

WITNESS INFORMATION FORM

PLEASE COMPLETE THE WITNESS INFORMATION FORM BEFORE TESTIFYING

DATE: 3/20/2017

NAME: Bruce Borcat

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(IF APPLICABLE)

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ARE YOU REPRESENTING: YOURSELF _____ ORGANIZATION

DO YOU WISH TO TESTIFY ON
LEGISLATION (BILL NUMBER): HB 114
SPECIFIC ISSUE: _____
SUBJECT MATTER: _____

DO YOU FAVOR _____ OR OPPOSE THE ENACTMENT OF LEGISLATION REGARDING THIS ISSUE?

PLEASE GIVE A BRIEF STATEMENT OF THE GROUNDS ON WHICH YOU FAVOR OR OPPOSE SUCH ENACTMENT: would chill renewable energy market in Ohio

WILL YOU HAVE A WRITTEN STATEMENT, VISUAL AIDS, OR OTHER MATERIAL TO DISTRIBUTE?
YES NO _____

(IF YES, PLEASE PROVIDE COPIES TO THE CHAIRMAN OR SECRETARY)

HOW MUCH TIME WILL YOUR TESTIMONY REQUIRE? written only



Testimony of Bruce Burcat

Executive Director of the Mid-Atlantic Renewable Energy Coalition

Opposition Testimony for Ohio House Bill 114

March 21, 2017

Chairman Seitz, Vice Chair Carfagna, Ranking Member Ashford, and Members of the Ohio House Public Utilities Committee, thank you for the opportunity to testify. My name is Bruce Burcat and I am the Executive Director of the Mid-Atlantic Renewable Energy Coalition, which we call MAREC. I am here to testify in opposition to House Bill 114.

MAREC is a 501(c)3, which represents wind energy developers, manufacturers, and other members of the wind industry supply chain. MAREC members see significant opportunities to invest in Ohio, subject to the end of the AEPS freeze and better wind turbine siting authority consistent with industry standards. House Bill 114 would essentially continue the freeze of the AEPS. This would be a major mistake because an extension of the freeze would turn the current chill in the wind energy market in Ohio to a virtual freeze-out. This would come at a time where most state markets are seeing the benefits of federal tax policy; and competitive markets for wind energy and other renewable resources are providing increasingly lower costs for these resources. Moreover, a continued rate freeze would discourage substantial investment in the state, a subject that I will focus on in these comments.

To date, Ohio has an installed wind capacity of 444 MW with an additional wind capacity under development of 207 MW. Capital investment for wind energy projects in the state is about



\$900 million.¹ We know that one project alone, the Blue Creek Wind Farm, that has been in operation in Ohio since June 2012, generates over \$2 million in annual lease payments to local landowners and about \$2.7 million per year in tax payments to local taxing bodies for the life of the projects. At the height of the development of this project alone, there were over 500 construction jobs. Local spending as a result of the project during construction amounted to \$25 million.²

With a renewed effort to support reasonable siting laws and unfreezing the renewable portfolio standards, the opportunities for investment in wind energy in the state and in local communities would substantially increase. Moreover, this additional development would mean greater opportunities for the 62 wind-related manufacturing facilities already located in Ohio.³

The proximity to the development of wind energy projects in Ohio would give these manufacturers more than a leg up on competitors located in other states for the business generated by the renewed wind farm development.

Ohio is blessed with a substantial wind resource. The National Renewable Energy Laboratory has estimated that the current available wind resource in Ohio for wind energy capacity is approximately 110,000 MW using current technology for wind turbines with a hub height of 110 meters.⁴ If we only assumed that the currently permitted wind farms in Ohio amounting to 1334 MW⁵ ultimately get constructed, this development would lead to in excess of 2000 construction jobs; many permanent jobs; more than \$2.7 billion dollars of additional investment in wind farms for Ohio; lease payments greater than \$6 million annually to farmers and other landowners; and more tax payments to local taxing authorities in excess of \$8 million

¹ <http://awea.files.cms-plus.com/FileDownloads/pdfs/Ohio.pdf>

² <http://www.avangridrenewables.us/bluecreek.html>

³ <http://awea.files.cms-plus.com/FileDownloads/pdfs/Ohio.pdf>

⁴ http://apps2.eere.energy.gov/wind/windexchange/wind_resource_maps.asp?stateab=oh

⁵ <http://www.opsb.ohio.gov/opsb/?LinkServID=895FE98C-C363-FCF9-6BFDC7DF3A3F7AA2>



per year. However, the benefits would be far greater than this if the policies allowing for additional development were reinstated.

Just moving to a state to the east as a comparison, Pennsylvania has already reached 1340 MW of wind energy installed capacity (about 900 more MW than Ohio), which has already generated \$2.7 billion in investment in wind energy for that state. Because of the vast wind resources in Ohio, mainly situated in less populated and often rural areas, Ohio has a chance to be the regional leader in wind energy as long as it has the right policies in place to achieve this end. This lasting and very substantial economic development opportunity for the state of Ohio should not become a massive missed opportunity. Should House Bill 114 be enacted, the state would lose out in jobs; funding for farmers desiring to receive additional income from their land so they can keep farming; tax benefits, especially in communities that need additional funding for schools and other critical needs; and to the Ohio manufacturing base that would thrive on the potential wind development in-state. Although I have not mentioned it to this point, because others today have and I am sure some others will, the state should listen to businesses that have strong view points on their desire to be located in states that have a focus on renewable energy policies. It would be shortsighted to ignore their concerns about these policies, as these are businesses that could bring thousands of jobs and other economic development benefits to the state.

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