



Frequently Asked Questions re NOPEC and Current Energy Markets

Updated September 26, 2022

What is NOPEC?

The Northeast Ohio Public Energy Council (NOPEC) is the largest nonprofit governmental energy aggregator in Ohio supplying electricity and natural gas for more than 20 years to over 1 million residential and small business accounts in 242 communities and 19 counties statewide.

Why did NOPEC transfer its electric customers back to the utility's default standard service offer (SSO)?

As a consumer-focused non-profit, NOPEC operates and advocates for what's best for our communities and customers. As we looked at the price forecasts following the invasion of Ukraine, it became increasingly apparent that being on the SSO rate would result in our customers paying less for their electricity through Spring 2023.

Why didn't you respond sooner to higher energy prices?

A year ago at this time, NOPEC's rate was competitive in the Ohio retail markets and with the SSO rates. Then, like everyone in the energy industry, we watched as the cost of energy began to rise globally driven by prices in Europe, the war in Ukraine, supply chain issues and other forces outside of NOPEC's control. By July 2022, NOPEC prices were nearly double the utility's default SSO rate, driven up additionally by the hotter weather across the country this summer. To benefit our customers, we acted prudently and quickly to return 550,000 electricity customers to the lower SSO rate. We informed the PUCO of market developments and our response plan. As of September 22, NOPEC has submitted all customers enrolled in the Standard Program Price to the utility SSO for electric service. Customers can expect to begin supply with the utility SSO on the next available meter read date per utility guidelines.

Any claim that we sat and waited while our customers experienced months of much higher prices is simply false. We moved as quickly as possible to provide rate relief for all these electric customers.

Electricity prices increased significantly. Why were NOPEC's so much higher than the utility's SSO?

For 20-plus years, NOPEC's strategies have resulted in consistently competitive pricing to the benefit of our customers. Unfortunately, this year, worldwide events created an unpredictable and unprecedented energy price spike. This resulted in our customers experiencing much higher rates than the utility SSO. That's why we acted swiftly and decisively to return them to the lower utility rate.

Did NOPEC do anything that others didn't?

No. What NOPEC did was look out for its customers by helping them lower their electric rates. NOPEC followed Ohio law and rules in transitioning these customers to the utility's SSO rates. And by no means is NOPEC alone in taking this action. Approximately 40 other governmental aggregations in Ohio also have returned about 100,000 customers to the SSO this year. Many other commercial and industrial customers have returned to the SSO as well.

In sum, NOPEC did the right thing for its customers as quickly as possible in compliance with Ohio law.



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No one can predict the future of energy prices. How do you know NOPEC rates will be competitive come June 2023 when you intend to bring your customers back?

We're not predicting the future. What we do know with certainty is the locked-in SSO rate will be reset in mid-2023 and is likely to be more reflective of current market rates. This means that NOPEC's electricity rate likely will again be competitive with the utility rate.

When the SSO rates increase next year, as we anticipate, we expect our customers will return to NOPEC to again receive the many benefits of our aggregation.

The PUCO is asking you to justify being able to continue operating. How do you respond?

NOPEC did the right thing for its customers as quickly as possible in compliance with Ohio law, rules and regulations. We'll file our formal response to the PUCO's entry by the September 28 deadline.

What will prevent this from happening again?

These were unprecedented conditions around energy prices and we took the unprecedented step of turning 550,000 electric customers back to the lower SSO price. We believe the future SSO rates will more closely reflect current market pricing moving forward making this kind of price disparity much less likely in the future.

Does NOPEC make a profit when energy rates are higher?

No. NOPEC is a nonprofit meaning we don't profit from higher energy rates. We have a small staff, we're governed by an unpaid volunteer Board of Directors, we take no taxpayer dollars, and our member communities pay nothing to belong to NOPEC.

What are NOPEC Inc. and NOPEC Foundation Inc.?

NOPEC Inc. and NOPEC Foundation Inc. are not-for-profit organizations that exist to benefit NOPEC member communities and customers. NOPEC Inc. administers energy efficiency grants and other programs. NOPEC Foundation Inc. was set up as a 501c(3) entity to serve as a charitable organization for the benefit of our member communities. For example, the NOPEC Foundation donated \$125,000 to local food banks at the start of the COVID pandemic.

Critics have alleged that transitioning your customers is going to cause disruption in the Ohio energy market. What do you say?

This claim is without merit. We voluntarily and legally moved our customers to the SSO so they could receive a lower electric rate -- just as many others have done. Individual customers have always had this option available to them. Moving these groups of customers at once is being done by aggregators and others across Ohio because of the unprecedented price spikes and the design of the SSO which allows for this migration to lawfully happen.