



CITIZENS UTILITY BOARD OF OHIO

Proponent Testimony by Tom Bullock on House Bill 317
Executive Director, Citizens Utility Board of Ohio
House Public Utilities Committee
April 6, 2022

Chairman Hoops, Vice-Chair Ray, Ranking Member Smith, and members of the House Public Utilities Committee, thank you for the opportunity to submit proponent testimony on House Bill 317 (HB 317), a bill to alter Electric Security Plans. I'm Tom Bullock, executive director of the Citizens Utility Board of Ohio (CUB Ohio).

CUB Ohio works on behalf of residential and small business utility customers statewide. We seek to improve utility policies to deliver long term cost savings through the smart and rapid implementation of supply and demand side technology for consumers, both from emerging and established solutions, whether hardware, software, or behavioral. And alongside improved financial outcomes, we can deliver improved health outcomes to energy consumers as well.

As we have previously testified, CUB Ohio supports making improvements to the process for Electric Security Plan (ESP) cases before the Public Utilities Commission of Ohio (PUCO) to incorporate stronger consumer protections, and we are supportive of efforts in the new version of HB 317 to make progress in that direction.

HB 317 as amended presents an opportunity to address a problem in Ohio law: ESP cases, originally intended as a means to protect customers as Ohio transitioned to a competitive electricity market, have been overused and misused to secure recovery of spending that has little to do with the ESP statute's original purpose. And at the same time ESP cases have increased in number, utility rate cases have become infrequent. This is problematic since only in rate cases does PUCO conduct a comprehensive review of utility revenues and spending, examining both together to assess whether costs are reasonable. By contrast, in ESP cases, a single proposed cost increase is considered in isolation without sufficient analysis of cost effectiveness, which can benefit utilities at the expense of Ohio ratepayers.

As before, CUB Ohio joins others in preferring a complete repeal of the ESP rider as proposed in the original version of the bill. But the latest version HB 317 nevertheless would make valuable improvements. This bill still allows utilities to get cost recovery for some expenses through riders, but the excessive earnings cap and the rate case provision adds some balance that protects customers.

We hope to work with the sponsor and all parties to continue making progress on the issues addressed by HB 317, up to and including further refinements to the legislation to make still further progress on behalf of consumers. We nevertheless encourage action to address problems in our current system since they urgently need to be addressed. As such, CUB Ohio supports getting started now as a first step towards stronger consumer protections.

Thank you for the opportunity to provide proponent testimony on behalf of HB 317.