



Save the Date!

PMEA Annual Finance Workshop – June 8, 2022 (online)

This year will feature additional speakers on the following topics:

- Customer Service & Assistance
- Best Practices in Disconnections
- GASB Update
- Grants & Funding Update
- Cybersecurity in Public Power

Watch your inbox for registration information or contact Diane Bosak, bosak@papublicpower.org.

Registration Opens Soon

PMEA 2022 Annual Conference – September 7 – 9, 2022 @ Penn Stater, State College

Watch your inbox for announcements and details!

Solar In a Municipal Electric Community The Fair Share Debate

By: G. Bryan Salzmann, Esq., Salzmann Hughes, P.C. - PMEA Solicitor

In the past several years as, solar technology has been developing and becoming more widely accepted as an alternative means of electric power, a debate over the concept of fair share payments for maintaining the infrastructure has been increasing as well. This matter is incredibly important to Pennsylvania municipalities who own and operate their own public power systems. Similar to public utilities who have invested in a “grid” to create and supply power all around the United States, a municipal electric Borough has also invested in all things related to distributing, and in some cases, generating electricity for its customers. The goal is of course to maintain a stable supply of power through local elected officials and an increased response time when electric grid problems occur due to weather or other events.

The “fair share” debate was recently highlighted in a CBS Monday Morning piece (https://www.cbs.com/shows/video/TqlfHnBFIPke6EP_IYADzoDNnVg_dT6/). I highly commend this discussion as a good intro into the problem as the show also reviewed public municipal power in California. One of the best analogies I have heard that addresses the “fair share” debate presented in the piece was that of owning a car. An owner of the car (i.e., owner of an individual solar system on their home) still must utilize a road (in the case of power that would be the grid) in order to get places. In the case of solar electric, many of the solar contracts are based upon the municipal electric buying back the power that is generated which Pennsylvania municipal electrics are NOT required to do. I repeat...which Pennsylvania municipal electric Boroughs are NOT

required to do. Further, the debate has raised matters of equity because those who are often installing solar of any significant size (other than to say provide electricity for a hot water heater any other devices but not enough to power an entire home) can afford the upfront capital costs for these systems.... but other disadvantaged or poorer people or neighborhoods cannot. Further, let’s face it...when the sun does not shine in Pennsylvania (which it does not) and since battery storage has not yet fully developed to be a cost-effective solution on a small scale, the public power supply grid is still required to provide safe and reliable energy to homes and businesses within a community.

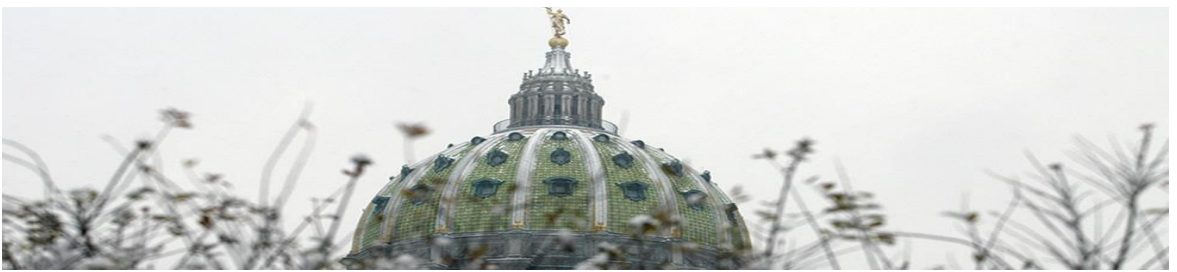


Solar (continued)

Where does this all lead? In my view, Pennsylvania Borough electrics have a distinct advantage to buy and invest in energy as a pool for all of its residents, taxpayers, and ratepayers. Thus, the elected municipal officials have the ability to invest in alternative energy projects (solar, hydropower, etc.) to support green energy. Perhaps, what is lacking is either a strong policy towards this goal in the purchasing decisions for power or more likely the story is not being told. In most cases, power that is being purchased already has a solar power component or alternate energy component. Understandably, this may not be inside the community or on the rooftop of a home or business, however the alternative energy systems are being supported by purchasing the power.

What is not equitable is to have a property owner (although they may be able to afford the upfront capital costs) construct a system which the thought that the community must buy this power to support the individual property owner for financial viability of his or her own system. Further, unless the property owner is willing to entirely disconnect from the power grid entirely and have no means of backup power, it is also folly to think that a property owner should not be required to pay anything to support the electric grid that would support his or her own system. Even if an individual system desires to sell to the "grid" instead of to the Borough electric system, how would that power get to the grid exactly? Correct...the power from an individual system only gets to the grid through the public power system owned and maintained for the benefit of all customers, residents, taxpayers, and ratepayers by the municipal electric Borough.

Borough municipal electric systems should work on developing policies to address this debate. Unfortunately, there are many solar providers out in the market which do not understand the legal rights of a Borough municipal electric in Pennsylvania. That being said, Pennsylvania municipal electrics need to also do a better job of assessing how much alternative energy they are actually purchasing for their communities from the market and communicate that to their customers. This debate is not going away anytime soon. It is time to plan and to develop a comprehensive strategy to accurately tell the story of the benefits that public power in Pennsylvania is creating for its respective communities.



Federal and State Updates

State – EV Rate Study

The Pennsylvania Department of Environmental Protection's Energy Programs Office is at the beginning stages of undertaking a study to analyze and recommend implementable electricity rate designs for electric vehicle charging that maximize the benefits of electric vehicles, with significant consideration for Pennsylvania's regulatory environment as well as electric utility and ratepayer impacts. Specifically, the report will assess and evaluate electric distribution rates for public DC fast charging as well as distribution and generation rates for fleet electric vehicle charging and residential electric vehicle charging. Stakeholders will be asked to provide input during the study process as appropriate.

The study has two core components. The first is to develop and provide an Electric Vehicle Electricity Rate Design Report. The report shall include the following information: general overview of the role and importance of electric utility rates and PA's deregulatory nature; perform an analysis of alternative electricity rate design approaches and identify their opportunities for increasing electric vehicle adoption and maximizing the economic and environmental benefits of electric vehicles in PA; and using the information and analyses from the first two tasks, recommend the best electricity rate designs for increasing electric vehicle adoption and/or maximizing the benefits of increased electric vehicle use in Pennsylvania. The recommendations are expected to include a detailed description of current or possible procedures for implementing recommended electricity rate designs such as: Policy changes (PA PUC, legislature) and Tariff filings, rate strategies (electric utilities, PA PUC, rural cooperatives, municipal electric utilities).

A second component of the project is to produce actionable recommendations that result in implemented electricity rate designs that facilitate increased electric vehicle adoption and maximize electric vehicle benefits and to effectively communicate those results and recommendations to stakeholders.

State – Property Owner Notification

State Representative Brett Miller (R- Lancaster) is planning to introduce legislation that will amend Title 66 (Public Utilities) to require a public utility to notify a property owner when utilities are being terminated due to lack of payment by the tenant. According to Rep Miller's memo regarding the legislation he notes that the current law "only requires the utility to notify the account holder, but not the property owner of service termination. This legislation will give property owners the option of notifying the utility that they are the owners of record and that they want to be notified in the event the lessee does not pay the utility and shut-off is imminent."

While the proposed legislation would not apply to PMEA municipalities, we will be monitoring its movement in the legislature for possible adverse or expansive amendments beyond this initial scope.

(continued on next page)

Federal and State Updates *(continued)*

Federal - Renewables

The U.S. Department of Energy (DOE) Solar Energy Technologies Office (SETO) recently announced the [Renewables Advancing Community Energy Resilience \(RACER\) funding opportunity](#). Up to \$25 million will be awarded for projects to enable communities to utilize solar and solar-plus-storage to prevent disruptions in power caused by extreme weather and other events, and to rapidly restore electricity if it goes down.

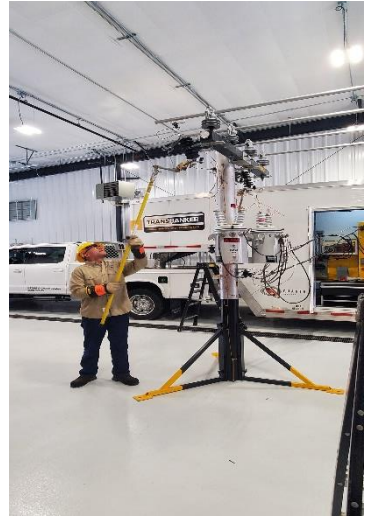
Projects will foster engagement and ongoing communication among multiple stakeholders such as utilities, municipal planners, emergency responders, community groups, and others, especially in underserved communities located in areas vulnerable to extreme events causing frequent energy and power service disruptions. In addition, projects will develop and demonstrate rapid energy restoration technologies based on the community resilience plan in order to increase the durability of photovoltaic (PV) systems.

Chambersburg Hosts Additional Transformer Class & More Classes Coming



The Borough of Chambersburg hosted PMEA's third Advanced Transformer class. All three classes were at maximum capacity and all participants receive certificates of completion from Northwest Lineman College (NLC).

It was exciting to see the response to PMEA's first ever training classes. Next up: Rubber Glove Safety Certification to be offered in Lansdale and Grove City. Lansdale is full but we are taking names for the wait list



and/ or for an additional class. Please register as soon as possible if you wish to attend.

In October, PMEA and NLC will partner to offer courses on Crew Leadership hosted again by Lansdale and Grove City. Watch your inbox this summer for registration information.

During the PMEA Annual Conference in September, the superintendents and other electric personnel in attendance will be choosing the next lineup of courses for 2023. We hope to be able to launch an apprenticeship program we well. Stay tuned for more exciting details and join us at the Annual Conference!



PMEA Members Recognized by APPA

Congratulations to the Winners of American Public Power Association's **Safety Award of Excellence** for safe operating practices -

Borough of Ephrata: First in Group A (<15,000 worker-hours of exposure)

Perkasie Borough Electric Light Dept.: First in Group A (<15,000 worker-hours of exposure)



Congratulations to these six communities for earning the **Reliable Public Power Provider (RP3)** designation by the American Public Power Association:

Borough of Chambersburg
Borough of Ephrata
Borough of Kutztown

Borough of Middletown
Borough of Lansdale
Borough of Perkasie

PMEA Public Power Services Program Still Available

To enhance the quality and range of services offered to our member municipalities, PMEA continues to offer the Public Power Services Program (PPSP). This program is open to all PMEA members for services related to public power only.



The PPSP is designed to provide legal, engineering, and/or management related services to PMEA members. PMEA is pleased to partner with Utility Engineers, the Meyner Center, and Salzman Hughes for this range of services. All services requested must be public power related. Examples of possible project areas include systems design, operation or management; electric rate studies; technology implementation; organizational assessment; financial analysis; electric systems billing and collection; power purchase agreements; and more.

Once the PMEA member municipality has the initial consultation and an estimate of costs for a specific project, the member may submit an additional request to PMEA to assist in funding a portion of the project costs. Members will submit the specific project and budget information to the PMEA executive director (via the form provided on the website). All requests will be considered by the PMEA Board. PMEA has established a separate fund for this program and all requests related to public power will be honored until the allocated funds are exhausted.

If your municipality has a specific project/service need that is public power related and can be addressed by one or more of our partner providers, it may be eligible. An application is available on the PMEA website - www.papublicpower.org/services.

Associate Member Spotlight

Evergy Energy Partners is known as an industry leader in developing creative and flexible power supply strategies. We have been active in helping shape the industry debate on transmission access, market design and competition. By combining an in-depth understanding of utility planning, operations, and regulation with aggressive negotiating techniques, our people have been able to help utility, municipal, cooperative, and industrial clients secure favorable power supply arrangements with substantial long-term power cost benefits.



For questions, contact Dave Madden, Director of Origination, Dave.madden@evergy.com. For additional information, please visit <https://evergyenergypartners.com/>.

We Want to Hear From You

Please share with us your exciting projects and photos for future newsletters. Your submissions should be sent to bosak@papublicpower.org at any time and we will use them in upcoming editions. We also welcome your suggestions for topics of interest for our newsletters.

Pennsylvania Municipal Electric Association

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