



OEC [Action Fund]

To: Chairman Seitz, Vice Chair Carfagna, Ranking Member Ashford and members of the Ohio House Public Utilities Committee

From: Trish Demeter, Managing Director of Energy Programs, OEC Action Fund

Re: Written Only Opponent Testimony - House Bill 114

Date: March 21, 2017

The world is undergoing a massive transition in how it generates, transports, manages and delivers electricity to homes, neighborhoods, and businesses. Consider:

- In 2015, global capacity for renewable energy surpassed that of coal for the first time ever in human history¹
- About half a million solar panels were installed *every day* around the world in 2015²
- In 2015, China was installing two wind turbines *every hour*³. In 2016, growth in wind has slackened, but only to the tune of 1 turbine per hour.

Ohio is very much part of this world, could reap the full economic and environmental benefits of this transition, and lead in the clean energy era as a hub for technological innovation and next generation manufacturing. But, our state policies are key in sending a clear signal that we are open for business, eager for innovation to thrive here, and excited to keep the bright minds of the next generation here in the Buckeye State.

Ohio's Renewable Portfolio Standard (RPS) and Energy Efficiency Resource Standard (EERS) are one way that Ohio can hitch its cart to the rapid global transition towards clean energy. Evidence of this transition can be seen no further than fellow Midwestern states such as Michigan and Illinois, who just late last year, both increased and strengthened their clean energy standards. Michigan increased its RPS to 15% by 2021 precisely because they already met their 10% by 2015 target (by comparison, Ohio's RPS is 12.5% by 2027, and currently our electricity portfolio reflects that a mere 2.28% of Ohioans electricity comes from renewable energy).

House Bill 114 proposes a rollback of the clean energy standards by: making compliance voluntary rather than mandatory; reducing the cumulative energy savings target; watering down the EERS by expanding Ohio's industrial opt-out program, and; adding several new definitions under what qualifies as an energy efficiency measure. All these changes combined essentially amount to a repeal of Ohio's existing, functioning and invaluable standards.

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<https://www.iea.org/newsroom/news/2016/october/iea-raises-its-five-year-renewable-growth-forecast-as-2015-marks-record-year.html>

² *Ibid*

³ *Ibid*

Ohio's RPS and EERS play a critical role in setting the course for Ohio's energy portfolio, and to gradually diversify where Ohioans get their electricity. Ohio is considered a restructured state, and as such, our monopoly electric utilities do not undergo a multi-year resource planning process in which a state can plan where its electricity would come from, how new power plants or renewable facilities would be paid for, and when old power plants would be retired. In coal-dominated states, such planning allows for states to decide, years in advance, how to increase diversity in this portfolio over time. But, with a competitive market now for electricity generation, the RPS and EERS function as a market mechanism to set the course for the responsible diversification Ohio's energy portfolio. The result of the standards, in particular, has increased the diversity of the portfolio, energy efficiency has kept demand for energy steady and low. The competitive market for energy generation has brought new natural gas generation into the mix, and on its own, has put tremendous pressure on the coal-fired assets in Ohio, and in the region, to retire.

Ohio House Bill 114 is the fifth attempt at a rollback of Ohio's Renewable Portfolio Standard (RPS) and Energy Efficiency Resource Standard (EERS). The debate over the value of these standards began in the lame duck session in 2012 with an amendment that would have repealed the EERS, continued in 2013 with Ohio Senate Bill 58 (Seitz), in 2014 with Ohio Senate Bill 310 (Balderson), and most recently, with Ohio House Bill 554 (Amstutz), which was vetoed by Governor Kasich in late December 2016. Every attempt to dismantle Ohio's standards, which have delivered billions of dollars in benefits to Ohioans, and measurable public health improvements, resulted in a similar outcome: the continuation of the standards as a reasonable and common sense path forward for the State of Ohio.

I account for this history for the benefit of the new members to the Ohio General Assembly, and for the members new to this issue, so that you may want to ask yourself "why none of these attempts have been successful?". You'll find that the overwhelming body of evidence, analysis, reports, studies, etc. from credible sources all conclude that the standards are delivering on their promise of lower electric bills, cleaner air, increased investment in the state, and new job creation. Additionally, you'll find that the voices standing up for these common sense policies - who have resisted these attempted rollbacks in droves - are diverse, and represent a broad spectrum of interests in the business community, clean tech industry, Wall Street investors, faith community, local governments, organized labor, environmental organizations, consumer advocates, and individuals.

I urge this committee to reject House Bill 114, and allow Ohio's clean energy standards to continue to deliver all the benefits they are delivering to the State of Ohio.