



Free Image: <https://picjumbo.com/technician-worker-on-construction-site-in-winter-snowstorm/>

INSIDE

Page 1 - Navigating the Great Compression in 2026

Page 4 - Looking Back on 2025, Looking Forward to 2026

Page 5 - Strengthening our Affiliate Bonds

Page 6 - HCI Partner Marsh USA, Inc.'s Ryan Weber

Page 7 - Upcoming Conferences

Navigating the Great Compression in 2026

As we enter 2026, the public power sector has officially moved past the “planning phase” into what market analysts call “The Great Compression.” This era is defined by a high-stakes collision: unprecedented load growth from AI and electrification meeting a supply chain and regulatory environment where time is now a scarcer resource than capital.

For 2026, the U.S. Energy Information Administration (EIA) forecasts that commercial electricity sales will surpass residential sales for the first time in history. While national growth is pegged at 2.4% to 2.6%, the reality is a geographic “patchwork.” Regions like the West South-Central U.S. are facing a staggering 9.2% surge in demand (primarily in the ERCOT and PJM footprints), while other regions see more moderate increases. This disparity is forcing a radical shift in how vendors, Joint Action Agencies (JAAs), and State Associations operate.

Strategic Roadmap: Navigating the 2026 Shift

1. For Vendors: From Suppliers to “Certainty Partners”

In 2026, the transactional model is dead. With Foreign Entity of Concern (FEOC) rules now fully active, tax credits for energy projects using components linked to nations like China or Russia are being restricted.

How Vendors Address This: Successful vendors are pivoting to become “Compliance and Risk Partners.” They are investing in domestic “safe harbor” inventory and providing real-time supply chain telemetry. They no longer just sell hardware; they sell delivery certainty and regulatory audit-readiness, ensuring that Joint Action Agencies’ projects remain eligible for critical federal tax incentives.

2. For Joint Action Agencies (JAAs): Orchestrating the “Firmness” Gap

JAAs are the primary defenders of reliability in 2026. With only a small fraction of new capacity additions qualifying as “firm” (24/7) baseload, JAAs must bridge the gap between intermittent renewables and the constant demand of data centers.

How Vendors Address This: JAAs are increasingly deploying Grid-Enhancing Technologies (GETs) and Virtual Power Plants (VPPs). By aggregating member resources—like local battery storage and smart EV chargers—JAAs are squeezing 15–30% more capacity out of existing lines. They are also leading the charge in negotiating “Flexible Load” tariffs, requiring data centers to ramp down during peak stress events in exchange for faster interconnection.

3. For State Associations: The Advocacy & Workforce Shield

State associations serving municipal utilities have a unique role in 2026: protecting local control against federal and state-level “fast-track” pressures.

How Vendors Address This: Associations are acting as the “Regulatory Intermediary” fighting for equitable cost-allocation so that massive infrastructure upgrades for new industrial loads don’t fall on the backs of residential ratepayers. Furthermore, they are launching Regional Workforce Academies to solve the “Craft Skill Crisis” ensuring a pipeline of qualified line workers and technicians to build out the 2026 grid expansion.

The 2026 Fact Matrix

Metric/Trend	2026 Data Point	Source
Load Growth	9.2% in West South-Central Regions	CoBank 2026 Outlook/EIA
Capacity Price	\$329.17/MW-day (PHM Record High)	PHM 2026/27 Auction Results
Demand Flip	Commercial sales exceed residential for first time	EIA STEO/APPA Analysis
AI Integration	Moving from pilot to “Heartbeat of the Grid”	West Monroe 2026 Trends
Supply Risk	FEOC Rules impact 80%+ of planned grid storage	Deloitte 2026 Renewable Outlook

Summary: The Road Ahead

The year 2026 is an execution test. The “Great Compression” has eliminated the luxury of long lead times, forcing public power to become more digital, more domestic, and more proactive. Whether it is a vendor providing supply-chain transparency, a JAA orchestrating a virtual power plant, or a State Association fighting for fair cost-allocation, the goal remains the same: ensuring that the “Main Street” mission of public power—affordability and reliability—survives the most volatile energy market in a generation.



Sources & References

- U.S. Energy Information Administration (EIA): Short-Term Energy Outlook (STEO), December 2025. (Forecasting 2.4% national growth and the historic shift where commercial sales exceed residential).
- Deloitte Insights: 2026 Power and Utilities Industry Outlook and 2026 Renewable Energy Outlook. (Detailed analysis on FEOC sourcing rules and the shift toward “firm” capacity).
- PJM Interconnection: 2026/2027 Base Residual Auction Results. (Confirmed clearing price of \$329.17/MW-day, hitting the regulatory cap).
- CoBank Knowledge Exchange: 2026 Power, Energy, and Water Year-Ahead Report. Documentation of the 9.2% regional load surge and the “National Energy Emergency” context).
- West Monroe: 2026 Energy & Utilities Industry Outlook. (Data regarding AI integration as the “core” of utility operations and the 2026 workforce transformation).
- American Public Power Association (APPA): EIA Sees Commercial Sector Electric Sales Exceeding Residential Sector for First Time in 2026. (Analysis of sector-specific demand shifts).

UFS UTILITY FINANCIAL SOLUTIONS, LLC

Make Financial Decisions with Confidence

Strong utilities are built on solid financial foundations. Our experts translate numbers into a clear story about your utility's health, performance and long-term stability.

Watch and Learn How to Start a Financial Assessment

ufsweb.com (231) 218-9664 @Utility Financial Solutions, LLC

Looking Back on 2025, Looking Forward to 2026

Looking back on 2025, we were preparing for a new administration and significant shifts in the energy sector. As noted in the recent issue of APPA's Public Power Magazine, load growth driven by data centers and AI became a primary focus, while large renewable energy and EV grants were being reassessed and even clawed back. Simultaneously, the push from the new Administration for increased domestic energy production remained a central theme across the industry.

On a local level, Hometown Connections welcomed a new Director of Marketing, Annette Dupont-Ewing. Mike Mozingo retired, and rejoined HCI in November as the new Affiliate Relationships Director. HCI's Board Chairman, Randy Howard, announced his retirement as the CEO for Northern California Public Power Agency. Brandon Renaud joined the HCI Board as Vice Chairman in September. Last but not least, the 2025 HCI Annual Gathering was held in Healdsburg, California.

Looking forward to 2026, we are excited to announce the next **Annual Gathering in Denver, Colorado, on April 8-9, 2026**. This upcoming event will span two full days and feature a new focus on our Affiliate Members. We aim to address your specific needs, explore the challenges you face, and collaborate on potential solutions. **This year's Hometown Connections, Inc. Annual Gathering isn't just another conference—it's a fundamental shift in perspective.** We are changing things up by moving away from partner-led messaging to put the spotlight entirely on **you**, our Affiliate members. The focus of this two-day event is dedicated to the real-world obstacles you face in the public power arena. We want to dive deep into what keeps state associations and joint action agencies up at night: identifying your most pressing issues and, more importantly, collaborating on the strategies needed to solve them.

This is a true working meeting designed to yield actionable results. To support this mission, HCI is bringing together top-tier industry experts and specialists from fellow joint action agencies to provide direct support, tailored solutions, and concrete answers. While we've built in social activities to foster connection, the core of our time together is rooted in the belief that **together we are stronger than we could ever be apart**. We strongly urge you to attend and lend your voice to these critical conversations—your insights are the key to our collective success.

Facing a New Year of Challenges?

Many public power utilities enter the year reacting to urgent issues rather than advancing the priorities that matter most. A clear, focused strategic plan can provide the roadmap your organization needs.

HCI helps public power utilities develop strategic plans that create alignment, sharpen focus, and support effective implementation.

Read HCI's blog post: **[Why Most Utility Strategic Plans Fail \(And What Actually Works\)](https://blog.hometownconnections.com/why-most-utility-strategic-plans-fail-and-what-actually-works/)**
<https://blog.hometownconnections.com/why-most-utility-strategic-plans-fail-and-what-actually-works/>

Strengthening Our Affiliate Bonds

We are thrilled to share some exciting news that marks a new chapter in our commitment to you, our Hometown Connections Valued Affiliate Members and Partners. **Hometown Connections, Inc. (HCI) is proud to announce that Mike Mozingo has rejoined the team as the new Director of Affiliate Relationships (DAR).** If you've been with us for a while, you already know Mike. He is returning to a community that knows and respects him, and we couldn't be happier to have his expertise and passion back in the fold.

Listening to Your Voice

His return is not a coincidence. Over the past year, we have listened closely to our affiliate members. We heard your concerns, your need for deeper engagement, and your desire for a dedicated advocate within HCI. We took those conversations to heart, and we knew Mike was the perfect person to lead this mission.

As the DAR, Mike's primary goal is to take our existing partnerships and transform them into even stronger, more collaborative bonds. He is already hitting the ground running, meeting with each of you to ensure your goals are our goals.

A Note from Mike Mozingo

"I am absolutely honored to be back with the HCI family. My focus is entirely on ensuring our affiliates feel supported and heard. I'm especially looking forward to seeing everyone at our upcoming Annual Gathering. There is immense value in us gathering in person: the networking, the shared strategies, and the collective problem-solving, as these offer a level of insight you simply can't get anywhere else. You will walk away with actionable ideas to bring back to your organizations. I'd really like to see every Affiliate Member attend!"



Mike Mozingo

The HCI Annual Gathering

This year we are offering more opportunities to engage with our Valued Affiliate Members!

- **The Schedule:** Plan to arrive on **April 7th** for a fun, nautical-themed reception to kick things off. We will have two full days of work and fun on the 8th and 9th, with everyone heading home on the 10th.
- **Industry Experts:** We are excited to feature keynote speaker **Barry Moline**, along with a high-level panel of experts on day two. The workshops and meetings will be focused on our Affiliates and their concerns and triumphs.
- **Problem-Solving Focus:** Dedicated sessions to address the “**what keeps you up at night**” challenges unique to state associations. We want to dive deep into your concerns and understand your goals and objectives for the next 2–5 years.
- **Strength in Unity:** A unique opportunity to align strategies with other joint action agencies.



HCI Partner



RYAN WEBER

Ryan Weber is Senior Vice President at Marsh USA, Inc. (part of Marsh McLennan) and has been with Marsh since 2018. At Marsh, Ryan focuses on safeguarding the financial and operational health of community-owned utilities. Ryan and his public power practice at Marsh play a crucial role in advising utilities on the evolving dynamics of the insurance marketplace and trends. His insights shed light on the pressures currently facing the public power finance and risk industry. Some of these risks and challenges include wildfires, aging infrastructure, grid modernization, cyber threats, environmental, and others. Marsh can deliver tailored risk assurance programs, including specialized property, casualty, and crucial cyber liability insurance, ensuring that public power entities can secure reliable protection against increasingly complex exposures.

The Value of Partnership

Ryan Weber's leadership in the public power and utility practice is central to the value Marsh provides as a Hometown Connections Partner. Marsh has been a long-time, loyal HCI Partner for over nine years. Their focus is on offering American Public Power Association member utilities access to industry-specific risk solutions that are often inaccessible or cost-prohibitive without the partnership's leverage and expertise. Marsh helps ensure community-owned utilities are not just protected against current threats but are also strategically positioned to manage the risks associated with the industry's future. Marsh uses data, technology, and analytics to lower the total cost of risk to their clients.

Ryan played collegiate baseball at Sam Houston State University (SHSU) and holds a Bachelor's Degree in Criminal Justice and a Master's Degree in Sport Management. In his off-time Ryan enjoys spending time with his wife and three children and the occasional golf outing. Ryan Weber works out of the Houston, Texas office and can be reached at Marsh USA at 281-732-1558 or by email at ryan.weber@marsh.com.

Contact Information for Marsh USA, Inc.

Address: 500 West Dallas Street, Suite 1500, Houston, TX 77022

Website: www.marsh.com/en/home.html

Upcoming 2026 Conferences

Jan 11-13	APPA Joint Action Conference, Destin, FL https://www.publicpower.org/event/joint-action-conference
Jan 20-22	2026 POWERGEN International, San Antonio, TX https://www.powergen.com/
Feb 2-5	Distributech International 2026, San Diego, CA https://www.distributech.com/event-information/about-distributech-international/
Feb 8-11	2026 NARUC Winter Policy Summit, Washington, D.C. https://www.naruc.org/events/all-events/2026-naruc-winter-policy-summit/
Feb 23-25	APPA Legislative Rally, Washington, D.C. https://www.publicpower.org/event/legislative-rally
Mar 13-14	FMEA 25th Annual Florida Lineman Competition, Tallahassee, FL https://www.flpublicpower.com/events/fmea-2026-florida-lineman-competition
Mar 27-28	APPA Lineworkers Rodeo, Huntsville, AL https://www.publicpower.org/event/lineworkers-rodeo
Mar 29-Apr 1	APPA Engineering & Operations Conference, Huntsville, AL https://www.publicpower.org/event/engineering-operations-conference
Mar 29-Apr 1	APPA Safety Summit, Huntsville, AL https://www.publicpower.org/event/safety-summit
Apr 8-9	Hometown Connections Inc Annual Gathering, Denver, CO Registration Site Forthcoming
Apr 12-14	APPA CEO & Utility Managers Roundtable, Terranea Resort, CA https://www.publicpower.org/event/ceo-roundtable
Apr 14-15	Smart City Expo USA, West Palm Beach, FL https://tomorrowcity.us/
Apr 14-15	Energy Bar Association (EPA) Annual Meeting & Conference, Washington, DC. https://www.eba-net.org/event/2026-eba-annual-conference/
Apr 14-16	2026 IUCX Conference, Tampa, FL https://www.iucx.org/conference-2026
Apr 21-22	APPA Accounting & Financial Virtual Summit (<i>virtual event</i>) https://www.publicpower.org/event/accounting-finance-summit
May 4-8	APPA Spring Education Institute, San Antonio, TX

To have your conference listed, please send information to acdupont-ewing@hometownconections.com.

HCI Blog

HCI Blog: A Platform for Collaboration and Innovation

<https://blog.hometownconnections.com/>

HCI warmly invites all its Partners and Affiliates to actively contribute to the blog. Whether it's sharing a recent project, providing commentary on industry trends, or offering advice based on your experiences, your input is highly valued. This collaborative effort will not only highlight the incredible work being done across the network but also provide a valuable resource for continuous learning and development.

How to Contribute

Contributing to the HCI blog is straightforward. Interested Partners and Affiliates need to follow these simple steps:

- **Write your article:** Focus on topics that you are enthusiastic about and that would benefit the HCI community or public power in general.
- **Submit your article:** Send your completed article to acdupont-ewing@hometownconnections.com.



Want to
STAND OUT
in a Crowd?

Advertise on the HCI Blog and/or in the HCI Newsletter!

Reach a targeted and engaged audience by advertising in our professionally rebranded newsletter, distributed by HCI Affiliate members (Joint Action Agencies) to their utility customers. This is a great opportunity to promote your company and services directly to decision-makers and create business opportunities across multiple communities.

Space is limited, so reserve your spot today and get your business in front of the right audience.

The Hometown Connections Advantage
 25 Years of Empowering and Educating Public Power Utilities



We're a nonprofit services organization specializing in the unique challenges of community-owned utilities.

Solutions for Public Power

- Advanced Metering
- Infrastructure
- Business Strategy
- Customer Care
- Cybersecurity
- Finance
- Operations
- Strategic Planning
- Technology
- Workforce

Learn more at www.hometownconnections.com.




Owners

American Municipal Power, Inc.
 Energy Southeast
 Missouri Public Utility Alliance
 Northern California Power Agency
 Vermont Public Power Supply Authority

Marketing Affiliates

Energy Northwest
 Florida Municipal Electric Association
 Illinois Municipal Electric Agency
 Indiana Municipal Utilities Agency
 Michigan Municipal Electric Association
 Minnesota Municipal Utilities Association
 Missouri River Energy Services
 Municipal Electric Systems of Oklahoma
 Nebraska Municipal Power Pool
 Southern Minnesota Municipal Power Agency
 Tennessee Municipal Electric Power Association
 Texas Public Power Association

Sales Affiliates

American Municipal Power, Inc.
 ElectriCities of North Carolina
 Energy Southeast
 Indiana Municipal Power Agency
 Missouri Public Utility Alliance
 Oklahoma Municipal Power Authority
 Piedmont Municipal Power Agency

Partners

Acumen
 DivDat
 Energy Southeast, A Cooperative District
 Exacter
 Great Blue
 Hometown Connections
 Katama Technologies, Inc.
 Leverage Leadership
 Marsh USA
 MFP Connect
 PowerSecure
 Questline Digital
 SpryPoint
 Stem
 The Energy Authority
 Utility Financial Solutions

HCI Board of Directors:

Randy S. Howard, Chair
 Brandon Renaud, Vice Chair
 Ken Nolan, Treasurer
 Jeff Haas, Secretary
 Mark Ennis, Member
 Brannndon Kelley, Member

HCI Team

Marc Gerken, P.E., President and CEO
 Nilaksh Kothari, P.E., Executive Consultant
 Mark McCain, Exec. Consultant for Strategic Planning
 Annette DuPont-Ewing, Director of Marketing
 Mike Mazingo, Director of Affiliate Relationships