



# THE BUCKEYE INSTITUTE

## **Eliminate Ohio's Energy Subsidies**

Interested Party Testimony  
Ohio Senate Energy and Public Utilities Committee  
Senate Bill 44

Greg R. Lawson, Research Fellow  
The Buckeye Institute

February 23, 2021

As Submitted

Chair Peterson, Vice Chair Schuring, and Ranking Member Williams, thank you for the opportunity to submit written testimony regarding Senate Bill 44.

My name is Greg R. Lawson, I am the research fellow at **The Buckeye Institute**, an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

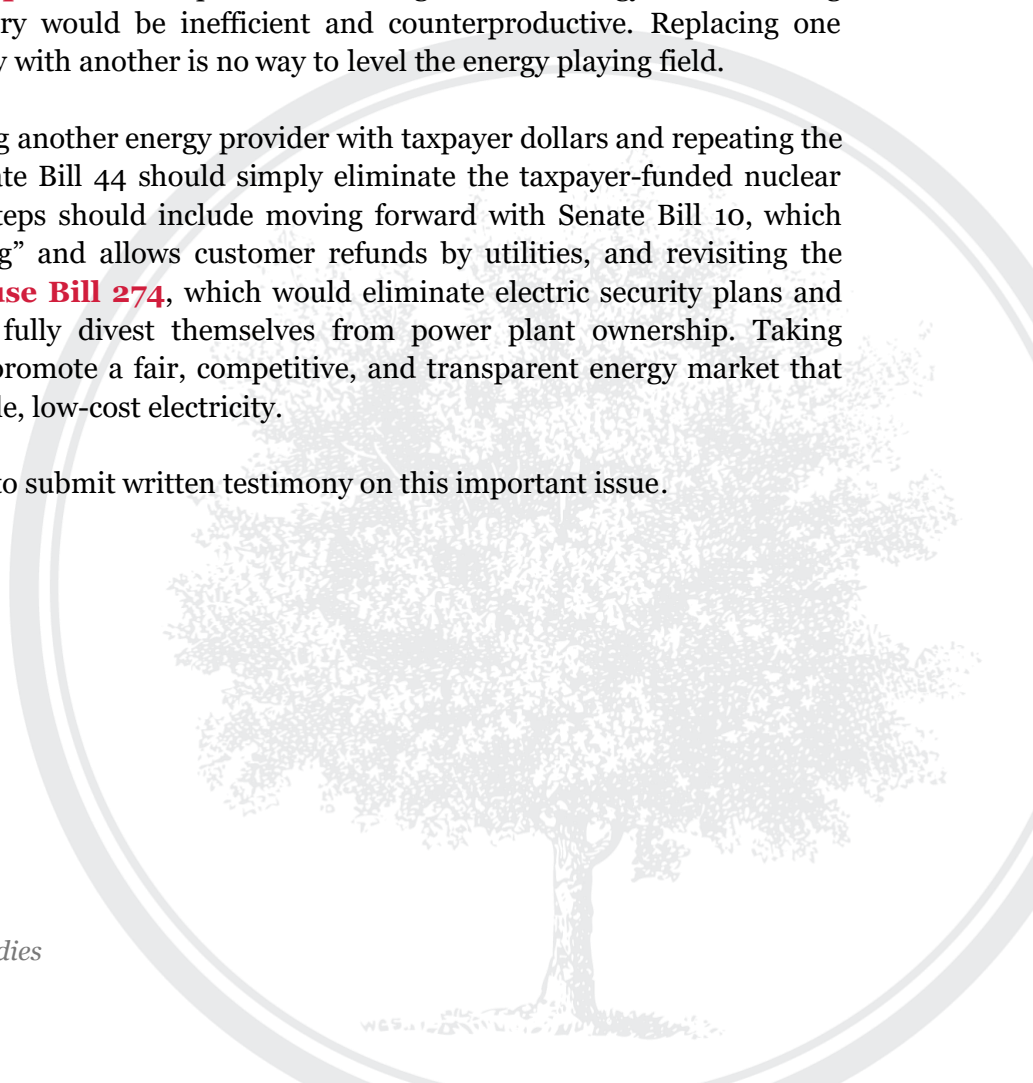
Senate Bill 44 takes some corrective steps to improve Ohio’s energy policy. The bill rightly eliminates the taxpayer-funded nuclear energy subsidy scheme ensconced in the notoriously flawed House Bill 6 enacted by the 133<sup>rd</sup> General Assembly. The subsidies in House Bill 6—most notably the \$150 million per-year nuclear energy subsidy—epitomized crony capitalism at its worst, and by removing those subsidies Senate Bill 44 makes an important course correction.

The Buckeye Institute continues to advocate for competitive, transparent energy markets in which power generators risk their own capital—not the taxpayers’—to sell electricity to Ohioans. That market competition should be held on a level playing field. Regrettably, Ohio has consistently allowed utilities and politically-favored power generators to avoid transparency, shift market risk to ratepayers, and make it harder for unsubsidized power plants to compete.

Unfortunately, after taking one step forward, Senate Bill 44 takes another step back. Although it eliminates the nuclear energy subsidies, the bill then substantially subsidizes the solar panel industry. Ohio has very **low potential** to produce meaningful solar energy and throwing taxpayer dollars at the industry would be inefficient and counterproductive. Replacing one taxpayer-funded energy subsidy with another is no way to level the energy playing field.

Instead of artificially supporting another energy provider with taxpayer dollars and repeating the mistakes of House Bill 6, Senate Bill 44 should simply eliminate the taxpayer-funded nuclear energy subsidies. Additional steps should include moving forward with Senate Bill 10, which eliminates “revenue decoupling” and allows customer refunds by utilities, and revisiting the 132<sup>nd</sup> General Assembly’s **House Bill 274**, which would eliminate electric security plans and require monopoly utilities to fully divest themselves from power plant ownership. Taking these steps would foster and promote a fair, competitive, and transparent energy market that would provide Ohio with reliable, low-cost electricity.

Thank you for the opportunity to submit written testimony on this important issue.



### ***About The Buckeye Institute***

*Founded in 1989, The Buckeye Institute is an independent research and educational institution – a think tank – whose mission is to advance free-market public policy in the states.*

*The Buckeye Institute is a non-partisan, non-profit, and tax-exempt organization, as defined by section 501(c)(3) of the Internal Revenue code. As such, it relies on support from individuals, corporations, and foundations that share a commitment to individual liberty, free enterprise, personal responsibility, and limited government. The Buckeye Institute does not seek or accept government funding.*

