

Minutes of a Meeting of
SERVICES, UTILITIES AND EQUIPMENT REPLACEMENT COMMITTEE

held May 18, 2022

6:00 p.m.

Present: Councilman Michael Greco, Chairman
Councilwoman Sara Byrnes Maier
Councilwoman Lydia DeGeorge

Also Present: Councilman Tom Kelly, Members of the Bay Village Green Team: Patrick McGannon, President, Kathryn Boehnlein, Alison Grant, Lori Sprosty, Bob Shields, Charlie Michelson.

Councilman Greco called the meeting to order at 6:00 p.m. and thanked everyone for their attendance. Mr. Greco introduced the members of the Service, Utilities and Equipment Committee, and stated that Patrick McGannon, President, along with members of the Green Team are present this evening to present information concerning electric aggregation renewal.

Mr. Greco turned the meeting over to Mr. McGannon for his presentation, copies of which are attached to these minutes as if fully incorporated herein.

Bay Village Electric Aggregation Renewal 100% Renewable Option for a Healthier Future

Created by: Patrick McGannon, Alison Grant, Charlie Michelson.

The presentation by Patrick McGannon, President of the Bay Village Green Team, began with Mr. McGannon stating he has been a Bay resident for most of the last 42 years. Mr. McGannon as a degree in biology with focus on aquatic ecology and human health.

Government Electric Aggregation History

- January 1, 2001 – Ohio SB3 took effect splitting electric generation supply from transmission, distribution, billing.
- May 4, 2010 – Bay Village voters passed a ballot measure authorizing residential and business Opt-Out Government Electric Aggregation.
- November 8, 2010 – City Council approved ordinance laying out structure of our Opt-Out Government Electric Aggregation.

Prior to January 1, 2001, all the electric generation supply including transmission, distribution and billing was provided by the Illuminating Company. SB3 also allowed cities to aggregate their residents together and go out to bid to electric generators to see if a better price could be obtained by taking all the residents for a better price than they would receive alone. That did

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require that a ballot measure be passed by the residents, and on November 8, 2010 City Council approved an ordinance laying out the structure of the Opt-Out Government Electric Aggregation.

The Senate Bill split apart the power generation and gave the residents of Ohio a choice where they can choose who generates their power. Residents cannot choose how the power gets to their house and who is sending the bill. It will always be The Illuminating Company no matter who they choose for electric aggregation. Mr. McGannon pointed out that the red arrow on the bill shown on the slide presentation points to the kilowatt hours used for that month, which is a useful number when shopping for power. The charges from the Illuminating Company are shown on the orange part of the bill displayed on the slide presentation. The yellow section is what the residents get to choose, or the government electric aggregation program chooses for those residents who don't choose to opt out of the program. A customer service phone number is shown if there are questions to be addressed for the customer.

The next slide, Resident Options for Electricity Generation, explains the choices under the current system of aggregation. If the resident does nothing about their electricity, they will become by default part of the government electric aggregation, and the City will chose the generator of electricity. Currently, that is non-renewable. There is a small renewable contract that is required by law, but beyond that it is mostly fossil fuel for the power. If the resident is savvy enough and decides to shop on their own, they can opt out during the 21-day opt out window offered without a charge at the beginning of the contract and every three years thereafter. If the resident opts out outside of the 21-day window there might be an opt out fee that is defined by the contract. Some of the contracts have a fee that is reduced over time. More information can be obtained by calling the customer service phone number. If the resident opts out they can either to do nothing after opting out and then the Illuminating Company will give the utility standard offering and they choose the generator. That is usually a variable rate that bounces around based on the markets. Or, the resident can opt out and then shop the market through the Public Utilities Commission of Ohio website, called Apples to Apples, Ohio Energy Choice and then the resident can choose based on whatever factors they are looking for, whether it is price or 100% renewable as many of the Green Team members have done.

Mr. Greco asked when the clock starts for the opt out.

Mr. McGannon stated that he is not certain how it works for new residents who come in at the middle of a contract. But, for Bay Village, the renewal was occurring in November. Every three years there is a renewal with an RFP process, unless the City chooses a contract that is longer than three years. But, they still have to allow an opt out every three years for 21 days, by the ordinance that was passed. Every resident is sent an opt out index card that looks like a piece of junk mail. If they read that and understand what that means and they check a box and send it back that they are opting out.

Mr. Greco asked if the option to opt out and shop out is probably the best choice, so they can pick their rate.

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Mr. McGannon stated that they can already do that, but it is complicated for the resident to follow it to the end shown on the graph. They have to send out an index card that they have to find in their mail in a 21-day period. Then they have to know what website to go to. They have to know how to parse that data in the government website.

Mr. Greco stated that he marks his calendar on his phone to know when the utility is up, because he goes out to shop once a year and tries to renew every twelve months. He does not remember getting a card.

Mr. McGannon explained that once a person opts out once they are permanently opted out until they choose to go back in. Another important piece is that if residents are in a separate discount program outside of the aggregation program, by law they are not allowed to be part of the aggregation. The question is if it is a burden for low-income residents to pay \$4.00 more for renewal energy per month.

In response to a question by audience member Lori Sprosty as to what point the City is presently with their electric aggregation program, Mr. McGannon stated that this November the City will be at the end of the current contract, requiring the City to request proposals for a new contract. The City issues Requests for Proposals to go out and get electric utilities to try to bid on our group of residents and supply the power to them. The goal of government aggregation is to produce electricity for less than the utility standard offering. If you opt out and do nothing, the Illuminating Company chooses your electricity for you. By having a government electricity aggregation program, the goal is to beat that price. The City reviews the proposals and chooses the option they determine is most beneficial to residents. The City Council is at the end of the process, looking at the proposals that have been received.

The current generation source for the City aggregation program is Energy Harbor. The cost per kilowatt hour is 5.04 cents. If you were to look at Apples to Apples at this point that would be a fantastic rate, and at the next renewal it might be somewhat closer to 10 cents. It expires in November of 2022 with the potential to extend for one more year. The City likes to go out to bid regardless of whether or not they think this is the best price. The process to request the proposals has not yet started, however, this is the time when that would start.

Energy Harbor was previously First Energy Solutions, a subsidiary of First Energy which spun off as an independent company. Mr. McGannon noted that First Energy was involved in bribing law makers so this might not be a company that the City would want to do business with in the future.

Mr. McGannon stated that the average household consumes 893 kilowatt per hours per month, according to the U.S. Energy information (2020 figure). At our aggregation's current rate, this would be \$45.00 per month average for a household for the generation portion of the bill (yellow section of the bill shown on the slide). The orange section of the bill shown on the slide is from the Illuminating Company for that delivery. That amount is more than the electricity section of the bill.

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The next slide, “What is Wrong with our Current Generation Source?” addresses the fact that non-renewable fuels generate the electricity, and the Environmental Protection Agency said that power plants that burn coal and oil are the largest remaining source of mercury and acid gas emissions in the nation. In addition to causing serious illness, they release carbon, a big contributor to global warming.

Mr. McGannon stated that the main source of fuel comes from an encapsulated carbon which is not meant in its natural cycle to be in the atmosphere. As we extract that out as oil, gas, and coal and change it into atmospheric carbon that contributes to the greenhouse effect. Additional diagrams were displayed, showing Carbon Dioxide over the last 800,000 years, showing a spike in the modern area beginning with the Second Industrial Revolution in 1870. CO2 levels rocket from 287 ppm in 1870 to 412 ppm in 2020, and CO2 emissions from human activities between 1990 to 2015 increase 51%.

We also see, during that same time period, the rise in average global temperatures, in both air temperatures and water temperatures. World-wide, Years 2016 and 2020 were the two warmest years on records. United States is high on the list of those emitting the carbon dioxide. The vast majority of emissions come from three regions: East Asia and Pacific, Europe and Central Asia, and the United States. Electricity was 25% of the total U.S. Greenhouse Gas Emissions by Economic Sector in 2019.

Additional slides indicate where our power comes from and how electricity is generated in our region. Renewables became the second-most prevalent U.S. electricity source in 2020.

Ms. Maier asked how much of that electricity comes from solar. Mr. McGannon stated that there is wind, solar, and other sources, e.g., hydro. There are counties that are north of us, Germany, for example, that use way more solar. Electric power is one of the large consumers of natural gas. The United States now produces nearly all the natural gas that is used in Europe, but the price is dictated by world markets.

Mr. McGannon went on to show the global costs of fossil fuels, which is a major contributor to climate change with resulting heavy windstorms, heavy rain events, and polluted air, all with the resulting property damage and health impacts to citizenry. We are entering uncharted territory as we march to the irreversible tripping point, with a global warming number that might not be able to be reversed if we go too far. If we wait until 2030, it will be out of reach.

The remainder of the slides offer suggestions about what can be done about the warming of the globe. The Requests for Proposal should be written to require renewable power as an option for residents within the aggregation, preferably the default if the cost is below the utility’s standard offering. This would produce more stable long term pricing (cannot be exported), no greenhouse gas emissions, a reduction in air pollution, and inexhaustible energy source, and local jobs. Ohio cities with 100% renewable aggregations are Cincinnati, Worthington, Dayton, Athens, Columbus and Grove City. NOPEC and SOPEC offers aggregation plans with both 100% renewable and non-renewable, allowing residents to choose with the aggregation. All SOPEC

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meetings are subject to the Sunshine Law which includes the Open Meetings Act. SOPEC can offer renewable as an option, and non-renewable as a default.

The summary slide states that sound, peer reviewed, scientific data supports the conclusion that global warming is a serious issue and human caused. Bay Village Government Electric Aggregation can be part of the solution to global warming and its negative effects on humanity, while offering residents a choice between renewables and non-renewables with the aggregation. The Green Team requests that the Bay Village Government Electric Aggregation write the RFP to require renewable power as an option for residents within the aggregation, preferably the default if the cost is below the utility's standard offering.

Audience participation followed. In response to questions, the following information was noted:

The difference between renewable and non-renewable pricing is estimated to be about \$5.00 per month for the average 893 kilowatt hours.

Most of the cities in the SOPEC agreements offer both options.

Hand-outs are attached to these minutes at the end of the slide pages, and are entitled:

- Ohio Cities and Towns with 100% Renewable Plans
- New City of Dayton Electric Aggregation Program will be approximately 30% Cheaper than AES Ohio Standard Service Offer Rate, and will Feature 100% Renewable Energy.

Ms. DeGeorge asked if there will be value in the rest of Council hearing all of the presentation.

Mr. McGannon suggested that if the City may choose to take the option of a one year extension with the present aggregation program since prices are soaring.

Ms. Maier asked how many of the local governments started with renewable as the default option versus the opt-in action. Mr. McGannon stated that he believes a majority of them went to renewable.

Further audience participation followed.

The meeting adjourned at 8 p.m. It was agreed that it would be beneficial for all of Council and the administration to hear a presentation by The Green Team, as Mr. McGannon provided this evening.

Mr. Greco will contact the Mayor to clarify the intention of the City in regarding to extending the one-year option or going out for bid.

Ms. DeGeorge asked if it would ultimately be Council's decision. Ms. Mair agreed that is Council's decision about whether to execute on the renewable option.

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Mr. McGannon was thanked for the presentation this evening. Mr. McGannon noted the resources noted for each slide at the bottom of each page.

Mr. Greco stated it is important for residents to know that they do have a choice, and the City is not monopolizing anything for them. Moving forward, we must keep in focus that the choice is theirs.

Michael Greco, Chair

Joan Kemper, Secretary