



THE VOICE OF OHIO'S HIGH-TECH CHEMISTRY COMMUNITY...
MAKING A BETTER WORLD FOR ALL OHIOANS.

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Proponent Testimony House Bill 247

Bryan Bennett
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Council

Before the House Public Utilities Committee

Chairman Cupp, Vice Chair Carfagna, Ranking Member Ashford and fellow members of the committee, thank you for the opportunity to submit written testimony in support of House Bill 247 (HB 247). This legislation would bring much needed reforms for consumers in Ohio's electricity markets.

Ohio is the sixth largest chemical manufacturing state in the U.S. and we directly employ over 43,500 Ohioans, making it the second largest manufacturing sector in the state. The industry generates over \$3.5 billion in federal, state and local taxes.

As a major employer in the state the chemical industry is extremely cognizant of the cost of doing business. Energy constitutes one of the largest expenses in production for Ohio's chemical companies. Therefore, access to abundant, reliable and affordable energy is vital.

While Ohio's competitive electricity generation market has brought savings for consumers and added investments throughout the state, there are some provisions that force consumers to pay for costs that are born from anti-competitive measures.

The first provision that HB 247 addresses is a utilities ability to file an Electric Security Plan (ESP). While ESP's may have been needed when Ohio initially became deregulated, they have become a vehicle for the utilities to gain approval from the Public Utilities Commission (PUCO) for above market costs at the expense of the consumer.

One example of these above market costs is a utilities ability to implement distribution modernization charges through a nonbypassable rider, without having to use the revenue generated from these charges



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toward distribution modernization. This bill would eliminate these ESP's and allow electricity prices to be set through a competitive bidding process and protect consumers from excess costs.

Currently, Ohio's utilities are granted the ability to keep monies they have collected that are later deemed unlawful by the Ohio Supreme Court. HB 247 would reverse these provisions and return these unlawful charges back to the consumers. With the chemical industry in Ohio being a large scale consumer of electricity these unlawful costs create an unwarranted financial burden and should be returned to the consumer.

As part of Ohio's transition to a deregulated market Ohio's Utilities were prohibited from owning generation assets. While this was a step in the right direction, Ohio utilities did not fully divest these assets and instead formed affiliate companies with these generation assets. HB 247 would bring added protection for consumers by expanding the law to clarify that there must be divestiture of generation assets of the utilities and their affiliates.

OCTC strongly supports these common-sense and much needed reforms. Thank you for allowing me to submit written testimony in support of HB 247 and we look forward to working with the Legislature to promote a competitive business atmosphere in Ohio.