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MAKING A BETTER WORLD FOR ALL OHIOANS.

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November 10, 2020

Ohio Chemistry Technology Council Written Testimony In Support of Senate Bill 346

Chairman Wilson, Vice Chairman McColley, 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 testify in support of Senate Bill 346 (SB 346).

OCTC is the leading advocate for Ohio's chemistry industry, which is the third largest manufacturing industry 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 House Bill 6 (HB 6) earlier in this General Assembly on the grounds that the legislation had potential to increase energy costs for some of our members. Our member companies were concerned that subsidies to certain generation sources in Ohio such as coal and nuclear, would prevent the deregulated energy generation market from operating fairly, thus driving up energy prices.

OCTC supports SB 346 as it removes from current law the harmful anti-competitive provisions including the credits for nuclear generation, legacy (coal) generation, and the decoupling mechanism for certain electric distribution utilities (EDUs). The decoupling mechanism as passed into law by HB 6 was written to benefit one EDU in particular. The decoupling allowed by HB 6 was plainly, unfairly biased toward the EDU by using summer 2018, which was an extraordinarily high energy use period, as the reference for cost recovery through this mechanism. Furthermore, considering that the reason for which we are reviewing and considering repeal of this legislation is based on allegations of impropriety involving this EDU, it is reasonable to assume the decoupling was not added to law in good faith.

SB 346 would be a positive first step in the process of rebalancing state energy policies, such that utilities and consumers alike are able to prosper in Ohio. OCTC supports the repeal of HB 6 and looks forward to being a part of the greater



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discussions regarding the overall energy policy in the state of Ohio. OCTC encourages favorable passage of SB 346. Thank you for the opportunity to submit written testimony today.