

Maximizing Impact

How an Economic Benefit Study Reveals the Value your
Utility Provides

Introductions

Rhonda Barwick

City Manager

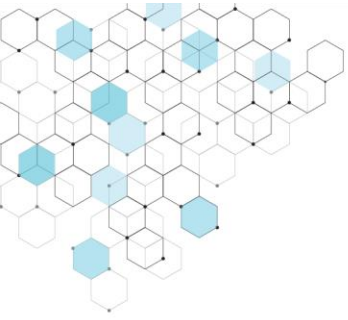
City of Kinston

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Sr. Renewable Energy Portfolio Manager

ElectriCities





PUBLIC POWER'S STRATEGIC PRIORITIES

FUTURE-FOCUSED

Develop a future-focused mindset



STRENGTHEN PUBLIC POWER

Build public and political support for public power

PROVIDE SUPERIOR POWER

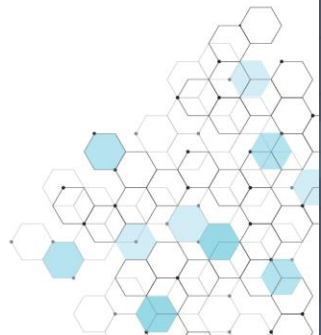
Deliver reliable, affordable, and sustainable electric power

CUSTOMER-CENTERED INNOVATION

Innovate and invest to better serve our customers and communities

PEOPLE

Leverage our people as our greatest asset



FUTURE-FOCUSED

Develop a future-focused mindset

- Know your electric business and why you are in it
- Know the value your electric business creates for your community



Q1: If someone asked you the value your electric business provides, how would you reply?



WHAT IS THE ECONOMIC BENEFIT STUDY (EBS)?

- Tool for articulating the value of your electric business to your community
 - Quantitative factors such as budget impact
 - Qualitative intrinsic benefits such as local control, local service
- Comprehensive yet concise review of several key value areas



EBS BACKGROUND

- Introduced in 2019 as highly customizable 10 - 15 page report
- 7 studies between 2019 and 2021
- Benefit equating to average of 17.9 cents on the property tax rate
- 2024 Program Re-introduction
- Templated 5 - 6 page report
- 2 pilots - summer and fall of 2024
- 2025 Rollout



WHY DO AN ECONOMIC BENEFIT STUDY?

Why do people like Swiss Army Knives and Multi-Tools?

- To be prepared for known challenges with a single tool that can handle many purposes
- To be prepared for unknown challenges with handy tools
- Effective response to a variety of challenges



Q2: What are some challenges your electric business might face?

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POTENTIAL CHALLENGES

- A rough storm that takes more than a couple of days to get the lights back on
- A rate increase, for any reason, at an inopportune time
- A large expense shows up, like a new substation or a couple trucks. We didn't budget for these and may have to take on debt service
- Wages must rise to retain technically skilled electric staff, but other departments haven't had much of a raise in a while
- A venture capital firm shows up and says "Have we got a deal for you."

Challenges lead to questions.

WHY DO AN ECONOMIC BENEFIT STUDY?

To answer the questions of:

- City staff
- City Council
- City Managers
- Retail customers
- Concerned citizen groups

To answer the ultimate question of:

- Why are we in this business?



HOW TO USE THE ECONOMIC BENEFIT STUDY?

What does the EBS communicate?

Value areas of:

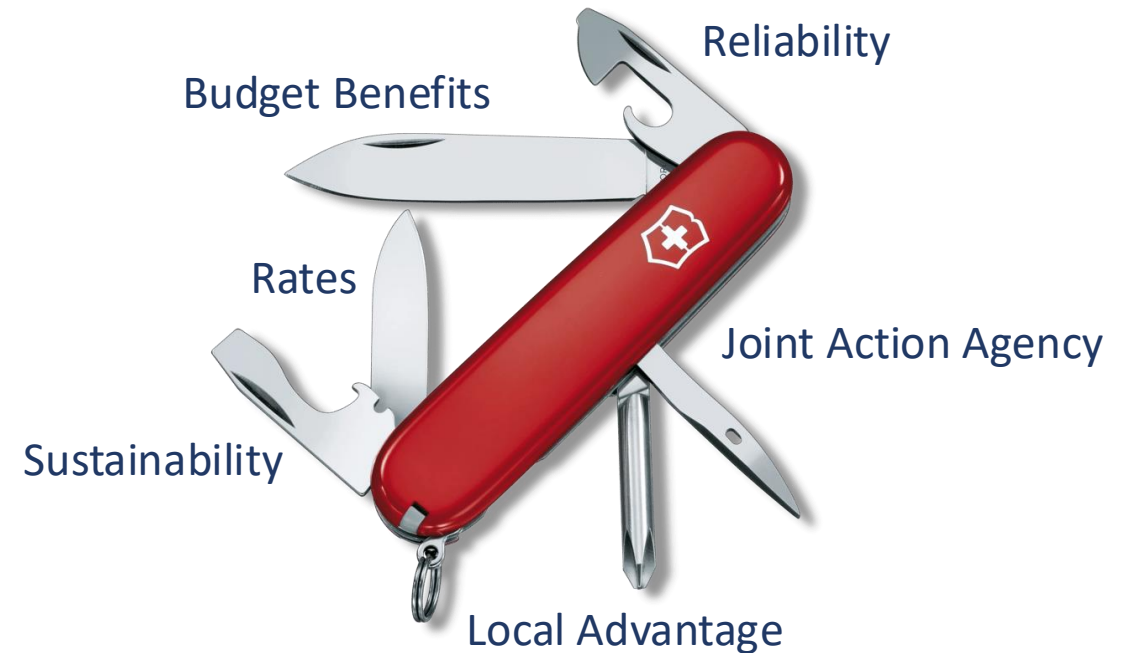
- Financial Benefits to Municipal Budget
- Reliability
- Sustainability
- Local Advantage
- Joint Action Agency
- Rates



HOW TO USE THE ECONOMIC BENEFIT STUDY?

To whom does the EBS communicate?

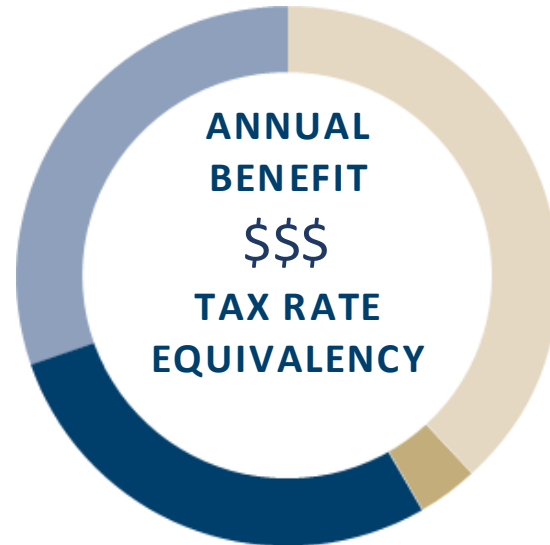
- City Staff, City Managers, Finance Directors
- City Council and other Elected Officials
- Utility Director and Utility Staff
- Economic Development Staff
- Retail Customers (e.g., Key Accounts)
- Citizens



VALUE TOOL 1: FINANCIAL BENEFITS TO MUNICIPAL BUDGET

What

- Payment in Lieu of Taxes (PILOT)
- Enterprise Administration
- Municipal Project Funding (e.g., Lighting & Streetscape Upgrades, AMI, Fiber, District Infrastructure)
- General Fund Transfers
- MUNI retail rate
- In-Kind Services
- Cents on the tax rate



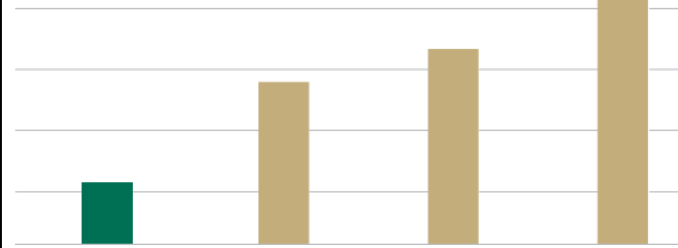
To Whom

- City Manager
- Finance Director
- City Staff
- Council
- Other Elected Officials
- Utility Director

VALUE TOOL 2: RELIABILITY

What

- System Average Interruption Duration Index (SAIDI) – total number of minutes of interruption the average customer experiences
- System Average Interruption Frequency Index (SAIFI) – average number of interruptions that a customer would experience
- IOUs and co-op comparison



**SAVINGS ON POWER
INTERRUPTION COSTS**

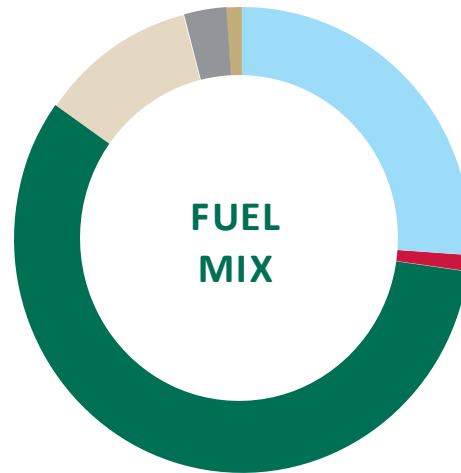
To Whom

- City Staff
- Utility Staff
- Industrial and Key Account Customers
- Economic Development prospects

VALUE TOOL 3: SUSTAINABILITY

What

- Energy Fuel Mix
- Carbon Dioxide Emissions Rates



To Whom

- Utility Directors and Staff
- Industrial and Key Account Customers
- Economic Development prospects



VALUE TOOL 4: LOCAL ADVANTAGE

What

- Local Governance
- Local Employment
- Customer Service and Reliability
- Community Engagement and Support
- Awards & Recognition (e.g., RP3, SEP, Safety)



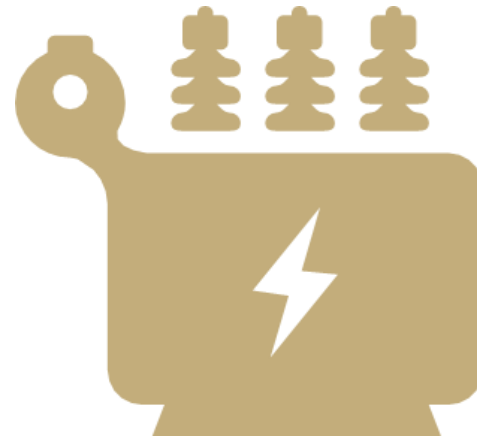
To Whom

- Retail Customers
- Community at large

VALUE TOOL 5: JOINT ACTION AGENCY SERVICES

What

- Mutual Aid Assistance
- Safety Training
- Economic Development
- Rebates & Grants
- Energy Services
- Legislative Support



To Whom

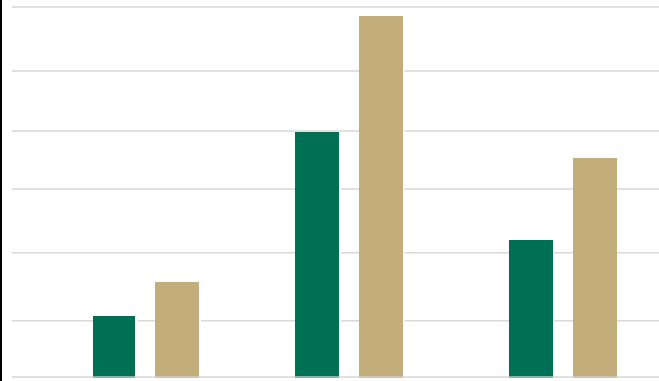
- City Manager & Staff
- Utility Director & Staff
- City Council
- Other Elected Officials
- Community



VALUE TOOL 6: RATES*

What

- EIA-based overall and sector retail rate comparisons to regional IOUs and Electric Co-operatives



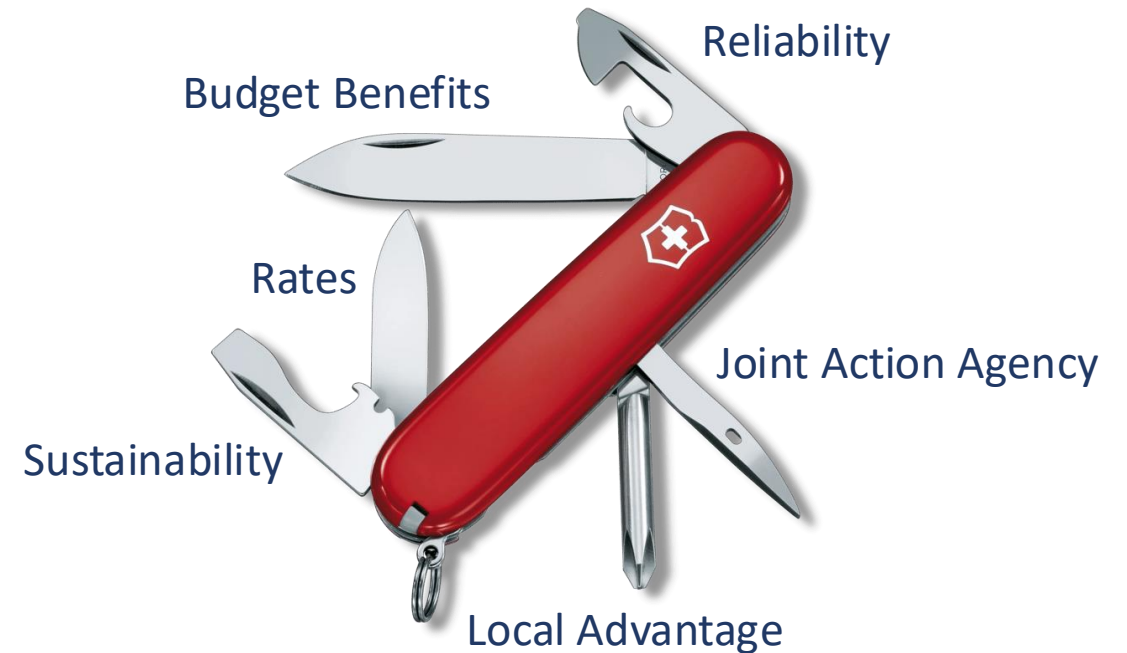
To Whom

- City Manager
- Utility Director
- Retail Customers
- Key Accounts
- Economic Development Prospects



SUMMARY – ECONOMIC BENEFIT STUDY

- Multi-tool to articulate the value of your electric business to your municipality and community
- Quantifiable and qualitative benefits
- Council, City Managers, Finance Directors, City Staff, Utility Staff, Retail Customers, Citizens
- Know your electric business and why you are in it



Q3: Why are you in the electric business?



Interested in learning more about an Economic Benefit Study?

Contact:

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City of Kinston, NC



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North Carolina

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A night photograph of a city street. The buildings on both sides are illuminated with vibrant, multi-colored neon lights in shades of blue, purple, green, and red. The street is dark, with a few cars visible in the distance. In the center background, a building with a prominent white dome is lit up. The overall atmosphere is festive and modern.

**POWER FOR CHANGE
THE POWER OF LIGHT**

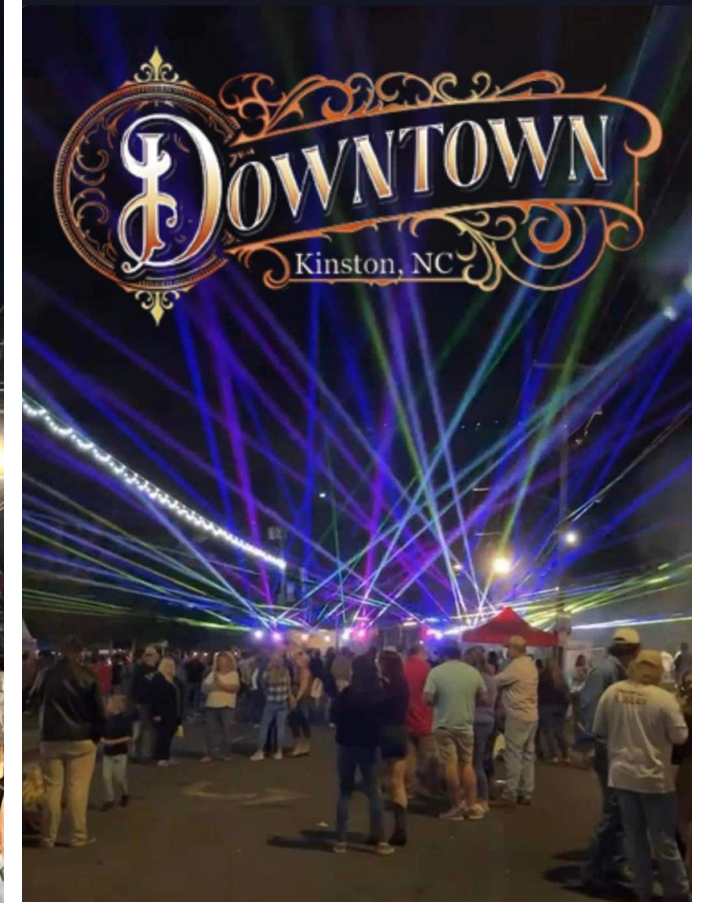


**OUR CREWS INSTALL
OUR CUSTOM
STREET BANNERS
THAT TELL OUR
OWN STORY**

**CITY CREWS INSTALLED ELECTRICAL AND WATER FOR A MEMORIAL GARDEN DOWNTOWN
A DESOLATE LOT WAS TRANSFORMED**



**STRINGS OF LIGHTS THROUGHOUT DOWNTOWN DISTRICT
CREATE YEAR-ROUND FESTIVE ATMOSPHERE AND
ENHANCE SENSE OF SECURITY**



**ELECTICAL CREW ENSURES
WE HAVE STAGE LIGHTING
& POWER FOR EVENTS**





**LIGHTS
SWAGGED
ON THE KING
STREET
BRIDGE
REFLECT IN
THE NEUSE
RIVER.**

**THE ELECTRICAL CREW IS VERY IMPORTANT
IN THE SUCCESS OF OUR KINSTON CHRISTMAS EVENTS**



ERECTING THE 35' CHRISTMAS TREE REQUIRES EXPERTISE & CARE



PEARSON PARK ENJOYS 5,000 GUESTS OVER A 6 WEEK PERIOD ONCE CITY CREWS FINISH THE HEAVY LIFTING



KINSTON

WORKING TOGETHER FOR BETTER



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THANK YOU

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