



**Ohio Senate Energy & Natural Resources Committee
Opponent Testimony
Sub. HB 554**

**Kristen Kubitza, Sierra Club
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Chairman Balderson, Vice Chairwoman Jones, Ranking Minority Member Gentile, and members of the Senate Energy and Natural Resources Committee thank you for the opportunity to testify today in opposition to Sub. HB 554. My name is Kristen Kubitza and I am the Energy Program Coordinator with the Ohio Chapter of Sierra Club. Sierra Club represents the interests of nearly 18,000 paying members and over 150,000 supporters across Ohio. These Ohioans have been engaged in energy efficiency and renewable energy activities since the passage of SB 221, offering thousands of comments to the Public Utilities Commission of Ohio (“PUCO”), speaking publicly at community hearings and offering their support anywhere they can. To serve their interests, we have been very active participants at the PUCO working to ensure the greatest value is derived from these energy efficiency and alternative energy investments. Our members and supporters are following this legislative process very closely as well. While in effect Ohio’s Clean Energy Standards were successful, reducing air pollution, saving customers money, growing Ohio’s economy, and protecting public health.

Ohioans Across the Board Support Renewable Energy and Energy Efficiency Policies

It is clear that Ohioans want clean energy. Numerous polls have documented Ohioans support for clean energy, including enforceable requirements that utilities provide clean energy solutions. A poll conducted this September by University of Maryland found that 68% of Ohioans support a requirement that utilities generate a portion of their electricity through renewable energy sources¹. Furthermore, a poll conducted by the Ohio Conservative Energy Forum found that 82% of Ohio conservative voters want the state to continue requiring electric utilities to provide energy efficiency programs that help customers reduce their monthly bills². That same poll also found that 72% would advise candidates for public office to support energy efficiency and

¹ http://vop.org/wp-content/uploads/2016/09/EE_Report.pdf

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http://media.cleveland.com/business_impact/other/Ohio%20Energy%20Center%20Right%20polling%20results.pdf

renewable energy policies. Ohioans recognize that clean energy benefits more than just the environment. Clean energy reduces utility costs to customers, creates jobs and boosts Ohio's economy, and improves public health.

Ohio's Clean Energy Standards are Good for Customers

Ohio's Energy Efficiency Resource Standard resulted in significant customer savings prior to being "frozen" in 2014. According to annual reports submitted by utilities to the Public Utilities Commission of Ohio (PUCO), Ohio customers saved \$4 billion between 2009-2014³.

Furthermore, analysis shows that between 2009-2014 for every \$1 spent on energy efficiency programs in Ohio, residents and businesses gained \$1.90 in benefits⁴. Energy efficiency programs provide important opportunities for customers to exert control over their energy use and reduce their bills.

Prior to being frozen, the law required that utility energy efficiency programs be designed to save more money for customers than they cost (as evaluated by the total resource standard). To ensure that the programs did indeed result in customer savings, the law required that utilities submit their energy efficiency program proposal to the PUCO for review and approval. In an efficiency portfolio filing in 2014, FirstEnergy explains in great detail how its programs meet cost-effectiveness thresholds, even when considering mercantile customers, stating:

"Collectively, the proposed programs provide *significant opportunities for energy and cost savings for virtually all of the Companies' customers* and provide the Companies with the best opportunity to meet or exceed their ... requirements *in a cost effective manner.*" The PUCO reviewed and approved FirstEnergy's proposal noting the significant benefits that customers stand to realize from these investments. Similar support for efficiency can be found in the Duke, Dayton Power and Light, and AEP filings. AEP previously showed that energy efficiency will cost barely over a penny per kwh for the next five years, the cheapest supply option for its customers.

Economic Benefits to Ohio

Ohio's Clean Energy Standards have also been good for Ohio's workers and economy. Over 100,000 Ohioans work in the clean energy sector⁵. Ohio is first in the Midwest for clean energy manufacturing jobs and first in the nation for wind-energy supply chain companies⁶. While the Clean Energy Standards were in place, investments in Ohio's clean energy sector generated over \$160 million in annual GDP growth and created thousands of new jobs⁷. Ohio has a real opportunity to grow our economy by investing in clean energy. Market trends are increasingly

³ <http://www.cleanjobsmidwest.com/wp-content/uploads/2016/03/CJM-Full-Story-Final-1.pdf>

⁴ The Cadmus Group, Inc. The Economic Impacts of Energy Efficiency Investments in Ohio. October 2016.

⁵ <http://www.cleanjobsmidwest.com/wp-content/uploads/2016/03/CJM-Full-Story-Final-1.pdf>

⁶ <http://www.cleanjobsmidwest.com/wp-content/uploads/2016/03/CJM-Full-Story-Final-1.pdf>

⁷ http://www.ohiomfg.com/wp-content/uploads/2013-11-22_lb_energy_deeps_nov_13_final.pdf

moving towards clean energy. The cost of renewable energy has continued to decline, with the cost of Renewable Energy Certificates (RECs) consistently declining. In Ohio, the cost of a REC (1000 KWh) declined from approximately \$33 in 2011 to approximately \$15 by 2014. In 2014 Ohio's Clean Energy Standards required 2.5% of Ohio's electricity to come from renewables. Yet the total cost of meeting the standard was less than it was in 2011 when the Standard required only 1%. Wind and solar energy have also increased their market share to 7% of US electricity supply⁸. Furthermore, last year global capacity for renewable energy surpassed that of coal for the first time ever⁹. Other states and countries are moving forward on clean energy. In fact, earlier this month the Michigan Senate moved forward on adopting a 15% renewable portfolio standard to be met by 2022¹⁰. And Michigan is not alone, eight other states are currently generating 15%-31% of their power from wind energy alone¹¹. Meanwhile, Ohio is being left behind and stands to miss out on significant opportunities for economic growth. Extending the freeze on Ohio's Clean Energy Standards, as proposed in Sub. HB 554, also extends the uncertainty around Ohio's energy future and thereby deters economic investment by private business. Sub. HB 554 seeks to keep Ohio in the past and ignore market trends.

Ohio's Clean Energy Standards Create Significant Public Health Benefits

Furthermore, Ohio's Clean Energy Standards offer significant benefits to public health. By diversifying Ohio's energy portfolio, the Standards result in improved air quality from decreased pollution. In fact, during the first two years the Standards were in place Ohio saw a reduction of 2.2 million tons of carbon pollution¹². Bringing back Ohio's Clean Energy Standards in 2017 would have significant measurable impacts. A 2015 report documented that allowing the Standards to come back would result in preventing approximately 2,230 asthma attacks, 120 emergency room visits, 230 heart attacks and over 16,000 lost work and school days in one year. The benefits incurred by 2027 include preventing over 44,000 asthma attacks, over 4,000 heart attacks, and nearly 3,000 premature deaths among other health benefits¹³. Additionally, by reducing our carbon pollution Ohio helps mitigate climate change impacts which are already having significant impacts here at home. Ohio has seen a 50% increase in the frequency of extreme rainfall over the last 50 years. Increased rainfall has had detrimental effects on Ohio's waterways, resulting in increased toxic algal blooms which threaten public drinking water supplies¹⁴.

⁸ <https://www.nrdc.org/sites/default/files/clean-up-energy-reap-benefits-ib.pdf>

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<https://www.iea.org/newsroom/news/2016/october/iea-raises-its-five-year-renewable-growth-forecast-as-2015-mark-s-record-year.html>

¹⁰ The legislation is expected to pass the Michigan House, and receive final approval by Governor Rick Snyder http://www.mlive.com/news/index.ssf/2016/11/senate_passes_energy_overhaul.html

¹¹ <http://www.eia.gov/todayinenergy/detail.php?id=28512>

¹² <https://www.nrdc.org/resources/cleaner-air-and-better-health-benefits-ohios-renewable-and-efficiency-standards>

¹³ <https://www.nrdc.org/resources/cleaner-air-and-better-health-benefits-ohios-renewable-and-efficiency-standards>

¹⁴ <https://www.nrdc.org/resources/cleaner-air-and-better-health-benefits-ohios-renewable-and-efficiency-standards>

Conclusion

Ohio's Clean Energy Standards have a proven track record of delivering benefits to the environment, customers, Ohio's economy, and public health. In addition, the market is increasingly moving toward clean energy. Ohio has a choice to make. We can be a leader, investing in clean energy and taking full advantage of the burgeoning economic development opportunities, or we can be left behind. It is in Ohio's best interest to let the "freeze" to thaw and reinstate the Clean Energy Standards in 2017. Thank you again for the opportunity to provide opponent testimony today on Sub. HB 554. I would be happy to answer any questions at this time.

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