



*Working together for Ohio farmers to advance  
agriculture and strengthen our communities.*

**Senate Energy and Public Utilities Committee  
Senate Bill 143 Proponent Testimony  
Evan Calliccoat, Director of State Policy  
January 23rd, 2024**

Chairman Reineke, Vice Chair McColley, Ranking Member Smith, and other members of the Senate Energy and Public Utilities Committee, thank you for the opportunity to submit proponent testimony for SB 143. Since deregulation in 1999, Ohioans have seen many benefits of competitive, market driven electricity generation. However, some anti-competitive issues still exist, particularly ratemaking through electric security plans (ESP's). The Ohio Farm Bureau (OFBF) supports SB 143 because it will finally allow for Ohio's electricity market to truly be competitive and market driven as it was intended and provide energy savings not only to our members, but all Ohioans.

Historically, OFBF supported utility deregulation in 1999 (SB 3) because it allowed Ohio consumers to choose their electric supplier for the first time and reap the benefits of competition, which are lower prices, better service, and innovative products. We were involved in the Coalition for Choice in Electricity and very engaged in the legislative process surrounding this policy at the time. We also believed certain safeguards were necessary in the transition to a competitive market to prevent cost shifting and ensure quality service.

Under SB 3, utilities were required to completely divest from their generation assets by 2010. We recognize, however, that the state's energy policy has changed many times throughout the last twenty years and that those changes have presented challenges for the industry. OFBF supports SB 143 because it will accomplish corporate separation as SB 3 intended. There has now been plenty of time for utilities to adjust to a competitive market and no longer rely on their corporate affiliates.

Prior to 1999, there was little incentive for utilities to upgrade generating capacity on their own as well as no real outlet for consumers to tap into cheaper electric supplies. Research has shown that opening electric generation to competition provides incentives that reduce energy costs. While consumers have seen some savings over the couple decades since deregulation, utilities are still able to charge ratepayers above-market prices for energy. With PUCO approval through an electric security plan (ESP), utilities are permitted to assess "non-bypassable riders" to cover transmission and upkeep costs, which have been used to supplement power generation. These non-bypassable riders inhibit consumers from experiencing the full benefits of competition and keep rates higher and do not have safeguards to guarantee they are actually being used for their intended purpose. SB 143 would eliminate non-bypassable riders by removing the ability to file ESPs for utilities. The establishment of a true market rate offer (MRO)



*Working together for Ohio farmers to advance  
agriculture and strengthen our communities.*

process is long overdue, and combining that with required rates cases every five years will ensure that customers are only paying for reasonable and appropriate costs and expenses and prevent utilities from taking advantage of their customers to only increase their profits.

Agriculture faces significant challenges today. Rising land costs caused by decreasing land availability, skyrocketing input costs, and particular to this situation, astronomical energy costs are not only preventing new farmers from entering our industry, but driving current farmers out. Regardless if you are a residential or industrial user, or in urban, suburban, or rural area, SB 143 will benefit all of those groups and finally eliminates a non-competitive energy market that advantages company profits over customer savings

Development of the state's comprehensive energy policy continues to be a priority for Ohio Farm Bureau. SB 143 would help control energy costs through the full implementation of a competitive market, allow consumers to benefit from competition, and help keep agriculture viable in Ohio. Thank you again for the opportunity to submit comments on this very important issue, and please contact me if you have any questions on my testimony.