City of Worthington
Aggregation 101

August 28, 2108
Aggregation Overview

• **What is a Municipal Aggregation Program?**
  A Municipal Aggregation allows communities to form a buying group on behalf of their citizens with the intent that a larger buying group may acquire better pricing, unique products (i.e. 100% Renewable) and more favorable terms and conditions for the citizens than if the citizens would shop on their own.

• **Who Governs a Municipal Aggregation Program?**
  The Public Utilities Commission of Ohio (PUCO) has developed strict guidelines for forming and running a Municipal Aggregation Program.

• **Who Can Create a Municipal Aggregation Program?**
  Townships, Villages, Cities and Counties.
More than 400 buying groups are certified to aggregate in Ohio.
Milestones of an Opt-Out Aggregation Program

• The governing body of the municipality must place the issue on the ballot of a general, primary or special election.
• The ballot initiative must pass by a simple majority of voters.
• Once the ballot initiative has passed, the municipality:
  o Develops a Plan of Operation and Governance
  o Holds public hearings to discuss/revise the Plan
  o Adopt the Plan of Operation and Governance
  o Chooses a supplier
    o Notifies residents about the program and gives them 21 days to decide if they want to participate
    o At the end of the 21-day notification period, the program goes into effect
Who is Eligible?

Only members of the community that meet a set criteria are eligible to receive letters during the 21 day “opt-out” window.

These Residents are NOT eligible...

• Those who are currently with another electric supplier
  o Since they chose to shop on their own they are not included as part of the “opt-out”

• Those enrolled in the Percentage of Income Payment Plan (PIPP)
  o Those that have budget billing/ agreement with the utility are still eligible

• Those that have previously opted out of program
  o They could have opted out in a previous “opt-out” window or through the “Do Not Aggregate” list that PUCO maintains.
What Changes with Electric Service?

• AEP Ohio will continue to deliver electricity to homes or businesses, so they should be contacted for any questions or issues related to losing power or the “AEP Ohio Charges” portion of the bill.

• Residents will continue to receive one bill from AEP Ohio with only one section of the bill changing to reflect the new supplier charges (see next page for a sample bill image).
Bill Copy (with an alternate supplier)

Sample of Page 3 of AEP Bill when customers are with a supplier (i.e. on an aggregation)

- A single line item showing the aggregation price and charges for the supplier portion of the AEP Bill.
Shopping can be overwhelming for residents to do on their own.

118 electric offers in the AEP service area in May 2018. Up from just 17 offers in October 2012.

Aggregations make the process of shopping simpler and transparent.
Aggregations: Beyond Price...

- Aggregation is about entire value of program
  - Give residents a simpler energy solution including...
    - Price
    - Terms and Conditions
    - No Termination Fees
    - “Revolving Door” for entering/leaving program
    - Ability to add additional Renewable Energy

- Benchmarks are always moving so offers a level of certainty.
Energy Aggregation IS...

- Free to Participate!
- Simpler customer choice
- Options for residents to choose
  - Typically better prices than shopping alone
  - Better terms and conditions
  - Cheaper renewable energy
- Price certainty vs. utility rates
Energy Aggregation IS NOT...

- Mandatory
  - Residents can opt-out of program

- Always better than current market offers months/years later
  - Electricity prices are a commodity
  - Should be very competitive at start of program
Final Thoughts

• Vote and Get certified!

• Reminder: Communities control the program

• Don’t chase price alone
  o Commodity market always changing
  o Look for best value at start of program