

HB 142 – House Energy Committee

Proponent Testimony

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Chair Holmes, Vice Chair Klopfenstein, Ranking Member Glassburn and members of the House Energy Committee, thank you for the opportunity to provide proponent testimony today on Senate Bill 142.

My name is Alexandra Denney, and I am here on behalf of the Ohio Business Roundtable (OBRT), a nonpartisan, nonprofit organization that represents over 120 of Ohio's top business leaders, including many of the largest employers in the state. OBRT is committed to promoting policies that strengthen Ohio's economy, encourage investment, and support job creation.

In response to growing concerns about the reliability of our energy grid, the Ohio Business Roundtable convened a 35-member workgroup last year consisting of energy experts across the industry—including independent power producers, public utilities, large-load consumers, and even financial institutions—with one goal: develop workable solutions with broad consensus that position Ohio to become a national leader in energy. This process culminated in the release of our [Energy Competitiveness Study](#).

Reliable, affordable, and modernized energy infrastructure is critical to maintaining Ohio's economic competitiveness. However, our study found that Ohio's outdated regulatory framework—particularly its rate-setting process—creates significant barriers to investment.

Unlike neighboring states, Ohio utilities face prolonged regulatory lag, which delays cost recovery for critical infrastructure projects and discourages capital investment in our energy grid. HB 143 offers much-needed reforms to improve Ohio's regulatory

framework, ensure timely cost recovery, and position our state as an attractive place to do business.

House Bill 142 replaces the outdated 275-day (subject to refund) and 545-day (not subject to refund) timeline for rate case approvals with a streamlined 365-day process. Additionally, the bill allows natural gas utilities to use a fully projected future test year—up to two years from the application date—providing a more accurate reflection of expected costs, investment needs, and system demands.

Many surrounding states—including Indiana, Pennsylvania, and Michigan—already use forward test years, putting Ohio at a competitive disadvantage in attracting investment.

House Bill 142 also ensures that utilities can recover costs more closely aligned with when they are incurred, reducing financial strain and providing the certainty needed for long-term investment planning. By allowing timely rate adjustments through true-up mechanisms, the bill ensures that utilities charge fair rates without over- or under-collecting from customers.

Finally, HB 142 includes provisions establishing clear, structured criteria for alternative rate plans for large load customers. This includes defining “large load customers” as those using more than 1.2 million MCF/year, ensuring any alternative rate plan protects other customers from financial risk associated with large load customer projects, providing a credit for large load customers that contributes to overall system costs, benefiting all ratepayers, and mandating timely PUCO approvals for rate agreements.

As Ohio continues to attract a historic number of large-load users, these reforms encourage economic expansion while protecting existing customers.

The Ohio Business Roundtable strongly supports HB 142 as a necessary step toward modernizing our regulatory system, reducing unnecessary delays, and ensuring that Ohio remains competitive in attracting investment, business expansion, and job creation.

If Ohio fails to modernize its energy regulatory framework, we risk losing investment opportunities to states with more business-friendly policies, higher energy costs due

to inefficient capital recovery and outdated regulatory structures, and slower grid modernization, affecting energy reliability and economic growth.

By aligning cost recovery with real-time investment needs, providing clear regulatory timelines, and supporting economic development, this bill will enhance the long-term stability and affordability of Ohio's energy grid.

Thank you for your time and consideration. I would be happy to answer any questions.