Opponent Testimony – House Bill 427

Ohio House Energy Committee
Hearing Date: November 5, 2025
Submitted by: *John Marra, Mayor, Village of Timberlake, Ohio*

Chair Holmes, Vice-Chair Mathews, Ranking Member Rader, and Members of the Committee:

Thank you for the opportunity to testify. I submit this statement in **strong opposition** to House Bill 427.

While I respect Representative Klopfenstein's intent to strengthen grid reliability, the bill as written shifts cost, risk, and control **from the state's largest industrial power users to the homes of ordinary Ohioans.** If enacted, HB 427 will undermine reliability, increase rates, and place our residents on the front lines of grid instability just as large data centers begin to absorb our baseload power.

I. Our Grid Is Already at the Breaking Point

Ohio's electric grid is **stressed and fragile** even before factoring in the explosive growth of data centers and AI-driven computing facilities.

- The **average Ohio residential rate** now sits around **16 ¢/kWh**, with bills averaging about **$145 per month**. [1]
- Analysts project **10–15 % increases** in 2025–26 from PJM capacity-cost hikes, equivalent to about **2 ¢/kWh** on generation charges. [2]
- **American Electric Power** estimates **15 GW of additional load** by 2030—**roughly 5 GW** from new and expanding data centers. [3]
- PJM Interconnection warns that without matching generation or storage, the region could face **capacity shortfalls by 2028–2030.** [4]

This means that **every megawatt counts**. Our existing demand-response tools—where large industrial users voluntarily curtail or shift consumption during peak hours—are essential to prevent blackouts and brownouts **today**.

HB 427 undermines that balance by **re-targeting demand response away from industry and toward households**, turning residents into the new "safety valve" for grid failures caused by industrial expansion.

II. What HB 427 Really Does

HB 427 authorizes electric utilities to create "voluntary demand-response" programs for **residential and small-business customers.** But this legislation effectively gives utilities legal

authority to:

- **Remotely control** air conditioners, water heaters, or other appliances during grid events;
- **Bid aggregated household load reductions** into PJM's capacity market for profit; and
- **Collect performance incentives** from the Public Utilities Commission of Ohio (PUCO).

Customers can override an event—but too many overrides mean being **barred from participation**. When participation determines whether a family gets a $25-$50 rebate, "voluntary" quickly becomes **coerced compliance**.

Demand-response programs already exist for industrial users who can shift loads safely without affecting household comfort. HB 427 flips that model upside-down, using **private homes as grid-stabilizing equipment** while data centers and crypto-mines consume electricity without any curtailment obligation.

III. Demand Response Is Critical—But It Belongs Where the Demand Is

The irony is that demand response itself **is essential** for grid protection. During the 2022 Winter Storm Elliott, demand-response actions kept PJM from cascading outages across the Midwest and Appalachia.
That system worked because **industrial users bore the burden**, not families in their homes.

But under HB 427, as hyperscale data centers ramp up to consume **thousands of megawatts**, utilities will instead reach into our living rooms to reduce load—because **there will be nothing left to shed from the industrial side.**

If Ohio's baseload is consumed by always-on corporate data centers, **residential demand response becomes our last line of defense** against statewide blackouts. That is not reliability; it is surrender.

This bill codifies a system where residents are expected to "participate" in grid stability while corporations are exempt from accountability or contribution.

IV. Missing Accountability and Generation Parity

HB 427 contains **no requirement** that new large loads add generation, storage, or offset capacity.

- Data-center growth in central Ohio is on pace to exceed **5,000 MW by 2030**. [3]
- Some cryptocurrency-mining operations already draw **80 MW continuously**. [5]
  Yet none of these users are required to provide replacement megawatts.

Ohio's families cannot be asked to sacrifice their comfort, privacy, and control of household devices so that tax-abated corporations can keep the lights on in their server farms.

V. Smart-Meter Dependence and Privacy Risks

HB 427 depends entirely on smart-meter infrastructure, which already penalizes homeowners who opt out ($25–$40/month).
The bill authorizes utilities to **adjust home systems remotely** with no statutory limits on frequency, duration, or temperature settings—and with **no restrictions** on how detailed telemetry may be stored or shared.

This opens the door to unprecedented data collection on household routines, turning energy usage into a form of behavioral data for corporate monetization.

VI. A Fairer Path: Kilowatt-for-Kilowatt Replacement

If demand response is to expand, it must do so responsibly. I urge the committee to include this amendment:

"No electric distribution utility shall implement or expand a demand-response program for residential or small-commercial customers unless each new or expanded data center, automated-manufacturing facility, or cryptocurrency-mining operation in its service territory replaces its annual load on a kilowatt-for-kilowatt basis through certified in-state generation or grid-connected storage. Noncompliance shall render the facility ineligible for service expansion or tax incentives."

This ensures those **consuming the most power contribute equal replacement capacity**, preventing the grid from collapsing under its own growth.

VII. Additional Safeguards

If HB 427 advances, the following protections are mandatory:

- **True voluntariness:** no penalties for overriding during medical need, heat waves, or emergencies.
- **Annual no-cost opt-out** for participants.
- **Transparency:** PUCO must publish quarterly reports on household MW curtailed vs. industrial MW added.
- **Privacy:** prohibit sale or sharing of household telemetry; require deletion within 12 months.
- **Equity:** automatic exemptions for seniors, low-income, and medically vulnerable residents.

VIII. The Stakes: Jobs or Blackouts

Proponents argue these projects create jobs, but data show most data centers employ **fewer than**

one full-time worker per megawatt consumed.
Meanwhile, their continuous demand displaces baseload capacity that once served entire communities.

Without new generation, Ohio faces the unthinkable: **rolling blackouts in neighborhoods while data centers stay fully powered.**

If that happens, demand-response will no longer be a tool—it will be the only defense left. And that is precisely why we must protect it, not privatize it for utility profit.

IX. Conclusion

Demand response is **vital** to Ohio's grid—but HB 427 twists it into a revenue mechanism that transfers risk to households while shielding corporate megawatt users from responsibility.
We cannot protect reliability by handing utilities remote control of private homes while industrial loads remain untouched.

I urge this committee to **reject House Bill 427** unless it includes:

1. A **kW-for-kW replacement mandate** for new industrial loads;
2. True consumer-choice and privacy protections; and
3. Transparent PUCO oversight to ensure demand response remains a public-interest tool, not a private profit engine.

If Ohio's baseload is already strained, and we allow data centers to absorb the rest without accountability, we will **black out the very citizens who built this state.**

Thank you for your time and your dedication to the people of Ohio.

Respectfully submitted,
John Marra
Mayor, Village of Timberlake, Ohio

Sources (abbreviated):

1. poweroutage.us – *Ohio Electric Rates* (2025).
2. electricityplans.com – *Ohio Capacity Cost Increase* (2025).
3. Power Engineering – *AEP Data Centers Driving 15 GW Projected Load Growth* (2024).
4. Carnegie Mellon Energy Institute – *PJM Capacity Forecast* (2025).
5. Business Insider – *Crypto-Mining Energy Use in Ohio* (2025).