

ENVIRONMENTAL, SOCIAL, GOVERNANCE REPORT JUNE 2022





FROM THE CEO

As a council of governments representing over 240 Ohio communities, NOPEC takes our responsibility to our member communities and their residents and small businesses very seriously. Throughout NOPEC's history, we have provided outstanding service -- protecting consumers from unwanted utility rate increases, negotiating competitive energy rates, giving back to member communities, and helping our communities implement their visions for tomorrow. NOPEC has been at the forefront of not only providing competitive energy supply as the largest non-profit energy aggregation in the state, but also providing Ohio communities with the support they need to conserve energy, reduce costs, and be more sustainable and resilient.

Over the past several years, NOPEC has made a significant investment of time and resources to review our member benefits and programs, talk with community officials throughout our footprint, and look at NOPEC through the eyes of our various customer groups to determine how we can best serve our customers not only today but in the future as well.

What we found is that our communities and customers are increasingly more environmentally conscious and placing a higher importance on utilizing cleaner power sources. Corporate and governmental transparency and social responsibility are also becoming extremely important factors in the choice of companies with whom today's consumers choose to do business as well as the communities in which they choose to live. So, businesses and governments must be more intentional in embracing agendas that are environmentally sustainable, socially fair, and governmentally responsible and transparent. In this report you'll see how NOPEC is working to develop an Environmental, Social, and Governance (ESG) strategy that supports our member communities, their residents, and their businesses.

As we prepared our very first ESG report, we've quickly realized that NOPEC has already been leading the way in a number of these areas – and so have you as a NOPEC member community. Throughout our 22-year history, NOPEC member communities have adopted programs that help them conserve energy and reduce their energy costs through our community grants and financing programs. Residents and small businesses in your communities have benefited from the energy education programs NOPEC provides, whether it's having NOPEC representatives available to talk to at community events, or through our educational programs that support energy education in schools. NOPEC has worked to protect your residents and small business owners through our advocacy efforts and programs like "Do Not Knock" that prevent unwanted door-to-door energy solicitors from knocking on your residents' doors.

So, it is with great pride and excitement that I present to you NOPEC's very first Environmental, Social, and Governance (ESG) Report. As you review this report, please reach out to NOPEC if you have any questions or would like more information as to how NOPEC can continue to support you and your community on your ESG journey.

Regards

Chuck Keiper, Executive Director & CEO

ABOUT THIS REPORT

Welcome to NOPEC's first Environmental, Social, and Governance (ESG) Report, discussing material topics for NOPEC and our stakeholders. In this report, we share how we identified material topics and established our ESG strategic priorities. We also report on significant accomplishments advancing ESG areas of impact. Data discussed in this report covers the 2021 calendar year through June 2022, as well as areas of impact over the past several years where indicated. Additionally, this report provides a future outlook of strategic priorities that NOPEC has identified as important in advancing ESG objectives that will benefit the member communities, residents, and small businesses we serve.

We are proud of the accomplishments we have made to date and are eager to move forward with our newly defined ESG priorities. Since we are early in our ESG journey, we have not yet established long-term goals across our material areas of impact. Rather, we will work with our member communities to set meaningful and ambitious objectives to help realize a sustainable future. This report seeks to reflect the voice of NOPEC communities and their collective action to create more sustainable, resilient, and equitable communities. As a non-profit energy aggregator, we are dedicated to transparent communications with our stakeholders and committed to being a sustainable organization supporting our member communities. This report serves to detail the ESG impacts of NOPEC and our associated organizations, NOPEC Inc. and the NOPEC Foundation.



ABOUT NOPEC

NOPEC is a non-profit public energy aggregation that enables Ohio communities to join with over 240 other communities to purchase electricity and natural gas as a group for their residents and small businesses. As Ohio's largest non-profit energy aggregator supplying energy to over 1,000,000 customers, we buy electricity and natural gas in bulk then pass the savings and benefits on to our customers. Since 2001, NOPEC has saved customers hundreds of millions of dollars on their energy costs, provided education opportunities for Ohio students and residents, awarded \$44 million in community energy-efficiency grants, and helped protect Ohio consumers by advocating for consumer-friendly energy policies.

2021 NOPEC STATS

(as of December 31, 2021)

54.945.805 MCF 22 NATURAL GAS **EMPLOYEES DELIVERED** 2 Member Communities 5,047,616,762 kWh 960,623 **ELECTRICITY RECS RETIRED DELIVERED** Electric Accounts OVER \$5,000,000 \$15,577,352 INVESTED IN **COMMUNITIES** 424,502 \$16,300,000 EARTHERA® \$13,056,417 Gas Accounts CONTRIBUTION BY NEXTERA **EXPENSES* ENERGY RESOURCES**

*unaudited

HOW DOES ENERGY AGGREGATION WORK?

Energy Aggregation is when a group of customers join together to form a single, larger customer that buys energy for its members. A large buying group may be able to get a better price and benefits than members could get on their own.



ENERGY AGGREGATOR

Negotiates with energy suppliers on behalf of the aggregation members.



SUPPLY

Energy from multiple sources is supplied to the energy grid for customers to use.



DELIVERY

The local utility that maintains the utility lines delivers the energy to homes and businesses.



CUSTOMER

Receives competitively priced energy and other benefits from the bulk purchasing power of the large group of customers.

NOPEC'S MISSION

NOPEC exists to serve our member communities and their residents and small businesses. To operationalize that mission, NOPEC identifies three components: we aggregate, educate, and advocate for our members. As a non-profit council of governments, NOPEC is uniquely positioned to support Ohio communities with attaining their aspirational goals. By combining our organizational efforts with the power of numbers, we work together to design and implement customized policies and action plans for deeper energy and carbon savings by engaging households, community leaders, regulators, and businesses. The impact NOPEC can have on creating a more sustainable Ohio aligns with our mission, as do the offerings provided to our member communities.





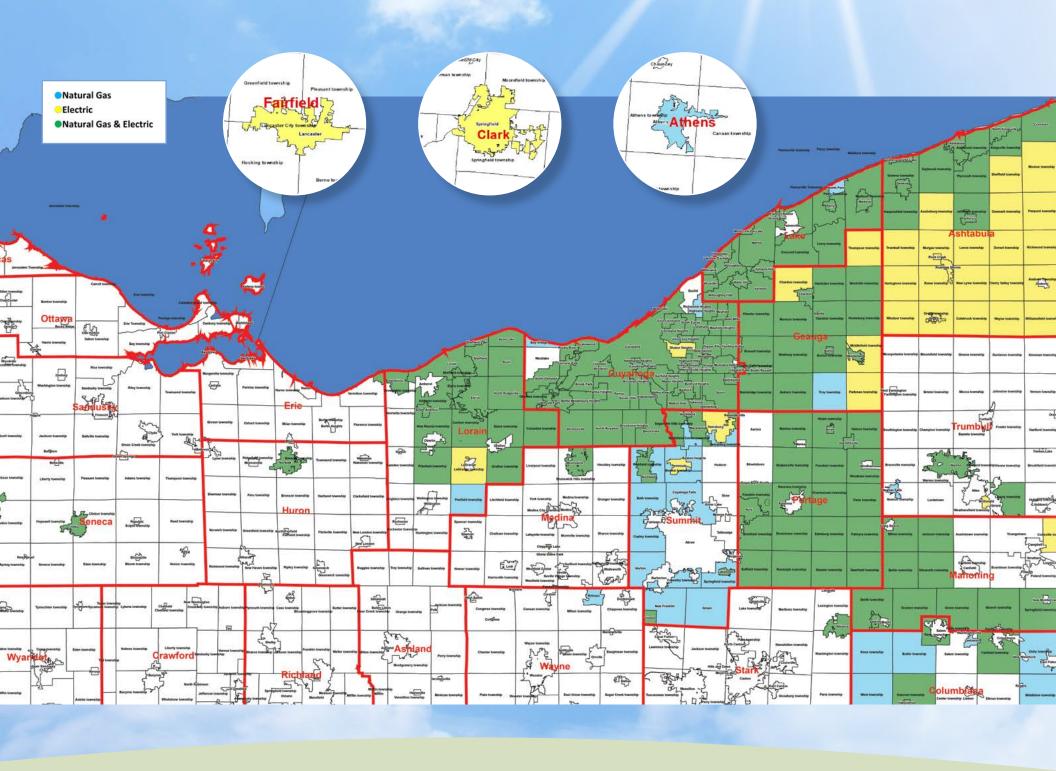
Using the collective buying power of over 240 Ohio communities and their residents and small businesses, we negotiate for lower energy rates and better terms and conditions. Leveraging this buying power, we can offer customers a choice of energy products while also supporting the development of clean and renewable energy resources.



NOPEC educates community officials, residents, and businesses on ways to reduce their carbon footprint while providing energy-saving tips to help them save even more on their energy bills. We also support energy education opportunities for Ohio students to learn about energy generation and the importance of energy efficiency.



NOPEC protects Ohio energy consumers from unreasonable utility rate increases and unfair regulation while preserving consumer choice in the energy industry by fighting for consumer-friendly energy policies. We also advocate for legislation and administration of Ohio's utilities to make it even easier and more affordable to be sustainable.





THE EVOLVING WORLD AROUND US

The rapid acceleration of climate change being recognized as a real and current threat has resulted in the need for organizations of all types to focus on impacts that extend beyond the direct product or service they provide to their customers. Increased attention to the direct and indirect impacts of businesses is driving an increased focus on sustainability, equity and inclusion, governance, and disclosures. This is driving a change in how businesses and other organizations operate and engage with stakeholders that can impact their reputation and license to operate. Here at NOPEC, this has evolved our thinking with how we deliver on our purpose and mission. With our collective purchasing power and influence, we seek to continue to keep the cost of energy affordable and stable while improving the environmental and social impacts of the energy and related services we provide to NOPEC communities.

ESG AT NOPEC - PAST TO PRESENT

Our journey towards Sustainable Stewardship began nearly 20 years ago with independent program initiatives to support member communities in cost savings. Today, we integrate to support communities in impacting their specific sustainability agendas. NOPEC does not yet have a collective goal of achieving a greener or carbon-neutral community. Instead, as a council of governments, our team meets each community where they are on their journey and supports them in accomplishing their individual goals. Whether the focus is on reducing their overall carbon footprint, decreasing costs through energy efficiency, helping residents with competitive energy rates, or providing small businesses with the resources they need to thrive, NOPEC is helping member communities achieve their objectives.

In 2021, Blue CSR Strategies was engaged to help NOPEC better understand the issues surrounding sustainability, environmental, social, governance (ESG), and corporate responsibility. This effort included leadership engagement and education on ESG, identification of material ESG topics, and establishing ESG priorities for NOPEC.

In early summer 2021, Blue CSR Strategies and NOPEC's leadership explored the rapidly evolving and growing focus on ESG. We researched broad ESG frameworks, engaged stakeholders, and solicited input from communities, businesses, and residents to identify relevant ESG topics for NOPEC. As a non-profit council of governments, NOPEC has a unique responsibility to the communities it serves and elevating a focus on ESG was seen as an opportunity to advance its mission.

ESG MATERIALITY & STRATEGY FRAMEWORK DEVELOPMENT

This project involved three phases: (1) research ESG priorities of industry suppliers/peers and communities, (2) engage with community leaders and other partners to identify priorities and opportunity areas, and (3) develop ESG strategic priorities, pillars, and catalytic actions with leadership.



RESEARCH PHASE

Blue CSR conducted a tabletop study of emerging trends across ESG and corporate responsibility efforts. This research identified what peer and competitor organizations are doing related to sustainability, ESG, and corporate responsibility. Blue CSR also reviewed sustainability and ESG frameworks that might be useful to align NOPEC's ESG strategy. We looked at both international frameworks that are known and adopted broadly and frameworks that might be appropriate for communities in Ohio. Our findings identified reporting and sustainability frameworks that target a wide range of organizations but were largely focused on large publicly traded companies.

These include Sustainable Accounting Standards Board (SASB), Global Reporting Initiative (GRI), Task Force Climate Related Financial Disclosures (TCFD), United Nations Global Compact (UNGC), and the United Nations Sustainable Development Goals (UNSDGs). Through these research efforts, NOPEC explored industry specific, ESG-related topics to identify priorities material to NOPEC's long-term success that will have the most positive impacts on the communities we serve, the residential and small business consumers we deliver electricity and natural gas to, and the employees that rely on NOPEC for their livelihoods.

Framework Alignment United Nations Sustainable **Development Goals**

Of the international frameworks. The United Nations Sustainable Development Goals (UNSDGs) provided greatest alignment for NOPEC and provides a broad-based framework towards advancing sustainability and having a meaningful impact on creating a sustainable global society. UNSDGs are a set of 17 ambitious global goals that companies, organizations, communities and countries can all adopt, accelerate, and share their progress. The UNSDGs are creating an inclusive and dynamic approach to addressing some of the greatest challenges around the globe.

SUSTAINABLE GALS



































ENGAGEMENT PHASE

We conducted one-on-one interviews with internal and external stakeholders and an online survey for community leaders and other external stakeholders important to NOPEC's success to better understand what matters most to them and what they expect from NOPEC as an energy aggregator. This engagement was in addition to the regular and extensive engagements we initiate with member communities to better understand their priorities. Insights from the engagement phase provided us with a deeper understanding of what to focus on and what ESG priorities member communities are interested in advancing.

DEVELOPMENT PHASE

Utilizing the research and engagement findings, NOPEC created an internal interdisciplinary committee to analyze and discuss the implications of the research findings, working with outside consultants such as Blue CSR to develop strategic priorities and recommend ESG pillars for NOPEC. These pillars highlight priority areas and catalytic actions for NOPEC to focus on as we develop our ongoing strategy and programming to benefit member communities while supporting ESG and sustainability objectives. The research and engagement also identified strategic alignment with a set of UNSDGs that NOPEC could have a meaningful impact on advancing. These include Goal 7, Affordable and Clean Energy, Goal 11, Sustainable Cities and Communities, and Goal 13. Climate Action.

GOALS NOPEC CAN IMPACT



Ensure access to affordable, reliable, sustainable, and modern energy for all.



Make cities inclusive, safe, resilient, and sustainable.



Take urgent action to combat climate change and its impacts.







Through the combined efforts of research and both internal and external engagement, we established a set of strategic priorities across the three ESG pillars of Protecting our Planet, Thriving Communities, and Operating with Integrity. We will leverage these ESG pillars and priorities to develop internal and external programming to support advancing the material areas of impact we identified during the ESG assessment we conducted in 2021. Together, through a focus on these priorities, we aim to create a stronger, more responsive NOPEC in support of member communities and our residential and small business customers.

NOPEC'S ESG PILLARS & PRIORITIES:



RENEWABLE ENERGY ENERGY EFFICIENCY & SUSTAINABILITY PROGRAMMING ECONOMIC & COMMUNITY INVESTMENT
EDUCATION
CONSUMER PROTECTION
& ADVOCACY

OPERATIONAL FOOTPRINT
DIVERSITY, EQUITY
& INCLUSION
TRANSPARENCY
& GOVERNANCE



PROTECTING OUR PLANET

As the largest non-profit energy aggregator in Ohio, NOPEC has a unique role and responsibility to protect our planet and provide resources to our member communities to better address the growing concerns of both energy costs and climate change. We are uniquely situated to provide solutions that can create a positive impact on consumers, communities, and the planet through investment in renewable energy, energy efficiency, and climate change mitigation efforts. Climate change and the associated impacts on communities across Ohio will be felt by everyone. NOPEC is here as a partner to support communities and residential and small business electric and natural gas customers in preparing to transition to a low-carbon energy future.



RENEWABLE ENERGY

Since 2017,
over 9.3 million
RECs retired and over
\$71 million
invested in renewable energy

Since 2017, NOPEC has provided programming that supports renewable energy in excess of the Ohio Renewable Portfolio Standard (RPS) minimum requirements. Individual customers can choose to participate in electric programs that include Renewable Energy Credits (RECs) equal to 100% of the amount of electricity used by the customer. NOPEC member communities also can choose to participate in our Renewable Energy Preferred Pricing Program that provides electricity backed 100% by RECs at cost to municipalities. To date, our programming has resulted in the retirement of over 9.3 million RECs, which represent the environmental attributes associated with the generation of more than 9.3 million MWhs of renewable electricity. In addition, NextEra Energy Resources ("NextEra") contributes a portion of the NOPEC aggregation revenues to the EarthEra® Renewable Energy Trust

(EarthEra® Trust). Funds from the trust are used to develop NextEra renewable energy projects in the United States, including Ohio. Since 2017, NextEra has contributed over \$71 million from NOPEC's aggregation programs into the EarthEra® Trust. NOPEC continues to work with NextEra to identify opportunities in Ohio to expand the renewable energy capacity in the state.

In 2021, NOPEC worked with a Sustainability Task Force that included community members representing several NOPEC member communities looking for a better alternative to support renewable energy. Through this work, the NOPEC Green Community Choice Program was developed. This program enables communities to support 100% renewable energy initiatives through their default electric aggregation program. The Green Community Choice Program will begin enrolling residents and small businesses with the January 2023 meter read and will continue for a minimum of three years.

NOPEC continues to seek opportunities to expand the development of renewable energy in Ohio. Through NOPEC, Inc., we have launched discussions to make specific solar investments in Ohio. This is a significant advancement in our effort to support renewable energy development in Ohio. We look forward to sharing our progress.

HOW EARTHERA® WORKS

EarthEra® RECs are national voluntary RECs created by wind or solar energy projects located in North America. The EarthEra® program was established by NextEra® Energy Resources to provide an innovative way for businesses and consumers to support the development of renewable energy resources with confidence that the proceeds from the purchase of EarthEra® RECs are going to the development and construction of new wind and solar energy projects in the United States.

The proceeds from the purchase of EarthEra® RECs are deposited in the EarthEra® Renewable Energy Trust, a fund overseen by an independent third-party trustee, which invests 100% of the proceeds it receives in the development and construction of new renewable energy projects in North America. One goal of the EarthEra® program is to accelerate the growth of clean renewable resources and make these resources a major part of America's energy future. Proceeds from the sale of EarthEra® RECs are already being directed to renewable energy projects under development in the Northeast and may be directed to similar projects in Ohio in the future.

Start 100% of \$ Trust directs Results How EarthEra Works Company We create to the Trust 100% of \$ purchases America's clean EarthEra Trust All of the money EarthEra RECs are renewable EarthEra is used to build energy future receives all energy credits with Additionality. RECs together. proceeds. renewable Since 2009, EarthEra Trust has projects. invested over \$120 million into new clean energy products.

EARTHERA® CERTIFICATE & ATTESTATION

NextEra annually provides NOPEC an EarthEra® certificate and attestation confirming all RECs retired on behalf of NOPEC annually and that the RECs are not remarketed or re-sold. NextEra's Environmental Trading Desk is responsible for marketing, tracking, and retiring RECs from NextEra's renewable asset portfolio.



BEGINNING IN 2022, ALL NOPEC 100% RENEWABLE CONTENT PRODUCTS INCLUDE GREEN-E ENERGY CERTIFIED RECS.

Green-e® Energy is a consumer protection program that is well-known within the clean energy industry and is a trusted leader in providing businesses and individuals verification that the type of REC the customer is procuring is indeed from clean energy. See FAQs at www.green-e.org.



ENERGY EFFICIENCY & SUSTAINABILITY PROGRAMMING

NOPEC provides sustainability and energy efficiency guidance to improve operations and energy management in NOPEC member communities. Through program development, research, leveraging partnerships, and celebrating community achievements, NOPEC shines the light on energy efficiency and the benefits to communities and their citizens. As part of our ESG strategy work in 2021, we identified this as a growing need and will continue to expand programming to meet the needs of our member communities, residents, and small businesses.

ENERGY STAR PARTNERSHIP

In 2019, NOPEC became an ENERGY STAR® Partner and



created the Energy Savings Roadmap, a step-bystep guide to developing and implementing energy efficiency and renewable energy policies. This roadmap provides valuable information on how to take the first steps on employee and community engagement, benchmarking, and setting goals. A prospectus and tips can also be found on our blog series "Sustainable Communities for a Brighter Future" to provide information for communities on how to become more sustainable.

ENERGY ADVISOR PROGRAM

The Energy Advisor Program provides support for NOPEC member communities in managing energy usage in their public administrative buildings and facilities. NOPEC's Relationship Management Team explores each community's goals, plans, and sustainability aspirations. We then identify how our funding programs and member community benefits can support the community's initiatives. Many communities use NOPEC programming as a catalyst towards achieving their goals while others appreciate how our programs contribute to sustaining their efforts. Regardless of their stage of progression, NOPEC looks to evolve our programming to meet the needs of each NOPEC member community through our Energy Advisor Program. We began this program in 2018 by offering an Energy Bill Review, which includes an expert analysis of a community's municipal natural gas and electric bills to identify the most beneficial rates and options available to your community. The Energy Bill Review may identify accounts that are in an unfavorable contract or being served under the wrong utility tariff. NOPEC makes recommendations on rates for these municipal loads and can work to calculate potential savings through our Preferred Pricing Program that offers electricity and natural gas at cost for municipal loads. That means the community gets the best pricing available from NOPEC, saving budget dollars for energy-efficiency improvements and other community needs.



GREEN RIBBON AWARD

In 2021, NOPEC created the Green Ribbon Award to recognize and encourage member communities to participate in energy efficiency, conservation, and sustainability efforts. The award recognizes communities who have successfully completed projects to reduce energy usage or integrate green energy into their communities. Each community that wins is recognized at our annual General Assembly meeting, receives a plaque in recognition of their award, and is awarded \$2,500 to invest in additional energy efficiency initiatives.



2021 RECIPIENTS

Community	Chippewa Lake	Amherst Township	City of Twinsburg
Number of Residents	~ 1,000	~ 7,000	~ 19,000
Project	Replaced over 100 old HPS streetlights consuming nearly 57,000 kWh/year with 30W LED bulbs	Replaced 68 fluorescent lighting fixtures with half as many 22W LED fixtures	Replaced original 60+ year old windows with 15 double hung windows and 8 awnings. Upgraded 4 garage doors to improve insulation
Outcome	Approximately 41,000 kWh/year savings	Greatly reduced energy usage	Reduced unwanted air intrusion and improved air efficiency

ELECTRIC VEHICLE INFRASTRUCTURE

Communities across Ohio are ill-equipped to manage the significant demands required to invest in electric vehicle (EV) infrastructure in their communities. In response to this reality, we contracted with a reputable third party in 2021 to research the requirements for EV infrastructure across the State and, in particular, in our member communities. This research study led us to a better understanding of what is needed to create a low-carbon transportation infrastructure and what role NOPEC can and should have in helping realize this future. It resulted in a better understanding of how we can support member communities with increased access to the resources for investing in EV infrastructure today and in the future.





THRIVING COMMUNITIES

NOPEC has always served in support of our member communities. Through our identification of ESG priorities, we are focusing on areas that support our member communities' ability to grow and thrive, bettering the lives of their residents and supporting their businesses. We accomplish this through economic and community investment and educational outreach programs. Our investments in NOPEC member communities support stronger, more resilient communities.

ECONOMIC & COMMUNITY INVESTMENT

11 SUSTAINABLE CITIES AND COMMUNITIES

NOPEC's investments in communities are targeted towards advancing energy efficiency and renewable energy for small businesses and governmental and non-profit organizations. As a non-profit energy aggregator, we are well-situated to support advancements in energy efficiency and on-site renewable energy development to support revitalization and economic stabilization of neighborhoods. Reducing the costs of heating, cooling, and powering the buildings where we work, live, and conduct business, helps support more stable and resilient communities, better preparing them to thrive. These investments help to reduce energy consumption, provide low-cost financing, and reduce energy costs for small businesses and municipal buildings.

FINANCING PROGRAMS

NOPEC realizes that with limited capital resources, communities and businesses struggle when it comes to investing in energy-efficiency projects. These projects often have a longer return on investment than other priorities that businesses and communities face and require significant upfront capital investment. To provide commercial property owners and municipalities a better solution, NOPEC developed two lending programs that provide funds upfront with low interest rates, allowing property owners to use the savings from their reduced energy usage to pay back the loan. The Property Assessed Clean Energy (PACE) program funds projects from \$100,000 to \$1,000,000 while the Savings Through Efficiency Program (STEP) can fund projects from \$5,000 to \$125,000. Projects that have been funded through these programs include updating lighting, windows, and HVAC systems, improving insulation, and replacing old roofing to increase energy efficiency.



\$1,125,000 AMOUNT INCEPTION \$6,800,000

\$4.5 million totaling more than than totaling more than than illion in community grants since 2001.

GRANT PROGRAMS

Since 2001, NOPEC has awarded over \$44 million in energy-efficiency grants to NOPEC member communities, helping lower their energy costs and upgrade their energy infrastructure. There are many types of projects that qualify for this grant funding. Some of the most common include LED lighting upgrades, solar powered LED signs, generators, insulation, and energy efficient windows, air conditioners, and appliances.

BUY OHIO PROGRAM

We believe in using our buying power to strengthen the Ohio economy. In fact, from April 2014 through December 2021, NextEra Energy Services Ohio, LLC, procured approximately 74% of natural gas to serve the NOPEC load from Ohio resources. NOPEC's retail electricity aggregation in Ohio is sourced, in part, from Ohio generation sources. NOPEC also seeks to utilize Ohio-owned businesses when working with vendors and agency partners. Currently 67% of the vendors we work with are Ohio-based companies.

Approximately

of NOPEC's
Natural Gas
sourced from Ohio Resources

SPONSORSHIPS AND PARTNERSHIPS

The more residents and small business owners in NOPEC member communities know about who NOPEC is and what we provide, the better we can serve and educate them as energy consumers. NOPEC enables and empowers consumers to be able to make smart energy choices and gives them the tools to reduce their own environmental footprint in ways not available to small businesses or residents elsewhere. NOPEC works with member communities and local organizations to help expose community members to information about NOPEC and the benefits that we can bring.

Regional Sponsorships

Over the years, NOPEC has continued to expand its visibility and engagement opportunities through strategic regional sponsorships and partnerships. Currently these sponsorships include partnerships with the Lake County Captains as an inning sponsor, Cleveland Metroparks and the Wild Winter Lights event, the Cleveland Orchestra's Movie Nights at Blossom Music Center, and a new interactive wind-turbine design exhibit at the Great Lakes Science Center.









Community Event Sponsorship Program

NOPEC supports community efforts to provide residents with engaging events through the Community Event Sponsorship Program. Since 2018, NOPEC has provided over \$1 million to support events in NOPEC member communities that are free for all residents to attend.

We believe our presence in and commitment to member communities and their residents is something that sets us apart from all other aggregators in Ohio. Spending meaningful time in the communities we serve and being personally accessible has helped many residents understand their options and has provided them with the tools to make informed decisions about their energy choices.

EDUCATION

Part of NOPEC's mission is to provide energy education opportunities in our member communities. We accomplish this in two ways. First, we support STEM education programs for Ohio students to learn about energy generation and the importance of energy efficiency. Second, we provide consumer education resources for residents and small business owners, helping them to understand their energy choices so they can make the energy decisions that best meet their needs.



STEM EDUCATION

NOPEC supports STEM based energy education opportunities for students, the energy decision makers of the future. We accomplish this through educational programming such as the NOPEC Energy Explorers Reading Program, our partnership with the Ohio Energy Project providing resources for Ohio schools and their students to participate in Energy Summits and Workshops, and our newest wind turbine educational exhibit at the Great Lakes Science Center.



CONSUMER EDUCATION

Understanding the energy market and the choices available to residents and small business owners can be confusing and time-consuming. That's why NOPEC provides energy education opportunities, tips on ways consumers can reduce their energy, and resources to help consumers make the energy decisions that are right for them. NOPEC accomplishes this in many ways. We routinely conduct free, in-person presentations at senior centers, community centers, civic gatherings, and more. NOPEC also provides money- and energy-saving tips and resources online through the Energy Savings Center, where residents can access NOPEC's blog, sign up for the NOPEC monthly Energy Connection newsletter, and enroll in home maintenance reminders. Visit NOPEC's Energy Savings Center at nopec.org/energycenter.

SAVE HUNDREDS
OF DOLLARS A YEAR
ON HOUSEHOLD
ENERGY USED CAN

CONSUMER PROTECTION & ADVOCACY

NOPEC works vigilantly to protect our customers and communities from aggressive and misleading for-profit energy sales and advocates to preserve customer choice, prevent unfair utility charges, and promote consumer-friendly energy legislation and utility regulatory policies. Communities can choose to join the Do Not Knock Program that allows residents to add their address to a list that for-profit solicitors are not allowed to go to. To date, we have 20 communities enrolled in this program with over 16,000 residents signed up.

Our advocacy efforts help protect all Ohio ratepayers from additional fees and excessive charges being added onto their bills. We're proud to say that we have celebrated numerous successes to benefit our customers over the years.

> Last year, working in conjunction with the Ohio Consumers' Counsel (OCC), we helped to negotiate a settlement with FirstEnergy. It resulted in the average residential FirstEnergy customer receiving a refund of about \$85 over the next several

years with NOPEC small business customers receiving larger refunds. The total refunded to FirstEnergy customers will be \$306 million back to Ohioans!

In 2021, we also worked with other consumer advocates. including the Ohio Consumers' Counsel, to intervene in an interstate gas pipeline company rate increase case, on behalf of our natural gas aggregation customers served by Columbia Gas of Ohio. Our intervention in this case helped to result in a lower rate increase amount for the 2021-2022 winter heating season, instead of the higher as filed rates that were being charged.

Other Past Advocacy Includes:

- Preserving deregulation and customer choice which has been shown to have saved Ohioans \$23.9 billion since 2011
- Advocating for our residents to prevent unwarranted charges and fees during severe weather months.
- Supporting legislation and policies to ensure that utility rates found to be unlawful or unreasonable should be subject to refund, putting money back into the pockets of Ohioans.

CUSTOMER SATISFACTION:

As our aggregation grows, NOPEC is committed to providing excellent service and support to the customers we serve. Our team works very diligently with NextEra and their back-office support teams. Together we have made a commitment to having and maintaining the best customer support systems in the industry. Acceptable back-office support attainment norms in the industry are around 92% accuracy. We're achieving accuracy in the upper 90% every day. That means our mailings are more accurate and people who are supposed to get our information get it and get it on time.

We frequently hear from customers how helpful and informative our call center representatives are. Calls are guickly answered by a live call center representative located here in the United States and, in most cases, that can speak their language, whether that is English, Spanish, or any of several other languages supported. Customers are treated with respect and get their issues completely addressed guickly and efficiently. We want our customers to be served correctly 100% of the time. And it's paying off with the lowest customer turnover rate in the state.

NOPEC'S **ADVOCACY** MISSION

- Support policies that are fair to all Ohio utility consumers.
- Maintain robust and fair deregulated retail energy markets in Ohio.
- Ensure competitive, diverse and resilient generation.
- Restore impactful renewable energy standards.
- Eliminate guaranteed recovery of revenues for electric utilities regardless of weather or economic conditions.



IN CONSUMER REFUNDS



OPERATING WITH INTEGRITY

Operating in a manner that continues to garner the trust and support of NOPEC member communities is essential to the success of NOPEC and our mission to serve our member communities and their residents and small businesses. Though NOPEC itself has a small operating footprint with administrative offices in Solon, Ohio, leadership and consistent demonstration of the highest ethical standards helps to preserve trust and accountability as an energy aggregator.

Moreover, as a non-profit council of governments, NOPEC is uniquely organized in a way that provides public accountability, accessibility, and transparency that few other energy aggregators can provide and none with the buying power that an organization like NOPEC maintains. We are proud of our ability to deliver for our communities, residential and small business customers. Operating with integrity is an essential part of maintaining and strengthening our ability to sustain these efforts.

OPERATIONAL FOOTPRINT

2021 NOPEC OFFICE STATS

71

(MWh)

35.73

42.2

TOTAL TON (CO2) TOTAL NATURAL GAS (MCF)

ENERGY AND ENERGY EFFICIENCY

NOPEC has invested in our own facilities and operations to reduce our own energy consumption through energy efficiency improvements, operational changes, and behavior change. These efforts include LED lighting updates and installing 3M Prestige Exterior window film on all our existing exterior windows. The window film allows natural light into the building while limiting the heat coming through the windows and blocking up to 97% of the infrared light. Occupancy sensors are used to control lighting in the bathrooms and main kitchen to reduce energy by automatically turning off the lights when not in use. NOPEC's office also participates in our renewable energy program meaning that 100% of the energy used at our Solon office is backed by renewable energy credits.

WASTE AND RECYCLING

NOPEC purchases 30% recycled paper for in-office use, using approximately five reams of paper per week and recycling an average of two bins, holding up to 200 lbs. of paper each month. We have also implemented processes to go paperless whenever possible.

WORKPLACE HEALTH AND SAFETY

Employee safety is a top priority at NOPEC. We want our team members to stay safe and healthy as they serve our member communities. We educate our employees on safety measures as many are frequently out meeting with the public. Our office building is protected with commercial lock sets and security monitoring to help ensure safety in the workplace.

We have also incorporated many principles from the FitWell® program into our work environment. Employees have a choice of a stand or sit desk and are provided opportunities for daylighting or working outdoors. We even created space for privacy including individual and sound proofing measures.

Operating During COVID

NOPEC made a number of physical plant improvements in 2021 designed to keep our employees safe while continuing to foster a company culture that values in-person attendance in the workplace while minimizing the exposure of individuals to the many ebbs and flows of outbreaks during this pandemic. We have made IT investments in order to serve our member communities virtually without interruption. Those investments increased our online access and functionality and allowed us to conduct business 100% virtually when necessary.

DIVERSITY, EQUITY, & INCLUSION

NOPEC values a diverse workforce and an inclusive work environment that reflects our members and communities. Our team members represent a variety of backgrounds, education levels and thinking styles. Our diversity plays an important role in fostering innovation, driving performance, and serving the many different individuals and communities who comprise the NOPEC family. We seek to cultivate an environment where our employees can bring their best and authentic selves to work.

EMPLOYER POLICIES

NOPEC is committed to providing equal employment opportunity. We hire and promote individuals who best meet the requirements of available positions and who have the best potential for advancement. We comply with all applicable equal employment opportunity laws. Decisions regarding hiring, promotions, and other terms of employment and termination are made without respect to race, color, religion, sex, sexual orientation (gender identity, gender stereotyping, transgender), pregnancy, national origin, ancestry, age, disability, genetic information, veteran status, military status, or any other characteristic protected by law. NOPEC does not discriminate against any qualified applicant or team member because of the individual's disability, perceived disability, or record of disability.

EMPLOYEE TRAINING AND DEVELOPMENT

NOPEC encourages employees to attend professional development training to improve job performance and learn new skills. We also encourage employees to join professional and industry organizations such as Engage! Cleveland, Ohio Economic Development Association, Pace Nation, and the US Green Building Council. These organizations provide employees opportunities to network and learn about current topics in their respective fields. Additional training that has been provided to staff includes topics such as diversity, leadership, public speaking, and relationship building. NOPEC also offers an educational assistance program to those interested in pursuing higher education.

Developing Future Leaders

NOPEC hires college interns each year to assist our marketing department. The internship gives students a unique opportunity to gain hands-on experience in content creation, event sponsorship, community outreach, public relations, social media, and more. Depending on the company's needs, NOPEC may offer additional summer internships in areas like accounting and business.

INTENTIONAL EMPLOYEE RECRUITMENT

NOPEC works hard to provide superior service to our member communities and customers efficiently. We currently employ 22 employees in a variety of specialties including marketing, finance, relationship management, community outreach, economic development, and energy. As a position becomes available or a need for a new position is identified, NOPEC's leadership team thoroughly analyzes the role and how best to support the aggregation. Hiring decisions are made based on the experience and education of participants to best meet the needs of the role being hired for.



STAKEHOLDER ENGAGEMENT AT NOPEC

NOPEC represents over 240 Ohio communities from townships and villages to large cities. Recognizing the many differences in the types of communities we represent, NOPEC strives to be representative of our communities through our intentional recruitment and inclusion of community leaders, residents, and small businesses from all over our footprint in research studies and requests for feedback.

Engaging with NOPEC's critical stakeholders keeps us apprised of their priorities and allows us to better serve NOPEC communities, residential and small business customers, and our employees. We focus on providing cost-effective and responsibly-sourced energy services and meet the highest ethical and regulatory standards in part because of our focused attention on stakeholder engagement. We engage with stakeholders in some of the following manners and frequencies.

STAKEHOLDER ENGAGEMENT

COMMUNITY LEADERS

TYPE OF ENGAGEMENT	FREQUENCY
One-on-One RM Meetings	As needed
Council or Trustee Meetings	As needed
Issue-Specific Task Forces	As needed
Community Leader Organizations	Regularly throughout year
Conferences	Annually
Community Connection Newsletter	Monthly
Focus Groups	Once every three years
Email	As needed
Social Media	Regularly throughout year
Website	Regularly throughout year
Press Release/Media	As needed

GENERAL ASSEMBLY MEMBERS

TYPE OF ENGAGEMENT	FREQUENCY
General Assembly	Annually
Annual Report	Annually
One-on-One Meetings	As needed

EMPLOYEES

TYPE OF ENGAGEMENT	FREQUENCY
Planning Meetings	Quarterly
Staff Meetings	Monthly
Team-Building/Holiday Events	Quarterly
Email	Regularly throughout year
Teams Communication	Regularly throughout year
Social Media	Regularly throughout year
Performance Reviews	Annually
Employee Survey	Quarterly
Training and Development	Regularly
Leadership Updates	Weekly

REGULATORS

TYPE OF ENGAGEMENT	FREQUENCY	
Meetings	As needed	
Hearings	As needed	

SUPPLY PARTNERS/VENDORS

TYPE OF ENGAGEMENT	FREQUENCY
Meetings	Regularly throughout the year
Email	Frequently
General Assembly Meeting	Annually

COMMUNITIES (Residents and Small Businesses)

TYPE OF ENGAGEMENT	FREQUENCY
Enrollment Letters	Every three years electric, every two years gas
Community Events	Periodically
Press Releases/Media	As needed
Customer Focus Groups	Every three years
Customer Surveys	Annually
Newsletter	Monthly
Call Center	As needed/continuously available
Social Media	Regularly throughout year
NOPEC Website	Regularly throughout year

BOARD MEMBERS

TYPE OF ENGAGEMENT	FREQUENCY
Board Meetings	Seven times throughout year
General Assembly Meeting	Annually
Board Member Retreat	Once every two years
Committee Meetings	Monthly to annually depending on committee
Onboarding Meeting	Once at beginning of term

TRANSPARENCY & GOVERNANCE

As a council of governments including over 240 member communities, NOPEC strives to serve our members and customers responsibly and ethically. We do this by being transparent with our member communities, valuing their feedback and participation, implementing policies, participating in advocacy efforts to protect the interests of our members, and partnering with other organizations that exhibit integrity and strong values.

NOPEC consists of three operating organizations: NOPEC, NOPEC, Inc. and the NOPEC Foundation.



- Regional council of governments under Chapter 167 of Ohio Revised Code
- Comprised of over 240 Ohio political subdivisions in 19 counties
- Formed in 2000, operating governmental energy aggregation programs since 2001
- Tax exempt, non-profit public entity
- Governed by unpaid, volunteer Board of Directors that are elected or appointed officials from NOPEC member communities
- Funded through administrative payments from its electricity and natural gas suppliers



- Formed in 2007 as a not-for-profit tax-exempt IRC Section 501(c)(4) Ohio corporation
- Membership organization with sole member being Northeast Ohio Public Energy Council
- Has a shared service agreement with NOPEC, but has no employees
- Primarily funded by grants from NOPEC
- Led and managed by Board of Directors, which are paid positions
- Has oversight of NEC Grant Program and STEP loan program
- Holds a Competitive Retail Electric Supplier Certificate (CRES), allowing NOPEC, Inc. to act as a retail energy supplier if NOPEC is unable to secure a suitable supplier for the aggregation



- Established in 2019 as an Ohio non-profit corporation and private foundation
- Tax exempt under IRC Section 501(c)(3)
- NOPEC, Inc. is the sole member
- Led by an unpaid, volunteer Board of Directors
- Funded by contributions from NOPEC's suppliers and NOPEC, Inc.
- Mission is to direct community giving to benefit NOPEC member communities
- First charitable donation in 2020 provided \$125,000 in cash grants to food banks supporting residents in NOPEC member communities during the pandemic

The three boards described above are completely independent of each other. There are no overlapping members.

NOPEC's increasing focus on ESG provides member communities with the resources and expertise they need to support them as they address the issues that are important to the residents and small businesses in their communities. As Vice Chair of the NOPEC Board of Directors, I am proud of the steps NOPEC is taking to support Ohio communities in establishing and achieving their sustainability goals. Having a resource like NOPEC for its 240+ communities to partner with will help create impactful, responsible, and positive changes for Ohio's future.

Georgine Welo, Mayor of South Euclid, NOPEC Board Vice Chairperson, Cuyahoga County Representative

NOPEC BOARD OF DIRECTORS AND GENERAL ASSEMBLY

NOPEC is governed by a General Assembly made up of one representative from each member community. The General Assembly meets once per year to vote on new aggregation members, NOPEC's annual operating budget, and to elect the NOPEC Board of Directors.

The NOPEC Board of Directors meet seven times per year. Each Board Member serves on at least one of the following committees to provide oversight for the day-to-day operations of NOPEC. The public is welcome to participate or attend any of the Board of Directors' or committee meetings.



BOARD OF DIRECTOR COMMITTEES

BYLAWS & GOVERNANCE

Review, update, and recommend any needed changes to NOPEC's membership.

FINANCE & AUDIT

Oversee NOPEC's fiscal responsibilities and act as the official audit committee for all audits completed by the State of Ohio or its agents through the Auditor of State.

HUMAN RESOURCES

Act as advisory resource for talent recruitment, employee management, and personnel policies.

GOVERNMENTAL AFFAIRS

Monitor pressing advocacy issues facing NOPEC and assist in the establishment and maintenance of good governmental relationships, representing communities across the NOPEC footprint.

MARKETING

Review marketing plans, monitor results, and provide feedback on current and proposed marketing activities.

STRATEGIC PLANNING

Review and offer guidance on the organization's mission, vision, and strategic direction, including assisting in development and analysis of strategic business options.

BOARD MEMBER RECRUITMENT

Board selection is critical to NOPEC's success and requires comprehensive planning. Identifying a diverse pool of potential board members has become a priority for NOPEC to ensure our Board of Directors will be reflective of the communities we serve.

Compatibility among board members is paramount. Opinions, perspectives, and skill sets can and should be as diverse as possible, but there is never any substitute for how much interpersonal skills, basic considerations for fellow board members, and a healthy respect for the value of solid public discourse can impact an organization. Therefore, an extensive investigative recruitment process is utilized when evaluating and recommending potential board members to the General Assembly Members to ensure the quality and integrity of the candidates serving on our Board of Directors representing our member communities.

MEMBER COMMUNITY PARTICIPATION

As a council of governments, member communities are invited to participate in our annual General Assembly Meeting. Each member community also gets a vote at our Annual Meeting. Each county or geographic region outside of Northeast Ohio that has at least one NOPEC member community has a Board Member elected to represent them on the NOPEC Board of Directors. As needed, NOPEC's leadership team also interacts with community leaders through thought leadership meetings, targeted committees such as the Sustainability Task Force, regional planning commissions, and through a regular cadence of research studies and surveys.

ENERGY PARTNER



We can't have integrity without partners who also operate at the highest ethical standards. This weighs in every financial and risk decision we make. That is why NOPEC routinely conducts a stringent process that requires potential energy partners to comply with our financial, legal, and insurance standards: the highest standards in the business.

As a result of that process, NOPEC has chosen NextEra Energy Services Ohio, LLC (NESO) as the natural gas and electric aggregation supplier to serve our aggregation's customers.

NESO's parent company, NextEra Energy, Inc. is a financially strong, leading clean-energy company, continuously recognized for commitment to corporate responsibility and operational excellence.

NextEra Energy

- Fortune 200 company
- Largest integrated utility company in the world by market capitalization
- Rated A-, A-, and Baal by Fitch, S&P, and Moody's
- The only gas and electric utility to be recognized on Fortune Magazine's 2021 list of companies that 'Change the World', a testament to NextEra's best-in-class position in the renewable energy sector and strong commitment to innovation and continuous improvement.
- Named on Fortune Magazine's "America's Most Admired®" companies list and #1 among electric and gas utilities for 14 years.
 - Ranked #1 for eight of the nine rated attributes, including innovation, people management, use of corporate assets, quality management, financial soundness, long-term investment value, quality of products/services, and global competitiveness.

- Named on the inaugural 2021 TIME 100 Most Influential Companies list as a disrupter that is shaping a sustainable energy future.
- In 2020, NextEra Energy received the third annual Global Platts Energy Transition Award, recognizing leadership in environmental, social, and governance.
- Largest renewable energy provider in the world and reports on its ESG efforts on an annual basis in accordance with SASB and GRI frameworks.
- Acknowledged as one of the "World's Most Ethical Companies" by Ethisphere magazine (2007-2011, 2013-2021) and Named to the Forbes "America's Best Employers" list from 2016-2021.

You can learn more by visiting <u>nexteraenergy.com</u>.



OVERSIGHT & SAFEGUARDS

ETHICAL CODE OF CONDUCT

NOPEC employees and Board Members are required to sign Ethics and Fraud Policies every year. The Ethics Policy provides details on identifying and dealing with conflicts of interest and guidelines for gifts to and from NOPEC staff and Board Members. NOPEC requires an annual disclosure of any related outside interests that could result in a conflict of interest. The Fraud Reporting Policy details the procedure for employees and Board Members to report concerns of fraudulent activity.

REGULATORY COMPLIANCE

NOPEC has a strong culture of compliance that begins with its core values which provides a framework for all strategies, decisions, and behavior. NOPEC has established and maintains an excellent relationship with state regulators, including key Public Utilities Commission of Ohio (PUCO) staff. NOPEC is involved in the day-to-day management of compliance issues including PUCO reporting, such as the Quarterly Market Monitoring Reporting, submitting required Competitive Retail Electric Supplier (CRES) and Competitive Retail Natural Gas (CRNG) provider certificate renewal applications as well as monitoring for changes in applicable regulations, and implementing appropriate changes to company practices.

AUDITING/REPORTING

NOPEC is subject to the audit requirements of Ohio Auditor of State on a biennial basis. The biennial audit consists of a pre-audit conference with representatives of the Ohio Auditor, receipt of a Letter of Arrangement, and preparation of forms provided by the Auditor regarding existing internal controls in

the various NOPEC processes/systems. NOPEC's audited financial statements are publicly available. In 2021, NOPEC received an Auditor of the State Award for the audit of our 2019-2020 financial statements. This award recognizes a clean audit report without comments or issues.

NOPEC, Inc.'s financials are audited by Maloney Novotny LLC every two years. NOPEC Foundation, Inc.'s financial statements will be audited every two years by Maloney Novotny LLC as part of the NOPEC, Inc. audit.

NOPEC also provides all member community leaders with a copy of our annual report including updates on all our programs and community member benefits, advocacy efforts, and financial report. Current and previous annual reports can also be accessed online at nopec.org/annualreport.

COMMUNICATING WITH NOPEC

Communities

NOPEC employs a team of relationship managers and dedicated staff that work with our member communities to ensure they get the most out of their membership in NOPEC's aggregation program. Each community's dedicated relationship manager is available to answer any questions and provide guidance on NOPEC programs and benefits.

Each year, NOPEC hosts a General Assembly meeting that is open to the public and any community leader may attend or view online. We also provide member communities with information about program changes, enrollment mailings, and product options through multiple communication channels including email, our monthly Community Connection e-newsletter, mail, in-person meetings, and phone calls.



Customers

NOPEC provides all eligible customers with information about our natural gas and/or electric aggregation program by mail every two years for natural gas and every three years for electric. As a resident or a small business becomes eligible to join the aggregation program in their community, they are mailed an enrollment letter with details about the programs available to them.

Customers can also contact NOPEC in a variety of ways including a contact form and live chat feature on our website at nopec.org or by calling our Customer Care Center. Located in Marquette, MI, NOPEC's dedicated customer care specialists are highly skilled and extensively trained. Our specialists are friendly, informative, and available 24 hours a day, seven days a week. Anyone that has questions about NOPEC's aggregation program can call our Customer Care Center at 855-667-3201. We also have an extensive website that provides useful information such as NOPEC program options, rates, and general information about NOPEC and energy aggregation.

We also provide opportunities for NOPEC customers to interact with us at local community events. And we send out a monthly e-newsletter with program information, energy-saving tips, and other useful resources and information to help Ohioans save on their energy bills.





PROTECTING OUR PLANET

Our priorities over the coming years are to support our communities' abilities to transform towards a low-carbon future and be better prepared for a low-carbon economy. To accomplish this, we provide energy and sustainability support, resources, and education.

NOPEC seeks to support those communities who have pledged to meet carbon reduction emission goals through our energy options and energy efficiency efforts. In our role as an energy and sustainability advisor, NOPEC is developing its team for these advisory services. With over 20 years of experience, and performing quantitative and qualitative analysis to study the needs and wants of communities, we have developed deep knowledge of the fundamentals of the energy markets including renewable energy and community plans to meet their individual goals. We have programs and resources available to members today. We will work with our legislators at the state and federal level to create programs that NOPEC can facilitate that prepare our member communities for future energy supply shifts such as electric vehicles, community solar, electric grid modernization, real time pricing, and resiliency projects like microgrids.



THRIVING COMMUNITIES

With 20 years' experience working with community leaders, NOPEC has a deep understanding of the importance of economic development and community investment to create vitality, increase services, and improve quality of life for residents and prosperity for the business community. We realize that we need to continue to invest in infrastructure programs that will support local businesses, provide more community services, and continue to make Ohio an exciting place to live and work. NOPEC will work with agencies and partners to expand our role as a financial gateway to attract more development in Ohio.

Our existing economic and community development programs will continue to support more energy efficient and sustainable buildings in our member communities. An increased focus on providing renewable energy choices such as community solar and supporting LED lighting replacements for municipal infrastructure will help to reduce the maintenance and expense for member communities and help to make them more safe, vibrant, and attractive to investment.

NOPEC will continue its commitment as a leading advocate in making sure our laws and utility services in Ohio support businesses and protect consumer rights. We will continue to look for opportunities to invest in energy education centers around our footprint. Our goals under this pillar will focus on metrics centered around financial commitments and the number of building modernization projects supported.



OPERATING WITH INTEGRITY

As our communities rely on us for leadership, resources, and consultation, operating with a continuous improvement mindset and hiring expertpractitioners will help our communities make transformational change today, not by some future date a decade from now. NOPEC is walking the talk by modernizing our own campus building and pursuing EnergyStar building certification, investing and training of our staff members in the energy and sustainability industry, and working urgently with our supply chain partner NextEra Energy to monitor and manage volatility in today's energy market. In order to make smart decisions, we believe in the power of data analysis, so we are investing in Business Information (BI) resources that can provide laser focus to specific community neighborhoods. We are training our people on how to better communicate with our customers and deploying more staff members into the field. We want our customers to be able to find us easily and get the help they need with their energy questions. Our Operating with Integrity goals will focus on metrics around outreach and increasing transparency.

We look forward to sharing our progress towards becoming the best energy aggregator and the go-to resource for the communities we serve.

