



House Bill 173 Opponent Testimony
House Energy Committee
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Chairman Holmes, Vice Chair Matthews, Ranking Member Rader, and members of the House Energy Committee, thank you for the opportunity to address House Bill 173. My name is Milano. I am Executive Director of Ohio Partners for Affordable Energy. I offer this testimony as an opponent of House Bill 173 sponsored by Representative Thomas but only in its current form.

First and foremost, OPAE would like to recognize Sponsor Thomas for putting forth this bill to address this lingering problem. This problem this bill seeks to solve is long-standing and significant, especially for low-income Ohioans. OPAE applauds Sponsor Thomas for seeking to tackle this issue.

Who is OPAE?

Ohio Partners for Affordable Energy (OPAE) is an organization comprised of 52 member agencies to provide essential energy services, including bill payment assistance, weatherization and energy efficiency, and housing services for over 440,000 households annually across the State of Ohio. OPAE keeps Ohio families safe by advocating for weatherization and energy assistance programs. Our 47 member agencies have been working for over 25 years to make utility bills more affordable for Ohio and providing housing related services.

OPAE's Concern with the Current Version of House Bill 173.

The current version of HB 173 seeks to provide longstanding consumer protections to customers who rent and whose landlord uses, what the bill characterizes as a “billing service”, which is more commonly known as a submetering company. However, HB 173 limits its applicability to only those landlords and billing services which individually meter and track tenant usage. While this is certainly improvement on existing protections – those customers currently have none – it also fails to protect those tenants whose landlords and their respective billing service implement a formula model for assigning payment responsibility in lieu of individual metering.

The billing service market has evolved and many landlords who utilize billing services do so on a formula basis. The billing service meters the usage at the entire complex and then, based on a formula agreed to by the billing service and the landlord, bills its tenants. This billing is often

entirely divorced from actual usage. This practice is growing and may possibly be more common than those billing services that individually meter.¹

Under the current draft of HB 173, tenants who rent from complexes employing the formula model of billing services will be left unprotected. This means they will lose access to the protects implemented by HB173 in proposed sections 4933.55 through 4933.59. These protections include price capping, disconnection protections, and education on utility assistance programs available to eligible tenants depending on the complex type.

Currently, customers of Ohio's public utilities also receive access to other forms of protection and resources such as percentage of income payment plans, flexible payment plans, bill payment assistance, annual reconnection orders, weatherization programs, and Commission oversight. HB 173, as proposed, does subject billing service providers to some level of Commission oversight, but the bill does not provide tenants served by billing service providers access to income payment plans, flexible payment plans, bill payment assistance, annual reconnection orders, or weatherization programs. Additionally, the current bill excludes tenants served by billing service providers using a formula method from any utility-related protection whatsoever.

House Bill 173 Needs to Be Improved.

HB 173 should be improved by expanding its applicability to all tenants, not just those serviced by billing services which individually meter. Additionally, HB 173 should be improved by requiring billing service providers to offer the same or similar types of programs for the tenants that they serve that are available to customers of public utilities. Billing service providers have historically argued that tenants are okay losing these protections because by choosing to rent from a landlord who contracts with a billing service, they are exercising their right to shop under Ohio's deregulated public utility market. This argument is a farce. Many tenants do not even realize what they are losing, and, even more, low-income tenants in particular may not have any meaningful options to rent somewhere else. Too often, there is often no choice to be made for low-income tenants.

Conclusion

OPAE believes that HB 173 is a step in the right direction but, because it leaves out so many potential protections, our organization must oppose it at this time. HB 173 must provide PUCO regulation and certain critical consumer protections. HB 173 needs to be expanded to include all tenants who pay utility costs through a third party, and it needs to be strengthened with additional protections already available to public utility customers.

Let us continue to help struggling families and amend HB 173 to expand its applicability and the breadth and strength of its consumer protections.

Chairman Holmes, I thank you for the opportunity to provide testimony.

¹ OPAE has not commissioned a study on this issue. However, anecdotally, our members encounter tenants billed on the formula system more frequently than the individual meter system.