

**OHIO HOUSE OF REPRESENTATIVES
HEARING OF THE HOUSE ENERGY COMMITTEE**

TESTIMONY OF CALPINE CORPORATION ON HB 15

FEBURARY 13, 2025

Thank you for the opportunity to submit these comments in support of HB 15. Calpine applauds the committee for its work on this important piece of legislation. This bill will provide more regulatory certainty for competitive generators to invest in Ohio, supporting economic development while delivering improved affordability and grid reliability in response to load growth.

Calpine is an independent power producer actively involved in the operation, ownership and development of electric generation and the marketing and sale of electric power throughout the United States. Calpine operates the largest fleet of natural gas combined cycle and cogeneration facilities in the United States, delivering approximately 27,000 megawatts (MW) of reliable, low-cost electricity for customers and communities in 22 U.S. states and Canada. Calpine also provides retail electric service to customers through its subsidiary, Calpine Energy Solutions. We are not a utility receiving a guaranteed payment through regulated rates. Rather, we compete head-to-head with other suppliers to sell power directly to wholesale and retail customers in the competitive markets across the country.

It is now both widely known and well-documented that the combination of load growth and the pace of generation resource retirements will require prompt action to develop additional generation resources in the coming years. Ohio is very well-positioned to address the resource adequacy concerns facing both the state and the PJM region more broadly, and Calpine appreciates the timely efforts and leadership of this committee to address these issues through HB 15. Calpine believes that the competitive wholesale markets operated by PJM provide the best construct to incent investment in generation resources. The policies addressed in HB15 illustrate Ohio's commitment to competition. The bill delineates the separation between regulated utility services and those provided by the competitive market. This regulatory

certainty is key to competitive investment in the state. In part, the following are critical aspects of the bill:

- Requiring an electric distribution utility's (EDU) standard service offer to be established only as a market-rate offer (MRO) by eliminating the electric security plan option and making the MRO mandatory.
- Amending the definition of EDU to state that EDUs cannot own or operate an electric generating facility.
- Strengthening the state's retail energy market, increasing supplier product offerings, and bolstering consumer protections.
- Prohibiting electric utilities from providing any competitive service in Ohio.

PJM's recent capacity market auction results for the 2025/26 Delivery Year sent a strong price signal to developers and investors that new supply is needed in the PJM region. Following these auction results, several generators and developers, including Calpine, are now exploring investment opportunities in response to these market signals. Calpine subsequently announced that it is accelerating its development efforts in PJM, exploring multiple new project sites in the region and assessing opportunities to expand existing facilities.

Calpine greatly appreciates the committee's work on HB 15. This bill well positions Ohio to take advantage of competition and to get generation built without the Ohio rate payer being responsible for the financial and performance risk of the generation.

Thank you again for the opportunity to testify on this important legislation.