

House Energy and Natural Resources Committee
Chairman Nino Vitale
Opponent Testimony on Substitute House Bill 6
Testimony of David Gardiner
Executive Director, Alliance for Industrial Efficiency

May 22, 2019

Chair Vitale, Vice Chair Kick, Ranking Member Denson, and Members of the House Energy and Natural Resources Committee, my name is David Gardiner, Executive Director, Alliance for Industrial Efficiency, and I thank you for the opportunity to submit testimony today as an opponent to Ohio Substitute House Bill 6.

The [Alliance for Industrial Efficiency](#) (Alliance) opposed the initial H.B. No. 6, and the new language in the Substitute H.B. No. 6 did not materially change our viewpoint on the matter, and we remained opposed.

The Alliance opposes the weakening of the Energy Efficiency Resource Standard (the efficiency standard) as introduced in Substitute H.B. No. 6—specifically provisions which terminate current utility energy efficiency programs by December 31, 2020, eliminate the efficiency standard after December 31, 2020, and allows the mercantile customer class to opt-out of the efficiency standard beginning in 2020. The Alliance is a diverse coalition of business, labor, non-profit organizations, and educational institutions that educate the public and policymakers and advocate for policies that increase U.S. manufacturing competitiveness through industrial energy efficiency, particularly the use of Combined Heat and Power (CHP) and Waste Heat to Power (WHP).

These provisions would increase electricity costs and pollution across Ohio by undermining a program which has successfully provided Ohio residences and businesses with substantial savings. Under the current efficiency standard, utilities provide incentives and rebates to customers that invest in industrial efficiency, including CHP and WHP. The Midwest Energy Efficiency Alliance (MEEA) estimates that the program has:

- **Generated \$5.1 billion in customer bill savings¹ and 49 million MWh of electricity** from 2009 (the inception of Ohio’s EERS) through 2017; and,
- **Created \$2.65 in benefits² for Ohio businesses and residents for every \$1 spent on energy efficiency programs** in 2017.

And these provisions will undermine Ohio’s ability to expand those savings in future years. Our analysis³ finds that Ohio can:

- **Save businesses an estimated \$12.5 billion** from avoided electricity purchases through 2030;

¹ MEEA. “Energy Efficiency in Ohio: Energy & Bill Savings for Customers, 2009-2017”. 2017.

http://www.mwalliance.org/sites/default/files/meea-research/2009-2017_ohio_energy_and_bill_savings-meea-final.pdf

² MEEA. “Energy Efficiency: A Good Investment for Ohio.” 2017. <http://www.mwalliance.org/sites/default/files/media/Ohio-State-Fact-Sheet.pdf?current=/taxonomy/term/11>

³ Alliance for Industrial Efficiency. “State Ranking Reports: Ohio Factsheet.” September 2016. https://alliance4industrialefficiency.org/wp-content/uploads/2016/10/Final_Ohio-Factsheet_AIE-State-Ranking-Report.pdf

- **Reduce annual carbon dioxide (CO₂) emissions by 10.3-million tons in 2030**—equivalent to 3 conventional power plants or nearly 1 million homes' energy use for 1 year; and,
- **Save 15.2-million MWh of electricity in 2030.**

The energy efficiency standard increases manufacturer competitiveness by significantly reducing their energy costs and provides considerable potential for CHP deployment as well as continued investments in industrial energy efficiency measures in Ohio. Energy efficiency remains Ohio's largest clean energy employer—energy efficiency accounted for nearly 82,000 jobs or 72% of the clean energy work force in 2018⁴—and weakening the efficiency standard will limit job growth in the state and undermine the competitiveness of Ohio's manufacturers.

We strongly encourage you to reject weakening the energy efficiency standard in Substitute H.B. No. 6 and welcome further discussion if you have any questions or comments regarding our position on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "David Gardiner". The signature is fluid and cursive, with a large initial "D" and "G".

David Gardiner
Executive Director, Alliance for Industrial Efficiency

⁴ Clean Energy Trust. "Clean Jobs Midwest 2019: Ohio Executive Summary." https://cjm2019test.wpengine.com/wp-content/uploads/2019/04/Ohio_CJM-Exec-Summary-FINAL.pdf