

Testimony to the Ohio House Public Utilities Committee
Tom Raga, Vice President of AES US Utilities
AES Ohio Overview
March 8, 2023

Chairman Stein, Vice Chair Robb Blasdel, and Ranking Member Weinstein, my name is Tom Raga, and I am Vice President for AES US Utilities which includes AES Ohio and our utility in Indianapolis, AES Indiana. Thank you for the invitation to appear before the committee to provide an overview of AES and the background of our business in Ohio.

AES Ohio, formerly named Dayton Power & Light, serves over 525,000 customers in west-central Ohio. Our 2,900 employees and retirees have served as the backbone for reliable and affordable electricity across a 6,000 square mile service territory in 24 counties. Our history dates to 1911, when the fledgling Hills and Dales Electric Railway Company changed its name to Dayton Power & Light. Interestingly, at that time, state law prohibited the purchase of one utility company by another. So, the designation as a railway was important. It provided the authority to purchase the property and rights of other companies leading to the initial acquisitions to expand DP&L in Dayton.

Over ten years ago, the modern-day DP&L was acquired by the AES Corporation, based in Arlington, VA. As part of AES, we enjoy the benefits of being both local and global. AES is a US-based, global power company giving us a unique perspective to develop and deliver energy solutions. Our Dayton roots mean that we are completely integrated and invested in the Miami Valley community. Our global reach gives us the ability to develop and deliver new solutions, and to do so at scale. We share the global experiences we have to bring innovation to our Ohio customers.

AES Ohio is a regulated transmission and distribution utility. However, prior to restructuring in the early 2000's, AES owned a fleet of natural gas and coal generating stations producing the electricity that powered our communities. As dictated by state law, the company transferred those units to an unregulated affiliate where they were later retired or sold. Today, we no longer own generation.

As an electric distribution utility, we focus on providing safe and reliable power to our customers. The grid is transforming driven by technological advances and customer needs. In 2023, we will invest \$400 million in our transmission and distribution infrastructure including the roll out of technology supporting a smarter grid. Smart Grid investments include installing our first AMI meters, connected to an Advanced Distribution Management System to orchestrate smart devices on the distribution circuits and smart equipment to self-heal and control voltage across a distribution circuit.

We will also make significant transmission investments due to Ohio's economic development "win" of the Honda/LG plant in Jeffersonville. Additional transmission projects are planned to strengthen the high voltage infrastructure to ensure reliability to our customers in the Miami Valley.

On the distribution side, investments include the normal process of replacing aged assets such as poles and cable as well as adding capacity through infrastructure additions and strengthening our system with additional interconnections and redundancies to better serve our customers.

I've already mentioned the Honda/LG project, but that's just one success in the business development pipeline in our service territory. Electricity and energy issues are vital to many of the new businesses locating in Ohio and we work hand in hand with Gov. DeWine, Lt. Gov. Husted, JobsOhio, and the Dayton Development Coalition, to make sure prospective customers will be served with the power they need.

In previous weeks, you've heard testimony from AEP and Duke on the operational items I've just mentioned. Today, I'd like to highlight another crucial element to delivering the energy solutions our customers need, our people. Like many businesses, AES Ohio has entry level workers hoping to advance their careers and a core group of seasoned workers who are retirement eligible. To bridge that gap, AES has developed a suite of internal programs to retain and promote current employees by educating and transferring critical business knowledge to them.

These include our Powerful Pathways program, designed to provide a learning and development pathway for individuals without a traditional two or four-year degree. Powerful Pathways launched with our Indiana and Ohio customer call center teams. AES reviewed roles that traditionally required a degree, and a comprehensive learning journey was defined to develop participants' skills. The inaugural cohort graduated last November and are now eligible to apply to jobs for which, before Powerful Pathways, they did not meet the education requirements.

Other programs, which have combined to earn AES a "Great Place to Work" status, include:

- Entry-level Engineer program, a 3-year, customized rotational program through businesses at AES.
- Women in Energy leadership program, which includes intensive assessments, pre and post courses, an in-person retreat, and cohort mentoring.
- Energy4Talent internship program, which puts high achieving, recent college graduates through four functional rotations over a two-year period.
- Emerging Professionals Network, which sponsors a mentoring program.
- Legacy Pathway program, which celebrates the excellence of our long-term employees and transfers business knowledge to younger employees.

Mr. Chairman, AES is proud to serve Ohio as we manage a grid that's becoming smarter, resilient, and bi-directional. We stand ready to support you and the members of this committee working together on behalf of all our customers. Thank you for the opportunity to share our story.