



State Representative

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Sponsor Testimony for Sub. HB 6

Before the Senate Energy and Public Utilities Committee

June 11, 2019

Chairman Wilson, Vice Chairman McColley, Ranking Member Williams, Members of the Senate Energy and Public Utilities Committee, thank you for giving me the opportunity to bring before you Substitute House Bill 6, legislation that will create The Ohio Clean Air Program (OCAP).

This program will help to keep over 4,000 jobs intact in Ohio. These are fantastic jobs in an array of occupational areas. These are jobs worth fighting for. They are a critical part of Ohio's economy providing more than \$500 million to Ohio's gross domestic product, pay more than \$30 million annually in state and local taxes, and spend \$45 million annually with vendors and suppliers in Ohio.

Currently the Ohio's nuclear plants provide 15 percent of Ohio's electric generation. They also provide for 90 percent of the zero carbon energy produced in the state.

We have the opportunity by passing HB 6 to save jobs and protect our zero carbon energy production while lowering ratepayer's electric utility bills. The bill eliminates Ohio's expensive and outdated renewable portfolio standards and energy efficiency mandates, which cost ratepayers \$340 million annually. They are replaced with a flat, lower cost fee to fund the OCAP. Residential customers will pay fifty cents in the first program year and one dollar each year after until the end of the program. The average residential ratepayer will save approximately \$3.68 per month under the new program.

In short, HB 6 allows a nuclear or large-scale solar resource to apply to be a certified clean air resource and be eligible for participation in the Ohio Clean Air Program as long as the resource continues to meet the definition of clean air resource.

A certified clean air resource would be eligible for a \$9 per megawatt hour credit. Generators must produce electricity in Ohio in order to receive funding. The program will be overseen by the Ohio Air Quality Development Authority and would be audited annually by an independent third party. The OCAP will sunset at the end of 2026.

Over a dozen years ago, Ohio created a renewable energy incentive program. It was one of the first and most robust such attempts in the nation at the time, and was intended to lure cutting-edge wind and solar technology to the state, and hopefully the manufacturing and support jobs that go along with an emerging industry. The original goal was to have 12.5 percent of our Ohio-based generation be from renewable sources by 2026.

While there have been a few success stories, the Renewable Portfolio Standard (RPS) program has not performed as the creators hoped. At this point, only three percent of the energy generated in Ohio is from renewable sources, and a large portion of the funds gathered (from Ohio ratepayers) is going to out of state generation facilities.

The RPS created a market for Renewable Energy Credits (RECs) which have become commodities bought and sold among electricity retailers, having little or no impact on Ohio jobs. Currently, to comply with this mandate, it is costing Ohio ratepayers over \$50 million a year. Out of state special interests are the primary supporters of continuing this program, as they are the some of the main beneficiaries.

In reviewing the existing program, it is clear that it incentivizes the wrong things, and does not keep Ohioans money in Ohio nor create a cleaner energy generation portfolio in Ohio, two of its primary goals.

By eliminating the RPS and energy efficiency/peak demand mandates, Sub. HB 6 will result in lower utility bills for ratepayers and instead will focus on Ohio generation itself, which supports Ohio jobs and Ohio communities. It incentivizes the creation and maintenance of zero carbon emission generation.

The net result is lower costs for Ohioans, cleaner air, and more jobs. This will help save existing projects, and help new innovative projects across the state.

Thank you for considering this bill, I would be happy to answer any questions of the committee.