



# OMEA

OHIO MUNICIPAL ELECTRIC  
ASSOCIATION

2023 REPORT TO MEMBERS



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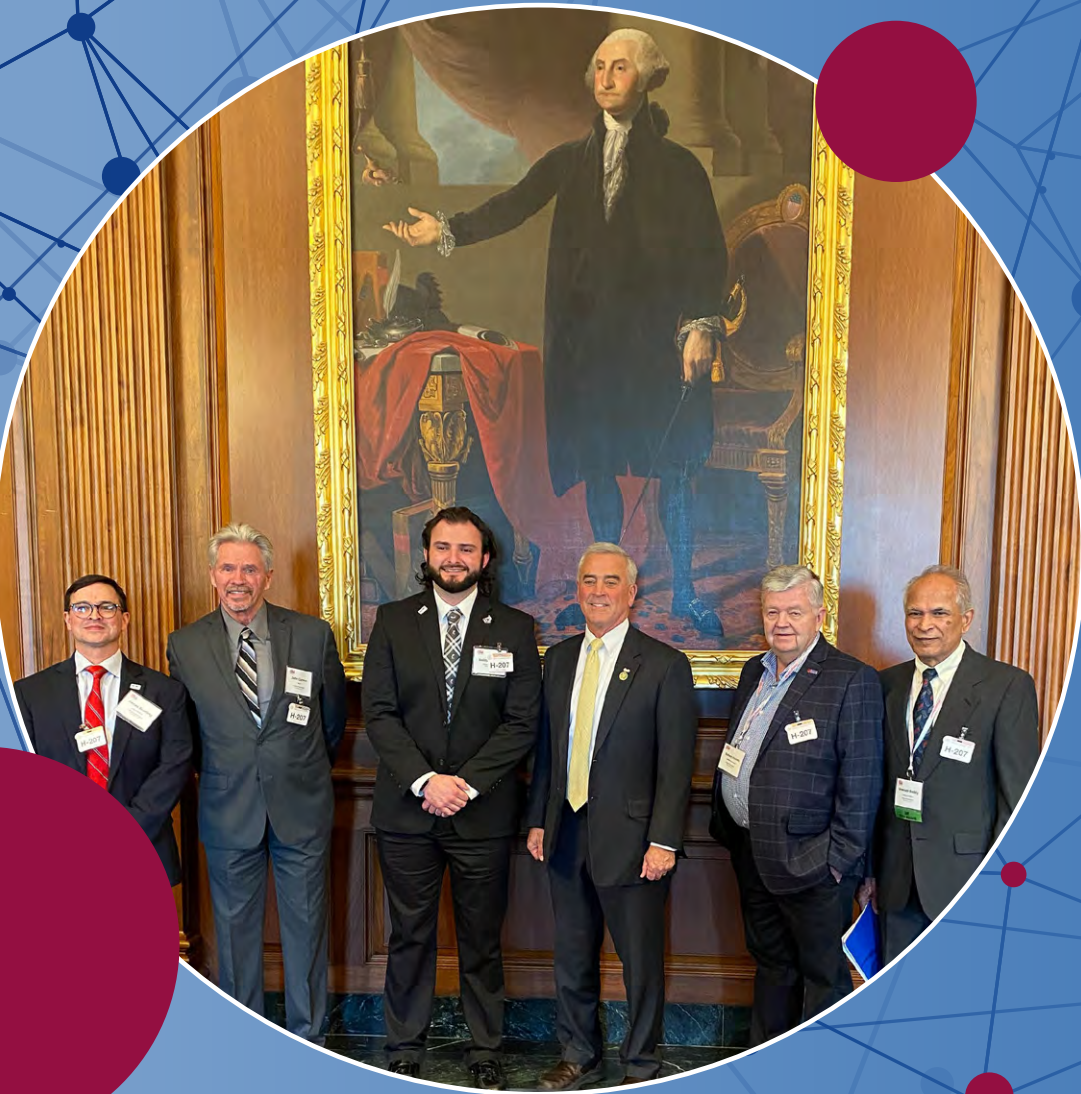
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## LETTER TO MEMBERS

**Despite the political uncertainty at the federal and state levels, the Ohio Municipal Electric Association (OMEA) holds steadfast to its mission to protect the independence and constitutional rights of Ohio's municipal electric systems.**

In 2023, the OMEA monitored and remained engaged on policy measures with the potential to impact municipal electric systems. From energy policy and environmental regulations to local control and transmission costs, the OMEA advocated and took action to provide value to Members and their customers.

At the federal level, the OMEA continued to lobby for remedies to the sequestration impacts of Build America Bonds (BABs) and New Clean Renewable Energy Bonds (New CREBs). The OMEA also worked with Senate leaders to develop a reasonable solution in response to the U.S. Department of Energy's (DOE) introduction of an efficiency rule for distribution transformers that would have created a strain on an already challenged supply chain.

During the 2023 APPA Legislative Rally, U.S. Rep. Brad Wenstrup (R-2) met with officials from the Village of Blanchester: James Bowling, Chair of the Board of Public Affairs (from left); Mayor John M. Carman; Reilly Hopkins, Village Council member; Wenstrup; Robert Haines, member of the Board of Public Affairs; and Ram Reddy, Utility Director.

## LETTER TO MEMBERS (CONTINUED)

On the regulatory front, there was perhaps no bigger issue impacting the electric industry than the proposed regulation by the U.S. Environmental Protection Agency (EPA) of greenhouse gas (GHG) emissions. The OMEA joined with American Municipal Power, Inc. (AMP) in submitting comments and advocating at the congressional level on the potential impact the proposed rules could have on public power.

At the Ohio Statehouse, our primary focus was protecting the kilowatt-hour tax local share, and we're pleased that no legislation to make changes to that was adopted. The OMEA also successfully lobbied for a provision included in the state budget bill that would allow municipal

electric utilities to receive funds through the All-Ohio Future Fund. This fund is an important resource for utility infrastructure improvements that are related to economic development efforts. Lastly, the OMEA strongly advocated for the passage of two Senate bills designed to increase protections for utility workers.

Whatever the issue, the OMEA continues to advocate for our Members and their end-use consumers to ensure that they have the resources to strengthen their communities. It is imperative that we continue to have a strong, unified voice in Congress and the Statehouse so that we are prepared for the legislative challenges and opportunities that are certain to come.

The OMEA strives to secure a better future for municipal electric systems across Ohio, and our advocacy and the grassroots efforts by Members are more important than they have ever been.



### The OMEA performs five primary functions:

- Monitor Legislation
- Advocate
- Build Coalitions
- Act As An Information Resource
- Organize Member Activities

### On behalf of the Members,



A large, stylized handwritten signature in black ink, appearing to read 'M. Beirne'.

**Michael Beirne**  
Executive Director, OMEA



A large, stylized handwritten signature in black ink, appearing to read 'Robin Laubaugh'.

**Robin Laubaugh**  
President, OMEA Board of Directors  
Mayor, City of Wadsworth



2023 OMEA GENERAL MEMBERSHIP MEETING (CONTINUED)

During the OMEA General Membership Meeting, the following individuals were recognized and named OMEA Honorary Members:

CITY OF WESTERVILLE  
**Mayor Diane Conley**

CITY OF SHELBY  
**Council Member Garland Gates**

KANNER & ASSOCIATES  
**Marty Kanner**

CITY OF ST. MARYS  
**Mayor Patrick McGowan**

CITY OF OBERLIN/VILLAGE OF WELLINGTON/AMP  
**Steve Dupee**

CITY OF ORRVILLE  
**Mayor Dave Handwerk**

VILLAGE OF WOODVILLE  
**Keith Kruse**

CITY OF OBERLIN  
**Doug McMillan**

CITY OF BRYAN  
**Nate Gardner**

CITY OF WAPAKONETA  
**Mayor Steve Henderson**

CITY OF NAPOLEON  
**Mayor Jason Maassel**

CITY OF HUBBARD  
**Ed Palestro**

CITY OF HAMILTON/AMP  
**Michael Perry**



The OMEA General Membership selects Honorary Members in recognition of individuals whose dedication and service on behalf of public power has been of the highest order.



Members of the 2023 and 2024 OMEA Board of Directors

2023 APPA LEGISLATIVE RALLY

# Representatives from 19 OMEA Member communities participated in the 2023 American Public Power Association (APPA) Legislative Rally, Feb. 27 through March 1 in Washington, D.C.

The annual Rally is an opportunity for municipal electric system representatives from across the country to share firsthand insights with federal lawmakers and their staff on issues of importance to public power and their local municipal electric systems.

More than 30 OMEA Member community officials attended the Rally. In addition to the Ohio attendees, representatives from the AMP footprint states of Delaware, Kentucky, Michigan, Pennsylvania, Virginia and West Virginia also participated.



Sam Hatstrup, Legislative Director to former U.S. Rep. Bill Johnson, (R-6), left, met with Dover Mayor Shane Gunnoe during the 2023 APPA Legislative Rally.



OMEA Member officials met with U.S. Rep. Bob Latta (R-5), center, during the 2023 APPA Legislative Rally.

## 2023 APPA LEGISLATIVE RALLY (CONTINUED)

The annual APPA Legislative Rally provided a valuable opportunity for public power leaders to directly engage in the legislative process and raise awareness about the issues that affect their systems and their customers. OMEA Member officials focused their discussions with lawmakers on such key issues as the continued sequestration of BABs and New CREBs, the need for more oversight over electric transmission projects, climate and regulatory activity, grid security, supply chain issues, federal pole attachment regulations, and the need to ensure that local control and decision making is protected. In addition, the Rally provided an opportunity for OMEA and public power officials to meet with officials and staff from the Federal Energy Regulatory Commission (FERC).

A key part of the Rally was the APPA Legislative & Resolutions Committee meeting, during which APPA members adopted eight resolutions to establish their positions on key issues affecting the industry. OMEA offered and sponsored *Resolution 23-01: On Promoting Reasonable*

*Transmission Policies for Public Power Utilities*. OMEA also co-sponsored *Resolution 23-03: On Formulating Reasonable Policies for Regional Transmission Organizations (RTO) and Independent System Operators and the Markets They Administer*.

Throughout the week, OMEA Members met with six congressional members: U.S. Representatives Troy Balderson (R-12), Mike Carey (R-15), Marcy Kaptur (D-9), Bob Latta (R-5), Emilia Sykes (D-13) and Brad Wenstrup (R-2).

Additionally, OMEA members met with staff members from seven congressional offices: U.S. Representatives Warren Davidson (R-8), Bill Johnson (R-6), Jim Jordan (R-4), David Joyce (R-14), Max Miller (R-7), as well as the offices of U.S. Senators J.D. Vance (R-OH) and Sherrod Brown (D-OH). Following the Rally, OMEA Members had the opportunity to participate in a virtual call with Sen. Vance.



U.S. Sen. Sherrod Brown staff members Sarah Benzig, Chief of Staff (left); Wes King, Legislative Assistant, and Jeremy Hekhuis, Legislative Director, met with representatives from the OMEA during the 2023 APPA Legislative Rally.



U.S. Rep. Marcy Kaptur (D-9) met with Edgerton Mayor Robert Day during the 2023 APPA Legislative Rally.



OMEA Member officials gathered at the Ohio Statehouse for the 2023 OMEA Legislative Day.

2023 OMEA LEGISLATIVE DAY

# Representatives from 20 Member communities gathered in Columbus on April 25 to meet with state lawmakers during the OMEA Legislative Day at the Ohio Statehouse.

In the morning, attendees heard from Lydia Mihalik, Director of the Ohio Department of Development, and Jenifer French, Chair of the Public Utilities Commission of Ohio. Throughout the day, participants met with state representatives, senators and their staff to discuss concerns about issues facing municipal electric systems and to promote public power.



Wadsworth Mayor Robin Laubaugh, left, met with State Rep. Sharon Ray (R-66).



During the 2023 OMEA Legislative Day, Westerville City Council Member Megan Reamsnyder, left, met with State Rep. Mary Lightbody (D-4), who retired in early 2024.





## FEDERAL UPDATE

**The OMEA is actively engaged with federal lawmakers and tracks legislative proposals that may be detrimental or beneficial to its Members. Throughout 2023, the OMEA was successful in engaging with lawmakers on a number of important issues.**

In January 2023, the DOE proceeded with the introduction of an efficiency rule for distribution transformers as part of the Energy Policy and Conservation Act (EPCA). This rule would aim to increase efficiency standards on distribution transformers, requiring that all transformers be produced using amorphous steel cores, creating even more strain on an already challenged supply chain. In response to this rule, the OMEA issued a legislative alert requesting that Members contact their lawmakers to advocate against this detrimental proposal. At the same time, the OMEA engaged with lawmakers to develop a more reasonable solution.

Eventually, a bipartisan group of senators — led by Senators Sherrod Brown (D-OH) and Ted Cruz (R-TX) — began to work toward the introduction of legislation to limit the effects of the EPCA and DOE rule. That work resulted in the introduction of the Distribution Transformer Efficiency and Supply Chain Reliability Act of 2024, which would establish a new standard in the EPCA to preserve the current market for grain-oriented electrical steel core transformers while creating a phase-in window of 10 years before the new transformer efficiency standards go into effect. The OMEA was invited to take part in a press briefing with Sen. Brown to discuss the legislation with Ohio's media.

## FEDERAL UPDATE (CONTINUED)

Midway through the year, the EPA released proposed rules on GHG emissions. The OMEA worked with AMP on drafting and submitting comments on the proposed GHG rule. The OMEA also actively engaged with Congressional offices, sharing information on the initial risks in the proposed rules and the negative impact they could have on the reliability of the electric grid and the impact that could have on public power communities.

In June 2023, U.S. House Energy and Commerce Committee Chairwoman Cathy McMorris Rodgers (R-WA) introduced the Hydropower Clean Energy Future Act, which would expedite the non-federal hydropower licensing process by requiring FERC – and all resource agencies with responsibilities in the licensing process – to establish a schedule and coordinate reviews, subject to interagency dispute resolution by the Council on Environmental Quality and penalties for failure to meet scheduled deadlines. Many OMEA Members participate in AMP's hydroelectric projects or own local hydroelectric resources and are familiar with the difficulties and long timelines associated with the current licensing process. As such, the OMEA has long raised concerns about the licensing process and was pleased to see the bill approved in the Committee. The OMEA continues to work with Ohio's federal legislators to express support for this bill and to encourage its passage.

Additionally, the OMEA took an active role in helping Member communities to seek out and secure grant funding opportunities through the Inflation Reduction Act and Infrastructure Investment and Jobs Act. Numerous Members applied for funding opportunities and the OMEA coordinated with Senators Brown and Vance, as well as Rep. Bob Latta (R-OH), to secure letters of support to include in Member submissions. The OMEA continues to monitor these grant programs and will continue to provide assistance with any future funding opportunities.

The ongoing issue of the sequestration of BABs and New CREBs continues to be a point of concern. Mandatory sequestration went into effect in March 2013, with an expected end date of Fiscal Year 2021; however, the sequester has been extended seven times and currently runs until Fiscal Year 2031. As a result, the sequester has resulted in a loss to Members of more than \$50 million, with a projected \$28 million in future cuts until 2031.

A number of public power entities filed a lawsuit to seek a legal remedy to resolve this issue. Those efforts came to an end in late 2023, as the U.S. Supreme Court denied a Petition for Certiorari, which brings an end to litigation. As a result, legislation is the only available avenue to address our Members' concerns. As in previous years, the OMEA joined with public power colleagues from across the country to raise awareness on the issue and advocate for an acceptable remedy.

Additionally, the OMEA continues working with Sen. Brown, who has drafted legislation to mitigate the sequestration issue. While the federal legislative landscape remains unsteady, the OMEA will continue to give voice to its Members and work with legislators to safeguard against legislation that could be detrimental to Ohio's public power communities.



Cuyahoga Falls Mayor Don Walters met with U.S. Rep. Emilia Sykes (D-13) during the 2023 APPA Legislative Rally.



## STATE UPDATE

**At the state level, the OMEA was pleased to finish the year without the passage of any major legislation that would be unfavorable to Ohio's public power communities.**

Of significant note, the state budget bill was finalized by the Ohio General Assembly on June 30. As with every budget cycle, the OMEA closely monitored budget negotiations and was pleased to see that the bill was largely clear of any harmful issues and that there were no changes to the kilowatt-hour tax. Additionally, the OMEA was successful in advocating for the bill to include municipal electric utilities as eligible entities for receiving funds through the All-Ohio Future Fund. This newly created fund provides financial assistance for large economic development sites, including utility infrastructure improvements.

## STATE UPDATE (CONTINUED)

The OMEA successfully pushed back against efforts to include an amendment to the budget bill that would change the current statutory requirement that all transmission owners in Ohio belong to an RTO. This issue would have allowed for voluntary participation on the part of transmission owners, which would likely result in increased transmission costs for public power utilities. While the issue was not included in the final bill, amendment supporters continue their efforts to include it in various legislative proposals. The OMEA continues to monitor this issue and advocate against its inclusion in any legislation.

In February 2023, House Bill 64 was introduced as an effort to greatly limit the ability of public agencies — including public utilities — to claim land using eminent domain. The bill has received numerous hearings before the House Civil Justice Committee and the OMEA continues to monitor its progress. Additionally, the OMEA continues working with interested stakeholders to advocate against this detrimental legislation.

The OMEA strongly believes in the importance of protecting public power workers and infrastructure and has advocated for the passage of Senate Bills 72 and 88. Senate Bill 72 would require increased security systems at substations, and SB 88 would increase the penalty for menacing a utility worker.

Other legislative issues that the OMEA actively lobbied on include:

- **House Bill 3/Senate Bill 6:** Legislation regarding environmental, social and corporate governance investment policy
- **House Bill 79/House Bill 260:** Legislation regarding electric utility rate reform
- **House Bill 101:** Legislation regarding village dissolutions
- **House Bill 197:** Legislation regarding community solar
- **Senate Bill 12:** Legislation regarding an increased natural gas infrastructure rider
- **Senate Bill 93:** Legislation regarding municipal lien restrictions
- **Senate Bill 123:** Legislation regarding the regulation of submetering companies

The full list of bills in the OMEA legislative tracking system is available on the AMP Member Extranet.



State Sen. Al Landis visited the Orrville Utilities Power Plant in 2023. Pictured (from left) are Dave Handwerk, former Orrville Mayor and OMEA Honorary Member; Jeff Brediger, Director of Orrville Utilities and AMP Board of Trustees member; Bruce Lab, Power Plant Maintenance Superintendent for Orrville Utilities (partially hidden); Landis; Michael Beirne, OMEA Executive Director; Orrville Mayor Matthew Plybon, OMEA Board of Directors member; and Dover Mayor Shane Gunnoe, OMEA Board of Directors member.

OMEA BOARD OF DIRECTORS



MEMBER: WADSWORTH

**Mayor Robin Laubaugh**

President



MEMBER: BRYAN

**Mayor Carrie Schlade**

Executive Committee



MEMBER: MONTPELIER

**Mayor Steve Yagelski**

Executive Committee



MEMBER: CELINA

**Mayor Jeffrey Hazel**



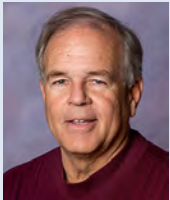
MEMBER: CUYAHOGA FALLS

**Mayor Don Walters**



MEMBER: DOVER

**Mayor Shane Gunnoe**



MEMBER: EDGERTON

**Mayor Robert Day**



MEMBER: HAMILTON

**Michael Ryan**

Council Member



MEMBER: NAPOLEON

**J. Ross Durham**

Council President

OMEA BOARD OF DIRECTORS (CONTINUED)



MEMBER: OBERLIN

**Kristin Peterson**

Council Member



MEMBER: ORRVILLE

**Mayor Matthew Plybon**



MEMBER: PAINESVILLE

**Paul Hach**

Council Member



MEMBER: PIONEER

**Mayor Ed Kidston**



MEMBER: ST. MARYS

**Mayor Joe Hurlburt**



MEMBER: TIPP CITY

**John Kessler**

Council Member



MEMBER: WESTERVILLE

**Megan Reamsnyder**

Council Member



EX OFFICIO: JACKSON CENTER

**Wayne York**

Council Member



EX OFFICIO: OMEA EXECUTIVE DIRECTOR

**Michael Beirne**



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