

Not passing measure a \$5 billion mistake



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Although the vast majority of Ohio electric customers are completely unaware, every month their bills contain hidden charges levied by a well-intended law that threatens to impose billions of dollars of additional costs to achieve improbable levels of energy efficiency by 2025.

Current Ohio law contains requirements that public utilities achieve certain levels of energy-efficiency savings. This year, for instance, requires savings in kilowatt hours of .09 percent over a baseline of the average of the last three years. These energy-efficiency savings requirements increase annually and over time will reach 22 percent by 2025.

But while the law nominally imposes the obligation of these mandates on the utilities, in reality the actual burden and the costs of compliance are legally transferred directly to the utilities' customers.

Large energy-intensive industries compete on a global front and as a business practice have always invested in implementing any rea-

sonable energy efficiency measure as a matter of self-preservation. Lighting, insulation and many other projects, the so-called "low-hanging fruit," were done long ago and financed with the manufacturers' own capital. But the mandates are relentless and a failure to implement projects every year subjects these customers to ever-increasing energy-efficiency surcharges.

Through 2012, Ohio's electric utilities have collected \$500 million from their customers to finance energy efficiency. This sum was paid to achieve a 2.3 percent reduction in electricity consumption. The cost will double in 2015 and by some estimates reach \$5 billion by 2025. All ratepayers bear this burden in an attempt to achieve goals and benchmarks set without regard to the real financial implications.

Substitute Senate Bill 58 attempts to protect ratepayers from the oppressive burden of meeting the unrealistic requirements of existing law by establishing a cap on the amount that utilities must spend to meet their goals, and therefore the amounts that they bill to ratepayers. The cap set in SB 58 is basically the amount spent by utilities in 2013, roughly \$237 million.

Opponents of the bill insist that all customers must continue to be force-fed these costly annual mandates without limitation to their customers, the ratepayers. Failing to pass Sub SB 58 would be a huge mistake – a \$5 billion mistake. ■