

**OHIO 133RD GENERAL ASSEMBLY
HOUSE SELECT COMMITTEE ON ENERGY POLICY AND OVERSIGHT**

WRITTEN STATEMENT BY SAFE IN SUPPORT OF HB 798

December 3, 2020

SAFE appreciates the opportunity to provide this written statement in support of Ohio's House Bill 798 (H.B. 798).

SAFE is a nonpartisan, nonprofit organization founded in 2004 to enhance the nation's energy security and support economic resurgence and resiliency by advancing transformative transportation and mobility technologies and ensuring that the United States secures key aspects of the technology supply chain to achieve and maintain our strategic advantage. SAFE develops and advocates for policies that promote the efficient use of domestic resources and supply chains, and the diversification of fuels in the transportation sector, including electric vehicles, which require a reliable, resilient, safe, and secure grid to power them. SAFE's Energy Security Leadership Council (ESLC) is comprised of business leaders and over 20 four-star Admirals and Generals who are among the most respected voices on U.S. national security. Thus, SAFE brings its energy and national security perspective to this timely issue.

SAFE has written previously from its unique security vantage point to the entire State House and Senate to express its opposition to H.B. 6.

SAFE is submitting this statement now to once again highlight the need for the State Legislature to act immediately, preferably to fully repeal H.B. 6 to prevent it from going into effect in January. However, SAFE supports H.B. 798 as a constructive interim measure, and urges its swift passage during the remainder of this Lame Duck Session.

SAFE is well aware that H.B. 6 will be harmful from the energy, economic, and national security perspectives. Even prior to the corruption charges surrounding passage of this legislation, it was never good policy and was wrongly peddled to the voters. Under the guise of grid resilience, reliability, and security, Ohio passed and enacted this legislation to subsidize some uneconomic power plants at the expense of the State's ratepayers.

Let's be clear from the national security perspective: H.B. 6 does *not* achieve its alleged goal of enhancing energy reliability or security in Ohio and would prop up older, inefficient power generation that PJM Interconnection, the regional grid operator that covers Ohio, already had concluded is not needed for reliability.

A more cost-effective solution to benefit ratepayers and boost national security is to return to—and strengthen—our current market-based system, within regional power markets. The United States depends on reliable, resilient, and secure electricity for homeland defense and to power our economy. We cannot afford to risk these critical aspects of our electric system by departing from a market-based approach in Ohio.

For years, a bipartisan consensus has advanced a market-oriented approach to manage the bulk power markets with the goal of ensuring reliable electric service at rates that are just and reasonable. The success of this market-oriented approach is reflected by metrics that examine grid reliability, and electricity prices that have risen at relatively modest levels since 2000, even as the underlying resource portfolio has evolved.

Blanket efforts like H.B. 6 that divert attention and money in the name of national security actually waste precious resources that instead should be focused on advancing technologies and policies that would truly better protect the grid, both in its resilience to storms and protection from potential cyberattacks.

This law is slated to impose new fees on Ohio's consumers beginning on January 1, costing them at least \$150-\$170 million, according to various reports. And now, with the COVID-19 pandemic further harming Ohio's economy and adding financial hardship, the State can ill afford to raise prices on citizens and businesses.

SAFE applauds Representative Hoops for seeking to find a workable, immediate solution to the overdue efforts to repeal H.B. 6. With this in mind, for the sake of Ohio's ratepayers, we urge you to come together to pass H.B. 798 in a timely manner. We join the voices of businesses, investors, and other Ohio and national stakeholders who also are urging you to act swiftly to act, and ultimately to fully repeal H.B. 6 to establish certainty in this regard.

It is time to return to a more cost-effective, market-based approach to ensure Ohio's electric system remains reliable, resilient, and secure.

We stand ready to be a resource to you. If you have any further questions, please feel free to contact me at: rdiamond@secureenergy.org.

Sincerely,



Robbie Diamond
Founder, President, and CEO
SAFE