



CUB OHIO ADVOCACY GROUP

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CUB OHIO ADVOCACY GROUP
HOUSE BILL 427 (As Introduced)
OHIO HOUSE ENERGY COMMITTEE**

OCTOBER 8, 2025

Chair Holmes, Vice Chair Mathews, Ranking Minority Member Rader, and members of the House Energy Committee thank you for the opportunity to appear before you today. My name is Trent Dougherty, Partner at the law firm Hubay Dougherty, and I serve as General Counsel and Regulatory Counsel for the Citizens Utility Board of Ohio (CUB Ohio) and the CUB Ohio Advocacy Group. I appreciate the chance to testify in support of House Bill 427 (HB 427).

At CUB Ohio, we advocate on behalf of residential and small business utility customers to ensure cheaper bills, reliable service, transparency, consumer rights, and clean, healthy energy delivered equitably. We work every day to make sure Ohio families, small businesses, and local communities receive the full benefits of our evolving energy landscape. That means ensuring that new technologies and market innovations translate into lower costs, more sustainable power, and smarter, more resilient systems that give consumers greater control over their monthly bills. We take an all-of-the-above approach to achieving these goals, and our Board of Directors is proudly bipartisan, reflecting our belief that energy affordability, reliability, and fairness are not partisan issues, but they are Ohio's issues.

HB 427 embodies these same principles. It is a pragmatic, forward-looking measure that empowers customers to take part in strengthening Ohio's electric grid. By authorizing voluntary demand response programs for residential and small commercial customers, HB 427 gives everyday Ohioans and small business owners the opportunity to become active participants in managing our energy future, and not merely passive ratepayers. Historically, participation in demand response programs in Ohio has been limited primarily to industrial and large mercantile customers. This bill brings households and small businesses into the fold, offering potential cost savings and improved grid reliability.

In the face of higher energy prices, rising reliability concerns, and tightening capacity constraints, HB 427 provides a timely, consumer-centered response. It allows Ohio residents and small businesses to utilize technology that they already have, or wish to acquire, to help mitigate the impacts of this "triple threat" by reducing demand during

periods of highest system stress. Customers who *opt into* the program will be compensated for the inconvenience of having their power adjusted (for example their smart thermostat turned up a couple degrees on a hot peak summer day for a couple of hours) and for the benefit they provide to the grid. For example, in the AEP Ohio smart-thermostat demand response program approved in the Company's final ESP, AEP Ohio can adjust residential customer smart thermostats up to 3 degrees for no more than 4 hours. AEP Ohio can call up to 16 events per year, for specified reasons: to implement PJM directives; protect the distribution system; limit or avoid outages; reduce load on localized constrained distribution circuits; and reduce coincident peak demand of the distribution network. All of these events, when called, provide the opportunity for participants and non participants to reap the benefits of lessened stress on the distribution system. Not only is this program voluntary to opt-into, but provides the flexibility for customers to determine whether they wish to participate in individual demand response events or, if not, allows them to "override" the call. What is more, both the AEP Ohio program and the proposed legislation are available to shopping *and* non-shopping customers, allowing competitive retail suppliers to offer their own innovative and cost-effective solutions.

Given both reliability pressures and price volatility, all Ohio utilities are facing new challenges. We need more and cleaner generation in Ohio, while at the same time efficiently and smartly reducing power demand. While constructing new power plants and extra-high voltage transmission lines are costly and can take more than half a decade to construct. Demand response programs, however, are relatively quicker to implement, thus cost-effectively providing faster, measurable relief for both customers and the grid.

Simply put, HB 427 is another commonsense tool to address energy cost inflation that aligns perfectly with the customer-focused, pro-market work started by this Committee in HB 15. Furthermore, the spirit and letter of HB 427 perfectly aligns with CUB Ohio's mission of promoting affordable, reliable, and equitable energy for all Ohioans while giving customers the tools and information they need to manage their own energy use. It is due to this that CUB Ohio supports this bill as a win for consumers.