

Granville Township
Minutes of Special Meeting, December 18, 2013

Present: Granville Township Trustees Dan VanNess and Bill Mason, and Recording Secretary Betsey Hampton

Guests: Bob Stallman, Director of Community Development, DPL Energy
Amy Kobe, 1625 Welsh Hills Rd.
Rich Gallagher, 761 Burg St., Granville, Ohio
Steve Stilwell, Village Manager

Trustee VanNess called the meeting to order at 6:30 PM. Trustee VanNess reported this is the second public meeting being jointly held by Granville Township and the Village of Granville. An earlier meeting was held at the Village of Granville's offices. Trustee VanNess reported the meetings are part of the requirements for PUCO to certify Granville Township and the Village of Granville as government aggregators.

Trustee VanNess introduced Bob Stallman, the Director of Community Development for DPL Energy. Mr. Stallman thanked Trustee VanNess for allowing him the opportunity to talk with to the residents.

Mr. Stallman provided the Trustees and the residents with a notebook which explained energy aggregation, and outlined the energy aggregation process. Mr. Stallman reviewed the notebook with the residents and answered questions from the residents. A copy of the notebook is attached.

Mr. Stallman provided a brief history of DPL Energy, which is an unregulated affiliate of the Dayton Power and Light Company, which has been in operation for over 100 years and is headquartered in Dayton, Ohio. DPL Energy was formed in 2000 when the government deregulated electric supply.

Rich Gallagher, 761 Burg St., questioned whether DPL Energy has already been selected as the supplier. Mr. Stallman responded DPL Energy has not been chosen as the supplier and has not entered into an agreement with Granville Township or the Village. Mr. Stallman reported the Township is not tied to selecting DPL Energy at this time, Mr. Gallagher questioned if other companies will also be making presentations.

Trustee VanNess advised there will not be any other company presentations. Trustee VanNess reported the meeting is part of the Township's requirement to be certified as a government aggregator. Trustee VanNess reported what will be approved is an operations plan. Trustee VanNess reported the Township and Village each went through a request for proposal (RFP) process where proposals were sent to over 60 different companies. Eight companies returned RFPs which met the requirements provided by the Township and Village. The Township and Village reviewed the eight RFPs received and eliminated four. Trustee VanNess reported of the four RFPs remaining, DPL Energy looked the most promising. Trustee VanNess reported the Township and Village will be working with DPL Energy through the initial process and if

everything remains the same and if DPL Energy return final results the Township and Village find acceptable, they will likely be chosen as the provider.

Mr. Gallagher asked if Granville Township comes to an agreement with DPL Energy, how long will the agreement be? Trustee VanNess replied the RFPs requested 12, 24, and 36 month rates. The Township and Village will decide which period when the provider is formally chosen.

Amy Kobe, 1625 Welsh Hills Rd., stated the residents already currently choose from various electric providers. Mr. Stallman commented electric choice which passed in 2001, customers in Ohio have the option to select an alternative supplier of energy generation. Ms. Kobe questioned if energy aggregation would replace this. Mr. Stallman reported aggregation is a result of deregulation which provides local governments the opportunity to create a buying group and be the purchasing agent for residents and small businesses in their community. Trustee VanNess reported residents who are part of an energy cooperative are not able to take part in the Township and Village aggregation program. Trustee VanNess reported customers or businesses which use over 700,000 kw/hr are also exempt from participating in a government aggregation program.

Mr. Stallman reported residents will have two opportunities to opt out of the aggregation program. Trustee VanNess reported Granville Township and Village residents will be able to opt out of the program at any time with no penalties. Trustee VanNess commented such was a requirement in the RFPs. Trustee VanNess reported the Township and Village also requested a budget billing option for the residents. Mr. Stallman commented the residents in the program will not have termination or cancellation fees. Mr. Stallman reported if someone is currently on budget billing, they will automatically be put on budget billing with the new program. If someone is not currently on budget billing and wants to be, they will have that option with the new program.

Ms. Kobe questioned what the rate structure will be. Ms. Kobe commented she lives in an all-electric home and is, therefore, on a plan with a different rate. Ms. Kobe questioned if there would be a lower rate for all-electric homes. Trustee VanNess reported there would not be a different rate for all-electric homes. Mr. Stallman reported the Township and Village will chose a rate. By grouping the residents and small businesses together into one buying group everyone should benefit from the program.

Ms. Kobe questioned if the Village and Township would have different packages or fee structures. Mr. Stallman did not want to speak for the Township and Village, but commented the plan is for them to combine into a larger group. They will go down parallel paths, but combine the groups together to obtain a better rate. Ms. Kobe commented there were different RFPs. Trustee VanNess advised the only different in the RFPs was the letterhead. Trustee VanNess reported the goal is to create the largest group possible and, therefore, obtain the best possible rate. Trustee VanNess reported by law, the Township and Village have to certify separately. Mr. Stallman reported in the future the Township may decide to do something different and will be able to as it is not legally bound to the Village and will have been certified individually.

Ms. Kobe questioned if a person who opts out and later wants to rejoin the aggregation program will be able to do so. Mr. Stallman reported there will be opportunities for residents to opt back

into the program. Ms. Kobe questioned whether residents would only be able to join the program at certain times. It was noted this is a detail which will be in the contract. Mr. Stallman reported most companies have many periods when new customers can enter the program as it benefits the company. Trustee VanNess commented he believes the residents will be able to opt in at their convenience. Trustee VanNess stated some residents are currently in contract with energy companies they chose and, therefore, will be exempt from the initial aggregation program. These residents will not be sent opt out letters during the initial phase of the program. As their contracts expire they may want to join the program and depending on the contract, should be able to do so. Ms. Kobe reported she is currently in a program with another company. Trustee VanNess advised she can remain with her program until the contract expires and then compare with the new program, or she may review her current contract and look at the rates, early termination fees, etc. to see if it would be beneficial to end her contract early to join the Township's program.

Mr. Stallman reported residents will be able later to opt into the program through their website, and DPL Energy will also conduct opt in sessions through the year. Trustee Mason commented Ms. Kobe would like to do her comparison at the beginning of the program as there was something written which indicated residents who opt in at a later time are not guaranteed the same rate. There was further discussion concerning this issue. Mr. Stallman explained there will be a certain number of possible residences included in the contract. Some residents will opt out which will make the number lower. Later, other residents may choose to opt in. As long as the number of new residents does not go above the number in the contract, the rate for the new residents will be the same.

Trustee VanNess reported the language in the RFP included something allowing residents to later join the program at the same rate. Trustee VanNess reported the Township and Village are continuing to work on language and issues which will be negotiated in the final contract. The community still has the opportunity to have input with terms and conditions as the final contract has not been completed. The Village and Township will adopt the standard operations and governance plan during public meetings.

Mr. Stallman continued to discuss the information in the handouts and clarified which small businesses and residents are eligible to participate in the program. The aggregation program requires letters be sent providing the eligible residents and small businesses the option to opt out of the program. If the eligible residents and small businesses do not opt out of the program they will automatically be enrolled in the program. Mr. Stallman reported the opt out letter will include a return form and date (21 days from date on letter) by which the return form must be post marked if the resident or small business owner chooses to opt out of the aggregation program. Mr. Stallman advised there is a second opportunity to opt out when the resident or small business owner sends a rescission letter. The rescission will need to be returned (post marked) seven dates after receipt.

Mr. Gallagher questioned clarification concerning residents who are already in contract with a third party supplier and not with the utility. Mr. Stallman advised Mr. Gallagher customers who are already in contract with a third party supplier are ineligible to participate in the initial aggregation program. When the resident's contract with a third party supplier expires or is

terminated by the resident, the resident is then eligible to join the Township's aggregation program. Mr. Gallagher questioned how residents with a third party supplier would be notified of the program so they may decide if they want to terminate their existing contract early or join the program when their contract expires. Mr. Stallman stated the residents who are ineligible to participate in the initial aggregation program will not be sent letters during the initial phase and would need to call to opt in. Mr. Stallman and Trustee VanNess emphasized those residents really need to research what their termination fees would be prior to making any decisions. Mr. Stallman reported the administrative rules for implementing government aggregation prevent DPL Energy from sending any letters to residents and small businesses who are already in contract with other third party suppliers.

Mr. Gallagher questioned how the residents who are already in contract with a third party supplier will be notified when the aggregation program begins, etc. Trustee VanNess advised the Township will have information and links on the Township website, and there will be newspaper coverage. Trustee VanNess reported Mr. Gallagher and any other residents are able to contact the Township Trustees if they have any questions.

Ms. Kobe questioned if there would be public notice concerning the rate. Trustee VanNess reported the rate provided in the final contract will be on the Township's website, and it will likely be reported in the Granville Sentinel. Trustee VanNess acknowledged not everyone reads the newspaper, but can look on the Township website or call an elected official for information. Mr. Stallman advised the plan will likely begin in April or May, 2014.

Ms. Kobe questioned if Mr. Stallman knew how many potential customers in the Township and Village are already contracting with a third party supplier. Mr. Stallman reported DPL Energy will not have that information until the energy aggregation certification process is completed. After the Township and Village are certified by PUCO, they will be able to go to AEP and obtain information on the eligible customers in the Township and Village. AEP will have to provide this information and DPL Energy will then be able to provide the rate.

Ms. Kobe commented if AEP only provides information concerning eligible customers DPL energy will not know how many other potential customers exist. Mr. Stallman advised Ms. Kobe she is correct to a certain extent. Mr. Stallman reported DPL Energy will receive a list of everyone in the Township, but then has to go through the list and exclude everyone in an energy cooperative as well as everyone already in contract with a third party supplier. There will be an initial list, but DPL Energy will then prepare a list of eligible residents and small businesses.

Ms. Kobe questioned if DLP Energy will market opt in service to people when their existing contracts with third party suppliers end? Mr. Stallman reported DPL Energy will not market to those people as it will not know when their contracts end, but will do a small opt out process every three months. Mr. Stallman explained three months after the implementation of the initial program, DPL Energy will go back to the utility and request a new list of eligible customers. The new list will be compared to the first list, and opt out letters will be sent to any newly eligible potential customers. The process will be similar to the initial process, but will be smaller. Letters will only be sent to the customers who were ineligible before, but are now eligible. A customer who becomes eligible due to the end of their previous contract do not have

to wait for the three month interval, but may contact DPL Energy at any time to join the aggregation program. Trustee VanNess advised there will be links on the Township website to DPL Energy and to provide information concerning energy aggregation. Trustee VanNess reported an estimated rate has been provided, but is dependent on the number of eligible customers and the final contract.

Ms. Kobe questioned if the preliminary rate could be told. Trustee VanNess reported the preliminary rate provided by DPL Energy is approximately \$0.059/kWh and advised the preliminary rate was reported in the Granville Sentinel. Mr. Stallman advised an aggregation program normally provides a 10-30% savings for generation fees as compared to the utility. Mr. Stallman commented he has to be vague concerning the rate as DLP Energy does not yet know the number of eligible customers, the number of all electric homes, etc.

Mr. Gallagher questioned how long the rate would last. Mr. Stallman reported most of the aggregation programs done by DLP Energy are for two or three years. Mr. Stallman reported there was nothing to stop the Township from doing a ten year program with DPL Energy, but by law, residents would have to be given an opportunity to opt out every three years without termination fees.

Ms. Kobe questioned whether the power being sold to the Township is physical power, or is something more like trading stocks on the market. Mr. Stallman reported the power received will still come from AEP due to the law of physics. The Township is giving DPL Energy the right to put a certain amount of electricity on the grid at a certain price. Trustee VanNess indicated DPL Energy will be putting an equivalent amount of energy on the grid, but it will likely be used somewhere else. Trustee VanNess reported DPL Energy is in the energy generation business, but not in the Granville area. Mr. Stallman stated Dayton Power and Light is very similar to AEP.

Ms. Kobe questioned whether Dayton Power and Light is a subsidiary of Duke. Mr. Stallman answered Dayton Power and Light co-owns generating facilities with Duke and with AEP, most of which are along the Ohio River. Mr. Stallman reported Dayton Power and Light also has natural gas generation facilities and a few solar generating facilities. Mr. Stallman reported DPL Energy is an affiliate of Dayton Power and Light, similar to AEP Retail which is an affiliate of AEP. Mr. Stallman estimated 90% of Dayton Power and Light's generating plants are coal fired. Mr. Stallman reported Dayton Power and Light generate 3,000 megawatts of electricity which are coal fired, 1,000 megawatts of electricity which are natural gas. Mr. Stallman reported the natural gas units are peak units and are only used for high demand days. Dayton Power and Light generate 1.2 megawatts of electricity which are solar generated. Mr. Stallman reported Dayton Power and Light used to have the largest solar array in Ohio, but AEP has now built one larger. Ms. Kobe questioned if Dayton Power and Light has any wind facilities. Mr. Stallman reported Dayton Power and Light does not have any wind generated electricity, but the parent company, AES solutions has a lot of wind power. Ms. Kobe questioned where AES was headquartered. Mr. Stallman reported AES is headquartered in Arlington, Virginia, and owns thirteen utilities across the world. Two are in North America: Dayton Power and Light, and Indianapolis Power and Light. Mr. Stallman reported the changes in utility companies within the past five years. Trustee VanNess questioned in what other countries does Dayton Power and

Light have utilities. Mr. Stallman responded they are in China, Vietnam, Chile, Brazil, and other European countries.

Trustee VanNess thanked Mr. Stallman, Ms. Kobe, and Mr. Gallagher for coming to the public meeting. Mr. Stallman provided Ms. Kobe and Mr. Gallagher with his card in case they wish to contact him with any further questions.

Trustee VanNess moved adjournment, and the meeting was adjourned at 7:18 PM.

*The Board of Township Trustees of Granville Township, Licking County, Ohio, meet in their dual capacity as the Board of Township Trustees of Granville Township and the Board of Granville Township Road District Trustees.