



Written Opponent Testimony on Substitute House Bill 249

House Public Utilities Committee

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Chairman Cupp, Vice Chair Carfagna, Ranking Member Ashford, and members of the committee, thank you for the opportunity to provide additional written testimony on Substitute House Bill 249. I am Gary Morsches, CEO of Nationwide Energy Partners (NEP), a Columbus, Ohio-based company, launched in 1999. I joined NEP in 2015 and have worked in the regulated and de-regulated energy industry for more than 30 years.

Submetering is the installation of electric and water metering devices behind the master utility meter at multifamily and retail properties. Submetering gives the property owner or manager the ability to accurately measure energy and water usage for each unit and for the common use areas.

NEP was launched as a market alternative to the significant costs that AEP and other utilities charge property owners to install private electric distribution systems on multifamily properties. Without our submetering solutions, property developers have to pay much higher upfront costs, up to \$1 million, to install distribution lines and meters to their units. These significant costs would result in higher rent for residents.

Substitute House Bill 249 continues to miss the mark on proposing a regulatory structure for submetering in our state that protects the rights of property owners and ensures consumer protections. Property owners—whether commercial or residential—want to be able to plan for how their sites use and conserve energy. The ability to plan and make energy choices is a property right recognized by the Supreme Court of the State of Ohio.

Under the Substitute bill, the Public Utilities Commission of Ohio (PUCO) would be responsible for enacting rules governing submetering. However, the PUCO already ruled on this issue last June, saying that unless a resident is charged more than the standard service offer, the submetering company is not a utility. This ruling has set a clear test that benefits consumers and triggers action by the PUCO on submetering pricing.

If a property owner wants to save significant costs by choosing a faster and less expensive option to install a safe, private electric distribution system, that is within their property rights to make that decision. We also believe very strongly that consumer protections are good for residents, good for property owners and good for the industry.

For this reason, NEP respectfully asks that this committee oppose Substitute House Bill 249. Instead, we ask that you continue to consider codification of consumer protections in a separate piece of legislation, one that does not intend to ban submetering and take away choice for property owners.

Thank you again for the opportunity to weigh in on this important subject.