

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 –SB 10
Senate Energy and Public Utilities Committee
Thomas Hays
On Behalf of the Northwest Ohio Aggregation Coalition
And its 15 Member Communities
February 9, 2021

Chair Peterson, Vice Chair Schuring, Ranking Member Williams and members of the Energy and Public Utilities Committee thank you for this opportunity to present written testimony. One more thanks upfront: Senator Romanchuk, thank you for introducing this bill.

The Northwest Ohio Aggregation Coalition (NOAC) and its 15 member communities serve 125,000 residential, small businesses, family farm customers, and even our own government buildings in our electric aggregations. We have a simple goal: provide the lowest energy prices to our customers. Our competitive processes saved customers more than \$100 million over the past twenty years.

NOAC supports SB 10 because it lowers customers' electric bills. SB 10 eliminates a special guaranteed profit provision ("beyond SEET charge") that benefits only FirstEnergy. It also ends an unjustifiable decoupling charge. NOAC is in FirstEnergy territory. OMA estimates these two charges will cost a family this year about \$40, a church \$160, a small retailer \$420, a restaurant \$460, a school \$1,320, a lodging \$1,350 and a small manufacturer \$2,500. The loot totals \$102 million to FirstEnergy this year. Customers get nothing in return.

SB 10 also rightly eliminates decoupling charges from all ESP's. A decoupling charge makes consumers pay for energy efficiency programs ended by HB 6, as other witnesses more fully explained. Again customers get no goods or no services in return.

Recently, the Ohio Attorney General announced, and FirstEnergy filed with the PUCO an emergency request to set the collection amount for decoupling and the “beyond SEET charge” at \$0. That was great news. However, FirstEnergy did not agree to return the \$27 million it already collected. But SB 10 does require that customers be made whole.

SB 10 is a needed first step to address the bigger problem of one-sided charges in our electric bills. Despite a big fall in wholesale electricity prices, Ohio’s customers are just not seeing this in their electric bills. But, if the Ohio legislature removes the lard that unfairly keeps electric rates too high, then Ohioans’ combined natural gas and electric rates could be among the lowest in the United States. Ohio would then be in the race for the best energy costs on earth. This is a competitive advantage China and most other places cannot match. Fair, marketplace electric rates help every Ohioan from the biggest industrials to high tech to our increasing numbers of urban and rural poor.

But today our homeowners, renters, small businesses, family farms, and industries bear the cost of the wasteful subsidies and one-sided deals without benefits. SB 10 begins a process that will help all customers and grow Ohio’s economy. All branches of State government should make clear that neither corruption nor one-sided deals that harm customers will be tolerated.

NOAC asks the Committee to send a positive message to all Ohioans and swiftly pass SB 10.

NOAC thanks this Committee for this chance to testify.