

ELECTRIC AGGREGATION TASKFORCE

Minutes of March 9, 2010

CALL TO ORDER

Chairman/Commissioner Steve Hambley called the meeting of the Electric Aggregation Taskforce to order at 8:00 a.m. The meeting was held in Balcony Room B of the County Administration Building located at 144 N. Broadway Street, Medina.

The following were present:

Ron Bischof, Montville Township Trustee
Martha Catherwood, Hinckley Township Trustee
Rick Dumpreth, Chatham Township Trustee
Sally Gardner, Medina Township Trustee
Brian Guccion, Sharon Township Trustee
Steve Hambley, Medina County Commissioner
Chris Jakab, Medina County Administrator

Dennis Kreider, Wadsworth Township Trustee
Ron Oiler, Westfield Township
Rich Pace, Granger Township Trustee
Bill Pavlick, York Township Trustee
Paul Schaefer, Liverpool Township Trustee
Kathleen Scheutzow, Brunswick Hill Township Trustee

Kimberly Bolas Miller of Sharon Township was excused.

APPROVAL OF MINUTES

The minutes of February 23 were e-mailed prior to the meeting. There was no discussion; therefore, the minutes will be placed on file as submitted.

OLD BUSINESS

Review of NOPEC Proposal

Mr. Hambley distributed copies of correspondence from Leigh Herrington, Executive Director of Northeast Ohio Public Energy Council (NOPEC). Brunswick City is a member of NOPEC. They are ten years old and the largest public aggregator in the United State. In 2008, FirstEnergy tried to eliminate government aggregation; and NOPEC, along with Bill Batchelder, took a strong stand and the law was kept. Their legal counsel, Richard Eckler, provided a letter with the steps the county would need to take in order to become part of NOPEC's Council of Governments. They have an executive board that has one representative per county and an annual meeting is held once a year that every member is invited to attend (all townships, cities, all villages that are members) and ratifies and gives power to the Executive Board. Bob Zienkowski of Brunswick is the only member from Medina County. Bill Young, who is from Geauga County, has stated that they are very happy with NOPEC.

Chris Jakab had reviewed the information. There are some significant financial offsets that make it not as attractive to the townships and to the county than the FirstEnergy Solutions/CCAO proposal. The following proposals have been received: FirstEnergy Solutions/CCAO, Buckeye Energy (a broker), and Independent Energy Consultants (a broker). With a broker, there is some risk taking because they would need to go out on the market for a shorter period of time. When Mr. Hambley spoke with Leigh Herrington, he recommended going with a longer term. Going with a shorter term would mean a higher percentage off in three years (maybe 8%), but there is no way of knowing what the market will be in three years. We'd be betting that there wouldn't be an increase in demand and that the price wouldn't go up. Therefore, it seems better to lock in a longer term.

At the last meeting, there was discussion about investigating a shorter term with FirstEnergy Solutions. The response from Kurt of Palmer Energy said that was not likely and if it was a shorter term, it would be likely to lose the grants. Kim Bolas Miller had stated that she would contact one of the township fiscal officers; Mr. Guccion stated that Ms. Miller had not received a return phone call. Rich Pace spoke with someone from Munroe Falls; theirs was a shorter term, they front-loaded their benefits. Mr. Hambley stated Munroe Falls had 10% in 2009, 6% in 2010, 5% in 2011, and 4% in 2012. It's not known if they received community grants. The agreement was made in September 2009.

It seems that every contract has an "out" clause. Basically, if PUCO changes the base rate schedule, they can walk away from the contract.

The NOPEC proposal offers grants totaling \$36 per enrolled electric customer over the nine-year term. The provisions are three separate grants. The county is responsible for working out the distribution with the townships without regard to size. There is no offset or minimum. The purpose of the grants has to be energy related unless fiscal distress is demonstrated. They need to be energy conservation projects, renewable energy, energy education, or economic development grants for advanced energy projects. FirstEnergy Solutions grants are for any public purpose. In addition to the generation discounts of 6% and 4% offered by FirstEnergy over a nine-year period, there is an additional 1% discount established by the NOPEC Board annually, up to a minimum of 1%. The 1% would be listed as a NOPEC additional discount. Basically, it's a fee that they're giving back to the customers. It appears that the savings are over-estimated. NOPEC handles all customer inquiries and questions through their call center and will assist in the campaign. There are 129 other township representatives. NOPEC has a paid staff. They also have

noted that the county has the authority to offer a gas aggregation program and they offer one. This would be something for future consideration.

There were concerns about needing to use the grants for energy conservation.

Review of Proposals/Recommendation

Ms. Catherwood felt that the FirstEnergy Solutions/CCAO proposal appears to have the broadest benefit with Buckeye Energy Brokers being next. Mr. Jakab noted that Tom Bellish has withdrawn. Mr. Pace stated that Mr. Burns of Independent Energy Consultants was very informative; he was concerned that IEC's contracts have all been with FirstEnergy Solutions. Mr. Dumpreth noted that another contract was in process and Mr. Burns couldn't discuss it. Ms. Catherwood said that IEC offered a short term, but we've now learned that this isn't the way to go, there were intangibles and there weren't concrete statistics. Mr. Dumpreth had concerns that the FirstEnergy Solutions/CCAO contract had the first three years set apart from the last six and felt that it wasn't more than a three-year agreement. Ms. Gardner stated that every contract is set the same way. If things change in three years, perhaps there will be more competition.

Mr. Dumpreth questioned the figures that appeared in the *Post* article; Mr. Hambley didn't know where they got the figures, but they are not correct. Mr. Dumpreth also said that it's attractive when a company will help disseminate information. Mr. Hambley noted that if voters are given accurate information and know that they can opt out, it will likely pass, not because of the township and county grants, but because of household savings.

There was consensus that the FirstEnergy Solutions/CCAO option was the best one. Mr. Hambley stated that he would update Commissioners Ray and Geissman.

Ballot Costs

Chris Jakab confirmed that because this was an even numbered year and was a primary election, the Board of Election estimated that the cost would be in the general range of \$150-180 per precinct.

NEW BUSINESS

Mr. Hambley will contract FirstEnergy Solution/CCAO to obtain information used in other campaign. He suggested that township officials disseminate information during meetings and have the literature available for those wishing to pick it up at their township halls. Mr. Pace suggested a kick-off so everyone has the information at the same time. Mr. Hambley noted that the information will be placed on the county's website, along with the approved master agreement. It was suggested that the townships provide a link to the county's webpage. He reminded that information can be provided but residents can't be told how to vote. The message must be consistent – 6% is the price to compare for residential and they have the ability to opt out. If the issue passes, the agreement will be effective July 2010.

The master agreement will be voted on at the March 22 commissioners' meeting. Everyone was invited to attend the meeting and to make comments, especially since the press will be there to capture those positive comments.

There should be no advertising or mailing costs associated with the issue. Articles in the newspapers, website, and letters to the editors should be sufficient. It was noted that the *Post* has a "guest column" that could be utilized. Mr. Hambley will pursue this idea along with talking to the editorial staff of the *Gazette* and *Sun*.

PUBLIC COMMENT

There was no one from the public in attendance.

NEXT MEETING

Mr. Hambley will coordinate the next meeting is one is needed.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:49 a.m.

*Minutes transcribed by Peggy Folk CAP
Assistant Clerk to the Medina County Commissioners*