



March 19, 2025

Chair Holmes, Vice Chair Klopfenstein, Ranking Member Glassburn, and Members of the House Energy Committee:

My name is Tom Copus, Vice President of Operations at Caithness Energy and I currently serve as the Treasurer of the Ohio Independent Power Producers. As providers of clean, reliable, efficient Ohio based natural gas fired generation, the OIPP thank you for the opportunity to testify as a proponent of House Bill 15.

OIPP members develop, construct, and operate modern natural gas-fired power plants, representing billions of dollars of new private investment in Ohio and thousands of megawatts of new, efficient, and reliable energy. OIPP members have invested over \$6.9 Billion developing and constructing 7,000MW of new generation in Ohio in the last 10 years. These projects are entirely built by private unsubsidized investment, not ratepayer guarantees, with project performance risk on the investors, not captive Ohio ratepayers.

The Guernsey Power Station is an 1875 MW combined cycle, natural gas power plant. That's enough electricity to power approximately 1.4 million homes. We are also one of the most efficient power plants in the world, achieving around 64% efficiency. In addition, we have very low NOx (nitrogen oxides) emissions, below 2 parts per million. For comparison, a coal-fired power plant ranges from 90 to 120 ppm of NOx.

The slides attached to my testimony provide additional information about Guernsey Power Station and our development process.

Located within PJM Interconnection, with accessible transmission lines, abundant natural gas, and sufficient water resources, Ohio has many factors in its favor when developers are looking for possible sites for new generation.

Those features played a large role in my company selecting its site in Guernsey County. The Guernsey Power Station is located along the intersection of a 745 KV transmission line and Rockies Express pipeline. Because our facility is an air-cooled facility, we don't require as much water as power plants that use water cooling. We use the Village of Byesville's water system for our water needs, but Ohio has sufficient water resources for water-cooled power plants.

The attached map in the slides, shows how the Rockies Express pipeline cuts directly through Ohio. The flow of gas used to go West to East, however with the development of the Marcellus and Utica shale, the pipeline was adapted so the flow can now go both ways. Ohio has additional large pipelines able to serve large loads in other parts of the state.

One other advantage for Ohio is a stable and consistent regulatory scheme. Having developed projects in many other states, all OIPP members can attest that the Ohio Power Siting Board (OPSB) process is both thorough and fair. Objective but stringent permitting can be a benefit for entities like us. Our neighbors can rest easy that we were thoroughly vetted.

Thanks to these advantages, Ohio was enjoying a small boom of natural gas power plant investment. However, the passage of H.B. 6 and embracing subsidization of generation caused a chilling effect on investment in Ohio. Frankly, by enacting subsidies, Ohio signaled to developers that a thumb was placed on the scale and new development was not welcome.

H.B. 15 sends the signal that Ohio is open for business again. Let me explain. First, and OIPP President Ron Paryl previously testified to this committee on this point, by eliminating out of market subsidies, H.B. 15 levels the playing field. OIPP members are willing to compete against any generation type, as long as the competition is fair. Government subsidies, whether federal or state, manipulate prices, keep aging generation online longer than marketable, and depress competition. If you create the confidence that Ohio has a level playing field, developers will invest again in your state.

Second, H.B. 15 embraces and supports the emerging behind-the-meter demand for generation. While OIPP members continue to support developing baseload power plants that tap into the wholesale transmission system, we cannot deny that customers are seeking self-generation solutions. Combined with the backlog of projects in the PJM interconnection queue, although PJM is working to address the backlog, the immediate future of generation development is through behind-the-meter projects.

Third, we support the expedited permitting in “priority investment areas,” or PIAs. When building on reclaimed coal land or brownfields there are additional liabilities and uncertainties. H.B. 15 incentivizes development in these areas of Ohio through tax relief and expedited siting.

Fourth, we support the restructuring of the tangible personal property (TPP) tax. The construction of new power facilities will still generate ample tax revenue. During the construction of our facility, we employed over 1,000 construction workers who stayed in local hotels and ate at local restaurants. We partnered with the village of Byesville to modernize the village’s water system to meet our needs, which the entire village now enjoys. During planned maintenance outages, hundreds of contractors service our facility and utilize local businesses and services.

As the committee nears the completion of its deliberations on the legislation, we make two technical requests. First, as we embrace the behind-the-meter market, avoid unnecessary limitations on distance or territory. Behind-the-meter should be available to all customers, regardless of their location. Providing a uniform regulatory framework will serve Ohioans well. The current framework in H.B. 15, while favorable towards opening up new behind-the-meter opportunities needs technical changes. A previous version of the bill made clear that self-generator does not violate the Certified Territories Act. There are provisions in the current version that imply exclusion, but providing certainty benefits the market, especially when it comes to securing project finance.

Additionally, the current bill limits the definition of “self-generator” to facilities placed into service after the effective date of H.B. 15. Is the intent that behind the meter generation placed in service over the last decade are no longer treated as self-generation?

The current Senate proposal has a distance limit of one-mile for behind-the-meter projects that qualify as “mercantile customer self power systems”. The establishment the framework for “mercantile customer self-power systems” in this legislation is a major opportunity to enable new generation – we commend this proposed addition to Ohio law. However, the one-mile limitation is arbitrary and will limit the growth of this market and we appreciate that the House legislation contains no such limitation. One last point on behind-the-meter, while the current House proposal creates a better market opportunity, the behind the meter arrangements contemplated in this legislation should expressly be available in both investor-owned utility and rural electric cooperative territories. While this is implied, express clarification on the applicability in the language is almost always the best route. These opportunities should apply consistently across the state, regardless of where the customer is located.

Our second area of technical correction is in regards to the priority investment areas (PIA). While we appreciate the faster siting process for projects located in a PIA, we ask that you consider a slightly longer time frame. The OPSB currently has an expedited process that takes 90 days, known as the Letter of Notification process. A similar time frame for a PIA project makes sense. It can ensure a proper and thorough review by the OPSB. As mentioned above, the OPSB process provides validity that projects with certificates were thoroughly vetted through all regulatory requirements. We fear a review that is too expedited could risk backlash if a project was sited without adequate review, which could harm all development. We highly value being trusted members of our community and a thorough regulatory process helps our standing in our communities. For example, we want our neighbors to trust that environmental reviews weren’t subject to any shortcuts. Thorough, objective, and fair review by a regulator helps developers and operators maintain a positive reputation with our local communities. Expedited review is a bonus, but developers favor credibility and consistency. While speed is helpful, predictable timelines – such as a 180 day “shot clock” for OPSB decisions under the standard process or a 90-day period for the accelerated process– is more helpful for the comprehensive development process.

Our legal counsel, Bricker Graydon, will supply through the chair our suggested technical changes.

OIPP members greatly appreciate H.B. 15’s embrace of the market and competition. The approach taken in H.B. 15 will instill confidence in Ohio’s market. Developers, more than anything, desire a stable and fair marketplace with a consistent regulatory regime. The policies contemplated by H.B. 15 nurture our confidence in the market.