



*Forging a partnership between farmers and consumers.
•Working together for Ohio's farmers•*

**House Public Utilities Committee
H.B. 247 Proponent Testimony
Jenna Beadle, Director of State Policy
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Chairman Cupp, Vice Chair Carfagna, Ranking Member Ashford, and members of the House Public Utilities Committee, it is good to be with you today and provide testimony in support of H.B. 247, a bill that will benefit consumers and ratepayers in the State of Ohio.

I believe most of you are familiar with Ohio Farm Bureau's policy development process, but I will briefly explain for those of you who are not. It is truly grassroots driven as the County Farm Bureaus craft and vote on their local policies and also write policies for the state policy book, which is voted on by a delegate body comprised of county delegates from across the state at the Ohio Farm Bureau annual meeting. Those policies constitute the OFBF policy book and are what we use to take positions and advocate for our members.

Historically, OFBF supported utility deregulation in 1999 (SB 3) because it allowed Ohio consumers to choose their electric supplier for the first time and reap the benefits of

competition, which are lower prices, better service, and innovative products. We were involved in the Coalition for Choice in Electricity and very engaged in the legislative process surrounding this policy at the time. We also believed certain safeguards were necessary in the transition to a competitive market to prevent cost shifting and ensure quality service.

Under SB 3, utilities were required to completely divest from their generation assets by 2010. We recognize, however, that the state's energy policy has changed many times throughout the last twenty years and that those changes have presented challenges for the industry. OFBF supports HB 247 because it will accomplish corporate separation as SB 3 intended. There has now been plenty of time for utilities to adjust to a competitive market and no longer rely on their corporate affiliates.

Prior to 1999, there was little incentive for utilities to upgrade generating capacity on their own as well as no real outlet for consumers to tap into cheaper electric supplies. Research has shown that opening electric generation to competition provides incentives that reduce energy costs. However, consumers have seen little to no savings as a result of deregulation because utilities are able to charge ratepayers above-market prices for energy. With PUCO approval through an electric security plan (ESP), utilities are permitted to assess "non-bypassable riders" to cover transmission and upkeep costs,

which have been used to supplement power generation. These non-bypassable riders inhibit consumers from experiencing the full benefits of competition and keep rates higher. HB 247 would eliminate non-bypassable riders by removing the ability to file ESPs for utilities.

Agriculture faces significant challenges today. Nationally, from 2013 to 2015 we experienced the second largest net farm income decrease in history; only the drop seen from 1919 to 1921 was larger. The number of farms across the country is dropping in conjunction with commodity prices remaining low and input costs increasing. Energy is second only to labor as the largest operational input for many farm, small business, and industrial operations. Many residential energy consumers in rural, suburban, and urban communities are finding it a challenge to control their energy costs, too.

Development of the state's comprehensive energy policy continues to be a priority for Ohio Farm Bureau. HB 247 would help control energy costs through the full implementation of a competitive market, allow consumers to benefit from competition, and help keep agriculture viable in Ohio.

Thank you for your attention, and I will take any questions you may have at this time.