

**House Bill 427 of the 136th General Assembly
Testimony of Christopher Hollon, AES Ohio
Before the House Energy Committee November 5, 2025**

Chairman Holmes, Vice Chair Mathews, Ranking Member Rader, and members of the House Energy Committee, thank you for the opportunity to provide opponent testimony on House Bill 427.

My name is Christopher Hollon, and I am Senior Counsel for AES Ohio. I have represented the Company for more than a decade in matters before the Public Utilities Commission of Ohio, including four distribution rate cases. I also represent the Company before the Ohio Power Siting Board.

AES Ohio, formally The Dayton Power and Light Company, serves over 530,000 customers in West Central Ohio. Our 2,900 employees and retirees have served as the backbone for reliable and affordable electricity across a 6,000 square mile service territory in 24 counties for over 100 years.

We at AES Ohio are responsible for delivering electricity to customers safely and reliably over our Transmission and Distribution systems. As a poles and wires company, we are the critical link between the competitive generation market and our customers.

AES Ohio supports the availability of voluntary residential demand response programs for customers.

Given recent amendments, however, we currently oppose HB 427.

Residential Demand Response

AES Ohio believes that voluntary demand response programs for residential customers would provide an important tool for Ohio's electric distribution utilities to assist in managing the grid while forecasts show that energy demand is spiking and energy supply is tightening.

Demand response programs provide real benefits:

- Customers who choose to participate save money directly.
- All customers benefit from reduced system peaks, ultimately lowering costs for participating and non-participating customers.
- Utilities can better manage demand during critical hours.

Our sister utility, AES Indiana, has offered a residential demand response program for customers for over 20 years. The program currently has approximately 65,000 customers enrolled in the program, and we believe we can learn from their success to implement a similar program here in Ohio.

As currently drafted, however, HB 427 prohibits the PUCO from approving performance incentives for demand response programs. While demand response can be valuable, these programs involve real costs and risks for utilities, making it difficult for utilities to offer or sustain those programs. AES Ohio would need to redirect people and financial resources away from competing projects to design programs, market them to customers, and ensure compliance. A performance incentive is reasonable and should be allowed.

AES Ohio urges the Committee to consider the perspectives of the state's electric utilities, who are uniquely tasked with maintaining a safe, reliable and resilient grid, when developing any demand-response program. AES Ohio wants to work with legislators and stakeholders to develop successful, sustainable programs that truly benefit customers and the grid.

Consumer choice billing program

AES Ohio also urges the Committee to carefully examine the proposed consumer choice billing program.

As currently drafted, the proposal could have unintended consequences, including increased costs for customers to support additional and duplicative billing capabilities. Indeed, a more appropriate name for the program would be supplier choice billing, since suppliers – not customers – would choose whether their customers receive a bill from the supplier or their utility. In the meantime, utilities would have to be ready and able to bill all customers. Utilities would also be required to continue providing meter data to suppliers and perform any connections and disconnections.

Thus, utilities would still need to maintain robust billing systems, while also developing new systems to share data with suppliers — increasing complexity, cost, and potential confusion for customers.

AES Ohio believes that it would be more efficient and effective for utilities to continue to provide billing services, subject to PUCO oversight. Alternatively, the General Assembly could consider a “dual billing” model where suppliers bill for a customer's generation supply and utilities charge for their distribution and transmission service, giving customers the most accurate and transparent view of their electric costs.

As with the demand-response programs, AES Ohio remains committed to collaborating with this Committee and stakeholders to design programs that benefit customers, enhance grid reliability, and maintain affordability.

However, as currently written, AES Ohio is concerned that HB 427 does not achieve those goals. We respectfully urge the Committee to revisit the bill and its amendments and engage all stakeholders to craft a more effective solution.

Thank you for your time and consideration. I would be happy to answer any questions.