



REPORT TO  
MEMBERS

# Ohio Municipal Electric Association



*Since our founding in 1962, the OMEA has been focused and committed to representing municipal electric utility interests and their communities before state and federal policymakers. 2017 was no different.*

In Ohio, state lawmakers focused on adoption of the biennial state budget – term-limited Governor John Kasich’s last budget proposal. In the final budget bill, we succeeded in securing favorable provisions for municipally-owned small hydro units, ensured that municipal electric systems are not put at a competitive disadvantage due to changes in the kWh tax and secured a gubernatorial veto of detrimental language restricting municipal utility service territory. Later in the year, after several court decisions in favor of municipalities, OMEA successfully preserved the municipal electric utility exemption throughout renewed negotiations over small cell wireless legislation. And despite continued attacks on Home Rule throughout the year, the OMEA protected Ohio’s municipal electric communities from a number of onerous provisions.

At the federal level, the new Administration began with a focus on staffing federal agencies through political appointments requiring Senate confirmation. Policy-wise, rolling back environmental and other regulations was a top priority, while legislative activity was mostly restrained to committee hearings. Lawmakers ultimately were successful in adopting a major tax reform bill – and we were pleased that municipalities access to tax-exempt financing was protected in the final bill.

Raising awareness of increasing transmission costs was also a focus at both the state and federal level. The issue is gaining traction as stakeholders that represent customers share our concerns.

Despite the progress that we have made, much work remains and the OMEA stands ready to continue our efforts representing Ohio’s public power utilities.



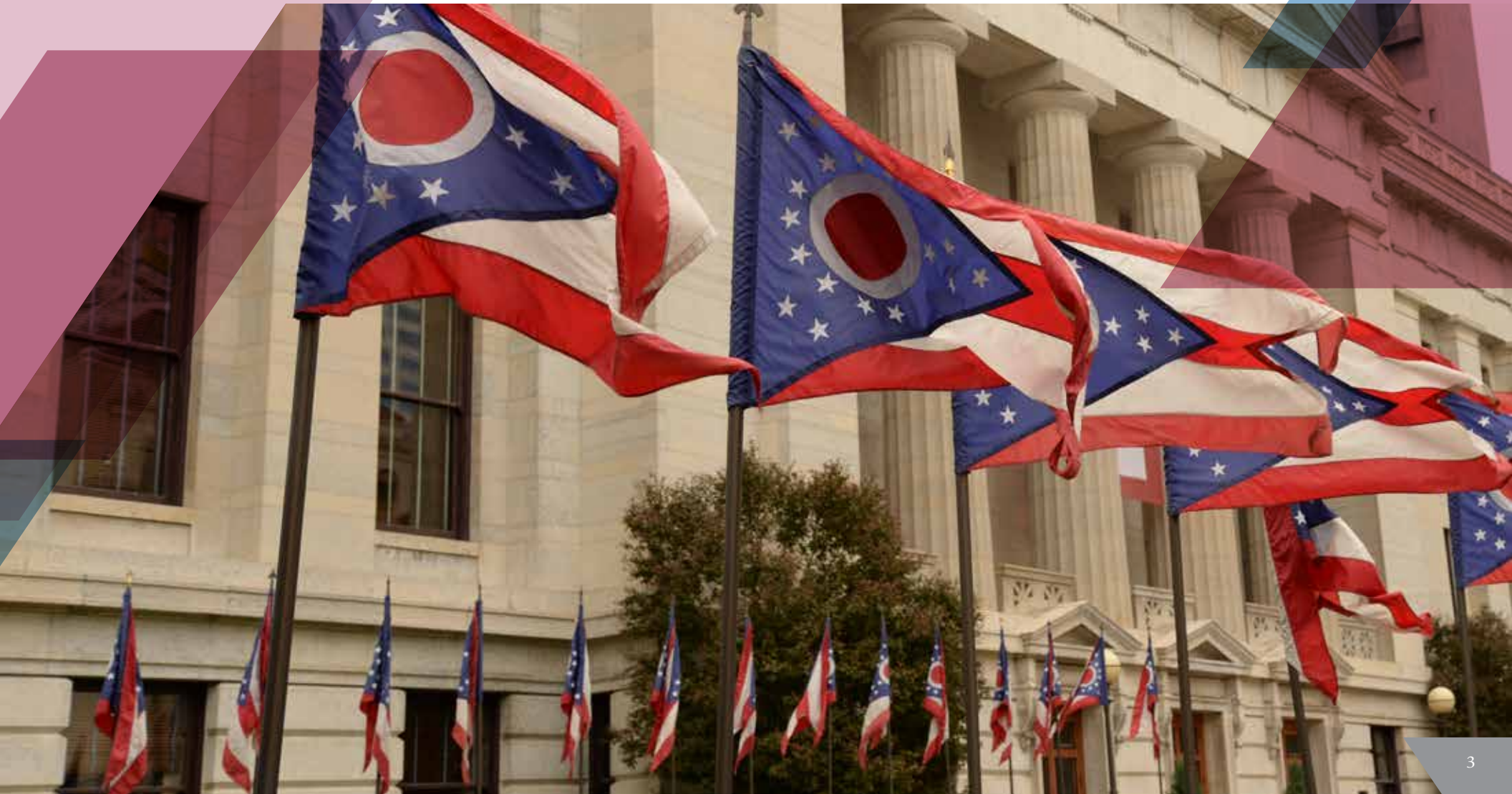
*Richard Homrighausen*

Richard Homrighausen  
Dover Mayor  
OMEA Board President



*Jolene Thompson*

Jolene Thompson  
OMEA Executive Director  
AMP Executive Vice President





## Events of Note

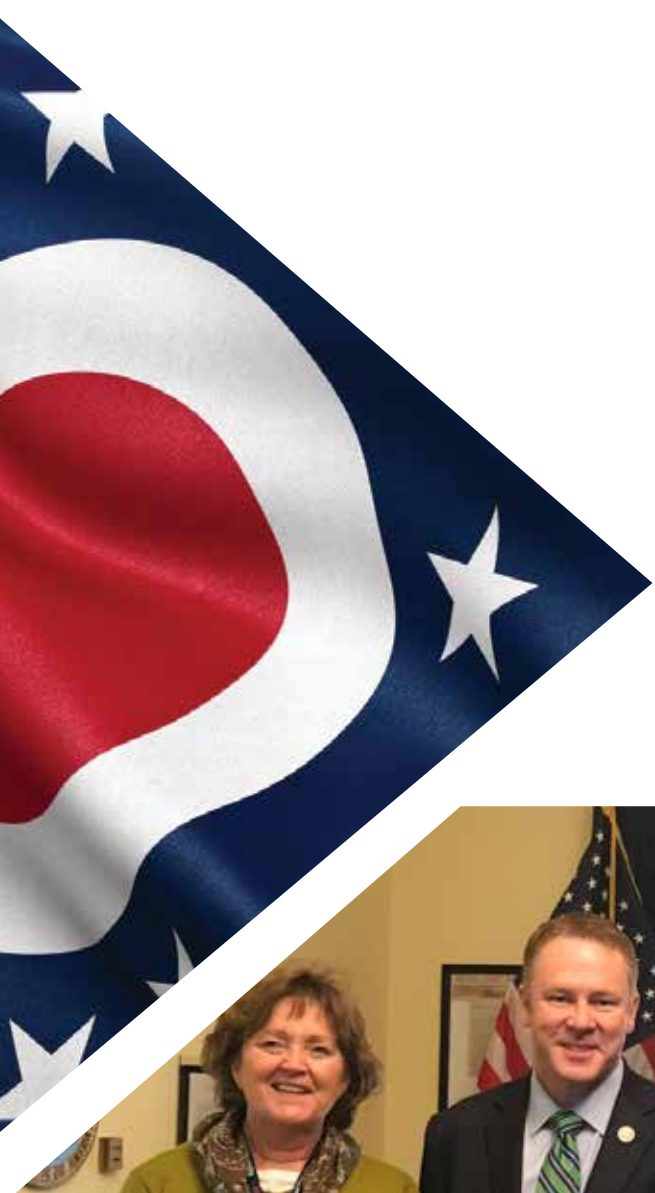
# APPA Legislative Rally

More than 50 AMP/OMEA participants attended the American Public Power Association (APPA) Legislative Rally in Washington, D.C., held Feb. 26-28, 2018. The group included more than 25 member communities representing Ohio, Delaware, Kentucky, Michigan, Pennsylvania and Virginia. The annual Legislative Rally provides a valuable opportunity for officials to share first-hand insights on public power and the energy sector with federal lawmakers and their staff.

Meetings were held with Sen. Sherrod Brown (D-OH), Sen. Rob Portman (R-OH), Rep. Warren Davidson (R-OH), Rep. Bob Gibbs (R-OH), Rep. Bill Johnson (R-OH), Rep. Jim Jordan (R-OH), Rep. Dave Joyce (R-OH), Rep. Bob Latta (R-OH), Rep. Tim Ryan (D-OH) and Rep. Steve Stivers (R-OH). Additionally, meetings were held with staff members for Rep. Joyce Beatty (D-OH), Rep. Marcia Fudge (D-OH), Rep. Marcy Kaptur (D-OH) and Rep. Jim Renacci (R-OH).

During the rally's Legislative & Resolutions Committee meeting on Feb. 27, APPA members adopted six resolutions, including AMP/OMEA sponsored Resolution 18-01: in support of implementing meaningful oversight and transparency of supplemental transmission projects. The resolution was co-sponsored by Delaware Municipal Electric Corporation and Blue Ridge Power Agency.

Our position papers covering the sequestration of Build America Bonds and supplemental transmission issues are available for review on the Member Extranet.





# AMP/OMEA Annual Conference

The annual AMP/OMEA Conference was attended by more than 400 participants in 2017 and provided an excellent opportunity for members to learn about AMP projects, industry trends, technology changes, and state and federal legislation. Attendees at the 2017 conference heard from nationally-recognized speakers who discussed changing customer habits and customer engagement with utilities; as well as the cybersecurity threats facing the industry.

During the conference, OMEA held its general membership meeting and re-elected the communities of Bryan, Tipp City and Westerville to serve on the Board of Directors, and elected Wapakoneta to a seat on the Board. The OMEA general membership selected 10 new honorary members:

- City Councilman Scott Broadwell, who served Oberlin for nine years and on the OMEA Board for seven years, and who retired after his term on City Council expired at the end of 2017.
- Larry Fisher, former superintendent for the City of Jackson, who passed away in August 2017 following 21 years of service to the city.
- Pat Hale, mayor of Tipp City, who served on the OMEA Board for five years and left council after his term on City Council expired at the end of 2017.
- Kelly Hephner, director of finance for the Village of Montpelier, who retired in early 2018.
- Doug Johnson, mayor of Bryan, who served on the OMEA Board since 2001, including seven years as a member of the OMEA Executive Committee and who retired after his term expired at the end of 2017.
- Buck Stoiber, who retired as superintendent in July 2017 following more than 36 years of service to the Village of Elmore.
- Timothy Tarulli, former City of Dover safety director, human resources director and city council member for 20 years, including six years as president of council, before he passed away in August 2017.
- Jim Salsbury, former lineman and Board of Public Affairs member in the City of Bryan, who retired when his term expired at the end of 2017.
- Al Horn, former member of the Bryan Board of Public Affairs.
- Bill Zigli, former deputy commissioner of Cleveland Public Power, who retired in May 2017.



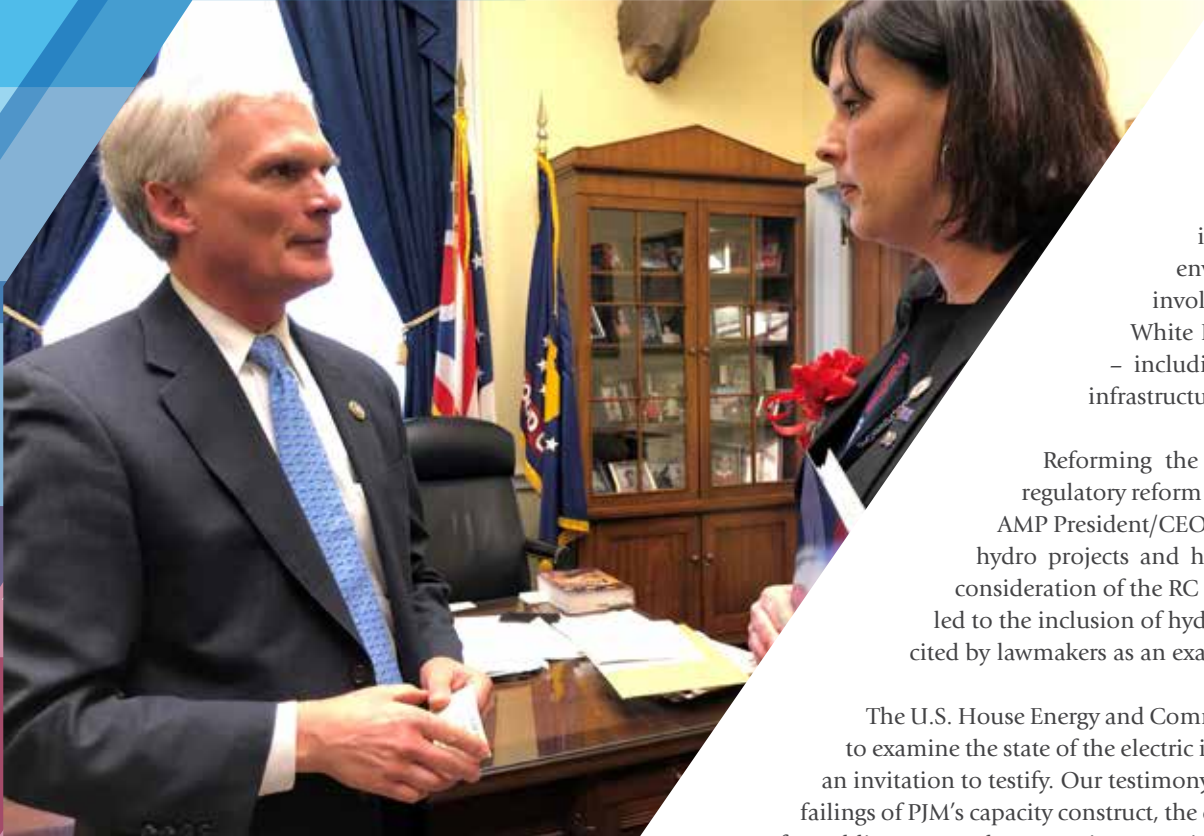
# Federal priorities

OMEA and our members notched a major victory during the debate over the comprehensive tax reform: preserving the right of municipalities to use tax-exempt financing for infrastructure. According to congressional insiders, tax-exempt financing was very much on the table for potential changes or elimination. It was the concerted efforts of local elected officials across the country – including OMEA members – that saved this essential financing tool in the final tax reform bill.

In 2017, OMEA continued efforts to correct a flaw in another federal financing tool: cuts to 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 \$20 million to date, with more than \$45 million more projected to be cut. OMEA is working with the White House, with assistance from our congressional delegation, to correct the erroneous classification as BABs credit payments that resulted in the application of these cuts.







With tax reform accomplished, infrastructure became a major focus of domestic policy. The White House released a detailed policy proposal seeking to use \$200 billion in new federal funding to leverage a total of \$1.5 trillion in new infrastructure investments. Much of the new infrastructure envisioned under this proposal would come from private sector involvement, through toll roads and privatization. In addition, the White House infrastructure initiative includes major regulatory reforms – including numerous policy changes intended to complete all federal infrastructure permitting within two years.

Reforming the hydropower permitting process was a key issue in 2017, as regulatory reform became a high-priority issue for the Administration and Congress. AMP President/CEO Marc Gerken testified on our experience licensing and permitting hydro projects and how the cumbersome and inefficient process has impacted our consideration of the RC Byrd hydro project. Our experience and advocacy on the issue has led to the inclusion of hydropower licensing reform provisions in several bills and has been cited by lawmakers as an example of why the regulatory structure needs to be updated.

The U.S. House Energy and Commerce Subcommittee on Energy began holding a series of hearings to examine the state of the electric industry and the Federal Power Act, and we were pleased to receive an invitation to testify. Our testimony highlighted the impacts of three key areas on our members - the failings of PJM's capacity construct, the detrimental impacts of increasing transmission costs and the need for public power to have certainty associated with self-supply for new generating assets. The hearings were designed to review oversight of the industry, without any direct link to legislation. However, they provide an excellent forum to highlight our concerns.

Local control is in congressional crosshairs, with draft legislation circulating that would subject pole attachment rates and policies to federal jurisdiction and force municipalities to short-circuit engineering, safety and aesthetic reviews of broadband provider efforts to attach 5G mini cell towers. The OMEA has faced similar efforts at the state level and will work with APPA to advocate in Congress to preserve local control.

# State update

The first half of the 132<sup>nd</sup> General Assembly saw the passage of Governor Kasich's final state biennium budget and policy package, and little else in the energy arena. Of course, there were significant policy proposals and dynamic debates on numerous topics; some proposing drastic changes to how energy markets operate, but much of the statehouse action in 2017 occurred in spite of dominant external forces reshaping the political landscape for the future.

The original budget proposal gave portions of the Local Government Funds — up to 20 percent — to counties, cities, townships and villages based on their ability to generate additional tax revenues. Fortunately, this provision was removed but others attacking Home Rule, centralized collection of municipal business taxes and one provision defining a “predatory municipal corporation,” were proposed and adopted at different stages of the budget making process.

The OMEA was successful in amending the budget to count small hydro facilities as a qualifying renewable resource for Ohio's renewable energy credit market. OMEA also amended a proposal exempting a certain class of customer served by an investor-owned utility (IOU) from paying the kWh tax — thus ensuring that municipal electric utilities are not put at a competitive disadvantage. Finally, working with others, OMEA was successful in urging Gov. Kasich to veto a detrimental provision that would have created service territory issues for customers outside municipal corporations.





On the energy policy front, investor-owned electric utilities spent the entirety of 2017 pushing policymakers on the legislative and regulatory sides to approve distribution surcharges for financial support of aging coal and nuclear generation assets. FirstEnergy pushed for additional revenue for its two nuclear plants in Ohio while the IOUs and rural cooperatives aggressively advocated for distribution surcharges to guarantee survival of their jointly owned coal-fired plants that make up the Ohio Valley Electric Corporation. OMEA continues to follow the deliberations to ensure there are no detrimental provisions added that would impact municipal electric utilities.

Other energy issues were discussed as part of the newly created Speaker's Energy Policy Task Force, made up of industry stakeholders to review issues impacting the electric industry. The OMEA was appointed to the task force and was able to raise the issue of increasing transmission costs as an issue of statewide interest and concern.

As the year ended, OMEA engaged with policymakers to ensure that the municipal electric utility exemption was retained in the new small cell wireless legislation that was being drafted. The new legislation was in direct response to several courts in Ohio ruling in favor of municipalities who had challenged the constitutionality of Senate Bill 331 – legislation that passed at the end of 2016 and designed to expedite the roll out of 5G wireless infrastructure.

# OMEA Board of Directors



**MEMBER: DOVER**  
2018

**Richard Homrighausen**  
*President*  
*Mayor*  
*City of Dover*



**MEMBER: BRYAN**  
2021

**Carrie Schlade**  
*Mayor*  
*City of Bryan*



**MEMBER: EDGERTON**  
2019

**Denise Knecht**  
*Fiscal Officer*  
*Village of Edgerton*



**MEMBER: MONTPELIER**  
2019

**Steve Yagelski**  
*Executive Committee*  
*Mayor*  
*Village of Montpelier*



**MEMBER: CELINA**  
2020

**Jeffrey Hazel**  
*Mayor*  
*City of Celina*



**MEMBER: HAMILTON**  
2020

**Matthew Von Stein**  
*Council Member*  
*City of Hamilton*



**MEMBER: WADSWORTH**  
2018

**Robin Laubaugh**  
*Executive Committee*  
*Mayor*  
*City of Wadsworth*



**MEMBER: CUYAHOGA FALLS**  
2018

**Don Walters**  
*Mayor*  
*City of Cuyahoga Falls*



**MEMBER: NAPOLEON**  
2019

**Travis Sheaffer**  
*Council Member*  
*City of Napoleon*



**MEMBER: OBERLIN**  
2020

**Kristin Peterson**  
*Council Member*  
*City of Oberlin*



**MEMBER: ST. MARYS**  
2020

**Patrick McGowan**  
*Mayor*  
*City of St. Marys*



**MEMBER: WESTERVILLE**  
2021

**Craig Treneff**  
*Mayor*  
*City of Westerville*



**MEMBER: ORRVILLE**  
2019

**David Handwerk**  
*Mayor*  
*City of Orrville*



**MEMBER: TIPP CITY**  
2021

**Joseph Gibson**  
*Mayor*  
*City of Tipp City*



**EX-OFFICIO:**

**Jolene Thompson**  
*Executive Director*  
*Ohio Municipal Electric Association*



**MEMBER: PIONEER**  
2018

**Ed Kidston**  
*Mayor*  
*Village of Pioneer*



**MEMBER: WAPAKONETA**  
2021

**Tom Stinebaugh**  
*Mayor*  
*City of Wapakoneta*



Ohio Municipal Electric Association  
1111 Schrock Road, Suite 100  
Columbus, Ohio 43229  
614.540.1111  
[www.amppartners.org](http://www.amppartners.org)

For more information contact:  
Michael Beirne  
Vice President of External Affairs  
[mbeirne@amppartners.org](mailto:mbeirne@amppartners.org)

Jolene Thompson  
OMEA Executive Director  
[jthompson@amppartners.org](mailto:jthompson@amppartners.org)

