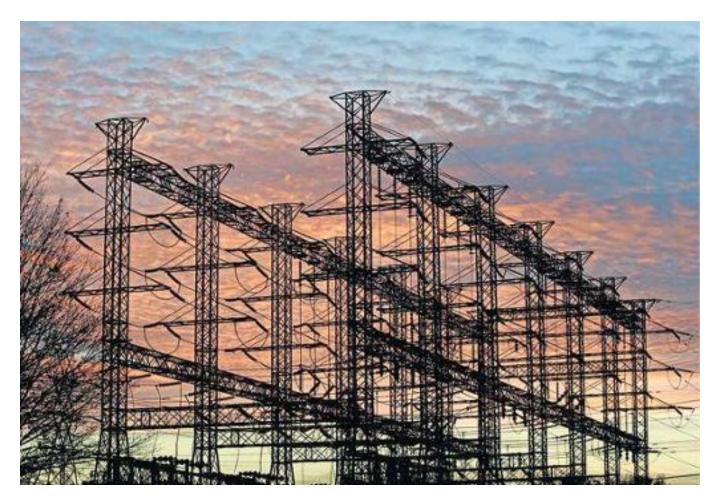# Electricity bills jumping, but NOPEC offers relief

With low natural gas prices (thanks to a very mild winter), NOPEC was able to buy electricity cheaply compared with the prices FirstEnergy had to pay. Staff file photo

Sean McDonnell - smcdonnell@cleveland.com

FirstEnergy rates will roughly double in June.

Potential for relief from sharply rising electric bills is coming for hundreds of thousands of Northeast Ohioans.

The Northeast Ohio Public Energy Council, which buys electricity on behalf of residents across Greater Cleveland and much of Ohio, said Friday that it will start automatically enrolling customers in June, unless they opt out.

This will result in significant savings over what otherwise would have been sharp increases for many people this summer who have FirstEnergy as their electric utility.

Starting in June, NOPEC customers will be guaranteed electricity at 6.5 cents per kilowatt hour for six months, well below default pricing that will be offered by FirstEnergy's subsidiaries, like the Illuminating Company and Ohio Edison.

Cleveland.com reported earlier Friday that the base price from these FirstEnergy utilities would jump from 5.3 cents per kilowatt hour currently to 10.2 cents in June.

But NOPEC said later Friday it will send 650,000 letters to households in NOPEC communities during the first week of April, part of the process for enrolling them in June — thus allowing customers to avoid the increase from default utility pricing.

In any community where elected officials choose to use NOPEC, every eligible electricity customer is automatically opted into the program every three years — unless they opt out.

Under Ohio's rules, NOPEC has to mail these opt-out letters every three years, regardless of whether customers have said yes or no to NOPEC in the past. People have to send back a form, or call NOPEC, to opt out.

This batch of letters is different. Because last year NOPEC dropped close to 550,000 customers because they were better off buying their power elsewhere.

In summer 2022, NOPEC's rates jumped to 12 cents per kilowatt hour. But the standard service offer — this is the rate offered by default by the utilities — was far less expensive at 6.8 cents.

This led to controversy, but in March, regulators ruled in NOPEC's favor on the issue.

For this coming summer, however, things have changed.

In June, the base price for customers in FirstEnergy territories will be 10.2 cents per kilowatt hour, up 93% from the current price.

FirstEnergy doesn't produce electricity, but under Ohio's rules, it has to offer a default rate to customers who don't pick a different supplier or who are not

opted into an aggregator like NOPEC. This is called the standard service offer. FirstEnergy buys electricity for these customers at wholesale auctions.

There were auctions in October, January and March, in which FirstEnergy had to buy electricity at a higher price because of the strained energy market. FirstEnergy will be paying about $101 per megawatt hour of electricity, up from $53 it's paying now.

The end result is the 10.2-cent per kilowatt hour base price. That price will end up being a little higher because certain expenses, like the cost of running the auctions and including electricity from renewable sources, will also be added in.

Customers being served by FirstEnergy subsidiaries, like Ohio Edison and the Illuminating Company, will first see this price increase in June. It will last until May 2024.

This affects customers who are on the standard service offer from the utility, often called the "price to compare" on electricity bills.

Recently, however, the wholesale electricity market has seen a drastic reduction in price. Natural gas prices are low because of a very mild winter. This allowed NOPEC to buy electricity cheaply compared to the prices FirstEnergy had to pay.

NOPEC spokesman Dave Jankowski said customers will be guaranteed the 6.5 cent price for six months. After that, they will receive a variable price that could fluctuate. NOPEC also lets customers opt out at any time, which would give customers a way to leave if prices do increase after six months.

HOW RESIDENTS ARE BILLED

Ohioans' bills are split into two parts — usage and distribution. The usage part of a customer's bill is based on how much electricity they use. The other half is a set price, based on how much it costs FirstEnergy to distribute power to homes. Residents can pick their supplier for the usage part.

About 40% of a customer's bill, on average, is usage, said Matt Schilling, a spokesman for the Public Utilities Commission of Ohio.

Customers in Lakewood, Cleveland Heights, South Euclid and Sheffield will pay more for their electricity from NOPEC — about 6.9 cents per kilowatt hour. This is because these communities opted to have a renewable-energy product be the default, Jankowski said

Customers in those communities can opt out and get the standard, 6.5-cent price from NOPEC, or opt-out entirely.

NOPEC offers three other products in addition to their standard price: a monthly variable rate, a 12-month fixed rate and a 24-month fixed rat. Customers need to contact NOPEC to enroll in these options, otherwise they'll get NOPEC's 6.5 cent price.

Separate from electricity, NOPEC also buys natural gas for residents in more than 200 communities. Letters about automatically opting people into natural gas service will be sent out in mid-April, Jankowski said.

Another 513,000 letters about natural gas service will be sent to potential customers. Many people may get an electricity and natural gas letter from NOPEC in the same month, Jankowski said.

Like with electricity, all eligible natural gas customers will get a letter from NOPEC.

To opt out, customers can fill out the form they received and mail it back, with their own postal stamp. But they can also fax the form to 440-774-4422 or call NOPEC's Customer Care Center at 1-855-667-3201.

Ohioans can also shop for both electricity and natural gas on the open market, and can see options using the energychoice.ohio.gov, using the "Apples-to-Apples" comparison tool.