

BEFORE THE HOUSE FINANCE COMMITTEE REPRESENTATIVE BRIAN STEWART, CHAIRMAN

TESTIMONY
OF
JOHN SERYAK, PE
OMA ENERGY ENGINEER

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Chair Stewart, Vice-Chair Dovilla, Ranking Member Sweeney, and members of the House Finance Committee, thank you for the opportunity to provide testimony today on House Bill 96 (HB 96). My name is John Seryak, and I am the founder of Runnerstone, an energy consultancy providing accurate, unbiased information on energy policy, regulations, and market matters, and its affiliate Go Sustainable Energy. I serve as the energy engineer to both The Ohio Manufacturers' Association (OMA) and the OMA Energy Group, and it is on the OMA's behalf that I testify today.

The OMA represents Ohio's robust manufacturing sector, boasting approximately 1,300 members of all sizes. As you know, affordable and reliable energy is integral to the productivity of these manufacturers. The option to source local energy is increasingly important to manufacturers as it has become economically competitive.

As introduced, HB 96 had two energy-related provisions the OMA had intended to express concern with, but were recently removed. First, it had expanded Section 4928.47 to allow monopoly electric utilities into a greater segment of the competitive generation market by giving them the ability to build customer-sited gas and nuclear power generation. There is not a need for electric distribution utilities to construct any kind of customer-sited electric generation. Second, there were modifications to Ohio's net-metering law that could have created cost or benefit shifting. Both of these provisions were removed in the latest sub bill and the OMA thanks the committee for eliminating them.

However, language has been added to the recent sub bill adopted earlier this week regarding electric vehicle charging of which the OMA has concerns. The provisions, Sections 4933.51 through 4933.59 of the bill, allow for either electric distribution utility ownership of EV chargers, or utility construction of "make ready" infrastructure for EV chargers, in specially defined areas of last resort, five years after the effective date of the bill. The gist would be to create EV chargers and charging infrastructure in rural counties in 2030 or later.

The intention of ensuring there is adequate infrastructure in Ohio's rural areas at this later date is laudable. However, there are several concerning details:

- The bill allows for utility ownership of EV charging stations under certain conditions. EV charging stations are in a competitive, rapidly maturing market and there is no reason to allow utility ownership of charging stations.
- The provision for "make ready" infrastructure could allow utilities to socialize a
 greater percentage of the electrical line extension work needed, which would
 increase everyone's electric bills while profiting the utility and EV charging
 companies.

 The area of last resort is defined by a 10 mile radius, which is likely too small and could result in significant over-building of electrical infrastructure.

The need for rural EV fast charging shouldn't be dismissed. However, the vast majority of EV charging, well over 90%, takes place at home or the workplace, with very little at public chargers. Moreover, fast-chargers may make the most sense when they are colocated to existing commercial and industrial infrastructure where "make ready" grid improvements aren't even needed – for example, at a shopping center or the commercial district of a county seat. Finally, policymakers should know that other taxpayer funded programs already exist that are examining the need for rural EV charging.

In short, the OMA believes the EV charging provisions are premature and would likely create an incentive for electric utilities to over-build distribution infrastructure, profiting EV charging companies and utilities, but at a cost to Ohio's ratepayers.

Thank you, Mr. Chairman and members of the committee. I would be happy to answer any questions.