

House Civil Justice Committee
House Bill 64 - Opponent Testimony
May 23, 2023

Chairman Hillyer, Ranking Member Galonski, and members of the House Civil Justice Committee, thank you for the opportunity to provide opponent testimony on House Bill 64.

Ohio's Electric Cooperatives (OEC) is the statewide trade association for Ohio's 24 member-owned, not-for-profit electric cooperatives. These 24 electric cooperatives provide electric distribution service to over 400,000 homes and businesses in the State of Ohio, many in rural areas. Each of Ohio's electric cooperatives are owned by the members they serve and, thus, operate for the benefit of their members, not shareholders.

Ohio's Electric Cooperatives is opposed to House Bill 64. While eminent domain is rarely used by electric cooperatives themselves to build electric distribution facilities, it is more frequently used by Ohio investor-owned utilities to build electric transmission facilities. The ability of all Ohio electric utilities to use eminent domain effectively and efficiently is essential to ensuring necessary infrastructure investments can be made so that Ohio's electric cooperatives can provide reliable and affordable electricity to our member-owners.

Because they do not typically own electric transmission facilities, Ohio's electric cooperatives rely on receiving reliable transmission service from the four major investor-owned utilities in the state of Ohio (Duke, AEP, FirstEnergy, and AES) to transmit power from the electric generation plants owned by Ohio's electric cooperatives to their electric distribution systems. Portions of the electric transmission system need to be replaced or upgraded to maintain reliability, and this is particularly true in rural areas that have historically been overlooked. The reliability of electric transmission service in rural areas has been woefully neglected, though we are seeing improvements in this area. New electric transmission projects are critical to ensuring reliability of electric service to end-use customers in rural areas and to allow for economic development and job creation.

The changes to the eminent domain process proposed under House Bill 64 will create significant obstacles to necessary improvements to electric transmission facilities and other electric infrastructure in the State of Ohio, making it more difficult for residents in rural areas to receive affordable and reliable electric service. While electric utilities (including electric cooperatives) use eminent domain as a last resort, it is sometimes necessary to ensure critical infrastructure projects can be built. HB 64, as currently written, undermines the eminent domain process and will increase litigation as it includes provisions that disincentivize landowners to work with agencies and utilities to resolve matters short of litigation. This will not only delay necessary electric transmission improvement projects, but it will increase the costs of these projects—which will ultimately be paid by consumers, including electric cooperative members.