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SB 275 Sponsor Testimony

Good Afternoon Chairman Reineke, Vice Chair McColley, Ranking Member Smith and fellow members of the Energy and Public Utilities Committee. Thank you for the opportunity to testify on Senate Bill 275 which will allow utility customers in Ohio to participate in virtual net metering. This legislation takes Ohio's current law regarding net metering and expands it to allow utility customers to generate electricity at a location that is separate from their property. At its core, the legislation is an economic development bill.

Because of Ohio's manufacturing base, it is an energy intensive state. Recently, there has been incredible economic development success as Intel, Honda, datacenters and other economic wins have been announced. These successes for Ohio bring with them the responsibility of providing enough energy to meet their demands, while at the same time, Ohio must continue to grow its economy and create the jobs of the future. This all requires more energy and recent reports indicate that we may experience grid stress in the near future – unless we have more generation.

Current law regarding net metering allows a person or business to set up solar, wind or other types of energy generation on their own property and receive a credit against their energy bill. The generation must also be located on the same property as the customer. This requirement can limit how much energy a customer can produce, especially for businesses that have significant energy needs but limited space to build these generation facilities on their property. This bill allows the customer to build the generation at a separate location and credit any electricity generated at those sites towards the generation portion of their utility bill.

To reduce grid stress, the bill caps how much energy can be produced by a virtual net metering system at no more than 120% of the customer's energy needs. Additionally, this bill requires that the generation be located in the same certified territory of the electric utility that provides electric service to the facilities using the remotely generated electricity.

A unique aspect of this bill will allow customers who have multiple facilities to aggregate their meters for the purposes of participating in this program. This would allow school districts, industrial parks and other participating entities who have multiple, noncontiguous facilities to aggregate all of their facilities into the same virtual net metering system and potentially save thousands on their energy costs.

Because this Bill is truly an economic development opportunity, it's designed primarily for commercial development and use. Thus, the participating commercial customers will pay all distribution costs thereby preventing utility companies the need to "cost shift" to other consumers.

SB 275 does not choose sides in the source of the energy. The bill reflects my position of an "all of the above energy" solution. SB 275 focuses on generating electricity for economic development so, unlike any other legislation in Ohio, the energy created can be powered by alternative energy, natural gas and a host of other energy power sources and technology. My bill does not pick a winner or loser. It is a market driven approach by letting the commercial user decide its source.

SB 275 also acknowledges how integral agriculture is to the state and restricts development of these remote generation sites to mining properties, brownfields, landfills, land owned by a land bank, sewage disposal systems, and the roofs of large commercial or industrial facilities. Construction of virtual net metering systems on agricultural land is expressly prohibited in this legislation.

As we look to attract businesses to our state, the changes to law offered in SB 275 are going to be vital in Ohio's economic development efforts. It is crafted in a way to prevent cost shifting to the average consumer and helps preserve Ohio's farmland. Thank you for the opportunity to testify on this bill. I ask for your favorable support of SB 275 and am happy to answer any questions you may have at this time.