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December 9, 2020

#### **Ohio Chemistry Technology Council Written Testimony In Support of House Bill 772**

Chairman Wilson, Vice Chairman McColley, Ranking Member Williams and members of the Senate Energy and Public Utilities Committee, 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 in support of House Bill 772 (HB 772).

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 previously supported Senate Bill 346 (SB 346) to repeal HB 6, but we believe that House Bill 772 (772) is the best solution to address the harmful policies that were passed in HB 6. OCTC supports HB 772 as it removes from current law the subsidies for nuclear generation and legacy (coal) generation, as well as the decoupling mechanism for a specific electric distribution utility (EDU).

The OCTC believes that the market-driven, deregulated energy market has served Ohio consumers well. Any subsidy to specific generation sources would undoubtedly lead to higher energy costs for Ohio ratepayers. We commend HB 772 for removing the anti-competitive subsidies to both nuclear and legacy (coal) generation.

The decoupling mechanism as passed in HB 6 was clearly written to benefit one EDU in particular. This decoupling was unfairly biased to benefit the EDU by using 2018, which was an extraordinarily high energy use period, as the



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reference for cost recovery through this mechanism. Furthermore, considering that the reason for which we are reviewing and considering repeal of this legislation is based on allegations of impropriety involving this EDU, it is reasonable to assume the decoupling was not added to law in good faith.

HB 772 would be a strong step in the process of rebalancing state energy policies, such that utilities and consumers alike are able to prosper in Ohio. OCTC supports the repeal of the harmful policies in HB 6 and looks forward to being a part of the greater discussions regarding the overall energy policy in the state of Ohio. OCTC encourages favorable passage of HB 772. Thank you for the opportunity to submit written testimony today.