



An **AEP** Company

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March 3, 2020

Via Overnight Mail

Public Utilities Commission of Ohio
Docketing Division
180 East Broad Street
Columbus, OH 43215-3793

**Re: Renewal Application for Electric Governmental Aggregators
 City of Belpre; 12-884-EL-GAG**

Dear Sir or Madam:

Per Brandon Jenkins' March 18, 2020 request, please see attached supplemental Plan of Operation and Governance for the City of Belpre related to the Renewal Application for Electric Governmental Aggregators.

Please contact me if I can be of further assistance.

Respectfully,

Kristina L. Woods

Kristina L. Woods
Legal Administrator – Regulatory Compliance

Encl.

City of Belpre

Electric Power Aggregation

Plan of Operation and Governance

Initially, each eligible consumer within the City's corporation limits will be automatically included in the Aggregation Program. However, prior to actual enrollment, each consumer for whom electric rates, terms and conditions have been negotiated will receive a notice detailing the rates, terms and conditions that will apply to that consumer.

A similar opt-out period will be offered every three years during which time consumers can leave the Aggregation Program without paying a switching fee.

Participants who leave the Aggregation Program and wish to return, as well as consumers who move into the City after the initial opt-out period will be afforded the opportunity to enroll in the Aggregation Program. However, the City cannot guarantee rates, terms and conditions to consumers enrolling in the Aggregation Program after the initial 21-day opt-out period.

Participants who relocate within the limits may be allowed to continue in the Aggregation Program at their new location under the same terms and conditions as at their former location, provided the AEP rate classification is the same at both locations, and subject to any switching fees imposed by AEP.

The City will contract with a CRES Provider to Implement and operate the Aggregation

Program. Contacts for power supply and other related services will be negotiated, recommended, and monitored for compliance by the City on behalf of local consumers.

The Aggregation Program covers power supply or generation portion only of a participant's electric bill. AEP will continue to deliver electricity to Aggregation Program participants' homes and businesses through its electric transmission and distribution system as a monopoly function regulated by the Public Utilities Commission of Ohio (PUCO). AEP will also continue to install, operate and maintain its system of poles, wires, transformers, and other electric distribution components. Aggregation Program participants will continue to call AEP if their power goes out or if they have billing questions. The PUCO will continue to oversee AEP's electric safety and reliability services standards.

The City developed this Plan of Operation and Governance in compliance with Ohio law regarding municipal opt-out aggregation of electric consumers, including at least two public hearings prior to its adoption.

Plan of Operation and Governance

The Belpre City Council shall approve by ordinance the Aggregation Program's Plan of Operation and Governance in accordance with Ohio Revised Code Section 4928.20. Amendments to the Plan and Governance may be subject to Belpre City Council's approval and filing with the PUCO.

After adoption of the Plan of Operation and Governance, the City will file with the PUCO for governmental aggregator certification and also register as a governmental aggregator with AEP.

Aggregation Program Management

Oversight of the Aggregation Program will be the responsibility of the Safety Service Director. The Safety Service Director will have the authority to develop specifications for the Aggregation Program, and to select, hire and manage the CRES Provider. The CRES Provider and the Safety Service Director will work under the direction of the City Council with the advice and counsel of the City Attorney.

Due to the complexity of the electric utility industry and the uncertainties of its associated restructuring activities, the Safety Service Director will contract with Volunteer Energy Services, Incl (“VESI”) to provide the necessary expertise to represent the City’s interest in legislative and regulatory matters and/or to service as the Aggregation Program Manager. Such services may include, but are not limited to facilitating consumer enrollment and opt-out, assisting with consumers education, addressing consumer questions and concerns, providing reports on program operation, enrollment and savings negotiating CRES Provider contracts, and representing the City in dealings with CRES Providers, AEP, the Ohio Legislature, the PUCO and the OCC.

Selection of a CRES Provider

The City will not buy and resell power to Aggregation Program participants. VESI will negotiate with potential CRES Providers on behalf of the City to provide affordable, reliable electric supplies and other electric related service on behalf of local consumers.

Through a negotiation process, the City will develop a contract with a CRES Provider or Providers for firm, all requirements service. The City will contract only with a CRES Provider or Providers that meet at a

minimum the following criteria:

1. Certified CRES Provider by the PUCO
2. Registered with AEP
3. Have a service agreement under AEP's or its successor organization's Open Access Transmission Tariff
4. Successfully completed Electronic Data Interchange (EDI) computer system testing with AEP, and that CRES Provider's EDI computer system must be capable of effectively processing Aggregation Program EDI transactions in a timely manner.
5. Meet standards or creditworthiness established by the City, AEP and the PUCO.
6. Have a toll-free customer call center and Internet web site capable of effectively handling participants' questions, concerns and disputes in a timely manner.
7. Hold the City harmless from any financial obligations arising from offering electricity and/or energy-related services to Aggregation Program participants.

The CRES Provider's contract will run for a fixed term (i.e., three to five years) and contain all pricing, charges, switching fees, etc. in clear and easily understood terms.

The Belpre City Council will approve and authorize, by ordinance, the contracts entered into by the City with the CRES Provider.

1. Introduction

The local residents authorized the City of Belpre (“the City”) to create a municipal opt-

out electric aggregation program (“the Aggregation Program”) as provided under Section 4928.20 of the Ohio Revised Code. Under the opt-out electric aggregation program, all eligible electric consumers within the City’s corporation limits will be automatically included in the Aggregation Program initially. However, all consumers will also be given the opportunity to opt out of or decline participation in the Aggregation Program as detailed herein.

The City’s purpose in creating the Aggregation program is to represent local consumers interest in emerging competitive electricity markets by aggregating electric loads within the City’s corporation limits (including public and privately owned facilities⁰ and negotiating affordable, reliable electric supplies and other related services on behalf of local consumers. The City may pursue this purpose individually or in cooperation with other entities.

Large industrial and commercial consumers with sophisticated electric operation use their size and expertise to obtain lower electric power rates. Individual residential and small commercial consumers are typically unable to obtain significant price reduction since they lack the bargaining power, expertise and the economies of scale enjoyed by large consumers. Aggregation, the combining of multiple electric loads, provides the benefits of retail electric competition for consumers with lower electric demands.

Government aggregation, the combining of multiple electric loads by a municipality, provides the means through which Belpre residential consumers may obtain the economic benefits of Ohio’s competitive retail electric market. The Belpre Aggregation Program combines the electric loads of residential customers to form a buying group

(“Aggregation Group”). The City of Belpre will act as Purchasing Agent for the Aggregation Group. This means that Belpre will be a Government Aggregator, as defined by Ohio law and the rules established by the PUCO, and shall act on behalf of American Electric Power (AEP) customers in the City to obtain the best electric generation rate for consumers who participate in the Aggregation Group.

2. Process

On November 8, 2011, Belpre voters approved the development of a form of governmental electric aggregation known as “opt-out” aggregation. Under the opt-out program, all American Electric Power residential and business customers in the City are automatically included as participants in the program unless they opt-out of the program by providing written notice of their intention not to participate. As required by state law, the City Council passed an Ordinance, which authorized submitting the selection of opt-out aggregation to the City voters.

In addition to obtaining necessary City Council approvals, the City is also required to comply with various PUCO regulations. The City will file an application with the PUCO for certification as a Government Aggregator as soon as the City Council approves the plan, on or about June 15, 2012. As required by the regulations, the City developed this Aggregation Plan of Operation and Governance (“Plan”).

Through a negotiation process, the City will develop a contract with a Competitive Retail Electric Services Provider (CRES Provider) or Providers for firm full-requirements electric service. The contract will run for a fixed term (i.e., three to five

years). Once the contract has been finalized, it will be submitted to the Belpre City Council for approval.

The opt-out notice for the City's Program will be sent to all eligible electric customers in the City upon approval of this Plan, setting forth the rates, terms and conditions of the program, and giving 21 days to opt-out of the Program. A similar opt-out period will be offered every two years during which time consumers can leave the Aggregation Program without paying a switching fee.

The Aggregation Program covers the power supply or generation portion only of a participant's electric bill. American Electric Power (AEP) will still deliver the electricity purchased from the City's CRES Provider, to customers. Customers will receive only one bill from American Electric Power, and all metering, repairs and emergency service will continue to be provided by American Electric Power.

The City developed this Plan of Operation and Governance in compliance with Ohio law regarding municipal opt-out aggregation of electric consumers, including at least two public hearings prior to its adoption.

3. In order to clarify terminology, the following terms shall have the meaning set forth below:

"Aggregation Program"

Means the program developed by the City of Belpre, as a Governmental Aggregator under Section 4928 Ohio Revised Code, to provide American Electric Power customers in the City with retail electric generation services.

"Community Reinvestment Program" Is a program where VESI contributes funds to a participating community for a specific purpose. The Purpose of these funds are designated and outlined in the contract between VESI and the community.

"Government Aggregator"

Means the City and its legislative authority acting as an aggregator for the provision of a competitive retail electric service under the authority conferred under Section 4928 of the Ohio Revised Code.

"Member"

Means a person enrolled in the Belpre government aggregation group for competitive retail electric services.

"Retail Electric Generation Provider"

("Provider") Means an entity certified by the Public Utilities Commission of Ohio **("PUCO")** to provide competitive retail electric service(s), and which is chosen by the City to be the entity responsible to provide the required service related to "Government Aggregation" as defined in Section 4928 of the Ohio Revised Code and applicable provisions of the rules of the PUCO.

"Competitive Retail Electric Service"

("CRES") Means a component of electric retail service that is deemed competitive pursuant to the Ohio Revised Code or pursuant to an order of the PUCO.

4. Community Reinvestment Program

A.1 VESI recognizes the difficult job facing elected and appointed officials in running and

maintaining our local communities, therefore as part of VESI's Community Reinvestment Program, VESI will contribute ____ per kwh per year for the electric supplied through the aggregation program to the City of Belpre.

A.2 These funds are to be deposited into a special account established by the City of Belpre. It is agreed by the City of Belpre and VESI that these funds will be used as the City's matching grant funds for programs such as CDBG (Community Development Block Grants), Issue II, Transportation Enhancement, etc., etc. or for any project which the City of Belpre approves by resolution or by ordinance.

A.3 In order to maintain and upgrade local services, grants have to be utilized. Most grants require some type of local match.

A.4 It shall be the local government's decision on which grant programs these funds should be used for. It is the intent of VESI to allow as much flexibility as possible in the decision making process.

A.5 These funds can be combined from year to year.

A.6 These funds will be paid to the City of Belpre as long as they remain in the choice program with VESI. These funds will be paid to the City on an annual basis.

A.7 Review of this program will be done by VESI on as needed basis and cancellation of this program can occur if in the opinion of VESI the funds are not being utilized as agreed to by both VESI and the City of Belpre.

5. Operation Plan

A. Aggregation Services

1. Provider: Belpre will use a contractor ("Retail Electric Generation Provider") to perform and manage aggregation services for its members. The provider shall provide adequate, accurate, and understandable pricing terms and conditions of service, including any switching fees and the conditions under which a member may rescind a contract without penalty. The provider must provide the City, if requested, an electronic file containing the members' usage, and charges. The provider must have a local Belpre phone number or a toll free number for members to call.
2. Database: The retail electric generation provider will build and maintain a database of all members. The database will include the name, address, American Electric Power account number, and retail electric generation provider's account number of the member, and other pertinent information such as rate code, rider code (if applicable), most recent 12 months of usage and demand, and meter read cycle. This database will be updated at least quarterly. Accordingly, the retail electric generation provider will develop a process to be implemented that will be able to accommodate at a minimum member who (1) leave the program due to relocation, opting out, etc. (2) decide to enter the program; (3) relocate within the City, and (4) move into the City and desire to enter the program. This database shall also be capable of eliminating PIPP customers from the program, should that be necessary, and those who have opted out. The retail electric generation provider will use this database to perform bill audits for clerical and

mathematical accuracy of members' bills.

3. **Member Education:** The retail electric generation provider will develop, with the assistance of the City, an educational program that generally explains the aggregation program to members, provides updates and disclosures mandated by Ohio law and PUCO rules, and implements a process to opt-out of the program at least every three years, without paying a switching fee to the City or the provider. See Appendix A for a detailed description of the education process.
4. **Billing:** Belpre will use the retail electric generation provider, or its designated agent, to provide billing services to each member for the competitive retail electric services, with no additional administrative fee. At this time, American Electric Power will render the billing statement, which should be consistent with all applicable guidelines issued by the PUCO. As this market develops, Belpre may, at its option and in consultation with the Provider, change this function to the retail electric generation provider or a billing agency.
5. **Compliance Process:** The retail electric generation provider will develop internal controls and processes to ensure that the City remains in good standing as a government aggregator that complies with all laws, rules and regulations surrounding the same, as they may be amended from time to time. It will be the retail electric generation provider's responsibility to deliver periodic reports that will include at a minimum (a) the number of members participating in the program; and (b) a

savings estimate or increase from the previous year's baseline. The retail electric generation provider will also develop a process to monitor and provide notification of any changes in laws, rules or regulations.

6. **Notification to American Electric Power:** The City's AEP consumers that do not opt-out of the City's aggregation group will be enrolled automatically in the aggregation program. Participant in the City's aggregation group will not be asked to take other affirmative steps in order to be included in the group. To the extent that American Electric Power (AEP) requires notification to American Electric Power. The provider will inform American Electric Power of any individuals who may have been permitted to join the aggregation group after the expiration of the enrollment period.

B. Power Supply Agreement

The power supply agreement will provide for the provider to service the City's government aggregation group. Under the agreement, the terms for power supply to members will be for three years from the beginning of service.

C. Belpre's Certified Retail Electric Service (CRES).

CRES shall satisfy each of the following requirements:

- Has sufficient sources of power to provide retail firm power to the residents of Belpre.
- Is a licensed Federal Power Marketer with the Federal Energy Regulatory Commission.
- Is certified as a CRES by the PUCO.

- Is registered as a generation supplier with American Electric Power.
- Has a service agreement for network integration transmission service under (CERS) Open Access Transmission Tariff.
- Has a service agreement under (CERS) Market-based rate tariff.
- Has the corporate structure to sell retail firm power to the American Electric Power customers in the City.
- Its electric data interchange computer network is fully functional and capable of handling the American Electric Power retail electric customers in Belpre.
- Has the marketing ability to reach all American Electric Power (AEP) retail electric customers to educate them on the City's aggregation program.
- Has a call center capable of handling the City's aggregation group customer calls.
- Has a toll-free number as required by the PUCO for customer service and complaints related to the City's aggregation program.
- Will hold the City financially harmless from any financial obligations arising from supplying power to the American Electric Power retail electric customers in the City.
- Satisfies the State of Ohio's and the City's credit requirements.
- Will execute the power supply agreement.
- Will assist the city in filing the annual reports required by the PUCO and Section 4805.10(A), Section 4911.18(A) and Section 4928.06(F) of the Ohio Revised Code.
- Will assist the City in developing a Consumer Education Plan.

A. Activation of Service

After a notice is sent out to all electric customers in the City providing 21 days to

opt-out of the program, all customers who do not opt-out will be automatically enrolled in the program. Generation service activation will occur thereafter without consumer action beginning on the customer's normal meter read date within the month when power deliveries begin under the aggregation program.

B. Changes, Extension or Renewal of Service

The current agreement for power supply service with the approved CRES will provide service for three years beginning upon activation of service. If the agreement is extended or renewed, members will be notified as required by law and the rules of the PUCO as to any changes in rates or service conditions. At least every three years all American Electric Power (AEP) customers in the City will be given an opportunity to opt into or out of the program, and reasonable notice will be provided as required by law and PUCO rules. Participants will also be notified of their right to select an alternate generation supplier and of their ability to return to American Electric Power's (AEP) standard service offer.

C. Termination of Service

In the event that the power supply agreement is terminated prior to the end of the term, each individual member of the aggregation group will receive written notification of the termination of the program at least sixty (60) days prior to termination of service. If the agreement is not extended or renewed, members will be notified as required by law and the CRES rules of the PUCO in advance of the end of service. Member will also be notified of their rights to select an alternate generation supplier and of their ability to return to American Electric Power's (AEP) standard service offer upon termination.

D. Opt-In Procedures

American Electric Power (AEP) customers will be automatically enrolled in the program after a 21-day opt-out period, unless they return the form to be provided, notifying the provider that they do not want to participate. American Electric Power (AEP) consumers in the City may request to join the aggregation group after the expiration of the enrollment period by contacting the provider, who shall determine whether to accept them into the program, and at what rate, subject to written policies mutually agreed upon by the City and the provider. The agreed upon policy shall be consistent with American Electric Power's (AEP) services activation requirements. Aggregation group participants who move from one location to another within the corporate limits of the City shall retain their participant status.

E. Opt-Out Procedures

American Electric Power consumers may opt-out of the City's aggregation group at any time during the opt-out period without additional fees charged by the provider or the City. Switching to a different generation supplier on the next meter read date, however, will occur when the next meter read is twelve (12) business days or more from the date of the consumer's notice of intent to opt-out of the aggregation group. Notification of intent to opt-out of the aggregation group may be made by contacting the provider by telephone or in writing. Consumers who opt-out of the aggregation group will default to American Electric Power (AEP) standard service offer, until the consumer selects an alternate generational suppliers.

F. Universal Service and Low Income Customer Assistance

The Ohio Department of Development (ODOD), under the electric restructuring law, will provide one-stop shopping for low-income assistance programs. There are five low-income assistance programs: 1) Percentage of Income Payment Plan (PIPP); 2) The Home Energy Assistance Program; 3) The Home Weatherization Assistance Program; 4) The Ohio Energy Credit Program; 5) The Targeted Energy Efficiency and Weatherization Program. Ohio law allows the Director of the Ohio Department of Development to aggregate consumers that participate in PIPP and to competitively auction the generation supply for PIPP customers. Accordingly, PIPP customers may be included in the State's PIPP customer aggregation.

G. Miscellaneous Governance Guidelines

1. City Council shall approve through Resolution or Ordinance the Plan of Operation and Governance for the aggregation program and any amendments thereto.
2. The City shall contract with only retail electric generation providers certified by the Public Utilities Commission of Ohio for the provision of competitive retail electric service to the aggregation program members.
3. The City will require any provider to disclose any subcontractors that it uses in fulfillment of the service described above.
4. The City requires the provider to maintain either a toll free telephone number, of a telephone number that is local to City residents who are members.

H. Liability

The City shall not be liable to participants in the aggregation group for any claims, however styled, arising out of the aggregation program or the provision of aggregation services by the City or the provider. Participants in the aggregation group shall assert any such claims solely against the provider pursuant to the power supply agreement, under which such participants are express third-party beneficiaries.

1. Information and complaint numbers
Copies of this plan are available from the City of Belpre free of charge. Call _____ for a copy or for more information.

Any electric customer, including any participant in the City's aggregation program, may contact the Public Utilities Commission of Ohio (PUCO) for information, or to make a complaint against the program, the provider or American Electric Power (AEP). They may contact the Public Utilities Commission of Ohio for assistance at 1-800-686-7826 (toll free) or TTY at 1-800-686-1570 (toll free) from 8:00 AM-5:00 PM EST weekdays or at www.PUCO.ohio.gov. Hearing or speech impaired customers may contact the PUCO via 7-1-1 (Ohio relay service). Residential customers may also contact the Ohio Consumers' Counsel for assistance with complaints and utility issues at 1-877-742-5622 (toll free) from 8:00 AM-5:00 PM EST weekdays, or www.pickooc.org.

Appendix A Education Process

The provider will develop the educational program in conjunction with the City. Its purpose will be to explain the aggregation

program to its members, provide updates and disclosures as mandated by State law and the rules of the PUCO, and provide the opportunity for the members to opt-out of the program. The following are the program components:

1. Each residence within the limits of the City will receive via U.S. Mail notification of: what government aggregation means, their membership in the government aggregation program, the procedure which must be followed in order to opt-out of the program, the price that they can expect to receive as a member of the program, and the deadline for returning the opt-out form. See the attached letter.
2. The provider will work with the City to provide opportunities for educating residents in the City about the program and consumer rights under the law, PUCO rules and this program. In addition, the provider and City will work to provide education about and other opportunities for energy efficiency measures to help consumers reduce energy consumption.
3. The provider will provide updates and disclosures as mandated by State law and rules of the PUCO.
4. The opt-out opportunity will be provided to the members of the program at least every three years. Should conditions, suppliers, price, or any other component of the program change within the three-year period, participants will be given a notice of their opportunity to opt-out of, or into the program.

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

5/7/2020 3:29:07 PM

in

Case No(s). 12-0884-EL-GAG

Summary: Amended Application Amended Plan of Operation and Governance for the City of Belpre electronically filed by Kristina L Woods on behalf of AEP Energy, Inc.