



What do we do next?

A Post-Election Process for Aggregated Communities

Special note: A local government that forms an aggregation program can purchase energy on behalf of its residents or it can contract with another company to supply the energy.

Ohio's electric restructuring and natural gas laws allow local governments such as cities, counties, townships and villages to pool residents together as a buying group to purchase energy. By buying in large blocks, aggregated groups may possess greater bargaining power.

The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, is providing this fact sheet to local governments whose voters have approved an "opt-out" aggregation ballot issue. Opt-out aggregation automatically includes all eligible residents in the buying pool except those who affirmatively decide not to participate.

Contacting communities with established programs

After passing a ballot issue, you may want to talk with local governments that have successfully completed the aggregation process and selected an energy supplier or that have decided to purchase energy itself. The OCC offers an online map at www.pickocc.org to help inform you about the status of other aggregated communities. Using your mouse, scroll over either the Electric or Natural Gas menus at the top of the front page and select "Aggregation." The map will show you which communities have passed ballot issues in any of Ohio's 88 counties and, if applicable, the supplier that is serving their residents.

Set goals and budget

Your community should set goals to help evaluate whether offers will meet the needs of your residents. Goal setting may involve surveying residents about their expectations from the aggregation effort. Items that could be included in your goals may be the desired level of savings, the ideal duration of a potential offer and what services are expected from the energy provider. To help plan

for any administrative or implementation expenses related to the aggregation process you also may want to prepare a budget.

Hiring a consultant

The aggregation process can be complex and many communities have contracted with a consultant to provide expertise. An aggregation consultant may be used to help define the goals of your program, prepare the bidding criteria and evaluate energy rates. Some consultants may be able to help operate the aggregation program. By talking with other local governments, you will be able to identify a list of consultants who have helped develop successful aggregation programs in other communities.

Adopt an aggregation plan

Under Ohio law, an "operation and governance plan" must be developed to address how the aggregation program will work and how the local government will oversee the process. At least two public hearings must be held to give residents a chance to comment on the plan. More information and sample plans are available in the OCC's "Energy Aggregation in Ohio" publication.

Certification

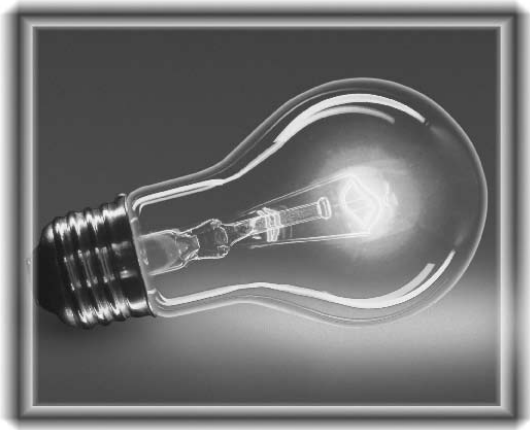
Your local government must file its operating and governance plan with the Public Utilities Commission of Ohio (PUCO) and become certified as a "governmental aggregator" by the PUCO.

Develop bidding criteria

Using the bargaining power of your community, you may be able to obtain an attractive rate and additional benefits as part of the aggregation agreement. This often involves a competitive bidding process that begins with a Request For

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Proposal (RFP). The RFP can be used to outline the type of energy offer that your community desires. For example, an RFP may specify the desired level of savings, type of rate (fixed or variable), length of the offer or a preference for renewable energy.

Evaluate offers

As you evaluate bids obtained through the RFP process, refer to your goals and decide which offer will best meet the needs of your residents.

Communicating with residents

Once an offer is selected, communicating with your residents is vital. From a consumer-friendly opt-out notice to working with the news media, it is important that you assist residents in making an educated decision about the aggregation offer. You should be prepared to provide the name of the supplier and background information about the company, if applicable, the rate, the opt-out process and any important terms and conditions of the agreement.

The OCC is available to help you and your community. For assistance with developing and implementing an education plan or to obtain a copy of "Energy Aggregation in Ohio," contact Marty Berkowitz at (614) 387-2962 or by e-mail at berkowitz@occ.state.oh.us

The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts. The state agency also educates consumers about electric, natural gas, telephone and water issues and resolves complaints from individuals. To receive utility information, brochures, schedule a presentation or file a utility complaint, residential consumers may call 1-877-PICKOCC (1-877-742-5622) toll free in Ohio or visit the OCC website at www.pickocc.org.

The Office of the Ohio Consumers' Counsel is an equal opportunity employer and provider of services.

For additional information from the Office of the Ohio Consumers' Counsel:

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