

Chairman of the Board
DALE LAWS
*Vice President, Manufacturing Operations,
Laundry and Dishwashers, Whirlpool Corporation*

President
RYAN AUGSBURGER



November 17, 2021

The Honorable Jim Hoops
Chairman
Public Utilities Committee
Ohio House of Representatives
77 South High St., 11th floor
Columbus, Ohio 43215

RE: House Bill 389 – Interested Party Written Testimony

Dear Chairman Hoops:

The Ohio Manufacturers' Association (OMA) represents Ohio's robust manufacturing sector. Our membership includes approximately 1,300 manufacturers – of all sizes. As you well know, affordable and reliable energy is integral to the productivity of Ohio's manufacturers. Energy is of paramount importance to their competitiveness; therefore, Ohio's energy policy is of great significance to our industry.

House Bill 389 (HB 389) allows for the creation of new energy efficiency programs to be managed by Ohio electric distribution utilities. The programs would require residential and small commercial customers to opt-out of any programs and larger industrial users to opt-in to any new programs.

To ensure that HB 389 achieves its desired goals of fairness and energy conservation, there are a number of provisions in the bill that we suggest be addressed:

Opt-in provision

The most recent version of HB 389 states: "If a mercantile customer, as prescribed by the utility, indicates its intent to opt-in, the customer shall be deemed to have opted in." This provision gives a lot of discretion to the utility on what "intent" means for a customer. To prevent unintended consequences, it is important to ensure that any opt-in is expressly affirmed by the customer in writing. We appreciate the willingness of the bill sponsors to address this issue.

Lost Distribution Revenue

The bill appears to reconstitute portions of the House Bill 6 (133rd General Assembly) decoupling provision that was eventually eliminated and collected monies refunded back to customers. HB 389 allows a utility to collect distribution revenue on load loss that its efficiency programs did not impact. These include items such as customer behaviors and customer-funded actions that exceed Ohio's appliance standards and

building codes. “Lost distribution revenue” related to efficiency programs has proven to be incredibly expensive for customers. Utilities seeking decoupling or lost distribution revenue already have adequate recourse via their Electric Security Plan as governed by the Ohio Revised Code. As such, it is not necessary in this bill.

Opt-out provision

The current opt-out process is insufficient for most small commercial customers. But this bill only allows a customer 21 days every five years to opt-out. Most smaller manufacturers need more than 21 days to receive a notice and get through their own internal decision-making process. Previous opt-out provisions allowed customers to opt-out at any time. HB 389 would be considerably strengthened by making that change and allowing the market to freely operate.

Definition of energy savings

The bill includes “peak demand reduction savings” as part of its definition of energy savings. This would allow the distribution utility to offer demand response or peak load management services. These services are currently offered now through competitive retail services. These services are best offered in the competitive market, not by monopoly utilities.

Thank you very much for the opportunity to submit this written testimony. We appreciate the willingness of the bill sponsors to address these matters. I’d be pleased to try to answer any questions that you might have; contact me at rbrundrett@ohiomfg.com or (614) 629-6814.

Sincerely,



Rob Brundrett
Managing Director, Public Policy Services