

Background

America's electrification in the early 20th century was driven by the private energy sector. Due to the unique aspects of energy production, the government permitted the formation of natural monopolies in which the government could regulate rates and service.

Although the private energy sector was efficient and dynamic, companies refused to serve rural areas due to the associated costs. There was less profit to be gained from serving these communities and so in 1930 only one in ten farmers had access to electricity.

The market crash in 1929 set the stage for President Roosevelt's New Deal administration to enact change in the electricity market. A federal Rural Electrification Administration was formed. Within a matter of years, the administration helped create more than 900 rural electric cooperatives across the country which built and maintained their own distribution infrastructure.

As the U.S. economy shifted toward deregulation and privatization in the latter half of the 20th century, the momentum for public power slowed. Investor-owned utilities regained dominance, and many efforts to expand or create new municipal utilities faced legal and political roadblocks. Today public utilities and cooperatives constitute 29% of America's electricity sales.

MASSENA WINS RIGHT TO RUN OWN UTILITY

But Niagara Mohawk's Opposition to Takeover of Facilities May Affect Town's Timetable

By HAROLD FABER

Special to The New York Times

ALBANY, Nov. 11 — More than four years after the residents of Massena voted to take over and operate a municipal power system, the State Court of Appeals has given them a green light to do so.

However, a major obstacle still exists: agreement on the procedures and price to be paid for the facilities of the Niagara Mohawk Power Corporation, which now distributes electricity to the town's 16,000 inhabitants and which has fought the takeover from the beginning.

In a unanimous decision last week, the court upheld Massena's right to condemn the Niagara Mohawk property within the town and to take it over pending completion of the complicated condemnation process.

Billing Reduction Promised

"We're tickled pink," said Floyd Ritchie, Supervisor of the town, which is in northern New York State on the banks of the St. Lawrence River. "We have told people from the beginning that we will reduce our first billing by 22 percent after we take over."

As an example of the savings that would result, Mr. Ritchie said his own bill of about \$80 for a two-month period would be reduced by \$13.20 when the town takes over operation of the power system.

He estimated that the town could take possession of the property in 90 days, or about Feb. 1, barring further legal or administrative challenges.

However, that estimate seemed optimistic to some state power officials, who cited the complicated hearings required in the condemnation procedures and the continued opposition of Niagara Mohawk.

Carl Dobe, a lawyer for the power company in the Massena case, said in a telephone interview from its main office in Syracuse that the utility's future actions depended on Massena's plan for gaining temporary possession of the property.

"We obviously will oppose it," he said.

Mr. Dobe also said the Court of Appeals decision had apparently foreclosed any appeal by the company to the Federal courts.

The next arena for the continuing dispute between the town and the company will be in the courtroom of St. Lawrence County Judge Michael Duskas, when the town lawyers present their proposed plan for taking over the property on a temporary basis.

"We will ask for a transition committee to be appointed by the judge, with two members from the town, two from Niagara Mohawk, one from the Power Authority of the State of New York and one neutral observer to arrange the physical takeover," Mr. Ritchie said.

Committee to Set Price

The price to be paid will be set by another committee appointed by the court, he said. One state official, who has been following the case closely, said that it was clear to him that another lawsuit would follow, filed by one side or the other, once

Massena



Andrew McMahon, superintendent of Massena Electric Department

How to take back the grid

In the 1970s, Fred Cook, the Village Trustee of Massena NY—began a push for public power after conducting a study showing residents were paying more than twice the local town of Plattsburgh. Voters approved \$4.5 million to buy the grid from Niagara Mohawk, but the company launched aggressive legal challenges.

After years of legal battles, Massena had exhausted the entire \$4.5 million just on litigation. In 1980, voters—now even more supportive—approved \$10 million in bonds to move forward.

Despite having to spend triple the original estimate, Massena stuck together and won. Within months of the takeover, rates dropped 24% for residents.

Today, the Massena Electric Company offers some of the cleanest cheapest, and most reliable energy in NY State. Not only does MEC rank in the lowest 10% for electricity rates nationally, they also source 75% of their electricity from renewable sources, much higher than the national average.

Volunteer Fire Co. v Dearden, 64 RI 368). The plain and ordinary significance of the words "maximum estimated cost"

followed by a single monetary figure is that the maximum and estimated costs are the same. The noun "cost" is modified by two adjectives, which separately qualify the subject which in turn relates to the object, a single sum. Neither modifier conflicts; in fact they coincide. It is the spirit rather than the letter of the resolution which determines its construction (cf.

Power to the People: Cutting red tape in the fight for publicly owned electric utilities

Suspects

Rochester

In June 2023, Rochester Gas and Electric (which serves the City of Rochester and 9 nearby counties) announced plans to raise electric rates by 16% and gas rates by 11% as part of a plan to "improve reliability, expand our energy efficiency offerings, execute on important pilots to test new technologies to support our green energy future, and provide additional assistance to those who need it."

All the while, thousands of RG&E customers continue to report energy insecurity, long response times for outages, and mistakes on their energy bills. Furthermore, RG&E sources approximately 12% of its electricity from renewable sources, far below the 70% mandate set in the Build Public Renewables Act.

The Rochester Energy Democracy (RED) movement is a grassroots campaign led by the non-profit advocacy group Metro Justice. Frustrated with poor service, high rates, and lack of green energy, advocates organized over four years ago to demand a public takeover. After years of fighting, the Rochester City Council approved \$500,000 to fund a feasibility study in 2023—the critical first step in municipalization. However, the full study is expected to cost \$1.5 million, which the Monroe County legislature refuses to approve. Without state-backed financial support, municipalities like Rochester are left to shoulder this burden alone.



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References

Private Utility Stall Tactics

Cumbersome Bureaucracy

Cost Barriers