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**Majority Floor Leader Bill Seitz
The Ohio House of Representatives**

Sponsor Testimony for HB 79

November 19th, 2024

Chairman Reineke, Vice Chair McColley, Ranking Member Smith, and members of the committee, thank you for the opportunity to present sponsor testimony on HB 79—legislation that I am joint sponsoring with Representative Sweeney.

This bill represents a small but meaningful step forward to address a looming crisis in that we are running out of electricity. This crisis has been forewarned by PJM, by FERC Commissioners, and in articles appearing in the Washington Post and New York Times, among others. The cause of the crisis is twofold—demand is spiraling due to AI, data centers, crypto, electric vehicles, and normal load growth. Meanwhile, supply is rapidly diminishing due to federal and blue-state policies that have made it very difficult for existing and new baseload thermal powerplants to operate; for example, we used to have 21 coal plants in Ohio and now we have only 4. When demand is high and supply is low one of two things must happen and neither of them are good. Either the price for the commodity sharply increases, or the available quantity of the supply is rationed. We need to responsibly reduce demand, which is the sole aim of this bill, while at the same time continue to pursue more robust supplies of baseload thermal energy via other legislative measures.

The problem will not be solved by greater reliance on renewable energy until an economical solution is found to solve for the intermittent nature of wind and solar. But we can help to reduce demand by programs that reward reduced electricity usage as this bill does. Many of you recall that we used to have statutory energy efficiency programs in Ohio that proved to be unworkable, expensive, and unpopular. As a result, we repealed these statutes when we passed H.B. 6 in 2019; I know, because I was the principal leader in what became a multi-year fight to pare back and ultimately eliminate the prior programs. But there is nothing wrong with a properly designed energy efficiency program and that is what sits in front of you in H.B. 79. This bill, unlike the prior energy efficiency statutory language is an improvement for all of the following reasons.

Unlike the energy efficiency programs that had been previously legislated, this bill:

- Is focused principally on residential electricity consumers who often lack the sophistication to know how best to save on their electric bill.

- Allows any residential customer a front-end option not to participate in the Energy Waste Reduction program, an option that may be exercised again every three to five years for customers that had opted-in to those programs.
- Permits commercial and mercantile customers to participate in the programs only if they affirmatively opt-in to the program.
- Contains targets that utilities' programs must meet that are appreciably lower (.5% energy reduction per year) than were the energy mandates of the past (2% per year).
- Caps the maximum monthly fee chargeable to participating customers at \$1.50 and caps the maximum annual spend by each utility, all as subject to PUCO audit.
- Defines what kind of programs can be PUCO-approved in such a way as to exclude gimmicks that are not truly conducive to achieving energy efficiency, and highlights the kind of methods that are truly most conducive to getting the best bang for the buck (e.g., smart thermostats).
- Requires real proof, satisfactory to PUCO, that the approved programs actually have saved customers more money than the programs cost to implement.
- Contains a special focus on developing programs for low-income residential customers, which will save non-low income customers money because they currently are charged for "bill payment assistance" to pay the electric bills for low-income customers whose residences are energy inefficient.
- Doesn't mandate that utilities file Energy Waste Reduction programs, but defines the criteria if they do.

Moreover, in collaboration with the Senate and members of the House, we have introduced HB 79 with additional improvements. One of which provides additional opportunities to opt out of the programs prescribed by the bill and extends the time period in which to do so. Another requires any utility offering an energy efficiency program under the bill, to accommodate the participation of small businesses as trade allies in all the counties within the utility's service area under the utility's proposed energy efficiency programs. The final change prohibits a utility from inducing a party relating to a portfolio application, into a cash settlement, or entering into any agreement that is not part of the public case record.

Some members got the wholly incorrect idea that customers who choose to participate in the programs will be compelled to purchase the energy-saving devices offered through the programs. This is absolutely false: participating customers may choose to take advantage of the discounts offered by the utility, or not, as they see fit.

This legislation has the potential to be the first major piece of bipartisan jointly-sponsored energy legislation to pass in over a decade. With your help, we can make that happen.

Thank you again for the opportunity to provide sponsor testimony on HB 79— we would be happy to answer any questions at this time.

