



Testimony of Abby Watson
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Opposition Testimony for Ohio House Bill 554
November 30, 2016

Chairman Dovilla, Vice Chair Roegner, Ranking Member Ashford, and Members of the Ohio House Public Utilities Committee, thank you for the opportunity to testify today. I am here to testify in opposition to House Bill 554.

Gamesa is a utility-scale wind turbine manufacturer. With more than 22 years in the wind turbine business, Gamesa has installed over 34 GWs of its wind turbines in 53 countries all over the world. There are roughly 400 Gamesa employees based in the US, supporting an installed base of over 5 GWs of Gamesa turbines across the country. With the commissioning of the Paulding III Wind Farm currently ongoing, there are now over 400 MWs of Gamesa turbines in Ohio, some of which even supply energy to the Ohio State University.

When Gamesa supplies turbines to a wind farm in Ohio, we help to support the critical infrastructure that also supports many of Ohio's most important industries: for the 100 MW Paulding III Wind Farm, we have spent approximately \$3.2 million in Ohio on ports, rail transport, law enforcement escorts, utility line lifts and other transportation and logistics needs.. The dozens of transportation employees, as well as the contractors for civil works and turbine construction, all required local lodgings, local meals, and other local goods and services. Once the wind farm is completed, the site will be staffed with 12 Gamesa employees to maintain and operate the wind farm. These wind farm jobs are exactly the kind of high-quality jobs that Ohio needs – good, skilled jobs in rural districts that pay well and provide benefits to workers with or without a college education. A wind farm continues to benefit the local community long after construction through payments to local landowners and tax payments that support local school districts.

The Ohio General Assembly passed renewable energy and energy standards in 2008 nearly unanimously. Since their inception, these standards have resulted in Ohio's renewable portfolio growing from virtually zero to 2.5% of Ohio's energy generation.



In 2014, the legislature placed a “freeze” on the standards, which is set to expire at the end of 2016. The proposed legislation under HB 554 and SB 320 would eliminate all compliance requirements for the next 3 years. In 2020, the standard theoretically would resume at 6%, barring any subsequent intervention by the legislature. The elimination of compliance obligations for the next three years under the current bills would functionally extend the freeze.

Through 2020, the wind industry will experience a tremendous boom of activity as the federal tax credit phases out over that period. HB 554 / would create uncertainty in the Ohio market and make Ohio’s business climate far less attractive. Developers may well choose to move forward with projects in other states that have given the clear market signal an industry needs to make investment decisions. Ohio stands to lose out on a significant opportunity to invest in its rural communities if this bill is made into law.

Governor Kasich has shown great leadership on energy issues and consistently has re-affirmed his support for clean energy and energy efficiency. We support his call to reinstate meaningful standards. If Ohio allows the freeze to lift, the industry will be able to serve renewable and energy efficiency markets in a very cost effective manner. The cost of wind energy is highly competitive and gets lower every year.

We urge you to oppose this legislation and reinstate the RPS and energy efficiency standards.

I appreciate your time and consideration today. I welcome any questions the committee may have.