Nov. 5, 2026

FOR IMMEDIATE RELEASE

With New Governor Incoming, Manufacturers Take Aim at PUCO's Free Pass for Utilities

COLUMBUS, Ohio — Ohio regulators have signed off on another round of disputed electricity costs, even after an independent audit acknowledged that the coal-fired power plants behind those charges cost more than they earn in the market.

The Ohio Manufacturers' Association (OMA) is again disappointed by the Public Utilities Commission of Ohio's (PUCO) approval of utility practices tied to the Ohio Valley Electric Corporation (OVEC) subsidy program, the latest one issued Nov. 4.

Consumer advocates challenged between $189 million and $205 million in charges related to the two 1950s-era, aging, uneconomical, dirty coal plants, one of which is located in Indiana. But the PUCO approved the costs despite its statutory mandate to protect customers by disallowing imprudent and unreasonable costs and despite prior auditor recommendations for the utilities to change their procurement and management practices. The PUCO also approved the imprudent charges while restricting evidence and rejecting expert testimony presented during the proceedings.

"At some point, Ohioans have to wonder whether the utilities will ever be held accountable for their unreasonable actions," said OMA President Ryan Augsburger. "The PUCO’s own auditor acknowledges that these plants cost more than they earn, yet regulators keep finding reasons to approve the costs and dismiss the challenges. That's not meaningful oversight. That's a free pass."

The OVEC subsidies, established under House Bill 6, forced electricity customers to support aging coal-fired power plants regardless of their economic performance. Although lawmakers eliminated those charges through House Bill 15 in 2025, disputes over previously collected costs continue.

In its latest ruling, the PUCO rejected challenges involving prior audits, AEP Ohio's own admissions regarding the profitability of the OVEC plants and testimony questioning which costs utilities should be permitted to recover. In a baffling move, the PUCO sided with AEP Ohio’s request to bar from the record expert testimony on purported costs. The PUCO also declined to adopt an auditor recommendation to cap capital expenditures. The PUCO had an opportunity to lower customer utility bills by ordering refunds of these imprudent subsidies but declined to do so. Overall, ratepayers subsidized utility shareholders by more than $683 million for OVEC.

The ruling comes as electricity affordability becomes an increasingly urgent concern across Ohio. OMA has repeatedly challenged exaggerated demand forecasts, questionable utility spending and proposals that could force existing customers to finance billions of dollars in infrastructure tied to

speculative data center development. These decisions carry real consequences for manufacturers competing nationally and globally, where energy costs can determine whether investments and jobs come to Ohio or go elsewhere.

"Whether it's coal subsidies or billions in infrastructure spending based on electricity demand that may never show up, the pattern is hard to ignore," Augsburger said. "Utilities make the projections, utilities propose the spending, and customers are expected to carry the risk. Meanwhile, the regulators who should be challenging those decisions simply accept them."

With a new governor preparing to take office, Ohio has an opportunity to transform how the state regulates its utilities and whether regulators adequately scrutinize the costs that customers are required to pay. Affordable, reliable electricity is essential to Ohio's economic competitiveness, and the decisions made by state regulators have consequences that extend far beyond monthly utility bills.

"Ohio has a new governor coming in and an opportunity to rethink how utilities are regulated and whether they are held accountable," Augsburger said. "Manufacturers have spent years challenging utility spending, questioning inflated forecasts and fighting costs that never should have landed on customers. We've brought the evidence, challenged the numbers and raised the alarms. What Ohio needs now is leadership willing to ask the tough questions that utilities keep avoiding."

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The Ohio Manufacturers' Association is Ohio's largest statewide business association composed solely of manufacturers. Established in 1910, the OMA's mission is to protect and grow Ohio manufacturing. It represents manufacturers of all sizes in every subsector of the industry. Manufacturing is Ohio's largest economic sector, employing approximately 690,000 Ohioans and contributing more than $138 billion annually to the economy. Visit ohiomfg.com, or follow us on LinkedIn, X, Facebook and YouTube.

Dave O'Neil
Director, Communications and Marketing
(614) 302-7990
doneil@ohiomfg.com