

**House Public Utilities Committee
Interested Party Testimony
House Bill 554**

**Josh Knights, The Nature Conservancy in Ohio
November 30, 2016**

Chairman Dovilla, Vice Chair Roegner, Ranking Member Ashford, and members of the House Public Utilities Committee, I am Josh Knights, the State Director for The Nature Conservancy in Ohio. Thank you for allowing me to testify today as an interested party to HB 554.

The Nature Conservancy is a non-partisan, science-based organization that seeks to conserve the lands and waters on which all life depends. We work collaboratively with businesses, farmers, sportsmen groups, government and local communities to develop pragmatic, market-based solutions to conservation challenges, including air pollution. More than 55,000 Ohioans are Nature Conservancy supporters.

HB 554 addresses the renewable energy and energy efficiency standards which were established in 2008 and then paused in 2014 for a two-year period. At the time they were paused, many felt that the energy markets had changed significantly since the standards were originally established and that a review was needed. In addition, Governor Kasich voiced concern over the original standards being arbitrary. When meeting with members of the General Assembly, the administration, and agencies, we heard that this issue of arbitrary standards needed to be addressed. Therefore, in partnership with the Environmental Defense Fund, we commissioned a comprehensive energy report to provide data-driven objective information. "Grounds for Optimism: Options for Empowering Ohio's Energy Market," was released on October 24, 2016.

Our report was produced by the energy market experts at The Greenlink Group in consultation with Runnerstone, an Ohio energy consultancy well-versed in the state's energy landscape. The report compares three scenarios with varying, but achievable, levels of renewable energy and energy efficiency to determine how best to maximize financial benefits for the state. The three scenarios are compared against an indefinite extension of the current pause of the standards. Depending on which of the scenarios chosen, the report forecasts for Ohio:

- 82,300 to 136,000 new jobs
- Increased payroll between \$4.6 billion and \$7.6 billion by 2030.
- GDP enhanced by \$6.7 billion to \$10.7 billion

- Health-care costs reduced between \$800 million in the near term, increasing to \$3 billion a year by 2030.
- A \$28.8 million to \$50.9 million savings to consumers by 2030.

The options and recommendations in the report are supported by data on the impacts of each mix of clean energy standards. By including costs and benefits beyond simply the cost of electricity, the analysis attempts to get to the “true costs and benefits” of these policies, including the healthcare benefits from less pollution.

Our report looked at the impact to Ohio’s energy market and its consumers from standards, not non-binding goals. Investment is more likely to happen if Ohio has a standard than if we rely on voluntary action. The market likes data-driven decisions and predictability and our current on-again/off-again energy policy does not provide either of those.

We appreciate Representative Amstutz’s effort to move this conversation forward with HB 554, but because of the complexity of the issue we urge the General Assembly to consider the additional information provided in our “Grounds for Optimism” report and to postpone action until next year. In addition to the standards, there are related issues such as wind energy setback rules, grid modernization, utility business models, and on-bill financing that should be considered as part of a comprehensive energy bill. In the meantime, the General Assembly should let the pause expire and allow the next incremental increase in the standards to take effect on January 1, 2017.

Ohio has the potential to be a clean energy leader. We do not want to hang a “closed for business” sign on our borders. Our report finds that there are reasonable options for attracting new investments to the state, creating jobs, and providing Ohioans with a cleaner, more affordable energy system.

Thank you again for the opportunity to testify. I am happy to try to answer any questions.

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