

**BEFORE THE ENERGY & PUBLIC UTILITIES COMMITTEE
OF THE OHIO SENATE
SENATE BILL 44**

**PROPOSER PARTY TESTIMONY
THE PJM POWER PROVIDERS GROUP¹**

February 16, 2021

Chairman Peterson, Vice-Chair Schuring, Ranking Member Williams, and members of the Senate Energy and Public Utility Committee. Thank you for the opportunity to submit written testimony on Senate Bill 44 (SB 44). The PJM Power Providers Group (P3) is a non-profit organization made up of power providers whose mission it is to promote properly designed and well-functioning competitive wholesale electricity markets in the 13-state region and the District of Columbia served by PJM Interconnection, L.L.C. (“PJM”). Combined, P3 members own more than 67,000 megawatts of generation assets in PJM. Several P3 member companies are active suppliers in the state of Ohio, either as generation suppliers or retail electric choice suppliers.

P3 members have invested significant capital in the state in response to Ohio’s long-standing commitment to fairly constructed and open competitive markets. P3 firmly believes that competitive generation markets best benefit consumers when generators compete to serve the needs of consumers. Consumers empowered by choice will drive innovation as they force the marketplace to respond to their preferences. P3 does not support efforts that mandate that consumers purchase energy from specific technologies and P3 does not believe in subsidies to specific generating technologies. However, P3 is committed to supporting competitive efforts to reduce greenhouse gas emissions and believes that any carbon reduction goals can be met through means that do no undercut Ohio’s competitive electricity markets. In this regard, P3 was one of many vocal opponents to the nuclear subsidies created in House Bill 6 (HB 6), providing testimony that if enacted, the law would force Ohio consumers to support certain generation resources while eroding many of the benefits that competitive markets have created for Ohio.

P3 urges this Committee to support S.B. 44, which seeks to eliminate the short and long-term implications associated with the nuclear subsidies in HB 6. HB 6 represented a fundamental shift in Ohio energy policy from a policy rooted in competition and market efficiency to one in which subsidies are legislatively awarded to hand-picked facilities with none of the traditional protections of utility regulation. Subsidies distort competitive electricity markets by providing out-of-market revenue streams to specific resources while denying those benefits to others. In a market riddled with subsidies, generators are motivated to get higher state subsidies than their

¹ The views expressed in this testimony represent the views of P3 as an organization and do not necessarily reflect the views of individual P3 member companies with respect to any issue. For more information on P3, visit www.p3powergroup.com

competitors instead of seeking more efficient means of generating electricity. Over time, investment capital will leave the state as investors realize that inefficient resources will seek subsidies that undermine the investments of at-risk capital.

In conclusion, P3 would like to thank the sponsors of this bill along with the members of Senate Energy and Public Utilities Committee for their action on this issue. Throughout several months of legal investigations, the nuclear subsidies created in HB 6 have been proven to be bad policy for Ohio. Furthermore, we are seeing the need for subsidies to keep Ohio's nuclear plants operational to be false. Please feel free to contact us to address any questions you may have.