



**BEFORE THE ENERGY AND PUBLIC UTILITIES COMMITTEE  
THE OHIO SENATE  
SENATOR BILL REINEKE, CHAIR**

**SENATE BILL 143  
PROPONENT TESTIMONY OF BRADLEY BELDEN  
PRESIDENT  
BELDEN BRICK COMPANY**

**January 23, 2024**

Chairman Reineke, Vice Chair McColley, Ranking Member Smith, and Members of the Senate Energy and Public Utilities Committee, thank you for the opportunity to testify today as a proponent of Senate Bill 143.

My name is Bradley Belden. I am the President of The Belden Brick Company, which is headquartered in Canton, Ohio. I also serve as Chairman of The Ohio Manufacturers' Association Energy Committee. My testimony is reflective of both my company and the OMA.

The Belden Brick Company owns and operates six plants in Tuscarawas County and employs nearly 500 people in Ohio. We produce both molded and extruded face brick and pavers. We are the largest family-owned-and-managed brick company in the nation, and the sixth-largest brick manufacturer overall, as measured by production volume.

Access to reliable and affordable electricity is a significant issue for our company, both of which can impact our ability to compete in our industry. We are always looking for ways to reduce our costs – including what we spend on electricity – because that frees up resources that can be used to invest back into the business and create jobs.

Because our electric costs are a major line item in our expenses, we are keenly interested in public policies that will drive lowest-cost energy resources and solutions. Ohio's transition to a competitive market for electricity has produced many well-documented successes that support that objective. For example:

- Between 2011 and 2018, business and residential customers in Ohio have saved approximately \$24 billion, with an expected additional \$3 billion per year in savings going forward.
- Seven new gas-fired power plants have been constructed in Ohio since 2017, while four additional plants are approved for construction by the Ohio Power Siting Board. This represents more than 9,700 megawatts of new, competitive gas-fired power generation in Ohio. And, reserve margins are currently around 22 percent.

In other words, retail electricity competition is working as intended. Increased choices and savings have served customers well.

Nonetheless, with SB 143, we have an opportunity to produce even better results. Current law contains a number of ratemaking provisions that are anti-competitive, unnecessarily costly for residential and business customers, and bad for Ohio's economy. Many of these anti-competitive provisions became law through Senate Bill 221, passed in 2008, and today represent a serious threat to the benefits of competition we currently enjoy.

For example: Electric Security Plans (ESPs) permitted under SB 221 have made it possible for utilities to secure approval from the Public Utilities Commission of Ohio to charge customers above-market prices through unwarranted non-bypassable riders.

How much money are we talking about? The Ohio Consumers' Counsel has documented more than \$15.3 billion in PUCO-approved, above-market electric utility charges since 2000. Those costs have been paid by customers of AEP-Ohio, AES Ohio, Duke Energy Ohio, and FirstEnergy.

This begs the question: Why should manufacturers like The Belden Brick Company – or any business for that matter – be forced to pay what amounts to unjustifiable energy “taxes” at a time when competitive electricity markets should be producing lower electric bills?

Senate Bill 143 will help protect electric customers by addressing unfair, anti-consumer provisions embedded in current law that cost customers billions of dollars. By eliminating language in current law that permits utilities to file ESPs, the bill also will eliminate above-market charges that those plans allow.

Senate Bill 3, enacted in 1999, prohibits utilities from owning and operating generation. However, instead of divesting their generation, some utilities chose to spin off their generation assets to a corporate affiliate. In recent years, some utilities have used the poor financial performance of those unregulated generation affiliates to seek above-market charges from customers on their distribution utility bills in the form of non-bypassable riders.

Senate Bill 143 will make the law clear that utilities and their affiliates cannot own generation thereby eliminating the potential for subsidies flowing to the utilities' unregulated affiliates.

Businesses across all segments look at what a kilowatt of electricity will cost them. Ohio is positioned well to be able to provide reliable power at extremely competitive rates if we continue down the path of implementing fully competitive market rates. Local energy sources have lowered the cost of generation and invited investment into our state by new generators. Traditional utilities though have been increasing the total cost of power by adding riders on distribution bills to line their pockets. Ohio will find it harder to retain and attract businesses with a higher total cost of electricity.

Senate Bill 143 will restore much-needed balance and fairness to Ohio's ratemaking process. Enactment of the bill will strengthen customer protections against unfair, unwarranted, above-market charges – and, in the process, will support economic growth and prosperity in our state. I ask for your careful consideration of this legislation.