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Council Meeting Date: September 11, 2023

Subject/Legislative Item: Ordinance No. 45-2023 - An ordinance authorizing the City to enter into the Sustainable Ohio Public Energy Council (SOPEC), the execution and delivery of the agreement establishing SOPEC, and approving the bylaws of SOPEC

Purpose: To join Sustainable Ohio Public Energy Council, SOPEC, and to adopt the SOPEC Bylaws, for the purpose of establishing and implementing the Electric Aggregation Program within the City.

Executive Summary: This ordinance authorizes the city to enter into the Sustainable Ohio Public Energy Council, SOPEC, the execution and delivery of the agreement establishing SOPEC, approving the bylaws of SOPEC.

Purpose and Impact

The primary goals for Upper Arlington in seeking an electric aggregation program are to facilitate stable and lower cost electric utility services for residents and business customers, ensure selected provider provides reliable and first-rate customer service, and support renewable energy with a brown energy option for customers. This ordinance authorizes the city to enter into the Sustainable Ohio Public Energy Council, SOPEC, for the purpose of establishing and implementing the Electric Aggregation Program within the City. By joining SOPEC, the City will be able to act jointly with other members of political subdivisions and thereby maximize the potential benefit of electric deregulation through group purchasing efforts.

This ordinance also adopts the agreement establishing SOPEC and SOPEC Bylaws (attached in the packet), for the purpose of establishing and implementing the Electric Aggregation Program with the City. The SOPEC agreement is presented to the city by way of 2 public hearings, September 11th and September 18th, 2023, during the City Council Meetings which has been advertised in the Columbus Dispatch as required. Following adoption, the city will consider rates and terms immediately to start the aggregation program if pricing is advantageous to the community. This process takes approximately two (2) months while we notify residents of the rate and term of the program and allow for a 21 day opt-out period before the program can go live. This outreach will comply with the Public Utilities Commission of Ohio, PUCO, requirements and filings.

It is important to note that by joining SOPEC, the City is not required to aggregate electric until pricing and terms provide lower cost electric utility services for residents and business customers. We are predicting that we will want to do this immediately based on the current energy market.

History



City Council had previously enacted legislation authorizing the City to establish an opt-out electric aggregation program, pursuant to Section 4928.20 of the Ohio Revised Code (the “Electric Aggregation Program”), for the residents, businesses, and other eligible electric consumers located within the City, and for that purpose, to act jointly with any other village, city, township, municipal corporation, county, or other political subdivision of the State of Ohio, as permitted by law.

On April 17th, Council had an educational presentation from Power a Clean Future Ohio on Energy Aggregation. Along with that presentation, staff presented the legislative history on both electric and natural gas aggregation in Upper Arlington. From this, we determined that our existing approved ballot measures are still valid and that there are two governmental energy aggregators in Ohio that would meet our needs as opposed to paying an energy consultant and broker. In May of 2023 a Request for Information, RFI, was sent out to the governmental energy aggregators in Ohio. SOPEC was selected to continue in consideration of the city joining a program due to their objectives aligning with City Council's sustainability goals while also having competitive fixed rates and no complaints with PUCO.

SOPEC is a regional council of governments under Chapter 167 of Ohio Revised Code and is an alternative to private brokers. SOPEC was formed to increase efficiency in local government by sharing administrative and legal services for high-value public energy programs to help communities achieve their local energy and sustainability goals. SOPEC member communities' electric aggregation program feature 100% renewable energy through the purchase of Renewable energy certificates, RECs, throughout the country to support the generation of renewable electricity. SOPEC currently has 29 communities and political subdivision members across Ohio. SOPEC is AEP Energy's 2nd largest customer in Ohio with an approximately 1 TWh (1,000,000,000 kWh) per year of annual load.

On June 26th, 2023, SOPEC had a formal presentation about their program at the City Council Meeting. Subsequently, staff began outreach efforts to inform the community of Council's consideration to join SOPEC in the fall. Postcards were mailed to every household along with a website created that was pushed out through the Insight, social media, and posters in the community. Staff also held four (4) public meetings along with information available at various city events.

Alternatives

City Council can choose not to join SOPEC and keep the Standard Service Offering, SSO, for AEP customers that have not already purchased electricity generation on their own.

Attachments

1. Amended and Restated SOPEC Bylaws
2. Signed Agreement Establishing SOPEC
3. Upper Arlington - President of Council signature page for SOPEC agreement
4. Ordinance No. 45-2023

