

What if Olympia Owned Its Own Electric Utility?

Electricity would cost customers less because federal law allows publicly owned utilities to buy power directly from Bonneville power (BPA) at rates lower than what Puget Sound Energy (PSE) pays for the power it buys from BPA. Also, PSE increases the price because it adds a profit margin that a publicly owned utility does not need to add. Generally, public power residential customers pay about 10% less for their power. Commercial customers pay about 20% less for their power under public power ownership.

Local ownership and control secures long term protection from price spikes and inflation. Electric service is more reliable, also, because employees can live nearby. Line crews are more familiar with the infrastructure and are often quicker to get on the job and get the power back on in natural disasters and emergencies. Currently in these situations PSE pulls in crews from other, distant private utilities and contractors, many from out of state. This slows down response times even further while waiting for these crews to arrive and begin repair work. Typically publicly owned local utilities sustain far less damage and down time in storms than PSE because they take better care of their equipment, have more rigorous line maintenance schedules, and they are accountable to the local voting public.

Benefits are dependable for employees of public utilities, who can access the public employees' retirement plans and insurance benefits that other state, municipal and school employees are entitled to.

Mutual aid agreements among publicly owned utilities throughout our region allow utility line and maintenance crews from each publicly owned utility to help each other recover quickly when ice and wind storms hit. Fortunately the city of Olympia is virtually surrounded with other public utilities like Mason county PUD 1 and 3, Grays Harbor PUD, Lewis county PUD, Centralia Power, and Tacoma Power and Light. Even the towns of Lakewood and Steilacoom have public power utilities. PSE has never taken advantage of the opportunity to sign onto Mutual Aid Agreements with local publicly owned utilities, so thus PSE customers end up paying more in "Act of God" charges and in longer wait times while they haul in other private utility line crews to fix their storm-damaged lines.

Low-income assistance programs can be implemented by a publicly owned utility to assist low income customers. Seattle Power offers a 60% discount to low-income customers.

We would sharply reduce the use of fossil fuels for generating electricity because federal law would guarantee Olympia the right to buy power from the Bonneville Power Administration (BPA). Hydroelectricity currently provides 90% of BPA's power, so eliminating PSE as Olympia's power provider will get us off PSE's 59% fossil fuel sources (37% coal and 22% natural gas) virtually overnight. A 2014 study found PSE produces more than 11 million tons of carbon dioxide (CO₂) annually, more than any other utility in Washington State.

Funding a transition to Olympia's municipal electric utility is very feasible, because municipal bonds could finance our purchase of PSE's local assets. The City of Olympia already has experience selling municipal bonds to raise money for parks, schools and other improvements. The city with its very good credit rating would have the advantage of being funded at lower interest rates than PSE ever could hope for, because governments qualify for cheaper interest rates on their bonds than PSE or other private corporations do. After the transition is completed the city could then issue low-cost bonds to update PSE's old worn out and obsolete equipment that has been causing unnecessary outages.

Financial savings will help local businesses and local governments along with households. If the City of Olympia owned our local electric utility, rates would be cheaper for our governmental activities (schools, city, county and state governments, libraries, Port, etc.), and also for all businesses and all households. We would all save large amounts of money over the years to come.

Other municipalities of all sizes successfully operate city-owned city utilities. Success stories already abound throughout our region. We can learn from other cities. Richland WA's City utility with 22,000 ratepayers (customers) is the same as Olympia's – also 22,000 ratepayers. Larger cities (Seattle and Tacoma) and many smaller cities (Centralia, Steilacoom, etc.) and 28 county-level Public Utility Districts (PUDs). The City of Ellensburg, with 7,400 customers, runs its own utility that provides both electric power and natural gas to their customers, similar to PSE in Olympia. Tacoma's electric utility is 97% fossil-free, Centralia's is 98.6% fossil-free, and Steilacoom's is 98.5% fossil-free.

Do not believe Puget Sound Energy's expensive propaganda. PSE will spend vast sums of their customers' money to retain their gravy train. PSE's rates are regulated by the Washington Utilities and Transportation Commission (WUTC), which guarantees 9% rate of return. Just remember PSE's high costs the next time a glossy mailer arrives or you receive an offer for a free refrigerator upgrade from PSE: it's your money as a ratepayer that they are spending.