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Opposition Testimony for Ohio House Bill 114

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Chairman Seitz, Vice Chair Carfagna, 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 114.

The American Council On Renewable Energy is a national member-based non-profit organization dedicated to leading the transition to a renewable energy economy. ACORE works to advance the renewable energy sector through market development, policy changes, and financial innovation. ACORE's membership encompasses a wide array of businesses from manufacturers, financial institutions, developers, utilities and corporate purchasers, including a number of companies investing in and developing projects in Ohio.

Renewable Energy Spurs Economic Growth:

- ▶ Ohio's Renewable Portfolio Standard (RPS) and other policies helped create a robust market for renewable energy generation. Over 545 megawatts (MW) of wind power and 126 MW of solar power have been constructed since the 2008 enactment of the RPS. Ninety-eight percent (98%) of Ohio's renewable energy generation has been constructed since the enactment of the RPS.
- ▶ Ohio currently ranks 26th in the amount of installed wind capacity in the country and 26th in the amount of installed solar capacity. Due to Ohio's traditional manufacturing strength, Ohio ranks 12th for the number of wind-related jobs (as of 2014) and 11th for the number of solar jobs.
- ▶ The scale up of renewable energy in Ohio has attracted more than \$1.3 billion in asset finance, private equity and venture capital to Ohio since 2008. AWEA estimates that over \$2.5 million in annual lease payments are made to Ohio landowners, providing additional income to rural communities.
- ▶ Renewable energy development has also created domestic supply chains that support domestic manufacturing, construction, and technology sectors and have created tens of thousands of jobs. Ohio is currently home to over 280 companies that are involved in the renewable energy industry, with 119 of those involved in manufacturing. In

addition, the technologies and products developed and manufactured in the U.S. help support the global energy industry and are exported around the world.

- ▶ Despite these gains, new wind and solar development have been hindered since 2014 due to SB 310, which froze Ohio's RPS law for two years, and HB 483, which created unreasonable new setbacks for wind energy facilities. The uncertainty surrounding Ohio's RPS is jeopardizing future investment in the state, while the onerous setbacks have limited approval of new permit applications for wind energy.

Corporations in Ohio Want Renewable Power

- ▶ The market for renewable energy is significant, notably from numerous corporations seeking opportunities to purchase renewable energy. Many of these corporations are making choices about where to locate new facilities based upon where renewable energy is available. Ohio's recent policy choices are jeopardizing these significant investment opportunities.
- ▶ The correct mix of policies would usher in a large-scale development of renewable energy resources. ACORE's US Partnership for Renewable Energy Finance (US PREF) projects that Ohio would enjoy over \$25 billion of investment and economic activity through anticipated renewable energy development.
- ▶ Business friendly policies and greater policy certainty would provide a clear, stable signal to the market, motivate large amounts of capital, and allow for continued investment and growth of the renewable energy sector.
- ▶ Nationally, 3.44 GW of renewable energy and renewable energy facilities were purchased by corporations in 2015, up from 1.18 GW in 2014.
- ▶ Several corporations have already purchased renewable energy in Ohio and several more are interested in doing so.
- ▶ Corporations like Amazon, Apple and Facebook have stated that they are more interested in locating their facilities in states where renewable energy is available.
- ▶ Amazon is building data and fulfillment centers in Ohio and is committed to powering them with 100% renewable energy, including by a recently announced 100 MW wind farm in Ohio.
- ▶ In 2015 alone, corporations signed Power Purchase Agreements for 1 GW of renewable power from Texas, 555 MW from California, 326 MW from Oklahoma, and 391 MW from North Carolina, among other states.
- ▶ In comparison, two PPAs that total 102.4 MW of renewable power produced in Ohio were signed in 2015, led by Amazon Web Services' contract for 100 MW of Ohio wind power.

Ohio is an Important Manufacturing Center for the Renewable Energy Industry

- ▶ Companies include manufacturers, installers, developers, construction and finance. Together, these companies employ over 89,000 Ohioans.
- ▶ In 2015, a total of 221 Ohio companies engaged in the solar industry. Fifty-six of these companies engaged in manufacturing solar components.
 - ▶ First Solar, the nation's largest solar manufacturer, has its manufacturing plant in Perrysburg, Ohio, where it produces over 600 MW of panels annually.
 - ▶ First Solar employs over 1,400 workers at the plant, including engineers, researchers, and manufacturing technicians.
 - ▶ First Solar has invested over \$750 million in Ohio's economy through wages, purchases, research and development, taxes and more.
- ▶ In 2015, a total of 63 Ohio companies engaged in the wind industry supply chain. Ohio ranks first in the nation for wind-related manufacturing.
- ▶ Several factors have helped Ohio establish itself as a leading wind and solar component manufacturer:
 - ▶ Supportive policies
 - ▶ Established manufacturing base and trained workforce
 - ▶ Central location with proven transportation, transmission and logistics

Recent Policy Decisions Are Adversely Impacting Ohio's Renewable Energy Industry

- ▶ New wind and solar development in Ohio since 2014 has been hindered due to SB 310 and HB 483, and developers and capital have migrated to states with more favorable policy environments and easier siting requirements.
- ▶ The abandonment of a single 200 MW wind project would result in a loss of \$126.7 million in economic activity; \$4.3 million in property tax revenue; \$600,000 in annual lease payments; \$167,000 in sales tax revenue; and over 100 construction jobs.

Historical Wind Builds in Ohio

- ▶ The average price of a wind Power Purchase Agreement in Ohio in 2015 was \$41.34/MWh. This compares an average real-time wholesale price for all forms of electricity of \$46.02/MWh in PJM for the same time period.

- ▶ Ohio’s RPS has been effective at stimulating development of wind resources. However, the increased setback requirements of HB 483 along with the RPS freeze have restricted development.

Historical Solar Builds in Ohio

- ▶ Solar power in Ohio has rapidly grown to 126 MW of installed capacity.
- ▶ Nearly 100% of Ohio’ solar capacity has been built following the passage of the state’s RPS.
- ▶ Ohio’s RPS has been effective at stimulating development of solar resources.

Over \$25 Billion in Projected Investment and Economic Activity from Wind and Solar Development in Ohio

- ▶ The correct mix of policies would usher in a large-scale development of renewable energy resources and provide Ohio with tangible economic benefits.

Impact Category	Amount of Impact
Total Economic Impact	\$25.61 billion
Asset Finance	\$17.4 billion
Increase in Economic Activity	\$5.3 billion (\$322.7 million annually after construction)
Sales Taxes Paid	\$550 million (\$4.7 annually after construction)
Annual Property Taxes Paid	\$123 million
Annual Lease Payments	\$16.8 million
Total Wages Paid	\$2.22 billion (\$78.9 million annually after construction)

We urge you to oppose HB 114. Governor Kasich, many Ohio legislators and other officials have shown great bipartisan leadership on energy issues. Reinstating the RPS sends an important signal to renewable energy investors and developers that Ohio is once again open for business.

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