



October 22, 2019

The Honorable Jamie Callender, Chair
The Honorable Shane Wilkin, Vice Chair
The Honorable Kent Smith, Ranking Member
Members, Ohio House Public Utilities Committee

RE: OMA Letter of Opposition to House Bill 247

Dear Chairman Callender, Vice Chair Wilkin, Ranking Member Smith and Members:

I write on behalf of the Ohio Manufacturers' Association (OMA). As an industry, Ohio's manufacturers consume nearly a third of all energy resources in our state. Public policies that impact the cost of electricity are of great interest to our membership. The OMA has reviewed the legislation and we write today to convey our opposition to House Bill 247 (HB 247) as you consider the bill.

HB 247 allows for expansion of regulated utilities into existing and emerging competitive markets. It does so by allowing the regulated, monopoly electric distribution companies to offer products and services currently offered by competitive, private enterprise. HB 247 may be best summarized by one of its most striking set of provisions – it repeatedly eliminates language that safeguards markets, customers, and ratepayers from anti-competitive utility behavior.

HB 247 would make unprecedented changes to how Ohio's electric distribution utilities could operate, largely at the expense of competitive markets. Quite literally, HB 247 allows anti-competitive behavior by the electric distribution utilities in existing and emerging markets. While some guardrails are proposed, the protection to markets, customers, and ratepayers is illusory.

HB 247 as proposed, however, should not be confounded with the promise of the technologies and services it addresses. The emerging technologies and services influencing customer energy use are a bright spot in the energy industry and Ohio's economy – please do not stymie that further by passing this legislation.

We would caution you regarding some of the claims made last week by proponent witnesses from Ohio's four monopoly electric distribution utility companies. HB 247 is not about coordinating state economic development work. This bill is not about grid modernization. This bill is not about building out charging stations for electric vehicles. There are mechanisms in place today at the PUCO for utilities to gain customer cost-recovery if they can prove system need and benefit. In fact, Ohio customers are already paying for many of those costs through existing riders on the distribution portion of their power bill.

Make no mistake, this bill is about one thing -- eroding competitive market economics and forcing captive customers to pay more on power bills, all while reducing the amount of scrutiny and due process to protect customers.

For these reasons we urge you to oppose HB 247.

Please feel free to contact me if you would like to discuss the matter further. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Augsburger".

Ryan Augsburger
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