



House Energy and Natural Resources Committee
Substitute House Bill 6
Testimony of Bruce Burcat
Executive Director, Mid-Atlantic Renewable Energy Coalition (MAREC Action)
May 22, 2019

Chair Vitale, Vice Chair Kick and Ranking Member Denson, and Members of the Energy and Natural Resources Committee:

My name is Bruce Burcat and I am the Executive Director of the Mid-Atlantic Renewable Energy Coalition (MAREC Action). Thank you for the opportunity to testify on the latest substitute version of House Bill 6.

MAREC Action is an organization of wind and solar energy developers, manufacturers, service companies, and nonprofit organizations dedicated to the growth of renewable energy in Ohio and throughout the PJM transmission region. Some of our members are providing direct testimony against Substitute HB6.

We would note that our position has not changed and we continue to strongly oppose the bill. The revisions that were made did not materially change Substitute House Bill 6 and continues to repeal the Alternative Energy Portfolio Standards that apply to renewable energy. This position is untenable to my members that drive substantial economic development in Ohio. Not only would they be adversely affected, as well as any community that would benefit from the economic development potential of any projects developed in those areas, but the large Ohio manufacturing base that heavily relies on wind and solar projects would also suffer. Our testimony, which is restated below, as indicated would still be on point in opposition to the bill.

The proposed rollbacks to the renewable energy policy regime in Ohio under Substitute House Bill 6 would cut-off the renewable industry in the state just as it's gaining steam. Here are some key facts to consider regarding Ohio as a burgeoning renewable powerhouse:

- MAREC Action members collectively have thousands of megawatts (MWs) of wind and solar in development in Ohio, which would inject hundreds of millions of dollars into local economies and create thousands of good-paying jobs.
- 4,500 MW of wind energy and 10,000 MW of solar energy under development within Ohio
- Ohio is home to the #1 in the USA wind energy manufacturing base among all states with over 60 facilities. The state is also home to over 100 solar manufacturing companies.ⁱ
- Estimated up to 3,000 wind jobs and over 7,000 solar jobs in Ohioⁱⁱ
- Recent polling from the Ohio Conservative Energy Forum finds that two-thirds of conservative voters support expanding Ohio's commitment to renewable energy to 50% of the state's electricity.ⁱⁱⁱ The proposed policy would go backwards by gutting the state's existing renewable standard.

We oppose Substitute House Bill 6 due to provisions that would effectively repeal Ohio's Alternative Energy Portfolio Standard (AEPS). We do not take a stance on whether the Ohio legislature should act to support the state's existing nuclear energy plants, but we understand the interest in preserving jobs associated with these plants and in keeping zero-emission electric generation facilities operating. Unfortunately, the bill as proposed takes the opposite approach when it comes to preserving the state's policy to grow renewable energy jobs and development in the Buckeye state. Preserving the nuclear plants should not be undertaken at the expense of a growing and substantial industry that, like nuclear generation, reduces emissions and provides "carbon dioxide-free electricity generation."

If the intent is “to encourage reduced emission resources” and “carbon-dioxide-free electric generation” as the legislation describes, we urge you to allow the AEPS program to continue and to look for other approaches that create opportunity for clean energy resources in the state.

The AEPS is a market-based policy approach put in place with bipartisan support in 2008. The standard requires that electricity suppliers acquire renewable energy credits (RECs) for 12.5% of electricity sales by 2027. Within Ohio’s restructured electricity market, this creates a market for renewable energy generators to compete to sell RECs to suppliers at the lowest achievable cost. The balance of supply and demand results in the market price for RECs, which has consistently decreased over time in lock-step with the falling cost of renewable energy over the past decade. The most recent 2Q 2019 rate impact information presented by the Public Utility Commission of Ohio indicates that the AEPS costs residential ratepayers a range of \$0.10 to \$1.17 per month^{iv}, with an average cost of \$0.52 per month across the 6 electric distribution utilities. The program is delivering an incredible bang for the buck for Ohio electric customers given the amount of jobs and economic development the state gains, in addition to zero-emission renewable energy.

When determining whether to move forward with development, project sponsors consider whether renewable energy projects will be economically viable based on the projected wholesale value of energy and REC revenue they can earn in the marketplace. The AEPS works because it establishes a clear demand target for RECs and can be considered by project developers over a long-time period. Substitute House Bill 6 effectively repeals the AEPS by revoking that clear target and basing any subsequent renewable targets on an uncertain number of customers that choose to opt into the program. By making the program voluntary and unstable, it eliminates the clear signal the Ohio legislature established and would destroy the market that it fostered.

The proposal in Substitute House Bill 6 to fund some renewable energy projects through a new program instead of the AEPS is also untenable as funding would be uncertain and variable. Our developer businesses are extremely competitive, but the uncertainty raised by this bill would bring the industry to a standstill. An uncertain policy regime such as this and the proposed gutting of the AEPS would not support renewable project financing.

We strongly oppose Substitute House Bill 6 in its current form. We respectfully urge the committee to amend Substitute House Bill 6 to allow the state’s AEPS program to continue and to look for other approaches that create opportunity for clean energy resources in the state. Renewable energy already employs thousands of Ohioans and is poised to employ thousands more in the near- term. We look forward to the opportunity to work with the Committee to find ways to achieve the goals laid out in the legislation of advancing clean energy generation in Ohio.

ⁱ Solar: <https://www.seia.org/state-solar-policy/ohio-solar>. Wind: <https://www.awea.org/Awea/media/Resources/StateFactSheets/Ohio.pdf>.

ⁱⁱ *ibid*

ⁱⁱⁱ <https://www.ohcef.org/statewide-poll-of-conservative-voters-shows-overwhelming-support-for-clean-energy-policies/>

^{iv} <https://www.puco.ohio.gov/industry-information/industry-topics/ohioe28099s-renewable-and-advanced-energy-portfolio-standard/renewable-portfolio-standard-rate-impacts-2nd-quarter-2019/>