



Edison Electric
INSTITUTE

Power by Association™

February 26, 2025

VIA E-MAIL

Chairman Adam Holmes
House Energy Committee
Vern Riffe Center
77 South High Street
Columbus, OH 43215

Re: House Bill 15 – Oppose

Dear Chairman Holmes and members of the House Energy Committee,

The Edison Electric Institute (EEI) respectfully submits these comments to the Ohio House Energy Committee regarding House Bill 15 (H.B. 15). EEI monitors energy legislation around the country and appreciates the opportunity to comment on this bill.

EEI is the association that represents all U.S. investor-owned electric companies. Our members provide electricity for more than 250 million Americans and operate in all 50 states as well as the District of Columbia. EEI's members include all investor-owned electric companies that serve customers in Ohio. Collectively, the electric power industry annually invests more than \$170 billion to modernize the energy grid. In addition, EEI member companies support more than 7 million jobs in communities throughout the United States.

Across the country, America's electric companies are hard at work on meeting today's energy challenges. We're strengthening and securing the energy grid to meet growing demand and to reduce outages and recover faster when they happen. We're using a diverse, balanced, and domestic energy mix that helps ensure reliability and advances energy innovation, while working to keep customer bills as low as possible and to meet the needs of our communities and grow our economy.

In a state like Ohio, which has a restructured electricity market, electric companies do not own electric generation facilities. However, what they are responsible for is the safe, reliable and affordable transmission and distribution of electricity to the homes and businesses across the Buckeye state. The integral parts of that delivery system include "hard" components like substations, transformers, poles, power lines, and meters. This infrastructure must be regularly serviced and modernized to meet increasing electricity

demand while meeting customer reliability needs, in addition to other services like tree trimming, billing, and customer support.

To meet the growing demand for power and to continue providing safe, reliable, and affordable service to customers, Ohio's electric companies rely on a stable regulatory environment. This predictability supports the financial health of electric companies, which is required for their making prudent investments in the state's energy system.

Ohio's regulated electric companies help drive the economy throughout the state, as nearly every aspect of the economy depends on the delivery of reliable electricity. Ensuring regulatory certainty and stability for Ohio's electric companies is essential to the state's future growth and ability to attract new industries. H.B. 15 would undermine that important paradigm and jeopardize the certainty essential to future growth and economic development.

One of the more problematic provisions of H.B. 15 is that the proposed changes impacting electric security plans (ESPs) could create significant regulatory lag, leading to a gap between when an electric company makes investments in the electric grid and when it receives regulatory approval for cost recovery of those investments. Prolonged regulatory lag results in significant financial burdens on electric companies, hindering necessary enhancements to address ongoing reliability concerns; or even worse, could result in a credit agency downgrading the credit worthiness of the company. This could ultimately increase the costs of raising capital, which would lead to higher customer costs and hinder economic development.

A second area of concern in H.B. 15 is the creation of the Consumer Choice Billing Program (CCB). In an issue as complex as CCB, there are unintended negative consequences that can develop for customers with this type of billing system. For example, depending on the format of the consolidated bill, it may be more difficult for customers to understand what they are paying for, making it difficult to identify billing errors. In addition, companies providing the service of consolidated billing may include extra charges – such as administrative fees or service add-ons – that may artificially increase the price of a monthly electric bill. Moreover, since Ohio is a deregulated market for electric companies, challenges may occur for customers attempting to switch suppliers. Consolidated billing may complicate the process, making it harder and perhaps even less likely for customers to switch their provider.

A third area of concern in H.B. 15 is the “replacement of major utility facility certification.” By requiring Ohio Power Siting Board certification when replacing a major utility facility with a like facility, H.B. 15 will create a new layer of bureaucracy that is detrimental to customers. For example, it could potentially slow down the power restoration process after a storm or other weather event and delay installation of grid hardening equipment to make Ohio more resilient to severe weather.

Finally, H.B. 15 includes increasing, from 85 percent to 89 percent, the assessment rate for property taxes on electric companies. Increasing property taxes on electric transmission and

distribution property will lead to higher electric bills, which can be a particularly burdensome hardship for low-income households. It would also increase the cost of modernizing and upgrading the transmission system to be capable of integrating new generating units onto the grid.

As written, H.B. 15 would make Ohio's electricity system less reliable, less resilient and more expensive in meeting Ohio's growing power demands. We therefore urge this body to work with our member electric companies in the state to resolve the issues mentioned here and improve the bill prior to the consideration of passage.

Respectfully submitted,

A handwritten signature in dark ink, reading "Philip D Moeller". The signature is written in a cursive style with a large initial "P" and a long, sweeping underline.

Philip D. Moeller
Executive Vice President,
Business Operations Group and Regulatory Affairs
Edison Electric Institute