

# Energy bill signals Ohio is ‘open for business,’ natural gas, nuclear lobbyists say

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COLUMBUS, Ohio – A state legislative plan to address an expected explosion in energy demand in the coming decades is drawing unusual battle lines among energy generators, utilities and consumer advocates.

Ohio lawmakers in both chambers are considering bills that advocates say would stimulate more investment from power suppliers that will fuel a proliferation of data centers that promise to suck hundreds of thousands of kilowatts from the grid.

Those data centers are creating huge demand for power now and in the future. The Republican backers of the bills say their policy changes would help boost the electricity supply.

On Wednesday, proponents testified on the Ohio House version of the bill. Natural gas, nuclear, and chemical manufacturing lobbyists joined with the Ohio Consumers' Counsel, which represents ratepayers, in saying that the bill would help drive down electricity bills.

How the bill accomplishes that is complicated. It doesn't provide subsidies for new generation, but instead seeks to knock down what proponents describe as the hurdles chilling investment in Ohio's energy sector.

Opposition testimony hasn't yet been scheduled.

If enacted, [House Bill 15](#) would:

- End a system that allows utilities to charge customers for capital expenses on a case-by-case basis, instead forcing them to undergo large regulatory reviews of their costs and charges to customers
- Nix an estimated \$1.1 billion bailout of two coal plants that sent money to three Ohio utility companies that have ownership stake in the plants. The bailout runs

through 2030, but the bill would end collections starting this year and through 2028, depending on the utility. Ratepayers cover the cost of those subsidies.

- Exempts electric generation property from taxation
- End collections on a \$20 million per year subsidy for five older solar farms in Ohio

Senate Republicans also [introduced their own version of the bill this week](#).

The legislation likely pits the companies providing the fuel for electricity against the utilities that distribute it to Ohioans.

The utility companies, likely the biggest losers under the proposal, will almost certainly oppose the bill as they have with several provisions of it in the past when they have popped up as standalone items.

Renewable energy generators and their political allies, however, would see lukewarm gains. Backers of renewable energy lamented the proposals slow-walking of a repeal on coal subsidies along with a continuing state policy restricting solar and wind development in Ohio. That policy gives outsized control to local government to kill wind and solar projects proposed for development.

Gas generators, who compete with the subsidized coal plants, were more bullish.

“If you pass the reforms contained in House Bill 15 it will help move Ohio forward with a stronger competitive energy market that better serves the needs of businesses and residential consumers,” said Melville Nickerson, a lobbyist for NRG Energy, which runs its own power plants and sells the electricity to customers who choose their supplier instead of the utility’s default offering.

Regardless of who supports the proposal, lawmakers say they have a problem to solve. Data centers the size of warehouses built to power the artificial intelligence and cryptocurrency booms drain massive amounts of power from the grid. Big tech companies already have built dozens in Ohio, with more planned for the future.

Gas lobbyists say the bill will stimulate more investment in natural gas generation to help meet the demand those data centers promise.

J. Arnold Quinn, a senior vice president and lobbyist of Vistra Corp., the Texas-based owner of the only two nuclear generation plants in Ohio, said the legislation sends a signal that “new investment isn’t going to be undermined by an out-of-market intervention.” In other words, a state subsidy won’t benefit an investor’s business rivals.

The Consumers' Counsel offered support as well during Wednesday's hearing. Director Maureen Willis said a 1999 policy that bars distribution utilities from owning the facilities that produce the fuel for electricity was "impaired" by a 2008 policy. That same 2008 law change allowed customers to choose their own electricity supplier.

The new legislation leaves it up to the market, she said, predicting it would result in more competition and lower prices for consumers. Other lobbyists representing larger scale energy buyers like the Ohio Manufacturers' Association and the Ohio Energy Leadership Council (formerly IEU-Ohio) made similar arguments.

The last major energy bill in Ohio ended in scandal – a House Speaker was sentenced to 20 years in prison, and nuclear executives accused of bribing him and a top state regulator await trial. While much of that legislation was repealed, the coal and solar bailouts it enacted remain in law, although HB15 would end collections on both fronts.

State Rep. Dani Isaacsohn, a Democrat on the committee, said while the bill makes some "helpful tweaks" to energy law, it's far from any transformative reimagination of energy policy in Ohio, and it doesn't address some of the economic barriers wind and solar face. But more than anything else, he said lawmakers need to proceed with caution given what happened last time Ohio passed an ambitious energy bill.

"We're not gonna stick our heads in the sand and say there wasn't a \$60 million corruption scandal that was an embarrassment to the state," he said.

## **Seeking amendments**

Despite the support, most parties are pushing amendments in some shape.

Several centered on the coal subsidies. The money flows to the three Ohio utility companies (American Electric Power, Duke Energy and AES Ohio) who in part own equity in the Ohio Valley Electricity Corporation's plants. Under the bill, those subsidies end with utilities' current electric security plans. For AEP, the single largest equity holder in the coal plants, that's not until 2028.

An AEP spokesman didn't respond to an inquiry.

The manufacturers, Consumers' Counsel, and Ohio Environmental Counsel, all asked that lawmakers make the repeal effective as soon as the bill takes effect (usually 90

days after passage). State Rep. Sean Brennan, a Parma Democrat on the committee, has pushed for years for a full refund to customers.

State Rep. Chris Glassburn, the ranking Democrat on the committee from North Olmsted, said after the hearing that Democrats are willing to support legislation that genuinely seeks to allow more energy generation of all kinds in Ohio. But legislation passed in 2021 allows local governments to veto specific wind and solar (unlike gas, coal or nuclear, all permitted at the state level) developments in town. Local governments can also declare their boundaries off limits to such renewables, and [one in four counties in Ohio have done so](#).

It's early in the legislative process, he said, and opponents and others still need to be heard out before he's ready to share specifics. But in broad terms, he said this could be a bipartisan bill if there's willingness to consider wind and solar.

"It is mindblowing that we can be saying we need rapid expansion of energy and be turning away utility scale generation of any kind right now," he said. "It's completely inconsistent policy."

Rob Kelter, a lobbyist with the Environmental Law and Policy Center, noted that the Senate came within inches of passing legislation last year that would revive an energy efficiency program (also killed by House Bill 6) in Ohio. Such programs allow utilities to charge fees to customers that fund rebate programs for energy saving technologies like smart appliances and weatherization that reduce net energy demand. The cheapest kilowatt hour, its backers say, is the one you don't have to spend.

Others were more technical in nature: some wanted state regulators to apply more scrutiny to comparatively smaller energy transmission projects in the state. Others want the state to require utilities to offer "heat maps" of where the energy choke points are in the grid.