



**House Bill 6, House Energy and Natural Resources Committee
Interested Party Testimony of Joseph Oliker
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Chairman Vitale, Vice Chair Kick, Ranking Member Denson, and members of the House Energy and Natural Resources Committee, thank you for the opportunity to provide interested party testimony on House Bill 6. My name is Joseph Oliker, Associate General Counsel for IGS Energy.

IGS Energy is a diverse energy company that is family-owned and privately held. IGS is headquartered in Dublin Ohio and employs more than 700 people in the state. IGS serves over 1,000,000 customers nationwide and we conduct business in over 20 states. IGS is also an active developer of solar in the state with plans to further expand our investments in Ohio solar projects. Last year alone IGS deployed over \$200 million in behind the meter solar assets and plans to do even more this year.

While we are encouraged that the state is looking to promote clean air resources, while lowering costs for customers, we do not think that previous versions of the bill create a landscape conducive to development of distributed solar—projects developed by customers behind the meter. For example, the current bill reduces or eliminates the existing renewable portfolio standard revenue stream. But only solar projects over 50 megawatts would be eligible to access the clean air fund. Thus, the bill would take away a revenue stream for behind the meter solar without replacing it. While the current bill is intended to promote clean air resources, it would make behind the meter solar less economic than it is today.

In the most recent substitute bill, there was a provision that could allow the electric distribution utilities (“utilities”) to directly provide behind the meter generation products to customers through a schedule or reasonable arrangement. While the bill suggests that the Public Utilities Commission of Ohio may impose conditions to ensure that participating customers are solely responsible for the associated risks and costs, this provision is concerning because the affiliates of the utilities can, and do, already provide renewable products and services to customers at no cost or risk to ratepayers. Given this fact, it appears this proposed language is only intended to find ways to leverage distribution ratepayer dollars to tilt the playing field in favor of utility products and services. To the extend Ohio wishes to incentivize a particular type of generation resource, it should be available to all entities that wish to develop solar, not just to utility owned products.

There is a solution to facilitating the development of homegrown, behind the meter generation resources that does not require renewable mandates or access to the clean air fund. A healthy net metering policy will encourage the development of Ohio-based behind the meter solar on a non-discriminatory basis. If Ohio simply adopted the annual net metering program used by its neighbors in Illinois, Pennsylvania, West Virginia, and

Kentucky, it would facilitate the development of customer-sited renewable generation without giving undue preferences to utility owned resources.

While net metering is intended to permit a customer to produce their own energy to offset their energy requirements, the current paradigm does not live up to that goal. Net metering policy operates in a monthly settlement process where customers gain credits in a “use-it-or-lose-it” fashion. As a result, developers need to size projects far below the actual annual usage of a customer, which limits the ability of customers to lower their costs and makes it difficult to build on-site, behind the meter solar in Ohio. Annual net metering would empower customers to construct behind the meter generation resources to offset a large percentage of their electricity requirements consistent with the intended but unfulfilled purpose of Ohio’s net metering policy.

Customers invest in behind the meter generation to lower their costs through cleaner forms of energy, which is in line with the core tenants of HB 6. Likewise, behind the meter generation is a natural form of energy efficiency, given that it reduces the total amount of electricity that must be delivered from centralized generation resources. Behind the meter solar resources are particularly beneficial to the grid, given that they may reduce usage at times of peak demand, which benefits all customers.

For example, solar resources may ultimately reduce the total amount of generation capacity that must be procured through the PJM wholesale market, thereby reducing the total electric bill of all Ohio customers. To the extent that behind the meter resources reduce customer demand when the distribution grid is under stress, this too is a benefit to all customers. By encouraging the deployment of on-site, behind the meter generation, HB 6 can continue to support a more efficient electric grid through clean, market-based solutions tailored to fit the individual needs of customers and Ohio businesses.

States across the country have found that the benefits of annual net metering outweigh any costs. Additionally, the currently proposed decoupling provision should ensure that a non-discriminatory net metering tariff does not impact the total amount of revenue collected by the utilities. These facts aside, to address any remaining concerns, IGS proposes a cap on an annualized net metering at 3% of Ohio’s annual electric retail sales. Many other states have adopted this approach with great success.

IGS appreciates the state’s efforts to reduce costs and promote the development of cleaner forms of generation resources and looks forward to continuing to work with the Committee to develop a landscape to fulfill those goals.

Thank you for your time and I am happy to answer any questions you may have.

Sincerely,

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