



## HANNIBAL BOARD OF PUBLIC WORKS

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**ELECTRIC, WATER AND WASTEWATER**

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**RAN ON:** March 30, 2016  
**TO:** Hannibal Courier - Post  
**FROM:** Robert W. Stevenson, P.E.  
**Re:** Hannibal Benefits from Wind Energy

In previous columns you might have read between the lines to think I am in favor of the HBPW buying wind energy from western Kansas. You would be correct. I see many benefits for the City.

Recall last week I stated Hannibal will need to find 110,000 MWH of energy each year to supplement the Prairie State supply. Contract prices for that supplemental supply today are about \$41/MWH. Beginning in June 2017 we expect that price to drop to about \$30/MWH as we change our purchasing strategy. After 2018 we expect prices to rise as a result of EPA action forcing older coal plants out of business. The Clean Line Energy project, if built, could permanently benefit our energy future for the better.

The first benefit is access to economical wind energy markets we cannot reach any other way. Wind energy from NW Missouri is not economical. Due to the relatively poor site for the generators and, the inadequate transmission system wind energy prices are above the cost of traditional sources. I have heard from plenty of our customers. Few are interested in paying premium prices for power, even for a renewable resource.

Second, energy prices should be stable. Unstable prices are a nightmare to plan for. Neither the HBPW nor customers can plan well in a volatile electric market. We all have to set aside too much cash to cover unplanned price spikes. We delay making improvements thinking we need to save our cash. Then that money just sits in a bank, not working for anybody. Or, it is spent on high priced energy. Unstable is bad-stable is good. The contract offered to us if CLE builds their line is stable for 25 years. We have no other such offers.

Third, Hannibal could become known for its very green energy portfolio. Ameren and other investor owned utilities must provide up to 10% of their energy as renewable by 2020 and up to 20% renewable by 2030. Municipal electric systems across Missouri have been very aggressive to gain renewable energy sources by investing as a group in wind and solar projects. By 2017 they expect to have about 10% of their energy as renewable. Hannibal could exceed these goals and be the green energy champion of Missouri with a renewable portfolio of up to 40% by 2020.

Major manufacturing companies are eager today to claim their products are made with renewable energy. If we have abundant green energy available we become more attractive to those manufacturers. If that green energy is also priced below traditional sources it will be even more

attractive. We might hope that new or existing manufacturers would move new production into our local economy to gain access to our economical green energy. This would help our unemployment problems, our property values, and our schools.

These potential benefits are available only to customers of HBPW and only if the line is built. They are not available to us if the project is not built. We have very little influence over the MoPSC as they might decide to review a new application by Clean Line Energy. But, if the line were to be approved, I would like to see Hannibal in a position to take transmission service from them on the first day they are open for business.

For more information regarding the Clean Line Energy Project or to read past articles on this subject, visit our website at [www.hannibalbpw.org](http://www.hannibalbpw.org).

***“The mission of the Hannibal Board of Public Works is to provide safe, reliable utility products with excellent customer service at reasonable prices.”***