

Electric Update – Electric Aggregation

Electric Aggregation is an option for a large group of consumers to save money on the generation portion of their electric bills.

Currently through the County's aggregation, the following townships are participating Bronson, Lyme, Norwalk, Norwich, Peru, Ridgefield, Sherman, Townsend, Wakeman and the Village of North Fairfield. Within these communities only those in the footprint of AEP or Ohio Edison can participate. Those who are served by Firelands Electric cannot.

As you may have recently seen in the news, PJM, the Regional Transmission Organization (RTO) overseeing the electric grid in Ohio and many surrounding states, announced the generation capacity auction results for the delivery year beginning June 1, 2025. The announcement garnered wide attention due to a price jump from the current rate of \$29.50/MW-day for most Ohioans, to a rate of \$270.43/MW-day.

What is capacity?

PJM is responsible for ensuring that there is enough electricity available to meet the demand in any section of the grid at any time.

This is accomplished by compensating generating plants and consumers that can reliably reduce their load on the system for sufficient supply to meet forecasted system demands. This recent auction will impact consumers' bills starting June 1, 2025. And it will continue until May 31, 2026.

Why are capacity rates increasing so much?

The simple explanation for the coming increase in capacity costs is due to supply and demand. US electric demand is seeing higher growth from large data centers, electric vehicles, hotter weather, and organizations enacting environmentally conscious goals and policies. Supply has been impacted by generation plant retirements, especially baseload units, delays in the process to bring new generation assets online, and the longer and costlier timeline to construct new units.

It is important to note that this increase is unavoidable for all Ohio consumers behind investor-owned utilities (AEP, AES, FirstEnergy, and Duke). Ohio consumers will pay their portion of the increased capacity costs regardless of whether they are supplied directly through their utility or shopping for third-party power supplies.

County's Electric Aggregation

The current aggregation began in December of 2023 at the rate is \$0.06471 and ends December 2025 for the communities listed above except for Peru and Norwich, which recently passed on the ballot. The new contract will begin in September for Peru and Norwich with Dynegy at the rate of \$0.0892 and will expire in December 2027. The rest of the communities will come in December when the current contract ends. Dynegy's number is 888-682-2170 to call to opt in or opt out. If you have any other questions, you can contact Valerie at Palmer Energy, the County's consultant at 419-491-1040.

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