**10/1/25 Testimony of Carlo Cavallaro, New Markets Director, CCSA to the House Energy Committee – Proponent Testimony for HB 303**

Chairman Holmes, Vice-Chair Matthews, Ranking Member Rader, and members of the House Energy Committee, thank you for the opportunity to submit proponent testimony on House Bill 303 My name is Carlo Cavallaro and I'm the Midwest Regional Director for CCSA.

CCSA represents more than 120 businesses that have deployed over $10 billion in private investments to upgrade the electric grid and build approximately 1,400 distributed generation projects across the country, enough to power over 1MM homes.

I am here to voice our industry's support for HB 303. I want to begin by explaining that HB 303 is the successor to HB 197 and HB 450 from the last 2 legislative sessions. I point this out to emphasize that its current form is the result of several meetings with interested parties and opponents, and hearings which have led to numerous revisions that have improved the legislation overall.

Community energy developments are truly distributed generation resources that provide generation directly to the distribution grid where they avoid the congested and overstressed PJM transmission lines.

These projects are unique in that they operated under a subscription model that allows subscribers to participate by virtually sharing the energy produced and receiving credit on their electricity bill for that portion of the generation. I say virtually because it is an on-bill transaction with no physical infrastructure required to be placed on the customers' home or from the utility.

It gives citizens and businesses the *choice* to participate and does not require state funding or state subsidies - community energy is not a mandate.

HB 303 if passed would establish the Ohio Community Energy Pilot Program, considering the size and scale of OH it's a small but meaningful effort to allow OH to introduce distributed generation spread across the 4 EDU territories. This program is open to all customers and all forms of generation.

The program totals 1,500 MWs which is broken into 1,000 designated for open lands and 500 MW designated for distressed and brownfield sites specifically. Commercial rooftops are also common locations for development. The 1,000 MW is allocated at 250 MW annually over 4 years and apportioned across the 4 EDUs' territories proportionally.

The evolution of the legislation has seen compromise and amendment to address, the size of the developments, co-location (to prevent stringing small projects into utility scale), guaranteed savings, unsubscribed energy, decommissioning, assuring local control over the developments, and more.

This Community energy model is successfully being deployed in over 20 states because the benefits are many.

- **Community energy saves customers money with no mandates.** Ratepayers can choose to stay with their current service or subscribe to a community energy facility where customers will save on average between 10%-20%. Ohio subscribers only see a credit on their bill for their supply charges; the customer would still pay for the poles and wires thus the EDUs infrastructure continues to be supported.
- **Community energy is a major economic driver** and would attract new businesses and highly skilled jobs to the state. Based on the economic impact analysis from Ohio University OH would see $5.6B in overall economic impact and $490M in local tax revenues.
- **Community energy helps to modernize the grid by** leveraging private investment dollars NOT rate payer funds, the developments improve distribution infrastructure - often to the tune of hundreds of thousands of dollars per project. This investment benefits all ratepayers, specifically those who live near the project. And because facilities must be built in the utility service territory where the customer resides, it creates homegrown OH energy and adds to an all of the above energy approach, reducing the state's dependence on imported energy from neighboring states across already strained interstate transmission lines.

At this time, I'd like to proactively address one common objection we can anticipate regarding HB 303, the cost shift argument, Cost Shift. Representative Klopfenstein answered this common question very eloquently last week and its directly applicable here: "Every program has costs, but every program has benefits" all will see the benefits here because, Community Energy is distributed generation, and it directly combats peak load demand from PJM. In doing so it provides a benefit that helps the entire rate base.

Utilities often oppose customer-driven, third-party owned energy projects like community energy because they threaten to supplant utility investments and shareholder profits. They use "cost-shift"— as their bogeyman. And because utility ratemaking happens in a black box, it is hard for anyone to argue against it. The utilities routinely make these claims by simply focusing on costs and ignoring benefits.

The reality is that research and numerous cost-benefit analyses from around the country show the so-called "cost shift" narrative is false and that the benefits smaller projects bring to the entire electric grid categorically reduce long-term costs for all ratepayers. That is because small projects placed on the distribution system closer to customers make more efficient use of existing infrastructure and allow utilities to reduce and avoid certain costs that ratepayers would otherwise incur.

These savings include: leveraging private capital to upgrade the distribution system; reducing investment required to develop expensive transmission projects; greater fuel diversity; reduction in the use of expensive and polluting peaker plants; and an overall reduction in how much electricity is lost when it travels from central power plants to the end customer. Finally, there is also specific direction to the Public Utilities Commission to maximize benefits to all rate classes.

Karl Robago an energy expert, has provided written testimony that very conservatively explains the costs and benefits to show the true impact of the Ohio Community Energy Pilot Program for OH.

We're proud of the work that went into this legislation, and we would welcome the opportunity to work with OH to bring more home-grown generation back to OH to support all the great economic development and rising electrical demand coming to OH annually.

Final note, I want to highlight two of our most recent coalition members, Walmart and Terrasmart, both have joined CCSA and both are supporting HB303.

Terrasmart is a direct example of the benefits of this program. Terrasmart is a steel fabricating and software business with +350 employees in Ohio. They make raking for these smaller scale developments and should HB303 pass their operations will most certainly grow as well as their steel suppliers which are all located in Ohio as well.

Thank you for the time, and I am happy to answer any questions.

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