

Chair Holmes, Vice Chair Mathews, Ranking Member Rader, and members of the committee, thank you for allowing me to testify today in support of Substitute House Bill 173.

My name is Teresa Ringenbach, and I am the Senior Vice President of Corporate Affairs for nationwide Energy Partners, NEP.

NEP is an energy services company which offers behind the meter services to multifamily property owners and developers. For over 25 years NEP has grown from a basic submetering company to offering energy products which range from PJM revenue generation using demand response, advanced resident billing solutions, carbon free energy options, and benchmarking data for energy efficiency requirements.

For more than a decade NEP has been supportive of regulatory and legislative consumer protections in the submetering space. Substitute H.B. 173 is a balanced approach to establishing a clear regulatory framework that includes strong consumer protections and transparency, without threatening to shut down the industry that provides these services.

Substitute H.B. 173 clarifies that the Public Utilities Commission of Ohio (PUCO) has clear and direct authority over submetering, as well as the option to regulate other behind-the-meter solutions. Submetering occurs when a property owner maintains a single utility account for the entire property and pays the utility directly, rather than each resident having an individual account. The owner installs submeters to measure each unit's usage and then bills residents based on their individual consumption.

Although submetering has existed since the 1920s, it has gained popularity over the past 20 years due to the rise of energy efficiency standards, modern technologies, and expanded market options for businesses. This approach allows residents who use less energy to benefit from lower bills, while property owners can share in the resulting savings. In turn, this creates an incentive for owners to invest in energy-efficient and demand control technologies that drive those savings.

While maintaining the existing resident bill cap and disclosure requirements, the substitute bill introduces important improvements:

PUCO Registration Requirement: Submetering companies must now register with the Public Utilities Commission of Ohio (PUCO). The registration fee is to cover PUCO's administrative costs. As part of the registration, PUCO will evaluate the company's managerial, technical, and financial capabilities to ensure compliance with new consumer protection standards.

Compliance Plan Filing: Property owners who submeter utilities must file a compliance plan with PUCO. This requirement increases transparency by identifying which properties are submetering and outlining how they will meet regulatory obligations.

Glidepath for Existing Properties: Existing sub metered properties have a transition period to achieve compliance. Failure to comply results in a significant penalty of \$10,000, reinforcing the seriousness of the requirement.

Lease Disclosure in Landlord-Tenant Law: The bill codifies lease disclosure requirements directly into Ohio landlord-tenant law. This ensures residents consent in the lease of submetering arrangements and provides dual protection through both PUCO's complaint process and civil legal remedies.

Submetering Bill Calculator: The PUCO's independent submetering bill calculator, currently hosted on utility websites, will now be required by law rather than regulatory order, ensuring residents can easily verify their charges.

Clarification of Fines: The existing \$100 fine is clarified to apply per violation per day, enhancing enforcement effectiveness.

Opportunity to Cure: The substitute bill includes provisions allowing businesses to correct minor, or easily fixable issues before facing penalties, promoting fairness and compliance without excessive punishment.

Accessible Complaint Resolution: The PUCO complaint process is preserved and emphasized, allowing for informal resolution of disputes without requiring legal representation. This ensures residents have a simple, accessible path to address concerns.

Clarification on Shopping Rights: While the primary commercial meter becomes the account holder with the utility and is responsible for supplier selection, residents are protected through lease disclosures, disclosure of 12-month usage and cost histories, and the legislated bill cap. Although residents cannot shop individually, the property can, and residents are guaranteed by law that their bills will not exceed the capped amount—verifiable through the mandated bill calculator.

Substitute House Bill 173 is a smart, balanced approach that benefits residents, property owners, and the state. It is a proactive step toward modernizing Ohio's energy business oversight and ensuring Ohio businesses remain competitive, equitable, and energy conscious. I urge this committee to vote in favor of Sub. HB 173.