



Legislation Text

File #: 1642-2020, **Version:** 1

BACKGROUND: At the 2020 State of the City, Mayor Andrew J. Ginther announced the City's intention to pursue Community Choice Aggregation, and committed the City of Columbus to an aggregation program with a 100% renewable energy supply by 2022. The primary goals of the City's electric aggregation program will be to 1) provide competitive retail energy supply costs for Columbus citizens; 2) support renewable energy development, especially local renewable energy generation, to advance Columbus' sustainable economy; and 3) to ensure that supplier(s) provide quality, reliable service and first-rate customer service. The City is also committed to an aggregation program that supports sustainability efforts, energy efficiency, and other policy priorities of the City that benefit the Columbus community.

This Ordinance authorizes the City of Columbus to perform all necessary actions to effect a Governmental Electricity Aggregation program for the City with opt-out provisions pursuant to Section 4928.20 of the Ohio Revised Code for the residents and small businesses in the incorporated areas of the City of Columbus. The City will add this program to the ballot on November 3, 2020 to be approved by electors, as required by law (the "Aggregation Program").

Pursuant to Ordinance 1111-2020, the Finance and Management Director was authorized to enter into a contract with Trebel LLC to assist the City with developing a Sustainable Columbus Community Choice Aggregation program. The purpose of this project is to implement a program that provides City of Columbus residents and small commercial retail companies a means to pool their aggregate demand for electric, so that economies of scale can be used to purchase energy at a competitive cost and increase use of renewable energy sources.

The Ohio Legislature enacted electric deregulation legislation ("Am. Sub. S.B. No. 3"), which authorized the legislative authorities of municipal corporations, townships, and unincorporated areas of the county, to aggregate the retail electrical loads located within the respective jurisdictions and to enter into service agreements to facilitate for those loads the purchase and sale of electricity. Governmental aggregation provides an opportunity for residential and small business consumers to participate collectively in the potential benefits of electricity deregulation, which include, but are not limited to, competitive electricity rates, increased consumer choice, an increased demand for renewable energy to help grow the industry, and a 100% renewable energy supply. It would be in the best interest of the City of Columbus and its residents and businesses to have the opportunity to participate in this aggregation program.

Emergency action is requested so that energy efficiency initiatives can commence as soon as possible.

Fiscal Impact: No funding is required for this legislation.

To authorize the City of Columbus to perform all necessary actions to effect a Governmental Electricity Aggregation program for the City with opt-out provisions pursuant to Section 4928.20 of the Ohio Revised Code; and to declare an emergency. (\$0.00)

WHEREAS, the Ohio Legislature enacted electric deregulation legislation ("Am. Sub. S.B. No. 3"), which authorized the legislative authorities of municipal corporations, townships, and unincorporated areas of the county, to aggregate the retail electrical loads located within their respective jurisdictions and to enter into service agreements to facilitate for those loads the purchase and sale of electricity; and

WHEREAS, such legislative authorities may exercise said authority individually or jointly with any other legislative

authorities; and

WHEREAS, governmental aggregation provides an opportunity for residents and small businesses, defined by an annual energy use of 700,000 kWh or less and not part of a national account, to participate collectively in the potential benefits of electricity deregulation, which include, but are not limited to, competitive electricity rates, increased consumer choice, increased demand for renewable energy to help grow the industry and workforce, and a 100% renewable energy supply; and

WHEREAS, the City of Columbus is committed to pursuing governmental aggregation and providing a 100% renewable energy supply by 2022; and

WHEREAS, the City of Columbus has a community-wide goal to be carbon neutral by 2050, aligning with global efforts to combat climate change and limit global temperature rise by 1.5 degrees Celsius, and is committed to emissions reduction efforts, energy efficiency, and renewable energy development to help meet these goals; and

WHEREAS, the City of Columbus seeks to establish an electric governmental aggregation program with opt-out provisions pursuant to Section 4928.20, Ohio Revised Code, for the residents and small businesses in the incorporated areas of the City of Columbus (approved through a ballot measure by City of Columbus residents on November 3, 2020), and may be in conjunction with any other legislative authorities in the State of Ohio, as permitted by law (the "Aggregation Program"); and

WHEREAS, an emergency exists in the usual daily operation of the Department of Finance and Management in that it is immediately necessary to authorize the establishment of an Electric Aggregation Program and to authorize the Board of Elections to add a ballot measure to the November 3, 2020 ballot for the same, so that such aggregation program can be implemented as quickly as possible and residents and businesses can have the option of benefiting from the economies of scale of aggregated electricity purchasing; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That 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 clean energy generation, energy savings, and Columbus's sustainable economy. Provided that the Aggregation Program is approved by the electors of the City pursuant to Section 2 of this Ordinance, the City is hereby authorized to automatically aggregate, in accordance with Section 4928.20 of the Ohio Revised Code, the retail electric loads located within the incorporated areas of the City, and, for that purpose, to enter into service agreements to facilitate for those loads the purchase and sale of electricity. The City may exercise such authority jointly with any 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 3 of this Ordinance.

SECTION 2. That the Board of Elections of Franklin County is hereby directed to submit the following question to the electors of the City at the election on November 3, 2020:

Shall the City of Columbus have the authority to aggregate the retail electric loads located within the incorporated areas of the City, to support local clean energy generation, energy savings, and Columbus's sustainable economy and for that purpose, enter into services 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, in accordance with Section 4928.20 of the Ohio Revised

Code and Ordinance No. 1642-2020 adopted by the Council?

The City Clerk is authorized and instructed to immediately file a certified copy of this Ordinance and the proposed form of the ballot question with the Franklin County Board of Elections not less than ninety (90) days prior to the election to be held November 3, 2020. The Aggregation Program shall not take effect unless approved by a majority of the electors voting upon the Aggregation Program provided for herein at the election held pursuant to this Section 2 and Section 4928.20 of the Ohio Revised Code.

SECTION 3. Upon 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, may 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 incorporated areas of the City. The notice shall summarize the plan and state the date, time, and place of each hearing. No plan adopted by this Council shall aggregate the electric load of any electric load center within the incorporated areas of 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 at least every three years, without paying a switching fee. Any such person who opts out of the Aggregation Program pursuant to the stated procedure shall default to the standard service offer provided under Section 4928.141 of the Ohio Revised Code, until the person chooses an alternative supplier.

SECTION 4. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council and that the deliberations of this Council and any of its committees that resulted in such formal actions were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code

SECTION 5. That for reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared an emergency measure and shall take effect and be enforced from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.