

2013 ANNUAL REPORT

The energy to do more.





A letter from the Chairman

We have had another busy and amazing year at NOPEC. Last year we made the decision to enter the demand-side arena and to hire the staff necessary to re-craft and re-brand NOPEC so that we could compete in a VERY challenging and competitive arena. I am very happy to tell you today that we have begun to add new dimension to the positive

It has been my honor to serve on the NOPEC Board since its inception in 2000. We are fortunate to have a Board who serves NOPEC with dedication and leadership. This year we had to say good bye to two Board members – David Joyce of Geauga County who was elected to Congress and Jim Lukas, our Medina County Board member.

ways our customers and the world see NOPEC.

We began 2013 with the development of *MyEnergyMyWay*™ NOPEC's residential demand-side product. In July, we hosted our first ever showcase where we launched *MyEnergyMyWay*, in addition to a new online store and the new nopecinfo.org. In 2014, we will continue to grow our brand preference and awareness as well, through customer loyalty programs, value added products and through *MyEnergyMyWay*.

Their Board positions will be filled with our newest Board members, Jim Flaize, Geauga County Prosecutor and Pat McNamara, City of Brunswick Public Service Director.

Thank you for the privilege of partnering with your community, your residents and your small businesses. We hope you enjoy reviewing some of our achievements for 2013 and stay up to date with our achievements on nopecinfo.org as we move forward.

Best wishes,

Joseph Migliorini, Chairman
NOPEC Board of Directors

Board of Directors

The Board of Directors of NOPEC is made up of one representative from each of the ten counties in the NOPEC service area.



Joseph Migliorini, Chairman
City of Macedonia (Summit County)



Ron McVoy, Vice Chairman
Ashtabula Representative
(Ashtabula County)



Rob Duncan
Mayor, City of Norwalk (Huron County)



James Flaiz
Prosecutor, Geauga County
(Gauga County)

Who is NOPEC?



David Gillock
Mayor, City of North Ridgeville (Lorain County)



Jack Haney
City Manager, Newton Falls (Trumbull County)



Jim Lukas
City Manager, City of Brunswick
(Medina County)



Mickey Marozzi
Portage County Engineer
(Portage County)



Pat McNamara
Director of Public Service, City of Brunswick
(Medina County)



Daniel Troy
Lake County Commissioner
(Lake County)



Georgine Welo
Mayor, City of South Euclid
(Cuyahoga County)



Chuck Keiper
Executive Director, NOPEC



1999

SB3 enacted by Ohio Legislature establishing electric opt-out aggregation

2001

NOPEC electric program service starts with Green Mountain Energy, out-of-state provider

Largest governmental aggregation in Ohio for electric

Ohio Legislature enacts opt-out gas legislation

2002-2004

NOPEC invests in six county school based solar energy pilot



Dominion

2004

Dominion Retail selected as new natural gas supplier

1999 2000 2001 2002 2003 2004 2005 2006

2000

NOPEC formed.



NOPEC begins opt-in gas program with Shell Energy

NOPEC advocates for electricity competition and governmental aggregation

2002

NOPEC begins opt-out gas program with IGS Energy

Largest governmental aggregation in Ohio for gas



2006

NOPEC hires full time executive director





2006-2008

NOPEC distributes \$27 million utility settlement to electric customers

2009

NOPEC enters into power deal with NextEra Energy and begins service

NOPEC celebrates 10th anniversary and opens offices in Solon

NOPEC Board of Directors authorizes funding an additional 1% discount for electric customers



2011-2012

NOPEC distributes \$16 million in Power Our Communities grants



2013

New NOPEC product launched – MyEnergyMyWay™

New NOPEC website launched, nopecinfo.org

NOPEC hosts first demand-side showcase

NOPEC adds operational staff

2006 2007 2008 2009 2010 2011 2012 2013

2007

NOPEC, Inc. formed to become a CRES provider

NOPEC intervenes in PUCO cases to open Ohio electric markets to competition

2008

SB 221 enacted by Ohio Legislature to encourage large governmental aggregation



2010

NOPEC enters into a nine-year power deal with FirstEnergy Solutions Corp.

2012

NOPEC offers a number of new electric products to better serve customers



NextEra Energy selected as new natural gas supplier to start in 2014

NOPEC electric savings to customers exceeds \$185 million



Powering the Community of South Euclid

NOPEC's vigilant, aggressive dedication to lower electric and natural gas rates has been a positive and significant economic factor throughout the region. In 2010, NOPEC took on a new, additional mission of overseeing one of the largest energy efficiency initiatives in Ohio history. NOPEC's Powering Our

Communities (POC) grant program was part of a 2009 agreement between NOPEC and FirstEnergy Solutions Corp. That pact resulted in nearly \$16 million in grants that NOPEC distributed to member communities in Northeast Ohio.

According to NOPEC executive director Chuck Keiper, "The grants were intended to help local communities – and thus their residents – realize cost savings through energy-saving improvements to public facilities."

One such community that benefited from an \$111,035 NOPEC grant was the City of South Euclid. Georgine Welo, the Mayor of South Euclid, said, "NOPEC is partnering with the communities that it serves in order to help them reduce overall energy consumption and lower utility costs."

South Euclid allocated \$78,835 of its grant funds to upgrade the roof on the Community Center. The

What does

two-phase project involved replacing the existing roof with a reflective material that lowers the roof's surface temperature by up to 90 degrees. Lowering the temperature decreases the amount of heat transferred into the building which lowers the electrical consumption by reducing the peak cooling demand by 10 to 15 percent. This will translate into \$2,847 saved over a five-year period.

With a potential savings of \$30,000, the remaining \$32,200 in grant monies went toward replacing all the traffic lamp bulbs on the city's

stretch of Mayfield Road with energy efficient LED bulbs. These LED bulbs conserve and require less energy to operate and last much longer than the standard traffic lamp.

An additional loan in the amount of \$736,903 was secured with the help of the Ohio Air Quality Development Authority and allowed the city to pursue improving the energy efficiency in its municipal facilities through the following four steps:

Keiper added that the NOPEC grants have succeeded in lowering costs for its member communities as well as reducing the region's carbon footprint. "The Powering Our Communities program was a NOPEC initiative that will generate long-lasting dividends for the environment and NOPEC's 500,000+ Northeast Ohio customers."

Although the Powering our Communities grant program has

concluded, NOPEC continues to be a good steward of energy awareness, education and funding through our new partnership with Encentiv Energy. This program rewards building owners and managers for energy efficiency by helping them identify and take advantage of local utility rebates, regional incentives and federal tax deductions.

NOPEC do?

- A new HVAC system with modern thermostats and sensors in City Hall
- Converting all lighting in buildings and service garages from T12 lamps to T8-25W
- Adding energy-efficient radiant tube heaters and programmable thermostats in service garages
- Installing occupancy sensors on vending machines in all municipal buildings

"These grants served as a catalyst to promote sustainability and encourage energy conservation," said Welo.



Georgine Welo
Mayor, City of South Euclid



What does NOPEC

Showcasing NOPEC

With a focus on providing the highest value for our members and our communities, community leaders and their teams were invited to attend a showcase

on July 17 at NOPEC's new offices to introduce the demand-side product, *MyEnergyMyWay*[™] (MEMW).

MEMW, a free online program, was designed to help customers

take an active role in understanding and controlling energy use and costs. Members of the program receive expert advice on energy conservation, are able to purchase energy saving products at a discount through the online store and can compare their energy usage with that of their neighbors and the nation.

Showcase attendees were also introduced to NOPEC's new website, nopecinfo.org, and tours and education sessions were held to provide an understanding of the scope of what NOPEC does for communities.





NOPEC at Work

NOPEC is a council of governments made up of one voting member who is either elected by the community or appointed by the community leaders from each NOPEC

community. Annually, these leaders, or their proxy representatives, meet at the General Assembly.

Representatives met on November 13 to review NOPEC initiatives and approve budgets.

offer?

Navigating NOPEC

Accessing information is extremely important in today's changing environment. In 2013, NOPEC launched a newly redesigned website with expanded information for our communities. The new site provides easy navigation to information about NOPEC, governmental aggregation and the utility industry. It also offers a clear path to sign up for *MyEnergyMyWay*[™], where members have access to an energy usage comparison tool, online store and energy saving tips.





What is the value in NOPEC for me?

The theory behind public aggregation is simple: by using bulk purchasing power, greater savings can be passed on to individual consumers. By joining together, consumers in NOPEC communities gain the ability to utilize a team of experienced professionals to negotiate for

Who is in charge of this group?

Ultimately, the consumers themselves, through the views they express to their local elected officials. NOPEC is governed by a General Assembly, made up of one representative from each community. From this group, a ten-member Board of Directors is elected, with one representative

Answering

better prices and protections. NOPEC ensures that communities have a voice in determining that future market changes benefit consumers. Large groups of communities such as NOPEC enjoy substantial leverage in making these determinations. Without an organization like NOPEC, consumers would be left to decide on their own which supplier to choose; would be at the mercy of the supplier; and would have no voice in regulatory or legislative initiatives that might impact the cost of their utilities.

from each of the ten counties in the NOPEC service area. In addition, the General Assembly elects a Chairman and Vice Chairman.

What does all this cost?

NOPEC receives no public funds, and its member communities are not charged any dues or fees. The Chairman and the Board of Directors serve without compensation. NOPEC's administrative expenses, such as the cost of the opt-out mailings, staffing and expenses are paid by fees from energy suppliers. The

budget is approved once a year by the General Assembly.

How do I join the buying group?

If you live in a NOPEC community, you are automatically included, unless you choose not to be. Ohio has what is called an “opt-out” procedure. This means that all eligible customers of an aggregated

aggregation of local governments, with no goal other than delivering both savings and stability to the consumers it represents. To that end, we are concerned with a long-term approach to the energy market as well as short-term savings. NOPEC recognizes that long-term savings for consumers will result from regulatory changes and new laws that must be passed,

and is dedicated to representing the interests of its consumers in seeking those changes.

Private, for-profit energy suppliers are focused on short-term offers. Their position on regulatory changes and laws likely will be aimed at their own bottom lines rather than the interests of consumers.

your Questions

community become part of the buying group unless they take specific action to opt out of the aggregation. Opt-out notices are sent to all eligible natural gas consumers every two years. Under Ohio Law (SB221) all eligible electric customers receive an opt-out notice every three years.

What is the difference between NOPEC and other energy suppliers?

Unlike the many private, for-profit concerns now marketing in Ohio, NOPEC is a public not-for-profit



GAS COMMUNITIES

Ashtabula County

Ashtabula
Ashtabula Township
Conneaut
Geneva
Geneva-on-the-Lake
Harpersfield Township
Jefferson Village
Kingsville Township
North Kingsville
Saybrook Township

Cuyahoga County

Bedford
Bedford Heights
Bentleyville

Berea
Bratenahl
Brecksville
Brook Park
Brooklyn
Brooklyn Heights
Chagrin Falls
Cleveland
Cuyahoga Heights
Fairview Park
Garfield Heights
Glenwillow
Highland Heights
Hunting Valley
Independence
Lakewood
Lyndhurst

Maple Heights
Mayfield Village
Middleburg Heights
Moreland Hills
Newburgh Heights
North Olmsted
North Randall
North Royalton
Oakwood
Olmsted Falls
Olmsted Township
Orange
Parma
Parma Heights
Pepper Pike
Rocky River
Seven Hills

Solon
South Euclid
Strongsville
University Heights
Valley View
Walton Hills
Warrensville Heights

Geauga County

Auburn Township
Bainbridge Township
Burton Township
Burton Village
Chardon
Chester Township
Claridon Township

NOPEC

ELECTRIC COMMUNITIES

Ashtabula County

Ashtabula
Conneaut
Geneva
Geneva on the Lake
Jefferson Village
North Kingsville
Orwell Village
Roaming Shores
Rock Creek
Ashtabula County
Townships*
Andover Township
Ashtabula Township
Austinburg Township
Cherry Valley Township
Colebrook Township
Denmark Township
Dorset Township
Geneva Township
Harpersfield Township
Hartsgrove Township

Jefferson Township
Kingsville Township
Lenox Township
Monroe Township
Morgan Township
New Lyme Township
Orwell Township
Pierpont Township
Plymouth Township
Richmond Township
Rome Township
Saybrook Township
Sheffield Township
Trumbull Township
Wayne Township
Williamsfield Township
Windsor Township

Cuyahoga County

Beachwood
Bedford
Bedford Heights

Bentleyville
Berea
Bratenahl
Brecksville
Broadview Heights
Brook Park
Brooklyn
Brooklyn Heights
Chagrin Falls
Cuyahoga Heights
East Cleveland
Fairview Park
Garfield Heights
Glenwillow
Highland Heights
Hunting Valley
Independence
Lakewood
Linddale
Lyndhurst
Maple Heights
Mayfield Village

Middleburg Heights
Moreland Hills
Newburgh Heights
North Olmsted
North Randall
North Royalton
Oakwood
Olmsted Falls
Olmsted Township
Orange
Parma Heights
Pepper Pike
Rocky River
Shaker Heights
Solon
South Euclid
Strongsville
Lakewood
University Heights
Valley View
Walton Hills
Warrensville Heights

Hambden Township
Middlefield Village
Munson Township
Newbury Township
Russell Township
South Russell
Troy Township

Lake County

Concord Township
Eastlake
Fairport Harbor
Grand River
Kirtland
Kirtland Hills
Leroy Township

Mentor
Mentor-on-the-Lake
North Perry Village
Painesville Township
Perry Township
Timberlake
Waite Hill
Wickliffe
Willoughby
Willoughby Hills
Willowick

Lorain County

Avon
Elyria
Lorain

North Ridgeville
Sheffield Lake
Sheffield Village
South Amherst

Medina County

Brunswick

Portage County

Brady Lake
Garrettsville
Hiram Village
Kent
Portage County
Townships*
Atwater Township
Brimfield Township

Charlestown Township
Deerfield Township
Edinburg Township
Franklin Township
Freedom Township
Hiram Township
Mantua Township
Nelson Township
Palmyra Township
Paris Township
Randolph Township
Ravenna Township
Rootstown Township
Shalersville Township
Suffield Township
Sugar Bush Knolls
Windham Township

Summit County

Clinton
Macedonia
Northfield
Reminderville
Richfield
Sagamore Hills Township

Trumbull County

Liberty Township
Newton Falls
Warren

Communities

Geauga County

Auburn Township
Bainbridge Township
Burton Township
Burton Village
Chardon
Chardon Township
Chester Township
Claridon Township
Hambden Township
Huntsburg Township
Middlefield Village
Middlefield Township
Montville Township
Munson Township
Newbury Township
Parkman Township
Russell Township
South Russell
Thompson Township

Huron County

Norwalk

Lake County

Eastlake
Fairport Harbor
Grand River
Kirtland
Kirtland Hills
Lakeline
Madison
Mentor
Mentor on the Lake
North Perry Village
Timberlake
Waite Hill
Wickliffe
Willoughby
Willoughby Hills
Willowick

Lake County Townships*

Concord Township
Leroy Township
Madison Township
Painesville Township
Perry Township

Lorain County

Amherst Township
Avon
Avon Lake
Columbia Township
Elyria
Elyria Township
Lorain
North Ridgeville
Sheffield Lake
Sheffield Village
South Amherst

Medina County

Brunswick

Portage County

Garrettsville
Hiram Village
Kent
Portage County
Townships*
Atwater Township
Brimfield Township
Charlestown Township
Deerfield Township
Edinburg Township
Franklin Township
Freedom Township
Hiram Township
Mantua Township
Nelson Township
Palmyra Township
Paris Township
Randolph Township
Ravenna Township
Rootstown Township

Shalersville Township
Suffield Township
Windham Township

Summit County

Clinton
Lakemore
Macedonia
Northfield
Peninsula
Reminderville
Richfield
Twinsburg

Trumbull County

Liberty Township
McDonald Village
Warren

*County joined NOPEC on behalf of its unincorporated areas (i.e. the townships listed in italics, which are not counted as individual members).

Financials

(Unaudited)
Jan - Dec 13

Jan - Dec 12

Ordinary Income/Expense

Income

Interest Income	29,656	20,429
Management Fees – Natural Gas	1,420,233	2,167,665
Management Fees – Electric	5,026,814	6,214,330
Other Fees	617	965,781

Total Income

6,477,320

9,368,205

Expenses

Communication Services	76,869	76,937
Computer Support	5,606	1,825
Consulting, Gas & Electric	33,000	37,934
Contract Labor	0	14,452
Customer Database Management – Gas	30,470	0
Depreciation Expense	23,272	10,102
Insurance	9,881	3,910
Legal Fees – Electric/Gas Aggregation		
Legal – Litigation	246,819	250,464
Legal Retainer – Electric/Gas Aggregation	253,129	138,733
<i>Total Legal Fees – Electric/Gas Aggregation</i>	<u>499,948</u>	<u>389,197</u>

Marketing

Advertising	32,456	7,781
Annual report	22,793	8,445
Media	130	1,661
Media – Web site expenses	47,164	916
Marketing – Other	150,800	0
<i>Total Marketing</i>	<u>253,343</u>	<u>18,803</u>

Membership, Association, Training & Sponsorships	13,928	4,100
Meetings	18,832	27,190
Office Equipment	4,839	1,800
Total Office Supplies	51,321	26,895



Northeast Ohio Public Energy Council
Revenues & Expenses January through December 2013

	Jan - Dec 13	Jan - Dec 12
Postage and Delivery	4,503	4,600
Total Professional Fees	79,964	89,373
Other	834	0
Payroll tax/Staff fringe benefits	137,878	72,170
Staff salaries	502,354	233,117
Support for CRES	37,713	0
Telephone	13,268	5,464
Travel	25,293	38,872
Utilities	11,225	3,765
Total Expense	1,834,341	1,060,506
Net Ordinary Income	4,642,979	8,307,699
Other Income/Expense		
Other Income		
Rental Office – net	9,784	0
<i>Total Other Income</i>	<i>9,784</i>	<i>0</i>
Other Expense		
Electric Program discount	3,317,000	3,312,060
Electric Program disct – Additional	0	917,266
<i>Total Other Expense</i>	<i>3,317,000</i>	<i>4,229,326</i>
Net Income	1,335,764	4,078,373





2013 General Assembly Meeting



nopecinfo.org



The Northeast Ohio Public Energy Council (NOPEC) is the largest governmental energy aggregator in the United States. Our members are communities (residential and small businesses) throughout Northeast Ohio. We have more than 130 members serving over 170 communities in 10 counties. For more than a decade we have saved our communities and members more than \$185 million dollars and have provided more than \$16 million in community energy efficiency grants.