



Michigan Public Power Agency

There are approximately 2,000 "Public Power" entities in the United States, which are primarily community-owned, local electric utilities. These utilities supply about 15% of the electricity sold in the United States annually.

The vast majority of these Public Power entities are members of Joint Action Agencies (JAAs). JAAs provide smaller utilities the opportunity to combine certain operations and buying power to share costs, pool resources and expertise, gain efficiencies, and obtain the necessary economies of scale that none of their members could accomplish individually.

Michigan has three Joint Action Agencies that were formed in the late 1970's; the Michigan Public Power Agency (22 members), Michigan South Central Power Agency (5 members) and WPPI Energy (a Wisconsin JAA with 6 Michigan members in the Upper Peninsula). Grand Haven Board of Light & Power is a member of the Michigan Public Power Agency (MPPA), the State's largest JAA. 33 of Michigan's 40 public

power systems are members in JAAs.

MPPA's members supply 85% of the public power load in Michigan, and approximately 8% of all load. MPPA's annual power sales exceed \$200 million. MPPA provides an essential conduit among and between its members and the power supply markets. Its core function relies on complex data processing and management, automation and most importantly knowledge and expertise of the marketplace. MPPA owns generation assets on behalf of many of its members and enters into power purchase agreements collectively for its members. When GHBLP is not producing electricity locally, it is not buying "from the grid" as many suggest, but actually purchasing its power from MPPA. MPPA is operated not-for-profit and is governed by a 22 member Board of Commissioners, one from every municipality it serves.

As a member of MPPA, the Board of Light & Power additionally gains power supply planning expertise and assistance with regulatory compliance matters. As the complexity of the power supply marketplace has evolved in recent years, the dependency of smaller municipal members on JAAs has increased and the relative value added by these organizations to their membership has expanded.

