



Tom Crawford, OCMA President, McWane Ductile
Kevin Schmidt, OCMA Executive Director

May 26, 2021

Chairman Jim Hoops
77 South High Street, 11th Floor
Columbus, OH 43215

RE: Proponent Testimony on House Bill 317

Chairman Hoops:

I write on behalf of the members of the Ohio Cast Metals Association (OCMA). The OCMA is the statewide association of foundries and foundry suppliers in Ohio. Ohio is the largest cast-metals state in the union boasting dozens of foundries employing tens of thousands of Ohioans. Our foundries range from grey iron, to ductile iron, bronze, and nearly any other alloy you might imagine. Cast metal products are a necessary component in modern life and there is not a day that goes by where you won't use at least one.

House Bill 317 would benefit Ohio's foundries by simplifying Ohio's electricity rate making processes. Currently, All Ohio's electric distribution utilities use the Electric Security Plan (ESP) to set their base rates and modify their distribution rates. The ESP statute allows for a lot of flexibility in what can be approved and only holds a "more favorable in the aggregate" standard for the PUCO to approve it. This flexible, interpretive standard has led to poor outcomes. Through closed door negotiations at the PUCO in these rate cases, the EDU's have all secured deals allowing them to charge above-market riders to most Ohio customers.

Some of these riders are illegal as was the recent case with FirstEnergy's Distribution Modernization Rider. When first proposed, this rider was panned by many consumer groups as a means to prop up FirstEnergy's credit rating. The Ohio Supreme Court ultimately agreed that the rider was unlawful, but only after roughly 2 years of the utility collecting it to the tune of an estimated \$200 million a year. Ohio law currently has no recourse for customers to seek refunds for these charges.

The members of the OCMA urge your support on HB 317.

Respectfully,

A handwritten signature in black ink, appearing to read "K Schmidt".

Kevin Schmidt
OCMA Executive Director

CC: House Public Utility Members

The Ohio Cast Metals Association
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