



Senate Energy and Natural Resources Committee
Opponent Testimony
House Bill 554

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Chairman Balderson, Vice Chair Jones, Ranking Member Gentile, and members of the Senate Energy and Natural Resources Committee, my name is James O'Bryant and I am a consultant for the Environmental Defense Fund in Ohio. Thank you for the opportunity to testify in opposition to House Bill 554.

The Environmental Defense Fund (EDF) is a national organization that links science, economics, law and private-sector partnerships to solve our most serious environmental challenges.

HB 554 seeks to address the renewable energy and energy efficiency standards established in 2008 and paused in 2014. In response to concerns over the arbitrary nature of the 2008 standards, The Environmental Defense Fund, in partnership with The Nature Conservancy, released a data-driven report titled, "Grounds for Optimism: Options for Empowering Ohio's Energy Market" on October 24.

The findings outline three scenarios of varying, yet achievable levels of renewable energy and efficiency that are projected to increase jobs, GDP, payroll, and health benefits, all while lowering electricity bills. The report does not recommend any particular pathway, but rather seeks to provide viable options that outperform the baseline case of an indefinite pause on Ohio's standards.

The market likes certainty and our current on-again/ off-again energy policy does not provide that certainty. Ohio has a real opportunity to expand its clean energy industry, while also incorporating energy-saving efficiency measures. EDF, in fact, believes efficiency should be a core principle of Ohio's energy policy.

Further, EDF opposes the shared savings amendment added to HB 554. This amendment would allow a utility to run up the score on energy savings in early years and then focus less attention on viable programs that generate real savings in future years. In that scenario, the utilities would easily keep getting millions of dollars in shared savings. The Public Utilities Commission of Ohio (the "Commission") has made clear that the point of annual shared savings is to provide an incentive to do good programs in every year. Meanwhile, if the legislature weighs in it could tie the Commission's hands in using shared savings as a tool to effectively regulate the quality of utility efficiency programs.

There is no need to rush. Rather than quickly adopt piecemeal measures associated with alternative energy, we urge the General Assembly in its 2017 term to look comprehensively at the state's energy policies. 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 next year as part of a comprehensive energy bill.

Ohio has a choice: become a leader in the clean energy transition, or watch as other states take advantage of the benefits of clean energy and efficiency. There are reasonable options for attracting new investments to the state, creating jobs, and providing Ohioans with a cleaner, more efficient and affordable energy system. Ohio should position itself as a leader of the clean energy future.

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