



THE VOICE OF OHIO'S HIGH-TECH CHEMISTRY COMMUNITY...  
MAKING A BETTER WORLD FOR ALL OHIOANS.

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December 8, 2020

#### **Ohio Chemistry Technology Council Written Testimony Interested Party to House Bill 798**

Chairman Hoops, Vice Chair Abrams, Ranking Member Leland and members of the House Select Committee on Energy Policy and Oversight, my name is Andy Swaim. I am the Director of Government and External Affairs for the Ohio Chemistry Technology Council (OCTC). Thank you for the opportunity to testify as an interested party to House Bill 798 (HB 798).

OCTC is the leading advocate for Ohio's chemistry industry, which is the third largest manufacturing sector in the state. Ohio is also the third largest chemical manufacturing state in the United States. In Ohio, the chemistry technology industry employs nearly 40,000 people, pays an average wage of over \$85,000, and ships more than \$5.6 billion in products worldwide annually.

The OCTC represents manufacturers that require access to affordable, reliable energy to remain competitive in the marketplace. OCTC opposed House Bill 6 (HB 6) earlier in this General Assembly on the grounds that the legislation had potential to increase energy costs for some of our members. Our member companies were concerned that subsidies to certain energy generation sources in Ohio such as coal and nuclear, would prevent the deregulated energy generation market from operating fairly, thus driving up energy prices.

OCTC has supported other HB 6 repeal legislation this year, and we believe that House Bill 772 (772), introduced by Rep. Romanchuk, is the best solution to address the harmful policies that were passed in HB 6. HB 772 addresses all of our concerns from HB 6 including the removal of the nuclear subsidy, the removal of the OVEC subsidy, and the removal of the unfair decoupling provision that was made available to a specific Electric Distribution Utility (EDU).

While House Bill 798 does try to remedy some of these concerns, our members believe that the bill does not go far enough in several ways. First, simply delaying the payment of the nuclear subsidy and submitting the plants to a financial needs assessment is an improvement from an overall policy perspective, however the OCTC does not support any bill that maintains the possibility of the collection and payment of those funds. Similarly, OCTC does not support the language that encourages the divestment of entities from the ownership of OVEC, as the provision has no teeth and is likely to result in no positive change



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for Ohio's consumers. OCTC does approve of the removal of the unfair decoupling provision from HB 6.

HB 798 also makes two other changes that would likely have positive impacts on Ohio ratepayers. OCTC supports the removal of language from last year's operating budget bill that permitted an EDU to pool the total earned return on common equity of its three Ohio EDUs for purposes of applying it to the Significantly Excessive Earnings Test (SEET). We also support the effort to have the Ohio Power Siting Board (OPSB) produce a report on the cost-effectiveness and necessity for new transmission projects. Both provisions are clear benefits to consumers and will limit avenues for utilities to unfairly enrich themselves on the backs of ratepayers.

HB 798 is a step in the right direction to unravel the harmful, anti-competitive policies passed as part of HB 6, however OCTC cannot support the bill's relative inaction on the subsidies to generation sources that are no longer competitive. OCTC would encourage the committee to incorporate portions of HB 772 into HB 798 to improve the bill, and we look forward to being a part of the greater discussions regarding the overall energy policy in the state of Ohio moving forward. Thank you for the opportunity to submit written testimony today.