

**THE CITY OF KENT, OHIO  
STREETS, SIDEWALKS AND UTILITIES COMMITTEE  
WED., MARCH 5, 2008**

The Streets, Sidewalks, and Utilities Committee of Kent City Council was called to order at 8:31 p.m., on Wed., March 5, 2008 by Michael DeLeone, Chair.

**PRESENT:** MR. AMRHEIN, MR. DELEONE, MR. FERRARA, MR. HAWKSLEY, MS. SHAFFER, MR. TURNER, MS. WALLACH, AND MR. WILSON

**ALSO PRESENT:** D. RULLER, CITY MANAGER; J. SILVER, LAW DIRECTOR; AND L. COPLEY, CLERK OF COUNCIL

**ABSENT:** J. FENDER, MAYOR  
MR. KUCHAR, COUNCIL

Chair DeLeone said the only item on their agenda dealt with an update from NOPEC, and introduced **Chuck Keiper, Portage County Commissioner**, at this time.

Mr. Keiper promised to be brief, adding they received a check previously from NOPEC. He said he wanted to provide a brief update about the direction, and tell them what they are going to do with their refund money.

Mr. Keiper said the money brought back to Kent were the result of a remarkable fiscal year. He said they hired a full time director the previous year, saving money. He said there are no dues to belong to NOPEC, adding they receive a fee for every customer each month, as part of their agreement with First Energy. He said it was decided by the board of directors to return that money to their members, with two strings. He said the community could use it for anything, as long as it was energy conservation and energy assistance. He said they have to write NOPEC a letter, telling them what they did with the money.

Mr. Keiper said that Portage County has looked at a number of options. He said it was determined that they would most likely have an energy efficient lightbulb give away to all of the non-incorporated areas they represent. He said they are getting price quotes on those bulbs, and they wanted to offer Kent a chance to participate. He said the more they buy, the better the price, adding he would keep them informed on what they find out. He said he will forward that information to Mr. Ruller as soon as they determine the amount.

Mr. Keiper said he wanted to share information on the general direction NOPEC has proceeded. He said there is going to be a fundamental change for the way electricity has been aggregated. He said they are concluding the first ten years, and the state legislature is looking at new rules at this time. He said they know through their Executive Director, Leigh Herington, that municipal aggregation will remain an allowable solution. He said they made a decision about eighteen months early to become a certified retail energy supplier. He said they formed a new not-for-profit corporation, and have received their interim designation from the PUCO. He said they expect, by Jan. 1, 2009, to be delivering electricity directly to their member communities.

Mr. Keiper said they received a significant settlement from Green Energy, and all of that money will be utilized to provide tools to open doors as a retail energy supplier. He said they will buy energy on the grid, ship it in, and level the playing field. He said they hoped to drive the costs down, and have saved million in aggregation.

Ms. Shaffer asked about generating energy in Kent, and Mr. Keiper said he loves the idea, but they need to find their own generation capability. He said after the big blackout a few years ago, Green Mountain Energy found it impossible to do business. He said that NOPEC found themselves fumbling and trying to find a path, adding they believed it was to have their own generation. He said he is unsure of the shape and/or form, adding they are looking at blending it over time. He said that building a plant would cost

multi million dollars, adding the best they can do is partner with First Energy.

Ms. Shaffer asked if they can offer grants to local people for the development of green energy systems or programs, and Mr. Keiper said they do not have those types of dollars. He said that most of their resources will be tied up. Mr. Keiper explained when they buy electricity, the PUCO makes them put up guarantees, adding the bonding will consume most of their cash resources. He suggested they think of the electric bills for all of the members to get a sense of the magnitude. He said it is a lot of money, and they will have to buy a bond.

Mr. Turner said that since they are not reinventing the wheel, what type of leverage of pricing they have seen with this decision, and what kind of price savings have been realized. Mr. Keiper said the average customer saved 5% to 6%. Mr. Turner asked how quickly that happened, and Mr. Keiper said it took fourteen to eighteen months to get the first discount package negotiated, adding they have seen the discounts each month since that time.

Ms. Wallach asked when they give the light bulbs away if they are going to educate the population on their disposal, and Mr. Keiper said they have had a lengthy discussion and are talking to the recycling people about a collection point. He said there is a question as to how, where, and when, adding they hoped by the time it happens, they will have a pamphlet put together.

Mr. Hawksley asked if there is any way they can potentially generate more money, and suggested sustainable goals of generating 10% of the electric or reducing energy consumption by a certain date. Mr. Hawksley suggested that NOPEC could help as a region.

Mr. Keiper said they are all excited that the largest operator of solar panels is moving to Cleveland. He said they have a social responsibility to limit their reliance on coal emissions, adding that is part of the strategic plan. He said they would be happy to do a presentation on NOPEC, adding their Executive Director would be happy to give them an update.

Mr. Ferrara asked if there are restrictions on the settlement money, and Mr. Keiper said the money has no restrictions, adding it is entirely up to the board of trustees. He said they have annual meetings, adding it was clear they need to pursue and finalize the notion to become a supplier. He said the jury is out on the ultimate requirements, adding they hired a consulting firm to assist them with figuring out the charge, requirements, and bonding. He said they will probably know the answers by the middle of the second quarter.

Mr. Ferrara asked what percentage would go to operating administrative expenses, and Mr. Keiper said that none of the settlement money has gone to administrative expenses. He said that NOPEC had about \$75,000 to \$80,000 involved in litigation, and that amount was deducted. He said that everything else is in the fund.

Mr. Keiper said that NOPEC receives a fraction of a penny for kilowatt hours from First Energy Solutions quarterly. He said they never exceed that revenue, nor do they intend to exceed it.

Mr. Ferrara asked how transparent the appointment of the officers were for the new organization, and who decides, and Mr. Keiper said there is one member, and that is NOPEC. He said the Board of Trustees annually approves the slate of officers. Mr. Ferrara asked who approves the NOPEC board, and Mr. Keiper said that each community gets a representative, who goes to the annual meeting. He said that every year, one-third of the board can change. Mr. Keiper said they have an eleven-member board with a 4/4/3 rotation. He said it is fairly transparent, and they try to provide information. He said Mr. Roberts has not missed a meeting, nor has he. Mr. Ferrara asked if it was a volunteer position, and Mr. Keiper said he is paid nothing. He said their bylaws prohibit payment.

Mr. Keiper said the new corporation will pay its board of directors \$750.00 annually. He said they do not get a travel reimbursement, so this would hopefully offset the costs. Mr. Keiper said that both levels are volunteer, adding that a very specific amount of critical knowledge is necessary. He said they have

excellent help.

Mr. Wilson asked the name of the new corporation, and Mr. Keiper said dit is NOPEC, Inc. Mr. Wilson asked if it has a paid director, and Mr. Keiper said it will, eventually. He said his guess is that it is up to the board of trustees. He said that every drop is drawn on a consumer base, adding it must be scheduled, negotiated, insured, and settled. He said it would be done by contract. Mr. Keiper said that there are companies who have a business line on purchasing electricity on the grid, making sure it is delivered, and settling the charges. He said there needs to be a credible separation between the two organizations. Mr. Keiper said there will be an Executive Director at some point.

Mr. Wilson asked what the \$4.5 million settlement came from, and Mr. Keiper said they had negotiated a contract on behalf of all of the customers at a discounted rate. He said when Green Mountain breached their contract, NOPEC got the money to guarantee the discounted rate. He said they already know at the end of the first quarter that a lot of delivery areas will not get the same rate, and NOPEC will subsidize that rate. He said they will spend down that money. Mr. Wilson asked if a majority of the money would return to people on NOPEC, and Mr. Keiper said that all is intended to go back, so the customers either get a lower rate and that they can make sure they deliver the electricity at a reduced rate. He said they hopefully will get a benefit.

There were no audience comments at this time.

Mr. Keiper said he would send Mr. Ruller information on the light bulbs.

Mr. DeLeone adjourned this meeting at 8:50 p.m.

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Linda M. Copley, Clerk of Council

**ACTION RECOMMENDED:**

- 1) A PRESENTATION ON NOPEC WAS RECEIVED; NO ACTION.**