



## **Written Proponent Testimony – Senate Bill 2**

**Shannon McGriff**

**Senate Energy Committee**

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Chairman Chavez, Vice Chairman Landis, Ranking Member Smith, and members of the committee, thank you for the opportunity to submit written testimony in support of Senate Bill 2. The Energy Professionals Association (TEPA) appreciates the chance to advocate for this legislation, which would require the use of a Market Rate Offer with a Standard Service Offer (SSO) Plan as the method for setting electricity prices for customers who do not actively shop for power, among other things.

Founded in 2005, TEPA represents companies that assist customers in procuring electricity and natural gas. Energy contracts can be complex, and today's customers seek more than just the lowest price—they demand comprehensive energy management services. As a result, professionals like myself play a crucial role in guiding nearly two-thirds of commercial and industrial energy purchases.

TEPA supports SB 2 and urges the committee's favorable consideration. Below, we highlight key provisions of the bill:

### **Elimination of the Electric Security Plan (ESP)**

Under current law, an ESP allows utilities to propose riders for virtually any expense they can persuade involved parties to accept. This has led to numerous additional charges for customers—fees that should instead be addressed through distribution rate cases. These riders are typically non-bypassable, even for customers who shop for power. By eliminating the ESP and requiring a Market Rate Offer to establish standard service offer rates, SB 2 promotes greater transparency and fairness in electricity pricing.

### **Defining Small Commercial Customers**

For the first time, SB 2 provides a clear, consistent definition of a "small commercial customer" in Ohio law. Currently, this definition varies by utility rate schedule, leading to marketplace confusion. Small commercial customers are entitled to specific protections under Public Utilities Commission of Ohio (PUCO) rules, but the inconsistency in definitions has allowed suppliers to use standardized contracts that may not always comply. Establishing a uniform definition will

ensure that residential and small commercial customers receive appropriate protections while allowing larger, more sophisticated entities to negotiate risk in their contracts as they see fit.

### **Creation of the Consumer Choice Billing (CCB) Program**

TEPA strongly supports the creation of the CCB Program, which will allow for consolidated billing of retail electric and natural gas services—including distribution and transmission charges. This aligns Ohio's market with competitive best practices, enabling consumers to engage more directly with their chosen energy supplier rather than navigating through their monopoly distribution provider.

Additionally, the CCB Program includes robust consumer protections. Financial assurance requirements will prevent customers from losing power due to supplier insolvency. Furthermore, the bill establishes clear liability for suppliers regarding fraudulent, deceptive, or unlawful marketing practices by their agents. Currently, many consumer complaints filed with PUCO stem from misleading sales tactics by third-party agents, particularly in the residential sector. By holding suppliers accountable for their representatives' actions, SB 2 will help curb fraudulent behavior and enhance consumer confidence.

### **Suggested Improvement - Flexible Billing Settlement Dates**

Ohio customers currently sign contracts with fixed monthly billing settlement dates, a holdover from outdated systems. However, modern technology enables more flexible billing cycles. There are companies that can offer shorter, adjustable timeframes, benefiting both customers and suppliers.

Allowing flexible settlement dates reduces suppliers' financial exposure, lowering risks and enabling cheaper energy contracts. Customers also benefit by avoiding large upfront payments or collateral requirements meant to protect suppliers from potential defaults. This approach is already in use in places like Texas. TEPA supports this change as a practical, mutual benefit for both parties.

In conclusion, SB 2 represents a necessary step toward a more transparent, competitive, and consumer-friendly energy market in Ohio. TEPA appreciates the committee's consideration and urges support for this important legislation.

Respectfully submitted,

**Shannon McGriff**

**The Energy Professionals Association (TEPA)**