



October 2, 2017

The Honorable Robert Cupp
Chair, Public Utilities Committee
Ohio House of Representatives
77 S. High Street
Columbus, OH 43215

The Honorable Michael Ashford
Ranking Member, Public Utilities Committee
Ohio House of Representatives
77 S. High Street
Columbus, OH 43215

RE: Opposition Testimony HB 239, OVEC Legislation

Dear Chairman Cupp and Ranking Member Ashford:

We write to jointly convey our opposition to House Bill 239. Some of our organizations have testified previously and some of our organizations are notifying you of our opposition in this letter.

Our associations have undertaken a study of the bill. It would force customers of multiple utilities to subsidize two unprofitable power plants, one in southern Ohio and one in Indiana. These power plants are owned by a coalition of utilities known as the Ohio Valley Energy Corporation (OVEC). Per the Legislative Service Commission, Ohioans could pay approximately \$77 million, or more, per year in above-market power charges for over a decade if this legislation is passed.

Competition is what makes our economic system the best in the world. Our members cannot afford to continually bailout monopoly utility companies anytime their management wants to shift ordinary business risk from shareholders to ratepayers.

Proponents of House Bill 239 first justified the bill as necessary to national security. That was found to be inaccurate. Proponents later justified the OVEC bill as needed due to an inescapable contract among a consortium of owners. That was later found to be inaccurate.

If approved, the bill will have a negative impact on the competitive energy markets, customers' energy costs, business competitiveness and job creation in our state.

We urge you to vote no on HB 239 to protect Ohioans against an unmerited tax that will be a drag on Ohio businesses and families.

Thank you.

Roger R. Geiger
NFIB/Ohio

Kevin Schmidt
Ohio Cast Metals Association

Jenn Klein
Ohio Chemistry Technology
Council

Joe Savarise
Ohio Hotel & Lodging Assn.

Eric L. Burkland
The Ohio Manufacturers' Assn.