

UTILITIES COMMITTEE MINUTES

OF MAY 13, 2019

Municipal Council of the City of Vermilion  
Municipal Complex, 685 Decatur Street, Vermilion, Ohio 44089

**In Attendance:**            *Vermilion City Council: Steve Herron, President of Council; Monica Stark, Council at Large; John Gabriel, Ward One; Frank Loucka, Ward Two; Steve Holovacs, Ward Three; Barb Brady, Ward Four; Brian Holmes, Ward Five*

*Administration: Jim Forthofer, Mayor; Tony Valerius, Service Director; Chris Howard, City Engineer; C. Hartung, Police Chief*

**Call to Order:**            Steve Holovacs, Chairman, RESOLVED THAT this Utilities Committee comprised of the committee of the whole does now come to order.

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**TOPIC ONE:                NOPEC Program Presentation**

F. Loucka introduced Pat McNamara, Area Representative of NOPEC to speak briefly on their program. He said presently Vermilion is in a partnership with Northeast Ohio Public Energy Council for gas service and several area communities have opted to go with the electric, which would include, Amherst Township, Avon, Avon Lake, Carlisle Township, Columba Township, Eaton Township, Elyria, Elyria Township, Lorain, New Russia Township, North Ridgeville, Sheffield Lake, Sheffield Township, Sheffield Village, and South Amherst.

Pat McNamara explained NOPEC is a Non-Profit Council of Governments and they have 17 board members representing 17 different counties across Ohio. NOPEC is run by the local governments and they have an annual General Assembly where City Council can come, speak, vote and talk with their Executive Director on budgetary matters and programming. He said their core focus is to aggregate, educate, and advocate. He would consider advocacy as their strongest mission. He said they are the largest aggregator in the United States and in Ohio. They also have the best terms and conditions in the state. He said the City of Vermilion has until July of 2020 to go in a different direction with electric aggregation. He said if the City decides to go with NOPEC they are required to pass legislation and he would hold two public hearings on the City's behalf. They would take care of all the paperwork and filings through PUCO, and all legal matters.

B. Brady thought it was great for people who don't shop electric aggregation because at least they get a discount on their rates. However, with people who shop how do they compare with apples to apples. P. McNamara said NOPEC is not on the apples to apples comparison. Currently, their rates aren't the greatest, but no one can say they will always be the lowest rate. They provide price protection in that when you sign up with them you're not going to get killed. There are offers that come to the front door with a \$50 visa card and a low rate for an introductory offer, but after three months it goes up and you're locked into a two-year term with \$200 termination fees. He said NOPEC doesn't have termination fees and they can toggle between several different products they offer – a variable rate, a fixed rate, a 100% green product, a 50% green product; they always have a different price point to offer the customer some choice on what they're willing to pay for.

B. Brady asked how the residents would sign up with NOPEC. P. McNamara said everything is governed by the PUCO and if Council decides this is worthwhile, the City would adopt this legislatively, so the community would then become a NOPEC community. The residents would receive opt out letters the same way they do right now through First Energy Solutions. The process remains the same because it's governed by the PUCO.

J. Gabriel asked if there are rate comparisons for the last three to five years between NOPEC and its competitors. P. McNamara said he could provide council with a graph. J. Gabriel said one of the things NOPEC is presenting is that it's no different how the cable business is run. It's very difficult for a consumer to non-stop shop, especially if it's up in three months, 6 months, or a year. Then you turn around and you're back to the beginning. He would much rather see a history to see if it's fair. P. McNamara said he would send a graph to the Council Clerk to distribute to City Council.

Mayor Forthofer said NOPEC has been very cooperative with the administration in the past in helping with other things than what they're talking about now, so the relationship with the administration is very favorable.

B. Brady said if City Council votes to approve them is there a requirement of how many of the residents must use their service. P. McNamara said no as they are bound by the Ohio Revised Code. However, people who are delinquent or in payment assistance programs can't be served. He said they are not currently in Erie County, only Lorain County, so they would have city boundaries.

S. Holovacs adjourned the meeting after no further discussion came before the committee.

*The next meeting is scheduled for June 17, 2019 at 7:00 p.m.*

