

MPUA 2009 Annual Meeting

September, 24, 2009
Lake of the Ozarks, MO

APPA 2009 Priorities

- Climate change
- Restructured wholesale markets
- New infrastructure
- Competitive Rail Service
- Reliability/Cyber-security
- Work force issues
- Demand-side management
- Stimulus Funding Opportunities

Tackling the Priorities: Climate Change

- CEO Climate Change Task Force
- APPA testified in April on Waxman-Markey
- Concerns about Cap and Trade: price volatility, Wall Street role, revenue use
- Must have cap or collar on allowance price
- House E&C Bill: Allocations, but no cap/collar
- Senate EPW Bill expected by end of month

Tackling the Priorities: Restructured Wholesale Markets

- Electric Market Reform Initiative (EMRI)
- New report: “Competitive Market Plan”
- Well received by many stakeholders
- Campaign for Fair Electric Rates
www.FairElectricRates.net

Tackling the Priorities: New Infrastructure

- Transmission key for reliability and new generation, including renewables
- Issues: siting authority, regional planning, joint ownership, cost allocation
- APPA conditional support for 15% RES
- CREBS volume tripled in stimulus bill

Tackling the Priorities

Competitive Rail Service

- APPA on Executive Committee of CURE
- Two legislative staff dedicated to working legislative initiatives
- Rail Antitrust Act and Rail Competition Act
- Bills will be combined in Senate
- Making progress (House Judiciary Comm. passed the Antitrust Act), but railroad companies weighing in heavily

Tackling the Priorities: Reliability/Cyber-security

- APPA active in developing NERC standards and compliance policy
- Successful in limiting numbers in registry
- Co-sponsored NERC compliance guide
- Leaders in industry coalition on cyber-security policy development at NERC, FERC, Congress

Tackling the Priorities: Work force Issues

- Careers in public power campaign
www.CareersinPublicPower.com
 - Information on benefits of public power careers
 - Site targets utilities, job seekers, educators, parents
 - New video promoting careers in public power
- Work force survey
- Over 5000 website visits in one year

Tackling the Priorities: Demand Side Management

- Web site and database www.EERCnet.org
- Efficiency and demand side program survey
- Webinars and educational publications
- Tools for all classes of customers

Tackling the Priorities: Demand Side Management

- EERC Partnerships with 35 state associations and joint action agencies
- APPA provides resources and support
- Partners work with member utilities to implement energy efficiency programs

Tackling the Priorities: Demand Side Management

- New Strategic Partnerships
 - Alliance to Save Energy (CEEPA)
 - Rebuilding Together MOU
 - EPRI MOU
 - GridWise Alliance MOU

Tackling the Priorities: Seizing Stimulus Opportunities

- Significant funding opportunities
 - EE Block Grants - \$3.2 Billion
 - Weatherization Assistance - \$5.0 Billion
 - Smart Grid - \$4.4 Billion in matching (50%) funds
 - Broadband - \$7 Billion
 - Green jobs - \$1.6 Billion
 - State energy programs - \$3.1 Billion

Tackling the Priorities: Seizing Stimulus Opportunities

- Internal APPA stimulus team
- APPA website stimulus link
- Webinars on funding for energy efficiency, broad band, smart grid
- May 19-20 meeting on EECBG stimulus application in cooperation with NASEO

Strong Public Power Financial Performance

Public Power S&P credit ratings:

- 89% rated “A-” or higher
- 25% rated “AA-” or higher
- 100% rated investment grade
- 98% with stable or positive outlooks
- 40 upgrades in 2008-2009

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