



Ohio Environmental Council

[Action Fund]

Ohio House Energy & Natural Resources Committee
Written-Only Opponent Testimony - Substitute House Bill 6 (Callender, Wilkin)
Submitted by: Trish Demeter, Chief of Staff
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Chairman Vitale, Vice Chair Kick, Ranking Member Denson, and members of the Energy and Natural Resources Committee: Thank you for allowing us to submit supplemental written testimony on Substitute House Bill 6.

The OEC Action Fund remains opposed to Sub. HB 6, including the changes made to the bill last week. This Substitute version is still not materially any better than the As Introduced bill or previous substitute version. If enacted, the bill will increase Ohioans electric bills, increase air pollution, make Ohioans sicker and put Ohio jobs at risk. The bill is still directly in conflict with its stated intent to ensure Ohio has carbon-free resources, and is problematic for many reasons:

- **Sub. HB 6 would increase Ohio's carbon emissions:** Because the bill proposes to do away with Ohio's RPS and EERS, we would also be forgoing the carbon reductions being achieved by these policies. [Ohio's Clean Energy Standards will reduce Ohio's annual carbon pollution by about 10 million tons between 2017 and 2029](#)¹ which is equivalent to avoiding emissions from the annual electricity consumption of 1 million homes². To put a finer point on the importance of the efficiency standard and its impact in reducing reliance on coal-fired power plants, the efficiency programs that have been in place since 2009 avoided over 1.1 million tons of carbon dioxide pollution in 2017 alone³.
- **Sub. HB 6 would increase risks to Ohioans' health:** Due to effective repeal of Ohio's RPS and EERS, the legislation would [forgo the projected health benefits](#) that these standards provide - [prevention of over 44,000 asthma attacks, 2,400 asthma-related emergency room visits, 4,400 heart attacks and over 2,800 premature deaths](#) attributable to coal-plant pollution (see attached graphic).
- **Sub. HB 6 will increase, not decrease, electric bills for Ohioans. The average Ohio family will pay an additional \$6.11 per month starting in 2021 if Sub. HB 6 becomes law.** Despite elimination of the riders associated with the renewable and efficiency standard, Ohioans' bills will go up as a result of this legislation [due to wiping out the bill savings Ohioans are receiving today due to investments in energy efficiency, and glaring loopholes drafted into the legislation](#) that would allow utilities to continue to charge customers through these riders.

¹ See page 5 <https://www.nrdc.org/sites/default/files/ohio-clean-energy-standards-benefits-report.pdf> (2015)

² *Ibid.*

³ Data analysis performed by American Council for an Energy-Efficient Economy (ACEEE), April 2019.

- **Sub. HB 6 embraces wasteful use of electricity over cost-effective energy efficiency:** Ohio's EERS has delivered over \$5.1 billion in energy savings to Ohioans' since 2009 and is delivering \$2.65 in bill savings for every \$1 invested in efficiency rebate and incentive programs.
- **Sub. HB 6 would tax Ohioans millions more each year on top of what they already are paying to one company:** Due to PUCO-approved riders on customers' bills, FirstEnergy is set to receive a three year payout of \$612 million in ratepayer-funded subsidies by the end of 2019 for the purpose of supporting FirstEnergy Corporation's credit rating.
- **Sub. HB 6 puts Ohio jobs at risk:** Over 112,000 Ohioans are employed in the clean energy sector. The 80,000 Ohioans employed in the energy efficiency sector stand to be impacted the most.

The Substitute version of the bill still effectively repeals Ohio's EERS and RPS, while creating a "Clean Air Program". The OEC Action Fund continues to oppose this legislation as it removes the very state policies that have been delivering lower bills, a more diverse energy portfolio, cleaner air, Ohio jobs, and new economic opportunity across Ohio since they were enacted. Further, the substitute version continues to include provisions that could award this new state revenue to not only Ohio's two nuclear plants, but to coal and natural gas plants. A true Ohio Clean Air Program must include a clear plan for all resources that provide cleaner air for Ohio to participate, not a pool of subsidies to be distributed if there is sufficient funding, making it unclear which resources will be awarded funds or not.

In summary, the current version of Sub. HB 6 maintains the same problematic components that will put environmental progress and lower energy bills for Ohio families and businesses at risk. The bill would harm Ohioans' health and that of future generations, while increasing Ohioans' monthly bills and removing opportunities to save money each month. The bill will hurt economic development and reduce job creation opportunities in every corner of the state, and put Ohio further out of reach from embracing innovation and the technologies of today and instead continuing our reliance on energy systems of yesterday.

Thank you for the opportunity to submit testimony.

Ohio's Energy Efficiency and Renewable Energy Standards Save Lives
BY 2029, OUR STANDARDS WILL HELP AVOID:

335,375
LOST WORK
DAYS



4,470
HEART ATTACKS

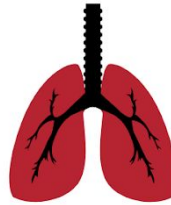
2,820
PREMATURE
DEATHS



2,060
HOSPITAL VISITS



2,420
ASTHMA VISITS TO THE ER



44,390
ASTHMA
ATTACKS



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Source: <https://www.nrdc.org/sites/default/files/ohio-clean-energy-standards-benefits-report.pdf>

The Real Monthly Cost of House Bill 6: \$6.11 per month increase per Ohio Family

A total cost of \$312 million per year to Ohio families

CURRENT LAW: Average Monthly Electricity Bill Impact of Residential Renewable Portfolio Standards (RPS), Energy Efficiency & Peak Demand		HOUSE BILL 6 (As Introduced): Average Monthly Electricity Bill Impact	
Electric bill without surcharges	\$100	Electric bill without surcharges	\$100
RPS Charge	+\$0.74	Ohio HB 6 Bailout Charge	+\$2.50
Energy Efficiency/ Peak Demand Charge	+\$3.36	Energy Efficiency Savings	0
Total	\$104.10*	Total bill	\$102.50/month
Energy Efficiency SAVINGS	-\$7.71		
Total bill	\$96.39/month		

NOTE: Not included in the calculation above is the further savings achieved from energy efficiency and renewable energy's "wholesale price suppression effect" on the market price of electricity because of reduced overall demand. The PUCO Staff has estimated that the price suppression effect of the energy efficiency standard alone is to reduce wholesale electricity market prices by 5.7% for every 1% energy savings achieved.

Explanation of Chart:

The fiscal note for House Bill 6 outlines the average monthly bill charges for residential customers that are attributed to Ohio's Renewable Portfolio Standard and to the Energy Efficiency Standard and Peak Demand Reduction requirements. Those combined charges - when averaged across utility service territories - are \$4.10 per month. The \$4.10 charge includes \$0.74 for the renewable energy standard and \$3.36 for energy efficiency and peak demand reduction requirement.

House Bill 6 eliminates the \$4.10 renewable energy and energy efficiency charge and replaces it with a \$2.50 monthly fee on residential customers that would go to new subsidies for nuclear and coal power plants under an "Ohio Clean Air Program Fund." Sponsors of the bill, therefore, claim it will save Ohioans money by reducing their bills from an average of \$4.10 to \$2.50.

However, this claim ignores the benefits and actual bill reductions that Ohioans are receiving from utility investments in energy efficiency. Every year, Ohio utilities file reports with the PUCO documenting the savings from their energy efficiency programs. According to calculations based on the most recent available set of reports for the utilities' 2017 programs, those programs produce actual savings of \$7.71 per month on average. When combined with the cost of \$4.10, the programs today result in a NET SAVINGS to Ohioans of \$3.61 - meaning Ohioans' bills are \$3.61 LOWER per month than they would be

without the programs. Because House Bill 6 eliminates the energy efficiency standard, Ohioans will lose the \$7.71 in monthly savings that these programs generate. As noted above, under Ohio's current clean energy standards, customers pay \$4.10 in monthly charges but earn \$7.71 in monthly savings for a net savings of \$3.61. Under HB 6, the monthly charge is reduced from \$4.10 to \$2.50, but *all \$7.71 in energy efficiency savings is wiped out.*

Even when accounting for the \$1.60 difference between what Ohioans currently pay for clean energy programs (\$4.10) and the proposed \$2.50 fee for HB 6, *Ohioans' bills will still be \$6.11 per month higher than they are today.*

The energy efficiency standard is currently saving Ohioans money and lowering their electric bills. For every \$1 that utilities spend on energy efficiency, Ohioans save \$2.65. According to utility data filed at the Ohio Public Utilities Commission, from 2009 to 2017 the energy efficiency standard has already saved Ohioans \$5.1 billion.

A Brief Explanation of Efficiency Savings:

Customers benefit from energy efficiency programs in a number of ways. The programs fund discounts on lighting, appliances and heating and cooling measures available to all Ohioans, and there are few customers who do not take advantage of these programs. Hence, customers benefit in three significant ways: the programs benefit customers who participate by reducing their energy usage; the programs help utilities avoid making investments in transmission and distribution; and the programs help reduce the expensive power needed on the hottest days of summer when prices peak.

Not included in the calculation is the further savings achieved from energy efficiency and renewable energy's "wholesale price suppression effect" on the market price of electricity because of reduced overall demand. The PUCO Staff estimated this price suppression at 5.7%.