

OMA Energy Group

FREQUENTLY ASKED QUESTIONS

1. WHAT IS THE OMA ENERGY GROUP?

The **OMA Energy Group** is an organization through which Ohio manufacturers craft and drive their Ohio energy policy agenda for the short-, mid- and long-term. It's a mechanism for manufacturers to engage in the Ohio regulatory and policy processes in order to manage their energy issues.

There are critical energy issues for manufacturers "on both sides of the meter." That is, operating improvements with respect to energy occur within and at the direction of the manufacturer, while providing reliable, affordable energy is the responsibility of utilities and generation suppliers under the regulatory authority of the PUCO, PJM and FERC.

Utilities, generation suppliers and the related energy regulating bodies are critical suppliers to manufacturers, and, therefore, require prudent oversight by manufacturers.

The **OMA Energy Group** is a place of productive engagement for Ohio's manufacturers to protect their energy interests.

2. WHAT IS THE OMA ENERGY GROUP'S STRUCTURE?

The **OMA Energy Group** is a member-driven organization, wholly owned by The Ohio Manufacturers' Association.

The **OMA Energy Group** shares the same mission as its parent, the OMA: to protect and grow Ohio manufacturing.

Participants of the **OMA Energy Group** are manufacturers with Ohio operations—generally using 700,000 kWh of electricity per year or more—that value managing energy issues and the costs of power through a productive relationship with peer manufacturers for their mutual long-term success.

Members of the OMA can elect to purchase the fee-based services of the **OMA Energy Group**. Fees are based on annual kWh use on the assumption that the more a company has at risk, the greater its need for protection.

PHILOSOPHY OF THE OMA ENERGY GROUP

The philosophy of the OMA Energy Group is that utilities, generation suppliers, the PUCO, PJM and other bodies that influence the cost and availability of energy are essentially critical suppliers to manufacturers, and therefore require prudent oversight.

"Our company does not have the resources to dedicate full-time staff to understand the myriad of regulations and cases that goes through the PUCO. The OMA Energy Group offers us a cost effective solution to allow us to participate in a meaningful way by joining forces with other respected companies."

BRADLEY H. BELDEN

President

The Belden Brick Company

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3. WHO MAKES DECISIONS FOR THE OMA ENERGY GROUP?

The **OMA Energy Group** has its own board of directors for transparency and accountability.

The members of the board are among the most highly-regarded industrial energy managers in the state. They are entirely from OMA member manufacturing companies. The majority of directors is appointed by the OMA board of directors and the minority is elected by **OMA Energy Group** participants.

The **OMA Energy Group** has access to legal expertise from its energy law firm, Carpenter Lipps & Leland LLP.

The **OMA Energy Group** is accountable to the OMA board of directors, and its finances are reviewed or audited annually.

The **OMA Energy Group** has performance metrics established by the OMA board and its participating members.

4. HOW IS THE OMA ENERGY GROUP DIFFERENT?

The **OMA Energy Group** is unique in its foundation, mission and operation.

Only the **OMA Energy Group** was created by manufacturers for manufacturers. The OMA created the **OMA Energy Group** to be responsive to the requirements of the state's manufacturers and to adhere to its mission of protecting and growing Ohio manufacturing.

While there are several groups in Ohio that intervene in Public Utilities Commission of Ohio (PUCO) cases on behalf of industrial customers, each of the other groups was created by, housed within and, from a practical standpoint, managed by a law firm.

On the other hand, the **OMA Energy Group** and its activities are directed by a board of directors that is entirely made up from among Ohio's manufacturers: manufacturers' interests are prioritized.

THE OMA ENERGY GROUP MANAGEMENT STRATEGY

- Engage in planning processes
- Clarify aims of manufacturers
- Seek creative business solutions, informed by legal and technical guidance
- Position manufacturing to benefit from energy infrastructure investments

“OMA has been a valuable partner to Plaskolite on matters important to our business and manufacturing needs. OMA Energy Group has educated us on the PUCO's inner workings and the utility markets, and has been a strong advocate of cost-effective energy supplies for Ohio manufacturers like Plaskolite.”

TIMOTHY W. LING, P.E.
Environmental Director
Plaskolite, Inc.

5. WHY SHOULD MY COMPANY PARTICIPATE IN THE OMA ENERGY GROUP?

The Ohio energy market is more dynamic than ever. Conservation goals, new forms of energy feedstocks, renovations to the infrastructure, new technologies, environmental compliance standards—when you add it up, all indicators point to the fact that manufacturers need to be skilled energy managers.

And the place in Ohio where many energy cost inputs are determined is the PUCO.

The **OMA Energy Group** monitors the extensive case docket of the PUCO and elects when and how to intervene in cases.

To be effective in the legal aspects of PUCO intervention, the **OMA Energy Group** has strategic assistance from the law firm of Carpenter Lipps & Leland LLP.

Interventions in utility cases are costly legal proceedings. The work includes:

- Analyzing utility filings to the PUCO
- Managing discovery motions
- Monitoring and participating in PUCO hearings
- Writing briefs, among other litigation motions

6. IN WHAT RATE CASES DOES THE OMA ENERGY GROUP INTERVENE?

Each year, a wide range of rate cases are brought before the PUCO. The cases that affect the most manufacturers' electricity costs are driven by the four Ohio investor-owned utilities: AEP Ohio, Dayton Power & Light, Duke Energy, and FirstEnergy. On the natural gas side, the four largest local distribution companies are: Columbia Gas of Ohio, Dominion East Ohio, Duke Energy, and Vectren Energy Delivery of Ohio.

The **OMA Energy Group** decides which cases hold the greatest threats or opportunities and prioritizes them for intervention.

Virtually no rate case stands alone. Every rate case sets precedent for all other Ohio utilities.

DIFFERENTIATING FEATURES OF THE OMA ENERGY GROUP

The Ohio Manufacturers' Association (OMA) created the OMA Energy Group to be responsive to the requirements of the state's manufacturers. The OMA's mission is to protect and grow Ohio manufacturing.

1. The companies that participate in the OMA Energy Group engage in the decision making on all matters.
2. The OMA Energy Group provides a base of participants to maximize cost sharing.
3. The OMA Energy Group has its own board of directors that oversees its activities; all board members are highly-regarded energy managers from manufacturers with Ohio operations.
4. The management of the OMA Energy Group is independent of its legal services provider, and it is accountable to the OMA board of directors.
5. The annual fee for each participant is fixed, and the accounting is transparent.

OMA Energy Group FREQUENTLY ASKED QUESTIONS

7. WHAT IF MY COMPANY ALREADY HAS REPRESENTATION FOR PUCO INTERVENTION?

The largest energy consuming manufacturers will continue to have a multi-faceted approach to energy procurement and management. However, the **OMA Energy Group** enables manufacturers to share costs with like-minded manufacturers and to offset some of the 'one-off' costs that they might bear today.

Cost sharing within the **OMA Energy Group** lowers costs for participating companies over going it alone, or risking uncontrolled costs by not participating at all.

8. WHAT ARE THE BENEFITS OF JOINING?

It is always the goal of the **OMA Energy Group** to provide a return on your annual investment.

Because the **OMA Energy Group** is directed by a board whose members are among the most highly-regarded industrial energy managers in Ohio, the cases in which the **OMA Energy Group** intervenes will be the most relevant for manufacturers, with the best potential for cost reduction or mitigation.

But, the **OMA Energy Group** is more than PUCO rate intervention.

Ohio manufacturers need skilled resources to help them know how to purchase and manage energy. The **OMA Energy Group**—with its strategic assistance from energy subject matter experts—is the manufacturers' source of legal, regulatory, purchasing and policy expertise.

It's the place where manufacturers craft and drive their Ohio energy policy agenda for the short-, mid- and long term.

"Membership in the OMA Energy Group has enabled collaboration on a critical issue to Ohio's manufacturing companies, resulting in energy cost savings for our company. Membership in the Energy Group has created opportunities to work with Ohio's legislators and regulatory agencies which will serve the manufacturing community of Ohio well through time."

JANE M. NEAL

Senior Vice President
AMG Vanadium, Inc.

FOR MORE INFORMATION ABOUT JOINING THE OMA ENERGY GROUP:

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