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SEPTEMBER–OCTOBER 2024

STRENGTHENING CONNECTIONS

4 Public Power Connects

The important ways that public power connects communities — by more than wires and electrons.

6 Driving Customer Satisfaction

Read how recent recipients of the Public Power Customer Satisfaction Award are measuring customer satisfaction, and what steps have led to noticeable improvements.

12 Your Communities: Williamsport

Learn about the town of Williamsport, Indiana, which has been served by a community-owned utility since 1899.

14 Connecting with the Community

How public power utilities are engaging with different parts of their communities, including providing value to commercial customers and making their expertise known.

22 Keeping Employees Engaged

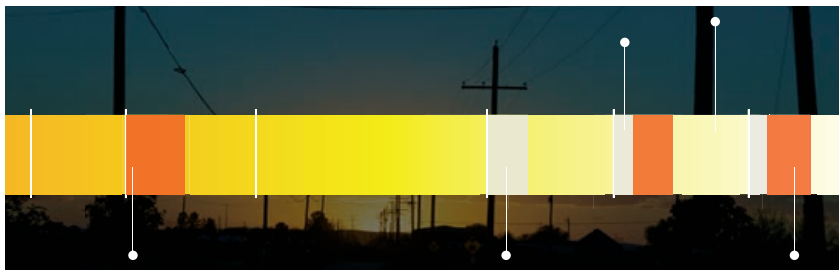
What makes for meaningful employee engagement and what leaders can do to better support and motivate their employees.

28 A Brief History of Modern Rate Design

What nearly 50 years of studies and programs on dynamic rate designs has taught us about the connection between pricing, technology, and customer behavior.

32 Introducing Time-Varying Rates

How the Snohomish Public Utility District in Washington tested three rate design structures and what it learned in the process.



20 Electrifying the Navajo Nation

A visual timeline of the progress the Navajo Tribal Utility Authority has made in bringing electricity to families across the vast service area, including how the Light Up Navajo effort has helped.

37 It's Time to Educate Congress

A preview into how the upcoming election will mark a shift in key energy committee leaders and what areas will be of focus in the next Congress, no matter the outcome.

38 Public Power Leaders: Janisse Quiñones

The newly appointed leader of the Los Angeles Department of Water and Power shares her vision for engaging and supporting the community.

40 Planning for Equity

A look at how utility programs in Los Angeles have affected its various communities and the strategies to ease the burden on disadvantaged communities amid system change.

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The American Public Power Association is the voice of not-for-profit, community-owned utilities that power 2,000 towns and cities nationwide. We advocate before the federal government to protect the interests of the more than 54 million customers that public power utilities serve, and the 96,000 people they employ. Our association offers expertise on electricity policy, technology, trends, training, and operations. We empower members to strengthen their communities by providing superior service, engaging citizens, and instilling pride in community-owned power.

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A banner hanging from a utility pole with the text '#COMMUNITYPOWERED'. The background shows a utility site with workers, equipment, and a crowd of people. A utility truck is visible on the left, and a utility pole with equipment is on the right. The scene is outdoors with a clear blue sky and some trees in the background.

#COMMUNITYPOWERED

Photo courtesy City of St. George, Utah

Public Power Connections Run Deep

BY SCOTT CORWIN, PRESIDENT AND CEO,
AMERICAN PUBLIC POWER ASSOCIATION

As I travel to visit with many of you and see how much your work means for your communities, I also see how your actions embody a core truth about public power: we connect the community through much more than just wires.

The nature of public power utilities, being owned and operated by our communities, necessitates a deeper level of civic engagement, involvement, and investment in the success of the community. It's making sure to be involved in conversations about local economic development, taking time to listen to customer feedback and local interest groups, and motivating employees who recognize the great importance of the mission.

This type of deep connection is evident in articles throughout this issue of Public Power including how Rolla Municipal Utilities in Missouri is finding new and creative ways to get meaningful feedback from its customers, and how Janisse Quinones, the new leader of the Los Angeles Department of Water and Power, is prioritizing community outreach. There are many examples showing how public power's connection is about much more than electricity; there is even a section of our website devoted to communicating the various ways public power adds value.

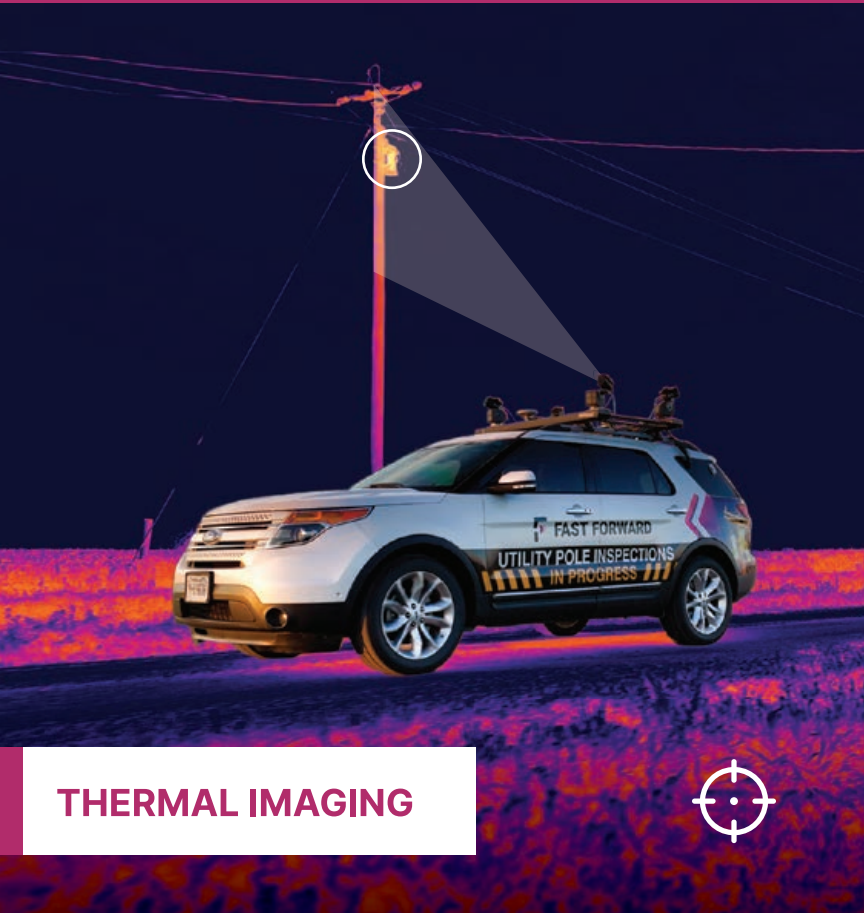
Just in the last two months, I saw many examples of how public power connects within communities while visiting with members in Tennessee, Texas, Florida, North Carolina, Minnesota, North Dakota, and Pennsylvania. We'll hear even more great ideas discussed at our Customer Connections Conference in Louisville in late October.

Public power utilities support local job development not only through their direct workforce, but in programs to encourage young people to understand and get interested in science, technology, engineering, and math. That can be anything from Lincoln Electric System's support of a tinker lab at a local children's museum in Nebraska to Chelan County Public Utility District's partnership to host a STEM Career Academy in central Washington state, to the internships that introduce people to careers in public power (often thanks to support from APPA's DEED program).

In holding community events or supporting activities, such as taking part in a parade, speaking to interest groups, or doing a safety demonstration outside the fire station, public power's presence makes residents feel less isolated and supports engaged communities that are happier and healthier. Being interconnected with many other city services, such as other utilities, street repair, parks and recreation, or general city hall functions also adds a vitality and stability to the community.

Demonstrating the multi-pronged value of public power through community connection enables more trust in government, increases civic participation, and creates economic opportunity. Public power should be proud of these deep connections to and within the communities. Thank you for all you do to keep your community connected.

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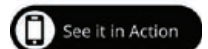
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HOW UTILITIES USE DATA TO IMPROVE CUSTOMER SATISFACTION

BY JOHN EGAN,
CONTRIBUTING
WRITER



Public power utilities have long used customer satisfaction surveys to assess how well they are meeting or exceeding customer expectations. Administering the survey is only one step in improvement – utility leaders must then take the findings to identify priority areas, and then implement changes to customer-facing operations, processes, and programs.

Customer satisfaction can be related to any aspect of a utility’s operations or presence in the community. The Public Power Data Source, a joint service of the American Public Power Association and GreatBlue Research, involves a survey instrument that measures various factors that affect customer satisfaction, including:

- Customer service
- Field personnel
- Communication
- Reliability
- Value
- Outage response
- Innovation



The surveys provide utilities with a quantifiable basis to launch an initiative, taking decision-making out of the realm of “this is what I think we should do” to “the data clearly indicates we need to improve in these areas.”

Leaders at three public power utilities shared how they are using findings to identify process or program improvement opportunities and better understand what their customers value to ensure they are delivering on what customers deem most important.

Relying on the Personal Touch

Groton Electric Light Department in Massachusetts has surveyed its customers five or six times over the past few decades and has used this feedback to drive improvements.

“The surveys help us identify improvements we could make, like in communications and community activities,” said Tammi Lemire, business manager at the public power utility, which serves about 5,000 customers in north central Massachusetts. “We’re constantly using the GreatBlue Research surveys to improve our processes and programs with the customers in mind.”

She said the percentage of customers who read the customer newsletter has gone up in recent years after the utility made some changes suggested by the survey. GELD has also increased how often it posts to its Facebook page, she added.

“From the top down, we try to show and say that taking good care of our customers is our most important job.”

JON PATTERSON, GENERAL MANAGER
GROTON ELECTRIC LIGHT DEPARTMENT, MASSACHUSETTS

The public power utility used prior survey results in other ways to show alignment with customers on their top issues of concern: price and reliability.

The utility charges significantly less than the surrounding IOUs, and GELD, through its wholesale electric supplier Massachusetts Municipal Wholesale Electric Co., is not shy about informing its customers of that fact.

“We’re constantly reminding customers about how our prices compare to neighboring IOUs,” said Jon Patterson, GELD’s general manager.

Given the importance customers place on electric reliability, GELD has taken steps to more actively improve reliability, partly through its tree-trimming program, while also informing customers about those changes.

“We compare very favorably to our neighboring IOUs,” commented Lemire, who shared how GELD consistently performs better on reliability and offers lower rates.

But that doesn’t mean there isn’t room for improvement. One area where customers rate the utility lower is participation in community activities.

“We’re a small utility with about 15 employees, and we can’t participate in every event or statewide program to boost energy efficiency like the bigger utilities can,” Patterson explained. Still, the utility is trying: Its lineworkers staff a booth at the quarterly Groton Fest, where they interact with attendees, display tools of their trade, and discuss the functions and features of the bucket trucks they showcase.

GELD also focuses on ways to demonstrate its customer-centricity, especially to new hires. Lemire recalled when a newly hired customer service representative took a call from a customer who had a tree blown into their yard during a storm. The customer asked when they could expect someone from GELD to remove the tree and restore power. Holding the phone away from herself, the rep relayed that question to Lemire. She didn’t hesitate: “We’ll send a truck right away.” That was a moment of truth that put expressed values into action in a way that turned the customer from a potential adversary to a possible advocate.

“We go out of our way to give new hires the opportunity to interact with customers on scheduled outages,” said Patterson.

For example, before scheduled outages to repair equipment, every affected customer is contacted in advance, either on the phone or through a door knock. Employees explain the reasons for the upcoming outage and how long the customer can expect to be without power. And if a customer tells an employee they have something going on that can’t be interrupted, the utility will reschedule the outage.

The utility empowers those who interact with customers to fix problems, and higher ups back them up, said Patterson, who began his career at GELD 16 years ago as a lineworker.

Lemire said GELD also declined to install an interactive voice response system to take customer calls, preferring to “preserve the human touch.”

Word has gotten around about GELD’s high-touch approach to service.

One customer, Patricia C., posted this on GELD’s Facebook page: “Over my lifetime, having lived in different states and worked with different utility companies, GELD far surpasses in its transparency of pricing, reporting, and interaction with its customers. The reliability of GELD is phenomenal, and they also work hard at maintaining the infrastructure, anticipate problems before they occur, and excel in their responsiveness.”

Another customer, Max C., put it more succinctly: “GELD is the GOAT. You’re going to have to rip municipal power from my cold dead hands!”

“From the top down, we try to show and say that taking good care of our customers is our most important job,” Patterson said. “Everyone understands that it is their job to do what it takes to make things right.”

Showing the Public Power Difference

“A customer satisfaction survey is a great measuring tool. Without a measuring tool, how can you say if what you are doing brings value to customers? That’s why we are here — to bring value to customers,” shared Charlie West, general manager at Lowell Light and Power in Michigan.

Lowell is one of two public power utilities to win a gold-level Public Power Customer Satisfaction Award, which was presented in October 2023 at the Customer Connections Conference in San Antonio, Texas.

Lowell, which participated in the survey for the first time in 2023, serves about 3,200 customers. Located about 15 miles southeast of Grand Rapids, Michigan, the area surrounding its service territory is served by an IOU.

West said he was especially keen to see how many respondents could identify Lowell as a community-owned utility.

Approximately 75% of the 198 Lowell customers surveyed correctly identified it as a public power utility. West said he was pleased with that score, but he wanted the number to go higher — even though it already was over 20 percentage points higher than the U.S. average.

“For me, that statistic is indicative of the significant differences between public and private utilities,” he said. Lowell’s prices are lower and its reliability is higher than the IOU that surrounds it. But, West said he “doesn’t want to look good by making the other guy look bad,” and so Lowell’s communications on price and reliability vis-à-vis its neighboring utility have been “cautious and respectful.”



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“We’re using the results of the survey to make our messaging around public power more intentional, particularly in the words we use in marketing our energy efficiency programs.”

CHARLIE WEST, GENERAL MANAGER
LOWELL LIGHT AND POWER, MICHIGAN

He said Lowell will continue to demonstrate public power’s difference with words and deeds.

“We’re using the results of the survey to make our messaging around public power more intentional, particularly in the words we use in marketing our energy efficiency programs,” West said.

Beginning last year, Lowell gave away trees with instructions for planting them away from power lines as part of its effort to improve electric reliability. The messaging that accompanies those trees also includes a little education about how the utility is owned by the community.

West observed, “You can spend a little time and effort at the front end to explain why we do what we do, or you can try to put the toothpaste back in the tube after something goes wrong. It costs a whole lot more to repair relations than it does to maintain positive relations.”

Lowell also plans to use the survey results to bolster its customers’ perception of the utility as innovative. “We had too many ‘don’t know’ answers to that question,” West said. “You don’t want to make knee-jerk changes based on one survey, but we can work a little harder in our communications to shine a light on the innovative things we do.”

Improving Communication

Rolla Municipal Utilities in Missouri also signed up for the Public Power Data Source in 2023, getting a comprehensive report on customer satisfaction from the survey.

Rolla’s customers gave the utility high marks for reliability and outage restoration times.

However, “our customers told us that our communications needed to improve,” said Jason Grunloh, business manager at Rolla. “That was disappointing, but eye-opening in terms of where we needed to do better.”

Rolla, located about 70 miles southeast of St. Louis, serves about 10,000 customers, many of them college students. That poses the challenge of communicating with a transient population.

Rodney Bourne, Rolla’s general manager, speaks at local service club meetings and has appeared on a monthly radio show for years. The utility places ads in the local newspaper from time to time. But the survey results caused leaders to think harder about other communications channels, including targeted digital advertising, to better reach its college student demographic.

“If we said something last year, we have to remember that some of our customers weren’t here last year,” Bourne said. “So, we’re making extra effort to more frequently repeat some messages using different channels.”

A case in point was Rolla’s replacement of its 30-year-old billing system. Despite the utility’s efforts, some customers didn’t get the message about the change, specifically why they needed to re-enter their credit card information. The utility took a number of calls from confused customers.

“It seems that every customer gets their information from different channels, and we are not on that channel,” Bourne commented. “We need to be on more channels.”

Using a survey to measure customer satisfaction expanded the range of data Rolla Municipal Utilities had about its customers’ likes and dislikes.

“Prior to fielding the survey last year, we relied on social media for insight into what customers were thinking,” recalled Bourne. “That produced a lot of random noise. Except for outage restoration posts, social media comments almost always showed the negative. No one was jumping onto social media to celebrate that they had electricity.”

“The more feedback we get, the better equipped we are to fix a problem,” said Grunloh. “It can be scary when you ask people for feedback, but it’s so worth it. Most of the time, you’ll hear that you are doing better than you think.”

Rolla, a bronze-level Public Power Customer Satisfaction Award winner, also recognizes opportunities to boost its innovation score. It doesn't have a smart thermostat rebate program or time-of-use rates, but it did roll out a peak-demand reduction program. Bourne noted, "It can be quite a challenge to explain to customers why they should turn up their thermostat when it's hot outside. It's counterintuitive."

"Overall," he said, "the survey results reinforced the importance of being out in the community, talking with customers." That's why it's investigating alternative ways to meet and communicate with customers.

A Bank of Support

"Unfortunately, sometimes we have to do things that are not popular with customers, such as trimming trees or disconnecting service for non-payment," observed West of Lowell Light and Power. "Having high customer satisfaction helps create advocates for you in the community that can support you when you need it."

In West's view, a utility's customer satisfaction scores — whether high or low — inevitably ripple through the organization, leading either to a virtuous cycle of improvements or a downward spiral to mediocrity.

"I can't do a cause and effect, but it seems like there's a good correlation," he said. "A rising tide lifts all boats. People want to work for a well-regarded organization. If your organization has high customer satisfaction, employee morale is strengthened, and the culture is reinforced. There are fewer critical comments from customers. There are less problems retaining employees."

After GELD won a gold-level Public Power Customer Satisfaction Award, employees got larger than typical raises and a one-time bonus.

"That blew us away, because our board is very frugal," commented Lemire. "They are well aware that their decisions have a financial impact on customers. But they were over the moon when the scores came in. Their bonus decision made employees pretty happy, too." 🇺🇸

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Nestled along the Wabash River in western Indiana, and home to the state's highest free-falling waterfall, the town of Williamsport is often described as having a "Mayberry" feeling, referring to the fictional town from *The Andy Griffith Show*.

Kevin Strickler, the manager of utilities for Williamsport, echoed this sentiment, calling the town a great place to raise kids and have a family.

Strickler should know — he grew up in Williamsport and raised his children in the town. Now, he has grandchildren growing up in the town.

He recalled seeing, as a child, the remains of a diesel generator the city used to own. The town currently accesses its generation capacity needs through the Indiana Municipal Power Agency, and the site of the former generation facility is now in part where the local fire station sits.

Working for the community-owned utility in Williamsport, said Strickler, is "very rewarding." While he acknowledged that working in such a setting doesn't come with a cushy salary, he pointed out the advantages in the role. A key benefit, he said, is the connection to the people you are working for — friends, family, neighbors.

He also likes being able to have a hand in the various utility functions, which includes water, wastewater, and streets in addition to electric service. One of his sons also works for the utility as a lineworker.

"Being so small, everyone does a little bit of everything," said Strickler. "I don't have people just working water or wastewater, they work in all different departments, have to help everybody out. Everyone chips in when need be."




"You get asked to do some strange things sometimes, like getting a cat out of a tree or changing hospital streetlights," he added.

Taking on these kinds of tasks is part of what he sees as the value of having a community-owned utility. About 12 years ago, Strickler said, he and the town recognized that the contractors hired to maintain certain infrastructure meant that the electric system and streets were not really getting maintained the way they should be. He and the other utility employees put significant work over the past decade into getting the system "back to where it needs to be," including updating vegetation management and improving outage restoration.

Strickler said these efforts have helped Williamsport keep its rates low. "Hopefully public power helps with that situation, because having low-cost power means people can afford to live here." In 2022, Williamsport's average revenue per kilowatt-hour reported to the Energy Information Administration was about 19% less than the average for residential customers of investor-owned utilities in the state, and 11% less than the average for cooperative customers.

While he said the community has not seen much change in recent decades, the town is "in a little bit of a growing process." He said Williamsport is set up for growth, including an apartment complex with 48 units that is ready to go in. Strickler said the utility has already done the legwork to know that it could put services to the complex online when needed.

The apartments are only part of the growth Strickler would like to see. He recalled how, decades ago, a local hardware store had been the de facto community meeting place. When a fire burned down the store and other parts of the town in the 1980s, that meeting place was lost. Now, residents have to drive 30 miles to get to the nearest hardware store.

In addition to attracting businesses back, community efforts have included developing a network of trails extending from the waterfall and along the river out to nearby universities and surrounding counties. 

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Connected by More than Wires: Utilities Offer Community Value

BY **SUSAN PARTAIN**, DIRECTOR, CONTENT STRATEGY,
AMERICAN PUBLIC POWER ASSOCIATION



Public power utilities are owned by and comprised of the community, but that doesn't mean they are automatically making a meaningful connection. Public power utilities already interact with every part of the community as customers, friends, and neighbors. But further building a two-way relationship between the utility and community groups helps build confidence in the utility's expertise and local commitment and extends the value of the utility to the community.

Developing these relationships takes time and can evolve in various ways.

Providing Value

In Florida, JEA, the electric, water and sewer provider serving the city of Jacksonville, has a dedicated team focused on engaging with its largest commercial and industrial customers, or key accounts.

"Our key account program is based on a strategy to build, nurture, and strengthen partnerships with the largest and most influential business customers in JEA's service territory," shared Traci Day, JEA's director of business client relationships.

Day leads a team of six key account executives who are focused on providing concierge-level service to the top 150 commercial and industrial customers. These customers make up almost 25% of JEA's sales. Each of the six executives has a portfolio of about 25 customers. Defining these customers is one of the most important tasks in setting up a key account program. JEA looks not only at revenue, but also consumption, demand, potential growth, and community impact. The team reviews this list annually to reevaluate which customers to focus on and which up-and-coming customers in the service territory have the potential to turn into key accounts.

According to Day, business customer needs and goals change over time, which is why JEA's team is trained to listen, learn, and change up their approach to suit individual accounts. "Our goal is to learn everything there is to know about a key account, from their goals and needs to pain points, decision-making process, and main stakeholders. Investing in planning and communication is essential to enable the team and their customers to develop a roadmap for success together."

In the vein of adding value, the key account executives prepare and deliver an in-person detailed annual review for each customer. This presentation includes a rate and usage analysis, power quality or reliability initiatives on the horizon, customer expansion and development planning, as well as details on JEA's Portfolio of Solutions, which includes electric and water efficiency programs, non-road electrification programs, and fleet electrification. Day said customers find value in this annual review and often include C-suite executives in the meeting.

Day said that her team will continue to focus on deepening key account relationships and begin documenting customer action plans in the coming year. These plans will help guide marketing and communication strategies and formalize the short- and long-term goals and objectives for both parties.

To provide value to JEA's external customers, Day's team needs strong, collaborative relationships with internal business partners. According to Day, "the account executives rely heavily on their internal relationships as they communicate with customers about everything from outages to water pressures to rate increases and supply chain issues. In return, the



Photo courtesy Lincoln Electric System

“We never want our customers to feel like our interactions are transactional. Every interaction is to deepen the working relationship so we can grow — together.”

TRACI DAY, DIRECTOR OF BUSINESS RELATIONSHIPS, **JEA**, FLORIDA

team captures a vast amount of business intelligence from their customers, which is invaluable to the JEA organization.” This intelligence includes information such as expansions to sustainability goals. Sharing that information internally helps JEA craft programs, rates, and initiatives as the utility prepares for the future.

The team’s success is evident in recent account executive survey scores, where JEA’s key account customers reported 96% satisfaction, with 90% extremely satisfied. The annual in-house survey was recently pared down to three questions, from over 20 questions, which doubled the response rate.

Day’s mantra of providing value echoes through the full business customer support team, which, in addition to the key account team, includes a dedicated commercial call center and a team of account executives focused on proactive outreach to JEA’s 25,000 small and midsize business customers. This outreach includes handling internal and external

customer escalations, a “white-glove” level of service to assisted and skilled nursing facilities before and after storms, and regular presentations to community, trade, and professional organizations.

In addition, JEA created a small business coalition, which Day said is similar to a focus group for its small and midsize commercial customers. “We share information about new programs and services, offer insight into industry trends, and ask a lot of questions. We want their feedback, we want to understand how they like to receive communication, and we want to know how JEA can be easier to do business with,” she said. Creating that kind of feedback loop has been helpful for both customers and JEA, which is why Day said the utility is now starting a similar customer advisory council for local women-owned businesses. Having established contact with commercial customers has helped JEA in targeting messages and efforts, including a recent focus on rebates for small businesses.

“If we show up for our customers, large and small, and are engaged with them, they show up for us,” she said. “They feel the confidence and a level of trust. We never want our customers to feel like our interactions are transactional. Every interaction is to deepen the working relationship so we can grow — together.”

Available for Input

Lincoln Electric System, which serves a population of about 300,000 in the Nebraska capital, has a long list of examples of community partnerships and activities. Some, like its partnership with Lincoln



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Photos courtesy Lincoln Electric System

Children’s Zoo on a holiday light display, are highly visible examples that support awareness of the utility’s connection with the community. Others, like meetings with teachers from the public school system, are less noticeable but aligned with LES’ efforts to support its communities.

“We’re always trying to figure out how outreach will benefit the community as a whole,” said McKenzie Ferguson-Fagan, education and outreach specialist at LES. She said that her position’s aim is to understand how LES can be “supportive of others instead of just attaching LES’ name to it.”

Zoo Lights Powered by LES is a good example of how a partnership has been built over time, and how outreach can support the community in various ways. Ferguson-Fagan noted how the partnership with the zoo first began years ago with a discussion between the utility arborist and zoo staff on whether the zoo would have a use for any of the branches or leaves removed from LES’ vegetation management efforts. That initial relationship and exchange led the way for the LES team to propose the idea for Zoo Lights, which kicked off in 2019. Now, the event brings thousands of visitors during the holiday season. From giant nutcrackers in LES lineworker uniforms to having LES’ CEO flip the switch to start the event, LES is an integral part of the event. Employees volunteer to hand out glow sticks, show off an energy efficient gingerbread house, and host a variety of educational nights on topics from safety to energy efficiency.

LES also supports a local children’s museum, which has a creative space called a “Tinker Theater” where different companies can hold

events. LES’ activities there have included talking about electrical safety while decorating light switch covers and door hangers. LES also created a “Haunted House of Hazards,” which is a decorated dollhouse that helps share electrical safety tips that has been at the museum for several years.

A partnership with the city libraries similarly took several years to blossom, recalled Ferguson-Fagan. She said an initial reticence on the library’s part likely stemmed from the belief that the utility just wanted to come in to share its messaging. Over time, Ferguson-Fagan said she was able to foster a relationship and learn how the utility could best support the library. LES donated books for early readers to middle school students, and now supports a reading program that focuses on sharing STEM-themed books. LES continues to add to the collection, where books are identified with a “LES STEM reading” sticker. The public power utility has also donated coloring pages for younger kids.

The approach mirrored how LES partners with schools. Ferguson-Fagan said she initially envisioned that a partnership with the public school system would mean planning fun activities that could fit into the school day. Instead, she found that teachers “already have their own game plans” and so she asked more about the curriculum to understand how LES could best support teachers, such as in supplementing them with resources for a unit on energy or electricity. Ferguson-Fagan also sat in on a teacher training related to the energy unit, where she gathered the teachers’ questions, such as “What happens during an outage?” and then prepared a resource guide outlining answers.

CONNECTED BY MORE THAN WIRES: UTILITIES OFFER COMMUNITY VALUE



Kelley Porter, LES' manager, customer & corporate communications, said that her team highlights how these events are beneficial to the community when sharing about them on social media.

Being visible across the community means that LES now has various groups reach out to see how they might connect. What other groups initially pitch is not always the right avenue for support, in terms of what will benefit the community or be most engaging. Often, groups approach LES for sponsorship of activities.

"We can't always give a dollar donation, but we can find other ways to help," said Porter. She said LES, like other utilities, has been moving toward activities that "get people to engage in a way that interests them."

Such "edutainment" activities include an electric vehicle ride and drive event and allowing the public to tour EdITH — which stands for Educational Interactive Tiny House — to learn about energy use, efficiency, and related utility programs. LES also recruits volunteers to serve as judges for science fairs across the school district.

How LES knows when an activity has been meaningful goes beyond the metrics of how many people attended an event or engaged with a post on social media.

"When the community is asking us for something, that is a sign of success," added Porter. She noted how some area teachers recently reached out about support or advice for afterschool programs. "They are thinking of us and wanting our input."

"When the community is asking us for something, that is a sign of success."

KELLEY PORTER, MANAGER, CUSTOMER & CORPORATE RELATIONS, **LINCOLN ELECTRIC SYSTEM**, NEBRASKA

The involvement has elicited notes of thanks from community members and built advocates for the utility.

As for what's next for LES, finding new potential community partnerships starts with asking, "who isn't asking us questions?"

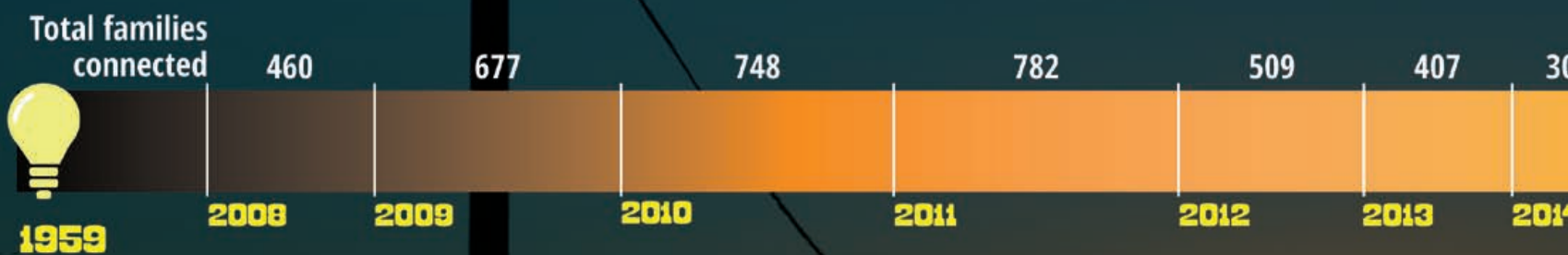
For utilities that might not yet be as ingrained with different community organizations, Ferguson-Fagan and Porter offered that a good start is simply to begin a conversation — and then continue it. "Make sure they know you are here and that you would like to be involved," said Ferguson-Fagan.

That can include volunteering for events, such as career or science fairs, or mentoring. They suggested reaching out to local community colleges and community action groups. In any case, they said the discussion should be mutually beneficial and also help the community. 🇺🇸

Connecting the

While many parts of the United States got connected to the electric grid in the 1930s, following the Rural Electrification Act, the 27,000 square mile Navajo Nation was not. Since the Navajo Tribal Utility Authority was formed in 1959, it worked to establish utility services for families and communities from across the vast Navajo Nation, which now has about 186,500 residents.

Just under one-third of residents do not have electricity. Recent efforts, especially the **Light Up Navajo** initiative, have helped NTUA connect nearly 8,000 families in the past 16 years.



1959

The Navajo Tribal Utility Authority is formed.

Only government offices and major communities within the nation have any electricity.

The Challenge to Connect

13,000 families remain without electricity

\$40,000 average cost to connect a new home

\$998 million - \$1 billion cost to electrify all remaining unelectrified homes, including house wiring and transmission

\$945 current average annual electric bill for NTUA residential customer

\$6,000 average annual electric bill for all NTUA residential customers, if NTUA shouldered the full cost of electrification

\$30,579 median household income in the Navajo Nation (41% of U.S. median household income)

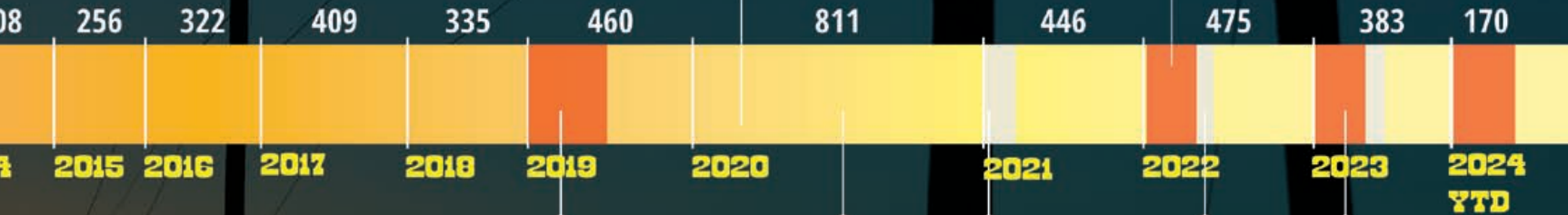
Navajo Nation

Through funding from the Demonstration of Energy and Efficiency Developments program, NTUA prepares a feasibility study on how a mutual aid-style approach could expedite electrification within the Nation. NTUA estimates that at least 15,000 families in its territory are not connected to electricity, and, without added help, the projected timeframe to connect all existing homes is 30-50 years.

About 150 crews from 25 utilities volunteer to help in the spring/summer, but the COVID-19 pandemic prevented crews from traveling to help.

137 families connected with the help of volunteer crews from 14 utilities.

170 families connected with help from 239 volunteers from 44 electric utilities.




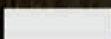
233 families connected for the first time thanks to the efforts of 138 volunteers from 26 utilities for the pilot effort.

NTUA receives funding from the CARES Act to support its electrification efforts.

Volunteers from the Los Angeles Department of Water and Power assist in getting 80 families connected to electricity.

In the fall, LADWP crews connect 53 families and help wire 62 homes.

159 homes connected with the help of volunteer crews from 26 utilities.

 Light Up Navajo
 Mutual Aid training



Donate to the Light Up Navajo effort



When an employee left a position at Conway Corp. shortly after receiving a utility-funded training, a colleague complained about the money and effort that he felt had been wasted on the worker.

Crystal Kemp, Conway Corp.'s chief marketing officer, didn't see it that way. She wears a lot of hats at the public power utility, which serves the town of Conway, Arkansas. She was happy the employee had been successful and had been exposed to the new information.

"Providing our employees opportunities to learn is part of our mission here — one of the ways we keep them engaged. I didn't think we lost anything. We learned a lot from that person, and who knows how their growth inspired others? Education and training for our employees — and employee engagement generally — is a priority for very good reason."

Kemp said Conway Corp. has always valued its employees and has sought to keep them engaged, but like others in public power — and employers in every sector — the utility today finds it is often both a bigger challenge and more critical.

A recent Gallup survey found that employee engagement has dropped to the lowest level in more than a decade, with only 33% of workers saying late last year that they were highly engaged in their job. That number declined to 30% early this year, a drop that meant almost 5 million fewer workers were enthused about their job and dedicated to their workplace.

Engagement relates to whether employees care about their work and about how the company performs and whether they are committed to their employer for more than their paycheck. They believe their work makes a difference and helps the company.

"Employee engagement has been an issue for decades. We are hearing more about it because of the pandemic and new terminology about it," said Cyndi Wentland, the founder of Intentional Leaders, a leadership consulting firm and a presenter for a preconference session on leadership at the 2024 Business and Financial Conference. "I think the discontent existed even before the pandemic, particularly among younger generations in the workforce who seek more purposeful work."

She believes the societal trend toward more meaningful work and search for connections was accelerated by isolation and fear during the pandemic and the diminishing connections as employers moved toward more remote work.





CONNECTING TO PURPOSE

ENGAGING PUBLIC POWER EMPLOYEES

BY JAMES PATERSON, CONTRIBUTING WRITER

“Education and training for our employees — and employee engagement generally — is a priority for very good reason.”

CRYSTAL KEMP, CHIEF MARKETING OFFICER
CONWAY CORP., ARKANSAS



Kemp said the effort to provide opportunities for advancement with training and education that she promotes at Conway Corp. is just one of several ways the public power utility is trying to address employee engagement, which she said is one of Conway Corp’s key strategic initiatives.

Better Outcomes

The Gallup survey showed that employees reported “less role clarity, lower satisfaction with their organizations, and less connection to their companies’ mission or purpose” and that they were “less likely to feel someone at work cares about them.”

In a separate report studying 183,000 organizations, Gallup also found engagement is connected to critical outcomes including productivity, employee retention, customer service, safety incidents, quality of work, and profitability. “Across companies, business/work units scoring in the top half on employee engagement more than double their odds of success compared with those in the bottom half,” that report found.

Missy Henriksen, executive director of the Center for Energy Workforce Development, said companies that have engaged employees perform better financially and have better safety records and higher levels of productivity and employee well-being. They also have lower absenteeism levels and turnover rates.

“For all of these reasons and others, including the tight labor market, engagement is a high priority for energy employers,” she said.

Reinventing the Utility Employee Experience, a report by CEWD in collaboration with Accenture, concluded that the energy sector workforce is “in the early stages of what we believe will be a deep and lasting transformation.”

The report noted how public perception of utilities is changing, affecting recruitment and retention of employees. It suggests changes in the industry should make work in the energy sector attractive, yet more than three-quarters of the 3,200 senior executives interviewed for the report said they have difficulty hiring new employees.

“The reason? Negative perceptions of the utilities industry, which include a lack of room for career growth, a slow-moving industry culture, and a view of the industry as unexciting,” the report noted. “While several factors are at play, one issue we have seen is a continued lack of critical focus on the part of utility companies to unlock the potential of their workforce.”

Jon-Rey Aguigui, personnel services administrator for the Guam Power Authority, which serves nearly 53,000 customers on the island and has more than 400 employees, said an aging workforce makes engagement even more important.

“In recent years, GPA has intensified efforts to reconnect our organizational progress with our employees. Given the importance of every role, we aim to showcase how each position contributes to the authority's mission,” he said. “With about 30% of GPA's workforce eligible for retirement, my office is focusing on employee engagement to boost retention rates, improve customer service, enhance company culture and cohesion, and foster innovation and creativity.”

Kemp believes that engagement is important for all those reasons but also because the nature of the work by public power utilities may cause engagement to be overlooked.

“We have to be very intentional. There are issues that are unique to us and some other organizations that have critical functions, such as the police or workers in health care,” she said. “It is so important for us to be focused on the task that needs to be completed, we can lose sight of the people doing the work.”

At GPA, Aguigui said that the utility also has recognized how important engagement can be to maximize employee satisfaction and effectiveness, and to possibly improve the prospects of attracting valuable new employees. The utility has undertaken several projects — including very visible recognition of employees on their anniversary, when they are hired, or when they advance. GPA also produces an informative company newsletter and motivational material and is working on new training academies and a certification incentive program.

What Works

“We are seeing a host of strategies to strengthen engagement through enhanced company culture programs, inclusion and equity initiatives, strengthening onboarding programs, ensuring work-life balance, and focusing on employee well-being,” said Henriksen.



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“Given the importance of every role, we aim to showcase how each position contributes to the authority's mission.”

JON-REY AGUIGUI, PERSONNEL SERVICES ADMINISTRATOR
GUAM POWER AUTHORITY



Emily Sheldon, the talent and organization lead for utilities at Accenture, noted that the research concluded that energy utilities should undertake five practices to improve engagement and build their workforce, including offering opportunities for continuous learning, listening and allowing employees to express their needs, enabling flexible work arrangements, championing workforce well-being and equality, and setting and sharing metrics related to people.

Conway Corp. recognizes the need for continuous learning in particular.

“It is something we do well that we believe is very important for electric utilities since things are changing so quickly,” Kemp said. “When you are investing that time and money into employees this way, they feel valued. That’s going to help them be more engaged.”

She noted that training for managers in the energy sector is important, too, since many have successfully advanced because they are “good at their job and not necessarily proven managers.” She enlists utility leaders in reading a book each month followed by a discussion of the topic, often about engagement strategies.

“Many employers are recognizing the importance of the role and voice of middle managers in driving the engagement proposition,” Henriksen said. She also pointed to employee resource groups, which she said are shown to heighten employee engagement. (CEWD is hosting an Employee Resource Group Leadership Series in November 2024.)

Wentland agreed and said managers at utilities have “a new burden to enhance engagement along with their other tasks.”

“The need to facilitate rapid organizational changes, navigate market challenges and address a more disengaged workforce rests primarily on front-line and middle managers,” she said about those in utilities. “This impact has forced managers to shift their roles to include coaching, counseling, and advocating for mental and physical wellness. The importance of human connection has never been greater, and many managers, ill-equipped for this transition, are struggling.”

She said organizations need leadership development that “goes beyond typical management practices, focusing instead on fostering mindsets of collaboration, growth, and psychological safety.”

Refocus on Relationships

“Utilities also need to help managers reframe their perception of their role from task-oriented to relationship-oriented,” Wentland said. “The path to employee engagement, motivation, and energy lies in the direct relationship with the manager, which is the most crucial relationship within the organization. Managers need to be aware of this expectation.”

Kemp said Conway Corp. builds relationships through traditional methods, such as utility-wide events (including a town hall twice a year with employee questions solicited in advance) and various recognitions, but also uses the Birkman method of assessing its staff. The method “measures personality characteristics that influence behaviors, motivations, and perceptions” and then offers insights on how those characteristics might interact in a team setting. The results for each employee are reviewed with them and considered as the utility undertakes team projects or looks for individual and group strengths and weaknesses.

The practice aligns with another of the CEWD recommendations: setting and sharing people metrics.

“It is very valuable information. You can see an employee’s characteristics and see how they fit with others on a map,” Kemp said. “One person, for instance, in the field might be a ‘doer’ and want to get things done, while someone in finance wants to study things more closely. Knowing these characteristics helps us use employees wisely and makes them feel more comfortable and capable in their positions.”

The utility also values an employee survey that’s conducted every six months. They found that conducting an annual survey didn’t allow enough time for them to respond to the employee concerns. The survey asks about topics such as whether employees feel they have appropriate resources, adequate pay and benefits, and opportunities for training. It also asks about qualities such as trust in leadership, safety, and work/life balance.

She stressed that such surveys must have two qualities: specificity and outcomes.

“We structure it to get specific answers and look for specific results. The leadership team members meet with their managers who then communicate the results to their teams. But then it also is important that

we note ‘here are some things we have done’ once we have acted on their concerns.”

The CEWD report also calls on managers to “listen to what people need” and said that while it would help most energy workers adapt to organizational changes, only 15% of responding utilities thought they were doing well at listening to their people. Sheldon said active listening is important, along with structures for two-way communications and paying closer attention to employee behavior, particularly in a utility environment.

“These forms of listening provide a more comprehensive and nuanced understanding of employee sentiment than surveys alone,” she said. “This continuous exchange of information allows companies to identify and address issues more quickly, adapt to changes effectively, and foster a culture of open communication and trust. Moreover, employees who feel heard and valued are more likely to be engaged, motivated, and committed to their work, which can lead to better performance and lower turnover rates.” 🇺🇸

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WHAT WE'VE LEARNED FROM TIME-VARYING RATES



BY AHMAD FARUQI,
ECONOMIST-AT-LARGE

Time-varying rates, or TVRs, include the variety of ways of conveying the time variation in utility costs and system load curves to consumers. In the U.S., the introduction of TVRs was spurred by the passage of the Public Utility Regulatory Policies Act in 1978, which called on utilities and commissions to manage the growth in peak loads. Since then, the concept has continued to evolve in a series of “waves.”

1. Ahmad Faruqi and J. Robert Malko, “The Residential Demand for Electricity by Time-of-Use: A survey of twelve experiments with peak load pricing,” *Energy: The International Journal*, Volume 8, Issue 10, October 1983, pp. 781-795.

2. “Impact Evaluation of the California Statewide Pricing Pilot,” Charles River Associates, March 16, 2005, accessed at http://www.calmac.org/publications/2005-03-24_SPP_FINAL_REP.pdf, and Ahmad Faruqi and Stephen S. George, “Quantifying Customer Response to Dynamic Pricing,” *Electricity Journal*, May 2005.



FROM A HALF-CENTURY

FIRST WAVE: ESTABLISHING PEAK VS. OFF-PEAK PRICING

Aided by funding from the federal government, several utilities conducted pilots with simple time-of-use rates, which featured higher prices in the peak period and lower prices in the off-peak period. The prices were known to the customer in advance and, in some cases, varied by season, but they did not vary dynamically in response to changing system conditions. In most cases, customers materially reduced peak consumption in response to the TOU rates, with very little (if any) load shifting to shoulder or off-peak periods. The reduction in peak consumption was statistically significant in many pilots.¹ Higher peak-to-off-peak price ratios and shorter on-peak periods generally led to stronger customer response.

SECOND WAVE: VERIFYING CONNECTION BETWEEN RATES AND BEHAVIOR

In the mid-1980s, the Electric Power Research Institute examined the results from five of the best designed pilots and found consistent evidence of consumer behavior response to the rates. Unfortunately, not much came of this discovery because of the lack of smart metering and because of the industry's focus at the time on retail restructuring and the expansion of wholesale electricity markets.

However, a few utilities did move ahead with mandatory TOU rates for large residential customers. Virtually all utilities moved ahead with opt-in TOU rates, but few customers took advantage of the new rates.

THIRD WAVE: INTRODUCING TECHNOLOGY AND DYNAMIC PRICING

The 2000–01 California energy crisis gave impetus to the next wave of pilots with TVRs. A statewide pricing pilot in 2003–04 showed that customers of the three investor-owned utilities in California reduced peak-period energy use in response to TVRs.² This pilot was a game changer, helping to spur many more pilots around the globe.³ In addition to TOU rates, they featured other types of dynamic pricing designs. Some of these pilots featured enabling technologies such as in-home displays and smart thermostats.

This wave found that as customers' peak-to-off-peak price ratio increases, customers reduce their peak consumption more, although at a declining rate. Studies in this wave also showed how enabling technologies, such as smart thermostats, significantly enhance customer responsiveness. The third wave of pilots also showed that customers with lower incomes can be price-responsive, although not to the same degree as the average residential customer.

Overall, the third wave of pilots yielded rich information on customer responsiveness to time-varying pricing. Pilots in the third wave provided the impetus and scientific evidence for widespread investment in advanced metering infrastructure.

3. Ahmad Faruqi, Sanem Sergici, and Cody Warner, "Arcturus 2.0: A meta-analysis of time-varying rates for electricity," with Sanem Sergici and Cody Warner, *The Electricity Journal*, 30:10, December 2017; Ahmad Faruqi, Sanem Sergici, and Ziyi Tang, "Do Customers Respond to TVR: A Preview of Arcturus 3.0," <https://www.brattle.com/wp-content/uploads/2023/02/Do-Customers-Respond-to-Time-Varying-Rates-A-Preview-of-Arcturus-3.0.pdf>, 2023.



OPTIONS FOR EASING CUSTOMER TRANSITION TO TIME-VARYING RATES

- **GRADUALLY TRANSITION RATES:** Design transition schemes that change the rates gradually over three to five years.
- **BILL PROTECTION:** Alternatively, customers could receive bill protections that ensure their bills do not go up all at once, with those protections being phased out over time.
- **PROTECTIONS OR ASSISTANCE FOR SENSITIVE CUSTOMERS:** For the first few years, rates could be optional for sensitive or disadvantaged customers, such as customers with low income, small users, and those with certain medical needs. These customers could also be provided financial assistance for a limited time.
- **ADDITIONAL INFORMATION AND OPTIONS TO CUSTOMERS:** As an example, utilities could offer electricity via a subscription concept in which customers “buy” their historical usage at the historical price and buy or sell deviations from that usage at the new tariffs. This option would also help to transition into the fifth wave of tariff reform involving transactive energy.

FOURTH WAVE: SCALING UP

The fourth wave involved the large-scale rollout of TVR. Some rollouts featured two pricing periods and others featured three pricing periods. Today, the ratio of peak to off-peak prices in 85% of the two-period TOU rates is at least 2:1, while the mean price ratio is 3:1. TOU rates with three periods have a similar price ratio as those with two periods.⁴

The implementation of TVR did not keep pace with the installation of AMI. According to the Energy Information Administration, 104.2 million households have AMI, which is about 73% of total residential electric meters as of 2022, but only 13.1 million households are enrolled on a TVR, or about 9.4% of residential customers.⁵

WHERE WE ARE NOW

Despite the evidence for TVR, there are persistent fears about a customer backlash or a failure to realize expected benefits in a full-scale deployment. Unless evidence of benefits is compelling, customers, utilities, and regulators will fear that the new rates will fail to promote economic efficiency or equity.

Utilities also need to address concerns among customers with specific situations, such as those with medical needs or those who have greater difficulty in managing their electricity consumption, and customers from disadvantaged groups.

There are ways to overcome these fears. Utilities can better understand the potential effects of the rate change by conducting bill effect studies and customer behavior studies. Then, utilities can engage in customer outreach to explain why the electric rates are being changed and how the new time-varying rates will work. It is important to ensure the new rates use clear and understandable language.

Utilities can develop new and more efficient ways to communicate with their customers, especially newer generations of technology-savvy customers. Embracing technology offers ways to connect with customers, and efforts such as developing apps and smart energy tools enhance the customer experience.

New technology is already beginning to reveal to customers the extent to which electricity cost can vary depending on usage patterns over time.

4. U.S. Department of Energy, *Utility Rate Database, OpenEI*, last modified February 2023, accessed at https://openei.org/wiki/Utility_Rate_Database.

5. “Annual Electric Power Industry Report”, Form EIA-861, U.S. Energy Information Administration, Oct. 5, 2023, accessed at <https://www.eia.gov/electricity/data/eia861>.



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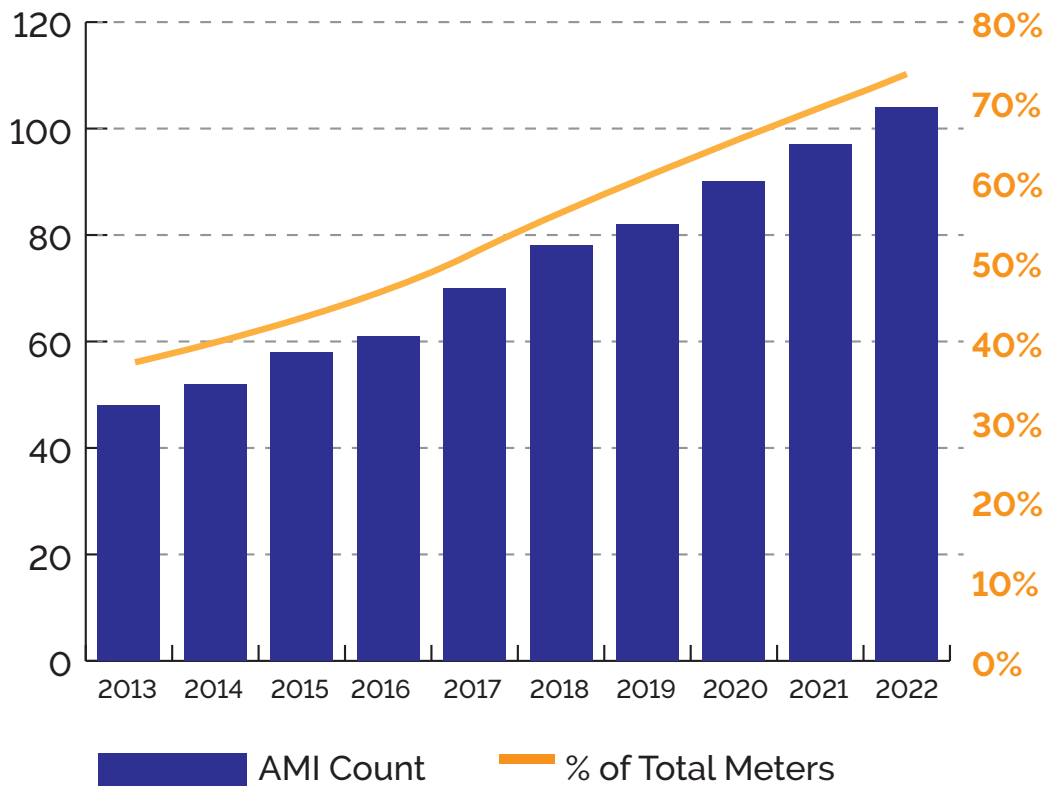
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Public policies and initiatives are opening the door for households to have more control over the source of their electricity — beyond retail choice — through distributed generation. Smart appliances, thermostats, and apps are giving residential customers more tools to control and customize usage patterns. Customers will still have the right to access reliable power supply, but these changes will continue to give households more power to optimize their individual electricity use, their cost of electricity, and their environmental footprint.

Also expect continued improvements in data exchanges from and to smart houses to give residential customers opportunities to capture value directly from wholesale electricity markets. This means that customers who install assets such as solar panels,

battery storage, and load-flexible HVAC systems and appliances will not only react to wholesale market and system conditions, but they will actively participate in wholesale markets through agents or technologies that allow customers to communicate and coordinate directly with market administrators and system operators.

Not all customers will have the appetite for engaging in power supply decisions to this degree, but customers who are used to social media, fast-paced and complex communications, and a suite of apps to manage their lives will not find this foreign.

Ahmad Faruqui has been working on electricity pricing issues since 1979. In his career, he has consulted with utilities, regulators, legislators and government agencies on six continents.

INTRODUCING TIME-VARYING RATES IN THE PACIFIC NORTHWEST

A CASE STUDY OF SNOHOMISH PUD





BY **PETER DAUENHAUER**, SENIOR
MANAGER OF RATES, ECONOMICS
AND ENERGY RISK MANAGEMENT,
SNOHOMISH PUBLIC UTILITY DISTRICT,
WASHINGTON

Snohomish Public Utility District serves 377,000 residential customers in Washington state. It is the second largest consumer-owned utility in the Pacific Northwest, after Seattle City Light, and the 13th largest in the U.S. SnoPUD's pilot with time-of-use rates was called FlexEnergy and had several goals:

- Assess how much peak load shifting can be induced by TOU rates.
- Establish local data on peak shifting and determine the value of distributed energy resources in the PUD's service area. Although advanced rate pilots have been carried out for a long time in the U.S., relatively few were carried out in winter-peaking climates.
- Build up internal capacity for scoping up to larger-scale solutions, which would be a key element of the energy transition.

The TOU pilot was designed to test three pricing options across eight customer segments. The pricing options were:

1. A **TOU rate**, based on an embedded cost of service study, with four winter-peaking months (November through February). During the peaking season there were two

peaking periods of three hours, one covering the morning peak and one in the evening. Peaking prices were roughly twice the mid-peak prices. Mid-peak prices were set to the PUD's standard energy tariff (10.47 cents per kilowatt-hour) and a 20% discounted off-peak price was conveyed during all evening, weekend and holiday hours.

2. A **critical peak pricing**, or CPP, rate targeted 50 day-ahead called event hours. This rate was designed to shift demand against peak-hour market risk exposure. The peak price was \$1 per kWh during called event hours and a 10% discount during all other hours — yearlong.
3. A **simple incentive** (\$80/year) for utility control of an EV charger or a smart thermostat. To qualify for this segment, a customer had to own compatible technology that was set up to be automatically controlled by the distributed energy resource management system, or DERMS, during event calls. Like the CPP, there were up to 60 event hours called per year, but customers could opt out during the event at no penalty.

The PUD wanted the price signal to be a win-win for customers and the utility. Thus, the pilot was designed to send the right cost-based price signals to customers and to pair prices with tools that would facilitate load shifting (including smart thermostats and EV chargers) and behavioral messaging.

Pilot participants were segmented into two technology groups (those with EV chargers and those with smart thermostats) and a behavioral group with no DERMS-connected technology. The pilot included four smart device vendors

(Google Nest, Ecobee, Enel X, and ChargePoint). The technologies were controlled by Virtual Peaker's DERMS platform. At the end of the pilot, there were roughly 90 EV customers, 110 smart thermostat customers, and 300 customers with no connected technology.

For the control group, the PUD established a load research sample, consisting of more than 500 residential customers, for load forecasting purposes. Ideally, and with more time and staff availability, the PUD would have planned a randomized control trial or run the pilot for a

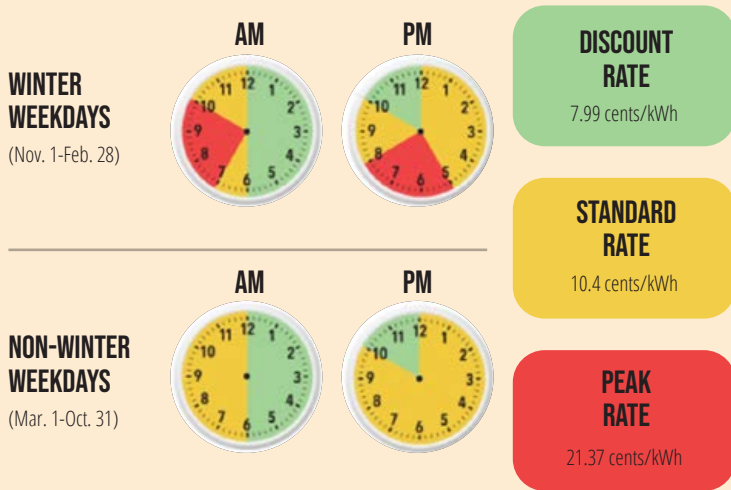


Figure 1. SnoPUD's time of use rate schedule

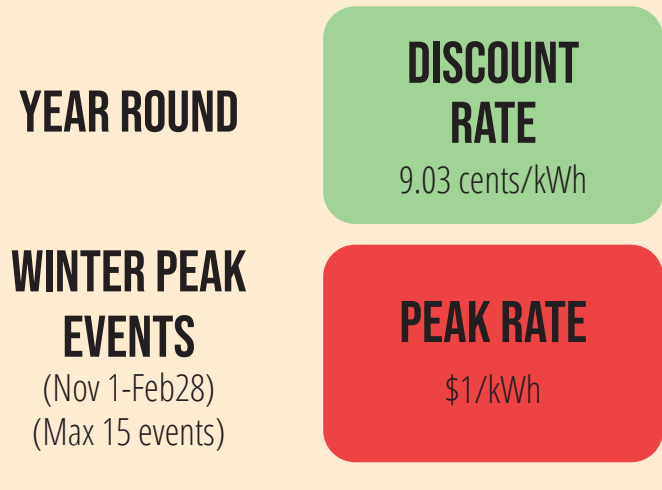


Figure 2. SnoPUD's critical peak pricing

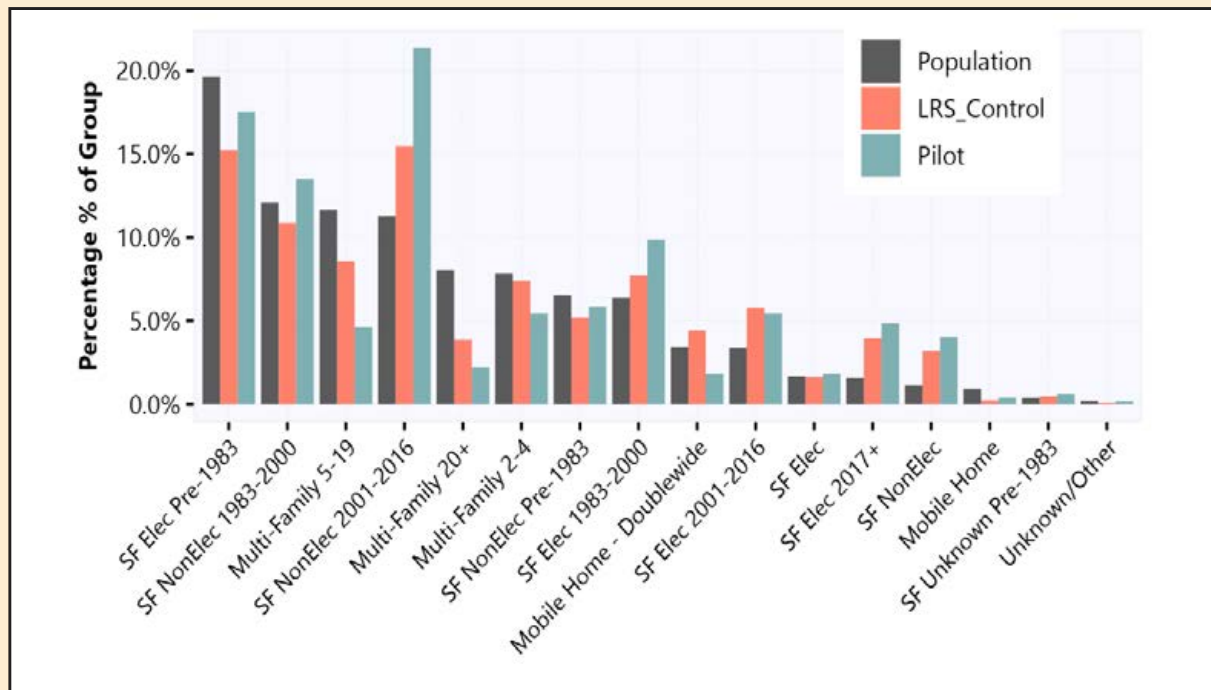


Figure 3. Population, control, and pilot proportions, by premise type

year without a rate treatment. The PUD had to innovate on its design due to an upcoming AMI deployment, limits in metering staff to deploy non-AMI interval meters before the pilot, and a short recruitment window (roughly four months). This data set was used to collect comparison intervals over the pilot.

The utility pre-emptively added MV-90 probed interval meters on another 225 customers who had purchased EV chargers and smart thermostats through the PUD's online marketplace, boosting the total number of control meters to about 750. The PUD developed quasi-controls for each pilot participant using the pre-pilot load shapes versus the control meters and selected and blended up to five control meters per FlexEnergy meter to compare against.

Customers were recruited through the PUD's website, email lists, and social media. Prior to the official recruitment period (May to September 2021), customers could request to join a wait list. Recruitment activities included targeted emails, magazine articles, external media, display advertisements, and customer device marketing. The PUD also recruited

customers who had purchased devices from the PUD's online marketplace to help fill distinct segments. Although the opt-in recruitment was not randomized, the customers in the pilot represented the larger segments within the utility's overall population base (see Figure 3).

The pilot ran from October 2021 to March 2023 and encompassed two winter "peak seasons." Initially, 575 customers were enrolled in the pilot. Because of attrition, largely from customers moving to other service areas, the number had dwindled to 497 by the time the pilot ended.

Results and What's Next

On average, customers in the two TOU rates saved \$25-\$40 over each year of the program, or roughly 3.8%-4.8% of monthly bills. Depending on the year of the pilot, peak shifting varied between 7%-12% for the TOU rate, 25%-33% for the critical peak pricing rate, and 7%-12% for the demand response incentive. Irrespective of the pricing pilot, the utility captured self-reported ownership of various equipment types.

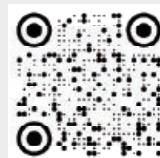


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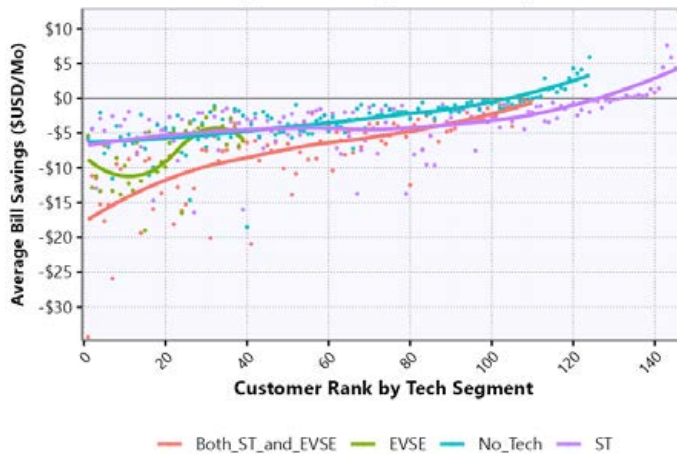
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Average bill savings per customer for the TOU and CPP segments, both in dollars and as a percentage versus the utility’s standard rate, are shown in Figures 4-6 (“ST” refers to smart thermostat and “EVSE” is electric vehicle supply equipment). Customers who owned both types of equipment (red curve) had relatively positive bill outcomes — though only a small segment experienced worse outcomes after shifting. Customers without technology (teal curve) perform remarkably well overall, showing that behavioral only peak shifting is viable for motivated customers.

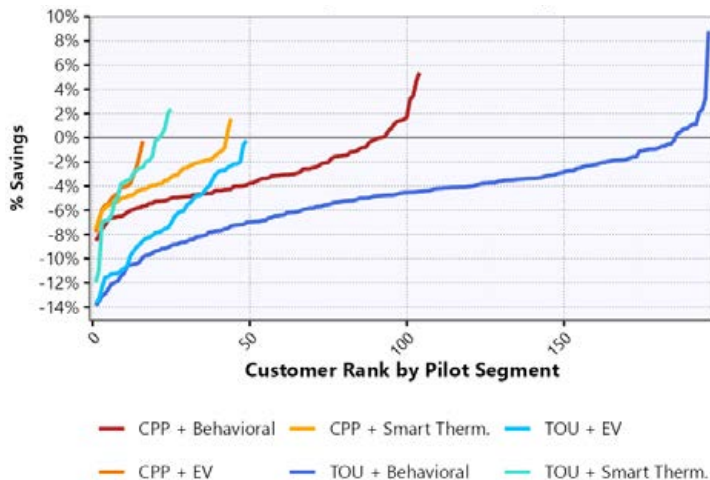
Based on the encouraging results of the pilot, the PUD intends to move forward and offer a TOU rate to customers in 2025. Other time-varying rate options, including variable peak pricing, critical peak pricing, and peak time rebates, are also being reviewed.

Given the expected growth of electric vehicles in the PUD’s service area over the next decade, attention is being given to implementing the right incentives for EV customers to charge their vehicles off-peak. TOU rates will be a key part of that strategy. 🇺🇸

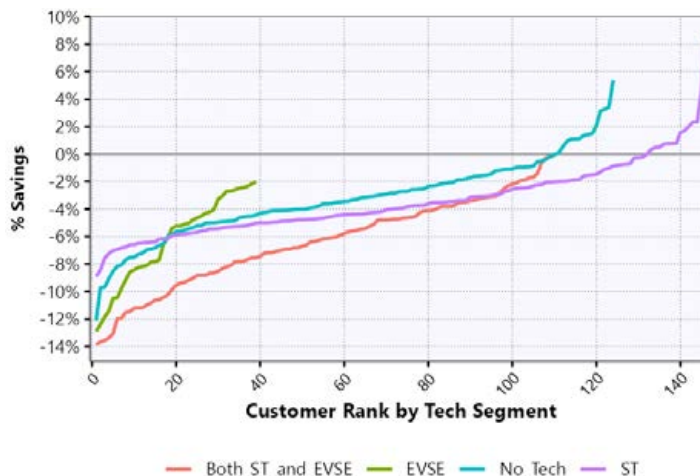
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% BILL SAVINGS OVER TWO STUDY YEARS



% BILL SAVINGS OVER TWO STUDY YEARS - TECH SEGMENT



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CHANGES IN CONGRESS MEAN ITS TIME AGAIN TO EDUCATE ABOUT ENERGY ISSUES

BY **AMY THOMAS**,
VICE PRESIDENT, GOVERNMENT
RELATIONS, AMERICAN PUBLIC
POWER ASSOCIATION

Predictions are hard, especially about the future. This old saying has never been truer. A Hollywood screenwriter could never imagine the series of dramatic situations and surprises in Washington over the past 20 months: fiscal cliffs, government shutdown showdowns, the removal of House Speaker Kevin McCarthy, R-Calif., the struggle to elect (and keep) Rep. Mike Johnson, R-La., as the new speaker, and President Joe Biden's belated decision to not seek a second term.

Now, the 2024 elections are looming. Republicans have a slim majority in the House and Democrats have a slim majority in the Senate. Roughly a third of senators are up for reelection. This election, Democrats are defending 23 seats, whereas Republicans are defending only 10. Moreover, Democrats are defending more highly competitive seats, namely in Nevada, Montana, and Ohio. Given these dynamics, Republicans have the wind at their backs to win control of the Senate. The House is more of a toss-up. We cannot predict the future, but we can be prepared.

New Faces on Key Committees

Even if every incumbent were to win reelection, there will still be a lot of change in Congress. Thus far, eight senators and 45 representatives have announced that they aren't running for reelection. This includes key energy policy players like Sen. Joe Manchin, I-W.Va., chair of the Energy and Natural Resources Committee, and Rep. Cathy McMorris Rodgers, R-Wash., chair of the Energy and Commerce Committee. Almost half of the House Energy & Commerce Committee's Energy subcommittee members are not running for reelection.

We will have our work cut out for us educating all the new members of Congress, as well as those new to key committees with jurisdiction over issues important to the electric industry. With your help, especially if new committee members and leaders represent your area, we can share how public power is important to their constituents and how certain policies and provisions can help or hinder these operations.

A Focus on Finance

Regardless of which party wins control of Congress and the White House, legislators will likely pursue at least one reconciliation bill. Reconciliation is a special process that allows for expedited consideration of certain tax, spending, and debt limit legislation. In the Senate, reconciliation bills require only a simple majority vote for passage and cannot be filibustered (subject to a 60-vote threshold). Given the slim majorities in both the House and the Senate, both parties have used reconciliation in recent years to pass key legislative priorities — Republicans used reconciliation to pass the Tax Cuts and Jobs Act in 2017, while Democrats used reconciliation in 2021 and 2023 to pass the American Rescue Plan and the Inflation Reduction Act, respectively.

Tax issues will be at the top of the agenda in the next Congress. Key provisions of the Tax Cuts and Jobs Act are set to expire at the end of 2025. Generally speaking, Republicans are keen to extend and expand many of these tax cuts, whereas Democrats are interested in letting many of these cuts expire. The American Public Power Association is already laying the groundwork to protect municipal bonds from taxation, as well as to protect and enhance elective pay (also known as direct payment), which was enacted as part of the IRA.

On the more traditional energy and environmental policy front, we can expect the preferences of each party — broadly speaking — to continue: Republicans are most interested in expanding energy production as a means to ensure electric reliability, whereas Democrats are most interested in policies to reduce greenhouse gas emissions and in expanding transmission development to connect more renewable energy resources to the grid.

No matter the outcome of the elections, APPA is prepared to advocate on behalf of public power utilities and the communities they serve. We encourage our members to join us in using this fall to prepare to hit the ground running in the new year. 🇺🇸

Public Power Leaders: **Janisse Quiñones**

A *A Q&A with Janisse Quiñones, who started as chief executive officer and chief engineer of the Los Angeles Department of Water and Power in May 2024. Quiñones joined LADWP from Pacific Gas and Electric Co., where she served as senior vice president of gas engineering and then as senior vice president of electric operations. She also served in executive roles for National Grid, Cobra Energy, and San Diego Gas & Electric. She has managed the engineering and design of natural gas distribution, transmission, and infrastructure projects, including helping lead restoration and reconstruction projects in Puerto Rico following Hurricane Maria, and she oversaw various meter compliance, design, and construction projects.*

Quiñones served in the U.S. Coast Guard full time as a commander and as deputy, planning and incident management, and is an active U.S. Coast Guard Reserve officer. She was born and raised in Caguas, Puerto Rico, and she has a bachelor's in mechanical engineering from the University of Puerto Rico-Mayaguez Campus. She holds a master of business administration and a master of advanced studies in international relations and is a licensed professional engineer in five states. She is a proud wife and mom of five and has a 14-year-old puppy.

Based on an interview on the Public Power Now podcast.



WHAT ARE YOUR GOALS COMING INTO THE ROLE, AND WHAT WOULD YOU LIKE TO SEE LADWP ACCOMPLISH?

When leadership changes, there's always fear of change and really understanding who your talent is. Where are your gaps from a leadership perspective, what is working, what's not working, what's high priority? I've been doing a lot of connecting with our employees, understanding the areas that I need to tackle immediately and the areas that can be longer term strategy. I've also been working a lot [with] our stakeholders in rebranding the company and making sure people know that we're here to do the right thing for our customers and we're going to do it ethically and with integrity, and that everything we do has an equity lens.

My long-term goals are very well defined — 100% clean energy and 70% local water by 2035. I'm ensuring that everybody understands that's where we're heading, because this is not just DWP; our communities have to be part of the equation. They have to be actively involved in the transition — our policymakers, our environmental community, any stakeholder that has a say on how we move policy and how we move technology and innovation. So, a lot of collaboration is going on, engagement, ensuring that we are having the right conversations at the right time with the right people. It's critical.

We have a lot of work to do, not only in securing more renewable resources, but increasing the transmission capacity to bring those resources into the local basin while at the same time increasing our local renewable resources, like utility-owned solar in the community.

One of my number one goals, and I think our differentiator for our energy transition, is making sure that we do this equitably and we don't leave any community behind. One of the goals that drives me every day is really ensuring that I'm an enabler of creating a new middle class in L.A. by increasing high-paying jobs that are staying in L.A. to support the L.A. clean energy transition. Some of the work that we're doing locally is creating EV charging hubs, which will have local storage capacity so that we can store that excess power in those hours that it's not peak hour and redispach it when we need it locally. And those are going to be primarily in disadvantaged communities. In L.A., 54% of our community is disadvantaged. This is going to have multiple benefits for the community, including resiliency, microgrids, EV charging at residential rates, and creating local jobs.

IS THERE ANYTHING THAT HAS SURPRISED YOU ABOUT BEING IN A PUBLIC POWER ENVIRONMENT SO FAR? HOW DOES IT COMPARE TO THE CORPORATE UTILITY ENVIRONMENT?

It's very different than the IOUs, but similar. It operates like any other utility, but the biggest change is that we're also a city department. As part of the big city family, we are constantly solving for the issues that affect the local region and the local customers, and so we're very connected to our customers in a way that I have not seen before. When you have big IOUs, the customer base is very different, it's expanded and you have other things that are in the forefront like [the public utilities commission and California Independent System Operator] and other things that are driving your policy. When you're in the city, the city drives the policy for the utilities and so the programs that we generate — and how we manage the programs — are very tied to our community.

I'm out in the field almost every week, making sure that I connect with my employees, but also the communities we're serving. Last week we had an event in Watts, one of our underserved, disadvantaged communities. We were able to provide 600 portable AC units for low-income elderly seniors, because of the heat wave and how much heat is impacting our most vulnerable populations like our young kids and our elderly. I was in the Watts Community Center making sure that we were there to provide not only the AC units, but information on our programs and a level pay plan, so that they can use the air conditioners that were given to them to improve their health.

I'm working a lot with the tribes in Owens Valley on the water side as well, and I did that the first two weeks in the job, making sure that they know they're on my mind and that they're a priority for the way that we engage with stakeholders.


It's interesting to see how much of all the best things and best lessons learned from all the utilities are coming to the forefront in this job. During my career, I've done anything from customer service, customer programs, operations, gas, electric, and now water. I have also been in the military for 19 1/2 years, and my background in the military is regulatory compliance, technical engineering, inspections, and emergency response. I've responded to Deepwater Horizon, Hurricane Maria, and the Afghan resettlement mission. I moved back home to Puerto Rico after Hurricane Maria for the restoration of the grid. I was there for about a year until we were able to energize the last customer impacted by the storm. Knowing how to manage any type of emergency, the training comes in... you're not losing your patience and you're able to meet the organization through some of those big disasters.

WHERE CAN/SHOULD UTILITY LEADERS WORK TOGETHER TO SHARE THEIR KNOWLEDGE AND SOLUTIONS? IS THERE ANYTHING YOU HOPE TO LEARN FROM OTHER PUBLIC POWER LEADERS?

I'm a constant learner, so anything that they have to offer, I'm all ears. Policy is a big one. I think APPA is a perfect example of how we come together and create policies that impact our public power sector in a way that benefits our customers because we are different than IOUs.

Any innovation they're using, how they're engaging with customers — especially on data centers and AI centers where we're seeing areas where we had excess power and now we're running out of power, how we're solving for that on a micro and macro level.

I think it's critical for all of us to have those conversations and solve the problems together. I'll tell you, 100% clean energy by 2035, it's a challenge because we don't have all the answers. It's a journey, and we've got to work on the journey together to make sure that we use all the brain cells that we have in the community to solve for the unanswered questions that we have today. We're all trying to do the same thing at the same time, and the resources are limited.

The last thing is workforce. We're all struggling to hire the right workforce that's going to be able to run the system as it is today and transform it for the 2035 goals that we have. Workforce development, strategic planning — all of that goes into the integrated resource plan, which has a lot of questions that we haven't really had to deal with in the past. We really need to put a different thinking cap on. 

Planning Equitable Utility Programs

BY MEGAN DAY, KATE ANDERSON, AND SONJA BERDAHL, NATIONAL RENEWABLE ENERGY LABORATORY

The Los Angeles Department of Water and Power made a bold move to invite community-based organizations and researchers from the National Renewable Energy Laboratory to develop strategies that allow the communities it serves to equitably share the benefits and burdens of the energy transition.

Looking Back: Who's Benefitted from Programs

LADWP RESIDENTIAL INVESTMENTS 1999-2022		NUMBER OF YEARS	TOTAL AMOUNT SPENT	AVERAGE AMOUNT PER CUSTOMER DAC/Non-DAC	% OF INCENTIVES Normalized by number of customers DAC/ Non-DAC	WHICH COMMUNITIES DISPROPORTIONATELY BENEFITED FROM PROGRAMS?				
						DAC/ Non-DAC	Mostly Non-White /White	Mostly Hispanic /Non-Hispanic	Mostly Renters /Owners	Below /Above Median Income
SOLAR INSTALLATION (1999-2022)	Net Energy Metering Programs	22	\$340,604,541	0.25 kw 0.41 kw	38% DAC 62% Non-DAC	Non-DAC	White	Non-Hispanic	Owners	Above
	Home Energy Improvement Program	3	\$3,378,869	\$3 \$2	61% DAC 39% Non-DAC	DAC		Hispanic	Owners	
ENERGY EFFICIENCY (2013-2021)	Refrigerator Turn-In and Recycle Program	5	\$2,667,307	0.010 refrigerators 0.014 refrigerators	42% DAC 58% Non-DAC	Non-DAC	White	Non-Hispanic	Owners	Above
	Consumer Rebate Program	6	\$93,248,144	\$64 \$74	46% DAC 54% Non-DAC	Non-DAC	White	Non-Hispanic	Owners	Above
	Other Non-Low-Income-Targeted Programs	15	\$36,343,548	\$178 \$196	35% DAC 65% Non-DAC	Non-DAC	White	Non-Hispanic	Owners	Above
	Energy Savings Assistance Program*	5	\$7,897,260	\$11 \$1	92% DAC 8% Non-DAC	DAC	Non-White	Hispanic	Renters	Below
ELECTRIC VEHICLES (2013-2021)	Incentive Programs	8	\$5,361,426	\$41 \$64	23% DAC 77% Non-DAC	Non-DAC	White	Non-Hispanic	Owners	Above
CUSTOMER DISCOUNTS (2006-2021)	Low-Income Program*	15	\$173,633,204	\$195 \$64	73% DAC 27% Non-DAC	DAC	Non-White	Hispanic	Renters	Below
	Lifeline Program*	15	\$313,424,782	\$302 \$164	65% DAC 35% Non-DAC	DAC	Non-White	Hispanic	Renters	Below

*Low-income targeted

DAC – disadvantaged communities, as defined by SB 535

Looking Ahead: Problems and Solutions

Through a steering committee and listening sessions with members of community-based organizations, NREL identified how reaching the city's goal of 100% clean energy by 2035 could exacerbate several energy challenges for disadvantaged communities and developed community-guided, innovative strategies and solutions for greater involvement and equity moving forward.

Reliability

Disadvantaged communities experience marginally higher power interruptions and 14% higher grid stress compared to non-disadvantaged communities. Analysis found that grid stress will worsen to 25% higher in disadvantaged communities by 2035 under current infrastructure approaches.

Upsize transformer capacity by 2-3+ times when replacing service transformers to support more equitable electrification and access to distributed energy resources.

Affordability

Under current structures, low-income customers will see their bills increase 50% more than higher-income customers, spending an average of 16% of household income on electricity by 2035.

Reform rates to alleviate cost increases for low-income customers.

Replace solar net metering with net billing.

Implement robust low-income assistance programs with expanded eligibility.

Home cooling

More than 50% of low- and moderate-income households in LA do not use cooling. By 2035, 230,000 low-income households will experience more than two months of exposure to dangerous indoor temperatures annually, with multifamily building residents facing the highest exposures.

Directly install heat pump or other cooling in extremely low-income households without cooling, prioritizing multifamily buildings.

Implement low-income customer on-bill tariffs for heat pump water heaters or enhanced insulation, which can deliver immediate bill savings for renters and owners alike regardless of credit scores or access to capital.

Implement mechanisms to ensure utility-supported efficiency upgrades do not cause rent increases and lead to displacement.

Solar Equity

The LADWP Shared Solar program requires a premium to subscribe and has higher participation among non-disadvantaged communities.

Establish a low- and moderate-income shared solar 20% discounted subscription rate and expand shared solar capacity with 50% of all new capacity provided at the discounted rate.

A discounted low- and moderate-income shared solar subscription rate would deliver \$480 in average annual bill savings to these households. In addition, shared solar could generate five times more electricity than residential rooftop solar for the same investment.

Involvement

Community members perceive a lack of transparency, involvement, and decision-making power in shaping utility programs.

Implement a collaborative platform for continuous engagement with community partners.

Co-develop programs and services to improve transparency.

Provide tailored outreach and education through local trusted messengers.

Expand workforce development programs to provide equitable access to training and high-road jobs.

Transportation electrification

Disadvantaged communities have low rates of vehicle ownership and transit access. 150,000 projected low-income EV adopters will lack access to at-home charging by 2035.

Disadvantaged communities, who have greater exposure to traffic air pollution, would benefit the most from electrification of heavy-duty vehicles.

Increase the utility low-income used EV incentive from \$2,500 to \$4,000, add an eligibility purchase price cap of \$25,000, and shift to point-of-sale incentives.

Prioritize heavy-duty truck electrification and truck charging infrastructure development.

Expand at- and near-home EV charging access for low-income multifamily building residents and provide vouchers or charging subscriptions for public EV charging to low-income households.

Establish EV car-share, e-bike, and e-scooter programs.

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