

PUBLIC POWER

WHY MUNICIPAL UTILITIES ARE THE SUPERIOR BUSINESS MODEL

MUNICIPAL LIGHT PLANTS (MLPs)

Municipal Light Plants (MLPs) are local, community-owned, not-for-profit utilities that provide power to residents and businesses in a particular municipality. Shrewsbury Electric & Cable Operations (SELCO) is one of only 41 MLPs in Massachusetts. Together, MLPs deliver 13% of the electricity used in MA.

Unlike investor-owned electric utilities (IOUs), MLPs are owned by the communities they serve, so any profits or other revenues generated by the utility are reinvested directly back into the community, rather than to external shareholders.

BENEFITS OF YOUR MLP: SELCO

LOCAL CONTROL

- MLPs are owned and operated by the communities in which they serve.
- A 5-member Light Commission oversees SELCO's policy-making. Commissioners are Shrewsbury residents accountable to the community.
- Community ownership means that decisions over investments, operations, rates, maintenance, power supply, and service offerings will directly reflect the interests and priorities of Shrewsbury.
- The Light Commission appoints a General Manager who typically possesses the technical abilities to run the daily operations of the Municipal Light Plant.

RELIABILITY

- MLPs have faster response times due to dedicated employees located and focused solely on the Town of Shrewsbury.
- Local crews are intimately familiar with the electric distribution system and can quickly identify and correct problems.
- SELCO customers experienced an average of 2.76 minutes of power outages (excluding major events) in 2022 compared to the national average of 143.1 minutes. That's 98.08% less!

IN-KIND CONTRIBUTIONS

Beyond direct financial contributions, SELCO supports our local government and community in many ways:

- Free or discounted, internet, cable, and IT services to the local government, including special rates for streetlights, municipal buildings & water & sewer treatment facilities, which contributes to general tax relief.
- Free electric repair and maintenance for town departments.
- Annual payments to the Town in lieu of taxes to offset the tax rate.
- Hanging up banners & holiday lights every season.
- Interest income from operating cash and depreciation funds are given back to the Town.
- Labor assistance is provided to other Town departments.
- Annual community events such as Arbor Day and school programs.
- Expert counsel on energy and telecom policies
- Securing grant funds for capital projects
- SELCO is the single highest contributor to the Town's general fund (based on 2022 data)



PUBLIC POWER CUSTOMERS ON AVERAGE EXPERIENCE LESS THAN ONE HOUR OF POWER OUTAGES PER YEAR WHICH IS **59% LESS** THAN THE NATIONAL AVERAGE INCLUDING INVESTOR-OWNED UTILITIES

National Average	Public Power	SELCO (2022 Data)
143.1 MIN	58.49 MIN	2.76 MIN



SELCO CUSTOMERS EXPERIENCED **98.08% LESS** OUTAGES IN 2022 THAN THE NATIONAL AVERAGE CUSTOMER!

Source: https://www.publicpower.org/system/files/documents/municipalization-benefits_of_public_power.pdf

HISTORY FACT

DID YOU KNOW...



Shrewsbury's own James Baker, Manager of SELCO from 1958-1986, led a landmark lawsuit in 1960 against New England Power Co. (NEPCO) before the Federal Energy Regulatory Commission (FERC), which to this day remains known as the "Shrewsbury Case." Prior to Mr. Baker's case, Shrewsbury was purchasing power at a general service rate from MA Electric Co., a retail distributor, which was purchasing from NEPCO, a wholesale distributor. Shrewsbury's position was that public power companies could purchase power at wholesale rates. In a lengthy lawsuit against a major utility, Shrewsbury won its case from FERC after a 4-year battle from 1960-1964, which was upheld by the U.S. Court of Appeals. This case has served as a landmark, leading the way for public power to purchase electricity at wholesale rates and save money for its customers, and has saved the customers of every publicly owned electric utility in the United States millions of dollars.

BENEFITS OF YOUR MLP: SELCO

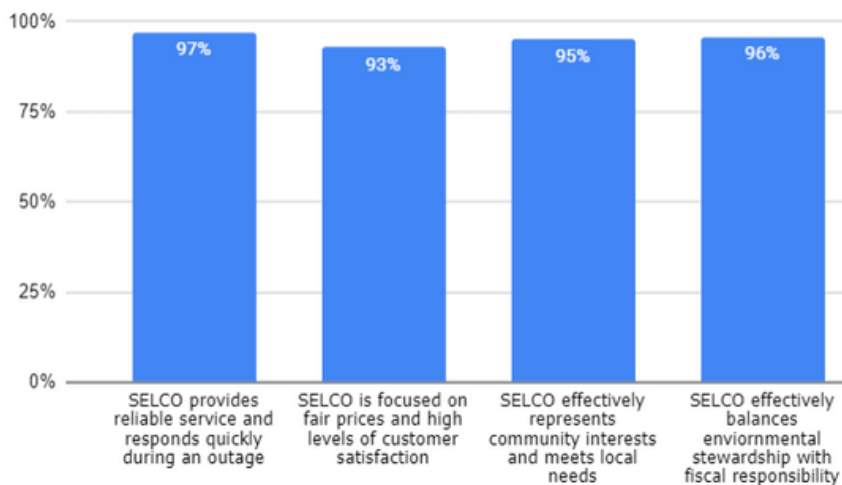
LOWER RATES

- SELCO engages in long-term power supply contracts that avoid seasonal price swings experienced by IOU customers.
- Excess revenue from MLPs can be reinvested into infrastructure or community-based improvements.
- MLPs can make PILOT Payments, contribute to economic development, and provide other in-kind contributions instead of retaining profits for shareholders.
- Lower rates of MLPs allow for aggressive climate investments with minimal financial impact on the community, such as SELCO's Net-Zero Roadmap which aims for 100% carbon-free power by 2032.
- Current electric rates of Eversource, National Grid, and Unitil only achieve a 20% carbon-free power supply, while SELCO has achieved more than double that percentage via our significantly lower rates.

CUSTOMER SERVICE & TRANSPARENCY

- Customers can interact with staff, pay bills, discuss questions, and learn about utility programs at the customer service center located right in Town Hall.
- SELCO's financials are publicly available (check our website), and budgets are approved in open-session public meetings.
- MLPs governance structure also allows citizens to actively participate in policy-making.

2021 CUSTOMER SATISFACTION SURVEY



LOCAL ECONOMIC DEVELOPMENT



Public power utilities benefit their communities by providing employment opportunities for local residents. The local utility is headquartered in town and creates local jobs for customer service representatives, lineworkers, engineers, mechanics, and administrators. Kids growing up in public power communities can find a career right in their hometown. Each dollar of a public power employee's paycheck circulates through the local economy an estimated four to five times.



EVERY DOLLAR PAID TO A PUBLIC POWER EMPLOYEE CIRCULATES THROUGH THE LOCAL ECONOMY 4 TO 5 TIMES.

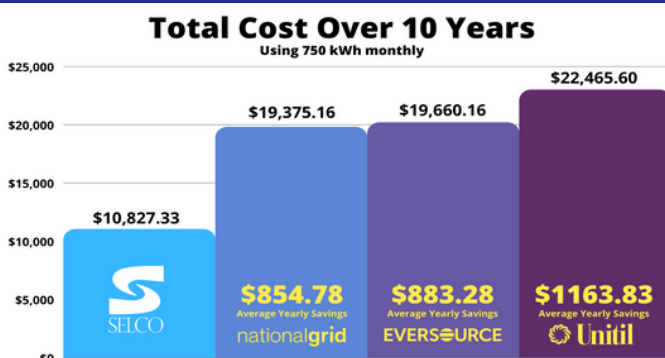
More than just being a local employer, public power utilities also support the local economy as a business operating in the community. Utilities may implement policies to "buy local" and support local businesses whenever practical, including purchasing materials and services from local companies and using local financial institutions for their business operations.

Public power utilities are good for the local economy. Lower electricity prices allow consumers to spend more money on other goods and services, in addition to attracting business and industry to the community.

Source: https://www.publicpower.org/system/files/documents/municipalization-benefits_of_public_power.pdf

IOUS CONSISTENTLY CHARGE MORE THAN MUNICIPAL UTILITIES

SELCO CUSTOMERS HAVE SAVED APPROXIMATELY \$1,000 PER YEAR OVER THE LAST 10 YEARS



THAT'S A SAVINGS OF OVER

\$80 PER MONTH