



Edison Electric
INSTITUTE

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May 21, 2024

The Honorable Dick Stein
Chairman
House Public Utilities Committee
77 South High Street
Columbus, Ohio 43215
RE: Opposition Testimony on HB 197

Chairman Stein and Committee Members:

The Edison Electric Institute (EEI) appreciates the opportunity to provide opposition testimony to House Bill 197 (HB 197). EEI is the association that represents all U.S. investor-owned electric companies. Our members operate in all 50 states and the District of Columbia and are privileged to provide electricity for more than 235 million Americans, including the over 2 million Ohioans. Collectively, the electric power industry supports more than 7 million jobs in communities across the United States. EEI's member companies are committed to the clean energy transition, all while delivering the safe, reliable, affordable, and clean electricity that powers the lives of all Americans.

As currently drafted, HB 197 would perpetuate inequitable net energy metering policies and increase electricity rates for most Ohioans through a cost shift from those customers who participate in the Community Solar Pilot Program (CSPP) to those who choose not or cannot participate. Further, HB 197 does little to address the state's resource adequacy concerns while offering significant financial incentives to out-of-state solar developers with no guardrails to ensure CSPP projects are cost competitive for Ohio customers.

HB 197 would require that CSPP participants ("subscribers") receive artificially low electricity rates and "guaranteed savings"¹ through bill credits that would depend on significant subsidies from non-participating customers.² When implemented with proper oversight, community solar programs can allow subscribers unable to install private rooftop to support solar energy in ways that are more equitable; however, for such a program to be equitable and scalable, it must accurately account for and reflect the true cost of the electricity provided to subscribers.

¹ H.B. 197, 135th Gen. Assemb., Reg. Sess. (Ohio 2024) at § 4128.02(S). The mechanism by which these savings would be guaranteed is not defined in the bill.

² H.B. 197, 135th Gen. Assemb., Reg. Sess. (Ohio 2024) at §§ 4934.17(I), 4934.23 (F). As written, the subsidies eligible to be paid by non-participant ratepayers have no price cap.

As written, the CSPP would require electric companies to pay large, guaranteed credits to all subscribing customers. This means that they would be paid not only for the solar generation, but also as if they had provided the transmission and distribution services necessary to deliver this power to the grid. As a result, non-participating customers would be charged for the difference between the rate credited to CSPP participants and the cost of the electricity generated by the subscribers' solar facilities. It also means that the CSPP customers who rely on the transmission and distribution system will no longer pay their share for its construction and maintenance. Therefore, as proposed, this legislation will shift the costs for grid maintenance and upgrades onto non-participating customers.

In Minnesota, all customers, including non-participants, pay an extra \$7 per month to facilitate the state's mandatory purchase net metering provisions. Similarly, in California, where solar adoption is widespread, the cost shift issues are particularly pronounced, where outdated net metering policies resulted in a significant cost shift to non-participants of nearly \$4 billion annually. As a result, the California Public Utilities Commission recently took steps to address the inequities caused by the cost shift from net metering.

Electric companies support the continued deployment of clean energy, including solar power. But there are more fair and equitable ways to incent these resources. As currently drafted, Ohio electric companies will be forced to purchase the most expensive form of solar, increasing costs for all customers, including those customers who can least afford the additional financial burden.

We encourage the committee to consider alternative options to the CSPP, including allowing energy companies to develop and implement community solar programs under the guidance of the Public Utilities Commission of Ohio, an option that would provide regulatory oversight to protect all customers in Ohio.³

Respectfully Submitted,



Philip D. Moeller
Executive Vice President, Business Operations Group and Regulatory Affairs

³ H.B. 197, 135th Gen. Assemb., Reg. Sess. (Ohio 2024) at § 4928.02 (H). HB 197 has no guardrails to track or limit subsidies paid to solar developers; a community solar program developed and implemented with the oversight of PUCO could include rigorous regulatory scrutiny and transparency measures.