



**CITY OF SOUTHPORT
BOARD OF ALDERMEN
SPECIAL MEETING AGENDA**
113 W. MOORE STREET
October 30, 2023
10:00 AM

Agenda

Please turn off all cell phones

Meetings are open to the public. Face masks and social distancing may be used at the discretion of each individual. The Board of Aldermen reserve the right to make changes to this policy, as needed to help prevent the spread of the Coronavirus.

If you are not able to attend the Board of Aldermen meetings in person, the meeting will be available for you to watch via live-stream on the City of Southport website (<https://cityofsouthport.com/board-of-aldermen-meetings/>), Facebook page, and YouTube channel.

ETHICS STATEMENT:

"If any members know of any conflict of interest or the appearance of a conflict of interest concerning matters on the agenda, please so state at this time."

A. Call to Order

B. Invocation

C. Pledge of Allegiance

D. Approval of Agenda

E. Agenda

1. Presentation by Electricities: Roy Jones, CEO;
Jason Thigpen, Manager, Power Supply Operations NCEMPA;
Brandon Rummage, Supervisor, Power Delivery, NCMPA1;
Dan Werdel, Supervisor, Production, Corporate Communications

F. Mayor's Comments

G. Board Comments

H. Adjourn



ElectriCities & Public Power 101

A Focus on People, Not Profit



WHAT ARE PUBLIC POWER UTILITIES?

Public power utilities are like our public schools and libraries: a division of local government, owned by the community, run by boards of local officials accountable to the citizens.



3 TYPES OF ELECTRIC UTILITIES



PUBLIC POWER UTILITIES



RURAL ELECTRIC COOPERATIVES



INVESTOR-OWNED UTILITIES

BUSINESS MODEL	Not for profit, Community-owned	Not for profit, Member-owned	For profit, Shareholder owned
FEDERAL ENERGY REGULATORY COMMISSION JURISDICTIONS	Only for interstate transmission	Only for interstate transmission	For wholesale rates
REGULATED BY STATE PUBLIC UTILITY COMMISSION	Very limited instances	Some	All
GOVERNED BY	Elected/appointed boards, mayors, city council members and citizens	Member-elected boards	Private boards
FINANCIAL CONTRIBUTION TO LOCAL GOVERNMENT	Exempt from most taxes; instead make payments in lieu of taxes or transfers to the general fund	May neither pay taxes nor other contributions to local government	Pay taxes to local government
CAN RAISE FUNDS THROUGH	Tax-exempt municipal bonds	Loans from the Dept of Agriculture's Rural Utilities Service or cooperative or private lenders	Stock issue or corporate debt

FIVE ELEMENTS OF PUBLIC POWER BUSINESS MODEL

While each community-owned utility is unique, all public power utilities share five characteristics that define the public power business model:



PUBLIC OWNERSHIP



LOCAL CONTROL



NONPROFIT OPERATIONS



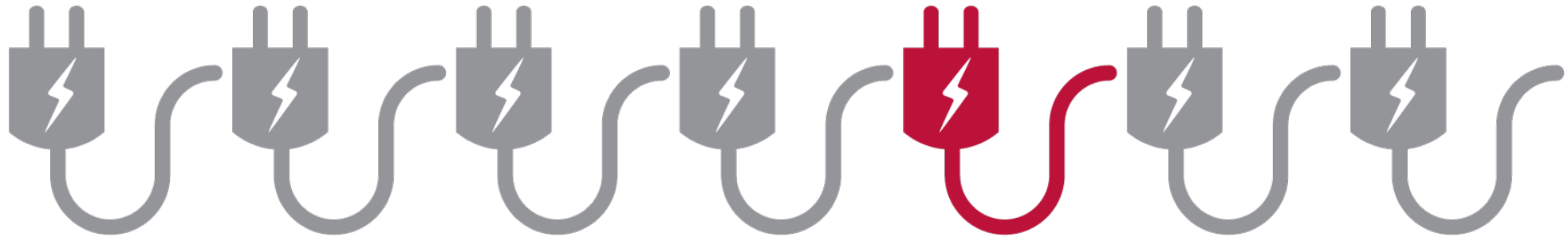
LOW-COST STRUCTURE



CUSTOMER-FOCUSED

1 IN 7

ELECTRICITY CUSTOMERS IN THE
U.S. ARE SERVED BY **PUBLIC POWER**

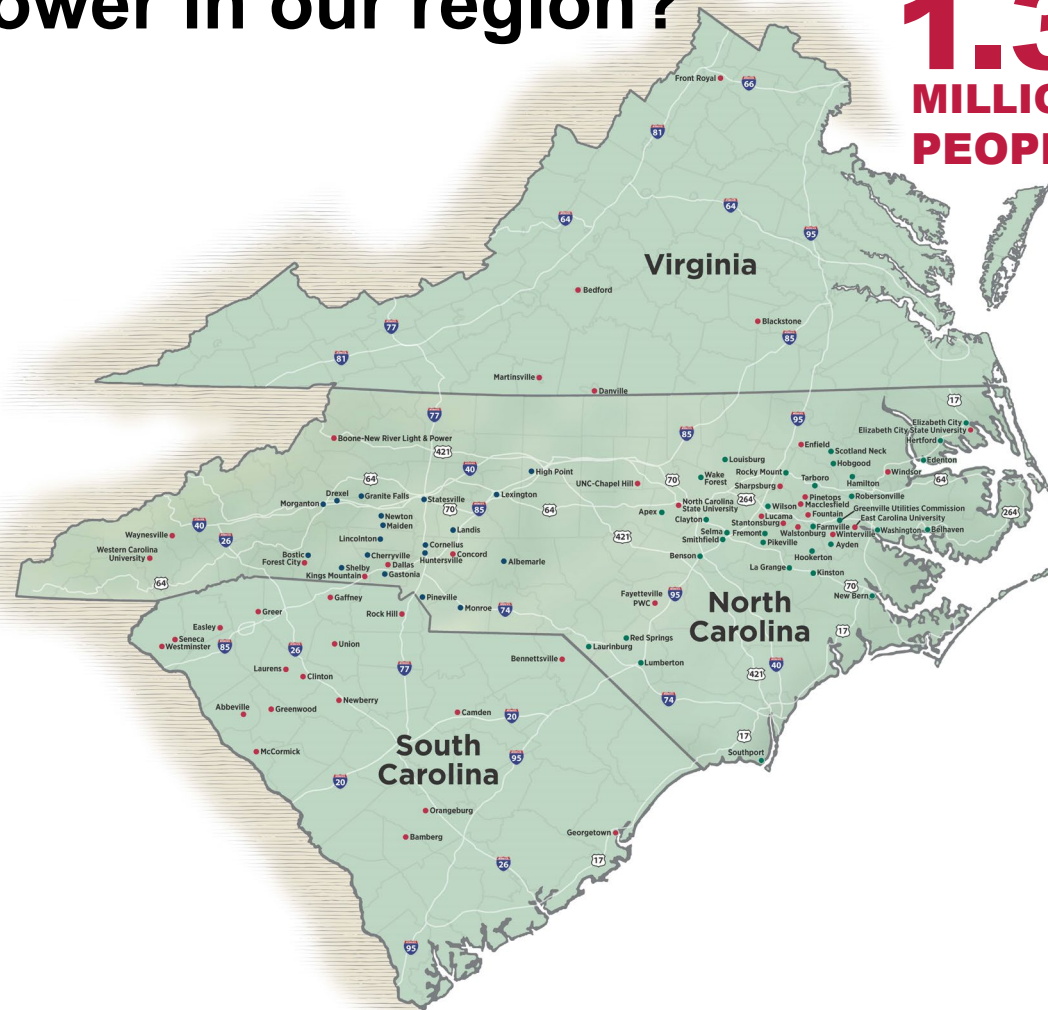


What is Public Power in our region?

We are **70+** municipalities across the state that own and operate an electric distribution system for the benefit of our communities

1.3
MILLION
PEOPLE

Public power illuminates the homes and workplaces of nearly 1.3 million people in North Carolina



1965



ELECTRIC ACT OF 1965

Proposed legislation sparks the state's public power communities to form the North Carolina Municipally Owned Electric Systems Association. Three years later, the association becomes ElectriCities.

1975 & 1977



Amendments to the North Carolina Constitution help establish the Power Agencies, enabling public power communities to jointly build generation and partner with private utilities.



1976



1 2 3

POWER AGENCIES

North Carolina Municipal Power Agencies 1, 2 and 3 form.



1978



Power Agencies enter into agreements with Duke and CP&L to purchase power plant ownership shares.

1979



Three Mile Island nuclear accident prompts regulations that lead to significantly higher-than-projected prices for nuclear energy. Ownership costs skyrocket for Catawba Nuclear Station in the west and Shearon Harris Nuclear Power Plant in the east.



1981



NCMPA2 and NCMPA3 combine to form North Carolina Eastern Municipal Power Agency (NCEMPA).



1984



- ElectriCities is incorporated.
- Emergency Assistance Program begins, creating a way for members to assist each other in emergencies.

1990s



Federal Power Act provides opportunities for NCMIPA1 and NCEMPA to reduce wholesale power supply costs.

2015



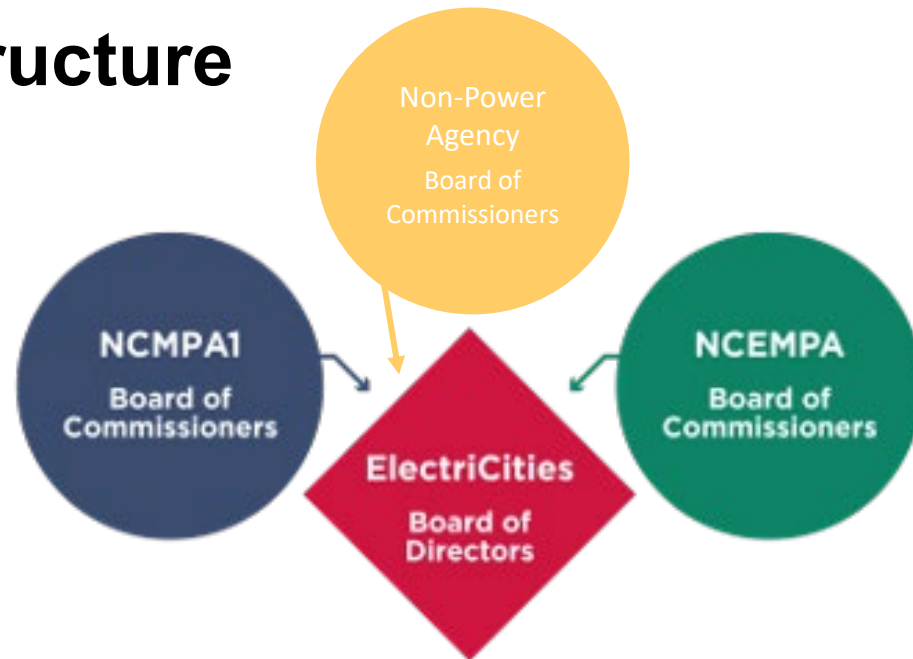
NCEMPA reaches agreement to sell its electric generation assets to Duke Energy Progress, lowering wholesale power supply costs and citizens' electric utility bills. Total savings to customers in first year = \$132 million.



ABOUT ELECTRICITIES

ElectriCities, the energy behind public power, is a not-for-profit membership organization that consolidates many of the administrative, technical, legal and legislative services needed by municipally owned electric utilities.

Governance Structure



Governed by a 16-member board of directors



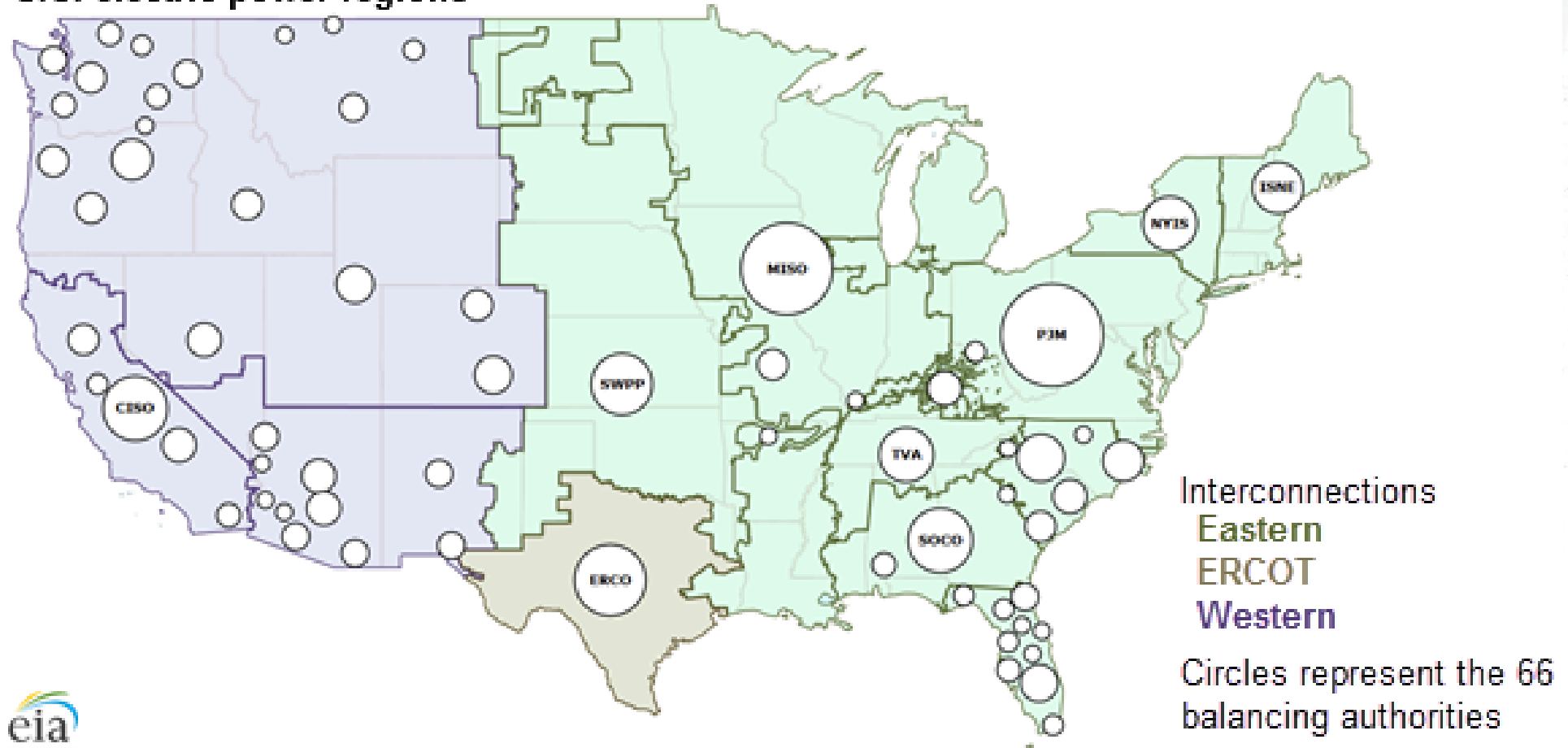
Electric Grid & Power Supply

A Focus on People, Not Profit

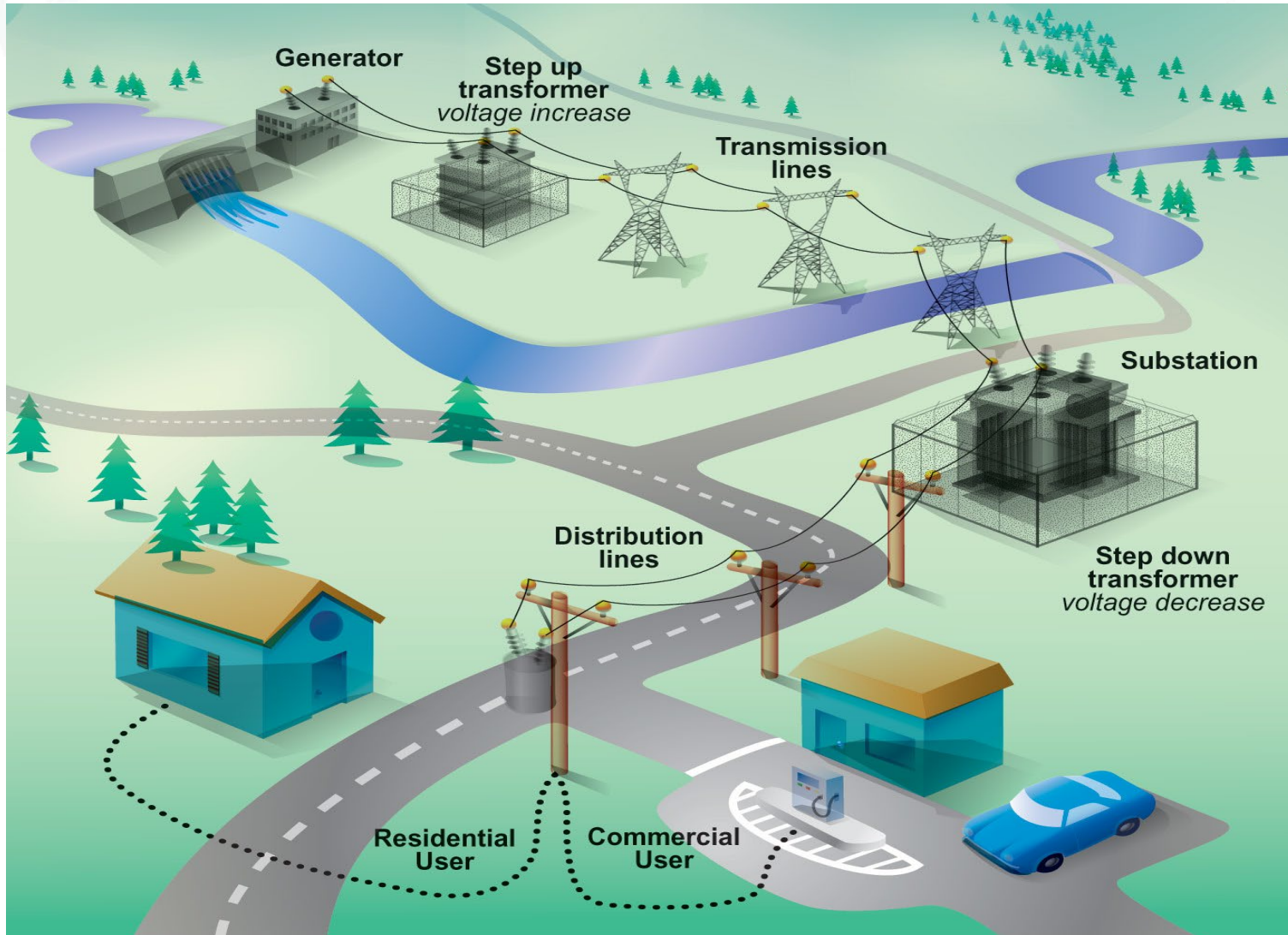


U.S. Electric Grid

U.S. electric power regions



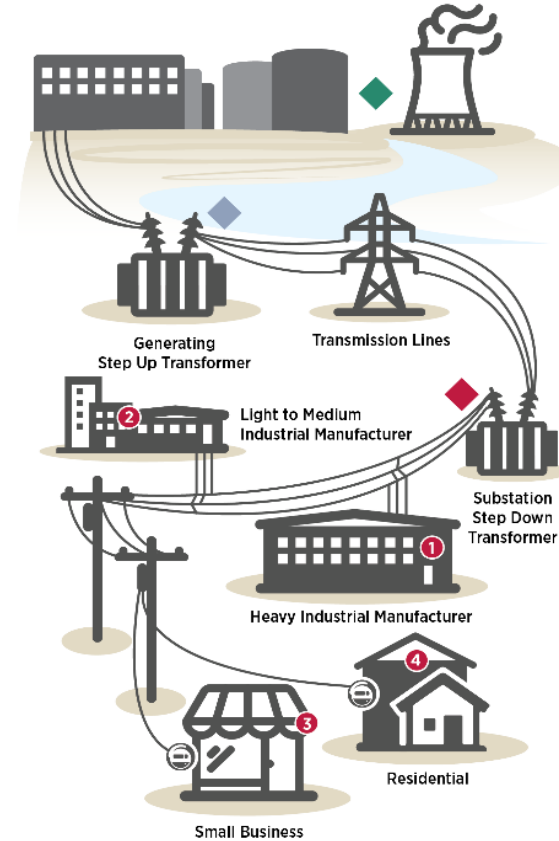
Generation > Transmission > Distribution



Traditional Wholesale Power Supply

On average wholesale power makes up **70%** of your annual electric fund costs.

POWER TO YOU *Electric Industry Functionality*



◆ **GENERATION**
The start of the energy source.
This could be Coal, Natural Gas,

Transmission begins when the electricity leaves the step up transformer.
Wholesale Power Sales begin here.

Electricity leaves the step down transformer.
Wholesale Power Sales end here.
Retail Power Sales continue:

◆ **ELECTRICITIES of NC**

*Transmission and Distribution voltage levels vary by Member.

THE POWER AGENCIES: NCEMPA



32

North Carolina Eastern Municipal
Power Agency (NCEMPA) = **32 cities**
and **towns** in eastern North Carolina

NCEMPA
RESOURCE MIX*
TO SERVE LOAD



47.3%
Nuclear



40.4%
Natural Gas
and Oil



10.7%
Coal

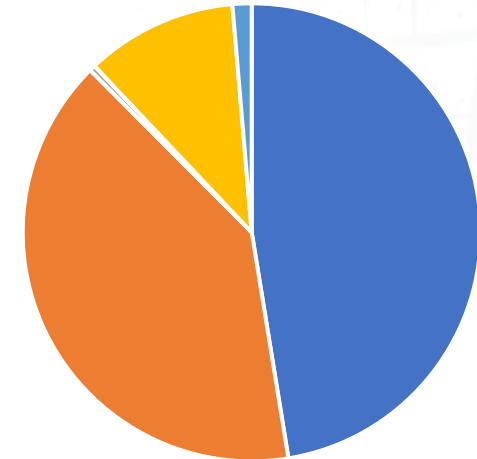


1.6%
Hydro & Other
Renewables

Southport Energy Resource Mix (2022)

2022 Energy Resource Mix for: SOUTHPORT

Fuel Source	Energy Received from NCEMPA (MWh)	% of Energy Consumed	Short Tons of CO ₂ Produced	REPS Requirement	REPS Requirement (MWh)
Nuclear	29,352	47.44%	-		
Gas(CT)	24,811	40.10%	12,033		
Fuel Oil	262	0.42%	320		
Coal	6,618	10.70%	7,479		
Unbundled Renewable Energy	834	1.35%	-		
Solar	-	0.00%	-	0.20%	112
SEPA Hydro	-	0.00%	-	0.00%	-
Other Renewable Energy	-	0.00%	-	9.80%	5,486
TOTAL	61,876	100%	19,831	10.00%	5,598



- Nuclear
- Gas (CT)
- Fuel Oil
- Coal
- Unbundled Renewable Energy

NCEMPA GENERATION RESOURCES



Full Requirements
Power Purchase
Agreement with Duke
Energy Progress (DEP)



Supplemental, grid edge and customer resources:

- NCEMPA-Owned: 38 MW
- Customer-Owned: 210 MW
- SEPA Hydro: 28 MW
- PURPA Utility Scale Solar: 153 MW
- Batteries: 5 MW equivalent
- Voltage Control: 25 MW
- Load control switches: 75 MW

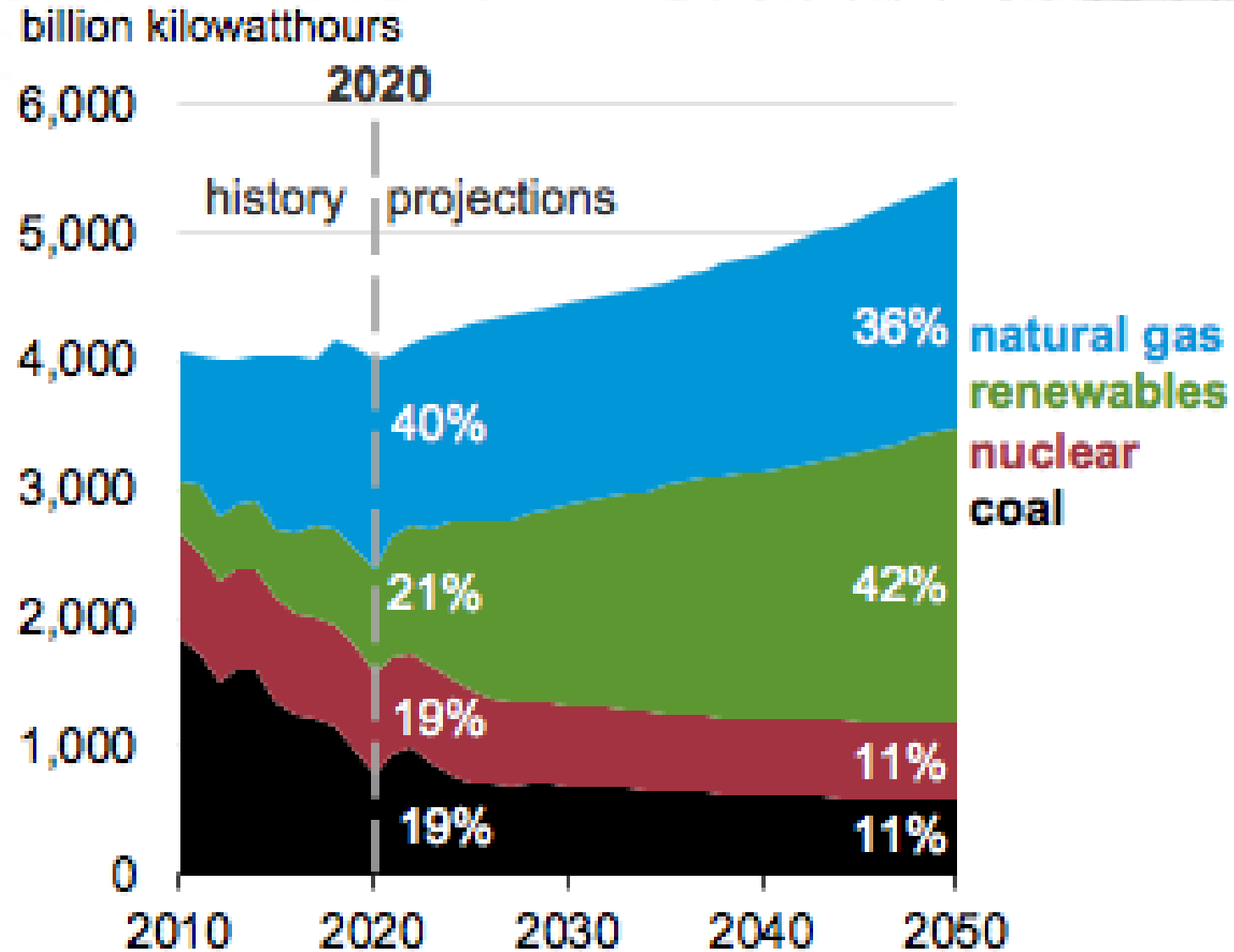
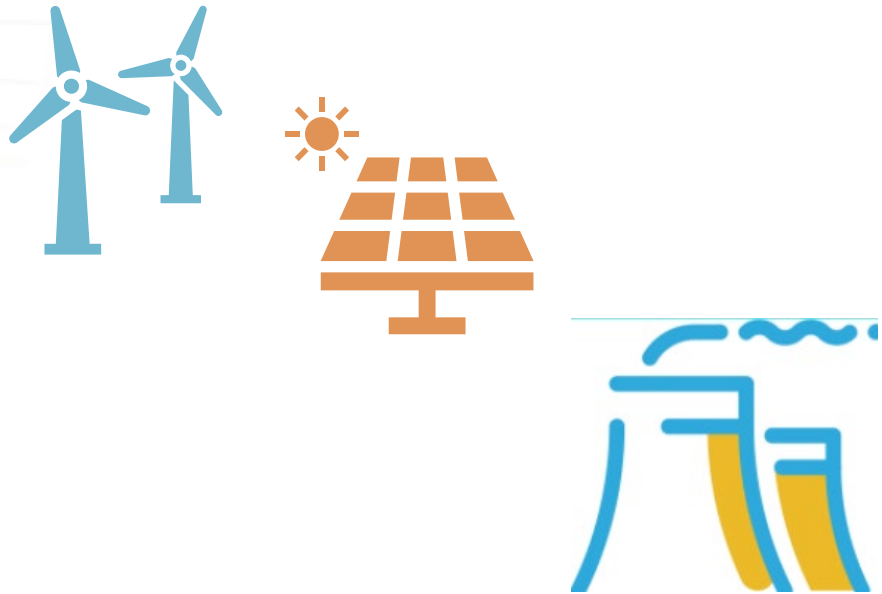


What is Changing



Wholesale Power Supply Trends Towards Decarbonization

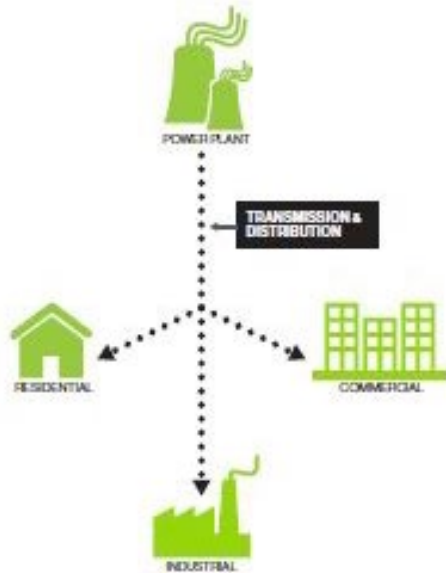
U.S. Electricity Generation From Selected Fuels



Technology Is Trending Forward...

Past

Traditional Power Grid



Central, One-Way Power
System, focused on Safe,
Reliable and Affordable power

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Emerging

The Energy Cloud



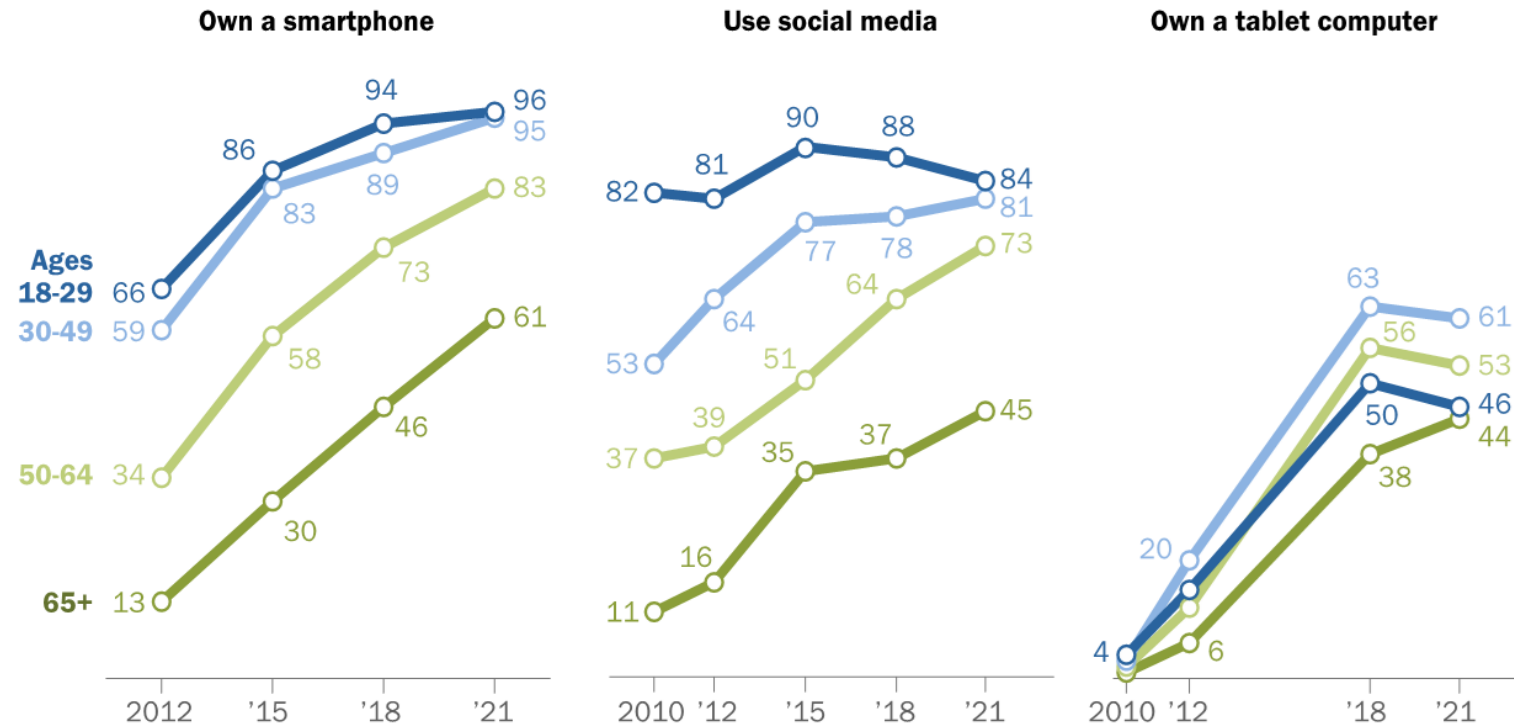
Distributed, Cleaner, Two-Way Power Flows, Mobile energy resources, new digital Energy Cloud platforms

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The Municipality Must Prepare To Answer The Challenge

Smartphone ownership and social media use among older adults continue to grow

% of U.S. adults who say they ...

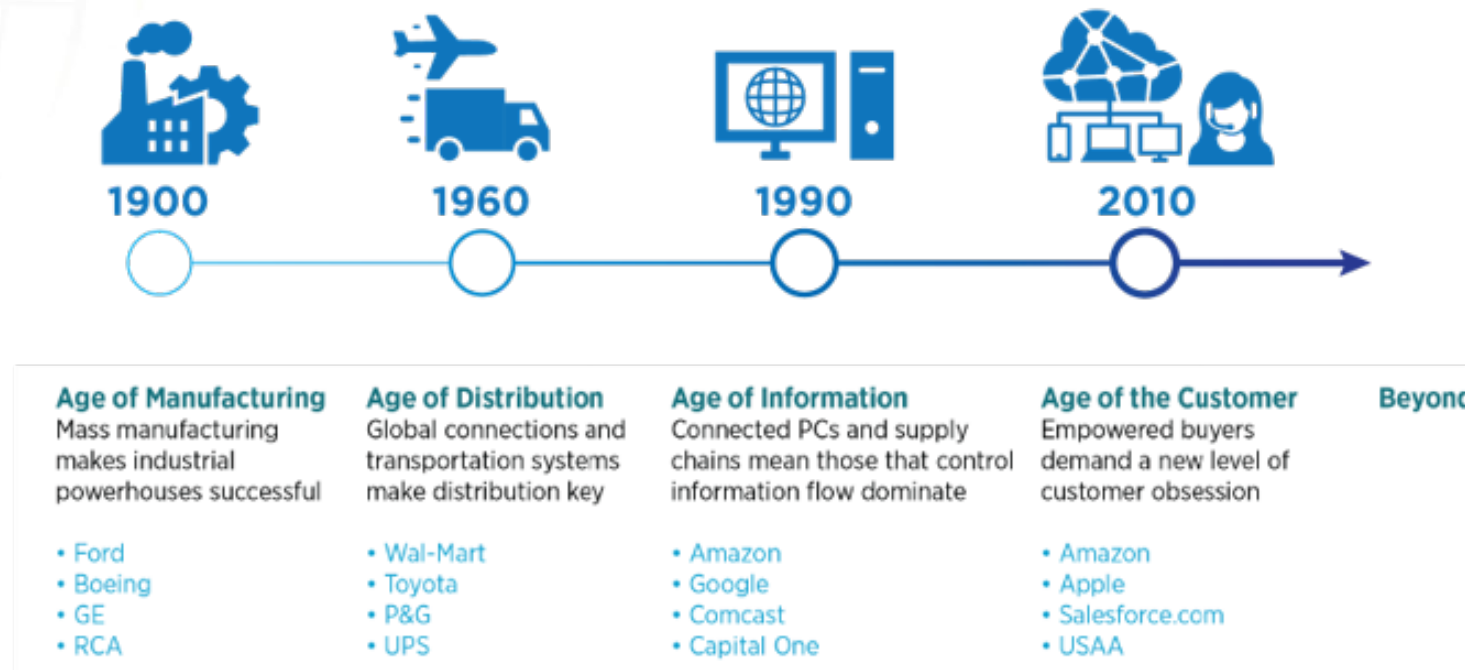


Note: Respondents who did not give an answer are not shown.

Source: Survey of U.S. adults conducted Jan. 25-Feb. 8, 2021.

PEW RESEARCH CENTER

WHAT'S CHANGING? - CUSTOMER EXPECTATIONS



 **76%**
OF CONSUMERS
expect companies to
understand their needs
and expectations

(Source: Forrester Research, Inc.)

Consumer Engagement Trends

- Smart Home is no longer a distant future.
- Residential solar capacity has grown over **800%** since 2013
- EV Adoption has grown over **300%** since 2010





How Are We Responding? Strategic Priorities



VISION

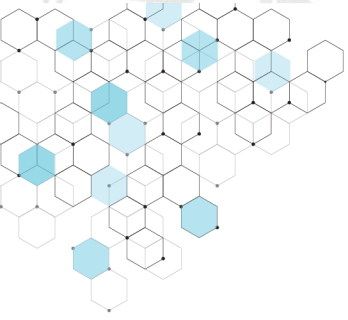
To be and be recognized as the leader in providing superior service and innovative energy solutions to communities and customers in our region

PURPOSE

Our purpose is to deliver value to our communities and customers through collective strength, knowledge, and action while promoting a successful future

VALUES

- Safety
- Reliability
- Locally-focused
- Affordability
- Collaboration
- Innovation



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





The energy behind public power

www.electricities.com

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 [company/electricitiesnc](https://www.linkedin.com/company/electricitiesnc)

 [NC Public Power Channel](https://www.youtube.com/NCPublicPowerChannel)

