



City Council Meeting Minutes

Tuesday, April 20, 2021

1:30 PM

1) Call to Order

Meeting called to order by Mayor Kessler at 1:03 p.m.

2) Roll Call of Members

Mayor Kessler, Bill Harvey and Lori Ann Feibel present.

Others Present: Chris Bailey AEP, Frank Wilson AEP Vice President of Sales, Anna Schenk AEP, Dylan Borchers and Andy Bashore.

3) Discussion of Electrical Aggregation

Mr. Bailey presented information about the questions that were asked at the last Board of Control Meeting, including pricing and the bridge point before the clean energy starts in the pricing process.

Mr. Wilson updated everyone on the Clean Energy process with the City of Columbus. He discussed the Service Agreement and they are 98% successful on those surveys with residents. The next step is the enrollment process being stair-stepped with five groups. He said AEP OHIO is the utility and we are separate from them and do not represent them, even though we are an AEP Company as well.

We will have wind and solar all over the State of Ohio for procurement. We have diversity in assets and locations. Mr. Borchers, Bricker & Eckler, Counsel for the City asked about the long term product and whether or not it is public yet. The initial pricing is 5.499 cents per KWH. Ms. Schenk said that price is not yet public. Mr. Borchers said once it is public, to please share that information with the City of Bexley. Mr. Wilson said Columbus has a group representing several groups and the current price to compare was 5.02 cents per KWH vs. 5.499 KWH. This was published in the Columbus Dispatch this week. We are hoping that it will fall between 5.02 cents per KWH and 5.6 cents per KWH. It is about a \$3.00 per month impact difference.

Mr. Bailey presented some slides to answer the questions from the last meeting. He showed a breakdown of the differences and where they are located. He broke down the energy price costs for each component. He showed the difference between Bexley and Columbus. The energy component is very similar based on usage. The capacity number is slightly higher than Columbus. The capacity is to make sure there are enough assets to be available in the future. It is an auction system priced 3 years in advanced and we are in a holding pattern beyond June 2022, we

don't know what the capacity costs are. Ms. Schenk said it really is about reliability under emergency conditions. It is based on maximum demand conditions during peak conditions. The more the ratio over your demand peak but has a low average consumption = higher prices.

Mr. Bailey said the next components are the same as Columbus. The next row is the bridge period and it is different from Columbus. Columbus is doing a combination of hydro which makes the largest difference from the rec purchased. Mayor Kessler asked if Bexley has some flexibility on options? Ms. Schenk said yes, the National Green Rec. would be our default. It comes with 3rd party auditing and certain criteria they have to meet. Not all rec's are created equal. You can pursue a very targeted area for other products and get different pricing results like we did for Columbus. It depends on where you place that value from the services offered by National Green Rec. Mr. Bailey asked the Mayor if Bexley wanted to pursue other options? Mayor Kessler said it is a possibility in the future.

The civic grant is not part of Bexley's profile but is included for the City of Columbus. It does help keep Bexley's price lower along with not having a broker. When you add all of these items together, there is a slightly higher costs of 5% for Bexley than for Columbus. That is about \$3.41 per month for the average use for a home in Bexley.

Capacity and how it works in the future - Ms. Schenk - provided an explanation for capacity and reviewed their slide presentation. Generators do get paid so the cost of the load is paid to the generators and auctions. This is referred to "length" and if you need something, it is called "short". Since we are giving to the community, slices of those assets (physical supply being allocated to you) we make that future of being a generating assets available to you as well. We bid them into the auctions and green assets generally are a very advantageous option that does not require you recover operating costs. You will receive revenue for this asset and it will be passed through to you. We don't know how much these options will be worth since it varies every year. You have a mega watt obligation as to what the consumers are going to pay. The deal share will create a 4.16 mega watt length where load obligation is a 11.5 mega watt volume. Load pays the auction price and has to pay for certain expansion factors. The graph provides a small visualization as to where it will clear and that is an unknown. We have listed a range between \$75 and \$200 is a worst case/best case scenario. Mayor Kessler asked what the current price at auction is? Ms. Schenk said about \$176 dollars coming up in June. The main take away is that it is a partial hedge. Mr. Harvey said depending on conditions, we may not have to use this? Ms. Schenk said you will always use it because it is different from other hedges. In this case, the residents will always face a costs for capacity so it will always be used every year.

Mr. Bailey said the last slide shows what the impact is on the mega factor load issue. The lower the load factor, the capacity price per unit goes up. Ms. Schenk said one of the important features in creating a costs for the load factor is that it shows the ratio between peak and average. The more the range, the higher the costs. Bexley's load is what type of homes and what type of usage. Size of homes, electric space heaters, equipment and entertainment supplies, features of electric consumption are going to influence whether the load factor is high or low. Is there someone where someone is home all day? These are important features to show where the load factor falls. Also, how well homes are insulated and how hard does the air conditioner have to work in the peak conditions. Starting this June going to next May - the auction price will be fairly expensive. Solar panels does help reduce the usage.

The PTC information is available for the Mayor to 2016 and Mr. Bailey will send that to him. Mayor Kessler wanted to get a full scope of where the market has been. Mr. Bailey said we use another company that handles this for us and they are gathering that information for him now.

Mayor Kessler said personally he does not feel like we are ready to talk more about this without the full scope of the history. Once we have all of that information, he would be able to get into the price. He thinks we have already passed the June 1st update. Members of the Board of Control should decide how to present options and return to present this to the full City Council.

Ms. Feibel said Duke Power has some nice handbooks available about this process. Mr. Bailey said they had to drop letters early in April in order to start by June for the Columbus process. You can work on moving the process anytime you are ready.

4) Adjourn

Motion to Adjourn - made by Mayor Kessler and seconded by Mr. Harvey. Vote 3-0

Adjourned at 2:03 p.m.