

Testimony in support of HR5161: To Study Public Ownership of Public Utilities

Dr. Hans Scholl, 71 Fales Avenue, Barrington, RI 02806

Date of Hearing: March 20, 2025

To Chair Solomon and the honorable Members of the House Corporations Committee:

Many states in the US have publicly owned utilities (POUs) that operate successfully (refer to the Attachment).

It appears that the three most often claimed benefits are local control, lower electric rates, and more flexibility and willingness to focus on specific local needs:

- POUs are typically governed by local or regional authorities, which would give Rhode Island more direct control over utility rates, policies, and decisions.
- Lower electric rates can result because POUs are not driven by profit motives, and can focus on providing affordable and reliable service rather than generating profits for shareholders.
- POUs can prioritize investments in infrastructure and energy systems that meet the specific needs of our State, such as renewable energy sources, energy efficiency programs and grid modernization, and most importantly can have more willingness to embrace the transition to renewable electricity instead of extending the status quo of doing business as usual.

I support the House Resolution because the proposed Legislative Commission will allow to explore these and other possible benefits and also any disadvantages of public ownership of our electric utility, and to explore what Rhode Island can learn and apply from other successful POUs.

With electric rates being high and the renewables transition under way, we have to carefully explore *all* alternatives that can bring relief and accelerate electrification. We need to identify the best solutions to reduce greenhouse gas reductions and rapidly move to clean, abundant and affordable electricity. A publicly owned RI utility can be one of them. Let's find out!

Please bring the bill to a vote in 2025.

Thank you very much for considering my input, and thank you to Representative Cotter for introducing this important bill.



Dr. Hans Scholl

March 17, 2025

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Attachment

Examples of Publicly Owned Utilities in the U.S.

- The Tennessee Valley Authority (TVA), a federally owned corporation that provides electricity to multiple states in the Tennessee Valley region. The TVA was created in 1933, as part of President Franklin D. Roosevelt's New Deal, as a federally owned corporation designed to provide electricity to rural areas in the Tennessee Valley, improve flood control, and stimulate regional economic development. The TVA remains one of the largest public electric utilities in the U.S.
- Several cities in California with municipal utilities, like Los Angeles with the Los Angeles Department of Water and Power.
- Nebraska:, with the Nebraska Public Power District and Omaha Public Power District are major public electric providers.
- Washington State owning Bonneville Power Administration, which operates in the Pacific Northwest and is responsible for managing hydroelectric resources and providing electricity to several states.
- The New York Power Authority as a state-owned utility that provides electricity to municipal systems and large users.
- Texas with the Lower Colorado River Authority as a state-owned utility
- South Carolina with Santee Cooper, or the South Carolina Public Service Authority, as a state-owned utility.
- Idaho with municipal utilities operating in Boise and Idaho Falls.