

House Energy and Natural Resources Subcommittee on Energy Generation

Chair Dick Stein and Chair Michael O'Brien

Opponent Testimony on House Bill 6

Testimony of Craig A. Foster, P.E.

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Chair Stein, Chair O'Brien, and Members of the Energy and Natural Resources Subcommittee on Energy Generation, thank you receiving this written testimony as an opponent to Ohio House Bill 6.

Our firm (www.energility.com) provides engineering grade energy audits to commercial clients in Ohio with a strong focus on serving the non-profit community, especially houses of worship as technical agent for Ohio Interfaith Power and Light (www.ohipl.org), museums, and community resource centers. Once the energy audits are complete, we assist our customers in implementing the recommended energy conservation measures acting as their facility and design engineer. We know from directly working with them that the availability of rebates and incentives has a direct impact on the decisions to proceed with this work. We work throughout the state providing these services and, to date, our customers have spent over \$5,000,000 implementing the recommendations our small business has made. This is money spent locally, hiring local contractors who employ Ohioans to implement the energy saving projects. These investments range from a few thousand dollars to nearly a million dollars, all spent locally to improve the environment of our local communities. The net rate of return for these investments is over 13% which a pretty good return on investment in my view.

We are a busy firm growing from one person in 2010 to five full time staff with a desire to hire two more Ohioans this year. In fact, we are swamped with work right now which is why I am unable to present this testimony personally. We oppose changing the payment of RPS and EERS charges to an "opt-in" scenario. This will undermine the excellent progress the state has made in reducing greenhouse gases to date and increase the cost of new electric capacity to serve our growing state. It cannot be left unsaid that new fossil fuel generation costs for \$2,500-\$5,000 per kilowatt to build. Energy efficiency can provide the same kilowatt for \$100 while wind and solar provide capacity can be built at \$1,500-\$2,500 per kilowatt. It does not make any sense to reduce the impact of the RPS and EERS with the "opt-in" clause. We can fuel the growth in the state by continuing the use of the portfolio standards.

I saw a quote from a state legislator saying we have gained all the benefit we can gain from the efficiency programs. If that is the case, why did we receive notice from Duke Energy that the 2019 allocation for efficiency projects was fully subscribed earlier this spring? Clearly Ohio businesses are still eager to pursue the benefits of this program.

We also oppose subsidizing the First Energy nuclear plants through the bills of customers served by the investor owned utilities for three reasons.

1. The Federal Energy Regulatory Commission (FERC) has determined that the two plants owned by First Energy are not required to maintain electric system wide baseload stability.
2. PJM, the independent service operator serving twelve states that includes Ohio, has determined these two nuclear plants are not required to maintain price stability.
3. If the legislature wants to save these two nuclear plants to prevent job loss or help to stabilize the finances of First Energy, then do it through the bi-annual state budget. In that way, all Ohioans will pay the price for this decision through our taxes. Perhaps you can increase our taxes by the same amount as proposed in HB 6 by the same amount to provide the subsidy. It is not fair to saddle only the customers of investor owned utilities with this subsidy. If the legislature desires for Ohio to implement this subsidy, then have us all pay. Excluding the customers of rural co-ops and municipal utilities is not fair for the rest of Ohio. These nuclear plants serve the whole electric grid so we all should share in the payment of any subsidy you, as our elected officials, deem necessary.

Thank you for reviewing this testimony.

Respectfully submitted,

Craig A. Foster, P.E.