WHAT IS MUNICIPALIZATION?

Municipalization is the process of a city acquiring a private utility and establishing a public power utility (also known as a municipal power utility). Public power utilities are community-owned, not-for-profit electric utilities. They provide safe, reliable, low-cost electricity to more than 49 million ratepayers across the country, while protecting the environment. Other more familiar examples of municipalized utilities are public works, water, and sewer. There are 2,000 communities across the U.S. that get electricity from a public power utility, including major cities such as Austin, Nashville, Los Angeles, and Seattle, small towns and the Navajo nation, and over 40 municipalities in Michigan. Together, these utilities serve 1 in 7 electricity customers across the U.S. and operate in 49 states.

OUR VALUES

Ann Arbor for Public Power’s goal is to Democratize, Decommodify, and Decarbonize our energy sources. We see a public power utility fulfilling this goal in five distinct ways:

1. Local Control
   Public power utilities are owned by the community and run by local government. They allow residents to have a direct voice in decision-making, including rates and sources of electricity.

2. Affordable Rates
   Public power utilities provide electricity to customers (both homes and businesses) at lower rates than private, investor-owned utilities. Across the U.S., residential public power utility customers paid rates that were 14% less than those of private utilities.

3. Reliability
   Public power utility customers lose power less often. They are likely to be without power for just 74 minutes a year, whereas customers of private utilities are likely to lose power for an average of 136 minutes a year.

4. Invested in Community
   Public power utilities are embedded in their communities and employ 93,000 people in local jobs across the U.S. They give 33% more of their revenues back to the community than private utilities. Our goal is to prioritize local, union labor.

5. Environmentally Responsible
   From 2005 to 2017, public power utilities reduced CO₂ emissions by 33%, far outpacing private utilities. In 2017, more than 40% of power generated by public utilities was from non-carbon emitting sources.

---

1 https://mmeanet.org/public-power/
2 https://mmeanet.org/about-mmeanet/
6 https://www.publicpower.org/resource/public-power-pays-back
DTE IS NOT THE SOLUTION

- **DTE is an investor-owned utility.** The interests of DTE’s profit-seeking shareholders are not aligned with those of the rate-paying community (who seek affordable and power from clean and renewable sources).
- **DTE has a dirty power mix.** As of 12/31/2019, 59% of DTE’s energy is from burning coal; only 7% wind and solar.\(^7\) The average utility only uses 23.4% coal.\(^8\)
- **DTE continues to invest in natural gas and pipelines, both in MI and elsewhere.** DTE finalized a $2.7B investment in shale gas infrastructure in Dec. 2019, and has a new $1B natural gas plant coming online in St. Claire in 2022. Had this $1B been invested instead in renewables, DTE could have grown their renewable energy portfolio from 11 to 24 percent.\(^9\) DTE policies to not account for the urgency of the climate crisis.
- **DTE is expensive.** DTE’s residential electric rate of 17.51 cents/kWh is 32% higher than the U.S. average (13.28 cents).\(^10\) Monopoly utilities like DTE overcharged millions of U.S. ratepayers in the Midwest at least $350 million in 2018 by selling them power from coal plants instead of from lower-cost, cleaner sources.\(^11\)
- **DTE is an aggressive political player.** Both CCA and municipalization pose a risk to DTE’s bottom line. Ann Arbor’s current carbon neutrality plan relies upon CCA to decarbonize the electric grid (linked to 50% of our emissions), but state law currently prohibits this practice, posing a formidable hurdle to the A2Zero strategy.\(^12\) DTE spent $94,700 on statewide lobbying efforts in the first six months of 2020;\(^13\) with a Republican controlled legislature in MI, getting CCA legalization passed is anything but a sure bet. Municipalization is already legal!

MUNICIPALIZATION IS THE WAY FORWARD

- **The A2Zero plan** of Ann Arbor gives a path to Carbon Neutrality by 2030.
- **Municipalization** will help us get there, because we will be **Cutting DTE out of the picture.**
- The current plan to reduce emissions is called Community Choice aggregation (CCA).
  - CCA needs to be passed in Lansing and doesn’t go as far as municipalization
  - Even if we get CCA passed, we will still be reliant on DTE’s infrastructure
- With a municipal utility, we don’t rely on DTE’s dirty fossil fuel power; we can create our own renewable energy by investing in wind and solar in Ann Arbor.
- **Municipalization is a legal process that is already outlined** in Article VII, Section 25 of the Michigan Constitution. CCA requires a change in the law.
- We don’t need Lansing’s approval to pass Municipalization, we put it to a vote in Ann Arbor.
- Municipalization can provide stable, union jobs for Ann Arbor.
- A municipal utility will give us the power to make electricity Cheaper and more Reliable
- **A2 Municipalization is a “tipping point” for promoting energy democracy across MI, especially for those communities that might not have the resources to afford Municipalization on their own.**

---
\(^7\) DTE Energy 10-K for fiscal year 2019, page 10
\(^8\) https://www.eia.gov/tools/faqs/faq.php?id=427&t=3
\(^10\) https://www.chooseenergy.com/electricity-rates-by-state/
\(^13\) http://michigan.gov/sos
CALL TO ACTION

**Step 1: Show up at the Energy Commission Meetings**
Ann Arbor for Public Power is speaking at the Energy Commission meeting on Tuesday, **November 9th @ 6pm**. The meeting agenda will be posted on the [City of Ann Arbor legistar](https://legistar.annarbor.gov/Calendar.aspx).

**Watch via CTN:** [https://ctnvideo.a2gov.org/CablecastPublicSite/watch/3?channel=1](https://ctnvideo.a2gov.org/CablecastPublicSite/watch/3?channel=1)

**Step 2: Give a Public Comment**
Public Comment is open at the beginning (~6:00pm) and at the end (~7:45pm - though likely later this week if there is a significant amount of public comments) of the Energy Commission Meetings.

Call-in information will be provided on the agenda on the [City of Ann Arbor legistar](https://legistar.annarbor.gov/Calendar.aspx). Chair Mirsky will also read aloud the numbers at the beginning of each public comment period. Please check back to make sure the numbers remain the same.

**To make a public comment (no more than 3 minutes):**

1. **Call** US: +1 206 337 9723 or +1 213 338 8477 or 877 853 5247 (Toll Free) or 888 788 0099 (Toll Free)
2. Enter Meeting ID: 937 6751 6819
3. Press *9 to 'raise your hand'
4. You will be identified by the last four digits of your phone number when it is your turn to speak.

CONTACT US

**Go to our Website**

**Follow us on Social Media:**
- Website - [https://annarborpublicpower.org/](https://annarborpublicpower.org/)
- Twitter - [@A2PublicPower](https://twitter.com/A2PublicPower)
- Instagram - [@A2PublicPower](https://www.instagram.com/a2publicpower)
- Facebook: [Facebook.com/a2publicpower](https://facebook.com/a2publicpower)

**Email us:** AnnArborPublicPower@gmail.com