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Ohio General Assembly
House of Representatives
Columbus

State Representative Mike Dovilla
17th House District

House Bill 142 – Sponsor Testimony
Before the House Energy Committee
Wednesday, May 7, 2025

Chairman Holmes, Vice Chairman Klopfenstein, Ranking Member Glassburn, and members of the House Energy Committee, thank you for the opportunity to offer sponsor testimony on House Bill 142. This legislation builds on the important work the General Assembly has already done this session through the enactment of House Bill 15.

H.B. 142 will serve three important purposes that align with the mission and vision of our committee. It will modernize Ohio's utility regulatory environment, foster opportunities for additional economic development, and ensure our state maintains and grows natural gas infrastructure at a time when such investments are needed. Let's consider these benefits.

First, this legislation will increase Ohio's regulatory certainty. It would do so in two ways that address regulatory lag, which currently places Ohio at a competitive disadvantage. The bill would implement forwarding-looking test years that align with those used in neighboring states. It would also allow utilities to recover the costs of doing work at the time when those costs are being incurred. This will position Ohio as an attractive state for investment in which utilities will have a better opportunity to receive a fair return and timely cost recovery.

The bill also tightens the timeframe for the Public Utilities Commission of Ohio (PUCO) to issue rate case orders. Quite simply, the current process is broken and requires change. H.B. 142 adjusts the timeframe for the PUCO to review and issue an order from 545 days to a more reasonable 365 days. Many neighboring states have even shorter time periods in place. Taken together with forward-looking test years, this more efficient timeframe for rate orders will place Ohio on a level playing field with other states in our region.

Second, H.B. 142 will foster additional economic development. As Ohio continues to attract the investment of large load customers like data centers, natural gas utilities must be equipped to serve them. This legislation provides clear, objective criteria to allow the PUCO to approve investment in such significant infrastructure. Providing large customers with a defined process and timeline will give utilities the ability to negotiate and secure these customers for Ohio. And the bill looks out for Ohio's other consumers by protecting them from financial risk and requiring that they receive benefits from investments into large load customer projects.

Finally, the bill will encourage the development of new natural gas infrastructure. Ohio must continue to implement public policy that aligns with increasing market demand generated by highly desirable investments in our state. Reliable, resilient, and safe infrastructure are key components of a healthy system. The Legislature can help promote such an environment by encouraging investment in on-site generation that in the future can be connected to the grid. This offers an opportunity for Ohio to address in part the concerns that supply in PJM may not be sufficient in the future to meet customer needs.

Mr. Chairman, nine years ago, when I had the privilege of sitting briefly in your seat as the Chairman of the House Public Utilities Committee, we began laying the groundwork for many of the energy reforms the Legislature is now implementing. Although that research was shelved and the state took a far different approach in the intervening years, we are now engaging – in a thoughtful, bipartisan manner – in the sort of policymaking that is positioning Ohio to be a national leader in energy. By passing this bill, we will take another important step forward in this policy area. Its enactment will implement a regulatory paradigm used by neighboring peer states, ensure important consumer protections, and create an attractive investment environment that mirrors the strength of Ohio's resources.

Thank you again for this opportunity to appear before the Committee. I now invite my joint sponsor, Representative Fischer, to offer his remarks, after which we would be happy to answer your questions.

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