



Save the Date!

New Location

PMEA 2023 Annual Conference – September 6 – 8, 2023 @ Omni Bedford Springs Resort, Bedford

The PMEA Annual Conference is on the move! Next year, plan to join us at this beautiful and historic property – the hotel has hosted 10 U.S. presidents, including visits by seven presidents during their time in office. *Watch your inbox for exciting updates and details!*

2023 Trainings for Line Crews – Dates and Details Coming Soon

Classes to be included for 2023 are *(may not be offered in the order below)*:

- Rubber Glove Certification
- Advanced Transformers
- Rigging
- EPZ (Equal Protection Zone) Grounding
- SafetyEx

Stay tuned for more details and please remember that class sizes are limited to be certain to register as early as possible to take advantage of this free training!

Extraterritorial Service Considerations for Municipal Electrics

By: Isaac Wakefield, Esq. & Idan Ghazanfari, Esq., Salzmann Hughes, P.C.

Most electric customers in Pennsylvania understand that their electricity comes from a public utility. Pennsylvania, however, uniquely allows boroughs to manufacture and supply electricity to ratepayers. Such borough electrics are not legally the same as public utilities and generally are not regulated by the Public Utility Commission. Accordingly, boroughs need not meet strict and costly administrative requirements that apply to utilities under the Commission's jurisdiction. This allows boroughs to provide their customers with a unique service opportunity that may be locally catered to specific needs and is more cost-effective.

One glaring exception must be kept in mind. Borough electrics can be considered public utilities when they provide service to customers beyond their corporate limits—this is sometimes referred to as “extraterritorial service.” And being considered a public utility would subject the borough to Commission oversight as to its rates and service. It is therefore critical that a borough considering service to extraterritorial customers closely analyze whether doing so will create a situation where the Commission's jurisdiction will apply.

Unfortunately, there is no test based upon the number of customers served that will definitively answer that question. The exclusivity of service rather than the number of customers served defines whether providing extraterritorial service qualifies a borough electric as a public utility. In simple terms, the service must not be furnished to or for the public. To avoid the Commission's jurisdiction, the borough must be providing service only to a defined, privileged, and limited group.

The Commission itself has issued a framework to lend some clarity on the matter. Boroughs engaging in extraterritorial service are not considered public utilities where: (1) the borough never held itself out as being engaged in the business of supplying utility services to the public beyond its municipal boundary; (2) the borough passed an ordinance stating that it would apply the same rules, regulations, and rates to its extraterritorial customers as it did to customers residing within limits; (3) the borough asserted that it would not repeal or modify the ordinance without advance notice to the Commission; and (4) the borough assured the Commission that it would not solicit or serve any additional extraterritorial customers beyond those already being served.



Service Considerations (continued)

The reasoning behind Commission control over extraterritorial service is to protect consumers' interests. For example, if a borough is providing extraterritorial service and elects to raise rates, what recourse would affected ratepayers have? They do not live in the borough and so they are without the otherwise available solution of voting for borough council members that would implement changes in policy. Instead, the Commission would provide oversight and protect the consumer under such a scenario. This is a laudable policy, but it can inflict onerous requirements on unsuspecting boroughs agreeing to provide this kind of service.

Serving new ratepayers beyond a borough's boundaries can have advantages. But those advantages can be met with drawbacks if they result in the borough becoming subject to the Commission's jurisdiction. So, borough electricians must maintain a "measure twice, cut once" mentality when electing to serve extraterritorial customers. Unintended consequences are not desirable. One option for boroughs is to seek a declaratory order from the Commission directly. Another helpful option is to pursue a legal opinion on the matter from an attorney experienced with extraterritorial issues.

Salzmann Hughes, P.C. is Solicitor of PMEA. The attorneys at Salzmann Hughes, P.C. can assist with any questions related to the new legislative measures explained in this article.

Annual Conference Highlights

This year's annual conference was packed with the latest information about energy markets, supply chain challenges, and the new infrastructure funding. PMEA President and Chambersburg Manager, Jeffrey Stonehill, kicked off the conference at the opening reception on Wednesday evening.

Joy Ditto, President & CEO, American Public Power Association (APPA) kicked off Thursday with an update on the many issues facing public power. It was a busy year at the federal level for APPA and Joy touched on the new



infrastructure law (IIJA) and some of the provisions contained in the Inflation Reduction Act. Among the challenges facing our power systems, she noted that supply chain and workforce concerns top the list.

Craig Kleinhenz, Director of Power Supply Planning for AMP, shared insights on the latest with the energy markets and what public power might expect in the months ahead. He also discussed the increases in rates that the IOUs (investor-owned utilities) and how public power communities might want to weigh their own rate increases.

With the new federal infrastructure law and the money coming to states, state level experts shared overviews of how Pennsylvania is moving forward. Brandon Carson, Executive Director of the PA Broadband Development Authority (housed under DCED), discussed the state plan and the main components of broadband funding coming under the infrastructure law - Broadband Equity, Access, and Deployment (BEAD); Digital Equity Act; and Middle Mile Infrastructure.



Colton Brown, PA Department of Environmental Protection, and Shane Rice, PA Department of Transportation, discussed state initiatives relating to electric vehicles. The state recently adopted a plan for the placement of charging stations as required under the federal law. We will have more updates on the state plan in next month's newsletter. You can access the Commonwealth's National Electric Vehicle Infrastructure (NEVI)



plan here - [About PA NEVI Plan](#). David Althoff, Director of the State Energy Programs Office (under DEP), also joined to share information about the draft of the state's grid infrastructure plan also required under the IIJA which is required for the federal flow of dollars to the state. We will have more on the state's grid plan in the next newsletter. The Energy Programs Office is expected to receive \$8 million per year for 5 years to help in improving the all-hazards resilience of the electric grid and to prevent outages through: hardening of assets, real time control and coordination of system assets, and provision of tools for support modeling and analysis efforts.

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Annual Conference (continued)

Joy Ditto and Jolene Thompson, President & CEO of AMP, joined Jeffrey Stonehill for a conversation about the past and the future of public power. Municipally owned and operated systems have been in existence for a long time, some as early as more than one hundred years ago. Both Ditto and Thompson felt that the challenges of supply chain and workforce would create the most pressure on systems as well as changing consumer demands and dynamics.



PMEA's James J. Havrilla Public Power Service Award was presented to Michael DeFinis, former manager of Hatfield and former PMEA board member. Named after James J. Havrilla, the award is presented to an individual who, throughout their career, has consistently demonstrated a commitment to public power. DeFinis was recognized for his many contributions to public power including his time serving on the PMEA board and assisting with the transition of the association a few years. He has been active at the state and national levels advocating for public power. As manager for Hatfield, he facilitated three major public power projects including the R.I.C.E. Program for Behind the Meter Generation, the Advanced Metering System, and backup generation for the largest electric customer in the Borough. DeFinis has been the recipient of the prestigious AMP Seven Hats Award and the APPA National Seven Hats Award.

Conference presentations can be found in the members section on the PMEA website. More on the conference in next month's newsletter...

Every year at the annual conference, attendees have an opportunity to visit with and learn more about the products and services of PMEA's associate members. This year, PMEA has published a directory of these companies and it is available to any PMEA member. If you were unable to attend the conference and would like a directory, please contact bosak@papublicpower.org.

Associate members who participated in this year's conference:

AEP Energy Partners, Inc

AFL

Agostino Utilities

Altec

Apex Clean Energy

Cleveland Brothers Equipment Co

D & D Electrical Sales, Inc

Ensales, Inc

GDS Associates, Inc.

HiReli LLC

I.B. Abel, Inc.

Lekson Associates

Linemen's Supply Inc.

Mid Atlantic CHP Technical Assistance Partnership

Performance Electrical Products, Inc

PowerSecure

Professional Computer Solutions

RJ Lang Sales, Inc

RTR Energy Solutions/ Dagda Corp

Schultheis Electric (TSB Inc.)

TESCO- The Eastern Speciality Co.

The Okonite Company

WESCO/ANIXTER

Chambersburg Electric Department Promotion



Chambersburg Council recently moved to promote Jeff Heverley to join Ron Pezon as Co-Directors of the Chambersburg Electric Department.

This is a unique situation made possible by the outstanding cooperation of these two management employees, the complexity of the Electric Department, and the support of the Town Council.

Ron Pezon (*pictured on the right*), PE, will continue in the capacity of **Electric Department Director - Planning & Compliance**.

Jeff Heverley (*pictured on the left*), PE, will be promoted to the capacity of **Electric Department Director - Operations**.

The two directors are both department heads. They will be working together with the Manager and Director of Utilities, Jeffrey Stonehill, and the Administrative Services Director, to manage the transition and the reorganization of the Electric Department over the next few months.

Back in Stock for a Limited Time



Show your pride in being a public power community with a magnet or sticker. We have two sizes in magnets available. If you would like magnets and/or stickers, please email bosak@papublicpower.org with your request. All on a first come, first served basis.



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

IB Abel Inc. is an electrical contractor headquartered in York, Pennsylvania. We provide turnkey solutions to our partners and specialize in transmission, distribution, substation, electrical, communication, and engineering services throughout the Mid-Atlantic and New England Regions. Our priority is safety, quality, and productivity.



With our in-house design-build capabilities, we provide a single point of contact for all aspects of project management. From planning and engineering to installation and maintenance, our team of professionals is ready to develop a lasting relationship with you. Visit us at www.ib-abel.com or contact Shawn Sanders, Director of Substation Services, ssanders@ib-abel.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.

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