This Study is the third investigation undertaken by researchers from Cleveland State University (the Study Team) to consider how Ohio's deregulated electricity markets have performed since restructuring first took effect in 2009.

Key Point: This new study covers an important new time period in Ohio's electricity markets: the pandemic and post-pandemic era, during which time electricity retail markets experienced unprecedented upheaval.

> "Deregulation has kept generation costs low, even as other components of the cost of electricity have risen faster than inflation. Ohio will continue to enjoy such savings in the coming years so long as its electricity generation markets are fully deregulated."

KEY FINDINGS

Deregulated markets continue to save Ohio electricity customers nearly $3 billion per year

- These savings hold despite the pandemic-related upheaval to Ohio's energy market.
- This translates to about $261 per average household each year or nearly $3,400 per average household since 2011.

Since 2011, deregulation has saved Ohio consumers more than $37 billion

- Ohio consumers have saved more than $37 billion due to deregulation.
- Ratepayers saved over $13 billion over the past five years and are on schedule to save another $2.7 billion in 2024.
- In 2020, the year that the pandemic shut down many businesses, Ohio ratepayers still saved over $2.6 billion.

Total Savings Due to Deregulated Electricity Generation Markets in Ohio from 2011 to 2024 (millions of dollars)

Year	Total
2011-2018	$21,278
2019	$2,725
2020	$2,612
2021	$2,714
2022	$2,734
2023	$2,702
2024 (est.)	$2,749
Total	**$37,513**

To read the full study, visit nopec.org/white-papers

Savings by customer class

Of the $16 billion in savings since 2019 (including 2024), around $6 billion went to residential users, and around $10 billion to commercial and industrial users. Roughly $7 billion of the $16 billion came through shopping, while $9 billion came from the CBP auctions, which sets the Price to Compare.

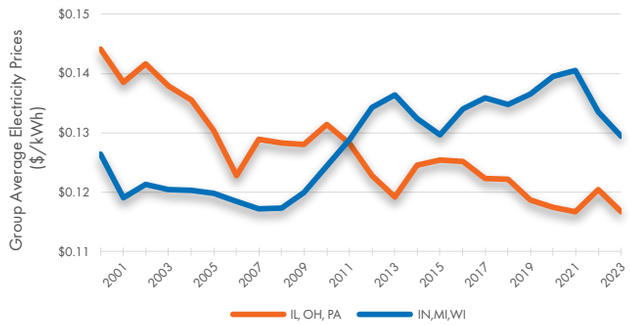
Savings Due to Deregulated Electricity Generation Markets by Customer Class from 2019 to 2024 (millions of dollars)

Year	Residential	Commercial & Industrial
2019	$1,085	$1,639
2020	$1,085	$1,527
2021	$1,103	$1,611
2022	$1,100	$1,634
2023	$1,035	$1,667
2024 (est.)	$1,037	$1,712
Total	**$6,445**	**$9,790**

2023 dollars.

Regulated vs. Deregulated States

To estimate savings from deregulation, the Study Team used a statistical technique called "propensity score matching" to identify six similar Midwestern states. Three states (Michigan, Indiana and Wisconsin) are fully regulated, while three states (Ohio, Pennsylvania and Illinois) have deregulated generation.



Real 2023 dollars

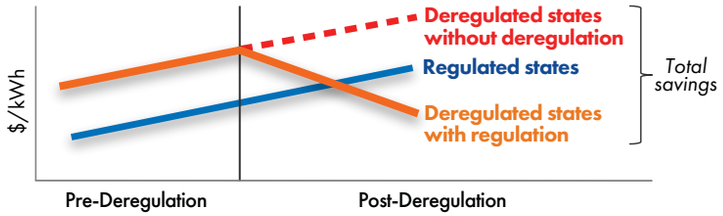
Competition has driven down average electricity prices in the three deregulated Midwestern states, while their regulated peers have seen a steady increase in the price of generated electricity.

Ratepayers in these regulated states are saddled with the cost of aging, uneconomic power plants, while competitive markets in the deregulated states have incentivized investment into new, efficient and cost-effective generation and have accessed wider, multi-state markets for generated electricity.

The Study Team used Energy Information Agency (EIA) and Public Utilities Commission of Ohio (PUCO) data to estimate the total savings realized from competitive generation markets.

Difference-in-Difference Model

Difference-in-Difference statistical modeling was used to isolate the effects of deregulation. The Difference-in-Difference model estimated Ohio's electricity price had it not deregulated, but instead followed the path of the statistically similar regulated states (Michigan, Indiana and Wisconsin).



Threats to Consumer Savings

Despite the many benefits of competition, Ohio has been faced with efforts to undermine the viability of its deregulated electricity markets. Investor-Owned Utilities have exploited flaws in Ohio's regulatory and legislative systems to obtain cross-subsidies to support unprofitable generating facilities (for example, Ohio's House Bill 6 continues to subsidize coal plants). These efforts threaten to undermine the full benefits consumers might otherwise realize from competitive markets and deregulation.

Deregulation has been a real, measurable success for the Midwestern States of Ohio, Illinois and Pennsylvania. It has kept generation costs low, even as other components of the cost of electricity have risen faster than inflation. In Ohio, this has meant consumer savings of more than $37 billion over the last 15 years. Ohio will continue to enjoy such savings in the coming years so long as its electricity generation markets are fully deregulated.

About NOPEC

NOPEC (Northeast Ohio Public Energy Council) is a non-profit group of over 240 communities in 19 Ohio counties that negotiates exclusive energy rates for its members. As Ohio's largest governmental retail energy aggregator, NOPEC buys gas and electricity in bulk to help lower customers' utility bills. Since 2001, NOPEC has saved residents and businesses hundreds of millions of dollars on their energy costs, awarded more than $53 million in energy-efficiency grants to NOPEC member communities and helped protect Ohio consumers by advocating for consumer-friendly energy policies to protect against unfair utility rate increases. For more information about NOPEC, visit www.nopec.org.