



**Bob Hackett**

State Senator  
10<sup>th</sup> District

Committees

Insurance – Chair  
Agriculture and Natural Resources  
Financial Institutions and Technology  
Rules and Reference  
Veterans and Public Safety

**Ohio Senate**

Senate Building  
1 Capitol Square  
Columbus, Ohio 43215  
(614) 466-3780

**Senate Bill 20**  
**Senate Local Government and Elections Committee**  
**Chairman Gavarone**  
**Sponsor Testimony – Senator Bob Hackett**  
**February 16, 2021**

Thank you Chair Gavarone, Vice Chair O'Brien, Ranking Member Maharath and members of the Senate Local Government and Elections Committee for allowing me the opportunity to provide sponsor testimony regarding Senate Bill 20. SB 20 will amend section 307.04 of the Revised Code to exempt county utility supply contracts entered into under a joint purchasing program from the 10-year maximum period for such contracts and to declare an emergency.

The state, municipalities and townships have no similar limiting authority for utility contracts. This requirement only exists for counties. In light of today's energy market conditions, the 10 year maximum contract provision is outdated and impinges upon a county's ability to take full advantage of market conditions to acquire energy for its facilities and its residents through authorized governmental aggregation programs.

This bill will allow counties to fix a competitive price for a long period of time for a portion of the counties' facilities and aggregation program loads. This power purchase agreement will maximize savings potential for the county and its aggregation customers by utilizing green energy to provide a pricing hedge against future electric energy costs.

The term of these agreements is typically for the useful life of the generation facility that is constructed to provide the power and runs between 20 and 30 years. The restriction of ORC 307.04 constrains the counties ability to achieve the best pricing because they are not able to enter into a single long-term contract for the useful life of the facility and must break that contract up into ten-year increments thereby adding risk to the developer which is reflected in the developer's pricing offer.

This language was introduced and passed by the Senate as an amendment in H.B. 38 of the previous General Assembly.

Once again, Chair Gavarone, Vice Chair O'Brien, Ranking Member Maharath and members of the Senate Local Government and Elections Committee thank you for the opportunity to speak regarding SB 20, I would be happy to answer any questions.