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Proponent Testimony
House Bill 247

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Chairman Cupp, Vice Chairman Carfagna, Ranking Member Ashford, thank you for allowing me to testify today on House Bill 247. The Ohio Cast Metals association supports the legislation fully and urges this committee to take swift action in passing it.

The Ohio Cast Metals Association represents Ohio foundries and foundry suppliers. While the industry faces incredible competition from foreign markets, Ohio remains the number one state for cast metals manufacturing with over 150 foundries in Ohio supporting over 20,000 high paying jobs in the state. For those who don't know what a foundry does, we melt various types of metals and alloys, pour it into molds, and then process the casting until it is a finished part. While there are literally hundreds of ways to melt and mold these parts, one thing is common with all of the processes – it's always very energy intensive.

House Bill 247 will improve the energy climate in Ohio in various ways. Requiring Ohio's distribution utilities to divest themselves of generation will remove a perverse incentive of these companies to pad their distribution companies bottom lines to compensate for the lower rate of return they earn on generation. House Bill 247 also moves this concept forward by removing the Electric Security Plan (ESP) as an option for distribution utilities to file. The ESP, through its "more favorable in the aggregate" test has allowed for utilities to seek and obtain approval for a whole host of above market, non-bypassable charges on customer bills. These charges are disrupting customers' ability to save money by shopping their electric loads. My own company has seen its distribution rates increase by 34% in the past three years while my generation rates have come down.

My company and the cast metals industry relies on affordable, reliable energy to stay competitive in the global marketplace. Passing HB 247 will improve the state's competitiveness by allowing customers to take advantage of the innovative offerings the competitive market is developing without being encumbered by various non-bypassable charges that do little to nothing to benefit customers. Thank you for the opportunity to testify today. I'm happy to answer any questions the committee may have.

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