



Written Proponent Testimony – Senate Bill 102

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Chairman Reineke, Vice Chair McColley, Ranking Member Smith, and members of the committee thank you for the opportunity to submit testimony on SB 102. My name is Perry Oman and I'm one of the founding members of the Energy Professionals of Ohio which was folded into the national organization back in January - The Energy Professionals Association (TEPA). TEPA thanks you for the opportunity to provide proponent testimony today for SB 102, legislation that would replace Ohio's Electric Security Plan and Market Rate Offer plan with a Standard Service Offer Plan (SSO Plan) as the method for setting electricity prices for those customers in Ohio who do not shop for power.

TEPA was founded in 2005 and represents companies who assist customers with the procurement of energy, both electricity and natural gas. These contracts can be extremely challenging to understand, and customers no longer look for just the lowest price. The market has evolved to the point that energy management services like mine are commonplace in the market. Nearly two-thirds of energy purchased in the commercial and industrial spaces is done with the help of someone like me.

TEPA supports SB 102 for a few main reasons - a wholesale stop to runaway riders negatively affecting customer bills, and an improvement in how dollars are refunded for riders later found to be unlawful.

Runaway Riders - Under current law in an ESP a utility may propose a rider for nearly anything under the sun they can get parties to its case to agree to. In recent memory AEP and FirstEnergy have layered dozens upon dozens of riders onto customer bills. These riders are generally not escapable by shopping. Should any committee member wis, TEPA would be happy to share data that showed customers in these utility territories had years of declining electricity prices but realized almost no benefit on their final bill due to the proliferation of riders.

SB 102 puts a stop to that.

SB 102 allows a utility to apply for an "incremental distribution mechanism" (IDM). The utility is limited to only 3 of these and may ask for only one a year. Further these IDM's are capped at 4%

growth. This proposal is **much** better for customers than the current system which allows for runaway riders with no limit on their growth.

Rider Refund - TEPA is also supportive of the incremental improvement to the *Keko* decision handed down in 1957 emptying the pockets of customers since. That Ohio Supreme Court decision allows utilities to keep the money collected by riders that are later found to be unlawful. SB 102 would allow customers to be refunded the dollars collected after a rate is determined to be unlawful by the court but before the PUCO can approve a new tariff. TEPA is pleased to see movement in favor of customers; however, TEPA suggests that once a rate or tariff is challenged and certified by the Court for a review and order, those rates should either be paused, or collected and held separately should a refund order be the result.

Small Commercial Customer Definition - SB 102 also provides, for the first time ever, a clear definition of small commercial customer in Ohio law. Right now, this definition changes by utility rate schedule. Small commercial customers must have certain protections written into their contract under PUCO rules. Since the definition is different depending on the utility a customer may reside in it creates confusion in the marketplace. TEPA has dealt on a number of occasions with suppliers using form contracts across the state that may not adhere to PUCO rules. This small change will ensure that the consumer protections afforded residential and small commercial customers are protected and do not affect the freedom of larger and more sophisticated actors from assigning risk differently in their own contracts.

Registration Suggestion – Finally, TEPA suggests one addition to the legislation – a simple registration requirement for any subcontractor hired by a third party vendor who is paid to solicit business via door-to-door or telemarketing. These solicitors are not currently required to be licensed and certified by the PUCO, as they sell under the license of the hiring third party. By simply requiring any individual from a marketing entity to register their full name, contact information, and the company they are working for or on behalf of would help ensure accountability is being placed at the right level in those instances where “slamming” occurs and would help the PUCO’s enforcement division to find and punish people who are undermining the free market by willfully or recklessly breaking the law.

Thank you for allowing me to testify today regarding TEPA's support for SB 102. I'm happy to take any questions the committee may have.