



**House Select Committee on Energy Policy & Oversight
Proponent Testimony
December 8, 2020**

Chairman Hoops, Vice Chair Abrams, Ranking Member Leland, and members of the Committee, thank you for holding today's hearing and for providing the opportunity to provide proponent testimony on behalf of the Ohio Steel Council (OSC).

As you know, steelmaking is a highly energy-intensive process. Often, energy expenses, particularly electric power rates, are one of the largest fixed costs for a steel manufacturer. As such, electric power rates are a critical element to the competitiveness of Ohio's steel producers and their ability to invest capital and maintain thousands of good paying jobs in Ohio.

Additionally, as the COVID-19 pandemic has created unprecedented economic uncertainty, steelmakers throughout Ohio have struggled and are not in a position to be able to shoulder a sudden increase in electricity rates. Energy policies are as critical as ever to Ohio steelmaking and we are pleased to see that a number of good policy provisions that were previously included in HB 6 are now included in HB 798.

In particular, the Ohio Steel Council supports the following policy provisions of HB 798 and its passage:

- 1) The exemption for self-assessing customers (those using 45 million kWh or more annually) from Ohio's Alternative Energy Portfolio Standard (AEPS), sometimes referred to as the Renewable Portfolio Standard (RPS);
- 2) The OVEC rider rate design that caps the maximum monthly charge at no greater than \$1.50 per month for residential customers and no greater than \$1,500.00 per month for other rate classes;
- 3) The elimination of red tape reporting requirements associated with the streamlined opt-out of utility energy efficiency programs; and
- 4) Cost caps for ratepayers should the General Assembly decide to provide some form of support payments to Ohio's two nuclear units, as provided via the "Ohio Clean Air Program" included in HB 798". This would protect ratepayers from cost spikes.

In addition to preserving these critically important policy provisions, the OSC is encouraged that HB 798 is focused on reforming the portions of HB 6 directly related to the nuclear facilities. To that end, before any funding or distribution of nuclear support takes place, HB 798 would implement a more stringent process whereby an independent financial analysis of the nuclear units can be conducted, thereby ensuring that any payments are justified and ratepayers are protected.

About The Ohio Steel Council: Comprised of steel producers, processors and suppliers, the Ohio Steel Council serves as the voice of the steel industry in Ohio. By promoting the benefits of a healthy steel sector, the Council strives to educate key constituents about the industry's overall importance and significant economic impact. A participant in the legislative process, the Ohio Steel Council provides insight on policy issues, including their potential effects on Ohio's steel industry and the state's economy. Additional information about the Ohio Steel Council is available at www.ohiosteel.org.

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The OSC also supports the provision of HB 798 that requires the Ohio Power Siting Board to submit a report to the General Assembly by December 1, 2021, on whether the current requirements for the planning of the power transmission system and associated facilities investment in Ohio are cost effective and in the interest of consumers, and including recommendations for changes in law to accomplish those objectives.

Finally, current law eliminated utility energy efficiency programs in their entirety. While most very large consumers of electricity have opted-out of those programs due to their own internal cost-benefit analyses, some members of the OSC found those programs to be very beneficial to the competitiveness of their ongoing operations. As such, should the General Assembly create new energy efficiency programs, the Ohio Steel Council recommends that those programs should continue to be offered, even if only on a strictly voluntary basis, with a streamlined opt-out as similarly provided under current law.

Thank you for your full consideration of our issues.