



Office of the Ohio Consumers' Counsel

Before The Ohio Senate Energy and Public Utilities Committee

Opponent Testimony on Senate Bill 307

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November 29, 2022

Hello Chair McColley, Vice-Chair Schuring, Ranking Member Martin, and Committee members. I hope you and your colleagues are well.

Consumers' Counsel Bruce Weston and I thank you and the bill sponsor (Senator Rulli) for this opportunity to testify on Senate Bill 307. We appreciated the opportunity to meet with the bill sponsor. I am testifying, on behalf of the Office of the Ohio Consumers' Counsel (OCC), for Ohio residential utility consumers. OCC testified on this bill in May of this year as an interested party. At that time we proposed changes to the bill, especially to protect consumers from subsidizing utilities like AEP and others. And we sought an approach that relies upon competitive markets to deliver electric vehicle charging benefits to Ohioans. In the absence of those changes, OCC now testifies as an opponent to the bill.

Having said that, we received a potential sub-bill from the committee yesterday afternoon. We have not had time to review that sub-bill; however, we appreciate the potential sub-bill may address concerns about monopoly utilities charging Ohioans for electric vehicle charging stations.

In general, you will find OCC testifying for competitive electric markets. OCC opposes subsidies for utilities at consumer expense that tend to prevent Ohio consumers from receiving the benefits of the free market. Those competitive benefits are lower electric prices and greater innovation. Ohio started on a path to a competitive marketplace for electricity in 1999. Ohio has unfortunately taken some steps backwards regarding deregulated electric markets.

The introduced version of this bill allowed for utilities to charge their consumers to build and own electric vehicle charging stations. OCC opposes utilities charging consumers for subsidies to enter competitive markets. There was a minor attempt to change the bill on line 555. There, the words "utility-owned" were removed from the sentence describing what could be included in the transportation electrification programs utilities could charge to consumers. But this change does not prevent utilities from charging consumers to build and own these charging stations. Again, government-ordered subsidies for EV charging should not be billed to Ohio electric consumers.

Along with subsidies for competitive electric vehicle charging stations, this bill allows utilities to charge consumers for a wide variety of other measures. These include but are not limited to incentives to transition to electric fleet vehicles (lines 559-561), customer education (lines 565-570) and pilot programs (lines 571-574). These items, that will eventually end up on consumers' utility bills, should be provided by businesses in the competitive market. For example, promoting expansion of electric vehicles is not part of utility distribution service.

To protect Ohio electric utility consumers from subsidizing their utilities for what should be competitive EV charging services, lines 510 to 621 should be removed. These lines are not needed to promote electric vehicles in the state. If utility holding companies want to enter this business, it should be done through their unregulated affiliates.

If infrastructure is necessary to be built to supply electricity to EV charging stations, there are laws that enable utilities to build it and earn a return on it once it is used and useful. This is based on traditional utility ratemaking principles that allow utilities to make prudent investments and then earn a return (profit) on those investments. Traditional regulatory principles do not allow for changing consumers for utilities to unfairly compete against real competitors who lack access to the pocketbooks of monopoly consumers.

Ohio electric consumers are faced with soaring energy prices and rising inflation. This is not the time to add further increases to their utility bills for to subsidize EV charging.

Please note that the federal government is making substantial funds available to local governments for electric vehicle charging stations. Under the federal bipartisan infrastructure bill, \$5 billion was earmarked for developing EV charging stations. Ohio's share of that is \$140 million over five years.

Lines 510-621 should be deleted to promote a competitive electric vehicle charging market for Ohioans and to protect utility consumers from subsidy charges for FirstEnergy, AEP, Duke, and DP&L. Further, the bill should prohibit utilities from charging their consumers for EV charging.

As stated above and subject to OCC's full review, OCC appreciates that the potential substitute bill circulated yesterday afternoon may resolve concerns about consumers being charged subsidies by monopoly utilities. Thank you for your consideration.