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April 5, 2022

Hon. Rep. Jim Hoops
Chair of the Ohio House Public Utilities Committee
77 South High Street, 13th Floor
Columbus, OH 43215

Re: Substitute House Bill 317

Dear Chair Hoops:

My name is Amy Spiller and I am President of Duke Energy Ohio and Duke Energy Kentucky. I lead these companies' business, regulatory, and legislative functions that facilitate the provision of safe and reliable energy service and solutions for our 700,000 electric and 490,000 natural gas customers in southwest Ohio and northern Kentucky, just as Duke Energy Ohio and its predecessor companies have done for over 180 years. I am writing to express opposition to Substitute House Bill 317 (H.B. 317) and to respectfully suggest that your committee shift its focus to energy policies that create and capitalize on economic opportunities and that help better move Ohio forward.

The announcement of Intel's \$20 billion investment in Ohio put the Buckeye State on the international stage by delivering on the promise of job attraction and economic vitality. Additionally, the Infrastructure Investment & Jobs Act (IIJA) allocates \$16 billion to our state on a broad spectrum of infrastructure projects, including highways and bridges, cyber security enhancements, electrification of transportation, and electric grid reliability and resiliency, as well as related workforce programs. These are the types of investments necessary to compete for business growth and to meet the demands of our current and future customers.

Ohio can either capitalize on the momentum created by Intel and the IIJA infrastructure funding to compete on a higher level in economic development and job creation, or it can take steps backward by imposing unnecessary and undue restrictions on utilities that will negatively impact customers and the state's economy. As lawmakers, we rely upon you to take actions that position Ohio at a competitive advantage through policy improvements and reforms with a focus on the future, lest we watch as the opportunities of tomorrow pass us by.

Unfortunately, in Ohio, we seem to be entrenched in the past, leading us to have the wrong conversations. We should be talking about how the state's energy policies should evolve such that they continuously appeal to a broad spectrum of employers, like 140 supply chain members that may co-locate near the Intel facilities; how to most impactfully invest IJJA funds; and, how to support JobsOhio and other site development efforts through responsible utility infrastructure investments. Instead, H.B. 317's focus seems to be on solving perceived problems from the past in ways that benefit only a few discrete interests.

Duke Energy Ohio has advocated for revisions to H.B. 317 that will produce better outcomes for all stakeholders; however, the most recent version of the bill restricts utilities, adds unnecessary costs, and constrains value that could otherwise accrue to customers and the economy. For example:

- Optionality and agility make alternative regulation an enormously valuable tool for economic development. Although H.B. 317 establishes the opportunity for electric utilities to pursue an alternative rate plan, the bill significantly and arbitrarily limits the types and amounts of investments that can be pursued and recovered, thereby eroding the effectiveness that alternative regulation could provide.
- The bill continues to subject utilities to unnecessary earnings tests. It also adds an additional burden of mandatory and expensive rate proceedings that are paid for by customers. Current law gives the Public Utilities Commission of Ohio (PUCO) the authority to order a utility to file a rate case at any time and allows individual parties to file a complaint at the PUCO challenging a utility's rates. An arbitrary rate case filing requirement placed in statute is simply not needed.
- The bill restricts innovation and prohibits electric distribution utilities from offering solutions as industry sectors transform. Specifically, H.B. 317 prevents utilities from leveraging assets such as battery storage facilities in ways to offset customer costs.

Energy policy reforms should seek to leverage utility company expertise and our long-term commitment to our customers and communities to create new and innovative solutions and opportunities. The Intel announcement, IJJA, energy independence, geopolitical and national security issues, grid reliability and resiliency, the shift towards transportation electrification, and increasing competition for economic development opportunities are all factors that underscore the need to get comprehensive energy policy reform right. How best to overcome the inevitable challenges, and how to fully realize the potential opportunities of the future is

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the right conversation to have in Ohio today, and we are willing and ready to have that discussion.

Based on my preceding remarks, on behalf of Duke Energy Ohio, I respectfully ask that your committee either amend H.B. 317 accordingly or that you develop new legislation that contains energy policy reforms that focus on how utilities can perform a positive and broader role in economic development and job creation to better position Ohio for the future. My government affairs team and I welcome the opportunity to work with you and your colleagues in the Ohio House of Representatives, the Ohio Senate, and the governor's office on such an endeavor.

Sincerely,



Amy B. Spiller

cc: Rep. Robert Cupp, Speaker of the Ohio House of Representatives
Rep. Tim Ginter, Speaker Pro Tempore of the Ohio House of Representatives
Rep. Bill Seitz, Majority Floor Leader
Rep. Don Jones, Majority Whip
Rep. Cindy Abrams, Assistant Majority Whip
Rep. Sharon Ray, Vice Chair, House Public Utilities Committee
Rep. Kent Smith, Ranking Member, House Public Utilities Committee
Rep. Tom Brinkman
Rep. Laura Lanese
Rep. Tom Patton
Rep. Dick Stein
Rep. Jason Stephens
Rep. Shane Wilkin
Rep. Bob Young
Rep. Kristin Boggs
Rep. Jeffrey Crossman
Rep. Sedrick Denson
Rep. Daniel Troy
Rep. Terrence Upchurch