



Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

CONSUMER FACT SHEET

Office of the Ohio Consumers' Counsel

65 East State Street
Suite 700, Columbus, OH
43215

TWITTER:
@OCC4Consumers

E-MAIL:
occ@occ.ohio.gov

WEBSITE:
www.occ.ohio.gov

The Basics of GOVERNMENTAL ENERGY AGGREGATION

What is aggregation?

Aggregation is an option available under Ohio law for consumers to obtain competitive electricity or natural gas supply where Energy Choice is available. Aggregators can purchase electricity and natural gas on behalf of members of a buying group. Purchasing large blocks of energy gives aggregators bargaining power and may reduce marketing and administrative costs. These savings can be passed on to consumers in the buying group.

An aggregator can use its expertise in energy markets to review energy pricing, evaluate supply options, negotiate supply contracts, and make the technical decisions to ensure that safe and reliable energy purchases are made on behalf of the group.

The electricity or natural gas continues to be delivered to the home by the utility, however, the pricing for the energy supplied is based on the price negotiated by the aggregator.

Governmental aggregation

Local governments such as cities, counties, townships, and villages, may aggregate the energy used by their residents and arrange for the purchase of electricity or natural gas as “governmental aggregators.” They can aggregate on their own or jointly with other local governments. Ohio law gives local governments the option to choose either an opt-in or opt-out form of aggregation.

In “**Opt-in**” aggregation, each resident needs to provide consent to participate and does not require voter approval. Other groups and organizations can also participate in opt-in aggregation.

“**Opt-out**” aggregation is a program that results in residents being automatically enrolled in the aggregation unless they individually opt-out of the program. The opt-out method requires voter approval and is the most common form of governmental aggregation in Ohio.

Local government requirements

Local governments must be certified by the Public Utilities Commission of Ohio (PUCO) before beginning their aggregation programs. The local government must adopt an ordinance or resolution that approves the specific aggregation method (opt-in or opt-out) and then place the issue on the ballot.

For opt-out aggregation, the issue must be approved by a majority vote. If the ballot issue is approved, the local government must develop a plan for the authorized program. Before adopting the plan, a minimum of two public hearings must be held. Once a local government has decided whether to provide energy supply services directly or through another supplier or broker, a notice must be sent to each resident explaining the services to be provided, the rates, other fees or charges, early termination charges, and other terms and conditions of service to be provided. The notice must also explain the procedure for consumers who wish to opt-out of aggregation.

For opt-in aggregation, local governments must first negotiate the rate and terms and conditions with a supplier or purchase energy themselves. Next, the aggregator must notify consumers within the aggregated area of the offer so they can decide whether to join and the method that will be used to enroll in the aggregation.

The Basics of GOVERNMENTAL ENERGY AGGREGATION

CONSUMER FACT SHEET

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.

For more information, please visit the OCC website at www.occ.ohio.gov.



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

When considering aggregation, local governments should determine community needs and savings potential. Resources needed to implement the program should also be considered and aggregated usage data reviewed. The benefits of opt-in versus opt-out methods should be assessed. Local governments also need to determine how residents will be informed about the program.

Consumer eligibility

Residential consumers must be served by an investor-owned electric utility to participate in electric aggregation. Customers of municipal electric systems are not eligible for aggregation programs. Customers of electric cooperatives are not eligible for aggregation unless their co-op opens their system to retail choice.

To participate in natural gas aggregation, a residential consumer must be served by a natural gas utility offering a choice program.

Consumers who have chosen an alternative supplier should not be included on the list of customers who are eligible to participate in opt-out aggregation programs. In addition, Percentage of Income Payment Program Plus (PIPP Plus) customers are not eligible for aggregation.

The aggregation decision

In reviewing the opt-out notice, consumers need to determine if they want to stay with the utility's standard offer for the supply of natural gas or electricity, or join governmental aggregation. Consumers should open any mail from aggregation groups and local governments. Respond promptly to avoid being automatically enrolled with the aggregated group (generally within 14-21 days). All eligible customers within governmental aggregation will receive a notice with directions on how to opt out.

Consumers have an additional opportunity to rescind enrollment when the utility sends the required notice prior to switching the energy supply to the

aggregator. Customers have seven days from the postmark date on the notice to contact the utility if they wish to rescind the enrollment without penalty.

New and existing residents served by an alternative supplier wishing to join a local aggregation program need to contact the local government aggregator to see if they can join. Before joining the aggregation, they should find out if there are penalties from their existing supplier for early contract termination, also known as an Early Termination Fees (ETF).

The Office of the Ohio Consumers' Counsel's (OCC) [How to Make Wise Energy Choices](#) fact sheet is a great tool to determine if the standard offer, a marketer offer or aggregation is the right choice.

Contact the local government aggregator for specific local aggregation program questions.

Electric Do Not Aggregate list

Customers may opt out of governmental electric aggregation by contacting the PUCO at 1-800-686-7826 or by completing the [Electric Do Not Aggregate Form](#) on their website. Registered customers' names and service addresses are displayed publicly on the PUCO website. Customer account and identification numbers will remain confidential. For more information, contact the PUCO.

For more information or assistance with education about aggregation, visit the OCC website at www.occ.ohio.gov or the PUCO website at www.puco.ohio.gov.