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Chairman Chavez, Vice Chair Landis, Ranking Member Smith, and esteemed members of the Senate Energy Committee, thank you for the opportunity to present sponsor testimony on House Bill 15.

The purpose of this legislation is clear and aligns with Chairman Holmes' mission for this committee to ensure reliable, affordable, and available energy for all Ohioans. Our current energy framework, which dates back to 1999, stems from the deregulation of the generation sector and its separation from the regulated monopoly transmission system. It is now time to modernize this structure. Over the past five years, we have witnessed an unprecedented surge in energy demand, with data centers alone consuming 600 megawatts of electricity. AEP forecasts that this will increase to 5,000 megawatts by 2030. This trend is not likely to reverse. Ohio has been fortunate to be ranked number one nationally in infrastructure and economic development investment, as demonstrated by new projects like data centers, Intel, and Anduril Industries. However, these investments bring with them concerns, as projections from PJM suggest that without new generation, we could face potential shortages.

The key provisions of this bill are as follows:

- Requires an electric distribution utility's (EDU) standard service offer (SSO) to be a market-rate offer (MRO).
- Prohibits EDUs from bidding into the wholesale market with assets that were approved for distribution use and paid for by distribution customers.

- Increases bonding requirements for Competitive Retail Electric Service (CRES) and Competitive Retail Natural Gas Service (CRNGS) and modifies the notice requirements.
- Decreases the Tangible Personal Property (TPP) tax on new generation and energy conversion equipment from 25% to 7% starting in tax year 2027.
- Reduces TPP tax on new transmission, distribution, and pipeline infrastructure from 88% to 25% starting in tax year 2027.
- Allows local communities to apply to the Department of Development for a “priority investment area” designation. If granted, the Ohio Power Siting Board’s (OPSB) process is expedited at 45 days and the company of the project does not have to pay TPP tax on transmission, distribution, and pipeline infrastructure for 5 years.
- Brings parity for energy storage by treating it like generation related to the TPP tax.
- Clarifies that existing Payment in Lieu of Taxes (PILOT) agreements will continue.
- Establishes new shot clocks on the Public Utilities Commission of Ohio (PUCO).
 - Requires a 360-day shot clock for rate cases once an application is deemed complete.
 - Requires the staff report to be complete by 180 days.
 - Exempts any new discovery after 215 days.
 - If the rate case is not complete by 275 days, a temporary rate goes into effect based on the staff report’s midpoint or lesser recommendation, subject to refund & reconciliation.
- Clarifies that rate case shot clocks will start with the next case an EDU files to eliminate potential confusion with current on-going rate cases.
- Establishes Multi-Year Rate Plans (MYRP) at the PUCO where utilities can propose changes to base rates for up to three consecutive 12-month periods with an annual true-up process to actual all utility forecasted test years.
- Requires utilities to come into the PUCO for a rate case every 3 years.
- Eliminates cash payments on a matter pending before the PUCO except for cash payments that are for the implementation of low-income weatherization programs.
- Repeals the Electric Security Plans (ESPs) statute but allows them to extend through the final standard service offer auction approved by the PUCO.
- Relocates the interruption rate provision that was originally in the ESP statute to the rate case statute.
- Allows PUCO to approve non-discriminatory economic development, demand response, and transmission programs during a rate case. This ensures the availability of these programs to all mercantile and energy-intensive customers on a non-discriminatory basis.
- Requires all cases at OPSB to be completed within 180 days after an application is deemed complete.
- Establishes an expedited 90-day approval process at OPSB, if the utility owns the right of way and is adding more transmission, distribution, and pipeline infrastructure.
- Expands OPSB’s jurisdiction to review transmission projects from 100kv to 60kv.
- Repeals the OVEC rider immediately upon the bill’s effective date.
- Reinstates the audit process for the Legacy Generation Rider (LGR), allowing PUCO to complete its review.

- Halts the collection of new money for the Solar Generation Fund while settling the existing Memorandum of Understanding (MOU) with current qualified solar projects and allows PUCO to refund the remaining funds back to ratepayers.
- Clarifies that if a wind farm replaces aging parts, the relevant setback distances are those under which the project was first permitted. However, if the height of the turbines increases, then the SB 52 county approval process applies.
- Addresses inconsistent standards for line extensions and related facilities when new customers connect to the state's transmission system.
- Requires EDUs to publish capacity heat maps of their systems on their website and update those maps at least quarterly. With this data, the PUCO must hold annual stakeholder meetings on the maps design, accuracy, and usability. Furthermore, PUCO must publish an annual statewide reliability report on the trends and recommend grid modernization measures.
- Establishes Grid Enhancing Technology (GETs) data gathering to explore the implementation of this technology in Ohio.
- Exempts mercantile customer self-power systems from being classified as a public utility, electric utility, or electric service company.
- Aligns Ohio's net metering laws for wind, solar, biomass, landfill gas, hydropower, microturbines, and fuel cells, ensuring that all resources are treated equally for the purpose of sizing a new metering facility.
- Eliminates the ability for EDUs to own behind-the-meter generation.
- Establishes the Community Energy Pilot Program. This is an energy-neutral approach to HB 197 (Community Solar Pilot Program) during the 135th GA.
- Adds language regarding transmission cost recovery to avoid federal cost trapping for EDUs
- Revises overbroad restriction language to allow EDUs to continue to do lawful provisions today
- Makes changes to the refund provisions saying utilities will issue refunds on the date the Supreme Court rules the rates were illegal, rather than all the back to the approval of the rate case. Additionally, PUCO will have remedy within 30 days.
- Allows other forms of generation on former mine sites, brownfields, and PIAs to be eligible for the Brownfield Remediation Program. These projects are considered a "PIA Eligible Project" and cannot be awarded more than \$10 million from the Department of Development.

It is not the role of the state to favor one form of generation over another. Instead, we should open the market to dispatchable energy generation to address future energy shortages.

I respectfully request your support for this legislation. Thank you for your time, and I am happy to take any questions.