

OHIO ENERGY GROUP

– Turning Energy Into Jobs –

**Proponent Testimony of
Michael Kurtz
On Behalf of the Ohio Energy Group
Before the Senate Energy and Public Utilities Committee
HB 798
December 3, 2020**

Chairman Hoops, Ranking Member Leland, Vice Chair Abrams and distinguished Members of the Committee. Thank you for the opportunity to provide testimony today.

My name is Michael Kurtz and I am General Counsel for the Ohio Energy Group. OEG is a trade organization formed in 2003 by large energy-intensive industrial companies with one or more plants in Ohio to promote low-cost, reliable electric power. Our 27 members spend more than \$1 billion annually on gas and electricity and we provide more than 55,000 good paying direct jobs in Ohio. Depending on individual state policy decisions, energy costs can vary widely among even neighboring states. Keeping energy costs low in Ohio is very important to the national and global competitiveness of Ohio's energy intensive manufacturers.

I am testifying today as a proponent of HB 798.

Prior to today's hearing, I testified as an Interested Party before this Committee on behalf of OEG. That testimony focused on protecting consumers – including Ohio's energy-intensive manufacturers – from significant rate increases that would result from a complete repeal of HB 6. OEG urged this Committee to preserve the good policy provisions of HB 6, which had the effect of reducing electricity rates for Ohio businesses and families by \$2.3 billion, and instead focus on reforming the issues of concern, including additional financial means testing and auditing of the nuclear units.

After examining HB 798, OEG supports passage of the law for the following reasons:

- 1) HB 798 preserves the elimination of the alternative energy (RPS) and energy efficiency/peak demand reduction (EE/PDR) programs, saving customers \$2.3 billion over the period 2020-2030;
- 2) HB 798 strengthens the auditing provisions of HB 6 to ensure that the nuclear power plants actually need support from Ohio ratepayers to continue operation at a zero profit margin, and provides for potential additional savings to customers by allowing the nuclear/solar support charges to be reduced accordingly;
- 3) HB 798 preserves the costs caps for the OVEC-related charges and could potentially provide additional savings to ratepayers by requiring the OVEC owners to make a good faith effort to divest from those obligations; and
- 4) HB 798 orders a study on transmission planning, which is timely and appropriate given the significant and increasing transmission-related charges to customers.

Ohio's energy-intensive manufacturers support HB 798 because it recognizes the good policy of HB 6 and makes it even better. We urge passage of this legislation.

Thank you for your consideration of my testimony.

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