

# "Organizations in Economic Development"

## The Edison Electric Institute

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*Home owners, business, and industry expect America's investor-owned electric companies to produce and deliver a reliable, economical, and an environmentally-sensitive supply of electricity 24 hours a day. What these customers do not expect is for their electric companies to be key players that they are in improving and developing the quality of life in the communities they serve. Unlike other major corporations every electric company has to stay put when its customers leave town or go out of business. Therefore, to a large degree, a utility's survival depends upon that of its customers. Electric companies, through their own economic development professionals and through their national trade association's Economic Development Committee, help their service areas to stay competitive in many ways.*

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### EDISON ELECTRIC INSTITUTE

The Edison Electric Institute (EEI) is the national association of investor-owned electric utilities in the United States. Investor-owned electric utilities generate and distribute about three-fourths of the electricity produced annually in the United States and serve approximately 75 percent of all electric customers. EEI is celebrating its 60th anniversary this year. Located in Washington, D.C., EEI represents 200 member companies.

EEI serves and represents its members in many different ways. EEI develops programs to help member companies in human resources, information exchange, cost control, quality improvements, and relationships with their communities, customers, and shareholders.

EEI also helps to identify and publicize new or better methods of using electricity, and it builds public support for policies that enhance the benefits of electricity. The former often is a matter of working effectively with selected industrial and commercial customers, and the latter of working with policy makers, the media, and opinion leaders. EEI demonstrates to legislators and regulators that electricity benefits both the environment and the economy. Demonstrating that fact convincingly, and guarding against policies that would limit the efficient use of electricity to benefit the environment and the economy, is at the heart of the Institute's strategy on environmental issues.

The growth of the free market econom-

ics in the former Soviet Union, global economic integration, and electric utility industry restructuring across the world are increasing the value of EEI's international affiliate program, which now has 26 countries involved.

The Institute's staff of 300 employees includes scientists, engineers, economists, and other specialists who work closely with more than 4,600 member company representatives serving on 100 EEI committees. The committees address every aspect of electric utility operations from generation to community relations.

### EEI'S ECONOMIC DEVELOPMENT COMMITTEE

The EEI Economic Development Committee serves as the national voice for the individual economic development efforts of the member companies. The Committee provides a liaison with site and location decision-makers, the various branches of the U.S. Government, with embassy staffs and trade representatives of foreign governments, with the press, and with business leaders from all parts of the world.

The Economic Development Committee's formal mission is to:

Position the investor-owned electric utility as the principal consultant for economic development services to business worldwide.

Assist our communities in developing their fullest potential for economic health.

The Committee's 84 member company

economic development executives and representatives act as a forum for the industry. They come together to share information on areas of common interest in economic development.

### COMMITTEE ACTIVITIES

For businesses, both foreign and domestic, EEI's Committee dedicates itself to increasing their awareness that EEI member companies are the best source of information for development services in the U.S. The Committee also broadens the dissemination of strategic information about EEI and the industry. Together, this will serve to enhance our member companies' economic development effectiveness.

To the business community and to the international investment community, the Committee acts as a consultant. It steers parties interested in economic development to the appropriate contacts in member companies. As part of this effort, the Committee makes available the *Location Assistance Directory* which lists over 160 economic development specialists employed by the investor-owned electric utility industry across the country.

The Committee provides a variety of assistance outside of business recruitment as well:

Encourages EEI member company partnership activities with community and economic development organizations to assist them in realizing their full potential.

Tracks federal legislation and its impact on member company economic development activities.

Provides factual information on member company programs to the news media and general public.

Develops programs that will ensure that the investor-owned electric utility industry's international economic development efforts are coordinated and effective while building national and international partnerships.

The Committee also develops member company marketing and economic development related information. They then communicate this information to all appropriate member company personnel.

### MEMBER COMPANY ECONOMIC DEVELOPMENT PROGRAMS

EEI's member companies' economic development programs grew sharply during the 1980s, both in size and sophistica-

tion. This trend continues in the '90s. Today, these programs are more comprehensive and carefully targeted than ever before. Economic development for these companies is an activity that involves partnerships with private and public sector economic development specialists to help local economies grow.

Some typical utility economic development programs are:

- Business attraction and expansion
- Financial programs and incentive rates
- Business retention and "demand-side management"
- Community development and rural development
- International focus
- Workforce education.

Selecting the perfect site requires reliable and up-to-date information. Electric companies can offer pertinent details in a confidential manner on any potential location in their service area. This will include information and statistics relating to area markets, population, available labor force, taxes, worker training, transportation, and government regulations.

### DEVELOPING RURAL COMMUNITIES

Investor-owned electric companies take pride in their role in rural America. Since the early 1900s, electric companies have supplied the power for more than half of America's rural communities — over 62 million people. Electric companies have also recognized their obligation to help rural communities meet their social and economic needs. When added together, these functions — providing a reliable and affordable electricity supply and initiating community activities — strengthen an electric company's rural service areas. This in turn helps strengthen the utility itself.

Today, electric companies develop their rural communities in many ways. They co-sponsor such projects as developing new industrial parks, promoting tourism, revitalizing downtown areas, and strengthening community organizations. Electric companies also make rural communities more attractive to prospective businesses by providing information on regional economic trends, local labor markets, community profiles, financing availability, as well as available business-development incentives.

Once established, both rural and urban businesses can increase their profits through

an electric company's energy-management programs. Offered by many electric companies, the programs increase profitability through the efficient use of electricity. The programs may feature cash rebates or low-interest loans for installing high-efficiency motors, lights, appliances, and insulation, as well as advice on energy use.

### COMMUNITY DEVELOPMENT ACTION KIT

EEl member companies overwhelmingly support EEl's *Community Development Action Program*. Many companies have initiated programs in partnership with state and local economic development agencies to assist communities in developing action plans to move along the road to economic recovery.

The Committee has recently developed the *Community Development Action Kit* to help small communities develop their own economic development capabilities. This *Kit* is a community workbook and facilitator's guide to help communities develop strategic plans for development, while expanding capabilities within. Member company personnel take a leadership role in providing technical assistance and assisting in the facilitation of the workbook.

### INTERNATIONAL ECONOMIC DEVELOPMENT EFFORTS

On the international front, electric companies have a long history of helping businesses from across the world to find the perfect site in America. Helping to ensure these businesses' initial, as well as long-term, success makes good business sense for all electric companies.

Because foreign companies do not have as much access to data on U.S. sites as do domestic firms, electric companies can often provide this intermediary service. Electric companies can also act as an agent for a foreign company, helping to speed the relocation or expansion along through what can be a complex web of municipal hurdles.

### COMMITTEE'S INTERNATIONAL ASSISTANCE

Electric companies work to establish a long-term relationship with their existing businesses. The Committee produces a number of economic development services to help local businesses expanding the international arena.

The *Export Assistance Program* is a major international effort which has sev-

eral components.

*A Business Guide to the Exporting Process*, is a manual that utilities can use to help the businesses in their service area establish exporting programs.

*A Guide to Developing a Utility Export* helps member companies identify the roles they can play in assisting companies to export.

*Export Opportunity Hotline* is a tool that member companies can offer to their small and mid-size businesses to help them break through the fears and barriers that stand in the way of them competing successfully in international markets. The Hotline provides export and trade information as well as answering specific questions small businesses have when attempting to export.

*Location USA/Product USA*, at Hannover, Germany provides an opportunity for member company personnel to seek out export and joint venture opportunities for their small and medium sized businesses as well as assisting European manufacturers locate facilities in the U.S.

*Export Training Seminar* assists member company personnel understand the exporting process and develop a comprehensive approach to encouraging exporting among their customers.

In addition to these services and products, the Committee organized an International Luncheon where 29 foreign commercial attaches learned of the services that EEl members can provide to them if they are interested in locating businesses here. It also provided EEl member company personnel with contacts and information to assist their local businesses in developing international markets.

### FUTURE PARTNERSHIPS WITH BUSINESS

To remain competitive in the 90s and beyond, a key objective for businesses will be getting the most value from their electricity dollars. Demand for electricity is projected to grow over the next 25 years. The industrial market's average electric growth rate will increase by an annual rate of 2.3 percent a year through the year 2010. Comparable rates for total end-use energy are 1.8 percent in the 1990s, slowing to 0.8 percent over the years 2000-2010.

Among the forces driving this growth will be the increasing substitution of high-efficiency electric process heating and HVAC technologies for fossil-fuel tech-

nologies. Some examples include induction heating, microwave drying, and process heat pumps.

From a manufacturing plant owner's standpoint, electric company initiatives can help them to remain in business in an increasingly competitive marketplace. From the utility's standpoint, the energy-efficiency programs help to defer the construction of costly, new electricity generating

facilities, as well as to help contribute to a stronger local economy. And by encouraging its customers to use electricity efficiently, energy-efficiency programs can also lessen the utility's overall impact on the environment.

With electric company economic development services, and EEI's Economic Development Committee support, these businesses can get the help they need from

the start to succeed in an increasingly competitive marketplace.

#### **Sally Hooks**

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