



**Office of the Ohio  
Consumers' Counsel**

*"Your Residential Utility Consumer Advocate"*

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**Michael Watkins**  
Board Chair

**Before**

**The Ohio House of Representative**

**Energy Committee**

**Testimony on House Bill 303  
(Establish Community Energy Program and Pilot Program)**

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**On Behalf of the Office of the Ohio Consumers' Counsel**

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Hello Chair Holmes, Vice-Chair Mathews, Ranking Member Rader, and Committee members.

Thank you for this opportunity to testify on House Bill 303. My name is Maureen Willis, and I am the Director of the Office of Ohio Consumers' Counsel. OCC represents Ohio's 4.5 million residential utility consumers.

OCC testifies today as an interested party to H.B. 303. While the bill could promote solar development, OCC cannot support it in its present form because it risks creating subsidies--through high bill credits-- paid for by Ohio families and small businesses.

Ohio should pursue an "all-of- the-above" energy strategy that values reliability, diversity, and innovation-- including community solar. But sound public policy also requires weighing costs and benefits before moving forward. Subsidizing solar can come at too high of a price, especially since solar development may occur through market-driven investment, without added charges to utility consumers.

Today, much of Ohio's growing demand for power is driven by large commercial and industrial users, such as data centers, not residential consumers. It seems contrary to cost-causation principles and unfair to Ohio households and small businesses to require them alone to fund new solar programs while large industrial customers are shielded from cost shifting under this bill. (See Lines 380-383; 625-628).

Expanding access to clean energy is a worthwhile goal, but it must be done transparently and affordably. Utility consumers –especially those already facing high bills – should not be asked to shoulder costs for programs necessitated by others’ demand for electricity.

Good energy policy promotes innovation while protecting affordability and fairness.

### **Community energy can be developed in the competitive market**

OCC supports the growth of a robust energy market where all forms of generation including community solar, can compete and thrive. That competition drives innovation and job creation. However, government should not pick winners and losers – or require non-participating consumers to subsidize ventures which should stand on their own.

Under current law, community energy facilities can already participate in the electricity market, through competitive bidding or other solicitations. Developers of community solar also have access to numerous incentives available to all renewable energy resources- such as federal tax credits, rebates, and low-interest financing. Consumers and businesses (including large industrial consumers) can also install roof-top or distributed solar on their own property using those same incentives.

Community solar can be market-driven, allowing private developers and large customers to invest without shifting costs to non-participating residential consumers. When developers earn returns based on actual performance and market demand, clean energy expands efficiently, fairly, and sustainably for all Ohioans.

### **Uncapped bill credits could create affordability problems**

Community solar allows multiple subscribers to share the output of one solar project. Private developers sell subscriptions and subscribers receive credits on their utility bill for their share of the energy produced. Under the legislation, these bill credits would be the primary subsidy mechanism – and they are uncapped. That creates significant risk of cost-shifting to non-participating residential and small business customers.

- Consumers may pay for unsubscribed energy:

The bill requires utilities to provide bill credits for all electricity generated by the community energy facility, including unsubscribed electricity (Lines 335-346). Developers may also “bank” unsubscribed credits for up to 12 months (Lines 339-342; 347-351) which increases consumer exposure to costs.

- Consumers may pay for transmission and other costs:

Bill credits are tied to utilities' retail rates, including generation and transmission costs (Lines 392-399) and may be further adjusted by the PUCO without clear guidelines. This approach departs from existing net metering rules, where customers installing their own rooftop solar still pay all fixed distribution and transmission charges. Under H.B. 303, however, community solar subscribers would be credited for generation and transmission costs, potentially shifting costs to others—primarily residential consumers, since large industrial consumers are exempt.

- Consumers may pay to create a “financeable market”:

The bill directs the PUCO to set bill credits at a “reasonably compensatory level to create a financeable community energy market.” (Lines 400-403, 409-410, and 411-417).

There is no cap on these credits and no guarantee they reflect actual cost reductions. Utility consumers should not be required to finance an artificial market for solar projects.

- PUCO discretion and lack of review:

The bill gives PUCO broad, unchecked discretion to determine “necessary” bill credits if there is unallocated community energy capacity—effectively a blank check at consumers' expense. Once established, those credits are largely static, with limited ability to adjust to changing market conditions. That could lock non-participating consumers into paying for uneconomic projects.

Finally, the bill is unclear about who pays for the revenue shortfalls utilities may experience under these new credits. Based on past practice those costs will likely be shifted to non-participating consumers through higher rates. Again, large industrial customers would not be subject to such costs.

### **More guardrails are needed for the pilot program**

If the bill moves forward, OCC recommends that the bill credits generated for subscribing utility consumers be reduced to prevent excessive subsidies. High bill credits and subsidies shift costs onto residential and small business consumers, while energy supply decisions are increasingly driven by large consumers.

Bill credits should be calculated for each utility based on actual, demonstrated costs and benefits. Community solar may produce system benefits, but these should be clearly demonstrated before costs are spread to all.

This ensures that consumers only pay for tangible results, aligns with cost causation principles and protects affordability.

## **Conclusion**

In its current form, H.B. 303 has the potential to allow costs to be shifted from community solar participants to non-participants, contrary to the long- standing regulatory principle of cost causation – that customers should pay the costs they cause.

To make this legislation more balanced and consumer protective, OCC recommends three guiding principles:

1. Costs should follow benefits. Consumers who do not participate in or benefit from community solar projects should not be required to pay for them.
2. Bill credit mechanisms must reflect actual, verifiable cost savings to each individual utility system –not an administratively set value designed to finance solar projects.
3. Program design should align with cost-causation principles, ensuring that each customer class (including large industrial consumers) pays its fair share of system costs.

We appreciate the sponsors' efforts and welcome the opportunity to collaborate on adjustments that achieve the bill's clean energy goals while maintaining fairness and affordability for Ohio consumers.

Thank you for the opportunity to testify.