



HOUSE PUBLIC UTILITIES COMMITTEE – Proponent Testimony, House Bill 351, September 29th, 2021

Chairman Hoop, Vice Chair Ray, Ranking Member Smith, and members of the committee, thank you for holding this hearing and for the opportunity to provide testimony in support of HB 351, the repeal of legacy generation resource provisions of HB 6, which would repeal coal-fired plant subsidies that Ohioans are currently being charged to cover their economic losses. An estimate from the [Ohio Manufacturers Association](#) places these charges at \$700 million over the life of the current HB 6 law.

My name is Jeff Dillon, and I am the Ohio Legislative Director for Americans for Prosperity (AFP). As one of the largest grassroots organizations in the country, AFP is driving long-term solutions to some of the country's biggest problems. Our organization, and its thousands of activists across Ohio are dedicated to breaking barriers that stand in the way of people realizing their full potential. Removing these barriers, in whatever forms they take, helps move our society toward one of mutual benefit, where people succeed by helping others improve their lives and by transforming their communities.

AFP activists support HB 351 because it repeals cronyist subsidies, that do not reflect the interest of consumers. Ohioans deserve better, and the embarrassing experience of HB 6 shows that consumers have been left out. We need to do much more to create real competition and avoid policy generated through top-down political preferences. This legislation is an important step in restoring trust in how the General Assembly and the PUCO oversee electricity and could set the stage for more aggressive reforms to create truly competitive markets, eliminate barriers to market entry, ensure a regulatory framework that achieves reliability and efficiency in a fuel- and technology-neutral manner, and remove perverse, anti-consumer monopoly utility incentives.

HB 351 takes several important steps to counteract utility handouts in past legislation and better benefit the people of Ohio, including:

- Repealing cronyist subsidies for two coal-fired plants owned by the Ohio Valley Electric Corporation (OVEC);

- Refunding the charges ratepayers have been paying since HB 6's OVEC provisions went into effect;
- Preventing any previous OVEC charges that existed prior to HB 6 that were authorized under the PUCO ratemaking process;
- And making clear that PUCO approval for future OVEC customer charges cannot be reinstated under this legislation.

HB 6 was bad policy, adopted through a rotten process. We cannot sit by and allow the people of Ohio to bear the nearly \$700 million cost of subsidizing OVEC's two coal-fired plants. For years, Ohio consumers have been largely pushed aside when it comes to major legislative and regulatory energy market changes. These top-down policies are contrary to consumer choice and further exacerbate energy poverty. [According to one estimate](#), over 300,000 Ohio households have incomes of 50 percent or more below the federal poverty level and pay 30 percent of their annual income simply for their home energy bills. COVID-19 has [further deepened](#) energy poverty in the U.S., underscoring the need for this bill.

The passage of HB 351 would eliminate the unnecessary utility handouts that have placed a financial burden on our communities. Americans for Prosperity is supportive of the passage of this legislation as a critical step to restoring institutional trust and the livelihoods of Ohioans.

I'd like to thank Representatives Lanese and Stolzfus for bringing this bill forward. Thank you again, Chairman, for the opportunity to testify today and I will do my best to answer any questions that you or members of the committee may have.

Americans for Prosperity (AFP) exists to recruit, educate, and mobilize citizens in support of the policies and goals of a free society at the local, state, and federal level, helping every American live their dream – especially the least fortunate. AFP has more than 3.2 million activists across the nation, a local infrastructure that includes 36 state chapters, and has received financial support from more than 100,000 Americans in all 50 states. For more information, visit www.AmericansForProsperity.org.

