

Hall, Renee

From: Bob Haug <bhaug.ames@gmail.com>
Sent: Thursday, September 5, 2024 8:00 PM
To: City Council and Mayor
Subject: Knowing the cost of delay

[External Email]

It's Time to Act on Two Waste Management Issues

1) The council has received substantial evidence on why continuing to burn waste for energy is no longer viable. The cost to ratepayers and to the environment is unacceptable and a better alternative is available. **It is time to set a date for getting the electric utility out of the waste business**, so that the utility can do meaningful planning. To understand the need to act, you need to know the cost of delay. It will undoubtedly be a number well into millions of dollars per year – likely enough to justify temporary logistical solutions for handling and transferring waste to Polk County and, to the extent necessary, retraining and/or reassigning current personnel. **Ask the staff to calculate the cost of delay** and to include – at a minimum - these avoided costs: natural gas and RDF purchases, RDF storage; and, operation and maintenance costs for the power plant and resource recovery. It should also include the cost of shortening the useful life of the power plant by continued burning of waste. Additionally, avoided emissions should be documented.

2) Staff has presented information on savings and public benefits that would be realized by adopting an organized system for waste hauling. Savings include reduced street repair/replacement costs and likely savings in monthly pickup costs. The move also avoids noise pollution and traffic congestion and significantly reduces air emissions. The difficulty in making the decision is understandable because it impacts several small hauling companies. To the extent possible, these impacts could be mitigated through use of exclusive pick-up zones or other measures. **Organized collection is in the public interest; it is time to move forward.**

AMI rollout

The electric utility is preparing to invest in Advance Metering Infrastructure (AMI) – the technology that will allow time-of-use metering and a host of other functions. The plan is for the roll-out to extend over a period of years. That may be the right approach, but many AMI functions are unavailable until the system is complete. Again, **the council would benefit from a conversation about the cost of delay**. And if delay is driven by a desire to avoid debt financing, it needs further justification. The ability to issue tax-exempt debt is arguably the single most important tool that has kept public power competitive over time. Using debt for long-term assets makes sense, because customers pay for the infrastructure that is serving them over the life of the asset. The utility's reserves can be leveraged in the issuance of useful debt. The council needs to hear the case for owning critical assets or ratepayers are going to be stuck paying a lot more to private investors. That is exactly what happened with the wind energy PPA, when a public power solution was available. Except for back-up generation, it is now the most expensive resource in the portfolio.

Bob Haug, 3517 Oakland St.