

Northwest Ohio Aggregation Coalition



Cities

Maumee

Northwood

Oregon

Perrysburg

Rossford

Sylvania

Toledo

Waterville

Villages

Delta

Holland

Ottawa Hills

Walbridge

Townships

Lake

Perrysburg

Counties

Lucas

PROPONENT TESTIMONY – HB 351 House Public Utilities Committee

**Thomas Hays
On Behalf of the Northwest Ohio Aggregation Coalition
And its 15 Member Communities
September 29, 2021**

Chair Hoops, Vice Chair Ray, Ranking Member Smith and members of the Public Utilities Committee thank you for this opportunity to present proponent testimony in support of HB 351.

The Northwest Ohio Aggregation Coalition (NOAC) and its 15 member communities negotiate the terms and pricing for the electricity used by over 125,000 households, small businesses, and family farms. We represent customers.

We support HB 351 because it truly will lower customers' electric bills. Many proponents of HB 6 staked their claim that the purpose of the legislation was to save customers money. In fact, some leading proponents challenged members, *Do you want to go back to your district and tell them you raised their electric bills?* Customer funded subsidies and government intervention to pick winners and losers does not, nor will it ever, save customers money. Subsidies are not free and customers always bear the burden.

NOAC is in FirstEnergy territory and prior to HB 6 our communities never paid one dime to Duke, AEP or DP&L to subsidize their OVEC plants. If your district is in the FirstEnergy territory, your residents and businesses must now pay to prop up the owners of OVEC. Your constituents, like customers in NOAC territory, receive absolutely no benefit. Our electric bills are just higher.

But the problem is broader, in fact, statewide. No customer in Ohio gets anything for their money. Instead, family budgets and business operating cash flows are looted. The price tag is not small.

OMA estimates that this year alone the OVEC subsidy will cost Ohioans about \$150 million for the two OVEC plants. Does anyone honestly believe that forcing Ohioans to pay roughly half of that for an Indiana plant is a good idea? Jobs Ohio could never use \$75 million a year of Ohioans' money to subsidize an Indiana plant. That plant competes with Ohio's electric generating plants. That Indiana plant's website states that it even burns Illinois basin coal, thus favoring out of state coal over Ohio's miners.

It is also false to suggest that without the massive subsidy that Ohio will lose jobs or that Ohio will lose generating capacity or that we will lose fuel diversity. OVEC's owners recently admitted at the Senate Public Utilities Committee that the two OVEC plants are under binding contracts to operate through 2040.

NOAC asks for your support of HB 351 to eliminate this unnecessary subsidy. HB 351 truly will lower customers' electric bills. NOAC thanks this Committee for this opportunity to testify.