

Testimony of Lindsay Myers, Oregon Economic Development Foundation in Opposition to HB 178
House Public Utilities Commission
May 16, 2017

Thank you Chairman Seitz and members of the Committee for the opportunity to present testimony on such an important matter to both Oregon and the state of Ohio. My name is Lindsay Myers and I am the Executive Director for the Oregon Economic Development Foundation. Oregon Economic Development Foundation is a public/private partnership that works with local, regional and statewide partners to recruit and retain businesses. OEDF maintains a strong private sector membership investor base that includes businesses in and around Oregon, Ohio and the region.

OEDF's mission is to provide dynamic leadership and facilitate economic development and orderly growth, by retaining and attracting business to the Oregon area, in cooperation with the private and public sectors. It is precisely because of this commitment to economic development through retaining and attracting new businesses that I am submitting this testimony.

The energy industry is crucial to attracting new businesses, and for the city of Oregon, natural gas plants have brought jobs, economic stimulation and environmentally friendly electricity.

Over the past year the Oregon Clean Energy Center, an \$800 million investment, has created over 1500 construction jobs for members of our community, with 50 permanent jobs that equate to \$20 million in economic impact for Ohio. OCEC will contribute over \$800 million to not only the economies of Oregon and Lucas County, but the entire state.

The following chart from OCEC's economic impact report prepared by Calypso Communications demonstrates the profound economic impact this power plant has on or region and state:

Table 1

<u>Annual Impacts of the Construction Phase of the Oregon Clean Energy Center (\$ Millions)</u>		
		<u>Totals</u>
Output	Lucas County	\$144.3
	Other Ohio Counties	\$20.4
Jobs	Lucas County	986
	Other Ohio Counties	370
Labor	Other Ohio Counties	\$53.9
Income		\$11.3

Table 2

<u>Annual Impacts of the Operation of the Oregon Clean Energy Center (\$ Millions)</u>		
		<u>Totals</u>
Output	Lucas County	\$14.5
	Other Ohio Counties	\$5.5
Jobs	Lucas County	52
	Other Ohio Counties	51
Income	Lucas County	\$3.9
	Other Ohio Counties	\$1.6

Now plans are in the works for a second natural gas power plant in Oregon – the Oregon Energy Center – a \$900 million investment that will create additional jobs, increase our tax revenue and help to bring low-cost energy to our region.

What’s more is this new project will help to generate \$1.4 million for Toledo’s annual water revenue thanks to Clean Energy Future’s commitment to buy approximately 4.6 million gallons of water daily and to construct new water pipelines to connect its facilities to the Toledo water system. In addition, both energy production centers will provide \$1 million dollars (\$2 million total) each to our local school district, which allows them to focus on STEM education and programming for their students that they would otherwise not be able to implement.

The two of these plants combined will provide low-cost electricity to roughly 1.8 million homes in the region. And they will do it with few emissions – about half that of traditional coal generation. These plants have already been a boon to our economy, including attracting new business. OECE alone will generate roughly \$15 million annually in new business activity.

Given all of these things, OEDF has grave concerns over the special fee proposed by FirstEnergy through House Bill 178.

As you've already heard from others, HB 178 if passed will directly impede this second Oregon plant. We won't see the tax revenues for our schools, the jobs for our residents, or the low cost electricity for residential and business customers.

Interestingly, it is FirstEnergy's testimony from its own general counsel Leila Vespoli back in 2011 that sums up the reality of how potential new and existing businesses are impacted when regulators pick "the 'winners' and 'losers' in the energy market." What she said then still holds true today,

"At a time when Ohio is exploring every opportunity to create jobs and grow our economy, we simply cannot afford similar missteps that would saddle our customers with higher-than-market prices for electricity."

Affordable electricity is a major factor in whether or not a business will open in our community. As Vespoli testified in 2011:

"First, with respect to electric generation, competitive markets work. They deliver the lowest price over the long-term to customers, and the proof is undeniable."

With the abundance of shale gas nearby to these new natural gas power plants they are an affordable option for local consumers and businesses. How are we supposed to remain attractive to new businesses if special fees raise electricity rates for rate payers?

The answer is simple: We can't.

The Oregon Economic Development Foundation asks you to please vote for the city of Oregon and Lucas County, and against HB 178. Please do not halt the economic development we have worked so hard for

by passing these special fees. Our current and future businesses depend upon affordable electricity provided by a competitive marketplace.

Thank you.