



Senate Energy and Public Utilities Committee  
House Bill 128  
March 23, 2021

Chairman Peterson and members of the Senate Energy and Public Utilities Committee, thank you for the opportunity to provide written proponent testimony on House Bill 128 (HB 128).

The Alliance for Energy Choice is an Ohio non-profit corporation that seeks to promote fairness and competition in electric utility service. The Alliance advocates for free-market solutions that will ensure an adequate and fairly priced supply of electric power to Ohio's residents, businesses, and industries. The Alliance also advocates for policies that do not favor one supplier or one form of energy over another.

Our membership believes this legislation is an effective proposal to right the large majority of wrongs previously enacted in House Bill 6 (HB 6) and the last State Operating Budget, House Bill 166 (HB 166). The provisions in question from HB 6 and HB 166 egregiously benefitted FirstEnergy, Energy Harbor, and other energy companies at the expense of Ohio consumers and other competitive market participants.

The members of the Alliance are supportive of HB 128 for the following reasons:

1. It repeals the nuclear subsidy created in HB 6;
2. It repeals the decoupling mechanism created in HB 6;
3. It repeals the modification made in HB 166 that permits FirstEnergy to pool the total earned return on common equity of its three Ohio electric distribution utilities for purposes of applying it to the state's Significantly Excessive Earnings Test;
4. It fully refunds to customers all associated charges already collected; and
5. It requires the Ohio Power Siting Board, in consultation with JobsOhio and PJM, to submit a report to the General Assembly on whether the current requirements for planning of the power transmission system and associated facilities investment in Ohio are cost effective and in the interest of consumers.

While this bill addresses most of the necessary fixes associated with HB 6, the members of the Alliance were disappointed that a repeal of the utility scale solar subsidy was removed by the House prior to passing the bill. Picking a select few utility scale solar facilities to be eligible for a subsidy when countless other similar projects are moving forward in this state without the need for ratepayers to subsidize them is counterintuitive and unnecessary.

We were also dismayed that a repeal of the Ohio Valley Electric Corporation (OVEC) provision was not included. Requiring continued, guaranteed cost recovery for the outdated OVEC coal plants in Ohio and Indiana through 2030 is anti-competitive and unfair to Ohio's consumers and other competitive market participants.

However, we are looking forward to having those direct conversations during the committee's deliberations on Senate Bill 117 and Senate Bill 118 in the near future. Making those fixes will further

correct Ohio's broken energy policy and help to restore a level playing field to the competitive energy market in the state by enhancing fairness and transparency for all.

We appreciate this opportunity to submit written proponent testimony on HB 128. The Alliance urges the Ohio Senate to act swiftly on behalf of Ohio's citizens and businesses to pass this bill so that the recently enacted, damaging policies wrought in the aforementioned laws are overturned as soon as possible.

As always, please do not hesitate to contact us if you have any questions or would like further information regarding this document or the Alliance for Energy Choice.



The Alliance for Energy Choice membership currently includes Calpine, Eastern Generation, The Energy Professionals of Ohio, LS Power, and Vistra Energy.