



Globe Metallurgical, Inc  
P.O. Box 157  
Beverly, OH 45715  
Phone: 740-984-2361  
Fax: 740-984-8635  
www.ferroglobe.com

Before the House Energy and Natural Resources Committee

May 15, 2019

Written Prepared Statement of Russ Lang  
On Substitute HB 6

Chairman Vitale, Vice Chair Kick, Ranking Member Denson and Members of the Committee. Thank you for the opportunity to provide written testimony today.

My name is Russ Lang and I am the Corporate Manager, Energy – Americas for Globe Metallurgical, Inc. (“Globe”). Globe is a Beverly, OH – based manufacturer of silicon metal and silicon based alloys and have been operating continuously in Southeast Ohio since the mid-1950s. Our company’s roots trace back to the late 1800s in Jackson, OH. Globe supplies alloys to the chemical, aluminum, foundry, and automotive industries via a smelting process that is very energy intensive as electricity represents approximately 25% of our production costs. As Globe spends millions of dollars annually on electricity, any movement in the delivered price of electricity can have a considerable effect on our ability to compete in the international marketplace.

I am testifying today as a proponent of Substitute HB 6.

Substitute HB 6, under consideration by the committee, has several positive features. First, it eliminates the energy efficiency and renewable mandates that were parts of SB 221 back in 2008. For an energy intensive manufacturer such as Globe, we perform energy efficiency evaluations everyday as a routine part of our business. The current mandate amounts to little more than a tax on electricity purchases. It is unlikely that any large manufacturer has ever recovered even a reasonable fraction of what they have paid into the program. Frankly, energy efficiency is part of the normal cost of doing business; if a manufacturer is not performing energy efficiency on their own they are losing to the competition. We certainly do not need an energy-based tax to force our hand.

Second, Substitute HB 6 eliminates the renewable portfolio standards. Globe is a firm believer in competitive markets for electricity generation and do not feel that subsidizing renewable generation with an energy-based surcharge is warranted. Such surcharges hit manufacturing the hardest, especially those who are as energy-intensive as Globe. The renewable sector in Ohio is well established; eliminating the renewable mandate will not drive down participation in the Ohio markets by the wind and solar generators. If these renewables can compete in the market and their efficiencies and reliability are as they claim, their participation is welcome.



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Despite our support for competitive markets, we do realize the need to provide support to the two nuclear units in Northern Ohio. These units, if idled and removed from the market, will never return and provide the stable base load generation that is needed for Ohio. Moreover, a tremendous loss of taxes, jobs, and revenue will be lost from shuttering these clean-energy facilities.

Additionally, Globe is encouraged by legislation's attempt to minimize electricity rates when approving unique arrangements for a trade-exposed manufacturer. Several companies in Ohio that must compete internationally for market share have unique electricity requirements, and oftentimes-standard utility tariffs simply do not work for these companies. Unique arrangements are needed, and warranted, for these energy-intensive manufacturers.

One of the unique parts of my roles as Globe's Energy Manager is that I get to see what is working and right and what is often not working and wrong in several states. I am particularly encouraged by this legislation's efforts to "cap" the monthly nuclear subsidy and not institute a fee based on consumption. I have personally witnessed consumption-based fees in other states for similar programs and the effect on industry has been devastating. I strongly support the "caps" that Substitute HB 6 recommends.

Thank you for the opportunity to provide written testimony. If you have questions, I may be contacted via email at [rlang@ferroglobe.com](mailto:rlang@ferroglobe.com) or via phone at 740-984-8662.

Sincerely,

A handwritten signature in black ink that reads "Russ Lang". The signature is written in a cursive style with a large, sweeping "L" and a small "g" at the end.

Russ Lang  
Corporate Manager, Energy – Americas  
Globe Metallurgical, Inc.