



SENATE ENERGY COMMITTEE - PROPONENT TESTIMONY, SB 2 - 2.18.25

Chairman Chavez, Vice Chair Landis, Ranking Member Smith and members of the Senate Energy Committee, thank you for holding this hearing on Senate Bill 2. My name is Hannah Kubbins, and I'm the Legislative Director for Americans for Prosperity – Ohio. The second iteration of our Buckeye Blueprint Policy Agenda for this General Assembly continues investments in education freedom and economic opportunity but includes an equally important and new priority - energy abundance.

AFP believes affordable, reliable energy is a key driver of prosperity and economic opportunity. Top-down environmental and climate regulations that constrain choice and replace consumer preferences with politically preferred technology and fuels hurt the most vulnerable citizens. A better way for energy policy is to recognize and embrace bottom-up innovations, remove barriers to voluntary efficiency and environmental progress, reorient programs away from restricting new market entrants, and streamline permitting and licensing requirements for all types of energy innovation. We strive to let the market deliver the right mix of energy at the lowest cost.

Our recent report with The Buckeye Institute, Better Energy Policy for Ohio, establishes six principles of good energy policy, including:

1. End Government Subsidies That Damage Energy Markets
2. Focus on Energy Reliability and Affordability
3. The Permitting Process Needs to be Faster and More Efficient
4. Environmental Policies Should Promote Well-Being
5. Abundant Energy is Needed for Prosperity
6. Promote Transparency and Competition

Many provisions in Senate Bill 2 reflect the principles listed above.

Senate Bill 2 **ends government subsidies that distort the market** by eliminating the Ohio Valley Electric Corporation (OVEC) subsidies that have cost Ohioans \$670M since 2017, or roughly \$445K per day. Future ratepayer subsidization is also prohibited.

The bill repeals the Ohio Solar Generation Fund and repeals provisions in the law that allowed certain solar energy resources to apply to the Ohio Air Quality Development Authority to receive payments for solar energy credits.

AFP – Ohio believes we should take an “all of the above” approach to fuel sources to ensure **abundant energy and prosperity**. Repealing the above from current law moves us closer to that approach.

The legislation takes steps to cut red tape and accelerate processes for the Ohio Power Siting Board (OPSB), Electric Distribution Utilities (EDUs), and the Public Utility Commission of Ohio (PUCO), including:

- OPSB to issue a decision on an application for a certificate of environmental compatibility and public need no later than 120 days after the filing date.
 - If the OPSB does not issue a decision within the time period, the application is approved, and certificate must be issued to the applicant.
- Reduces the time for OPSB to hold a hearing on a certificate of application to no less than 45 days nor more than 60 days after receiving the application.
- PIAs have an expedited process at the OPSB, with the requirement of a decision within 45 days for these projects.

Senate Bill 2 **promotes transparency, competition, and focuses on energy affordability** by eliminating electric security plans (ESPs) and by requiring EDUs standard service offers to be procured via a Market-Rate Offer (MRO). It also repeals provisions of the law that permitted EDUs to recover incurred costs related to legacy generating resources, such as OVEC, through a charge on each customer’s monthly electric utility bill.

Senate Bill 2 creates many opportunities to promote **abundant energy**. First, the bill removes the Tangible Personal Property Tax on new generation. Current TPP taxes will remain to maintain local revenues. This incentive is crucial in bringing new generation to Ohio to meet growing demand. Further, the bill creates “Priority Investment Areas (PIAs)” to encourage development of brownfield and former coal mine sites. A PIA project would be exempt from TPP on new generation as well as no TPP tax on new transmission or pipeline infrastructure for five years.

Finally, Senate Bill 2 permits self-generation. The bill makes clear that this would be a private investment with no ratepayer funding. The ability for self-generation for large users, such as data centers, will help alleviate concerns about the grid and will circumvent the PJM interconnection process.

Energy policy in Ohio has become increasingly complex, allowing frameworks that prioritize special interests over consumers, resulting in higher costs and fewer choices for Ohioans. We thank the committee and Senate Bill 2’s Sponsor, Senator Reineke, for taking a principled approach toward comprehensive energy reform in the state of Ohio and urge a favorable report of this bill.

