



House Energy and Natural Resources Committee
Chairman Nino Vitale
Opponent Testimony on Substitute House Bill 6
Testimony of Open Road Renewables
Mike Volpe, Vice President, Open Road Renewables

May 22, 2019

Chair Vitale, Vice Chair Kick, Ranking Member Denson and members of the House Energy and Natural Resources Committee, my name is Mike Volpe, I am a Vice President at Open Road Renewables. I am providing this written testimony to share that Open Road Renewables remains **opposed** to the Substitute House Bill 6. As a quick refresher, Open Road Renewables is a developer of utility-scale solar farms and our team has been working and investing in Ohio for the past five years. We are deeply committed to bringing economic development and clean energy opportunities to Ohio communities.

On behalf of the Open Road Renewables team, the hundreds of landowners, local community members, and workers whose prosperity depends on our efforts, we wish to express our **opposition to Substitute House Bill 6**, which guts Ohio's chief pro-renewable energy policy under the guise of promoting low-carbon energy. By exempting Ohio's mandatory Alternative Energy Portfolio Standard (the "AEPS") obligation and proposing to replace it with OAQDA funding for "Clean Air Resources", Substitute House Bill 6 removes the certainty that comes with the current AEPS and replaces it with uncertainty that surrounds the OAQDA funding for wind and solar projects. To be clear, we are not opposed to the proposed OAQDA funding for the failing nuclear plants, rather, we are solely opposed to the bill's exemption of the AEPS.

As I've shared with both the sub-committee and committee, the AEPS is a "market-based" approach to meet the state's renewable energy goals in the most cost-effective manner. While the details of the AEPS market structure may seem less relevant to the conversation at hand, there are two key takeaways: i) the AEPS is the most cost-effective approach to meeting the state's carbon reduction goals and ii) the AEPS is well functioning and the foundational driver of new renewable additions in Ohio.

Over the past few weeks I've had the opportunity to sit down with House members and it's become clear that a policy goal of Substitute House Bill 6 is to ensure that ratepayer dollars for zero carbon resources stay in the Buckeye state. Open Road appreciates the importance of jobs, tax generation, and economic development that come with new generation additions in Ohio. Given this policy goal, there are opportunities to improve the AEPS such that the majority of the ratepayer dollars spent on the AEPS will stay within the state. Specifically, looking back to the 2013 compliance report¹, the historic statute mandated that 50% of the AEPS compliance obligation must be met by in-state resources. Open Road Renewables supports making "fine tuning" improvements to the AEPS, such as a 50% in-state mandate, to accomplish policy goals, but we urge you not to make wholesale changes to the foundational funding mechanism for new wind and solar projects.

Additionally, if the committee is interested in arriving at the best market structure for renewable additions, long-term utility contracts should be included in the conversation. An example of these long-term utility contracts are the two Highland County solar projects currently in front of the PUCO. As AEP testified in the sub-committee, the

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determination of whether these long-term contracts will be approved or not hinges on the debate how to define the word “need”. Given the \$200 M savings that the two projects are forecasted to generate for ratepayers over the life of the contracts, we recommend that this committee clarify the need determination. A simple way to clarify the need determination would be as follows: If the renewable supply contracts with the EDUs pass some economic threshold test (i.e. net savings over the life of the contract) that need will be found.

A robust RPS with a portion of that demand met by utility-procured long-term contracts is a highly effective marketplace structure that can deliver significant benefit to Ohio’s electricity customers and our economy as a whole. We’d be happy to testify in support of Substitute House Bill 6 if these two considerations were included in an amended version of the bill. However, for the reasons laid out in this testimony, we oppose the current version of Substitute HB 6.

Kind regards,

Mike Volpe
Vice President

1: <http://dis.puc.state.oh.us/TiffToPdf/A1001001A16A06B41346I03960.pdf>

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