The energy to do more.
A letter from the Chairman

We have had another busy and amazing year at NOPEC. Last year we made the decision to enter the demand-side arena and to hire the staff necessary to re-craft and re-brand NOPEC so that we could compete in a VERY challenging and competitive arena. I am very happy to tell you today that we have begun to add new dimension to the positive ways our customers and the world see NOPEC.

We began 2013 with the development of MyEnergyMyWay™ NOPEC’s residential demand-side product. In July, we hosted our first ever showcase where we launched MyEnergyMyWay, in addition to a new online store and the new nopecinfo.org. In 2014, we will continue to grow our brand preference and awareness as well, through customer loyalty programs, value added products and through MyEnergyMyWay.

It has been my honor to serve on the NOPEC Board since its inception in 2000. We are fortunate to have a Board who serves NOPEC with dedication and leadership. This year we had to say good bye to two Board members – David Joyce of Geauga County who was elected to Congress and Jim Lukas, our Medina County Board member. Their Board positions will be filled with our newest Board members, Jim Flaize, Geauga County Prosecutor and Pat McNamara, City of Brunswick Public Service Director.

Thank you for the privilege of partnering with your community, your residents and your small businesses. We hope you enjoy reviewing some of our achievements for 2013 and stay up to date with our achievements on nopecinfo.org as we move forward.

Best wishes,

Joseph Migliorini, Chairman
NOPEC Board of Directors
The Board of Directors of NOPEC is made up of one representative from each of the ten counties in the NOPEC service area.

Who is NOPEC?

Board of Directors

Joseph Migliorini, Chairman
City of Macedonia (Summit County)

Ron McVoy, Vice Chairman
Ashtabula Representative (Ashtabula County)

Rob Duncan
Mayor, City of Norwalk (Huron County)

James Flaiz
Prosecutor, Geauga County (Geauga County)

Joseph Migliorini, Chairman
City of Macedonia (Summit County)

Ron McVoy, Vice Chairman
Ashtabula Representative (Ashtabula County)

Rob Duncan
Mayor, City of Norwalk (Huron County)

James Flaiz
Prosecutor, Geauga County (Geauga County)

Who is NOPEC?

David Gillock
Mayor, City of North Ridgeville (Lorain County)

Jack Haney
City Manager, Newton Falls (Trumbull County)

Jim Lukas
City Manager, City of Brunswick (Medina County)

Mickey Marozzi
Portage County Engineer (Portage County)

Pat McNamara
Director of Public Service, City of Brunswick (Medina County)

Daniel Troy
Lake County Commissioner (Lake County)

Georgine Welo
Mayor, City of South Euclid (Cuyahoga County)

Chuck Keiper
Executive Director, NOPEC
1999
SB3 enacted by Ohio Legislature establishing electric opt-out aggregation

2000
NOPEC formed.

2001
NOPEC electric program service starts with Green Mountain Energy, out-of-state provider
Largest governmental aggregation in Ohio for electric
Ohio Legislature enacts opt-out gas legislation

2002
NOPEC begins opt-out gas program with IGS Energy
NOPEC advocates for electricity competition and governmental aggregation
Largest governmental aggregation in Ohio for gas

2004
Dominion Retail selected as new natural gas supplier

2006
NOPEC hires full time executive director

2002-2004
NOPEC invests in six county school based solar energy pilot
2006-2008
NOPEC distributes $27 million utility settlement to electric customers

2007
NOPEC, Inc. formed to become a CRES provider
NOPEC intervenes in PUCO cases to open Ohio electric markets to competition

2008
SB 221 enacted by Ohio Legislature to encourage large governmental aggregation

2009
NOPEC enters into power deal with NextEra Energy and begins service
NOPEC celebrates 10th anniversary and opens offices in Solon
NOPEC Board of Directors authorizes funding an additional 1% discount for electric customers

2010
NOPEC enters into a nine-year power deal with FirstEnergy Solutions Corp.

2011-2012
NOPEC distributes $16 million in Power Our Communities grants

2012
NOPEC offers a number of new electric products to better serve customers

2013
New NOPEC product launched – MyEnergyMyWay™
New NOPEC website launched, nopecinfo.org
NOPEC hosts first demand-side showcase
NOPEC adds operational staff

NextEra Energy selected as new natural gas supplier to start in 2014
NOPEC electric savings to customers exceeds $185 million
Powering the Community
of South Euclid

NOPEC’s vigilant, aggressive dedication to lower electric and natural gas rates has been a positive and significant economic factor throughout the region. In 2010, NOPEC took on a new, additional mission of overseeing one of the largest energy efficiency initiatives in Ohio history. NOPEC’s Powering Our Communities (POC) grant program was part of a 2009 agreement between NOPEC and FirstEnergy Solutions Corp. That pact resulted in nearly $16 million in grants that NOPEC distributed to member communities in Northeast Ohio.

According to NOPEC executive director Chuck Keiper, “The grants were intended to help local communities – and thus their residents – realize cost savings through energy-saving improvements to public facilities.”

One such community that benefited from an $111,035 NOPEC grant was the City of South Euclid. Georgine Welo, the Mayor of South Euclid, said, “NOPEC is partnering with the communities that it serves in order to help them reduce overall energy consumption and lower utility costs.”

South Euclid allocated $78,835 of its grant funds to upgrade the roof on the Community Center. The two-phase project involved replacing the existing roof with a reflective material that lowers the roof’s surface temperature by up to 90 degrees. Lowering the temperature decreases the amount of heat transferred into the building which lowers the electrical consumption by reducing the peak cooling demand by 10 to 15 percent. This will translate into $2,847 saved over a five-year period.

With a potential savings of $30,000, the remaining $32,200 in grant monies went toward replacing all the traffic lamp bulbs on the city’s
stretch of Mayfield Road with energy efficient LED bulbs. These LED bulbs conserve and require less energy to operate and last much longer than the standard traffic lamp.

An additional loan in the amount of $736,903 was secured with the help of the Ohio Air Quality Development Authority and allowed the city to pursue improving the energy efficiency in its municipal facilities through the following four steps:

- A new HVAC system with modern thermostats and sensors in City Hall
- Converting all lighting in buildings and service garages from T12 lamps to T8-25W
- Adding energy-efficient radiant tube heaters and programmable thermostats in service garages
- Installing occupancy sensors on vending machines in all municipal buildings

“These grants served as a catalyst to promote sustainability and encourage energy conservation,” said Welo.

Keiper added that the NOPEC grants have succeeded in lowering costs for its member communities as well as reducing the region’s carbon footprint. “The Powering Our Communities program was a NOPEC initiative that will generate long-lasting dividends for the environment and NOPEC’s 500,000+ Northeast Ohio customers.”

Although the Powering our Communities grant program has concluded, NOPEC continues to be a good steward of energy awareness, education and funding through our new partnership with Encentiv Energy. This program rewards building owners and managers for energy efficiency by helping them identify and take advantage of local utility rebates, regional incentives and federal tax deductions.
Showcasing NOPEC

With a focus on providing the highest value for our members and our communities, community leaders and their teams were invited to attend a showcase on July 17 at NOPEC’s new offices to introduce the demand-side product, MyEnergyMyWay™ (MEMW).

MEMW, a free online program, was designed to help customers take an active role in understanding and controlling energy use and costs. Members of the program receive expert advice on energy conservation, are able to purchase energy saving products at a discount through the online store and can compare their energy usage with that of their neighbors and the nation.

Showcase attendees were also introduced to NOPEC’s new website, nopecinfo.org, and tours and education sessions were held to provide an understanding of the scope of what NOPEC does for communities.
NOPEC at Work

NOPEC is a council of governments made up of one voting member who is either elected by the community or appointed by the community leaders from each NOPEC community. Annually, these leaders, or their proxy representatives, meet at the General Assembly. Representatives met on November 13 to review NOPEC initiatives and approve budgets.

Navigating NOPEC

Accessing information is extremely important in today’s changing environment. In 2013, NOPEC launched a newly redesigned website with expanded information for our communities. The new site provides easy navigation to information about NOPEC, governmental aggregation and the utility industry. It also offers a clear path to sign up for MyEnergyMyWay™, where members have access to an energy usage comparison tool, online store and energy saving tips.
What is the value in NOPEC for me?
The theory behind public aggregation is simple: by using bulk purchasing power, greater savings can be passed on to individual consumers. By joining together, consumers in NOPEC communities gain the ability to utilize a team of experienced professionals to negotiate for better prices and protections. NOPEC ensures that communities have a voice in determining that future market changes benefit consumers. Large groups of communities such as NOPEC enjoy substantial leverage in making these determinations. Without an organization like NOPEC, consumers would be left to decide on their own which supplier to choose; would be at the mercy of the supplier; and would have no voice in regulatory or legislative initiatives that might impact the cost of their utilities.

Who is in charge of this group?
Ultimately, the consumers themselves, through the views they express to their local elected officials. NOPEC is governed by a General Assembly, made up of one representative from each community. From this group, a ten-member Board of Directors is elected, with one representative from each of the ten counties in the NOPEC service area. In addition, the General Assembly elects a Chairman and Vice Chairman.

What does all this cost?
NOPEC receives no public funds, and its member communities are not charged any dues or fees. The Chairman and the Board of Directors serve without compensation. NOPEC’s administrative expenses, such as the cost of the opt-out mailings, staffing and expenses are paid by fees from energy suppliers. The
budget is approved once a year by the General Assembly.

How do I join the buying group?
If you live in a NOPEC community, you are automatically included, unless you choose not to be. Ohio has what is called an “opt-out” procedure. This means that all eligible customers of an aggregated aggregation of local governments, with no goal other than delivering both savings and stability to the consumers it represents. To that end, we are concerned with a long-term approach to the energy market as well as short-term savings. NOPEC recognizes that long-term savings for consumers will result from regulatory changes and new laws that must be passed, and is dedicated to representing the interests of its consumers in seeking those changes.

Private, for-profit energy suppliers are focused on short-term offers. Their position on regulatory changes and laws likely will be aimed at their own bottom lines rather than the interests of consumers.

community become part of the buying group unless they take specific action to opt out of the aggregation. Opt-out notices are sent to all eligible natural gas consumers every two years. Under Ohio Law (SB221) all eligible electric customers receive an opt-out notice every three years.

What is the difference between NOPEC and other energy suppliers?
Unlike the many private, for-profit concerns now marketing in Ohio, NOPEC is a public not-for-profit
**GAS COMMUNITIES**

**Ashtabula County**
- Ashtabula
- Ashtabula Township
- Conneaut
- Geneva
- Geneva-on-the-Lake
- Harpersfield Township
- Jefferson Village
- Kingsville Township
- North Kingsville
- Saybrook Township

**Cuyahoga County**
- Bedford
- Bedford Heights
- Bentleyville

**Berea**
- Bratenahl
- Brecksville
- Brook Park
- Brooklyn
- Brooklyn Heights
- Chagrin Falls
- Cleveland
- Cuyahoga Heights
- Fairview Park
- Garfield Heights
- Glenwillow
- Highland Heights
- Hunting Valley
- Independence
- Lakewood
- Lyndhurst
- Maple Heights
- Mayfield Village
- Middleburg Heights
- Moreland Hills
- Newburgh Heights
- North Olmsted
- North Randall
- North Royalton
- Oakwood
- Olmsted Falls
- Olmsted Township
- Orange
- Parma
- Parma Heights
- Pepper Pike
- Rocky River
- Seven Hills
- Solon
- South Euclid
- Strongsville
- University Heights
- Valley View
- Walton Hills
- Warrensville Heights

**Geauga County**
- Auburn Township
- Bainbridge Township
- Burton Township
- Burton Village
- Chardon
- Chester Township
- Claridon Township
- Jefferson Township
- Kingsville Township
- Lenox Township
- Monroe Township
- Morgan Township
- New Lyme Township
- Orwell Township
- Pierpont Township
- Plymouth Township
- Richmond Township
- Rome Township
- Saybrook Township
- Sheffield Township
- Trumbull Township
- Wayne Township
- Williamsfield Township
- Windsor Township

**ELECTRIC COMMUNITIES**

**Ashtabula County**
- Ashtabula
- Conneaut
- Geneva
- Geneva on the Lake
- Jefferson Village
- North Kingsville
- Orwell Village
- Roaming Shores
- Rock Creek
- Ashtabula County Townships*
  - Andover Township
  - Ashtabula Township
  - Austinburg Township
  - Cherry Valley Township
  - Colebrook Township
  - Denmark Township
  - Dorset Township
  - Geneva Township
  - Harpersfield Township
  - Hartsgrove Township
  - Jefferson Township
  - Kingsville Township
  - Lenox Township
  - Monroe Township
  - Morgan Township
  - New Lyme Township
  - Orwell Township
  - Pierpont Township
  - Plymouth Township
  - Richmond Township
  - Rome Township
  - Saybrook Township
  - Sheffield Township
  - Trumbull Township
  - Wayne Township
  - Williamsfield Township
  - Windsor Township

**Cuyahoga County**
- Beachwood
- Bedford
- Bedford Heights
- Bentleyville
- Berea
- Bratenahl
- Brecksville
- Brook Park
- Brooklyn
- Brooklyn Heights
- Chagrin Falls
- Cleveland
- Cuyahoga Heights
- Fairview Park
- Garfield Heights
- Glenwillow
- Highland Heights
- Hunting Valley
- Independence
- Lakewood
- Lyndhurst
- Maple Heights
- Mayfield Village
- Middleburg Heights
- Moreland Hills
- Newburgh Heights
- North Olmsted
- North Randall
- North Royalton
- Oakwood
- Olmsted Falls
- Olmsted Township
- Orange
- Parma
- Parma Heights
- Pepper Pike
- Rocky River
- Seven Hills
- Solon
- South Euclid
- Strongsville
- University Heights
- Valley View
- Walton Hills
- Warrensville Heights


**Hambden Township**
**Middlefield Village**
**Munson Township**
**Newbury Township**
**Russell Township**
**South Russell**
**Troy Township**

**Lake County**
**Concord Township**
**Eastlake**
**Fairport Harbor**
**Grand River**
**Kirtland**
**Kirtland Hills**
**Leroy Township**

**Munson Township**
**Newbury Township**
**Russell Township**
**South Russell**
**Troy Township**

**Medina County**
**Brunswick**

**Portage County**
**Brady Lake**
**Garrettsville**
**Hiram Village**
**Kent**
**Portage County Townships**
  - **Atwater Township**
  - **Brimfield Township**

**Lorain County**
**Avon**
**Elyria**
**Lorain**

**Charlestown Township**
**Deerfield Township**
**Edinburg Township**
**Freedom Township**
**Hiram Township**
**Mantua Township**
**Nelson Township**
**Palmyra Township**
**Paris Township**
**Randolph Township**
**Ravenna Township**
**Rootstown Township**
**Shalersville Township**
**Suffield Township**
**Sugar Bush Knolls**
**Windham Township**

**Summit County**
**Clinton**
**Macedonia**
**Northfield**
**Reminderville**
**Richfield**
**Sagamore Hills Township**

**Lake County Townships**
**Concord Township**
**Leroy Township**
**Madison Township**
**Painesville Township**
**Perry Township**

**Lorain County Townships**
**Amherst Township**
**Avon**
**Avon Lake**
**Columbia Township**
**Elyria**
**Elyria Township**
**Lorain**
**North Ridgeville**
**Sheffield Lake**
**Sheffield Village**
**South Amherst**

**Medina County**
**Brunswick**

**Portage County**
**Garrettsville**
**Hiram Village**
**Kent**
**Portage County Townships**
  - **Atwater Township**
  - **Brimfield Township**

**Summit County**
**Clinton**
**Lakemore**
**Macedonia**
**Northfield**
**Peninsula**
**Reminderville**
**Richfield**
**Twinsburg**

**Trumbull County**
**Liberty Township**
**Newton Falls**
**Warren**

*County joined NOPEC on behalf of its unincorporated areas (i.e. the townships listed in italics, which are not counted as individual members).*
## Ordinary Income/Expense

<table>
<thead>
<tr>
<th>Income</th>
<th>Jan - Dec 13</th>
<th>Jan - Dec 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>29,656</td>
<td>20,429</td>
</tr>
<tr>
<td>Management Fees – Natural Gas</td>
<td>1,420,233</td>
<td>2,167,665</td>
</tr>
<tr>
<td>Management Fees – Electric</td>
<td>5,026,814</td>
<td>6,214,330</td>
</tr>
<tr>
<td>Other Fees</td>
<td>617</td>
<td>965,781</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>6,477,320</strong></td>
<td><strong>9,368,205</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication Services</td>
<td>76,869</td>
<td>76,937</td>
</tr>
<tr>
<td>Computer Support</td>
<td>5,606</td>
<td>1,825</td>
</tr>
<tr>
<td>Consulting, Gas &amp; Electric</td>
<td>33,000</td>
<td>37,934</td>
</tr>
<tr>
<td>Contract Labor</td>
<td>0</td>
<td>14,452</td>
</tr>
<tr>
<td>Customer Database Management – Gas</td>
<td>30,470</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>23,272</td>
<td>10,102</td>
</tr>
<tr>
<td>Insurance</td>
<td>9,881</td>
<td>3,910</td>
</tr>
<tr>
<td>Legal Fees – Electric/Gas Aggregation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal – Litigation</td>
<td>246,819</td>
<td>250,464</td>
</tr>
<tr>
<td>Legal Retainer – Electric/Gas Aggregation</td>
<td>253,129</td>
<td>138,733</td>
</tr>
<tr>
<td><strong>Total Legal Fees – Electric/Gas Aggregation</strong></td>
<td><strong>499,948</strong></td>
<td><strong>389,197</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marketing</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>32,456</td>
<td>7,781</td>
</tr>
<tr>
<td>Annual report</td>
<td>22,793</td>
<td>8,445</td>
</tr>
<tr>
<td>Media</td>
<td>130</td>
<td>1,661</td>
</tr>
<tr>
<td>Media – Web site expenses</td>
<td>47,164</td>
<td>916</td>
</tr>
<tr>
<td>Marketing – Other</td>
<td>150,800</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Marketing</strong></td>
<td><strong>253,343</strong></td>
<td><strong>18,803</strong></td>
</tr>
</tbody>
</table>

<p>| Membership, Association, Training &amp; Sponsorships | 13,928 | 4,100 |
| Meetings                                      | 18,832 | 27,190 |
| Office Equipment                              | 4,839  | 1,800 |
| <strong>Total Office Supplies</strong>                     | 51,321 | 26,895 |</p>
<table>
<thead>
<tr>
<th>Item</th>
<th>Jan - Dec 13</th>
<th>Jan - Dec 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postage and Delivery</td>
<td>4,503</td>
<td>4,600</td>
</tr>
<tr>
<td>Total Professional Fees</td>
<td>79,964</td>
<td>89,373</td>
</tr>
<tr>
<td>Other</td>
<td>834</td>
<td>0</td>
</tr>
<tr>
<td>Payroll tax/Staff fringe benefits</td>
<td>137,878</td>
<td>72,170</td>
</tr>
<tr>
<td>Staff salaries</td>
<td>502,354</td>
<td>233,117</td>
</tr>
<tr>
<td>Support for CRES</td>
<td>37,713</td>
<td>0</td>
</tr>
<tr>
<td>Telephone</td>
<td>13,268</td>
<td>5,464</td>
</tr>
<tr>
<td>Travel</td>
<td>25,293</td>
<td>38,872</td>
</tr>
<tr>
<td>Utilities</td>
<td>11,225</td>
<td>3,765</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>1,834,341</strong></td>
<td><strong>1,060,506</strong></td>
</tr>
<tr>
<td><strong>Net Ordinary Income</strong></td>
<td>4,642,979</td>
<td>8,307,699</td>
</tr>
<tr>
<td><strong>Other Income/Expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental Office – net</td>
<td>9,784</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Other Income</strong></td>
<td>9,784</td>
<td>0</td>
</tr>
<tr>
<td><strong>Other Expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Program discount</td>
<td>3,317,000</td>
<td>3,312,060</td>
</tr>
<tr>
<td>Electric Program disct – Additional</td>
<td>0</td>
<td>917,266</td>
</tr>
<tr>
<td><strong>Total Other Expense</strong></td>
<td><strong>3,317,000</strong></td>
<td><strong>4,229,326</strong></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>1,335,764</strong></td>
<td><strong>4,078,373</strong></td>
</tr>
</tbody>
</table>
The Northeast Ohio Public Energy Council (NOPEC) is the largest governmental energy aggregator in the United States. Our members are communities (residential and small businesses) throughout Northeast Ohio. We have more than 130 members serving over 170 communities in 10 counties. For more than a decade we have saved our communities and members more than $185 million dollars and have provided more than $16 million in community energy efficiency grants.