

Northwest Ohio Aggregation Coalition



WRITTEN OPPOSITION TESTIMONY – Substitute HB 79 House Public Utilities Committee

Thomas Hays

On Behalf of the Northwest Ohio Aggregation Coalition
And its 15 Member Communities

June 21, 2023

Cities

Maumee

Northwood

Oregon

Perrysburg

Rossford

Sylvania

Toledo

Waterville

Villages

Delta

Holland

Ottawa Hills

Walbridge

Townships

Lake

Perrysburg

Counties

Lucas

Chair Stein, Vice Chair Blasdale, Ranking Member Weinstein and members of the Public Utilities Committee, the Northwest Ohio Aggregation Coalition (NOAC) and its 15-member communities thank you for this opportunity to present written testimony in opposition to Sub. HB 79.

NOAC negotiates the terms and pricing for the electricity used by over 125,000 households, small businesses, and family farms. We represent customers. We are also strong supporters of energy efficiency. Our communities implemented many energy efficiency programs so we know a good program from a bad one.

Sub. HB 79 remains a very bad deal for customers. In fact, the new \$7.50 fee imposed on non-residential customers makes it far worse. All customers will pay higher electric bills.

The original version of HB 79 was drafted before the federal government enacted the largest energy efficiency program in history. Under the new federal programs, Ohio is receiving huge grants to administer in its own programs. Other programs are run through local federal offices. In addition, there are generous federal tax rebates. These programs are **voluntary**, the **customer keeps every penny** of the rebate or tax credit, and **no charge is added** to any electric bill. The customer makes the best energy efficiency decision for their home or business, benefits from a lower bill, and less energy is consumed.

These new programs should produce far more than the proposed 0.5% yearly energy savings proposed in Sub. HB 79. The proposed utility run energy efficiency programs will be very costly to consumers, codifying windfall profiteering in the form of above market costs for commonly available goods and services, and massive hidden expenses such as “utility incentives” and “lost distribution revenue.” Customers will be trapped in the programs and forced to pay these expenses whether they participate in the program or not.

Despite repeated proponent claims, Sub. HB 79 is in no meaningful sense voluntary. Customers get two postcards and one chance to affirmatively opt out. If they miss this one chance, they will be held

captive for five years. They cannot opt out at any time. Large companies must opt in, but regular folks are stripped of voluntary participation – profound disrespect for families, farms, and small businesses.

Once in the program, the privacy rights of these homes, farms, and businesses are gone. Sub. HB 79 requires FirstEnergy and the other utilities to emphasize smart technology for “demand side management.” These smart devices collect personal data. These devices learn when you get up and turn the lights on, when you turn off the TV and go to work, and when the kids come home from school to their Xbox. Sub. HB 79 mandates “**Utility control** to reduce demand...which plan shall require working in coordination with electric services companies.” Your data becomes their data; your thermostat becomes their thermostat. All without your consent or statutory limitation.

Sub. HB 79 decimates proponents’ claims that customer costs are capped at \$1.50 a month. It now mandates that “**non-residential: customers**” will pay a fixed monthly fee five-times higher at **\$7.50 per month or \$450 over a five-year program**. Even after the steep increase, this purported “cost cap” does not include costly, hidden, expenses such as lost distribution revenue, utility incentives, and PUCO oversight costs.

NOAC has at least 11,000 non-residential meters at any time. These customers are small businesses, farms, schools and institutions, medical offices, local governments, and others. (Some customers have multiple accounts and that multiplies their burden.) Over a five-year period, FirstEnergy will charge just these 11,000 customers \$5 million more - PLUS utility incentives, PLUS lost distribution revenue, PLUS PUCO oversight costs. NOAC estimates that there are at least 20 times that number of non-residential customers in the full FirstEnergy territory alone who will be charged \$100 million - PLUS utility incentives, PLUS lost distribution revenue, PLUS PUCO oversight.

At the same time, Sub. HB 79 still requires homeowners and renters to pay \$1.50 per month or \$90 over five years, and again - PLUS utility incentives, PLUS lost distribution revenues, and PLUS PUCO oversight costs - amounting to hundreds of millions statewide.

When the costs to both residential, farms, small businesses and others are totaled and all the hidden unknown and uncapped fees are included, the proponents’ oft-cited \$1.50 cap is exposed as simply false. Ohioans are hard pressed by inflation and recent steep increases in the cost of electricity. Sub. HB 79 piles on unnecessary charges that benefit only the utility companies. It hurts your constituents and our communities.

We respectfully ask that you vote no on Sub. HB 79.