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CITY OF CUYAHOGA FALLS, OHIO

ORDINANCE NO 32 - 2017

AN ORDINANCE AMENDING SECTION 933.123 OF TITLE FIVE, PART NINE OF THE CODIFIED ORDINANCES. RELATING TO DEMAND RESPONSE OF RETAIL ELECTRIC CUSTOMERS OF THE CITY'S ELECTRIC DEPARTMENT, AUTHORIZING THE DIRECTOR OF PUBLIC SERVICE TO APPROVE OR DISAPPROVE CUSTOMER REQUESTS TO ENROLL WITH A THIRD-PARTY CURTAILMENT SERVICE PROVIDER AND/OR PJM INTERCONNECTION, LLC ("PJM") FOR PJM's CAPACITY ONLY OPTION DEMAND RESPONSE PROGRAM, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Cuyahoga Falls ("City") owns and operates an electric utility system for the sale of electric power and associated energy for the benefit of its citizens and customers; and

WHEREAS, currently only American Municipal Power, Inc. ("AMP") and Comverge, Inc. dba Enerwise Global Technologies Inc. are authorized on the City's behalf to aggregate retail electric customers' demand response and bid demand response on behalf of retail electric customers of the City directly into any independent system operator's or regional transmission organization's organized electric markets, as approved by the Federal Energy Regulatory Commission ("FERC"); and

WHEREAS, due to changing market conditions and to assist local businesses with making important financial decisions, the City desires to consider other third party curtailment service providers to participate in the above program; and

WHEREAS, the City of Cuyahoga Falls is located within the PJM Interconnection, LLC's ("PJM") regional transmission organization; and

WHEREAS, PJM has an Emergency Load Response Program (inclusive of the Pre-Emergency Load Response Program), as defined by the PJM tariff, manuals and other governing documents, designed to provide a method by which end-use customers may be compensated by PJM for reducing load during a pre-emergency or an emergency event and this program includes a Capacity Only Option; and

WHEREAS, City is the relevant electric retail regulatory authority ("RERRA") over its own distribution systems and may approve or disapprove customer requests to enroll with a third-party curtailment service provider and/or PJM for PJM's Capacity Only Option demand response program to assist the grid during emergency conditions while receiving capacity payments from the third-party curtailment service provider or PJM.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Cuyahoga Falls, County of Summit and State of Ohio, that:

Section 1. Section 933.123 of the Cuyahoga Falls Code of Ordinances is hereby amended to read in full as follows (new text <u>underlined</u>; deleted text in <u>strikethrough</u>):

933.123 RETAIL DEMAND RESPONSE AGGREGATION

- (a) The City or its authorized designees shall be the sole entity permitted to aggregate retail electric customers' demand response and bid demand response on behalf of retail electric customers of the City directly into any independent system operator's or regional transmission organization's organized electric markets, as approved by the Federal Energy Regulatory Commission ("FERC").
- (b) The Director of Public Service is authorized to approve or disapprove retail electric customers' request to enroll with a third-party curtailment service provider and/or PJM Interconnection, LLC's ("PJM") for PJM's Capacity Only Option demand response program. If approved by the Director of Public Service, the third-party curtailment service provider and/or PJM would be an authorized designee of the City.

(cb) Retail electric customers on the City's electric system desiring to bid their demand response into a FERC-approved independent system operator's or regional transmission organization's organized electric markets may do so only by participating in the Demand Response Aggregation program established by the City or its authorized designees.

(de)The City or its authorized designees is the sole-entity permitted to bid demand response on behalf of retail customers of the City directly into any FERC-approved independent system operator's or regional transmission organization's organized markets for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services (or its functional equivalent in the FERC-approved independent system operator's or regional transmission organization's tariff).

(ed) Retail customers of the City's electric system desiring to bid their demand response into a FERC-approved independent system operator's or regional transmission organization's organized markets for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services (or its functional equivalent in the FERC-approved independent system operator's or regional transmission organization's tariff) may do so only by participating in the program established by the Municipality or its authorized designees.

(fe) The Director of Public Service is authorized to enter into agreements with retail electric customers of the City's Electric System for the purpose of bidding such customers' load into Demand Response markets, either individually or on an aggregate basis. The Director is also authorized to promulgate any regulations necessary to implement this Section.

Section 2. Any other ordinances or resolutions or portions of ordinances and resolutions inconsistent herewith are hereby repealed, but any ordinances and resolutions not inconsistent herewith and which have not previously been repealed are hereby ratified and confirmed.

Section 3. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted 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 in meetings open to the public, in

compliance with all legal requirements, to the extent applicable, including Chapter 107 of the Codified Ordinances. Section 4. This ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health, safety, convenience and welfare of the City of Cuyahoga Falls and the inhabitants thereof, and provided it receives the affirmative vote of two thirds of the members elected or appointed to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force at the earliest period allowed by law. President of Council Clerk of Council 4/10/17

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