



H.B. 6

Written Proponent Testimony By Mickey Hamer, Facility Leader Cargill, Incorporated

Before the House Energy & Natural Resources Committee

May 15, 2019

Good morning, Chairman Vitale, Vice Chairman Kick, and Ranking Minority Member Denson and members of the House Energy & Natural Resources Committee. My name is Mickey Hamer and I am the Facility Leader of Cargill, Incorporated's ("Cargill") soy crush plant in Sidney. I am here today to express support for Substitute House Bill 6 on behalf of Cargill.

Cargill brings food, agricultural, financial, and industrial products to people who need them all around the world. Cargill currently operates three major facilities in Ohio, located in Akron, Dayton, and Sidney, as well as 15 small grain elevators and feed mills, and one large salt mine in Cleveland. In total, Cargill employs more than 1,400 people in Ohio. Cargill has also invested more than \$970 million in Ohio, made \$1.4 million in contributions to non-profit organizations, and paid \$10 million in Ohio taxes last year.

Cargill has committed to sustainability in our operations. For example, we have pledged to reduce absolute greenhouse gas emissions in our operations by a minimum of 10 percent by 2025,



against a 2017 baseline. We've also invested in energy efficiency, multiple sources of renewable energy, and an on-site energy storage project.

Cargill's facilities in Dayton, Akron and Sidney, which produce corn sweeteners, salt, and soybean products, use substantial amounts of electricity. Consequently, significant increases or decreases in utility electric rates play a large role in the competitiveness of those facilities. Because electric costs are so fundamental to Cargill's profitability, Cargill proactively manages its energy consumption and when feasible, undertakes cost-effective energy efficiency measures.

While we are committed to decreasing the carbon footprint of our operations, we need to ensure policies allow us to meet these goals while still supporting our business. Cargill supports Substitute House Bill 6 for three reasons. First, the bill caps the financial exposure of large energy-intensive customers (as well as other retail customers) related to the proposed new Clean Air Program (Program). This provides much-needed predictability in rates and prevents the Program from hindering the national and international competitiveness of trade-exposed customers like Cargill. Second, the bill preserves and expands the energy efficiency opt out for business customers, which protects those customers from having to subsidize the energy efficiency costs of their competitors. Third, the bill gives Cargill the choice to opt out of paying renewable portfolio standard ("RPS") costs, which provides needed flexibility for the Company.

Finally, I would note that Cargill is currently considering whether to undertake a significant expansion of its Sidney plant. Substitute House Bill 6 will improve the economics of the contemplated expansion.

Thank you for your time.