



December 9, 2020

Chair Wilson, Ranking Member McColley, Ranking Member Williams, and Members of the Senate Energy and Public Utilities Committee:

As providers of clean, reliable, efficient energy powered by Ohio natural gas, the Ohio Independent Power Producers (OIPP), support House Bill 772. The allegations surrounding House Bill 6 revealed a process that was corrupt, flawed, and premised on false or misleading statements and information. There is broad agreement that H.B. 6 must be repealed.

Through repealing H.B. 6, Ohio has an opportunity to both send a message about corruption and take steps towards fully deregulating Ohio's energy marketplace. H.B. 772 represents an opportunity to restore public trust and promote a market-based approach to energy policy in Ohio.

OIPP members develop, construct, and operate new natural gas fired power plants, representing billions of dollars of new private investment in Ohio and thousands of megawatts of new, efficient, and reliable energy. These projects are entirely driven by private unsubsidized investment, not ratepayer guarantees, with project risk on the investors, not captive Ohio ratepayers. The willingness of investors to commit billions of dollars in direct investment to build new power generation facilities in Ohio is predicated on their long-term confidence in the PJM Interconnection regional wholesale electricity markets and Ohio's commitment to competitive markets. H.B. 772 strengthens Ohio competitive markets and sends the message that Ohio is open for business.

By removing all H.B. 6 created subsidies for nuclear, coal, and solar generation, while also not reinstating renewable energy standards, H.B. 772 levels the playing field for all generators. Competition promotes efficiency and innovation. A competitive marketplace, with no unfair advantages, provides more opportunities for private investment in Ohio. The system of uncompetitive, out-of-market, subsidies sends the message that Ohio prefers one generation type and favors politically connected businesses, even if that produces higher electric generation costs. Put simply, repeal of H.B. 6, through H.B. 772, levels the playing field so that all generation types compete fairly against each other and restores necessary confidence for future investment in Ohio.

A study conducted by researchers at Cleveland State University and the Ohio State University showed that since 2011, Ohio consumers have saved \$23.9 billion thanks to deregulation.<sup>1</sup> Removing subsidies in the marketplace also promotes investment in next generation power plants that are more efficient and resilient. OIPP member power plants utilize cutting edge technology that adapts more easily to the demand of the grid and therefore creating a more efficient grid – saving Ohioans money. H.B. 772 will lower the cost of energy to ratepayers and allow Ohio's competitive marketplace to prosper.

Again, we urge your support for H.B. 772. The bill is good policy for Ohio's generation competitive markets and good policy for Ohio ratepayers.

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<sup>1</sup> Source: [https://www.nopec.org/media/1573/19nop32-whitepaper\\_web.pdf](https://www.nopec.org/media/1573/19nop32-whitepaper_web.pdf)