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PREPARED for Change

OHIO MUNICIPAL ELECTRIC ASSOCIATION

To say that the past year was challenging would be an understatement. However, it is during times like these that we must come together and meet every challenge. OMEA and our members did that in 2020.



Whether it was member communities and their residents coming together to assist those struggling with their utility bills or electric industry employees working hard to ensure that the lights stayed on, OMEA's collective strength was on full display throughout the year. These efforts remind us that community service — a driving principle of public power since the first municipal electric system was founded in the 1800s — continues today.

While the focus through much of 2020 was on responding to the COVID-19 pandemic, policy deliberations continued at both the state and federal levels on issues of importance to Ohio's municipal electric communities. The range of issues included efforts at the state and federal levels to secure broader access to personal protective equipment (PPE) and additional funding streams to assist municipalities and utility customers negatively impacted by the global pandemic, especially as the impacts of the pandemic became more widespread and apparent.

At the Ohio Statehouse, OMEA was active in the initial stages of the House Bill (HB) 6 repeal debate, including advocating for greater oversight on transmission projects and their associated costs. Efforts to prevent the enactment of legislation that would negatively impact our membership was a continuous focus throughout 2020.

The importance of advocacy was never more relevant than it was in 2020, even if the pandemic forced us to adapt to a new normal. These abnormal circumstances helped to show the impact and value of Ohio's public power communities to both the State of Ohio and our nation.

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Michael Beirne

Richard Homrighausen

APPA Legislative Rally

In 2020, 38 representatives from 18 OMEA member communities participated in the American Public Power Association (APPA) Legislative Rally, which took place Feb. 24-26 in Washington, D.C.



The annual Rally is an opportunity for municipal electric system representatives from across the nation to share firsthand insights with federal lawmakers and staff. It also provides a valuable opportunity to directly engage in the legislative process and raise awareness about the issues that affect public power communities and customers. OMEA participants focused on the key issues of the continued sequestration of Build America Bonds (BABs) and New Clean Renewable Energy Bonds (CREBs), increasing transmission costs and the Federal Energy Regulatory Commission (FERC) order on PJM's Minimum Offer Price Rule (MOPR). All negatively impact the ability of municipal systems to provide electric service to customers.

During the Rally's Legislative & Resolutions Committee meeting on Feb. 25, APPA members adopted five resolutions. OMEA sponsored Resolution 20:04: In support of the preservation of Public Power's ability to self-supply without risk of paying for capacity twice.

Throughout the week, OMEA attendees met with members of the Ohio congressional delegation. This included meetings with Sen. Rob Portman (R), and Reps. Troy Balderson (R), Warren Davidson (R), Bob Gibbs (R), Anthony Gonzalez (R), Bob Latta (R) and Steve Stivers (R). Additionally, OMEA members met with senior staff members in the offices of Sen. Sherrod Brown (D), and Reps. Joyce Beatty (D), Jim Jordan (R), David Joyce (R) and Tim Ryan (D).





ANNUAL Conference

The 2020 AMP Annual Conference transitioned to a virtual format in light of the ongoing pandemic. Despite that change, members heard updates on a variety of relevant and timely industry topics.

During the OMEA General Membership Meeting, elections were held for four seats on the OMEA Board of Directors. The City of Celina, City of Hamilton, City of Oberlin and the City of St. Marys were re-elected to four-year terms on the OMEA Board of Directors. Additionally, the City of Painesville was elected as ex-officio member.

Following the election, the OMEA Board of Directors held its annual reorganization meeting and re-elected Dover Mayor Richard Homrighausen as president of the Board. Montpelier Mayor Steve Yagelski and Wadsworth Mayor Robin Laubaugh were re-elected to the Board's three-member Executive Committee.



During the OMEA General Membership Meeting, members selected 11 new honorary members. This honor is bestowed on individuals whose dedication and service on behalf of public power has been of the highest order:

- Marc Gerken, retired president/CEO of AMP
- Roy Johnson, retired village administrator for the Village of Carey
- Mayor Lance Bowsher, retired mayor for the Village of Edgerton
- Mayor Randy Heath, retired mayor for the City of Jackson
- Bill Sheward, retired public service and safety director for the City of Jackson
- Dennis Clapp, retired electric superintendent for the City of Napoleon
- Dick Smith, retired distribution superintendent for the City of Orrville
- John Lockard, retired electric superintendent for the Village of Pemberville
- Bob Bowman, retired assistant power system director for the City of Piqua
- Dennis Faller, retired law director for the City of Wapakoneta
- Floyd Longwell, retired electric superintendent for the Village of Woodsfield

FEDERAL Activity

At the federal level, OMEA continued efforts to advocate on behalf of Ohio's public power communities through member meetings with the Ohio federal delegation and staff on key committees, coalition building and position papers. These activities supported efforts to anticipate important policy trends, opportunities and risks.

One of the more important areas of policy in 2020 was centered on the federal response to COVID-19. In reacting to the pandemic, legislators put forth several key bills, including the CARES Act. Some of these policy ideas provided utilities and customers with the tools needed to help mitigate the impacts of the pandemic, while others would have resulted in negative outcomes for public power utilities and communities. OMEA worked to advance policies that would expand the tools and resources available for public power utilities to address the operational, financial and workforce challenges resulting from the pandemic. OMEA also worked to prevent the imposition of costly federal mandates on utility policies. In concert with these efforts, OMEA worked alongside AMP to provide members with the necessary information to respond to the pandemic.



Federal activity also focused on issues beyond the pandemic. Over the course of the year, Congress passed legislation expanding federal expenditures on research and development in new technologies, considered proposals to limit electric sector greenhouse gas emissions, acted on legislation to advance deployment of electric vehicle charging infrastructure, and evaluated the cyber and physical risks to the bulk power system. On the energy policy front, OMEA continued to raise awareness about the issues having the greatest direct financial impact on members. Areas of primary focus included: the rising cost of transmission service, the negative effects of the continued sequestration of BABs and New CREBs Treasury credit payments, and the negative effects of FERC's decision on the MOPR.

Additionally, the ongoing debate over environmental- and climaterelated policies resulted in several bills and policy drafts that set the stage for activity in 2021 and beyond. OMEA has engaged aggressively in these policy deliberations to promote policies that avoid creation of stranded assets, ensure system reliability, avoid massive rate increases and align emissions policies with the pace of technological innovation. Additionally, OMEA has prioritized ensuring that public power has comparable incentives for investments in new resources.



STATE Activity

At the state level, OMEA was pleased to finish the year without the passage of any major legislation that was detrimental to Ohio's public power communities.

Efforts throughout the year to respond to the pandemic included legislation permitting virtual public meetings, ensuring appropriate access of PPE and the distribution of federal pandemic-response funds. OMEA was pleased that Governor Mike DeWine joined a call with members to provide updates on Ohio's pandemic response and discuss pertinent issues impacting Ohio's public power communities.

Although the focus throughout much of 2020 was on responding to the pandemic, energy policy deliberations returned to the forefront by the end of the year. The primary focus of these efforts centered on HB 6, which was passed in 2019. Among other things, HB 6 provided subsidies for Ohio's two nuclear power plants, eliminated the state's renewable portfolio standards (beginning in 2027) and made other changes to Ohio's energy policy. Following the July 2020 arrest of several figures central to the bill's lobbying and passage, calls were made to repeal or reform the legislation, and several different bills were introduced in the House and Senate. OMEA testified in support of one of the repeal bills, which included language to bring greater transparency to transmission projects. Although no legislation had passed either chamber by the end of the year, OMEA was pleased that legislation was passed in 2021 to require the Ohio Power Siting Board to perform a study on increased transmission costs.

OMEA was also active on a number of other bills and proposals that were considered in 2020, including:

- Senate Bill 33: Legislation designed to protect critical infrastructure facilities, including municipal electric utility infrastructure, was supported by OMEA and signed into law.
- HB 163: Legislation that would impose penalties, including reduced or eliminated local government funding, to a municipality if their water and sewer utility is found to charge excessive rates to customers outside of their corporate boundaries, was opposed by OMEA and did not pass by the end of the year. The bill would have created a dangerous precedent in state law that punishes any municipal utility for serving customers beyond city limits.
- HB 13: Legislation to support the rollout of broadband to underserved areas of the state, was prioritized but not enacted. OMEA worked with lawmakers to protect Ohio municipalities with existing broadband systems by ensuring that they would not be subject to unfair competition by private companies using state tax dollars. The language protecting existing municipal broadband systems remains part of legislation introduced in 2021.







MEMBER: DOVER **Richard Homrighausen** President Mayor City of Dover



MEMBER: CELINA **Jeffrey Hazel** Mayor City of Celina



MEMBER: MONTPELIER **Steve Yagelski** Executive Committee Mayor Village of Montpelier

MEMBER: WADSWORTH

Executive Committee

City of Wadsworth

MEMBER: BRYAN

Carrie Schlade

City of Bryan

Robin Laubaugh

Mayor

Mayor

MEMBER: CUYAHOGA FALLS Don Walters Mayor City of Cuyahoga Falls



MEMBER: EDGERTON **Robert Day** Mayor Village of Edgerton



MEMBER: HAMILTON **Michael Ryan** Council Member City of Hamilton

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MEMBER: ST. MARYS **Patrick McGowan** Mayor City of St. Marys



EX-OFFICIO: **Michael Beirne** Executive Director Ohio Municipal Electric Association





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