

Council Memo: Legislation (22-23)

Subject: Authorizing Ballot Issue Regarding Electric Aggregation
From: Michelle Crandall, City Manager
Initiated by: Dan Ralley, Assistant City Manager
Date: July 11, 2022

Executive Summary

This legislation would authorize a ballot issue under §4928.20 of the Ohio Revised Code for Hilliard residents to decide whether to establish a community wide opt-out electric aggregation program. Passage of this legislation prior to Council's summer recess will allow the ballot issue to be considered on the November 2022 ballot, which has a filing deadline of August 10, 2022.

Background

At the May 9th Council of the Whole meeting City Council heard a presentation from representatives of AEP Energy overviewing green energy aggregation options for Hilliard. In a follow-up discussion at the May 23rd City Council meeting staff was directed to take the necessary steps to prepare for a ballot issue, a first step in the creation of a green energy program for the community.

Several Central Ohio communities have successfully passed ballot issues to establish a green energy aggregation program, including Columbus, Worthington and Grove City. These ballot issues typically include modest informational campaigns that are similar to Charter amendments in scale.

Columbus and Worthington have fully implemented their aggregation programs, and have secured sources of green energy credits for their communities. Grove City passed their ballot issue in November 2021, and initiated an RFP for energy providers earlier this year, but chose not to move forward with the selection of a provider at this time due to extreme volatility in the energy markets that have led to electricity prices rising significantly in the last few months.

If Hilliard voters approved a green energy aggregation program, the City of Hilliard would need to complete the necessary regulatory filings and then seek an energy provider Hilliard residents and businesses that qualify for the program and that do not opt-out. However, given the current marketplace for electricity, the City would likely wait until pricing in the energy markets stabilized before soliciting proposals from energy providers. Staff would recommend holding off on the selection of an energy broker or consultant to assist with the selection of a provider until the ballot issue is passed and energy markets stabilize.

Expected Benefits

Passage of the legislation would allow Hilliard voters to decide whether the community should establish a green energy aggregation program. The availability of a community-wide green energy aggregation program would allow the community to further environmental goals for sustainability and would position the community to take advantage of new green energy programs and sources as they come online in the coming years.

Attachments

None



Ordinance: 22-23

Passed:

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Effective:

AUTHORIZING ALL ACTIONS NECESSARY TO EFFECTUATE AN OPT-OUT ELECTRIC SERVICE AGGREGATION PROGRAM PURSUANT TO OHIO REVISED CODE 4928.20; AND DIRECTING THE FRANKLIN COUNTY BOARD OF ELECTIONS TO SUBMIT THE BALLOT QUESTION TO THE ELECTORS OF THE CITY.

WHEREAS, Section 4928.20 of the Ohio Revised Code authorizes the legislative authorities of municipal corporations, townships and counties to aggregate automatically, subject to opt-out provisions, competitive electric service for the retail electric loads located in the respective jurisdictions and to enter into service agreements to facilitate the sale and purchase of the service for the electricity loads; and

WHEREAS, such legislative authorities may exercise such authority jointly with any other legislative authorities; and

WHEREAS, this Council seeks to establish a governmental aggregation program with opt-out provisions pursuant to Section 4928.20, Ohio Revised Code (the "Aggregation Program"), for the residents, businesses and other electric consumers in the City and in conjunction jointly with any other municipal corporation, township, county or other political subdivision of the State of Ohio, as permitted by law.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Hilliard that:

SECTION 1. This Council finds and determines that it is in the best interest of the City, its residents, and small businesses located within the incorporated areas of the City to establish an Electric Aggregation Program within the incorporated areas of the City that promotes local renewable clean energy generation and Hilliard's sustainable economy.

SECTION 2. That provided this Ordinance and the Aggregation Program is approved by the electors of the City of Hilliard pursuant to Section 3 of this Ordinance, the City of Hilliard is hereby authorized to aggregate in accordance with Section 4928.20 of the Ohio Revised Code, the retail electrical loads located within the City of Hilliard, and, for that purpose to enter into service agreements to facilitate for those loads the sale and purchase of electricity. The City of Hilliard may exercise such authority jointly with any other municipal corporation, township or county or other political subdivision of the State of Ohio to the full extent permitted by law which may include use of an energy broker/consultant/aggregator, so long as the broker/consultant/aggregator is certified by the Public Utilities Commission of Ohio. The aggregation will occur automatically for each person owning, occupying, controlling, or using an electric load center proposed to be aggregated and will provide for the opt-out rights described in Section 5 of this Ordinance.

SECTION 3. That the Board of Elections of Franklin County is respectfully directed to submit the following question, in language approved by the Board of Election, to the electors of the City of Hilliard at the general election on November 8, 2022:

"Shall the City of Hilliard have the authority to aggregate the retail electric loads located within the incorporated areas of the City, to support renewable, clean energy generation, and for that purpose, enter into service agreements to facilitate for those loads the sale and purchase of electricity, such

aggregation to occur automatically except where any person elects to opt out?"

The Aggregation Program shall not take effect unless approved by a majority of the electors voting upon this Ordinance and the Aggregation Program provided for herein at the election held pursuant to this Section 3 and Section 4928.20 of the Ohio Revised Code.

SECTION 4. That the Clerk of Council is directed to certify a copy of this Ordinance to the Board of Elections of Franklin County before 4:00 p.m. August 10, 2022, for placement on the November 8, 2022, General Election Ballot for consideration by City of Hilliard electors.

SECTION 5. That upon the approval of a majority of the electors voting at the election provided for in Section 2 of this Ordinance, this Council individually or jointly with any other political subdivision, shall develop a plan of operation and governance for the Aggregation Program. Before adopting such plan this Council shall hold at least two public hearings on the plan. Before the first hearing, notice of the hearings shall be published once a week for two consecutive weeks in a newspaper of general circulation in the City. The notice shall summarize the plan and state the date, time, and location of each hearing. No plan adopted by this Council shall aggregate the electrical load of any electric load center with the City unless it in advance clearly discloses to the person owning, occupying, controlling, or using the load center that the person will be enrolled automatically in the Aggregation Program and will remain so enrolled unless the person affirmatively elects by a stated procedure not to be so enrolled. The disclosure shall state prominently the rates, charges, and other terms and conditions of enrollment. The stated procedure shall allow any person enrolled in the aggregation program the opportunity to opt out of the program every three years or at any time, without paying a switching fee. Any such person that opts out of the Aggregation Program pursuant to the stated procedure shall default to the standard service offer provided under division (a) of Section 4928.14 or division (d) of Section 4928.35, Ohio Revised Code until the person chooses an alternative supplier.

SECTION 6. That all formal actions of this Council concerning and related to the adoption of this Ordinance were taken in an open meeting of said Council, and that all deliberations of this Council that resulted in such formal action were made in meetings open to the public, when required by law, in full compliance with all legal requirements, including without limitation, provisions of the Charter of the City of Hilliard, and Section 121.22 of the Ohio Revised Code.

SECTION 7. Pursuant to Section 3.07 of the Charter for the City of Hilliard, Ohio, this Ordinance shall take effect upon passage.

ATTEST:

SIGNED:

Diane C. Werbrich, MMC
Clerk of Council

President of Council

APPROVED AS TO FORM:

Philip K. Hartmann
Director of Law

✓ Vote Record - Ordinance 22-23						
		Yes/Aye	No/Nay	Abstain	Absent	
<input type="checkbox"/> Adopted						
<input type="checkbox"/> Adopted as Amended						
<input type="checkbox"/> Passed	Andy Teater	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Defeated	Omar Tarazi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Tabled	Les Carrier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Held Over	Tina Cottone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Referred	Peggy Hale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Withdrawn	Pete Marsh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> First Reading	Cynthia Vermillion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Positive Recommendation						
<input type="checkbox"/> No Recommendation						