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MAKING A BETTER WORLD FOR ALL OHIOANS.

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February 18, 2025

**Ohio Chemistry Technology Council Testimony
In Support of Senate Bill 2**

Chairman Chavez, Vice Chair Landis, Ranking Member Smith and members of the Senate Energy Committee, my name is Andy Swaim. I am the Vice President of the Ohio Chemistry Technology Council (OCTC). Thank you for the opportunity to provide testimony in support of Senate Bill 2.

OCTC is the leading advocate for Ohio's chemistry industry. Ohio is the third largest chemical manufacturing state in the country. The chemistry industry in Ohio employs more than 40,000 people, pays an average annual wage of over \$100,000, and contributes more than \$31 billion to the state's economy.

OCTC represents manufacturers that are large industrial consumers of electricity and natural gas. For the majority of our members, energy costs are the first or second largest factor in their ability to remain competitive in both domestic and global markets. As such, OCTC has consistently supported policies that strengthen Ohio's competitive energy markets and promote both reliability and affordability for consumers.

SB 2 represents a significant step forward in streamlining Ohio's electric service markets. The bill would replace the current electric security plan (ESP) framework with a more transparent market rate offer (MRO) system that will benefit consumers through competitive pricing. This change will ensure that cost recovery by electric distribution utilities (EDUs) occurs through traditional rate cases, which requires a full accounting of all revenues and costs incurred by the utility. These changes will ensure that costs that are passed on to consumers are fully justified.

The bill also takes important steps to encourage new electric generation investment in Ohio by eliminating the tangible personal property (TPP) tax on electric generating equipment and encouraging behind-the-meter generation. With the significant economic development occurring across



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our state, particularly in energy-intensive sectors, ensuring adequate and reliable generation capacity is crucial for Ohio's continued growth. OCTC believes the market-based approach in this bill will provide the best opportunity to support growth and development while also fulfilling the needs of existing consumers.

SB 2 will also address legacy subsidies that are inconsistent with Ohio's competitive energy market structure. These subsidies currently create unnecessary costs for consumers while providing no measurable benefits to service reliability or affordability.

OCTC believes this legislation will benefit Ohio consumers by encouraging market-driven investment in Ohio's electric generation capacity and by protecting consumers through enhanced oversight and competitive pricing. The bill's provisions will help ensure both the reliability and affordability of electric service that our members require to continue to thrive.

OCTC respectfully requests that the committee support and advance SB 2. Thank you for the opportunity to submit testimony on this measure, and I am happy to answer any questions you may have.