



American Municipal Power, Inc.  
1111 Schrock Road, Suite 100  
Columbus, Ohio 43229  
614-540-1111  
[www.amppartners.org](http://www.amppartners.org)

## INTERVIEW TRANSCRIPT

---

### **AMP Board of Trustees members share insight on benefits of AMP's achievements and of joint action**

AMP recently interviewed four current members of the AMP Board of Trustees to discuss the importance of joint action. Jeff Budd, utility director for the Coldwater Board of Public Utilities; Dave Carroll, general manager of the Paducah Power System and secretary of the AMP Board of Trustees; Pat McCullar, president and CEO of the Delaware Municipal Electric Corporation, a joint action agency in Delaware, and treasurer of AMP Board of Trustees; and Robert Patrick, director of public service for the City of Wadsworth and vice chair of the AMP Board of Trustees, all shared their insights on how their communities benefit from joint action and what achievements of AMP will serve their communities well in the future.

**AMP:** **What motivates you in your role as a public servant, and why do you believe public power is important to preserve and protect?**

**Budd:** I've been with the city of Coldwater for the last 22 years. I can see the advantages of having public power in our community, knowing the pride that our employees take and the fact that they are able to quickly respond to any accidents or outages. Our community depends on the BPU, and we're always there to serve. And I think that the strongest advantage of public power is that we don't need to call anybody far away for assistance. We call the people who are our [public power] neighbors and friends to come in and serve our community.

**Carroll:** My family has always been involved in public service in one way or another. Most of the time, it was through volunteering. But one uncle in particular was heavily involved. In fact, he was the attorney that led the campaign for the formation of the municipal electric utility that we now know as Paducah Power. And I didn't actually know this until I came to work here. One of the employees showed me an article from around 1960. So, for me, part of what motivates me is to carry forward what he started. As far as public power, to me public power is synonymous with local control. And I think it's human nature that those things that are most important to us, or affect us the most, we want to control. And electricity, I think we can all agree, is vital. I mean, whether it's heating and cooling in our homes, nowadays, charging our cell phones, or how we use it in our places of work. I mean, to me, having local control of that important of an asset is essential for the community.

**McCullar:** I really believe in the public power business model. I've been engaged in this industry since 1993, and one of the most powerful things about the public power business model is local control and local decision making, which results in the best outcomes for the communities that we represent.

**Patrick:** My main motivator is what it's been through my whole career — to help serve my family, my friends, neighbors and everyone in the community in a way that's

challenging and extremely enjoyable. I think all good public servants share that same mindset. And that's really what separates us from others. It's definitely not for everyone. I'm happy to say that we have a workforce that is dedicated to the community and dedicated to the people around them. And they strive every day to work as hard as they can to do the things that people look for us to do. Public power is extremely important in our community and across the nation really, and in this industry, because we have a different mindset and a different focus. I think that mindset of public servants really shines through. It is important to such an extremely important utility that most people don't even really think about. And that's what we want. We don't want people to have to think about what their electricity means or how it's going to get to them, or if it's going to be there when they go to turn on that switch or look at their computer screen on a virtual meeting or turn their TV on. Public power's focus is on service to customer. That's something that may get lost in other areas of the industry and larger conglomerates when other factors come into play — when it should really just be on that core service. I think public power does a great job of focusing on that.

**AMP:** **Reflecting on AMP's 50-year history, what key milestones would you consider the top three achievements?**

**Budd:** The top three achievements that AMP has achieved over this last 50 years (are) reliability, bringing people together and networking. Those three items alone have been very well worth it for the City of Coldwater and the Coldwater Board of Public Utilities to join AMP and work with the 130-plus members. It really gives a broad grasp because if you don't have an answer, you can reach out to AMP and they will probably get you that answer. And that's probably the number one most important (thing) for us is being able to get that level of expertise. And over the last 50 years, they've assembled a great team. Being fairly new in my position, I feel very comfortable that if I need an answer, I can reach out to AMP, and they will put me in contact with the right answers.

**Carroll:** One thing I'm particularly proud of that's happened during my tenure is ... getting into the transmission business (through AMP Transmission). I think that's crucial; transmission's becoming a major cost component of power supply with the formation of the markets through the RTOs. And really, the only way to participate in the process or have any influence on that process is to be an owner of transmission. And additionally, members who need upgraded transmission access, say like a second feed into their distribution system, now have a partner that can help make that a reality, which means more reliable service to the community. For those utilities that already own transmission assets, maybe they struggle with the ability to afford a staff or other resources to stay compliant with all the regulations. They can now sell those assets to AMPT. And they have a trusted partner, someone that they can trust to operate those assets in the community's best interest.

I think when we talk about public power, we talk about local control. And that started with controlling our distribution systems locally. But then with the formation of AMP, it moved next into owning generating assets so that you gain control of that piece of the business. And I think recently, we moved into the next phase, which is owning transmission assets (through AMPT), which is another phase of the business. It's all part of the public power model, how it's evolved, that local control means more than just the local assets in your community now.

**McCullar:** Well, I think certainly one of the biggest ones is the development of the generation fleet that has been built over the past 15, 20 years, which brings huge benefits to the membership through the efficiency of those projects. But also, our work at PJM, which is the regional transmission organization that most of our membership is in. We've been very influential at PJM, making sure that when the rules are discussed and regulations are made, they are fair to the public power business model as well as the other business models that participate. Then, you know, the other thing is the impact we have on transmission. The transmission facilities are critical to all of our members because we depend on them. But we want to make sure that the cost of those transmission facilities and the way they're constructed are fair and beneficial to us and our members. I think our work in that area, culminating in the formation of our own transmission company called AMP Transmission, is one of the biggest things that has happened in the past 50 years. And I think there are tremendous benefits in AMP Transmission for our members going forward.

**Patrick:** I'd say the initial startup of AMP back in the 70s (is a key milestone). The challenges that they faced, that they overcame, and the hard work that they did to overcome the odds to start us on a direction to where we could grow to the point where we're at now, it's remarkable to see that and to know how things formed at that point. I think another key point was the growth into other states and that really broadened AMP's reach. So many benefits came from that. Our power supply portfolio is very diversified. I think having a diversified membership, and, ultimately, a (diversified) Board really helps out in many different ways. Economies of scale are great to have, and there's much gained from that. And I think becoming a Titan of public power — I'll use a phrase that former CEO Marc Gerken used. I think that's true in a lot of aspects. And there's a lot of benefits that can come from that.

**AMP:** **How did your community come to be a member of AMP and how has your community benefited from being part of AMP? Is there a specific service or program that has especially helped your community?**

**Budd:** Coldwater joined with AMP about 16 years ago. We were part of a five-member joint action agency that owned our own generating station. At the time, the powers that be saw fit that AMP could do a lot better job with moving our power. For us, it was a logical step for our power supply to join AMP at that time. It was a great decision, a decision I think that we have benefited from, as a community, as well as joining all the other members and becoming a really stronger organization.

AMP's mutual aid program is also a major benefit to being a part of a joint action agency. Last year on May 22, we actually had a storm that pretty much ravaged the city of Coldwater. It was nice to call on our AMP members that were able to respond. We return the favor many times over, we have sent a crew to New York as well as Florida, and then even locally inside the state of Michigan, going up and helping our friends up at the city of Marshall. So mutual aid is also an extremely important part of being a member of the joint action agency.

**Carroll:** Paducah Power was attempting to gain a license for a hydro project on the Ohio River. But we were really too small an organization to take on a project like that by ourselves. We were approached by AMP to become a participant in multiple hydropower projects which fit our needs and helped us to diversify our generation among multiple plants. And we're one of the larger participants in the Combined Hydro (Project), Meldahl and

Greenup facilities. In fact, the Smithland hydro facility is in the next county. It's about a 20-minute drive from our office here.

One of the (other) ways that AMP has helped us recently is (with) a case before FERC. Basically, it's us versus the investor-owned utility, Kentucky Utilities. And AMP was involved in that process, representing several of the Kentucky members. But we also had a separate argument, Paducah did, and AMP provided assistance, making sure that we had the right experts involved. And so far, that case has been a success. And when I think about the dollars involved in winning that case, it was crucial for us. We were talking about significant money, and their advice, their leadership, their direction in dealing with that FERC case was very, very helpful.

**McCullar:** I first became involved with AMP when I met Marc Gerken on the APPA board of directors in 1997. He and I were serving together, and we struck up a long-term friendship. And we discussed for many years, the value of joint action agencies and how we most benefited the membership. And we talked and concluded together that building efficient generating assets was the biggest benefit for those members, so they can have assurance of power supply and cost. And in 2011, a project came up called the Fremont Energy Center that we had a chance to buy, and so we signed on with AMP at that time. It was a rather historic event, too, because it was the first time that a joint action agency had joined another joint action agency. And we believe strongly that that is the future. In this industry, size does matter in terms of efficiency and what you can do in terms of services for members, and also the influence that you can have on the state and national level. So, we joined that project, and we are the biggest participant in the Fremont Energy Center project. And that has been very beneficial for all of my membership, as well as all the participating AMP members in that generation project.

**Patrick:** There are so many ways that having a trusted partner in AMP has benefited us here in the City of Wadsworth. And it's great for me to be able to share those stories with our community, with our residents. Of recent note, we have two of the solar facilities, Solar Phase II, here in the community; we have a generation project, part of the RTO project, here in the community, and people really look at that, and they're really impressed and they're happy that that's going on. And we wouldn't have been able to do those things on our own. Or if we did, it would have been a lot more work. And, you know, with having a trusted partner at AMP, we can easily and comfortably become a part of those projects that our community gets a great deal of benefit from.

**AMP:** **What are the benefits of being part of a joint action agency like AMP?**

**Budd:** Joint action agencies have been very important to Coldwater. In 1978, five other communities came together to have one joint action agency (Michigan South Central Power Agency) here for us with regard to our power supply at that time. Again, moving to AMP has also been very fortuitous for us because we were able to gain that same experience. And joint action agency, to me, really represents a sharing of ideas, a sharing of risk, as well as being able to reach out to your neighbor and find out "Hey, what are you guys doing over there?" It's really that exchange of networking that really makes the advantages of a joint action agency that allow us to continue to provide safe, reliable power to our customers. And the best part about being a Board member is just being able to exchange ideas with those who are in the same position as you are. That learning lesson is just invaluable.

**Carroll:** Joint action represents the combined efforts and resources of municipal utilities coming together for the common good. It really allows us to operate and be successful in today's complex business models that we have in our industry. I really see AMP as an extension of our staff, providing expertise that we couldn't otherwise afford. I mean, if you look at what AMP provides, the core business is power supply. It gives the members the ability to own their own generation and diversify that generation across multiple assets. The hydro projects I mentioned are a great example of how that has helped us. For us, Paducah Power, power supply planning and transmission planning are especially important. See, our load is not in an RTO, but most of our generating assets are. So, setting up all of that process, AMP's played a big role in that for us. We're also participating in the AMP solar RFP process. We (anticipate) economies of scale there, which will help drive down cost.

One of the biggest risks to utilities is really regulation and legislation. And AMP and joint action, in general, gives us and our customers a loud voice. And I'm not sure everyone appreciates the role that AMP plays in this area. I mean, many times its success is not seen because the efforts *prevented* something from happening that would have had a significant negative effect on the utility. You know, as a Board member, I've also had the opportunity to learn so much more about our industry by participating in these board meetings. But even our staff, who don't normally attend board meetings, have been able to take advantage of some learning opportunities. So, for us, AMP provides education, which results in better decisions for our utility and our community.

Joint action agency really lets small municipal utilities or even medium-sized municipal utilities, have resources that they would never be able to afford otherwise. In fact, as the technology in the industry progresses, I think it would be next to impossible for municipal utilities to be successful in the future without a joint action agency. The business models are becoming more and more complex, and small utilities just don't have the expertise or the staff to devote the time to that and that's the role of the joint action agency. And you can get all of these things economically, you know, by sharing our resources for everyone's good, the common good.

**McCullar:** The collaboration between the organizations has been a huge benefit in both ways. DEMEC brought some ideas about how to do things better, and AMP said, "Oh, yeah, we like that." And they adopted our methods and our procedures. And we did the same with them. We saw AMP doing some things that we thought were better than what we were doing, and so we adopted their methods. So that collaboration has been hugely valuable for both companies. And as we go forward, obviously, the ability to have the influence we have, by serving membership in nine states now, is very beneficial to everybody. You can get people to listen to you much better if you're serving nine states rather than just serving one, and that's been a hugely beneficial thing. I think the creativity that comes from the organizations is very valuable too. We're all trying to grapple with the rapid change in our utility industry right now. And as we work together, we are more likely to come up with good solutions than we are (able to) separately.

**Patrick:** There are so many aspects, and it's a wide range of aspects and it almost follows the committee structure that we have. But you can look at so many different ways that our community and other communities can benefit. Like I said before, number one, it's a trusted partner. You can pick up the phone and you have someone that you can call that you can believe in. You can have great expertise and help with your power

supply. That is such an important part of the industry. The generation projects that you can take part in wouldn't be available to us if we weren't a member. Communities our size, smaller and even larger, couldn't do these things on our own. So that's why the power of the numbers and everyone coming together helps. Economic development assistance is available that we reach out to and we get help from. Employee training is offered and provided to us through AMP. Legislation action — we wouldn't have the ability to have the reach that we do by ourselves. Having all those events organized, getting the education and understanding what those topics and issues are, are very helpful. And that helps when the grassroots approach and efforts are organized. And those are extremely effective approaches. IT assistance — AMP has a tremendously high-qualified IT staff that is always willing to help even with a phone call and a question, let alone moving in a project or having them come in to help us with something; finance help, engineering assistance. Those are all things that communities our size, or smaller, don't have the resources, even communities larger than us don't have the resources to put towards that. And you can always go out and hire someone to do that. But you may not believe and trust in them and have that long relationship. And that long relationship means so much to me and to our community.

We have been better off, our service had been better off, and we've been able to provide the power supply, generation projects and all those other things to the community directly because of AMP. And, and we wouldn't be in the situation that we're at right now without AMP.

**AMP:** **AMP has experienced tremendous growth, especially in the past 20 years. What do you see as the benefits to the larger membership of that growth?**

**Budd:** I think the benefit of AMP's growth is that ultimately — one, the exchange of ideas, and two, being able to have better economies of scale through power supply. They'll have a bigger voice in the legislative arena. I think that growth actually brings a lot of value to our local communities, because it's something that we can achieve as one organization that we could never achieve on our own.

**Carroll:** With larger membership comes more resources. And what that does is really give AMP the ability to offer more services and even more expertise. We've seen AMP begin to provide services to members in the technology arena. I mean, many of these services are coming out of Member Services, Focus Forward or IT committees. Some examples may include the AML offerings, cybersecurity audits or maybe it's programs related to EV infrastructure. Large membership also provides a larger voice on regulatory and legislative issues. You now have representatives and senators from nine different states hearing a common message. And the same is true with regulators; when you go before the RTOs, they're multi-state entities. Well, now you have multi-state representation, which carries more weight.

**McCullar:** Well, the growth brings us two major benefits. First of all, the economies of scale that we can achieve by serving a larger group of people. When we build a generation resource, or we go out and contract with another generator for their output, when we go in and say, "We want to buy 200 megawatts of that," that price becomes very attractive, rather than our individual members going out (and saying), "We'd like to buy one megawatt of that, please." Then the price is pretty high. So that efficiency, that scale, is hugely important. Then, as we've talked about several times already, the influence that can be garnered by a large group of electric customers banding

together saying, “This is how we feel about it” has the benefit of making sure that the rules don’t get unfairly created and the rules aren’t detrimental to our membership. So those two things, the economy of scale and the influence are the biggest benefits of size. And so, as we go forward, my vision is that we need to talk to other joint action agencies about joining with us too, because they can benefit the way DEMEC has benefited from this. The benefits of banding together are huge.

**Patrick:** That growth has so many benefits, but the economies of scale and the reach that we have now and understanding the issues that come about or learning about issues that are not hitting us right now but may be coming is very important. Moving forward in the future, it’s going to be important for AMP to continue to look at the way things evolve, technologies that we can use, what barriers are out there and how we can overcome them. And that’s what’s important about being a part of AMP, because a lot of us get buried in the day-to-day items of providing that one service or all the different services that we have. We can’t be complacent. And we can’t just think well, because we’re the only ones here, that means we can just go ahead and do whatever we want to do. We have to continue to evolve and continue to provide the high-level service and stand apart and exceed what the private utilities are doing. Those are things that we couldn’t do by ourselves, but by being part of AMP, we can put those things in place back home here. And ultimately, it’s that end user, that customer, that’s benefiting from it — from us being in the know of what’s going on and being at the forefront of some of those changes and some of those innovations and technologies to help us all provide a better service.

**AMP:** **Looking to the future, what do you think will be important for AMP and its members to focus on?**

**Budd:** Looking forward, I think the most important thing that we can keep our eyes on is the fact that we’re in a period of change in the electric industry. We have all kinds of distributed energy, electric vehicles. I think more and more people are going to require that we are renewable, that we’re green. And I think people are looking a lot more closely at what the future holds. ... And then they want to make sure that the next generation can see the value of this joint action agency. I really think that the future value is being able to preserve a future for those who follow.

Even at the local level, we are facing more and more pressure even from some of our tier-two automotive suppliers, that they’re being pushed by the larger corporations to provide green energy. In the future AMP’s biggest role in that will be able to receive power that is green and being able to tell people that their power is coming from hydro, and whether it’s coming from wind or solar. But it’s the demands of the customer that is asking these larger corporations to participate in making sure that the future is still bright and green.

**Carroll:** Some changes in the industry, I think we can all agree on — the increase in renewable energy, concerns with carbon footprint, electric vehicle infrastructure and the continued evolution of technology and how that’s going to impact our business models. I’ll paraphrase and borrow a quote from our CEO, Jolene Thompson: “Changes that are coming to the industry are revolutionary, not evolutionary.” So, the pace of change will only continue to grow. And our challenge and AMP’s challenge is to develop strategies that provide the most flexibility. We need to be able to shift and change direction quickly as our industry changes. We also need to lead the change

effort instead of just reacting to it. And I think there are combined efforts and resources in AMP. We can be that leader.

Our industry has been infrastructure heavy for years. And we were slow to evolve as an industry, but I think that's changing. And I think technology is changing that. If you look at how our industry has changed over the last 10 to 15 years with the formation of the regional transmission organizations, now you have markets that have been developed for capacity and energy. I think there's going to be additional markets that are out there. You have renewable energy credits already. I mean, it's only going to evolve, and it's going to evolve at a very fast pace, something that our industry historically has not done well. And I think technology is going to play the biggest role in that. I think we need to be ready for that. It's going to happen, and we need to be prepared.

**McCullar:** The regulatory environment is changing rapidly. The ES&G (environmental, social and governance) is going to have a huge impact on how we do business going forward, and also, it's the grid evolution. The grid is changing. We used to have distribution grids that were one way. We took generation, and we delivered it to our customers. Now, we have our customers not only taking energy from us, but they're also pushing energy back onto the grid from their own generation resources, whether it's solar on their roof, a wind facility, whatever. We need to offer our membership a grid evolution game plan. As this goes, it's not going to happen over decades, it's going to happen over years. So, as you know, we're a long-term, capital-intensive business. You have to make the right decisions when you spend that money, because, you know, you're going to build a facility, (and) that facility will be there for 30, 40, 50 years. Let's get it the right way. And AMP has the technical knowledge and experience to go and create a game plan for our members: As you build your grid out into the future to serve your customers' needs, do this and do this, don't do that and don't do that. That I think is going to be hugely valuable in terms of applying their scarce capital to the right things at the right time. I think that's one of the biggest things we can do for the future. The regulatory engagement has to continue. We're good at it. We have to be better, and we need to continue to do that. And again, you know, as I go back, you hear me say it so many times here, the ES&G goals: They're going to become very important because it's our customers' goals, and we have to serve our customers' needs. So, we have to get that and understand how to do that.

It's important to keep that in front of (our members) because they're very busy people back home, and don't have time to think about these emerging issues. They look to us, they look to AMP, they look to DEMEC, to address those emerging issues, bring those issues to them, and help them deal with them. That's one of our values.

**Patrick:** Focusing on the changes in the industry, whether it's a barrier in the industry that we're facing, or it's technologies or innovations that are changing, we need to be on the forefront of that. That's going to help all of us to continue to provide a high level of service and give the customers what they need. I think we're in a period of pretty dramatic change that we're going to see. You can either be part of that, or you can kind of be left behind. And I think by being a member of AMP and I think AMP itself is going to be on the forefront of that and leading that. And so, we won't be left behind. And at the end of the day that'll reach our customer here in Wadsworth, Ohio, that they're going to be better off because we are a part of that.



**AMP:** Considering AMP's many significant achievements, which do you believe will have the strongest impact on the future success of the organization and its members? Are there achievements, for example, that will propel the organization into the future?

**Budd:** The success of AMP over the years, obviously increased dramatically when they started to allow other states to join AMP at the time. I think going forward and building that bigger coalition amongst other states has really benefited AMP and which will eventually benefit all of our local communities for having that cost-sharing containment. Obviously, the power supply is and always will be the number one issue facing AMP, but there (will) also be green renewables and all the renewable portfolio standards that will come in front of AMP as well. You know, having a larger footprint to serve really is what AMP has done over the last 50 years that has led us to this place. And again, I think as AMP continues to grow, as AMP continues to become really the leading voice in public power, I really think that is going to pay dividends down the road.

**Carroll:** Three things really, and I think I've touched on all three. I mean, number one, the core business of AMP is power supply, and the increased efforts with renewable energy and transmission. But this also includes our ability to respond to environmental, social and governance concerns of our community and our customers, or essentially our sustainability. Number two would be the representation of the member interest with regulators and legislation. Without strong influence, our voices will not be heard, and our chances of success diminish. And lastly, number three, the investment in technology and innovation, and what that'll add to the value of our member utilities. I mean, we've seen disruption caused by technology in other industries. If you think about phone companies and Blockbuster, and our ability to embrace and utilize technology could easily define our success or failure in the future.

**McCullar:** We have very strong leadership. We have an engaged Board of Trustees, and their understanding of the industry and their understanding of what it looks like going forward are going to be hugely valuable to the organization itself, as well as the members. We may have done very well developing generation resources over the past 20 years, and that's been hugely beneficial. But that's probably not where our future focus is going to be. Our future focus is going to be "How do we take the Internet and the technological developments of IT and smart devices and build that into our organizations and our systems, so that we have greater efficiency, greater ability to be flexible," because I believe flexibility is going to be a key asset to the company going forward. Shifting the focus going forward, the strong leadership and the engaged Board of Trustees has to look at these items, and then advise our members how best to utilize these new resources that are available. Our AMI program for the smart meters and grid control, that is one of the greatest things we've ever done at AMP, to make that turnkey, to make it understandable and achievable for our smaller members, even the ones who have 500 meters. They can now have an AMI system without inventing it themselves. I think that's going to be one of the greatest values going forward.

**Patrick:** I think one of the biggest areas that will have a long-term impact, that we're not even really understanding at this point, is getting into the transmission world, and AMPT and the formation of that. I think, looking back, all of our future generations will look back and say, "Wow, that was a pretty unique and remarkable thing that AMP did." Because that's going to transcend really the industry. And there's so many things right

now that are being impacted by that. But I think we don't know what the big impacts are going to be, and by us having a seat at the table, being in that world and being able to compete, is going to position us and all of our communities for a lot greater success than had we stayed on the sidelines and not entered that world.

For more *AMP 50 Years – Stronger Together* interview transcripts visit:  
[www.amppartners.org/amp-50-years](http://www.amppartners.org/amp-50-years)