



Testimony of Andrew Gohn on behalf of the American Wind Energy Association Before the Ohio House Public Utilities Committee

Date: November 30, 2016

Bill: House Bill 554

Position: OPPOSE

Chairman Dovilla, Vice Chair Roegner, Ranking Member Ashford and members of the Committee, thank you for the opportunity to speak with you today. I am here on behalf of the 900 member businesses of the American Wind Energy Association, and the 88,000 workers who are employed in this industry in the United States, many of them right here in Ohio. Wind energy represents a tremendous opportunity for Ohio, but that opportunity is dwindling as policy uncertainty here threatens to push more and more of Ohio's economic development opportunities to neighboring states. I therefore offer testimony today in opposition to House Bill 554. I respectfully ask the committee to resume a reasonable, required renewable portfolio standard (RPS) in 2017. Furthermore, any bill addressing the RPS must also address the excessive wind turbine setback requirements.

Wind energy is extremely popular in Ohio, as it is nationally. In recent polling, 83% of Ohioans voiced support for increasing RPS commitments to clean energy.ⁱ And it's not a partisan issue. Fully 62% of conservative leaning voters in another recent poll said specifically that they would like to see the RPS policy come back.ⁱⁱ Actually, 60% of these Ohio Republicans and Independents would like the state to go much further than the original renewable requirements.

And it's not just an abstract issue. Ohioans understand the economic opportunities associated with wind energy and they want these projects here in Ohio. Fully 72% of those same conservative-leaning respondents supported reforming the draconian setbacks that policymakers imposed on property owners in SB 483 (2014).

What these voters understand is that wind energy is a great American success story and that Ohio is an important part of that achievement. Nationally, wind energy prices have fallen 66% in just the last 6 years. This is a product of applying American innovation and expanding the manufacturing supply chain. When it comes to the high value turbine components like towers and nacelles, over 80% are manufactured in the U.S.ⁱⁱⁱ In fact, the wind industry is a growing source of exports for the U.S. This momentum creates high-paying manufacturing jobs, like the ones at Timken in North Canton, or foundry workers in Elyria, or fiberglass workers at MFG global in Ashtabula, or torque drive manufacturers in Sharon Center.

In fact, Ohio has the largest wind energy manufacturing base of any state in the country. With over 60 factories in the state cranking out components for the wind industry, Ohio businesses supplying the wind industry and relying on demand for wind energy, employ 7,500 workers in the state, per a recent study.^{iv} And the potential economic impact of wind energy goes far beyond the manufacturing opportunity, as increasingly, siting of corporate facilities is linked to the availability of clean energy opportunities.

Top U.S. companies like Dow Chemical, Wal-Mart, General Motors, Proctor and Gamble, and many others, all want access to low-cost wind energy, because it saves them money and allows them to hedge against fuel price volatility. Since wind energy has no fuel cost, buyers are able to



know the price of their power bill for 20 years. Successful companies know what works and wind energy works for them. But they can't do this if they can't access local wind energy. In recent testimony, Amazon's manager for U.S. public policy, John Stephenson, told this legislature that "unfortunately, Ohio's wind-turbine setback standards . . . have significantly diminished the attractiveness to further investments in wind generation in Ohio. In fact, the current setbacks have acted as a moratorium of sorts on new wind development."

Although a few projects that the Ohio Power Siting Board certified prior to this functional moratorium may be able to move forward through the narrow "grandfathering" window, these are likely to be the last projects sited in Ohio. Under HB 554, Ohio will lose opportunities to expand manufacturing, with potential for significant impacts to job creation. Major corporations are more likely to favor neighboring states when they site new data centers and factories.

Nationally, the wind industry will continue to thrive. Our costs have fallen so dramatically that we are competing broadly with traditional sources of generation even as we have agreed to phase out federal incentives for wind over the next 3 years. A report this month from the National Renewable Energy Labs showed how America is now getting almost 14% of its electricity from renewable sources.^v And within the last two years, 7 state legislatures have voted to expand their RPS policy targets, many to 50% or greater clean energy. In these states, many greeted the passage of initial RPS programs with concern over the impact on consumers. Now, having seen these policies play out for many years, voters in these states are seeing the clear benefits, and elected officials are responding. That same call for greater commitment to clean energy can be heard here in Columbus, and, on behalf of the American wind industry, AWEA respectfully requests an unfavorable report on House Bill 554. Expanding commitment to low-cost clean energy while providing consistent and reasonable siting standards is a recipe for economic success for Ohio and for America.

ⁱ <http://www.greenenergyoh.org/wp-content/uploads/2016/02/NEXTGEN-CLIMATE-OHIO-50X30-POLLING-MEMO.pdf>

ⁱⁱ http://media.cleveland.com/business_impact/other/Ohio%20Energy%20Center%20Right%20polling%20results.pdf

ⁱⁱⁱ <http://energy.gov/sites/prod/files/2016/08/f33/2015-Wind-Technologies-Market-Report-08162016.pdf>

^{iv} <http://elpc.org/wp-content/uploads/2013/02/OhioWindSupply-0218.pdf>

^v <http://www.nrel.gov/docs/fy17osti/66591.pdf>