

Let Grandview Heights Choose Cheap, Clean Renewable Electricity

To: Grandview Heights City Council Members
From: Matt Jordan¹

Affordable, reliable and 100% clean electricity can be a foundation of Grandview Heights' economic development agenda, and a keystone in how the city markets itself to new residents and businesses.

Businesses seeking cost controls, or to make good on their [increasingly important social or environmental commitments](#), will factor the city's electricity mix into decisions about where to locate. Young families considering Grandview Heights for its excellent schools will find the city all the more appealing [knowing the community shares their values](#) and is ensuring their children's futures however possible. Landlords will tell prospective tenants that their electricity would be 100% renewable—that this is yet another thing that makes living in Grandview Heights special.

With your leadership, Grandview Heights can join other Ohio governments – including the cities of Columbus, Grove City, Worthington, and Bexley – in giving its residents and businesses a *choice*: Cheap, cost-controlled electricity powered by environmentally-friendly, Ohio-made solar and/or wind? Or polluting electricity from a monopoly utility that gets more expensive almost every year?

Through **Community Choice Aggregation**, City Council can and should put this issue to the voters, and **let Grandview Heights residents decide in the November 2022 general election** whether Grandview Heights should stand among Central Ohio's most forward-looking communities on the issue of clean energy.

**Cheap, clean electricity?
Or the status quo?**

Let Grandview voters decide.

What is Community Choice Aggregation?

Community Choice Aggregation is a well-established policy tool, made possible in Ohio by the Energy Choice Act of 1999 (SB3). Since 1999, hundreds of communities throughout the state have aggregated their demand for electricity and heating fuels (i.e. natural gas) to achieve a variety of goals, from cost-savings to reduced environmental impact. In essence, Community Choice Aggregation allows a government entity to use the collective buying power of the properties within its jurisdiction to negotiate better terms for energy.

Ohio law gives local governments two options for aggregation. **"Opt-in" aggregation** does not require voter approval but does require that each resident provide proactive consent to participate. **"Opt-out" aggregation** enrolls residents in the aggregation unless they opt-out, and requires a ballot initiative granting the local government authority to negotiate on the community's behalf. Opt-out aggregation is the most common approach in Ohio, and is the more effective of the two as it gives local governments far more buying power with which to negotiate. In both cases, power supply is negotiated while power transmission and distribution remain the responsibilities of the incumbent utility (in our case, AEP Ohio), thereby ensuring service reliability.

Why Should Grandview Heights Aggregate?

Beyond the ever-growing concerns of the climate crisis, there are several reasons why aggregating to negotiate for competitively-priced renewable electricity makes sense for Grandview Heights. It can give us cost-assurance (and probably savings), and attract new residents and businesses.

It's also good politics.

¹ I live on Mulford Road with my wife Patti Zettler and our two young kids. I own a small consultancy focused on international climate action and sustainable development. I'm a member of Sustainable Grandview, a volunteer organization working toward a cleaner, healthier, more resilient Grandview Heights, Ohio.

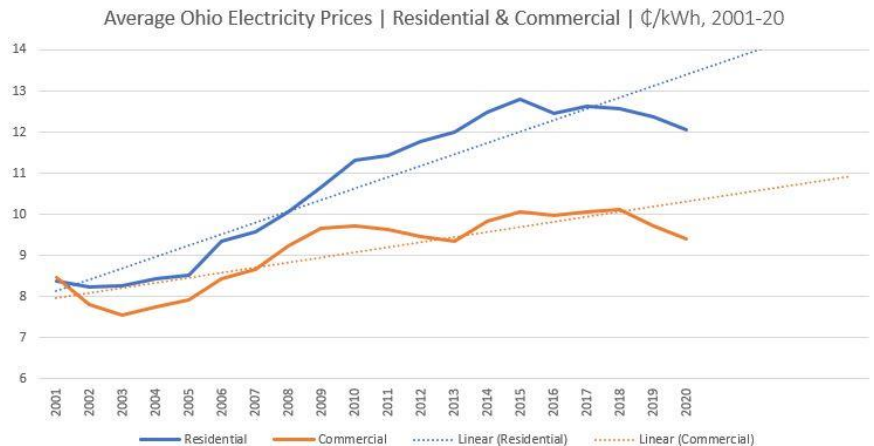


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Cost-Assurance & Savings

Electric rates vary year over year, and even month to month, but with AEP Ohio they tend to rise. Between 2001 and 2020, Ohio electricity rates have gone up 2.3% each year on average.² Locking in competitively-priced electric rates is a smart hedge against the likelihood of future rate hikes.

For perspective on what aggregation could mean in terms of cost-assurance for Grandview residents and businesses, the City of Columbus recently announced that the electricity-generation rate that Columbus residents will pay in the first year of its 100% clean electricity aggregation will be [5.499¢/kWh](#)—they'll pay an additional 8.4¢/kWh for transmission and delivery, totaling 13.899¢/kWh. This is **only 1% more expensive** than the 13.76¢/kWh AEP Ohio residential customers paid in [June 2021](#). If AEP Ohio rates continue to rise at their historical average of 2.3% each year, locking in a competitive rate through aggregation could in the coming years save Grandview residents and businesses a substantial amount of money. But even if 100% clean energy costs slightly more, there is reason to believe that many if not most Grandview residents will nevertheless choose that option.



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The New Residents & Businesses That Will Help Grandview Continue to Thrive Want Clean Energy

People who move to Grandview Heights are typically attracted by the city's vibrant downtown and nightlife, or for its schools, or both. These people tend to be young—and young people tend to put *a lot* of value on clean energy. **“Grandview Heights: A Renewable Energy City”** can and should be a part of the city's appeal to young professionals and families.

In poll after poll, [public opinion surveys](#) consistently indicate that most Americans strongly support increased use of clean energy—and are willing to pay more for it, if necessary. This is particularly true of younger Americans. A

[recent study](#) found that Americans between the ages of 18 and 29 on average are willing to pay nearly \$20/month more for renewable energy, while those between 30 and 44 are willing to pay more than \$20/month for renewable energy.

But with renewable energy getting cheaper all the time and AEP Ohio rates increasing all the time, this may be a moot point. Using the figures above, under Columbus's renewable aggregation

program my own household would have paid only \$1.44 more for the 725 kWh we used in June 2021. Many Grandview residents would, no doubt, appreciate the opportunity to pay little more than \$1 a month for 100% Ohio-made clean energy. Many more would appreciate the opportunity to pay *less* for clean energy as AEP Ohio rates climb.

Give Voters the Choice—Clean Energy is a Winning Issue

Columbus' Issue 1, the ballot measure which authorized the city to negotiate aggregation for renewable energy, passed with **76%** of the vote. Clean energy aggregation passed in the more politically-conservative Grove City

Ohio electric rates rise ≈2.3% every year. Clean energy is cost-competitive with AEP Ohio today, and will likely be cheaper in the coming years.

² Data from the U.S. Energy Information Agency. Analysis my own. These rates include generation, transmission and distribution. Historical data on AEP Ohio specifically rates has proven *very* difficult to track down, but I'm working on it.



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with **63%** of the vote. Clean energy has wide-ranging support from Ohioans of all political stripes—and when it's on the ballot, it wins.

You can give Grandview Heights voters the opportunity to choose 100% renewable energy, and if you do, they will. And a great thing about Community Choice Aggregation is if anybody does not want or like it, they can easily opt-out.³ If Community Choice Aggregation is on Grandview Heights' November 2022 ballot, it will win. And so will the city leaders who put it there.

What Comes Next?

Opt-out Community Choice Aggregation requires a ballot measure. The city's ordinance directing the question to be put to voters on the November 2022 ballot must be submitted to the Franklin County Board of Elections by 10th August 2022. The Franklin County Board of Elections has shared with me the language of Grove City's ballot issue-enabling ordinance, which could be leveraged to make Council's work on this easier and more efficient.

Greater familiarity with Community Choice Aggregation, its mechanisms, and its strengths and drawbacks could only be useful. Please advise if informational sessions, expert speakers, or anything else would be useful as you consider this issue—I would be happy to help.

Community Choice Aggregation is a well-established, tried-and-true policy tool that we can use to fundamentally reshape our city's energy mix for the better. Its processes and risks are known and very manageable. But *it will require some work from Council and the Administration*, when resources and time are often in short supply. There are ways to do this – e.g. hiring brokers or consultants, authorizing a citizens' commission – that will limit the city's workload, but each presents its own trade-offs⁴. It will be useful to consider these options as your discussions progress.

Thank you for your leadership, and your service to our community. Your neighbor,



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³ I am aware that Grandview Heights aggregated its natural gas demand in 2005, and some involved considered that a negative experience as natural gas prices later fell. This is a longer conversation, but for now what I can say is that the economics of – and voter and ratepayer appetite for – renewable electricity today are *completely different* from those of natural gas more than a decade ago.

⁴ Columbus, for example, has hired a broker to administer its aggregation. This broker charges a small per-kWh fee that gets added to each electricity bill. To avoid such charges and save its ratepayers money, Grove City is conducting the administration itself.

