

SB 363 Sponsor Testimony
Senator Frank Hoagland
Senate Energy and Public Utilities Committee
November 17, 2020

Chairman Wilson, Vice Chair McColley, Ranking Minority Member Williams, thank you for allowing me to delivery sponsor testimony on Senate Bill 363.

Senate Bill 363 changes the local aggregation enrollment laws for both natural gas and electric government aggregation programs as they are currently described in the Ohio Revised Code. The local legislative authority, board of township trustees, or board of county commissioners can adopt a resolution to enter into an aggregation contract with an electric or natural gas supplier. Currently, the local authority has two option plans to choose from to aggregate their residents. The first option plan is to aggregate only with the prior, affirmative consent of each person using an electric load center proposed to be aggregated. The second option is to implement an opt-out plan, which aggregates all residents automatically. In an “opt-out” plan, the residents are automatically enrolled in the aggregation program and must proactively opt-out of the program if they wish to keep their current natural gas or electric contract. In the current system, once a resident is enrolled within an aggregation agreement, they must wait three years before they can opt-out or be forced to pay switching fees.

My office has received input from a number of constituents who were automatically enrolled into an aggregation contract and are now forced to pay higher gas or electric bills as a result. Many feel that they are being cheated into an agreement that they did not consent to and are left with higher fees and unneeded confusion in the process. I would call this a “bait and switch” program.

Senate Bill 363 eliminates the option to choose an automatic enrollment, or opt-out, aggregation plan. The local legislative authority or board can still enter into an aggregation contract. However, the aggregation will occur only with an “opt-in” program, one with the prior, affirmative consent of each person being aggregated. If passed, those who have been automatically enrolled in an aggregated contract will be able to opt-out at any time without paying switching fees.

Ohioans are fully capable of making their own decisions on how they want to spend their hard earned money.

Thank you for the opportunity to deliver sponsor testimony on Senate Bill 363. We would be happy to answer any questions at this time.