



**BEFORE THE ENERGY AND PUBLIC UTILITIES COMMITTEE
THE OHIO SENATE
SENATOR ROB McCOLLEY, CHAIR**

**SENATE BILL 307
TESTIMONY OF RACHAEL CARL
THE OHIO MANUFACTURERS' ASSOCIATION**

May 17, 2022

Chairman McColley, Vice Chairman Schuring, Ranking Member Williams, and members of the Senate Energy and Public Utilities Committee, thank you for the opportunity to provide testimony on Senate Bill 307.

My name is Rachael Carl, and I am the managing director of public policy services for The Ohio Manufacturers' Association (OMA). Created in 1910 to advocate for Ohio's manufacturers, the OMA today has approximately 1,300 members statewide. Its mission is to protect and grow Ohio manufacturing.

Ohio is no stranger to auto manufacturing, even electric vehicles. Auto manufacturers are already making great strides in vehicle electrification –making it more efficient, practical, and affordable. Whether through the development of new EV models or collaborations to produce the next generation of battery cells, Ohio's automotive industry is pivoting to adapt to new demands in vehicle manufacturing.

With EVs driving innovation in automotive manufacturing, elements of Senate Bill 307 will help position Ohio to retain its dominant role in the automotive industry. By providing funding for retooling factories and retraining the workforce, Ohio would signal its support for the growth of not only electric vehicles, but the entire supply chain. Additionally, this bill would establish an ongoing task force to better diagnose EV industry needs, while adopting state policies and laws to help ensure long-term industry success.

Regrettably, Senate Bill 307 would also expand the role of Ohio's regulated utilities. Through the creation of the Transportation Electrification Program (TEP), Senate Bill 307 would create a new source of profit for Ohio's monopoly electric distribution companies, thereby thwarting existing and emerging competitive markets. This provision would expose customers to new costs from the riders that would finance electric car charging stations – while providing little to no guardrails to prevent excessive increases in Ohioans' power bills.

As proposed, the TEP would treat upgrades to the electric grid for EV infrastructure buildout differently than any other upgrade needed to manage new electrical loads. Certainly, EV charging will add a new load to the grid, but there are already existing mechanisms for utilities to secure needed funding through PUCO processes. No new funding mechanisms are needed.

Ohio has already begun investing in the EV industry. From the work of DriveOhio to the state's budgeted funding for charging stations, Ohio is demonstrating its commitment to leading in this space. Additionally, with the passage of the federal Bipartisan Infrastructure Law, Ohio is poised to receive more than \$140 million over the next five years, specifically for infrastructure buildout, with a down payment of nearly \$21 million coming in this fiscal year alone.

Ohio manufacturers consume nearly a third of all energy resources in our state. Public policies that impact the cost of electricity are of great interest to the OMA. We must ensure that Ohio continues to have a robust auto industry, but not at the expense of market economics and captive customers. We respectfully request that the committee remove this provision from Senate Bill 307.

Thank you, Mr. Chairman, and members of the committee for the opportunity to provide testimony on Senate Bill 307. I am happy to answer any questions.