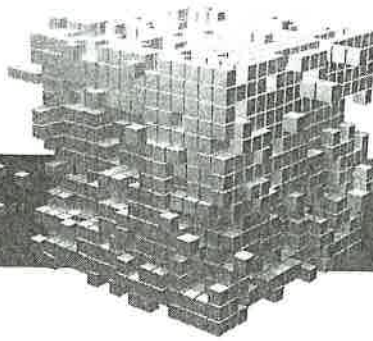


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## Strategic Aggregation Consultants, LLC

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**TO:** ALL MEMBERS OF CITY COUNCIL

COUNCIL PRESIDENT

MAYOR

LAW DIRECTOR

AUDITOR

TREASURER

**CC:** SERVICE DIRECTOR

**FROM:** Brenda Fargo, President, Strategic Aggregation Consultants, LLC

**DATE:** December 15, 2020

**RE:** Recommended Supplier for the City of Parma's Electric Aggregation Program

### Background:

The City of Parma Electric Aggregation Program is currently with Energy Harbor (formally FirstEnergy Solutions) and has been since signing a 3-year extension with them in late 2017. The current term ends in May 2021. The pricing for the program has been an attractive 6% off the standard CEI Price to Compare (PTC) for Residents and 4% off the standard CEI PTC for small commercial accounts. The City wishes to continue its aggregation program and has retained my firm to assist in the process.

An RFP was recently issued and three suppliers responded, Energy Harbor (EH), AEP Energy and the Northeast Ohio Public Energy Council (NOPEC). All suppliers submitted responsive proposals. The pricing from AEP was higher than EH and NOPEC so they were eliminated so we could consider the final two suppliers.

### Recommendation:

Although the Energy Harbor has been the incumbent supplier and provided a good service in the past, I am recommending NOPEC at this time for the following reasons:

EXHIBIT A

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L-160-2020

1. NOPEC provides a suite of product offerings to participants including a percent-off, guaranteed savings. NOPEC offers not only the standard program price, which has been running 3 – 5% below the CEI price to compare, but additional products for participants that may better fit their situation. For example, the current program offering of a 6% off the Price to Compare (PTC) for residents is very popular with those on fixed incomes. This offer is no longer available with EH but is an option with NOPEC. My firm regularly takes calls from residents about the program and most are looking for guidance on how to save money. Being able to direct them to a guaranteed savings plan is very helpful. NOPEC is the only supplier responding with that pricing option available. NOPEC also provides a 12- and 24-month fixed price offer. All of the offers under the NOPEC umbrella come with the no cancellation fee. Additionally, participants can move between program offerings at will with no penalties.
2. NOPEC offers a better call center. EH's call center is only available Monday – Friday from 8:00 to 5:00. This often does not fit when people need to get information on the City of Parma aggregation programs. NOPEC's call center, located in Wisconsin, is available 24 hours a day, 7 days a week. This provides the participants much better access to their inquiries about the program.
3. NOPEC offers more grant opportunities. NOPEC will provide grant dollars annually to the City of Parma at the rate of \$6.00 per electric account. EH's proposal offered \$5.00 per account. In addition, the grant amount from NOPEC for the gas program will increase due to the City of Parma being a full NOPEC member (meaning both gas and electric programs are served by NOPEC).
4. NOPEC offers a new program to the City of Parma. The City of Parma has been offered the opportunity to be the first NOPEC member community to participate in a Sustainable Action Review. NOPEC will support the City of Parma in a sustainable-actions review led by city officials and/or support contractors of their choosing. Energy audits or strategic action plans on green or energy efficiency initiatives are often difficult to prioritize given all of the City's other budgetary priorities. A City of Parma led review aligns with NOPEC's goals of supporting its members with the resources and tools necessary to achieve ongoing operating savings through energy efficiency. NOPEC will provide advisory support as needed to the City in these efforts. To facilitate this initiative, NOPEC will offer supplemental funding not to exceed \$50,000 for this review, or towards measures taken as a result of this review, to be completed by December 31, 2022. In return, NOPEC would require the City of Parma to share these plans with NOPEC and agree that NOPEC can utilize the reports or data for use in possibly developing future benefit programs for a broader range of NOPEC Membership, or to develop case studies for the public benefit of other members.
5. Street Lighting. The assessment for street lighting is complete for 2020 and 2021. The current EH street lighting generation agreement ends December 2021 at a current price per kWh of .0343. With NOPEC's preferred pricing program, the City of Parma will have access to reduced rates for the street lighting for the next assessment period. The

current NOPEC street lighting rate for a 24-month term (the length of time for an assessment period) is .0294 per kWh.

6. Unified program reduced participant confusion. Currently, NOPEC serves the City of Parma for its gas aggregation program and EH serves the electric program. As my firm has talked with residents, this does provide a level of confusion. By joining NOPEC for electric, participants will be served for both programs by one supplier.
7. Additional sponsorship donation with NOPEC. Currently, the City of Parma receives \$2,000 annually from NOPEC for sponsorship of community events, like the fireworks for example. If the City was to join NOPEC as a full member by adding the electric program, the sponsorship dollars would increase to \$9,000 annually.

Based on the above reasons, I am recommending that the City of Parma move forward with a three-year term with NOPEC. This will require 2 public hearings to be held prior to adoption of the NOPEC Plan of Operation and Governance for the Electric Program.