



Ohio Municipal Electric Association (OMEA)
Opponent Testimony on Substitute Senate Bill 118
Before the Senate Local Government Committee
March 10, 2026

Chair O'Brien, Vice Chair Gavarone, Ranking Member Smith, and members of the Senate Local Government Committee, thank you for the opportunity to provide opponent testimony on Substitute Senate Bill 118 (SB 118).

The Ohio Municipal Electric Association (OMEA) represents 80 Ohio municipal electric communities and American Municipal Power (AMP), the Columbus based, non-profit wholesale power supplier and services provider to more than 130 municipal electric systems in nine states. Ohio's municipal electric systems account for approximately 5% of the electric sales in Ohio and serve approximately 400,000 residential, commercial and industrial customers. Ohio municipal electric systems range in size from Cleveland Public Power with 73,000 meters to the City of Toledo with one meter. The majority of our member communities are villages. As non-profit entities, municipal electric systems exist to provide reliable, affordable electric service to their customer-owners. Ohio's municipal electric systems are locally owned, managed and governed.

Previously, the OMEA testified in opposition to the "As Introduced" version of SB118 on June 24, 2025. Our comments below will focus on the most recent substitute bill accepted in October, which, unfortunately, continues to shift the business risk of a private, for-profit entity to municipal ratepayers while absolving landlords and institutional investors from the responsibility of utility services provided to their property.

As currently written, SB 118 does not improve the notification process, lower rent, improve services, address the issue of habitual bad actors (tenants who do not pay their utility bills) or save anyone money. In fact, SB 118 if enacted will likely increase the utility rates of other customers. We believe this approach to be fundamentally flawed.

We would like to reiterate our core points of opposition, specifically that SB 118 violates the Ohio Constitution and Home Rule authority of municipal electric utilities to contract with businesses in their communities, as well as the likely negative impact (and potentially increased rates) on all other utility customers.

AMHERST • ARCADIA • ARCANUM • BEACH CITY • BLANCHESTER • BLOOMDALE • BOWLING GREEN • BRADNER • BREWSTER • BRYAN • CAREY • CELINA • CLEVELAND • CLYDE
COLUMBIANA • COLUMBUS • CUSTAR • CUYAHOGA FALLS • CYGNET • DESHLER • DOVER • EDGERTON • ELDORADO • ELMORE • GALION • GENOA • GRAFTON • GREENWICH • HAMILTON
HASKINS • HOLIDAY CITY • HUBBARD • HUDSON • JACKSON • JACKSON CENTER • LAKEVIEW • LEBANON • LODI • LUCAS • MARSHALLVILLE • MENDON • MILAN • MINSTER • MONROEVILLE
MONTPELIER • NAPOLEON • NEW BREMEN • NEW KNOXVILLE • NEWTON FALLS • NILES • OAK HARBOR • OBERLIN • OHIO CITY • ORRVILLE • PAINESVILLE • PEMBERVILLE • PIONEER • PIQUA
PLYMOUTH • PROSPECT • REPUBLIC • SEVILLE • SHELBY • SHILOH • SOUTH VIENNA • ST. CLAIRSVILLE • ST. MARYS • SYCAMORE • TIPP CITY • TONTOGANY • VERSAILLES • WADSWORTH
WAPAKONETA • WAYNESFIELD • WELLINGTON • WESTERVILLE • WHARTON • WOODSFIELD • WOODVILLE • YELLOW SPRINGS

Most importantly, SB 118 would violate the Home Rule provisions contained within the Ohio Constitution. Specifically, HB 92 would violate Article XVIII, Section 3 (related to impingement upon the contractual rights of municipalities) and Section 4 (related to the operation of utilities by municipalities and the contracts for such services) of the Ohio Constitution.

As we have stated in previous testimony, electric utility service *cannot* 'follow the customer'. Service is provided directly to and used at a property where infrastructure investments have been made to provide service to the property. SB 118 simply removes the landlord's and institutional investor's responsibilities altogether for their contracted tenant's obligations at their property and shifts it onto all other municipal utilities and their customers.

Additionally, under the current version of SB 118, municipal utilities cannot refuse to provide any utility service to a "landlord, present tenant, or prospective tenant at a residential premises based on nonpayment". This broadly drafted provision would now preclude a municipal utility from refusing service to a property where a tenant who has accrued an outstanding utility balance at one property and has moved to another rental property. This language verifies our concerns that the intent of this bill is to simply remove landlord and institutional investor accountability from this process and shift it to the municipal utility and, eventually, all other customers.

This language further impedes a municipal utility's ability to recover unpaid utility bills and incentivizes bad actors to continually run up utility charges at different properties. As non-profit municipal utility service providers, all operating costs are shared by all ratepayers (including residential and business customers). This results in increased utility rates, and likely higher security deposits and fees for utility services.

Finally, SB 118 includes a provision to allow a landlord to evict a tenant for nonpayment of their utility services. We're not clear how that would work in practice as landlords are unwilling to share in the responsibility for utility service and a utility would not just share customer information with anyone.

Thank you once again, Chair O'Brien and members of the Senate Local Government Committee, for allowing us the opportunity to present opponent testimony to Substitute Senate Bill 118. As noted previously, we stand ready to work with other stakeholders on this issue in an effort to seek resolution. However, in the absence of that, we strongly urge members of the committee to oppose this detrimental and potentially costly legislation.