - o Plan for position vacancies and new skills needed so there are seamless transitions in key job areas.
- Educate your staff.
 - o Budget for and require training for professional education for every employee and encourage them to participate in state, regional, and national public power events.
- Develop a continuous learning environment that provides access to ongoing training and ensures that employees have the proper skills to perform their job.
- Provide leadership and management training for supervisors and managers.

TAKE ACTION!

- Consider working with your joint action agency, state association, or other utilities for job-sharing opportunities where specialized skills are needed but hard to find.
- Educate all employees on public power's philosophy, benefits, and focus on customer service so they reflect those values with customers and the community.

Support Workforce Diversity

- Educate employees on the benefits of workforce diversity.
- Establish strategies and practices to recruit and retain a workforce that represents those who live in your community.
- Provide diversity training as part of employee orientation and educate employees on the benefits of a diverse workforce.

Use Data and Technology to Streamline Processes

- Employ technologies that enable employees to do their jobs more efficiently and expand their skills and expertise.
- Consider implementing technology to streamline current processes for onboarding, benefits enrollment, and performance management.
- Ensure your utility has adequate document-retention practices.
 - o Consider data that may be needed years from now for pension plans or other retirement benefits.
- Utilize a human resources information system (HRIS) or other platform to capture important employee data.





Related APPA Resources

Community Groups on APPA Engage

<https://Engage.PublicPower.org>

Human Resources

Education and Training from the APPA Academy

APPA Academy

www.PublicPower.org/Academy

Business & Financial Conference

www.PublicPower.org/BandF

National Conference

www.PublicPower.org/NationalConference

APPA Academy Online

www.PublicPower.org/Virtual-Education-and-Training

Public Power 101: On-Demand Training

www.PublicPower.org/PublicPower101

Publications and Products

Public Power Current

www.PublicPower.org/Current

Public Power magazine

www.PublicPower.org/Magazine

Public Power Suppliers Guide

www.PublicPower.org/Suppliers-Guide

Other Resources

Workforce Resources

www.PublicPower.org/Workforce-Resources

DEED, public power's research & development program

www.PublicPower.org/DEED

Public Power Utility Salary Survey

www.PublicPower.org/SalarySurvey

Provide Superior Customer Service



Superior customer service surpasses customer expectations and builds loyalty with each service transaction. Superior service providers respond to customers' needs, values, and concerns and deliver service with competence, compassion, and innovation. They build a frontline workforce committed to customers and an entire organization that always supports excellent service.

Service is your utility's primary mission; your customer-owners' satisfaction and loyalty are your most important assets. Today's customers demand excellent service and will compare your utility to large companies that are customer service leaders.

Customer satisfaction is necessary to any successful service enterprise, but satisfaction alone might not build loyalty. Loyalty comes from paying attention to what it takes to keep customers happy and then providing it. Every service transaction is an opportunity to strengthen or weaken loyalty. The greatest loyalty is achieved when customers delight in, and tell others, about their superior service experiences.

Service quality in the electricity business is determined by price, reliability, convenience, and personal interaction with customers. Your customers may be approached by alternative providers, who promise improved service in power supply arrangements, billing, metering, or energy services.

Public power puts a name and face on customer service and shuns a monolithic view of the customer. Your employees are accessible and accountable to the people they serve. Use your presence in the community to your advantage.

GOAL

Use the advantages of local responsiveness and quality service to ensure that your customer satisfaction is top-notch. Continuously communicate with customers to ensure they remain loyal and engaged.

TAKE ACTION!

Understand Who Your Customers Are

- Conduct periodic market research (surveys, focus groups, interviews with key accounts, etc.) to explore customer satisfaction, wants, and needs.
- Segment your customers by how they use your services and what they need from you.
- Use a variety of channels to communicate with your customers: face-to-face encounters, comment cards, website, social media, billing statements and newsletters, inbound/outbound calls or texts, and TV/radio/newspaper.
- Consider other stakeholders whose voices need to be heard (landlords, HOAs, developers, etc.) how you can reach them, and the role they should play in your customer service strategy.

Build a Customer Service Culture

- Hire for customer service orientation and skills.
- Provide a strong employee orientation program that emphasizes organizational customer service and values.
- Offer ongoing training and discussion on customer service delivery.
- Ensure that internal service providers understand who their customers are and how to serve them successfully.
- Emphasize the importance of management's support of strong customer service.

- Build customer service into employee review metrics.
- Discuss customer service with your policymakers and learn what they expect from you.
- Be highly responsive to customer inquiries and complaints.
- Share clear and consistent messaging and information regularly.
- Create multiple avenues for customers to get answers to their questions 24/7.
- Give your customers choices for how they use and interact with your utility, based on the customer segments you developed.
- Empathize with and respect all customers.

Review and Strengthen Business Processes

- Understand the many business processes that make excellent customer service possible.
- Review how your business processes and technologies work together. Emphasize continuous improvement of those processes to ensure they serve both customers and staff effectively.

TAKE ACTION!

Use Data and Technology to Streamline Processes

- Employ technologies that enable your employees to do their jobs more efficiently and expand their skills.
- Consider implementing technology to streamline current processes.
- Maintain a strong cybersecurity posture to ensure the integrity of customer data.
- Develop a plan for technology deployment that ensures strong interoperability and an adoption schedule that works well for staff and budgets.

Keep Employees and Customers Safe

- Ensure that your utility safety program extends to customer service staff.
- Review the exterior of your customer service offices to ensure signage is clear, parking is available, sidewalks are in good condition, and hazards have been mitigated.
- Review the interior of your customer service offices to ensure your staff will remain safe.

Make Customer Service a Strategic Priority

- Discuss your organizational priorities.
- Ask your customers what is most important to them, what you do well, and what you can do better.
- Tell your employees their role in delivering exemplary service.





Related APPA Resources

Community Groups on APPA Engage

<https://Engage.PublicPower.org>

Customer Service

Public Communications

Education and Training from the APPA Academy

Customer Connections Conference

www.PublicPower.org/CustomerConnections

National Conference

www.PublicPower.org/NationalConference

Key Accounts Certificate Program On-Demand

www.PublicPower.org/KACertificate

Advanced Key Accounts Certificate Program

On-Demand

www.PublicPower.org/AdvancedKACertificate

Recognition and Awards Programs

E.F. Scattergood System Achievement

www.PublicPower.org/Awards

Public Power Customer Satisfaction Award

www.PublicPower.org/CustomerSatisfaction

Public Power Data Source

www.PublicPower.org/DataSource

Publications and Products

Customer Service – Building a Strong Infrastructure

www.PublicPower.org/CustomerServiceInfrastructure

Key Accounts Field Manual

www.PublicPower.org/KAManual

Advanced Key Accounts Field Manual

www.PublicPower.org/AdvancedKAManual

Public Power Current

www.PublicPower.org/Current

Public Power magazine

www.PublicPower.org/Magazine

Public Power Suppliers Guide

www.PublicPower.org/Suppliers-Guide

Other Resources

Public Power Week

www.PublicPower.org/PublicPowerWeek

Build Consensus Through Democratic Governance



Public power governance structures take several forms: elected city councils or utility boards and appointed utility boards and commissions — we refer to these individuals as “policymakers.” Their common trait is decision making in open deliberations by citizens who are directly accountable to the community.

Public participation in utility governance, including decisions on budgets, rates, facility siting, power supply, reliability, and customer service, is a core public power attribute and ensures that your utility’s services respond to your customer’s needs and values.

Effective governance depends on participation by committed, informed elected and appointed officials; adherence to governance processes that comply with the law and are responsive to changing market conditions; and assurance that public interests are heard and considered.

GOAL

Tap the full potential of democratic governance by ensuring your processes are efficient and embrace all stakeholders.



TAKE ACTION!

Ensure Effective Governance

(Utility Executive To-Dos)

- Inform city council and utility board candidates about utility issues and governance responsibilities prior to their election or appointment.
- Provide utility policymakers with a formal utility orientation, including charter and bylaws, legal responsibilities and liabilities, utility operation and financial information, a policy and procedure manual, and yearly calendar.
- Provide policymakers with regular updates on the utility industry.
- Encourage new policymakers to engage in state and national public power activities.

Ensure Effective Policymaker Operations

(Policymaker To-Dos)

- Understand statutes (such as open meeting and record laws), the utility charter and bylaws, and procedures to ensure compliance.
- Know responsibilities and roles to ensure your efforts are focused on policy and governance rather than on day-to-day management.
- Delegate appropriate managerial authority to the CEO, including sufficient decision-making responsibility and flexibility (like signing contracts and rates for key customers) to keep pace with market needs.
- Conduct an annual CEO evaluation.
- Conduct strategic planning that ensures your utility's continued financial viability and an appropriate, predictable level of general fund transfers.
- Obtain appropriate information from the utility and your customers to monitor its performance.
- Conduct annual evaluation of board/council effectiveness.



TAKE ACTION!

Review Governance Structures

(Policymaker To-Dos)

- Ensure that all service areas are represented in the governance process.
- Ensure that good governance practices and policies are in place to create strategic, deliberate, and intentional decisions and direction.
- Ensure ultimate decision making is efficient and responsive to market conditions if policy authority is divided among different bodies (such as a council, utility board, and city manager's office)
- Examine your utility's governance structure to determine if a council, board, or independent authority is the most effective governance model.

Encourage Public Participation

(Utility Executive and Policymaker To-Dos)

- Ensure meetings are properly noticed, held at convenient times and locations, agendas are available in advance, and time is set for public comment.
- Inform all customers about utility issues and services.
- Solicit public involvement in all policy discussions and decisions.
- Communicate the value of your utility to owners/customers regularly.
- Be an effective conduit of information between your utility and your customers.



Related APPA Resources

Community Groups on APPA Engage

<https://Engage.PublicPower.org>

Customer Service

Public Communications

Messaging

Benefits of Public Power

www.PublicPower.org/Public-Power

Promoting Public Power

www.PublicPower.org/RaisingAwareness

Governance Resources

www.PublicPower.org/Governance-Resources

Policy Positions

www.PublicPower.org/Policy-Positions

Policy Resolutions

www.PublicPower.org/Resolutions

Education and Training from the APPA Academy

Legislative Rally

www.PublicPower.org/Rally

National Conference

www.PublicPower.org/NationalConference

Legal & Regulatory Conference

www.PublicPower.org/Event/Legal-and-Regulatory-Conference

Customer Connections Conference

www.PublicPower.org/CustomerConnections

Governance Essentials On-Demand Training

www.PublicPower.org/GovernanceExcellence

In-house Governance Training

www.PublicPower.org/InHouseTraining

Public Power 101 On-Demand Training

www.PublicPower.org/PublicPower101



Recognition and Awards Programs

Spence Vanderlinden Public Official Award

www.PublicPower.org/Awards

Publications and Products

Polymakers Handbook

www.PublicPower.org/PolymakersHandbook

Governing for Excellence

www.PublicPower.org/GoverningExcellence

Governance Survey

www.PublicPower.org/Resource/Public-Power-Governance-Survey

Other Resources

Policy Makers Council

www.PublicPower.org/Policy-Makers-Council

Engage Policymakers Through Legislative Advocacy



Decisions that local, state, and federal agencies make impact your utility. Effective legislative advocacy at all levels of government is critical to ensuring your utility's long-term success.

With public power utilities in 49 states and five territories, our reach and influence are expansive. We are highly visible because we provide an essential service to our country, one that lawmakers give both attention and scrutiny. We have grassroots power and must activate utility officials, customers, mayors, and other elected officials in our advocacy efforts.

GOAL

Be a strong and consistent voice at the local, state, and national levels to protect and advance public power's interests.



TAKE ACTION!

Be Your Best Advocate

- Stay informed via APPA and state associations on legislative, judicial, and regulatory issues that affect public power.
- Know your local and federal elected and appointed officials' committee assignments and special areas of interest.
- Make regular contact — via visits, letters, and phone calls — with members of Congress, state legislators, and their staff.
- Stay engaged with your state utility commission and the Federal Energy Regulatory Commission, because while they may not regulate you, what they do affects you.
- Invite lawmakers and regulatory officials to utility events and facilities to highlight the good work you do.
- Use local, state, or national media to get your message to a wider audience.

Use Power Wisely – Leverage Your Resources

- Participate with APPA and state associations in regulatory proceedings on issues that can affect your utility.
- Work with APPA, other public power utilities, joint action agencies, state and regional associations, and local lawmakers to organize unified legislative campaigns.



- Take action when APPA sends a public power action alert — use the relationships you've developed with members of Congress and their staff to ask them to support a public power policy priority.
- Contribute to state and federal political action committees as individuals, and, where legally permitted, as utilities.



Related APPA Resources

Community Groups on APPA Engage

<https://Engage.PublicPower.org>

FERC

Government Relations

NERC

State Legislation

Messaging and Stats

Benefits of Public Power

www.PublicPower.org/Public-Power

Promoting Public Power

www.PublicPower.org/RaisingAwareness

Governance Resources

www.PublicPower.org/Governance-Resources

Policy Positions

www.PublicPower.org/Policy-Positions

Policy Resolutions

www.PublicPower.org/Resolutions

Education and Training from the APPA Academy

Legislative Rally

www.PublicPower.org/Rally

National Conference

www.PublicPower.org/NationalConference

Publications and Products

Policymakers Handbook

www.PublicPower.org/PolicymakersHandbook

Governing for Excellence

www.PublicPower.org/GoverningExcellence

Conclusion



Local control, not-for-profit operations, low-cost delivery of service, and a strong focus on customers' needs are the core tenets of public power. For public power to continue to thrive, leaders must ensure that their utilities are well run and that customers and other stakeholders understand the value they receive from owning their utility.

This guide is a tool for ongoing self-evaluation and assessment of strengths and weakness and can also be used for education of employees, boards, and citizens.

Your utility will need to evolve over time to meet changing needs, so it is important to reevaluate your operations and strategies regularly to ensure they align with your community's short- and long-term goals.

The themes and recommendations in this guide represent best practices in utility operations. However, as public power utilities vary in size, structure, resources, customer composition, community priorities, and more, not all recommendations apply evenly to every utility.





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