

BEFORE THE ENERGY AND NATURAL RESOURCES COMMITTEE  
OF THE OHIO HOUSE OF REPRESENTATIVES  
HOUSE BILL 6

PROPONENT TESTIMONY OF JEREME KENT  
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ONE ENERGY ENTERPRISES LLC

May 8, 2019

1 Good morning Chairman Vitale, Vice-Chair Kick, Ranking Member Denson, and members of the House Energy  
2 and Natural Resources Committee. My name is Jereme Kent and I am the founder and CEO of One Energy  
3 Enterprises LLC. One Energy is a Findlay, Ohio headquartered company that develops, installs, and operates *Wind*  
4 *for Industry*® projects.

5 Our *Wind For Industry*® projects install megawatt-scale wind turbines on-site, behind the meter, to power large  
6 commercial and industrial facilities. Our projects provide immediate savings for our customers and provide them  
7 with a fixed rate for 20 years. Our customers know the price of power for 20 years.

8 One Energy is responsible for more of these on-site wind energy projects in the State of Ohio than everyone else  
9 combined. One Energy has more than 50 employees and is the largest wind energy company based in Ohio.

10 Thank you for the opportunity to address this committee today.

11 I don't envy your job.

12 Every day you have to decide how to spend tax dollars and rate payer dollars in the best interest of the state. Every  
13 decision you make is second guessed and rarely is there a time when there is an absolute right or an absolute wrong.

14 So, I submit the question that you must answer when you consider this bill, or any bill, is:

15 What do we want the future to look like?

16 In this case, the question can be constrained even more to say: What do we want Ohio's energy future to look like?

17 This is a question that many states have grappled with. States have set ambitious carbon free goals, they have  
18 created renewable portfolio standards, and they have directly subsidized specific industries or plants.

19 Many of those plans have failed to achieve their desired goals.

20 Renewable Portfolio Standards are not perfect, and many have created more problems than they have solved. They  
21 often result in encouraging regional generation and not in-state generation.

22 For example, even though all our projects are located in Ohio, we have never sold our REC's in Ohio. We sell them  
23 in other states in PJM because they are more valuable there. I struggle to understand how that makes sense for  
24 anyone.

25 I don't envy your job; none of the answers are obvious here.

26 So, I want to try to frame this conversation differently.

1 I submit that there is a compelling state interest to ensure that Ohio has electric generating facilities physically  
2 located in Ohio to power Ohio's future.

3 Right now, all of Ohio is in PJM, but it wasn't always. The markets are always shifting. Individual plants and entire  
4 regions are petitioning to change what market they are in. This ever-changing dynamic makes things complicated  
5 and it means that Ohio can't only rely on PJM to decide what is right for Ohio. 15 years from now Ohio may not  
6 even be in PJM.

7 Ohio has to take a long-term view on protecting Ohio's energy future so that no matter what happens to regional  
8 and national markets Ohio is well positioned for the future. The one thing that you know isn't going to change in  
9 the next 30 years is the physical location of the powerplant.

10 If you encourage powerplants to be physically located in Ohio you will be providing long term, market agnostic,  
11 protection for Ohio's energy security.

12 This bill does just that.

13 I submit that there is a compelling state interest to ensure that Ohio reduces its exposure to long-term fuel price  
14 risk.

15 It makes sense for Ohio to encourage investment in energy sources that don't have fuel price risk. This does not  
16 mean that coal or natural gas plants are bad. It simply means that Ohio needs to also think about the long-term risk  
17 to rate payers of radical fuel price changes.

18 Fuel markets move up and down all the time. What was impossible 20 years ago is now possible. Worldwide  
19 demand changes. Emerging economies are transitioning out of the third world and becoming massive energy  
20 consumers. Global politics can cause wild, non-market fuel price distortions.

21 Only one thing is certain: fuel markets cannot be predicted in the long-term.

22 This uncertainty justifies Ohio saying that its rate payers deserve to have part of their electricity be produced by  
23 facilities that are not exposed to this fuel price risk.

24 Most zero-carbon generators are not fuel-dependent. The wind, for example, is free, has been free, and always will  
25 be free.

26 If you encourage investment in powerplants that are not fuel dependent you will be helping to provide rate  
27 certainty for Ohio rate payers for decades to come.

28 This bill does just that.

29 I submit that there is a compelling state interest to encourage investment in powerplants that don't emit carbon.

30 I am not saying that you should shut down old plants. I am not saying that coal and natural gas facilities are bad.  
31 What I am saying is that the great engineering and social problem of my generation, and generations to come, is  
32 going to be controlling the worldwide climate as it changes. Given the social, scientific, political, and environmental  
33 pressures for reducing carbon emissions, it makes sense to encourage investment in plants that don't emit carbon.  
34 It makes sense to encourage investment in zero-carbon generators.

35 Technologies like wind, solar, and nuclear energy will all make power for generations without ever producing any  
36 carbon emissions. These technologies have figured out how to split the atom, capture the photon, and harness the  
37 air. They are the product of the most technologically sophisticated country ever to exist and they give us options.  
38 These zero carbon technologies are a positive step in the right direction towards reducing air pollution and carbon  
39 emissions. Ohio clearly has a duty to think long-term about our role in the future energy environment.

40 If you encourage investment in powerplants that don't emit carbon you will help create a cleaner future for Ohio.

1 This bill does just that.

2 This bill encourages investment in power plants that are physically located in Ohio, don't emit any carbon, and  
3 don't have traditional fuel price risk. Those sound like good things for a bill to do.

4 I also think it is important to understand specifically what this bill does.

5 I can't speak specifics for others so I will talk specifically about what this bill does for the private, behind-the-meter,  
6 wind projects that we are installing.

7 This bill makes what we are doing just a little bit easier, and that little bit means a lot. This little bit of incentive will  
8 enable One Energy to expand the *Wind for Industry*® market in Ohio significantly. We are already attracting  
9 hundreds of millions of dollars of capital to help us invest in installing wind turbines for factories throughout Ohio.  
10 This bill will help us attract hundreds of millions of more dollars. This bill will make the difference to some of our  
11 customers and will allow us to lower their rates even more and lock in those lower rates for the next 20 years.

12 Right now, Ohio leads the country in behind-the-meter wind energy. That is right; despite all the complaints from  
13 the wind industry about Ohio, Ohio is the number-one state in country for behind-the-meter wind energy.

14 This bill will further solidify Ohio's position as the market leader for behind-the-meter wind.

15 This bill will help us help many more factories in Ohio take control of their energy future. This bill will help us help  
16 factories know the price of power for 20 years.

17 We have also been working with this committee on expanding the size of projects like ours from 5 to 20MW. When  
18 you combine the effects of this bill and the 5MW to 20MW change you are cementing Ohio's position as the leader  
19 in on-site wind and encouraging even more investment in zero-carbon resources that are directly connected to  
20 Ohio's manufacturing facilities.

21 I think it is important to know that for every dollar of incentive our projects would receive under this bill, we will  
22 be investing 4-5 dollars. So, if nothing else, as an economic development bill alone this bill has merit.

23 I started my speech today by saying that I don't envy your job.

24 You have tough decisions to make.

25 And any time you are talking about energy, incentives, the future, or the environment, you have multiple highly  
26 energized viewpoints to consider and weigh.

27 Your job is to filter the information, identify what is germane to this conversation, and then to balance all those  
28 viewpoints and ask yourself what the best thing for Ohio's future is.

- 29
- 30 • This bill encourages investment in generation that is physically located in Ohio.
  - 31 • This bill encourages investment in generation that does not depend on the future of fuel prices.
  - 32 • This bill encourages investment in good energy projects that directly help Ohio factories control their  
33 energy future.
  - 34 • And, this bill encourages investment in generation that helps create a cleaner and lower carbon future.

35 I respectfully submit that when you consider the actual effects of this bill and when you consider the future this bill  
36 helps create, you have to conclude that this is a good bill.

37 That is what I have concluded.

I am happy to take any questions from the committee at this point.