



**SENATE BILL 2 – (INCREASE POWER GENERATION; IMPROVE OHIO’S ELECTRIC GRID)
PROPONENT TESTIMONY- OHIO SENATE ENERGY COMMITTEE**

FEBRUARY 18, 2025

Chairman Chavez, Vice-Chair Landis, Ranking Member Smith, and members of the Ohio Senate Energy Committee, thank you for the opportunity to provide proponent testimony on behalf of the nearly 21,000 members of the National Federation of Independent Business in Ohio (NFIB) to convey our support for Senate Bill 2. My name is Cameron Garczyk and I serve as the Assistant State Director for NFIB in Ohio.

NFIB is a small business trade association founded in 1943 dedicated to representing the interests of small and independent businesses across our state and nation. NFIB’s mission is to promote the right of our members to own, operate and grow their businesses. Our members come from all industry sectors and each of the 88 counties across Ohio. The average member has 15 or fewer employees and does less than \$2 million in annual gross receipts, truly representing Main Street across Ohio.

One component of our organization is the NFIB Research Center which conducts regular monthly surveys of our small business members to gauge metrics such as optimism, capital outlays, and hiring trends. Additionally, every four years the Center conducts a nationwide survey and produces a subsequent report, known as *Problems and Priorities*, which asks small business owners to assess and rank a list of 75 small business issues in terms of how they affect their operations. 2024’s survey of Ohio members found the issue of “electricity rates and costs” skyrocketing to #3 on the list, following only “cost of healthcare” which has been at the top spot since 1986, and “federal taxes on business income” at number two.¹ The issue previously ranked #19 in 2020 and #13 in 2016 in Ohio specifically. Nationally, electricity costs are ranked as the 10th highest concern amongst our members. This statistic highlights the urgent need for reform and modernization of our energy and utility structures in Ohio to ensure small businesses can thrive and are not burdened by the costs and complexity of their energy bills. For the past few years

¹ <https://www.nfib.com/small-business-problems-and-priorities/?tab=Select%20State%20Problems%20and%20Priorities>

Ohio's small businesses faced significant headwinds from high inflation to workforce shortages.² The increased costs of inventory, supplies, compensation and benefits experienced by our members have only been compounded by skyrocketing energy costs. In fact, one survey found 75% of our members indicated their utility costs had increased by at least 10% in recent years with 39% stating that their costs increased by more than 20%.

That is why we are proud to support SB 2 as we believe it will result in meaningful changes that build upon prior reforms that created a deregulated approach to Ohio energy generation and distribution structures. Small businesses' growth and expansion hinges on the ability of our businesses to access affordable, reliable energy, much of which is already or will in the future be generated right here in Ohio. Several measures within the bill will work to enhance the generation capacity within our state and encourage new investment and innovative approaches to development. These include streamlining the OPSB process to establish more expedited deadlines for reviews and approvals, the formation of priority investment areas to promote utilization of blighted or otherwise undevelopable land and encouraging behind the meter self-generation to allow businesses to produce energy on premises.

Additionally, the bill finally eliminates the OVEC subsidies resulting from House Bill 6 that could end up costing ratepayers over \$1 billion by the end of the decade if not repealed.³ It also phases out electric security plans, which currently enable utilities to install non bypassable riders onto electric bills meaning such charges cannot be shopped and are mandatory. This change will result in requiring a utility's standard service offer to be established as a market rate offer and thus reinstate a more stringent PUCO review process of rate cases from utilities. Special subsidies distort a competitive marketplace and thus we support this legislation's focus on creating a more level playing field. The bill also enhances transparency and consumer protections regarding billing and service contract notices, ensuring that customers of all classes can better understand and interpret charges, fees and services provided.

² https://www.nfib.com/news-article/monthly_report/sbet/

³ <https://www.ohiomfg.com/our-communities/ovec-house-bill-6-subsidies-to-cost-ohioans-over-80-million-in-2025/>

NFIB member business owners experience utility costs from both the standpoint of the residential customer as well as the small commercial customer. The small commercial market has historically lacked representation in the ratemaking process that is afforded to residential and large commercial markets. We are pleased to see those small commercial customers, meaning many of Ohio's nearly one million small businesses, are afforded enhanced protections in this bill as compared to current law.

NFIB would like to thank Senator Reineke for beginning this important policy discussion as we believe more competitive, market-based solutions are needed to tackle ever-increasing electricity costs for small businesses and to ensure a reliable energy supply for the future. We appreciate the committee's consideration of this legislation, and I am happy to answer any questions.