



PLAN OF OPERATION
AND GOVERNANCE FOR
MUNICIPAL OPT-OUT
ELECTRIC
AGGREGATION

ADOPTED BY CITY COUNCIL

IN ORDINANCE NO. 22-___

ENACTED ON _____

Overview

On November 7, 2000, a majority of the voters in the City of Shaker Heights, Cuyahoga County, Ohio (“**City**”) approved a referendum that authorized the City to pursue automatic Governmental Electric Aggregation.

The City prepared this Plan of Operation and Governance (“**Plan of Operation**”) pursuant to Ohio Revised Code (R.C.) Section 4928.20, regarding governmental aggregation of electric service.

On July 14, 2022, the Plan of Operation was presented to the City’s Sustainability Committee, [*which recommended its approval to City Council*]. During the weeks of July 11 and 18, the City published an advertisement in the Sun Newspapers announcing two public hearings to be held on July 25th. The hearings were also publicized on the City’s website and in social media.

The City has created an Electric Aggregation Program page on the City’s website, and will include appropriate updates and FAQs for the Program (<https://www.shakeronline.com/827/Electric-Aggregation-Program>).

On July 25, 2022, the City held two public hearings on the proposed Plan of Operation; one at 12 noon and one at 7 p.m. Both hearings were held in-person at City Hall in Council Chambers, and attendance was also available remotely by Zoom. After the two hearings, the City Council [*approved the Plan of Operation by ordinance adopted at its regular meeting on July 25, 2022.*]

The Plan of Operation has been approved as prescribed by R.C. 4928.20. The City has developed this Plan of Operation in accordance with the governmental aggregation provisions in Ohio Administrative Code (O.A.C.) Section 4901:1-21-16. The Plan of Operation will be filed with the PUCO and the City will request approval of its governmental aggregator certification. The City will also register as a governmental aggregator with FirstEnergy/The Illuminating Company.

Once certified as a Governmental Aggregator, the City will be authorized to combine multiple retail electric customer loads within the City’s geographic boundaries (the “**Aggregation**”) for the purpose of facilitating the purchase of electric supply in Ohio’s competitive retail electric market. The City’s main goal is to provide 100% renewable electric supply to aggregation participants.

The City intends to administer an opt-out governmental aggregation program that will automatically include all eligible electric accounts (the “**Program**”) and will seek to aggregate the retail electric loads of eligible consumers located in the City’s boundaries, and to negotiate the best rates for the supply of electric power to those consumers. Participation in the Program is voluntary. Every individual eligible customer will be given prior notice entitling them to affirmatively elect not to be part of the Program and to return to the local electric utility (“**Utility**”) standard offer of service or to enter into a power supply contract with any Competitive Retail Electric Service Supplier (“**Supplier**”).

The City’s purpose in creating the Electric Aggregation Program is to represent the interests of its residents and businesses that have not or do not choose to select their electric supplier on their own, in order to aggregate the electric loads within the City and negotiate affordable, competitive, and reliable electric supplies and other related services on their behalf. In particular, the City’s purpose is to provide 100% renewable electric supply to participants in the aggregation.

Many small commercial and residential electric consumers lack the leverage, interest or knowledge to effectively negotiate electric supply rates and services. A governmental aggregation program provides them with an option for professional representation and the bargaining power of a larger, more diverse consumer

group that may be more attractive to suppliers, including renewable energy suppliers, allowing them to more effectively participate in the competitive electric supply process and its benefits.

Governmental Aggregation Services

The City, as a Governmental Aggregator, will serve as purchasing agent for the Program. As purchasing agent, the City shall (i) select a Supplier to supply the Program, (ii) negotiate the terms of supply between the Supplier and each Program participant, and (iii) oversee the enrollment procedures administered by the Supplier.

The City will not buy and resell electric itself, except that the City will purchase electric supply for its own facilities. Instead, the City will represent the collective interests of electric customers in the City to select a supplier and negotiate the terms and conditions for service. Each participating customer will be contractually responsible to the Supplier to pay for the electric supply services used by the customer. When the City's aggregation contract with a Supplier has been finalized, it will be submitted to the Shaker Heights City Council for approval.

The Aggregation Program will provide for only the electric supply portion of each participant's electric service, and the charges of the electric supply will only be a portion of each customer's electric bill. The Illuminating Company will continue to deliver electric supply to Aggregation Program participants through its electric distribution system as a monopoly function regulated by the PUCO. The Illuminating Company will also continue to install, operate and maintain its system of poles, wires, rights of way, meters and other electric distribution components. Aggregation Program participants will continue to call The Illuminating Company if their electric is interrupted, if they have a downed wire or if they have billing questions. The PUCO will continue to oversee FirstEnergy/The Illuminating Company's electric safety and reliability service standards.

Oversight of the Aggregation Program will be the responsibility of the Chief Administrative Officer (CAO) of the City. The CAO, subject to the approvals of the Mayor and City Council, will have the authority to develop specifications for the Aggregation Program, to appoint an Aggregation Program Manager, and to select, hire and manage the Supplier. Due to the complexity of the electric utility industry and the uncertainties of its associated restructuring activities, the CAO may work with a consultant or consultants to provide the necessary expertise to represent the City's interests in legislative and regulatory matters and/or to serve as the Aggregation Program Manager. Such services may include, but would not be limited to, facilitating consumer enrollment and opt-out, assisting with consumer education, addressing consumer questions and concerns, providing reports on program operation, enrollment, rates and savings, negotiating future Supplier contracts, and representing the City in dealings with Suppliers, FirstEnergy/The Illuminating Company, the Ohio General Assembly, the PUCO and the Ohio Consumer's Counsel (OCC).

The Supplier

The Supplier will be selected through a competitive process. The City will require that the Supplier with which the City enters into an aggregation contract meets the following minimum criteria:

- Be a PUCO Certified Electric Supplier.
- Be registered with FirstEnergy.
- Successfully completed Electronic Data Interchange (EDI) computer system testing with FirstEnergy and that Electric Supplier's EDI computer system is capable of effectively processing Aggregation Program EDI transactions in a timely manner.
- Meet standards of creditworthiness established by the City.
- Have a customer call center capable of effectively handling participants' questions, concerns and disputes in a timely manner using a toll-free telephone number, email and/or website.

- Hold the City harmless from any financial obligations arising from offering electric and/or energy-related services to Aggregation Program participants.
- Disclose any subcontractors that it uses in fulfillment of the services under the contract.
- Develop internal controls and processes to help ensure that the City remains in good standing under State law and regulations as a governmental aggregator, and as such laws and regulations may be periodically amended.

Electric service reliability is essential to Aggregation Program participants. The City will strive to provide high-quality service and reliability through provisions of the Supplier contract, through traditional proceedings related to Illuminating Company distribution services, and through direct discussions with FirstEnergy/The Illuminating Company concerning specific or general problems related to quality and reliability of its distribution system.

If for any reason the Supplier fails to provide uninterrupted service, the City will attempt to acquire an alternative electric supply. If this attempt fails, participants will default to The Illuminating Company's standard service offer as the electric supplier at established rates. In no case will participants be without electric service as the result of the Supplier's failure to provide uninterrupted service. The City will seek to minimize this risk by contracting only with reputable Suppliers that demonstrate reliable service. The City also intends to include conditions in its Supplier contract that will indemnify participants against risks or problems with electric supply service and price.

The Contract and Rates

The supply contract negotiated by the City for the Program (the "**Contract**") shall be for firm, all-requirements supply. Each Program participant will be individually bound to the Supplier by the terms of the Contract, and will be solely responsible for payment. The electric supply charges for the Program will be included in the Contract that will be negotiated by the City with the Supplier. All electric supply charges will be fully and prominently disclosed in customer enrollment materials (such as the Opt-Out Notice), available on the City's website, and available by calling the Supplier's toll-free customer service telephone number, email and/or website. No surcharge authorized under R.C. Section 4928.20 will be charged.

The Supplier's rates will include an administrative fee, which will be collected on behalf of the City to fund the implementation and administration of the City's Aggregation Program, typically for the costs of a broker or consultant that assists the City to operate the Program. The administrative fee may be adjusted by the City periodically to cover the City's cost of administering the program.

Eligibility, Opt-out Disclosures

Pursuant to O.A.C. 4901:1-21-17, the Supplier, with the assistance of the City, if necessary, shall request the following categories of information from the Utility for all customers residing within the Aggregation, including those customers who have opted off the pre-enrollment list: (i) a list of the names, account numbers, and service and mailing addresses for customers residing within the Aggregation, consistent with the information that is provided to other competitive retail electric service providers; (ii) an identification of customers who are currently in contract with a certified electric services company other than the Supplier selected by the City or in a special arrangement with the Utility; and (iii) an identification of mercantile customers.

With the information provided by the Utility, the Supplier, with the assistance of the City, if necessary, will remove all customers and accounts that are not eligible to be included in the Program, per the applicable regulations. A resident or business is not eligible if: They are of low income and in the CEI PIPP program; they have a contract with a supplier (they can opt in once they leave their contract); or they are a large commercial business. Anyone who is on the current NOPEC program, and anyone who is on the CEI

standard service offer, is eligible. New residents---depending on the timing of when they move in---may need to opt in by contacting the City's supplier.

Using the list of eligible accounts, the Supplier, with the assistance of the City, will review the list to verify the eligible accounts are located within the geographic boundaries of the City and that an area within the City boundaries has not been inadvertently filtered from the list. The Supplier will also remove from the eligible list those customers who appear on the "do not aggregate" list as stated under division (c) of Section 4928.21 of the Revised Code. The City intends to include in the Program only (a) residential and (b) non-mercantile customers (nonresidential customers that consume less than 700,000 kWh per year).

Within thirty (30) days of receipt of the list from the Utility, the Supplier, with assistance from the City, will prepare and mail an "Opt-Out Notice" to each account that remains on the eligible list after it has been reduced as noted above. The Opt-Out Notice, which will conform to the requirements of O.A.C. 4901:1-21-17, will inform the eligible account holder that the City has formed an automatic (or "Opt-Out") aggregation, provide the price for the electric supply for the Program along with the other terms and conditions of service, and explain how the account holder can decline participation in the Program. The Opt-Out Notice will contain the City's name and logo to clearly indicate to the recipient that it is a notice from the City.

As required by O.A.C. 4901:1-21-17, the Opt-Out Notice will indicate that the account holder has twenty-one (21) days to affirmatively respond by calling a toll-free number, or returning a postcard to the Supplier that is included in the Opt-Out Notice, if the account holder does not wish to participate in the Program. If an account holder does not affirmatively indicate that they do not wish to participate in the Program in one of the ways described above, then the account will become part of the Program.

Upon completion of the 21-day Opt-Out period, the Supplier will notify the Utility of the remaining accounts that will form the Program, and through an electronic data interchange transaction, enroll the Program. Upon enrollment, each Program participant will receive an enrollment notice from the Utility that will indicate that the enrollee may rescind its participation in the Program by contacting the Utility within seven (7) business days.

In addition to the initial 21-day Opt-Out period, each Program participant will be provided an opportunity to opt-out every three (3) years without paying an early termination fee.

The City will endeavor to communicate with all residents and businesses in the City, whether they are eligible or not, prior to the enrollment notice being mailed. The City may offer, through the Supplier, an "opt in" program for City residents and small businesses not included in the "opt out" mailing at the time of the original "opt out" enrollment period.

Billing

Program participants will receive a single monthly bill from the Utility, which will include charges from the Supplier for its electric supply, as well as the Utility distribution charges. Program participants will be billed according to their Utility billing cycle.

Credit and Collection and Deposits

The Utility's credit and collection policy and policies regarding deposits will apply to the Program participants and shall be administered by the Utility. Neither the City nor the Supplier will implement additional policies with respect to credit, deposits, and collections.

Concerns and Complaints

Program participants will have multiple means of communicating concerns and reporting complaints. As a general rule, concerns regarding service reliability and billing should be directed to the Utility. The Utility will continue to read meters, handle billing, and generally have the most information about the physical service to a location or account. Questions regarding the administration of the Aggregation should be directed to the Supplier. The Supplier’s customer service center will be available by telephone Monday through Friday, 8:00 am - 7:00 pm ET. Any unresolved disputes should be directed to the Public Utilities Commission of Ohio and/or the Ohio Consumers’ Counsel. As a convenience, below is a list of helpful toll-free telephone numbers.

<u>Nature of Complaint</u>	<u>Contact</u>	<u>Phone Number</u>
Outages/Emergencies	Utility	1-877-468-8243
Service turn on/off	Utility	1-877-468-8243
Billing Disputes	Utility	1-800-433-8500
Price/Joining/Leaving Program	Supplier Customer Service	1-877-331-3045
Program Regulatory Questions	Supplier Customer Service	1-877-331-3045
Unresolved Disputes	Public Utilities Commission	1-800-686-7826
Unresolved Disputes	Ohio Consumers’ Counsel	1-877-742-5622

The Supplier will attempt to resolve all customer complaints in a timely and good-faith manner. The Supplier shall investigate and provide a status report to the customer when the complaint is made directly to them and/or the City within three (3) business days following Supplier’s receipt of the complaint. Or in the case of a Public Utilities Commission of Ohio (“PUCO”) complaint, the Supplier will investigate and provide a status report to the customer and PUCO staff within three (3) business days following the Supplier’s receipt of the complaint. The Supplier shall provide the City with a report of all complaints received from customers or through the PUCO or OCC on a regular basis, and no less often than monthly.

If an investigation into a complaint received from the customer or a complaint referred by the PUCO is not completed within ten (10) business days, then a status report will be given to the customer, and, if applicable, the PUCO. These status reports will be given every three (3) business days until the investigation is complete, unless agreed to otherwise. Final results of a PUCO-referred complaint will be provided to the PUCO either orally (phone) or in writing (e-mail, written correspondence), no later than three (3) business days after the investigation is completed. The final results will be provided in writing to the customer no later than three (3) business days after the investigation is completed. Customers retain the right to contact the PUCO regarding complaints and disputes. All customers have the right to contact the PUCO by writing to Public Utilities Commission of Ohio, ATTN: IAD, 180 E. Broad St., Columbus, OH 43215-3793; by fax to (614) 752-8351; through their website at www.puc.state.oh.us or by calling toll free (800) 686-7826 (VOICE) or (800) 686-1570 (TTY-TDD). Records of customer complaints will be retained for two (2) years after the occurrence of the complaint. A copy of the complaint record will be provided to the PUCO within three (3) business days, if requested.

Moving within the City

Program participants who move from one location to another within the City and retain the same account number will remain a Program participant and will receive the same price they would have received if their location had not moved.

Program participants who move from one location to another within the City and are assigned a new account number may enroll the new account in the Program and receive the same price they would have received if their location had not moved, provided the new account is eligible for the Program.

Program participants who move within the City and receive a new account number may be dropped from the Program by the Utility, but will not be charged an early termination fee from the Supplier. If a participant is dropped from the Program due to a move within the City, the Program participant must contact the Supplier to be re-enrolled.

Moving from outside of the City, into the City

Eligible consumers who move into the City may enroll in the Program at any time. The rate for those joining the Program after the expiration of the Opt-Out Period may be different from the rate negotiated for the Program by the City.

Moving outside of the City

Program participants who move out of the City boundaries will no longer be eligible to participate in the Program, and they will not be charged an early termination fee from the Supplier.

Enrolling after the Opt-Out Period

Residential and small business accounts located within the City that were initially eligible to join the Program, but chose to Opt-Out of the Program, or otherwise were not included in the Program, may join the Program after the expiration of the initial Opt-Out Period by contacting the Supplier. The rate for those joining the Program after the expiration of the Opt-Out Period may be different from the rate negotiated for the Program by the City.

If the Supplier is able to offer to newly eligible customers the same price that is provided to the current Program participants, the Supplier may refresh the Program by providing those who move in to the City the opportunity to be included automatically, rather than waiting until the next pricing term of the Contract. The process for refreshing the Program with new enrollments would follow the process noted above for determining eligibility, providing Opt-Out Notices, and pooling the accounts. (Current Program participants and those who previously declined participation would not receive the Opt-Out Notice intended only for newly eligible customers.).

Leaving the Program

Participants who wish to leave the Aggregation Program may do so:

- During the initial 21-day opt-out period;
- During the seven day rescission period;
- During subsequent opt-out period offered by the City at least every two years;
- At any other time without charge.

Customers in the Program may be terminated from the Program if they become delinquent in payment of their electric bill or if they otherwise become ineligible (e.g. enroll in the PIPP Program, or move out of the City)

Consumer Rights

Except as may otherwise be required by law, the City deems any and all information related to an eligible customer to be confidential and proprietary trade secret information. The Supplier shall keep all eligible customer information provided to it by the City or FirstEnergy./The Illuminating Company in supplying eligible customers within the City's corporation limit confidential and shall not disclose such information to any third party, unless such disclosure is required to serve any eligible customer, the third party agrees to

keep such eligible customer information confidential, and the City consents to the disclosure of such information to the third party.

All Aggregation Program participants shall enjoy the protections of law afforded to consumers as they currently exist or as they may be amended from time to time. These include rights to question billings or service quality or service practices. All program participants shall also enjoy the individual right to decline participation in the Aggregation Program subject to the terms and conditions contained herein.

All Aggregation Program participants will be treated equitably. They will be guaranteed the right to raise and resolve disputes with the Supplier, be provided all required notices and information, and always retain the right to opt-out of the Aggregation Program or switch suppliers subject to the terms and conditions of service.

All consumers within the City's corporation limits shall be eligible to participate in the Aggregation Program, except as otherwise provided under this Plan, Ohio law, PUCO rules and regulations, and FirstEnergy/The Illuminating Company's tariffs. The City will endeavor to communicate with all City residents and businesses to explain the terms and conditions of eligibility prior to conducting the process of customer sign-up.

Service under the Aggregation Program shall include all eligible customer classes in adherence with universal service principles and requirements, and the City's non-discriminatory policies and practices. Supplier contracts shall contain provisions to maintain these principles and equitable treatment of all customer classes.

Aggregation Program participants are subject to the same standards and responsibilities as other electric consumers, including payment of billings and access to metering and other equipment necessary to carry out utility operations.

The Aggregation Program may be discontinued upon the termination or expiration of the Supplier contract without any extension, renewal or subsequent contract being executed. In the event of Aggregation Program termination, each participant will receive notification at least 60 days prior to Program termination and have the ability to return to The Illuminating Company standard service offer or select another approved supplier.