

February 12, 2025

Representative Adam Holmes, Chairman
Representative Chris Glassburn, Ranking Member
House Energy Committee
Ohio General Assembly

Dear Chairman Holmes, Ranking Member Glassburn, and honorable members of the Ohio House Energy Committee:

Thank you for the opportunity to provide testimony in support of House Bill 15. We appreciate the work and consideration of Representative Klopfenstein and thank him for introducing this important piece of legislation. The legislation before you is a continuation of work that the Ohio legislature began in 1999 when it restructured the retail electric sector by separating electric generation from the monopoly distribution utilities and giving Ohioans the power to choose among competing providers for their supplier of electricity. Constellation is proud to support this legislation and encourages the Ohio legislature to move House Bill 15 expeditiously through the legislative process.

Constellation is a leading supplier of energy products and services to business, homes, community aggregations and public sector customers. We are proud to be the number one supplier to the nation's business community, including three-fourths of the Fortune 100 companies. As a retail supplier in Ohio, Constellation has been a leading provider of power to thousands of residential, commercial, and industrial customers for many years. Constellation has also been an active participant in wholesale auctions for generation service conducted by the utilities in Ohio.

As Ohioans face ever growing costs on everyday items, House Bill 15 will provide a source of relief through the repeal of the Electric Security Plan (ESP), requiring all utility Standard Service Offers (SSO) to be market-based through a Market Rate Offer (MRO). The Electric Distribution Utilities' (EDU) liberal use of ESPs has resulted in dramatic cost increases for Ohio consumers.

Over the last 16+ years, riders in ESPs have cost Ohio rate payers billions of dollars. In addition, ESPs give the utilities veto authority where they can unilaterally withdraw any ESP with which they are not satisfied. Among other things, ESPs include riders that recover supply related costs, and other unrelated proposals, all of which benefit the utility. Moving the utility SSO to one that is based solely on market outcomes not only ensures transparency but also results in Ohio rate payers only paying their fair share for the electricity they consume. To be clear, Constellation does not advocate for an elimination of the utilities as the default service provider but seeks to ensure that those customers that utilize the SSO are paying a fair price and understand what is included in their utility bill.

House Bill 15 includes a number of important protections. Most valuably, by requiring that utility SSOs are market based without hidden riders, consumers are able to more accurately do an apples-to-apples comparison of the current electric generation cost in their utility bill compared to market offers from Constellation and other competitive providers. Additionally, opportunities like consumer choice billing and enroll with your ID provide new convenience to those consumers who choose to shop. Other improvements provided in the legislation include an increase in the bond requirement for competitive retailers and notification requirements to retail supply customers provide increased protections. Together, these retail changes will put the Ohio consumer in control of their choices and safeguard them against bad actors.

Constellation supports the common-sense reforms contained in House Bill 15 and applauds Representative Klopfenstein for his efforts to make these sensible and necessary updates to Ohio's electric regulatory laws that will improve competition and pro-customer aspects of Ohio's competitive electricity market. We appreciate the opportunity to provide proponent testimony for House Bill 15 and look forward to working with the members of this committee and the entire legislature to advance this bill.