

Northwest Ohio **Aggregation Coalition**



Cities

Maumee

Northwood

Oregon

Perrysburg

Rossford

Sylvania

Toledo

Waterville

Villages

Delta

Holland

Ottawa Hills

Walbridge

Townships

Lake

Perrysburg

Counties

Lucas

Written Proponent Testimony

February 12, 2025

HB 15

Thomas R. Hays on behalf of the Northwest Ohio Aggregation Coalition (NOAC)

Chair Holmes, Vice Chair Klopfenstein, Ranking Member Glassburn and Members of the Energy Committee, my name is Tom Hays. The Northwest Ohio Aggregation Coalition (NOAC) and the 125,000 homeowners, renters, farmers and small businesses participating in our electric aggregation thank you for this opportunity to speak in support of HB 15.

Thank you for HB 15 and helping families and their employers. HB 15 emphasizes market reform, the elimination of investment barriers for generation, and ending unnecessary costs that bloat electric bills. These reforms are in accord with NOAC's own market principles under which we competitively bid all our contracts and keep our overhead to a minimum. This keeps rates lower.

NOAC along with the OCC, OMA and many other consumer groups have repeatedly testified in favor of the reforms in HB 15. Looking at just two of these, HB 15 is correct to end ESP's. ESP's impose costly programs that add little value to customers. While traditional base rate cases mandate a fair and reasonable rate of return to the company (about 9%), ESPs allow electric utilities to gash customers for above market return rates of 14% or 15% or more. A return to MRO's is welcome reform. This will significantly lower customers' electric bills.

HB 15 also ends OVEC subsidies. High ranking corporate officials promised that OVEC was a “hedge” that would pay for itself. But history proved its primary purpose was to enrich utility companies just as customer groups testified. Worse, the OVEC subsidy clearly acted as a market barrier to the entry of lower cost state of the art natural gas facilities. In fact, upon enactment of the OVEC subsidy, a planned natural gas plant in our footprint went from the fast track to a vanished dream. Northwest Ohio is the most heavily industrialized area in Ohio and the loss of that natural gas plant hurt. Adding reliable electricity supply will act to lower electric costs and spur economic activity.

NOAC watched the Sponsor’s testimony, and we were impressed by the thoughtfulness and candor of all members of the Energy Committee. We appreciate the Chair and Sponsor’s willingness to consider improvements to the bill that help achieve its purposes. We expect comments on HB 15 from many quarters and NOAC promises to work with the Committee to help ensure the passage of HB 15.

We would like to commend the bill sponsor, Rep. Klopfenstein for addressing these much-needed reforms and careful consideration of the issues that will have a significant impact on the homeowners, farmers, and small businesses owners in the NOAC territory. Chair Holmes and members of the House Energy Committee, thank you for your thoughtfulness and work for the people on this legislation. I appreciate the opportunity to offer the full support of NOAC and urge your support for HB 15.