



Ohio Environmental Council [Action Fund]

February 12, 2025
Interested Party Testimony - House Bill 15
Ohio House Energy Committee

Chair Holmes, Vice-Chair Klopfenstein, Ranking Member Glassburn and members of the committee, thank you for the opportunity to testify as an interested party on House Bill 15 (HB 15). My name is Nolan Rutschilling, I serve as the Managing Director of Energy Policy for the Ohio Environmental Council Action Fund (OEC AF). The OEC Action Fund's mission is to protect the environment and health of all Ohio communities. While HB 15 is a comprehensive, sweeping piece of legislation, our testimony today will focus on only a few components. We recommend clarity on the repeal of the Legacy Generation Resource Rider, the addition of energy efficiency programs, and support further reform at the PUCO in ratemaking and transparency.

Repeal of the Legacy Generation Resource Rider

The OEC Action Fund supports the elimination of the Legacy Generation Resource Rider (LGR), otherwise known as the mechanism funding the Ohio Valley Electric Corporation (OVEC) bailout. We support the intent to eliminate subsidies for specific types of generation, but recommend immediate elimination of the LGR, rather than depending on the patchwork of time periods assigned to various Electric Security Plans (ESPs). This would be consistent with the elimination of the Solar Generation Fund, which would be repealed at the effective date of the legislation. It's crucial this legislation doesn't pick favorites between energy generation types, and that consumers receive relief immediately, especially with looming PJM capacity price increases.

As different utilities have different ESP terms, consistency is also important, so that the customers of AEP Ohio aren't left covering the LGR in 2027 while the AES Ohio customers are off the hook in 2026, as that is when their ESP ends. Ohioans have already paid nearly \$600 million in total subsidies for the OVEC plants, and it is necessary to end those payments as quickly as possible.

Energy Efficiency

In order to address grid reliability and growing demand, new generation should be paired with energy efficiency measures. Voluntary energy efficiency programs, when run with regulatory oversight, result in cost savings and a more efficient grid. By reducing demand, energy efficiency programs will help reduce the need for energy generation capacity, preventing blackouts. We recommend the addition of energy efficiency programs similar to what was proposed under HB 79 in the 135th General Assembly. These programs can and should include

the same consumer protections around notice and opt out as the variable rate billing components in HB 15.

Crucially, these types of programs are most important for residential and small business customers—both for cost savings and grid reliability. Residential and small business energy efficiency and demand response programs are crucial for dispersing available capacity compared to isolated industrial users across service territory. While industrial users often have sophisticated efficiency measures, residential and small business consumers benefit from utility-run programs that make the technology accessible and affordable. To put it simply: without energy efficiency programs, Ohio would be missing the lowest hanging fruit in our joint effort to create a reliable, affordable energy system.

ESP Elimination

The OEC Action Fund supports the elimination of Electric Security Plans in order to establish a simpler, more transparent ratemaking process at the PUCO, but recommends a required time period for Electric Distribution Utilities to bring forward rate cases. By specifying specific time frames for utilities, we can establish a fair, transparent process.

Thank you again for the opportunity to testify, and I'd be happy to answer any questions that you might have.

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