



CUB OHIO ADVOCACY GROUP

Proponent Testimony by Tom Bullock on Senate Bill 298

Executive Director, CUB Ohio Advocacy Group

Senate Energy Committee

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Chairman Chavez, Vice Chairman Landis, Ranking Member Smith, and members of the Senate Energy Committee, thank you for the opportunity to provide proponent testimony for Senate Bill 298, a thoughtful proposal by Sen. Romanchuk to offer commercial consumers the option to buy affordably priced, reliable, in-state power through remote power generation on distressed property that can provide inflation relief before 2030 via quick-to-build, medium-scale projects connected to the local power grid.

My name is Tom Bullock, and I am executive director of the CUB Ohio Advocacy Group, a project of the Citizens Utility Board of Ohio. We advocate for Ohio residential and small business utility customers and work for new technologies and programs that deliver less expensive, more sustainable and resilient energy with smart capabilities that allow more control over our monthly bills. We take an all-of-the-above approach to these issues, and our Board of Directors is bipartisan.

As Sen. Romanchuk testified, this proposal is “market-based” and “can help flatten peak demand, reduce long-term infrastructure costs, and enhance grid resiliency.” It is compatible with HB 15’s market-competitive framework and would build on the new grid “heat maps” it requires, which can identify locations where new generation is most needed, reducing interconnection costs. In many ways, it would allow the laboratory of the marketplace to function as HB 15 envisioned to benefit customers and the grid when they need it most – and need solutions quickly.

Why Remote Power Generation is Needed: Offset Electricity Price Inflation

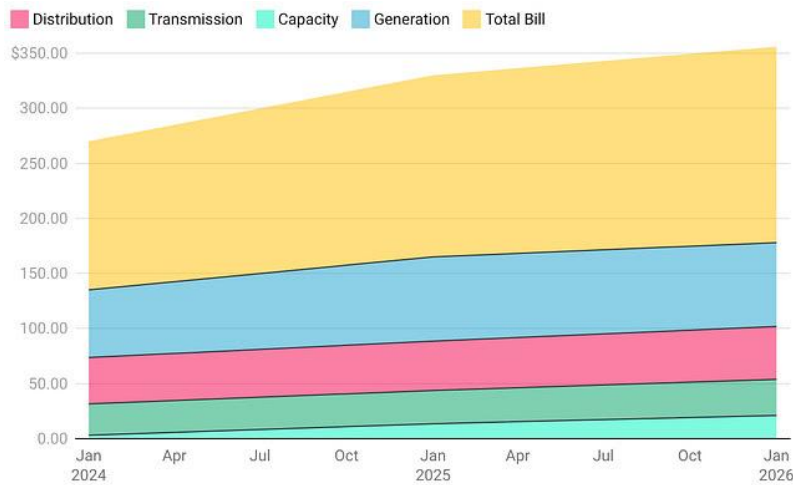
SB 298’s would create a new option to create electricity supply priced by the market, which means customers will tend to buy power that’s affordable, stably-priced, and less expensive compared to the fast-inflating wholesale market. This helps the direct customer save money and manage risk while also indirectly helps all customers by adding supply to the marketplace, putting downward pressure on prices.

This is needed because Ohio and PJM face rising electricity demand and increasing prices. One Ohio analytic firm, [UNPREDICTABLEcity](#), argues, “Ohio has entered a perpetual high-cost environment for electricity delivery... the structural cost of grid reliability and data center integration is now being baked into the fixed portions of the utility bill.” They report that:

- “For a standard Ohio household using 1,000 kWh per month, the combined impact of the new AEP settlement and FirstEnergy distribution updates will result in a \$5.75 to \$8.20 monthly increase in the Delivery section of the bill, effective immediately. This is in addition to the \$15.00 capacity surcharge already present on most bills.”

- “Average Ohio residential electricity rates have climbed to \$0.17/kWh, a 9.5% year-over-year increase. PJM capacity costs remain at the FERC-mandated cap of \$333.44/MW-day for the 2027/2028 delivery year.”
- “Industrial users in Ohio are facing a much steeper 26% increase due to rising demand and peak load contributions. ...The disproportionate rise in industrial costs threatens the margins of local manufacturing bases. High coincident peak measurements are driving these costs, as businesses consume more power during periods of grid stress.”

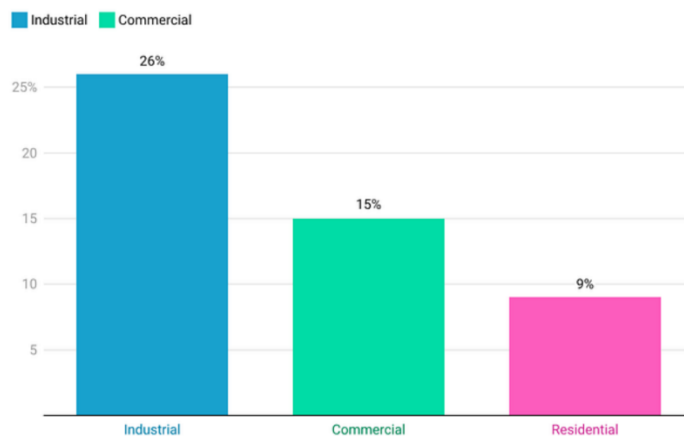
Cost by Section of Energy Bill (Ohio Average) | Jan. 2024- Jan. 2026



Created with Datawrapper

Source: [UNPREDICTABLEcity](#), April 6, 2026

Electricity Percentage Price Increase (Year over Year) | By Sector



Created with Datawrapper

Source: [UNPREDICTABLEcity](#), March 30, 2026

What SB 298 Does—Surgical Changes to Ohio’s Existing Net Metering Law:

SB 298 takes a conservative approach by proposing a modest land use change to existing net metering law. This law, first enacted in 1999, allows consumers to produce their own electricity on their own property and receive credit for power generated. SB 298 would modernize that framework by **allowing commercial consumers to remotely generate their own power off-site on distressed properties** (only)—such as on brownfields, landfills, or abandoned mine lands—while maintaining the same fiscal and regulatory guardrails that have made net metering successful. Specifically, it would:

- Authorize Virtual Net Metering: Allows large “mercantile” and institutional customers (e.g., manufacturers, hospitals, etc.) to purchase electricity from an off-site, net-metered generation facility located within the same electric distribution utility service territory (i.e. local grid).
- Redeploy Distressed Property: Limits new energy generation facilities to previously unusable or distressed sites (including brownfields, closed landfills, abandoned mines, and similar properties) and explicitly prohibits remote power generation development on farmland.
- Enable Meter Aggregation: Allows the customers to aggregate multiple meters within a utility’s certified territory, giving a customer with several meters at different buildings or campuses the ability to offset energy use across sites.
- Support Grid Reliability: Authorizes co-located battery storage and natural gas-fired generation, within certain size limits, to make it possible to build systems that provide around-the-clock reliability and help reduce strain on the electric grid during peak demand periods.
- Maintain Consumer Protections: Builds upon Ohio’s existing financial and crediting structure for net metering to ensure participating customers continue to pay all distribution charges and to charge and credit the customer for all costs and benefits, resulting in no costs to other customers.

As the engineering firm Eitri Foundry observes, remote power generation is already used cost effectively by many Ohio municipal utilities (exercising their home rule authority) to the benefit of their customers. SB 298 would extend this successful practice to customers of investor owned utilities (where the practice is not allowed without a change to Ohio law).

How Remote Power Generation Works Under SB 298:

Example: A manufacturer in Lorain County, for example, could contract to generate its electricity from a power project built on a closed landfill within the same utility service territory. The manufacturer would receive credit for this power across all of its meters, lowering its overall power costs. The project developer would finance and construct the system while assuming all investment risk (reducing cost to all consumers). The electricity price would be negotiated between developer and customer. The utility would continue to deliver power and maintain the distribution network, with all costs and benefits being charged and credited to that individual customer.

How SB 298 Helps–The Benefits of Remote Power Generation:

Builds on successful programs from peer states: SB 298 mirrors programs already operating successfully in Pennsylvania and West Virginia, where remote power generation via virtual net metering has enabled faster grid upgrades, more abundant local generation, and redevelopment of industrial properties.

Helps Redevelop Distressed Properties: SB 298 would put underutilized land back to work for Ohio's economy while delivering affordable and reliable energy. It brings a new source of private capital to invest in distressed property, building upon Ohio's successful and over-subscribed brownfield remediation program.

Cost Controls, Grid Benefits: Grid costs are avoided by retaining existing protections for locating and connecting remote power generation systems in the correct places. As they do today, under SB 298 utility engineers must approve interconnection of proposed remote power generation and will not grant a permit if a proposed new system cannot perform stably and reliably on the grid or if the size is too large for the local wire's capacity. Interconnection costs are paid by the owners of the remote power generation system, not by the utility or other customers. This additional grid investment helps modernize and improve it, saving money for other customers over time.

More customer tools to stave off inflation: Commercial customers gain new, flexible options for generating some or all of their own power, lowering their costs, and managing their risk of rising energy costs. As one CFO for a manufacturer put it, "This helps me shift costs from the expense column into the asset column" on the company's balance sheet. Pricing is often long-term and stable, providing a hedge against inflation.

Medium-Tier Energy Development is Quick-to-market, Affordable, and Lower-Risk: The primary, distinguishing feature of remote power generation systems under SB 298 is their market scale: they are medium-tier, which is currently lacking in Ohio and offers some advantages. The different tiers are:

- Large–Utility Scale: 50+ MW, interconnects via PJM, timeline to build is 5-10 years or longer.
- Medium–Remote Power Generation: up to 20 MW (limited by carrying capacity of the local grid); interconnects with distribution utility; construction in under 2 years; better economies of scale.
- Small–Residential Behind-the-meter: up to 25 kW; timeline is often fast; economies of scale lowest.

The benefits of medium-tier power generation are:

- larger than small behind-the-meter, offering a better price and quicker return on investment;
- smaller, faster-to-market, and less risky than utility scale, so provides financial relief sooner while reducing risk of wrong-way bets and stranded assets (because the time duration of energy market projections is shorter and less error prone);
- cost efficient, because it uses available capacity on the existing local grid that Ohio consumers have already paid for.

Conclusion:

In sum, SB 298 would add electrons to the grid quickly through private investment, without subsidies or mandates, while longer-term baseload and transmission projects continue. The need for additional reliable power is urgent and growing rapidly. Remote power generation via commercial virtual net metering can help bridge that gap in the next two to three years, complementing the baseload grid buildout over the longer term.

Thank you for the opportunity to provide proponent testimony. I am happy to answer questions.

Appendix—Further Background on Market Competition and Net Metering

Inflection Point: Rely On Market Competition As Solution To Projected Load Growth

As Ohio faces the projected growing energy demand from Intel and related development, from data centers and AI, and from electrification of transportation, buildings, and industry, it is essential that Ohio consumers continue to benefit from market competition and the cost-savings it brings – first committed to by our state in 1999 (SB 3). Prior to deregulation taking effect in 2001, Ohio had higher energy prices, and customers achieved savings in the following years.

How much has market competition saved Ohio electricity consumers? Two studies by NOPEC¹ calculated savings for Ohio consumers at \$24 billion from 2011 through 2019, or \$3 billion per year, as a result of deregulation, with an additional \$3 billion in annual savings projected annually if regulated utilities did not try to capture the savings in increased riders and charges that relate to generation.

Background on Ohio's 27-year old Net Metering Policy

Net metering is a competitive tool that delivers affordable power at a stable, long-term price.

For more than 25 years, Ohio has allowed net metering, a policy in which electricity customers who produce their own electricity save money by displacing the cost of electricity they would otherwise have purchased and by receiving a credit for any electricity that flows back onto the utility's distribution system.

These systems may be owned by the customer or by a third party and connect to the local (distribution) grid. In either arrangement, the power is priced in a stable manner over a long period (15 to 25 years), typically at a savings compared to traditional billing, making this stability and predictable savings attractive.

Net metering is a market competition-based class of energy development since it is built with the private capital of the system owner, whether the owner is a customer or a third-party company. Unlike the guaranteed rate of return granted by law to utilities, the owner assumes the risk of construction and operation—not the utility or anyone else. If the energy system fails to produce, or if the energy subscriber fails to pay (in the case of third party-owned systems), it is the investor that is at risk. This free-market risk imposes price discipline: net metering systems that are too expensive will not get built in the first place.

¹ NOPEC studies: “Electricity Customer Choice in Ohio: How Competition Has Outperformed Traditional Monopoly Regulation”, 2016; and “Update on Electricity Customer Choice in Ohio: Competition Continues to Outperform Traditional Monopoly Regulation”, 2019 by Cleveland State University Maxine Goodman Levin College of Urban Affairs and The Ohio State University John Glenn College of Public Affairs.