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MAKING A BETTER WORLD FOR ALL OHIOANS.

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March 23, 2021

Ohio Chemistry Technology Council Written Testimony In Support of House Bill 128

Chairman Peterson, Vice Chairman Schuring, Ranking Member Williams and members of the Senate Energy and Public Utilities Committee, my name is Andy Swaim. I am the Director of Government and External Affairs for the Ohio Chemistry Technology Council (OCTC). Thank you for the opportunity to submit written testimony in support of House Bill 128 (HB 128).

OCTC is the leading advocate for Ohio's chemistry industry, which is the third largest manufacturing sector in the state. Ohio is also the third largest chemical manufacturing state in the United States. In Ohio, the chemistry technology industry employs nearly 40,000 people, pays an average wage of over \$85,000, and ships more than \$5.6 billion in products worldwide annually.

The OCTC represents manufacturers that require access to affordable, reliable energy to remain competitive in the marketplace. OCTC opposed legislation last General Assembly (GA) that we believe unfairly picks winners and losers in Ohio's competitive energy generation market and benefits specific electric distribution utilities (EDUs) in the process.

OCTC supports HB 128 because it represents significant progress in the effort to unravel the damaging policies passed in the 133rd General Assembly (GA). OCTC commends the provision in HB 128 to remove the subsidy for nuclear generation interests. That subsidy would be costly to costly to consumers and is clearly not needed for the nuclear plants to continue operations.

OCTC also approves of the repeal of the decoupling mechanism as passed in House Bill 6 from last GA. This decoupling was clearly written to benefit one EDU in particular and was biased by using 2018, which was an extraordinarily high energy use period, as the reference for cost recovery through the mechanism.

OCTC supports the repeal of the language from last year's operating budget bill that permitted an EDU to pool the total earned return on common equity of its three Ohio EDUs for purposes of applying it to the Significantly Excessive Earnings Test (SEET).

The OCTC also supports the effort to have the Ohio Power Siting Board (OPSB) produce a report on the cost-effectiveness and necessity for new transmission



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projects. OCTC supports all of these changes as positive steps to begin the rebalancing of the state's energy policies, such that utilities are not generating unearned revenues on the backs of consumers.

OCTC urges passage of House Bill 128, and we look forward to being a part of the ongoing discussions regarding the overall energy policy in Ohio moving forward. Thank you for the opportunity to submit written testimony today.