



60 YEARS of Representing Ohio's Public Power Systems

OHIO MUNICIPAL ELECTRIC ASSOCIATION

2022 ANNUAL REPORT TO MEMBERS





Letter to Members

When the Ohio Municipal Electric Association (OMEA) was formed in 1962, its purpose was to provide a unified voice to represent Ohio's public power systems. For decades, that work was done by fostering relationships with legislators and serving as an advocate for public power.

The pandemic taught us the important lesson that advocacy is best done in person, and 2022 started to bring us all back together again. The American Public Power Association (APPA) Legislative Rally took place in person; participation at the OMEA General Membership Meeting was strong; and, importantly, state and federal legislative offices opened their doors again. The OMEA remained true to its mission of protecting the independence and constitutional rights of Ohio's municipal electric systems.

At the federal level, the year was highlighted by the adoption of the Inflation Reduction Act of 2022 (IRA). For years, the OMEA has advocated for the comparable tax treatment of public power that the IRA provides through its direct pay provisions. The OMEA continued to seek remedies to the sequestration impacts of Build America Bonds (BABs) and New Clean Renewable Energy Bonds (New CREBs). Those efforts resulted in draft legislation from Sen. Sherrod Brown (D-OH) that, if enacted, would have provided relief for public power from the effects of the ongoing sequestration issues.



At the state level, the OMEA successfully pushed back against onerous legislation on transmission supported by Ohio's transmission owners, and on pole attachments pushed by cable interests.

Of course, not all successful legislative efforts are seen or get signed into law. The OMEA successfully fought against numerous state and federal bills that were detrimental to public power that ultimately did not become law.

The OMEA is proud to have celebrated 60 years of service in 2022. Although times change, Ohio's municipal electric communities can be confident in the representation and advocacy provided by the OMEA.



Michael Beirne
OMEA Executive Director



Robin Laubaugh
President of the OMEA
Board of Directors,
Wadsworth Mayor

Two handwritten signatures in black ink. The first signature is 'M Beirne' and the second is 'Robin Laubaugh'.

Robin Laubaugh, President of the OMEA Board of Directors and Wadsworth Mayor, speaks during the OMEA General Membership Meeting at the 2022 AMP Annual Conference.



Carrie Schlade, OMEA Board of Directors member and Bryan Mayor, speaks during the OMEA General Membership Meeting at the 2022 AMP Annual Conference.



Notable Events

2022 OMEA General Membership Meeting

The OMEA General Membership Meeting took place as part of the 2022 American Municipal Power, Inc. (AMP) Annual Conference, held Sept. 26-28 in Columbus. The conference provided attendees (in person and virtually) with a full schedule of sessions led by industry experts and leaders.

During the OMEA General Membership meeting, members re-elected the communities of Cuyahoga Falls (Mayor Don Walters), Dover (Mayor Shane Gunnoe), Pioneer (Mayor Ed Kidston) and Wadsworth (Mayor Robin Laubaugh) to four-year terms on the OMEA Board of Directors. Additionally, the City of Wapakoneta (Mayor Steve Henderson) and the Village of Jackson Center (Council Member Wayne York) were elected as ex-officio members of the OMEA Board of Directors.

The OMEA is guided by a 16-member Board of Directors, elected by their peers to staggered four-year terms. Board seats are held by OMEA member communities.

During the OMEA General Membership meeting, new honorary members were announced:

- Joe Gibson, former mayor of the City of Tipp City, who retired in 2021;
- Dan Moats, former utilities director for the City of Hamilton, who retired in 2021; and
- Randy Severns, former utility superintendent for the Village of Mendon, who retired in 2022.

OMEA members select Honorary Members to recognize individuals whose dedication and service on behalf of public power has been of the highest order.

Following the General Membership meeting, the OMEA Board of Directors conducted its annual reorganization meeting and re-elected City of Wadsworth Mayor Robin Laubaugh as President of the Board. Village of Montpelier Mayor Steve Yagelski and City of Bryan Mayor Carrie Schlade were re-elected to the Board's three-member Executive Committee.



From left, Lori Siclair, former Napoleon City Council member; Carrie Schlade, Bryan Mayor; Rep. Bob Latta (R-5); Joe Bialorucki, Napoleon City Council president; Ross Durham, Napoleon City Council member; Joel Mazur, former Napoleon city manager; and Michael Beirne, OMEA executive director; meet during the 2022 APPA Legislative Rally.

2022 APPA Legislative Rally

Representatives from 14 OMEA member communities participated in the 2022 APPA Legislative Rally, Feb. 28 through March 2, in Washington, D.C.

The annual rally provides member officials with the opportunity to learn more about legislative issues affecting the industry and to share firsthand insights with lawmakers and their staff on the challenges facing municipal electric systems. While meeting with our congressional delegation, OMEA members focused on several issues of concern, including the continued sequestration of BABs and New CREBs, transmission costs, wholesale market issues, climate change and environmental policies, and improvements to the carbon capture and storage tax credit.

Throughout the week, OMEA attendees met with eight members of the Ohio congressional delegation, including Reps. Troy Balderson (R-12), Warren Davidson (R-8), Bob Gibbs (R-7), Anthony Gonzalez (R-16), David Joyce (R-14), Bob Latta (R-5), and staff members in the offices of Reps. Joyce Beatty (D-3) and Jim Jordan (R-4).



Federal Activity

The OMEA is fully engaged at the federal level and works throughout the year to protect and advance the interests of its members with Congressional leaders and senior policy staff. The OMEA was successful on several issues in the past year, highlighted by the adoption of the IRA, which included two provisions of direct benefit to Ohio's municipal electric communities.

The IRA focuses largely on health care and tax reform, but also includes significant incentives for energy and climate related projects.

Two issues that the OMEA strongly advocated for — direct pay and the 45Q tax credit — were included in the final bill. The new law also includes incentives for transmission infrastructure, electric vehicles, energy efficient appliances, whole-house energy efficiency and residential clean energy projects. It also makes changes to the transmission siting process, among other things.

The direct pay provision is an issue that the OMEA staff has long advocated for, and it provides comparable tax incentives for not-for-profit public power utilities. Improvements to the 45Q tax credit provide options for owners of fossil fuel facilities, and the OMEA joined with other Prairie State Generating Plant owners in advocating for this important provision.

The adoption of the IRA followed the 2021 passage of the Infrastructure Investment and Jobs Act, providing additional resources for an evolving industry and creating parity in the policy treatment of public power utilities.

Despite the successes in the IRA, the OMEA remains disappointed with the ongoing issue of sequestration of BABs and New CREBs. However, small progress was made when Congress recognized the harm caused by sequestration and protected bonds issued under the IRA. Additionally, our ongoing efforts to seek remedies resulted in draft legislation from Sen. Brown. The OMEA is pleased that Sen. Brown has prioritized the issue and is taking steps to provide relief to public power communities that continue to suffer from the fiscal impacts of sequestration. Although Sen. Brown's bill did not pass in 2022, he continues working on the issue in 2023, and OMEA staff will continue to advocate for the issue and work with public power colleagues across the country to raise awareness and to seek an acceptable remedy. The OMEA also continued to work for protection against the PAYGO provisions, which threatened additional sequestration without a waiver from the cuts.

Congress passed a two-year extension before the end of the year, in part, due to the efforts of the OMEA and its delegation of members.

As the country moves forward from the pandemic, as the industry evolves and as policymakers change, the OMEA will continue to advocate on behalf of Ohio's public power communities to ensure that our collective voices are heard, and our positions are well represented.



State Activity

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

The OMEA was active in fighting several bills during 2022, especially as the 134th General Assembly wrapped up the year during the lame duck session. During this post-election period, the OMEA was active on several pieces of legislation, including an amendment that proposed allowing Ohio's investor-owned utilities to voluntarily participate in a regional transmission organization (RTO). This would have changed the current statutory requirement that all transmission owners belong to an RTO. Such a change could potentially result in increased transmission costs for public power utilities. However, the advocacy efforts of the OMEA were instrumental in preventing this amendment from becoming law.

The OMEA lobbied against another lame duck proposal that would have impacted renewable energy credits (RECs). House Bill 507, a bill originally dealing with poultry chicks, gained amendments in the Ohio Senate as the session came to a close. One amendment that was originally inserted into this bill would have classified natural gas as green energy, including allowing natural gas to qualify for RECs, and potentially impacting the value provided to the OMEA member-owned resources that generate RECs. Through persistence and strategic advocacy efforts of the OMEA and others, the final bill was amended to state that natural gas is not considered green energy as it pertains to RECs.



The OMEA also pushed back against a lame duck amendment that would have impacted pole attachments and the rates charged for these services. While the amendment itself never came to fruition, OMEA staff used the opportunity to educate legislators about the potential amendment and its damaging potential impacts to municipal systems. As a result of these advocacy efforts, proponents of the issue have indicated their intent to work with the OMEA to develop acceptable legislation in 2023.

Other legislative issues that the OMEA actively lobbied on included:

- Senate Bill 207, sponsored by Sen. Mark Rulli (R-Salem), regarding electric vehicle incentives.
- Various bills concerning the state's share of federal rental and utility assistance and American Recovery Plan Act funds.
- Legislation that would restrict investment portfolios based on environmental, social and governance goals and, in turn, potentially limit financial institutions from offering bonds in the State of Ohio.
- Discussion of the current realities and impacts surrounding an eminent domain reform law (House Bill 698).

The OMEA also kept lawmakers updated throughout the year on other issues of importance to public power in Ohio, including notifying state legislators whose member communities sent lineworkers to Florida for disaster response in the aftermath of Hurricane Ian in September. These updates were met with both support and some social media acknowledgment.





Rep. Jim Hoops (R-Napoleon), center, accepts the George V. Voinovich Award from AMP President/CEO Jolene Thompson (left) and OMEA Executive Director Michael Beirne.



Rep. Jim Hoops (R-Napoleon) received the George V. Voinovich Award from the Ohio Municipal Electric Association (OMEA). The OMEA established the award to recognize state and federal lawmakers from Ohio who make contributions with a significant positive impact on public power systems.

The George V. Voinovich Award

The OMEA presented State Rep. Jim Hoops (R-Napoleon) with the George V. Voinovich Award on Aug. 24. The award was established to recognize state and federal lawmakers from Ohio who make contributions with a significant positive impact on public power systems.

Hoops was appointed to the Ohio House during the 132nd General Assembly and represents Ohio's 81st House District, which consists of Putnam, Henry and Williams counties, as well as part of Fulton County. This district includes the OMEA member communities of Bryan, Deshler, Edgerton, Holiday City, Montpelier, Napoleon and Pioneer.

Hoops served as assistant vice president of finance and risk for AMP from 2007 to 2014, where he was part of a team that financed more than \$6 billion to construct power plants that included hydroelectric, coal and natural gas.

“Rep. Hoops understands public power and the unique needs of municipal electric communities in Ohio,” said Michael Beirne, OMEA Executive Director. “He has been a long-time supporter of public power and recognizes the value of municipally owned electric utilities and the important role of local control.”

OMEA Board of Directors



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