



Jessica Ulmer-West, OCMA President, Liberty Castings
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February 18, 2025

Chairman Brian Chavez
Ohio Senate Energy Committee
Statehouse, Senate Annex
Columbus, OH 43215

RE: Written Proponent Testimony on Senate Bill 2

Chairman Chavez and Members of the Committee:

Thank you for the opportunity to submit written testimony in support of Senate Bill 2. The Ohio Cast Metals Association (OCMA) represents Ohio's foundries and foundry suppliers, an industry that makes Ohio the nation's largest producer of cast metals. Our foundries—ranging from gray iron and ductile iron to bronze and other alloys—employ tens of thousands of Ohioans and manufacture essential components used in nearly every aspect of modern life.

OCMA supports SB 2 because it reforms Ohio's electricity rate-making process, creating a more competitive and transparent system. Currently, Ohio's electric distribution utilities (EDUs) set their base and distribution rates through the Electric Security Plan (ESP) process. This framework, governed by a vague "more favorable in the aggregate" standard, has led to closed-door negotiations at the Public Utilities Commission of Ohio (PUCO) that favor utilities at the expense of consumers. As a result, Ohio's foundries face artificially inflated energy costs due to above-market riders imposed on most customers.

A clear example of this problem is FirstEnergy's now-invalidated Distribution Modernization Rider, which unjustly charged customers an estimated \$200 million per year from 2017 to 2019. Despite widespread opposition and an Ohio Supreme Court ruling that deemed the rider unlawful, there was no mechanism to refund these improper charges. SB 2 addresses this issue by ensuring a fairer, market-driven rate-setting process that protects businesses and consumers alike.

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Additionally, SB 2 eliminates unnecessary subsidies for solar energy by repealing the Ohio Air Quality Development Authority's ability to fund solar energy credits. It also removes the Ohio Valley Electric Corporation (OVEC) subsidy, a remnant of the controversial House Bill 6 from the 133rd General Assembly. Ohio should not be in the business of picking winners and losers in energy markets—rather, it should foster true competition, where the most affordable and reliable power solutions prevail.

For these reasons, OCMA urges the committee's favorable consideration of Senate Bill 2. Thank you for your time and attention.

Kevin Schmidt

Executive Director, Ohio Cast Metals Association

CC: House Public Utilities Committee Members

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