

**Ohio Senate
Energy and Natural Resources Committee
Interested Party – Written Testimony
Substitute House Bill 114**

**Josh Knights, The Nature Conservancy in Ohio
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Chairman Balderson, Vice Chair Jordan, Ranking Member O'Brien, and members of the Senate Energy and Natural Resources Committee, thank you for the opportunity to provide written testimony as an interested party to Sub. HB 114.

About The Nature Conservancy

The Nature Conservancy is a non-partisan, science-based organization that seeks to conserve the lands and waters on which all life depends. We work collaboratively with businesses, farmers, sportsmen groups, government and local communities to develop pragmatic, market-based solutions to conservation challenges, including air pollution. More than 65,000 Ohioans are Nature Conservancy supporters.

Clean Energy Standards

The Nature Conservancy opposes the proposed reductions to Ohio's current renewable portfolio standards and energy efficiency standards in Sub. HB 114. Simply put, this policy change would have negative economic, public health, and environmental impacts for our state.

In October 2016, the Conservancy, in partnership with the Environmental Defense Fund, released a report that evaluated the impact of three possible scenarios of state renewable portfolio standards and energy efficiency standards. The three scenarios were compared against what Ohio would experience if the standards were held constant at 2014 levels. Depending on which of the scenarios chosen, the report forecasts for Ohio:

- 82,300 to 136,000 new jobs
- Increased payroll between \$4.6 billion and \$7.6 billion by 2030.
- GDP enhanced by \$6.7 billion to \$10.7 billion
- Health-care costs reduced between \$800 million in the near term, increasing to \$3 billion a year by 2030.
- A \$28.8 million to \$50.9 million savings to consumers by 2030.

The options and recommendations in the report are supported by data on the impacts of each mix of clean energy standards. It includes costs and benefits of the standards that go beyond simply the cost of electricity to attempt to get to their "true costs and benefits," including the healthcare benefits from less pollution.

None of the scenarios in this report envisioned taking both standards down at the same time. Instead, it considered tradeoffs between the standards. Reducing our clean energy standards below that of other Midwest states such as Illinois (25% by 2025) and Michigan (15% by 2021) reduces the economic benefits of clean energy development in Ohio and makes us less competitive.

We are glad to see that the proposed changes removes the energy efficiency counting provisions that were added in the as passed by the House version of this bill. However, the expansion of the mercantile opt-out to all mercantile customers weakens the energy efficiency standard even further. The effectiveness of the energy efficiency standard decreases when fewer consumers participate in energy efficiency programs, especially considering the scale of energy saving opportunities that could be achieved by mercantile consumers.

Additionally, the shared savings provision of this bill would allow a utility provider to bank their positive energy savings in early years, and use these savings in another year when they underperform. Utilities could get millions of dollars in shared savings even in years where their energy efficiency programs are underachieving. The point of shared savings is to provide an incentive for good programs, not to reward bad ones.

Windfarm Setback

The current restrictive windfarm setback is a barrier to business that hinders billions of dollars of new wind development in Ohio. It is not only excessive, but is unnecessary to protect human health and safety. No new windfarm developments have been proposed since the setback was changed, leaving billions of dollars in future potential investments to seek other markets. The construction of new wind farms would generate many new job opportunities in the state and, long term, the presence of existing wind farms provide local tax revenue.

The rationale for the current setback is based on human health and safety from concerns such as ice throw, noise, wind shear and shadow flicker. The previous setback was better designed to address these concerns, being measured from the point of a habitable, residential structure. Moreover, the Ohio Power Siting Board already has the authority to require greater setbacks on a case-by-case basis, suggesting that the current setback is an unnecessary regulatory burden on business.

The Nature Conservancy supports the windfarm setback provisions of this bill as a well-balanced approach that adds protection for human health and safety while making it possible for new commercial windfarms to be located in Ohio. This bill increases the setback distance by 100 feet for a total of 1,225 feet plus blade length. Importantly, it also changes the setback requirement back to be measured from a habitable, residential structure instead of from the property line. We do have one suggested improvement. In what appears to be a drafting oversight, the bill would apply the current restrictive setback to grandfathered wind projects that file amendments. The bill should be revised so that the proposed setback would apply to grandfathered projects with amendments to their certificates.

Removing roadblocks to renewable energy development in Ohio sends a clear message to businesses and investors that we want to be a clean energy leader alongside other states like Texas and Iowa. Easing the current wind turbine setback creates opportunities for attracting new investments to the state that will create jobs and provide Ohioans with cleaner sources of energy.

Public Support for Clean Energy

In July 2017, The Nature Conservancy commissioned a poll conducted by Public Opinion Strategies, on the attitudes of registered voters in Ohio toward clean energy. The poll interviewed 813 voters, including an oversample of residents of Southeast Ohio. The poll results showed that a vast majority of Ohio voters support clean energy policies. Nearly nine out of ten of those interviewed would tell an elected official to support policies that encourage greater use of renewable energy and energy efficiency in Ohio.

The polling results showed overwhelming support for placing a greater emphasis on energy efficiency (82% more emphasis), solar power (77%), and wind (69%) than on traditional energy sources. In addition, 79% of voters support Ohio reaching the 12.5% Renewable Portfolio Standard established in SB 221 over the next eight years. Even in Southeastern Ohio where there was much less opposition to coal as a source of energy compared to the rest of the state, there was strong support for putting more emphasis on clean energy.

Thank you again for the opportunity to provide written testimony as an interested party to Sub. HB 114. Please contact me if you have any questions.

Josh Knights
Executive Director
The Nature Conservancy in Ohio
6375 Riverside Drive, Suite 100
Dublin, OH 43017
(614) 717-2770
jknight@tnc.org