



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

**SENATE BILL 143
PROPONENT TESTIMONY OF TIM LING
CORPORATE ENVIRONMENTAL DIRECTOR
PLASKOLITE, LLC**

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 Tim Ling and I serve as the Corporate Environment Director for Plaskolite, LLC., a global thermoplastic sheet manufacturer based here in Columbus with over 400 employees throughout Ohio. I stand before you today to testify on behalf of the Ohio Manufacturers' Association, of which my company is a longtime member.

As you may know, manufacturing is the largest of the state's 20 major industry sectors. As of 2023, manufacturing contributed more than \$134 billion annually to Ohio's economy, accounting for nearly one-fifth of Ohio's private industry GDP.

Energy policy can either enhance or hinder Ohio's ability to attract business investment, stimulate economic growth, and spur job creation – especially in manufacturing. Energy markets free from market manipulation allow consumers to access the cost and innovation benefits of competition.

This committee has been asked to consider Senate Bill 143, which eliminates electric security plans (ESPs) to protect customers from above-market charges. ESPs were to be a temporary mechanism to bridge Ohio's move from the traditional monopoly market to the free market for electricity.

The transition established by SB 221 (2008) to allow the market to fully develop was expected to occur over a five-year period (circa 2014), after which the Ohio utilities should have been operating completely under free electric markets. It's now a decade beyond when these ESPs were to be in place, yet they still continue. They have truly outlived their stated purpose, and are now simply a costly mechanism to add above-market charges to customers' electric bills, increasing Ohio's electric costs. They are not needed, in any real technical or economic sense, to ensure reliable electric service in Ohio. It's time for ESPs to go away, and to let the free electric markets operate as originally intended with the passage of deregulation.

As a manufacturer, access to affordable energy is a critical component to operating successfully in Ohio. When we are able to reduce our energy costs, that allows us to use those additional resources to reinvest in our employees, facilities, and the communities that we operate in. It will be difficult for Ohio to retain and attract businesses as the total cost of electricity continues to increase.

Ohio is well-positioned 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. However, traditional utilities have been increasing the total cost of power by adding riders on distribution bills, such as for uncompetitive generation, without needing to provide any transparent justification.

SB 143 would require utilities to file a new rate case, and open their books every five years, which helps ensure customers are only paying for prudent and reasonable costs and expenses for electric service. Ultimately, Senate Bill 143 will protect customers by providing transparency through the rate case process and by restoring balance through the repeal of ESPs.

Thank you for the opportunity to testify. Brad and I are joined by OMA's Energy Counsel, Kim Bojko and OMA's Energy Engineer, John Seryak. We will try to answer any questions that you may have.