



Senate Energy and Public Utilities Committee
Interested Party Testimony
November 19, 2020

Chairman Wilson, Vice Chairman McColley, Ranking Member Williams, and members of the Committee, thank you for holding today's hearing and for providing the opportunity to provide interested party testimony on behalf of the Ohio Steel Council.

As you know, steelmaking is a highly energy-intensive process. Often, energy expenses, particularly electric power rates, are one of the largest fixed costs for a steel manufacturer. As such, electric power rates are a critical element to the competitiveness of Ohio's steel producers and their ability to invest capital and maintain thousands of good paying jobs in Ohio.

While the process of passing HB 6 into law has become a topic of controversy and discussion among many different voices, the underlying energy policies have a significant impact on the future competitiveness of our companies. Additionally, as the COVID-19 pandemic has created unprecedented economic uncertainty, steelmakers throughout Ohio have struggled and are not in a position to be able to shoulder a sudden increase in electricity rates.

While several proposals would provide for a complete repeal of HB 6, the Ohio Steel Council urges this Committee to preserve the policy provisions within HB 6 that will protect electric ratepayers from excessive and/or unnecessary cost burdens, including:

- 1) the exemption for self-assessing customers (those using 45 million kWh or more annually) from Ohio's Alternative Energy Portfolio Standard (AEPS), sometimes referred to as the Renewable Portfolio Standard (RPS);
- 2) the OVEC rider rate design that caps the maximum monthly charge at no greater than \$1.50 per month for residential customers and no greater than \$1,500.00 per month for other rate classes;
- 3) the elimination of red tape reporting requirements associated with the streamlined opt-out of utility energy efficiency programs; and
- 4) the elimination of red tape reporting requirements associated with the streamlined opt-out of utility energy efficiency programs.

About The Ohio Steel Council: Comprised of steel producers, processors and suppliers, the Ohio Steel Council serves as the voice of the steel industry in Ohio. By promoting the benefits of a healthy steel sector, the Council strives to educate key constituents about the industry's overall importance and significant economic impact. A participant in the legislative process, the Ohio Steel Council provides insight on policy issues, including their potential effects on Ohio's steel industry and the state's economy. Additional information about the Ohio Steel Council is available at www.ohiosteel.org.

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In addition to preserving these critically important policy considerations, the Ohio Steel Council urges the General Assembly to focus its efforts on the portions of HB 6 directly related to support provided to nuclear generating facilities in Ohio. Perhaps the most important question from a public policy standpoint is “Do the nuclear units really need support payments to continue operating?” To that end, the Ohio Steel Council suggests that the General Assembly should consider implementing some type of process whereby an independent analysis of the nuclear units’ operating expenses can be conducted, thereby ensuring that ratepayers are protected, and those units receive only “what they need” instead of “what they want”.

Finally, HB 6 eliminated utility energy efficiency programs in their entirety. While most very large consumers of electricity have opted-out of those programs due to their own internal cost-benefit analyses, some members of the Ohio Steel Council found those programs to be very beneficial to the competitiveness of their ongoing operations. As such, should the General Assembly create new energy efficiency programs, the Ohio Steel Council recommends that those programs should continue to be offered, even if only on a strictly voluntary basis, with a streamlined opt-out as similarly provided under current law.

Thank you for your full consideration of our issues.