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Analysis



# What is MMUA?

- Established in 1931
- Serve as a common voice for municipal utilities
- Provide support as needed along with Safety Training
- Training Center in Marshall, MN
- 125 Municipal Electric Utilities
- 31 Municipal Natural Gas Utilities
- 176 Municipal Water Utilities

# BARRIERS

# Municipal Utilities

- Not-for-Profit
- 74% serve fewer than 2500 customers
- 41% serve fewer than 1000 customers

# Financing

- Any financing through bonds would weigh against the cities bonding authority, i.e. streets, etc.
- Financing: Tax exempt versus Taxable based on ownership

# Speaking of Taxes

- Municipal utilities can not participate in any tax savings through the U.S. Government
- To utilize the tax advantage would require a third, taxable, party... but;

# Third Party Issues

- Return to tax exempt versus taxable financing
- Would require a Purchase Power Agreement....but;

# Power Supply Contracts

- Legal issues with 'All Requirements' contracts
- May need to revert to power provider, see tax issues
- Power provider refusal



# Space Limitations

- Municipal utilities don't usually have acres of available land within city limits/service territory
- Does it become a service territory issue?
- How about municipal buildings...?

# Buildings

- Require flat roofs
- Most municipal buildings built prior to 1990
- Snow loading requirements (Building Codes)
- How many buildings?

# Other?

- ?

# Even with the Barriers

- Joint Action Agencies studying opportunities and options
- Larger municipal utilities exploring possibilities
- The MMUA Option

# MMUA

- Discussing a member wide Solar Garden that all members can subscribe to and offer to their customers
- MMUA subsidiary, Midwest Consortium of Municipal Utilities (MCMU)
- No legislation required



