



## Office of the Ohio Consumers' Counsel

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**Before  
The Ohio Senate Energy and Public Utilities Committee**

**Interested Party Testimony on Senate Bill 307**

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Hello Chair McColley, Vice-Chair Schuring, Ranking Member Williams, 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. I am testifying, on behalf of the Office of the Ohio Consumers' Counsel (OCC), for Ohio residential utility consumers. We look forward to our upcoming meeting with the bill sponsor.

In general, you will find the OCC testifying for competitive electric markets and against subsidies for utilities that tend to subvert or even prevent Ohio consumers from receiving the benefits of the free market: lower electric prices and greater innovation. Ohio started on a path to a fully competitive marketplace for electricity in 1999. Ohio has unfortunately taken some steps backwards instead of towards the deregulated markets that it had endorsed.

Here we are talking about something similar: Subsidizing utilities – that means making your constituents pay extra – so that the utilities can compete against private businesses in the competitive market for electric vehicle charging. OCC generally opposes interjecting monopoly utilities into competitive markets. We especially oppose monopoly utility involvement when it comes with government-ordered subsidies and other preferences including charges to the utility's captive customers.

OCC is testifying today as an interested party. But OCC will be an opponent of SB307 if lines 510 to 621 remain in the bill with charges (subsidies) for monopoly electric utilities at consumer expense.

Specifically, LSC's Fiscal Note on SB307 states "the bill will create a charge on [consumers'] future electric bills." SB307 allows utilities, as part of their electric security plans (ESPs), to develop programs that promote, prepare and support vehicle electrification. The bill references "minimizing overall program costs" (line 546). But history informs us that the utilities and the PUCO can be expected to lack a strict definition for "minimizing" charges to consumers.

As an example of the subsidy culture of electric security plans, the utilities and the PUCO have used electric security plans, under the bad ratemaking of the 2008 energy law, to charge consumers for the infamous FirstEnergy and Dayton Power & Light distribution modernization riders. Thankfully the Supreme Court ended that charge but not before FirstEnergy consumers were charged nearly a half-billion dollars and DP&L consumers were charged over 200 million dollars.

Moreover, AEP is already known for seeking electric vehicle charging subsidies. It currently has a PUCO-approved subsidy for EV charging, at consumer expense. AEP is also known for seeking other subsidies from its consumers related to electric security plans, such as its receipt of OVEC coal plant subsidies courtesy of the PUCO. AEP (plus Duke and DP&L) are currently receiving massive consumer subsidies under House Bill 6 for the OVEC Clifty Creek and Kyger Creek coal plants. Statewide, Ohioans have been charged over a quarter-billion dollars to date for House Bill 6 coal subsidies to AEP, DP&L (now AES) and Duke.

Attached is OCC's Subsidy Scorecard, giving a history of some but not all subsidies for electric utilities. Given this history, the legislature should be skeptical about the utilities and the PUCO "minimizing" electric vehicle subsidy charges to Ohio consumers under SB307.

EV charging should be a competitive service. Just as in the early 1900s, when privately-owned gas stations started popping up to serve motorists, the competitive market will meet the needs of EV owners – without forcing Ohio utility customers to subsidize it. This bill should leave electric vehicle charging to American and Ohio entrepreneurs. This line of business should not be opened to monopoly utilities who issue monthly electric bills to their captive Ohio customers. What's more, the utilities have unregulated side businesses that can and do compete in competitive markets like this – but without Ohioans having to subsidize them. If EV charging is a market the utility affiliates wish to get involved in, then it should be done like any other competitive business. However, strict corporate separation requirements would be needed given the affiliation with utilities.

As far as the monopoly utility business goes, the utility role regarding EV charging should be in making prudent investment in their distribution systems where needed (if "used and useful" for consumers under R.C. 4909.15). Moreover, the cost of any needed utility distribution upgrade should be paid for by the developer involved with EV charging businesses, not subsidized by utility consumers.

The LSC Fiscal Note does not provide any cost estimates for the utility subsidy that would result from SB307. AEP currently charges its million consumers for a "Smart City Rider," under a pilot program that the PUCO approved. Under SB307 all Ohio electric utilities would be able to charge consumers to build and operate EV charging stations. The consumer cost of AEP's current small-scale EV pilot program is \$10 million. This charge can only be expected to increase significantly if all four electric utilities are allowed to install and operate EV charging stations through this bill.

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. Attached is a news story. This funding source is another reason to avoid allowing monopoly utilities to charge consumers for their venture into what should be a competitive business.

Accordingly, 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. As stated, OCC will be an opponent of the bill if these lines are not deleted. Further, the bill should have language prohibiting utilities from charging their consumers for EV charging.

Thank you for your consideration.

**\$15.12 Billion**  
Charged to Customers  
(2000 - 2020)

# SUBSIDY SCORECARD

**\$1.31 Billion Projected**  
Charges to Customers  
(2021 - 2030)

- ELECTRICITY CHARGES TO OHIOANS -

## FirstEnergy

\$10.28 Billion

## AES Ohio

(formerly DP&L)

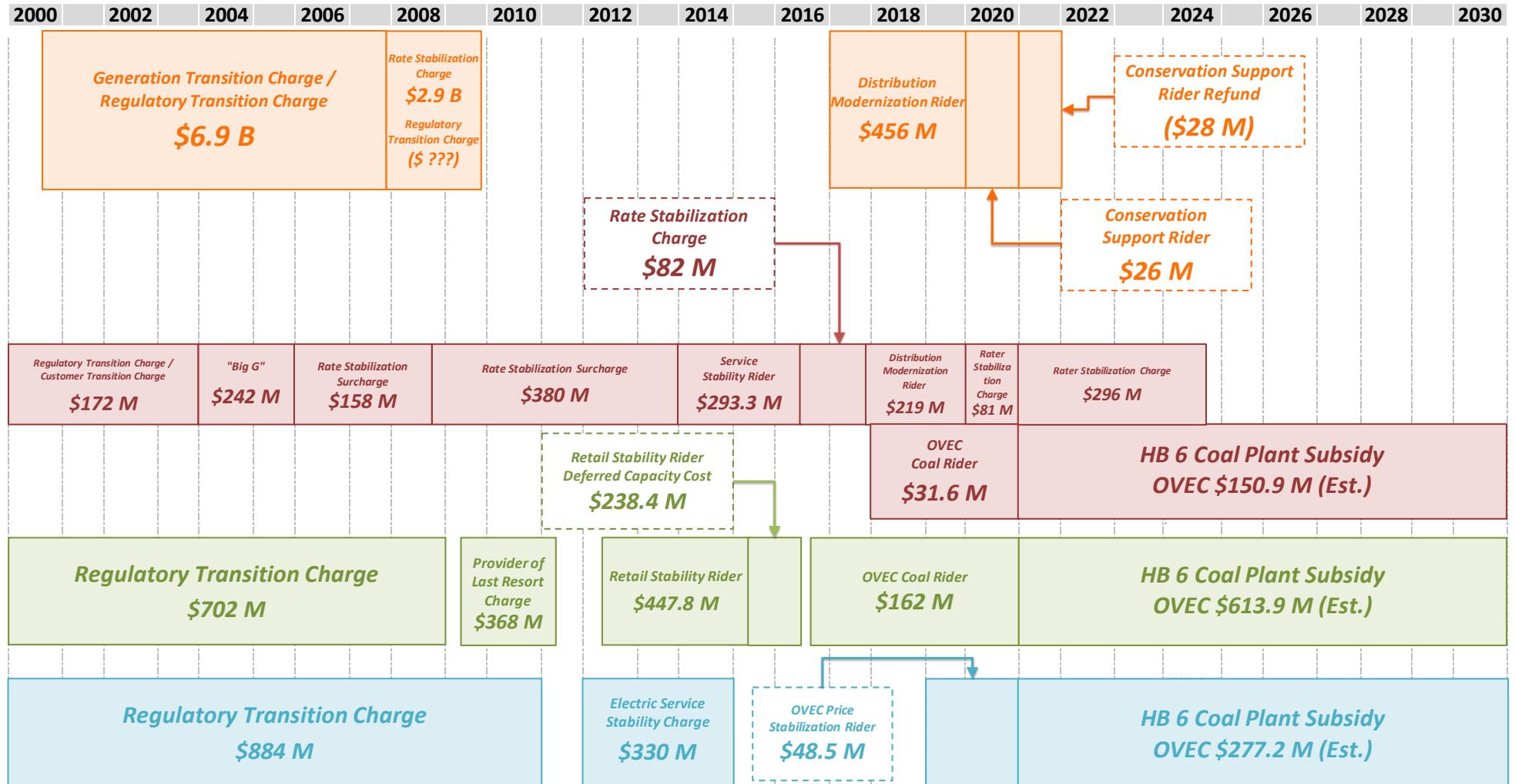
\$1.66 Billion

## AEP

\$1.92 Billion

## Duke

\$1.26 Billion



B=Billions; M=Millions

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# Ohio to get \$140 million for electric vehicle charging stations from bipartisan infrastructure bill

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By [Sabrina Eaton, cleveland.com](#)

WASHINGTON, D. C. -- As part of the federal government's efforts to encourage widespread use of electric vehicles by developing a nationwide network to charge them, the U.S. transportation and energy departments on Thursday announced that \$5 billion from last year's bipartisan infrastructure bill will be given to states over five years to develop charging stations in designated areas, particularly along interstate highways.

Ohio's share of that money will be \$140,120,116 over five years and \$20,739,853 in the first year of the program, the U.S. Transportation Department said. States must submit an EV Infrastructure Deployment Plan before they can access the money. The transportation department said it will open access to a second competitive grant program later this year to encourage the development of EV chargers in rural and underserved communities.

Biden administration officials at a press conference announcing the grants compared the effort to building the interstate highway system in the 20th Century and its facilitation of widespread use of gasoline-powered vehicles.

Energy Secretary Jennifer Granholm said that the nation couldn't transition quickly to electric vehicles unless "range anxiety" is eliminated and people can find places to plug in their vehicles wherever they live, work or travel. She predicted the \$5 billion will enable the placement of up to 500,000 charging ports, with each charging station developed under the program having multiple ports. She said states' plans for using the money would be due to the federal government on August 1.

"Once we get shovels in the ground to put these chargers up, it will mean jobs, jobs, jobs, jobs and more jobs in every pocket of the nation," she pledged.

White House National Climate Advisor Gina McCarthy said the effort would contribute to cleaner air and create high-quality jobs throughout the United States. In addition to helping tackle the climate crisis, McCarthy said electric vehicles drive better than gasoline-powered models, require fewer repairs and typically save their owners \$1,000 a year in fuel costs. She said that by 2035, every vehicle sold in the United States, including trucks, will be zero-emission models.

Transportation Secretary Pete Buttigieg said rural Americans stand to save the most money from transitioning to electric vehicles because they spend more time on the road. He said some of the most rural states, such as Montana and New Mexico, have better EV corridors than their more urban counterparts.

Noting that Biden this week announced the [upcoming construction](#) of a Tennessee factory to build electric charging stations, Biden's Infrastructure Implementation Coordinator, Mitch Landrieu, said the chargers would use U.S. parts and be installed by union workers.

"There's no question the U.S. can lead the world in electric vehicles," Landrieu declared.

A statement from Toledo Democratic Rep. Marcy Kaptur said the federal investment will accelerate construction of chargers across the state, and support good-paying jobs for the workers who build and maintain them.

"Electric vehicle technology is the future of America's automotive industry – and Ohio will lead the way to get us there," said Kaptur.

"As more Ohioans buy electric vehicles to save on gas and reduce pollution, it's important that we have the infrastructure in place to support them," added a statement from U.S. Sen. Sherrod Brown, an Ohio Democrat. This funding is the beginning of the largest investment in Ohio's electric vehicle infrastructure ever."