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INSTITUTE

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October 14, 2025

VIA E-MAIL

The Honorable Adam Holmes
Chairman
House Energy Committee
Vern Riffe Center
77 South High Street
Columbus, OH 43215

Re: House Bill 303 – Oppose

Dear Chairman Holmes and Committee Members:

The Edison Electric Institute (EEI) appreciates the opportunity to provide opposition testimony to House Bill 303 (H.B. 303). EEI is the association that represents all U.S. investor-owned electric companies. Our members operate in all 50 states and the District of Columbia and are privileged to provide electricity for nearly 250 million Americans, including more than 2 million Ohioans. Collectively, EEI's member companies are projected to invest more than \$200 billion this year to modernize the energy grid. In addition, the electric power industry supports more than 7 million jobs in communities throughout the United States.

We are writing today to express concerns with several of the provisions in H.B. 303. EEI is concerned that H.B. 303 would result in cross-subsidization for non-subscribing customers and either would require electric companies to pay guaranteed credits to all customers who choose to subscribe to a community energy facility or would include language that could mislead subscribing customers.

Electric companies support the continued deployment of customer programs that offer cleaner forms of energy, and more convenient ways for Ohio customers to have access to the benefits of this energy, including solar power. However, policy incentives to expand these resources in Ohio must be fair, equitable, and address energy security issues. EEI previously expressed concerns to this body that net crediting policies must be equitable among customers who choose to participate in the community energy facility and those who do not participate. Ultimately, these policies must be designed to ensure that community energy projects are cost competitive for Ohioans.

EEI remains concerned that adopting the community energy facility policy provisions in H.B. 303 will increase electricity rates for most Ohioans, while the benefits will be limited to only subscribing customers and project developers. Furthermore, H.B. 303 does not significantly address Ohio's ongoing and increasing energy security and resource adequacy concerns.

Cross-Subsidization Concerns

With respect to EEI's cross-subsidization concerns, the definition of "bill credit" in proposed section 4934.01(A) appropriately provides that subscribing customers should be credited for "electricity generated by a community energy facility." However, other sections of H.B. 303 describe the bill credit in a way that suggests subscribing customers will receive a credit for other aspects of their electric service. If this is the case, the costs for those aspects of service will be shifted onto and unfairly borne by non-subscribing customers.

More specifically, proposed section 4934.08(C) explains that the bill credit for subscribing customers should be "the utility's retail rate on a per-customer basis, minus *only* the utility's base charge for *distribution* service... and the utility's *distribution* riders or other *distribution* charges..."¹ While it is appropriate to subtract the base charge for distribution service, riders, and charges, there are other components of the retail rate that also should be subtracted.

For example, some utilities include a separate charge or rider for transmission costs. In fact, proposed section 4934.08(A) recognizes these other charges, noting that "'retail rate' means all costs of providing generation service, *transmission service*, and distribution service that may be charged by an electric distribution utility."² If transmission and any other non-generation charges are not subtracted from the retail rate, subscribers will be compensated not only for their community energy facility's generation, but also as if they had provided the transmission and distribution services necessary to deliver power to the grid. As a result, *non*-subscribing customers will be charged for the services necessary to deliver the community energy facility's power to the grid.

In addition, proposed section 4934.08(E) provides that, when determining the bill credit for each utility, the commission shall consider "the costs and benefits provided by community energy facilities participating in the community energy pilot program." It is not clear what such costs and benefits may be and whether the resulting bill credit may shift costs that are not directly associated with a community energy facility's generation onto non-subscribing customers. Such a result would be inappropriate and inequitable.

Another unintended consequence is that the subscribing customers who rely on the transmission and distribution system will no longer pay their fair share for its construction and maintenance. Therefore, as proposed, this legislation will shift the costs for grid

¹ H.B. 303, 136th Gen. Assemb. Reg. Sess. (Ohio 2025) at § 4934.08(C) (emphasis added).

² *Id.* at § 4934.08(A) (emphasis added).

maintenance and upgrades that should be borne by subscribing customers to non-subscribing customers.

Guaranteed Savings Concerns

EEI opposes the “guaranteed savings” for community energy facility subscribers. Proposed section 4934.01(G) defines guaranteed savings as the difference between the cost of subscription and the bill credit that a subscribing customer receives. However, it is not clear what the cost of subscription will be. Further, the bill credit presumably will fluctuate over time depending on both the amount of electricity generated and the utility’s then-prevailing rates.

As a result, H.B. 303 either is proposing that a subscriber be guaranteed savings even if the cost of subscription is greater than the bill credit or the bill uses the word “guaranteed” in an overly broad and inaccurate manner. The former would unfairly compensate subscribers at the cost of non-subscribers and the latter risks misleading Ohioans who are considering whether to subscribe.

As this body deliberates community generation programs, EEI believes this committee should gather interested parties to help further deliberate the policies to ensure all customers are protected given the impact such policy can have on energy prices. Engaging stakeholders would present an opportunity to correct the flaws and omissions as stated in this testimony. For community generation programs to be equitable, they must accurately account for and assign the true cost of the electricity delivered to subscribers.

We encourage the committee to strongly consider striking the community energy facility program from H.B. 303 and, instead, adopt a stakeholder process to ensure customer protections on a policy of this magnitude.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kristine Telford", with a stylized flourish at the end.

Kristine Telford
Vice President, State Engagement and Public Affairs
Edison Electric Institute