

SB 2 (Reineke) – Senate Energy Committee

Interested Party Testimony

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Chair Chavez, Vice Chair Landis, Ranking Member Smith and members of the Senate Energy Committee, thank you for the opportunity to provide interested party testimony today on Senate Bill 2. My name is Alexandra Denney, and I am here on behalf of the Ohio Business Roundtable, a nonpartisan, nonprofit organization that represents over 130 of Ohio's top business leaders, including many of the largest employers in the state.

Ohio is at a critical juncture in its energy landscape, which is why we commend Senator Reineke for introducing this important legislation. The rise of advanced manufacturing, artificial intelligence, and other technology industries is driving unprecedented demand for reliable power to support their operations. As of 2024, the U.S. had 17 GW of operational data center capacity, with 25 GW in development. Ohio currently has 1.2 GW of that operational capacity, but demand could grow to nearly 15 GW by 2034. For context, 1 GW alone can power roughly 750,000, nearly the number of households in Columbus and Cleveland.

However, Ohio faces significant challenges in meeting this demand. Since 2019, the state has retired 24.5 GW of capacity, outpacing the 17.3 GW of new generation added. If this trend continues, 30 GW could retire by 2029, including 5 GW in Ohio.

Additionally, despite 340 GW of new generation proposals in PJM since 2014, only 7% (23 GW) have been built due to interconnection queue congestion, permitting, siting, and regulatory barriers.

These challenges are not unique to Ohio. Grid reliability is a concern across the United States that hinders economic growth by creating uncertainty for businesses,

contributes to brownouts during peak demand, and drives up consumer costs. However, Ohio has an opportunity to lead the way through policy changes that attract energy investment, positioning the state as a national leader and benefiting all Ohioans.

With this in mind, the Ohio Business Roundtable convened a 35-member workgroup last year consisting of energy experts across the industry—including independent power producers, public utilities, large-load consumers, and even financial institutions—with one goal, develop workable solutions with broad consensus that position Ohio to become a national leader in energy. This process culminated in our [Energy Competitiveness Study](#), which was made public two weeks ago. We continue to meet with members to discuss our research and findings and we plan to provide printed copies of the full report to every office. In the meantime, I encourage members to review the report and welcome any follow-up questions; we are prepared to reconvene our workgroup as requested to address specific issues.

While we remain as an interested party to the bill in its entirety, we would like to express our support for several critical provisions that will help advance Ohio's energy landscape.

1. Deadline to Issue a Rate Case Provision

We strongly support the provision in Senate Bill 2 that enforces a deadline to issue a rate case decision. As highlighted in our Energy Competitiveness Report, timely approval of utility rate cases is essential for encouraging the investment needed to modernize our energy infrastructure. Regulatory lag—the delay between when utilities incur costs and when they can recover those costs—deters investment in Ohio. By adhering to the statutory deadline of 275 days for rate case decisions, subject to automatic approval for failure to make a decision, this provision will help ensure that Ohio's energy system is equipped to meet the growing demand from businesses, consumers, and the expanding data center sector.

2. Priority Investment Areas (PIAs)

We thank Sen. Reineke for including our recommendation on priority investment areas (PIAs) recommendation included in the bill. This provision

establishes a framework for designating and incentivizing investment in specific regions of Ohio. The creation of PIAs in areas such as former coal sites and brownfields offers a valuable opportunity to revitalize communities, attract new energy investments, and promote job creation.

An important distinction is that this is a locally led effort; we aim to encourage new generation in communities that already have the infrastructure, workforce, and experience, and are eager to participate. Ultimately, this provision can help transform these areas into hubs for energy innovation and growth.

Furthermore, these PIAs act as a beacon for energy companies looking to invest their capital and with this designation, Ohio will be more competitive in being able to attract more energy infrastructure projects—ultimately benefitting the grid and consumers.

3. Time to Issue a Decision for Power Siting Board Reform

Another important provision we support is the reform of the Ohio Power Siting Board's (OPSB) decision timeline. Senate Bill 2's proposal to implement a 120-day "shot clock" for OPSB decision-making is essential for accelerating and promoting the development of critical energy infrastructure. As Ohio continues to grow economically, particularly with a rising demand for data centers and advanced manufacturing, timely siting approvals for energy projects—whether for transmission lines or power generation—are vital. The ability to issue decisions within a reasonable timeframe will help ensure that Ohio remains an attractive location for investment.

4. Self-Generator Language

Finally, we support the inclusion of the self-generator language in Senate Bill 2, which clarifies the rules surrounding behind-the-meter generation. This provision will help promote private-sector investment in energy projects—like industrial park microgrids or localized energy systems—which can enhance grid resilience. By removing ambiguity and enabling third-party ownership, Ohio can foster greater energy independence and ensure that businesses have the flexibility they need to meet their energy needs in a cost-effective manner.

As for some of the other provisions within Senate Bill 2, we have not yet had the opportunity to collaborate with our members to fully assess their potential impact on Ohio's energy market. It took months of research and discussions to develop our Energy Competitiveness Study, and some provisions of this bill were not initially considered during that process. Therefore, a thorough evaluation is needed to assess how these provisions may influence the development of new baseload generation, while recognizing that public utilities play a critical role in this process as well. We are committed to engaging with our members and working with you as these conversations unfold, and we will provide our insights as they become available.

In conclusion, the Ohio Business Roundtable believes that Senate Bill 2 contains important provisions that will help modernize Ohio's energy landscape, encourage private investment, and support the state's continued economic growth. Ohio is at a critical point in shaping its energy policy, and as private companies assess investment opportunities across the United States, we want Ohio to be their top choice. We urge this committee to carefully consider each provision, as they are crucial to strengthening Ohio's energy security and enhancing its competitiveness in the years to come.

Thank you for your time and consideration. I look forward to working with you all to ensure Ohio remains a leader in energy innovation and business competitiveness. Mr. Chairman, I am happy to take any questions the committee may have on this testimony or the OBRT Energy Competitiveness Study.