

# OHIO ENERGY GROUP

– Turning Energy Into Jobs –

## About OEG

The Ohio Energy Group (OEG) was formed in 2003 by large energy-intensive utility customers in Ohio. Current OEG membership includes more than twenty-five companies, including several Fortune 50 companies. These members are bound together by common energy goals, the foremost of which is securing reliable utility service at competitive rates.

The purposes of OEG are:

1. To intervene in proceedings before the Public Utilities Commission of Ohio, the Supreme Court of Ohio, and, occasionally, the Federal Energy Regulatory Commission in order to advance the interests of OEG members.
2. To negotiate with utilities and energy providers on behalf of OEG members.
3. To monitor and analyze energy legislation coming before the Ohio General Assembly and to educate members as to the potential effect of such legislation on their energy costs and service reliability.
4. To assist OEG members in lobbying legislators on an “ad hoc” basis, as requested by the members.
5. To educate members on Ohio energy issues through regular memos, conference calls, and membership meetings, and as requested, through special purpose meetings.
6. To offer legal services when members wish to participate individually in state or federal proceedings.

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## How We Assess Energy Policy – Five Guiding Principles

**Affordability** is the measure by which our energy costs compare favorably to the costs paid by our competition and sister facilities in other states and other countries. Due to international competition, this comparison is not a simple comparison of energy costs. It includes consideration of the degree to which energy costs contribute to a competitive advantage in total cost of production. Each production facility must contribute to overall profitability if it is to win growth capital for future investment. While a single adverse change in energy cost will rarely close a facility by itself, it can affect decisions on the future investment of growth capital. We hardly need note that the minute a business stops growing, it starts dying.

**Reliability** is important in three dimensions. First is our ability to maintain production schedules and customer retention by keeping our promises to our customers on delivery dates. Many customer contracts supporting time-sensitive production processes include large penalties for late delivery. Second is our ability to maintain our production facilities and production equipment free of damage due to unscheduled disruptions in operations. Finally, and most important, is our ability to maintain a safe work place. Sudden, unplanned stoppages to energy-intensive operating equipment is extremely hazardous.

**Stability** is important because our stakeholders demand financial results that do not vary wildly month to month. Energy prices that are not stable discourage investment in future growth projects.

**Predictability** is important because our stakeholders need to trust that we can write long-term business plans on which we can reliably deliver. Unpredictable energy costs undermine the confidence in our long-term business plans, which also discourages investment in future growth projects.

**Sustainability** has two dimensions. The first is our responsibility to be good stewards of the environment. The second is our responsibility to be good customers – to guard the long-term success of our business by identifying and retaining affordable and reliable suppliers up and down our supply chains. Maintaining focus on both of these dimensions requires a focus and a commitment to the long-term.