

Member Driven. Future Focused.



OHIO MUNICIPAL ELECTRIC ASSOCIATION

REPORT TO MEMBERS

2018





In looking back at state and federal activity throughout 2018, it became clear that the ongoing changes in the energy industry put increased pressure on decision makers.

In such a volatile political landscape, presenting a unified front was more important than ever. In 2018, Ohio municipal utilities faced a number of challenging legislative issues, and having the weight of an association behind our advocacy efforts was critical for the continued success of public power in Ohio.

At the state level, the Ohio Municipal Electric Association (OMEA) dealt with a potential change to the municipal share of the kilowatt-hour (kWh) tax, which would have been extremely detrimental to OMEA members. Due to strong grassroots by our members and solid strategy by our statehouse team, the issue didn't progress in 2018. The OMEA also worked to defeat legislation that would have limited what municipalities could charge for utility service outside corporate limits. The association also supported beneficial legislation to increase penalties for damage to critical utility infrastructure.

At the federal level, the OMEA continued to be a leading voice with congressional lawmakers on the issues of increasing transmission costs and the damage done by subjecting Build America Bonds (BABs) and New Clean Renewable Energy Bonds (New CREBs) to the budget sequester.

In the following pages, you will read about the OMEA's key activities in 2018. Legislative threats rarely disappear, as is evidenced by the battles that are being fought in 2019. As a result, the OMEA will continue to engage in legislative forums and work collectively with our members to ensure the public power voice is heard loud and clear.



A handwritten signature in black ink that reads "Richard D. Homrighausen".

Richard Homrighausen
Dover Mayor
OMEA Board President

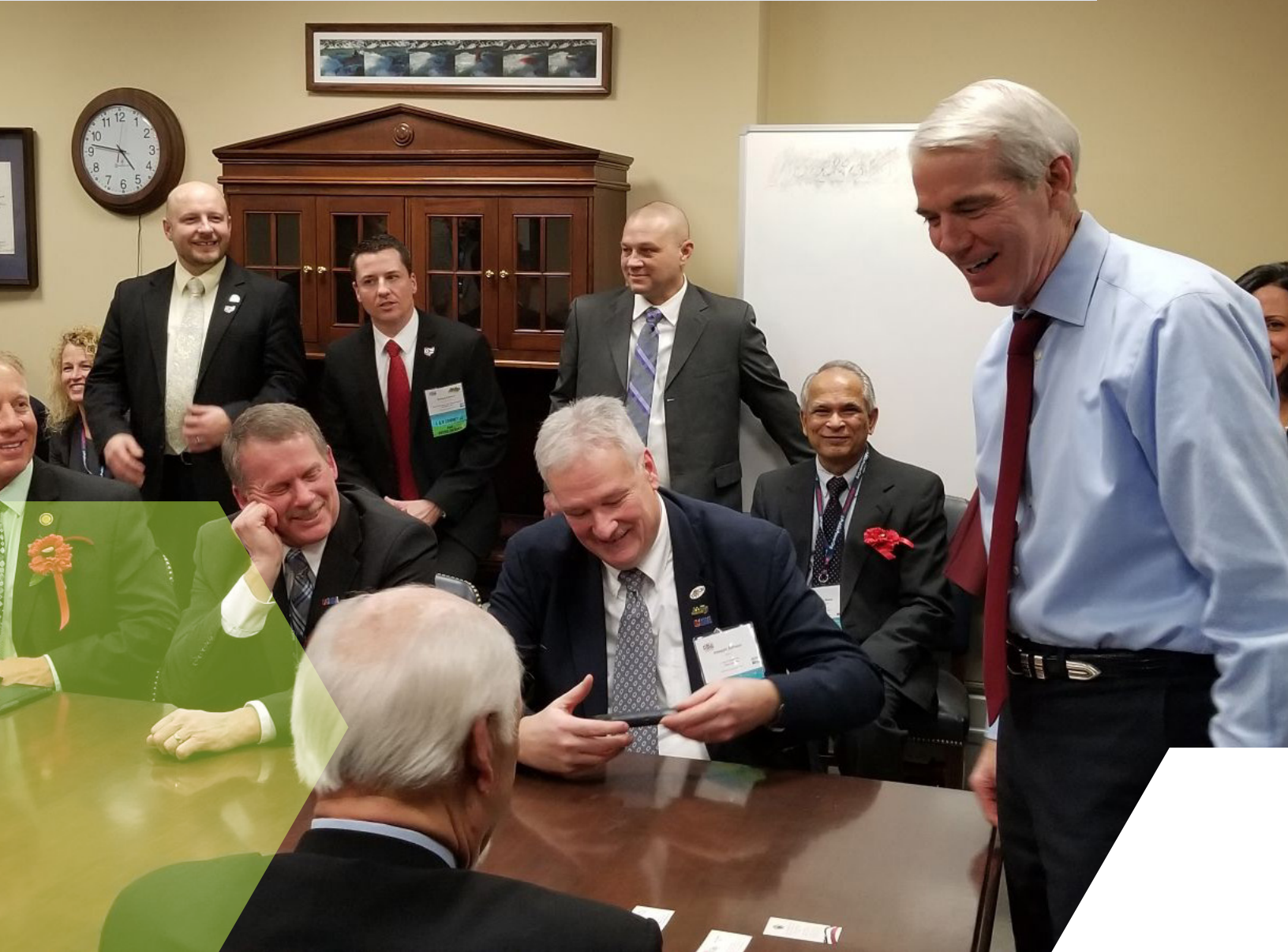


A handwritten signature in black ink that reads "Jolene Thompson".

Jolene Thompson
OMEA Executive Director
AMP Executive Vice President



APPA Legislative Rally



Senator Rob Portman welcomes OMEA's delegation to his Washington, D.C. offices during the 2019 APPA Legislative Rally.

More than 30 representatives from 20 Ohio Municipal Electric Association (OMEA) member communities participated in the 2019 American Public Power Association (APPA) Legislative Rally, Feb. 25-27 in Washington, D.C.

The annual APPA Legislative Rally provides a valuable opportunity for public power officials to directly engage in the legislative process and raise awareness about the issues that affect their communities and customers. The key issues we raised during this year's Rally were concerns about the continued sequestration of Build America Bonds, increasing transmission costs and imposing federal rules on local pole attachments – all of which have a negative impact on the cost of providing electric service to customers.

Note: Due to timing of this report, the 2019 event is represented here.

During the Legislative and Resolution Committee meeting on Feb. 26, APPA members adopted five resolutions including AMP and OMEA sponsored Resolution 19-03: "In Support of Affirming Local Control of Pole Attachments," and Resolution 19-05: "In Support of Controlling Transmission Cost Increases." The full listing of resolutions can be viewed at www.publicpower.org.

Throughout the week, the OMEA contingency members met with 24 congressional offices. This included meetings with Sens. Sherrod Brown (D) and Rob Portman (R), and Reps. Troy Balderson (R), Warren Davidson (R), Bob Gibbs (R), Anthony Gonzalez (R), Bill Johnson (R), Dave Joyce (R), Bob Latta (R), Tim Ryan (D) and Steve Stivers (R). Additionally, our group met with senior staff members to Reps. Marcia Fudge (D), Jim Jordan (R), Mike Turner (R) and Brad Wenstrup (R).

Our position papers covering the sequestration of Build America Bonds, supplemental transmission costs and FCC regulation of pole attachments are available for review on the AMP Member Extranet.

Representative David Joyce discusses the issues facing the public power communities in his district during the 2019 APPA Legislative Rally.





AMP/OMEA Annual Conference

More than 300 participants took part in the 2018 AMP/OMEA Annual Conference, held in Cleveland, Sept. 24-27.

Following the welcome and opening remarks from AMP President/CEO Marc Gerken, Sue Kelly, President/CEO of APPA, provided an update on challenges and opportunities currently facing public power.

The OMEA held its general membership meeting Sept. 26 and re-elected the communities of Cuyahoga Falls, Dover, Pioneer and Wadsworth to serve four-year terms on the Board of Directors. The City of Cuyahoga Falls is represented by Mayor Don Walters; the City of Dover

is represented by Mayor Richard Homrighausen; the Village of Pioneer is represented by Mayor Ed Kidston; and the City of Wadsworth is represented by Mayor Robin Laubaugh.

Additionally, the City of Painesville, represented by City Council President Paul Hach, and the City of Newton Falls, represented by Mayor Lyle Waddell, were elected to one-year terms as ex-officio members of the OMEA Board.

Dover Mayor Richard Homrighausen, Wadsworth Mayor Robin Laubaugh and Montpelier Mayor Steve Yagelski were re-elected to the executive committee.



Senator Rob Portman (R-OH) and Jolene Thompson following Thompson's testimony during a roundtable for members of the Senate Committee on Homeland Security and Governmental Affairs.

The OMEA general membership selected five new honorary members:

- Bill Pepple, who served as a member of the Bryan Board of Public Affairs from 2010 until his retirement in 2018.
- Mary Burns (deceased), who was the first woman to serve on the Bryan Board of Public Affairs from 1997 until she passed away in 2014.
- Lyle Waddell, Mayor of Newton Falls and ex-officio member of the OMEA Board of Directors, who plans to retire following the completion of his current term in office.
- Jim Myers, former assistant utility director for the Village of Blanchester and former Blanchester Board of Public Affairs member, who retired in 2018.
- Dale Good, former electric system superintendent of St. Marys and active participant in several AMP committees, who retired in 2018.



From left to right: Congressman Bob Gibbs (R-OH) with Mayor Rick Homrighausen (Dover), Steve Dupee (Wellington) and Dave Filippi (Dover) during the 2019 APPA Legislative Rally in Washington, D.C.

Federal Update

The OMEA works to raise awareness of AMP and OMEA concerns with the leaders and senior policy staff for the key committees with jurisdiction. In 2018, the House Energy and Commerce Subcommittee on Energy continued its series of hearings examining the state of the electric industry and regulation by the Federal Energy Regulatory Commission. The OMEA team worked to keep our concerns about increasing transmission costs and lack of transparency over supplemental transmission projects in front of committee leadership and staff.

Also in 2018, the OMEA continued our efforts to push Congress or the Administration to take action to end the sequestration of Treasury credit payments to issuers of Build America Bonds (BABs) and New Clean Renewable Energy Bonds (New CREBs). Budget sequestration has forced cuts to BABs payments that have cost OMEA member communities more than \$22 million to date, with more than \$28 million more projected to be cut.

The OMEA continued work to reform the cumbersome licensing process for hydropower projects. At the invitation of Senator Rob Portman (R-Ohio), OMEA executive director Jolene Thompson provided testimony at a round table for members of the Senate Homeland Security and Government Affairs Committee examining implementation of the FAST 41 reform provisions. The goal of the process is to provide more transparency and encourage federal agencies to better collaborate on the permitting process for selected infrastructure projects.

Local control suffered a setback when the Federal Communications Commission (FCC) adopted an order usurping state and local government authority to set rates and policies for attachment of 5G small cells to utility poles and street lights. The FCC Order imposes maximum fees, a short timeline for local government review of pole attachment applications, and rigid standards that give inadequate attention to public safety and aesthetic concerns. The OMEA and AMP joined APPA and other public power and local government groups in challenging the FCC Order in court and are seeking congressional action to restore local control.





State Update

The second half of the 132nd General Assembly saw legislative activity slow as the 2018 mid-term elections loomed. However, even with Republicans maintaining control of the House, the Senate and Governor's office, the post-election lame duck session proved to be a challenge, and many of the issues that weren't completed were set up for action in 2019.



Of greatest interest to OMEA was the discussion of potential legislative changes to the kWh tax in response to a village creating a new municipal electric system. A lawmaker drafted an amendment that would have restricted a municipal electric utility from collecting the kWh tax from new customers. Even though the language ultimately wasn't enacted in 2018, this is an area where continuous vigilance is critical.

Additionally, a third-party wind developer continued pushing for a broadening of the "self-generator" definition to provide for an exemption from the kWh tax if they develop and sell directly to an industrial customer through a long-term power purchase agreement. OMEA joined other utility interests in opposing this bill, which ultimately did not pass the General Assembly.

OMEA followed a number of other issues throughout 2018 that had the potential to impact municipal electric systems. This included working to defeat legislation that would have limited what municipalities could charge for utility service outside corporate limits and supporting beneficial legislation to increase penalties for damage to critical utility infrastructure.

OMEA Board of Directors

2018 AMP/OMEA
CONFERENCE



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



MEMBER: BRYAN
Carrie Schlade
*Mayor
City of Bryan*



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



MEMBER: CELINA
Jeffrey Hazel
*Mayor
City of Celina*



MEMBER: WADSWORTH
Robin Laubaugh
*Executive Committee
Mayor
City of Wadsworth*



MEMBER: CUYAHOGA FALLS
Don Walters
*Mayor
City of Cuyahoga Falls*



MEMBER: EDGERTON

Denise Knecht
*Fiscal Officer
Village of Edgerton*



MEMBER: ST. MARYS

Patrick McGowan
*Mayor
City of St. Marys*



MEMBER: HAMILTON

Matthew Von Stein
*Council Member
City of Hamilton*



MEMBER: TIPP CITY

Joseph Gibson
*Mayor
City of Tipp City*



MEMBER: NAPOLEON

Travis Sheaffer
*Council Member
City of Napoleon*



MEMBER: WAPAKONETA

Tom Stinebaugh
*Mayor
City of Wapakoneta*



MEMBER: OBERLIN

Kristin Peterson
*Council Member
City of Oberlin*



MEMBER: WESTERVILLE

Craig Treneff
*Mayor
City of Westerville*



MEMBER: ORRVILLE

David Handwerk
*Mayor
City of Orrville*



EX-OFFICIO:

Jolene Thompson
*Executive Director
Ohio Municipal Electric Association*



MEMBER: PIONEER

Ed Kidston
*Mayor
Village of Pioneer*



2018

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