



Representative Fred Strahorn
39th House District

Public Utilities Committee Sponsor Testimony on HB 604
May 22, 2018

Chairman Cupp, Vice Chairman Carfagna, Ranking Member Ashford and members of the Public Utilities Committee, I appreciate the opportunity to provide sponsor testimony on House Bill 604.

Yesterday marked the 4-year anniversary of the last minute Senate floor amendment to H.B. 483, which was inserted with no evidence of problems and with no public input or legislative debate. Amended H.B. 483 nearly tripled the original setback requirements by increasing the setback point of 1,125 feet from the blade tip to the property line, making it one of the most stringent statewide setback laws for wind power development in the country. This bill seeks to ease the regulatory burden on new wind farms in Ohio and provide for a more business-friendly environment for clean energy.

This standard has created a market barrier for wind energy development in Ohio. Since the 2014 increase, not a single application has been submitted, nor certification approved, that is compliant with the overly restrictive setbacks. In contrast, according to Wind Energy Foundation's *A Renewable America* report, the wind industry has developed 18 projects in nearby and neighboring states resulting over \$4 billion in capital investment in those states since 2014. Ohio is missing out on \$4.2 billion in potential economic development and 13,000 jobs.

H.B. 604 also makes the Qualified Energy Project Tax Exemption Program permanent into Ohio Revised Code. This program, administered by the Ohio Development Services Agency, provides owners or lessees of renewable, clean coal, advanced nuclear and cogeneration energy projects with an exemption from the public utility tangible personal property tax and real property tax. H.B. 604 makes permanent Payments in Lieu of Taxes (or PILOTs) that generate millions in direct payments to local communities that host these businesses. Instead of paying TPP and property taxes, all developers pay the PILOT tax of \$9,000 per megawatt. As an example, the largest windfarm in Ohio, Blue Creek Wind Farm, pays \$2.7 million annually in PILOT payments to Van Wert and Paulding counties.

H.B. 604 simply re-establishes the habitable structure setback, removes government barriers to business growth and development, and allows Ohio's communities to have control over their own economic future.

Chairman Cupp, Vice Chairman Carfagna, Ranking Member Ashford and members of the committee, thank you for your consideration of H.B. 604. I would be happy to answer any of your questions.