

**Senate Energy and Natural Resources Committee
Opponent Testimony
House Bill 554**

**Josh Knights, The Nature Conservancy in Ohio
December 8, 2016**

Chairman Balderson, Vice Chair Jones, Ranking Member Gentile, and members of the Senate Energy and Natural Resources Committee, I am Josh Knights, the State Director for The Nature Conservancy in Ohio. Thank you for accepting my written testimony as an opponent to HB 554.

I testified on behalf of TNC as an interested party to HB 554 in the House Public Utilities Committee on November 30, 2016. After hearing several witnesses testify against HB 554, the committee added amendments to the bill and passed it out of committee. Due to the addition of these amendments, we have changed our designation from interested party to opponent.

One of the amendments added to this bill would allow a utility provider to bank their positive energy savings in early years, and use these savings in another year when they underperform. Utilities could get millions of dollars in shared savings even in years where their energy efficiency programs are underachieving. The point of shared savings is to provide an incentive for good programs, not to reward bad ones.

HB 554 changes the energy efficiency and renewable portfolio standards into non-binding goals. This bill moves Ohio in the wrong direction. 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.

This is a complex issue that deserves careful consideration. We urge the General Assembly to postpone action until next year to address related issues such as wind energy setback rules, grid modernization, utility business models, and on-bill financing 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 accepting my written opponent testimony on HB 554. Please contact me if you have any questions.



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