

ORDINANCE NO. 2023-3

Introduced by Joel Hagy

AN ORDINANCE TO ALLOW THE CITY OF HURON, OHIO OR AUTHORIZED ENTITIES TO ALLOW DEMAND RESPONSE OF RETAIL CUSTOMERS IN ACCORDANCE WITH FERC ORDER 719 AND TAKING OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Huron, Ohio (“Municipality”) owns and operates an electric utility system for the sale of electric power and associated energy for the benefit of its citizens and taxpayers;

WHEREAS, On October 28, 2008 the Federal Energy Regulatory Commission (“FERC” or “Commission”) issued Order No. 719, 125 FERC ¶ 61,071, 73 Fed. Reg. 64,099 (“Order 719”);

WHEREAS, Order No. 719, 18 C.F.R. § 35.28(g)(1)(i)(A) provides: “Every Commission-approved independent system operator or regional transmission organization that operates organized markets based on competitive bidding 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 Commission-approved independent system operator’s or regional transmission organization’s tariff) must accept bids from demand response resources in these markets for that product on a basis comparable to any other resources, if the demand response resource meets the necessary technical requirements under the tariff, and submits a bid under the Commission-approved independent system operator’s or regional transmission organization’s bidding rules at or below the market-clearing price, unless not permitted by the laws or regulations of the relevant electric retail regulatory authority.”;

WHEREAS, Order 719, 18 C.F.R. § 35.28(g)(1)(iii) provides: “Each Commission-approved independent system operator and regional transmission organization must accept bids from an aggregator of retail customers that aggregates the demand response of the customers of utilities that distributed more than 4 million megawatt-hours in the previous fiscal year, and the customers of utilities that distributed 4 million megawatt-hours or less in the previous fiscal year, where the relevant electric retail regulatory authority permits such customers’ demand response to be bid into organized markets by an aggregator of retail customers.”;

WHEREAS, the Council of the City of Huron, Ohio is the relevant retail electric regulatory authority, as defined in Order 719, for the Municipality’s electric utility;

WHEREAS, the Municipality’s electric utility system distributed less than 4 million megawatt hours in the previous fiscal year and, therefore, the Council of the City of Huron, Ohio’s authority is required to permit the Municipality’s retail customers’ demand response to be aggregated and bid into organized electric and ancillary service markets:

WHEREAS, the City of Huron, Ohio desires to implement a demand response program that would allow the retail customers of the Municipality, with the authorization of the Municipality, to contract with entities to aggregate demand response of the retail customer and bid demand response directly into the organized electric and ancillary services markets; and

WHEREAS, the Council of the City of Huron, Ohio has determined that the collective interests of the Municipality’s electric utility system, and the Municipality’s individual retail customers, would be benefited by implementation of a Municipal electric utility demand response program.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Huron, Ohio that:

SECTION 1. The Council of the City of Huron, Ohio, as the retail electric regulatory authority for the Municipality and its retail electric consumers, hereby authorizes a demand response program that allows the Municipality or authorized demand response providers (“DR Providers”) to: (1) aggregate demand response on behalf of retail customers of the Municipality; and (2) bid demand response on behalf of retail customers directly into the organized electric and ancillary services markets administered by the regional transmission organization that includes the Municipality (or any successor independent system operator or regional transmission organization).

SECTION 2. The Municipality or authorized DR Providers are the sole entities permitted to aggregate retail customers’ demand response and bid demand response on behalf of retail customers of the Municipality directly into any Commission-approved independent system operator’s or regional transmission organization’s organized electric markets.

SECTION 3. Retail customers on the Municipality’s electric system desiring to bid their demand response into a Commission-approved independent system operator’s or regional transmission organization’s organized electric markets may do so only by participating in the program established by the Municipality.

SECTION 4. The City of Huron shall have the sole authority to authorize DR Provers to enter into contracts with the City’s retail customers for the aggregation of retail customers’ demand response and bid demand response on behalf of retail customers.

SECTION 5. The City of Huron is authorized, with approval of the Council, to adopt any necessary regulations to implement this Ordinance.

SECTION 6. That it is found and determined that all formal actions of this Council of the City of Huron, Ohio concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

SECTION 7. If any section, subsection, paragraph, clause or provision or any part thereof of this Ordinance shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Ordinance shall be unaffected by such adjudication and all the remaining provisions of this Ordinance shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

SECTION 8. That this Ordinance shall take effect and be in force from and after the time period contained in Section 3.06 of the Charter of the City of Huron.

ATTEST: Jeri Welkema
Clerk of Council

Monty Tapp
Monty Tapp, Mayor

ADOPTED: 14 FEB 2023

