

RESOLUTION NO.: 105-2018
INTRODUCED BY: Mayor Roche and All of Council

A RESOLUTION AUTHORIZING THE FIRST AMENDMENT
TO THE MASTER AGREEMENT TO PROVIDE SERVICES TO
AN AGGREGATED GROUP BETWEEN THE CITY OF
RICHMOND HEIGHTS AND FirstEnergy Solutions Corp.; AND
DECLARING AN EMERGENCY.

WHEREAS, pursuant to State statute and the vote of the City's electors at the election on November 6, 2001, the City of Richmond Heights determined to provide for its residents an Electric Power Aggregation Plan under which the City would act as the purchasing agent to make available electric power at reduced rates on an opt-out basis;

WHEREAS, the City prepared an Electric Power Aggregation Plan of Operation and Governance which was approved by this Council and has been on file with the Clerk of Council since 2010 and the original Master Plan to provide services to an aggregated group – i.e., Richmond Heights customers-- with FirstEnergy Solutions Corp. which was entered into at that time and its term is now expiring;

WHEREAS, the City administration has compared proposals from other entities offering electric aggregation services, has found FirstEnergy Solutions' proposal for a three-year extension to the current Master Agreement with the City to be the best proposal for the City with the First Amendment thereto providing for a grant to the City of \$7.50 per customer participating in the aggregation program, and recommends that this Council authorize the three-year extension with FirstEnergy Solutions;

WHEREAS, this Council is aware that FirstEnergy Corp. is currently in bankruptcy under Chapter 11 reorganization pursuant to the federal Bankruptcy Code and that the Federal Bankruptcy Court has authorized the within First Extension to the Master Agreement and similar agreements between FirstEnergy Solutions and other parties to be sold to a Constellation company.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Richmond Heights, State of Ohio, that:

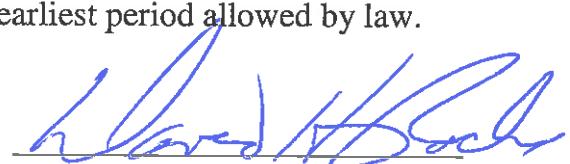
Section 1: This Council authorizes the Mayor to execute the First Amendment to the Master Plan to provide services to an aggregated group

between the City and FirstEnergy Solutions Corp. in a form as set forth in Exhibit A, attached hereto and incorporated herein by reference.

Section 2: It is found and determined that all formal actions of this Council concerning and relating to the passage of this Resolution were taken in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action were meetings open to the public in compliance with the law.

Section 3: This Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety, convenience and welfare of the City of Richmond Heights and the inhabitants thereof, for the further reason that this Ordinance is required to be immediately effective in order to maximize the potential benefits of the aggregation program for the electricity consumers in the City and the City government, and provided it receives the necessary votes required by the City Charter, shall be in full force and effect from and after its passage by Council and signature of the Mayor; otherwise to be in full force and effect from and after the earliest period allowed by law.

PASSED: September 11, 2018



David H. Roche, Mayor

APPROVED: September 11, 2018

ATTEST: Betsy Traben
Betsy Traben
Clerk of Council



Eloise Cotton-Henry
President of Council

EXHIBIT A

**FIRST AMENDMENT
TO THE MASTER AGREEMENT TO PROVIDE
SERVICES TO AN AGGREGATED GROUP
BETWEEN CITY OF RICHMOND HEIGHTS, CUYAHOGA COUNTY, OHIO
AND
FIRSTENERGY SOLUTIONS CORP.**

This First Amendment ("Amendment") is entered into this _____ day of September, 2018 ("Effective Date"), by and between City of Richmond Heights, Cuyahoga County, Ohio ("City" or "Governmental Aggregator"), an Ohio municipality, and FirstEnergy Solutions Corp. ("FES"), an Ohio corporation with its principal place of business at 341 White Pond Drive, Akron, Ohio (collectively, the "Parties").

RECITALS

WHEREAS, FES and City are parties to a certain Master Agreement to Provide Services to an Aggregated Group dated April 15, 2010 ("Agreement");

WHEREAS, the Parties mutually agree to renew the Agreement for the term beginning with December 2018 meter read dates through December 2021 meter read dates ("Renewal Term");

WHEREAS, the Parties mutually agree to amend the Agreement by replacing paragraph 4.2 Additional Costs, in its entirety describing the pass through of additional costs imposed by an ISO or a RTO on FES that are not otherwise reimbursed by the EDU to FES or included in the EDU's Price to Compare.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. During the Renewal Term, Participating Customers shall be billed in accordance with the Pricing provisions contained in the Renewal Term's First Amendment Attachment A to Master Agreement Between City of Richmond Heights, Cuyahoga County, Ohio and FirstEnergy Solutions Corp. September 2018 attached ("Attachment A").
2. The Parties agree to amend the Agreement by replacing paragraph 4.2 Additional Costs in its entirety, as follows:

4.2 **Additional Costs.** In the event that (1) the PUCO approves or implements a phase-in credit for generation and/or transmission charges of the Electric Distribution Utility ("EDU") or takes any other action which affects the Price to Compare ("PTC") or otherwise does not allow the EDU to reflect the full cost to procure generation and transmission in the PTC or other regulatory action; or (2) there is any change in any statute, rule, regulation, order, law, or tariff promulgated by any court, governmental authority, utility, Independent System Operator ("ISO"), Regional Transmission Organization ("RTO") or other service provider, or any change in operating procedure, which alters to the detriment of FES its costs to perform under this Agreement, Participating Customers may receive a notification from FES. This notification will include a description of one or more of the situations described above. FES

may offer Participating Customers new Terms and Conditions. Participating Customers must indicate affirmative consent to the new Terms and Conditions as specified in the notices. If Participating Customers do not contact FES to accept the new terms, the Participating Customer(s) individual terms and conditions with FES will terminate on the date specified in the notices, and Participating Customer(s) may be returned to the EDU for Retail Electric Service. Alternatively, FES may decide to terminate this Agreement, and Participating Customers will receive at least 30 days' prior written notice of the termination, after which Participating Customers may be returned to the EDU for Retail Electric Service. Whether FES offers Participating Customers new terms or terminates this Agreement under this provision, Participating Customers will not be responsible for the cancellation/termination fee (if any) set forth in the Pricing Attachment. Participating Customers must still pay all FES charges through the date they are returned to their EDU or switched to another CRES provider for service.

3. All other provisions of the original Agreement shall remain unchanged.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed as of the Effective Date.

FIRSTENERGY SOLUTIONS CORP.
FirstEnergy Solutions Corp.:

Signed: _____
Printed: _____
Title: _____
Date: _____

CITY OF RICHMOND HEIGHTS, OHIO

Signed: _____
Printed: _____
Title: _____
Date: _____

First Amendment Attachment A to Master Agreement
Between
City of Richmond Heights, Cuyahoga County, Ohio
and FirstEnergy Solutions Corp.
September 2018

Pricing and Other Conditions to Retail Generation Service Offer

Renewal Term:

Beginning with December 2018 meter read dates through December 2021 meter read dates.

Renewal Pricing:

Opt-Out Program:

5.13 ¢ per kWh

Opt-In Program:

1% off the Price to Compare

EDU:

Cleveland Electric Illuminating (CEI)

Eligible Rate Codes:

Standard Residential Rate (RS)
General Service Commercial Rate (GS)

National accounts (e.g. McDonald's, BP, Dollar General) as well as any eligible commercial accounts with annual usage over 700,000 must "opt-in" to the program.

Termination Fee:

None

Civic Grant:

FES shall pay a grant to the City in the amount equal to \$7.50 per customer enrolled in the program. The grant shall be payable two (2) times during the above Term; in March 2019 and in September 2020.

Administrative Services:

- Design, print and mail the Opt-out letter to all eligible participants including a sheet of Frequently Asked Questions to provide assistance.
- Administer the Opt-out process including database preparation, handling of opt-out form information, and final enrollment list compilation.
- Provide a call center to handle information calls.
- Prepare the required PUCC reports and on-going certification documents.
- Conduct supplemental opt-out mailings on a periodic basis.