



House Public Utilities Committee
House Bill 128
February 23, 2021

Chairman Hoops and members of the House Public Utilities Committee, thank you for the opportunity to provide written proponent testimony on House Bill 128 (HB 128).

The Alliance for Energy Choice is an Ohio non-profit corporation that seeks to promote fairness and competition in electric utility service. The Alliance advocates for free-market solutions that will ensure an adequate and fairly priced supply of electric power to Ohio's residents, businesses, and industries. The Alliance also advocates for policies that do not favor one supplier or one form of energy over another.

Our membership believes this legislation is an effective proposal to right the large majority of wrongs previously enacted in House Bill 6 (HB 6) and the last State Operating Budget, House Bill 166 (HB 166). The provisions in question from HB 6 and HB 166 egregiously benefitted FirstEnergy, Energy Harbor, and other energy companies at the expense of Ohio consumers and other competitive market participants.

The members of the Alliance are supportive of the entirety of HB 128 for the following reasons:

1. It repeals the nuclear and utility scale solar subsidies created in HB 6;
2. It repeals the decoupling mechanism created in HB 6;
3. It repeals the modification made in HB 166 that permits FirstEnergy to pool the total earned return on common equity of its three Ohio electric distribution utilities for purposes of applying it to the state's Significantly Excessive Earnings Test;
4. It fully refunds to customers all associated charges already collected; and
5. It requires the Ohio Power Siting Board, in consultation with JobsOhio and PJM, to submit a report to the General Assembly on whether the current requirements for planning of the power transmission system and associated facilities investment in Ohio are cost effective and in the interest of consumers.

While this bill addresses most of the necessary fixes associated with HB 6, the members of the Alliance were disappointed that a repeal of the Ohio Valley Electric Corporation (OVEC) provision was not included. Requiring continued, guaranteed cost recovery for the outdated OVEC coal plants in Ohio and Indiana through 2030 is anti-competitive and unfair to Ohio's consumers and other competitive market participants.

Making this long overdue fix will further correct Ohio's broken energy policy and help to restore a level playing field to the competitive energy market in the state by enhancing fairness and transparency for all.

We appreciate this opportunity to submit written proponent testimony on HB 128. The Alliance urges the Ohio House to act swiftly on behalf of Ohio's citizens and businesses to pass this bill so that the recently enacted, damaging policies wrought in the aforementioned laws are overturned as soon as possible.

As always, please do not hesitate to contact us if you have any questions or would like further information regarding this document or the Alliance for Energy Choice.



The Alliance for Energy Choice membership currently includes Calpine, Eastern Generation, The Energy Professionals of Ohio, LS Power, and Vistra Energy.