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LWVO Written Testimony on  
HB554 - RENEWABLE ENERGY REQUIREMENTS

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Senate Natural Resources Committee

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For many years monthly residential electric rates have been increasing sharply. For the past decade these rate increases have been twice the rate of inflation. Today the average Ohio family is paying about \$300 a year more for electricity than they were eight years ago, when 127-SB-221 was passed. At the same time their income tax has decreased by about \$300. Their tax relief has gone to pay electric bills.

Our testimony is confined to renewable energy, which has only played a very small role in this increase. Due to the low cost of Renewable Energy Certificates (REC), compliance costs have stayed well below one dollar per month for almost all of the last eight years. Renewable energy compliance costs account for less than one percent of electric bills and less than four percent of the rate increases since 2008.

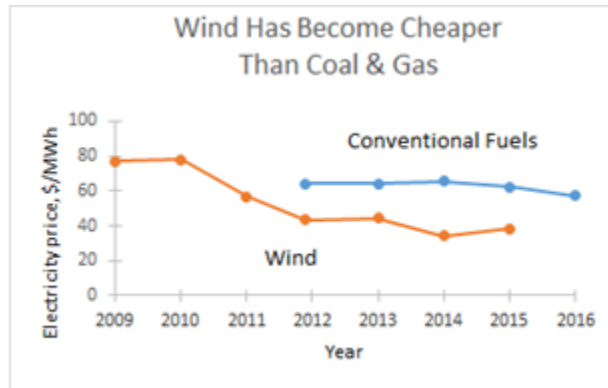
Renewable energy has become increasingly attractive because of sharp price decreases. Electricity from new wind farms sells for about \$35 per MWh in our part of the country while Ohioans are paying over \$50 per MWh for traditional sources of power (see the Appendix for documentation).

For all of the above reasons, we urge that the two-year freeze imposed on renewable-energy requirements by 130-SB-310 be lifted and the requirements be increased starting on January 1, 2017, as contained in 130-SB-310.

Thank you for your attention. I will be happy to answer any questions.

## APPENDIX: PRICES OF GENERATED ELECTRICITY

The graph below illustrates the prices being charged by generators of electricity over the past several years. The blue line is what Ohioans have been paying for the generation part of their bill, which means conventional fuels (coal, gas, nuclear). The red line is the price of electricity from wind farms. The points on the red line are average prices of power purchase agreements from new wind farms.



Sources: DOE: 2015 Wind Market Report (data are for Great Lakes Region);  
PUCO Apples to Apples