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**Ohio Senate Energy and Public Utilities Committee
Chair Steve Wilson**

**Substitute House Bill 6
Position: Oppose**

**Testimony of: Tom Carlson, Manager, Regulatory & Legislative Affairs, EDF Renewables
Date: June 18, 2019**

Dear Chair Wilson, Vice Chair McColley, Ranking Member Williams, and Members of the Senate Energy and Public Utilities Committee:

My name is Tom Carlson and I am Manager of Regulatory and Legislative Affairs for EDF Renewables. I appreciate the opportunity to provide comments in strong opposition to Substitute House Bill 6.

EDF Renewables (EDFR) North America is a developer of wind, solar, and storage energy projects across the United States. Founded in San Diego in 1985, the company employs 1,112 people and has developed 16,000 megawatts (MW) of renewable energy across North America. We have a pipeline of 24,000 MW under development, including large-scale solar projects in Ohio. In 2018, EDFR paid over \$50 million to vendors based in Ohio. We are a major customer of First Solar, which has a large manufacturing facility in Perrysburg. We also provide third-party operations and maintenance services for the 9.8 MW Campbell's Soup solar project in Napoleon.

Our opposition to HB6 is based solely on two sets of provisions that would 1) effectively repeal the state's Alternative Energy Portfolio Standard (AEPS) and 2) put up a new roadblock to siting wind projects in the state. Policy certainty is critical to the state's business and investment climate. These provisions would dash any certainty related to the state's existing renewable policy and create further uncertainty for the prospect of wind development.

Opposition to provisions that effectively repeal the Ohio AEPS

HB6 is intended "to encourage reduced emission resources" and "carbon-dioxide-free electric generation." To accomplish this aim, we urge you to allow the AEPS program to continue.

The AEPS is a market-based policy approach put in place with bipartisan support in 2008. The standard requires that electricity suppliers acquire renewable energy credits (RECs) for 12.5% of electricity sales by 2026. Within Ohio's restructured electricity market, this creates a market for renewable energy generators to compete to sell RECs to suppliers at the lowest achievable cost. The balance of supply and demand results in the market price for RECs, which has consistently decreased over time in lock-step with the falling cost of renewable energy over the past decade.



When determining whether to move forward with development in Ohio and elsewhere, project sponsors consider whether renewable energy projects will be economically viable based on the projected wholesale value of energy and REC revenue they can earn in the marketplace. The AEPS works because it establishes a clear demand target for RECs and can be considered by project developers over a long-time period.

HB6 effectively repeals the AEPS by revoking that clear target and basing any subsequent renewable targets on an uncertain number of customers that choose to opt into the program. By making the program voluntary and unstable, it eliminates the clear signal the Ohio legislature established and would destroy the market that it fostered.

The proposal in HB6 to fund some renewable energy projects through a new program instead of the AEPS is also untenable as funding would be uncertain and variable. Again, an uncertain policy regime such as this and the proposed gutting of the AEPS would not support renewable project financing.

We respectfully ask that the committee consider the value of maintaining policy certainty for businesses and amend the bill to keep the AEPS program intact.

Opposition to provisions that set new roadblocks to siting wind energy in Ohio

EDFR is one of the leading developers of wind energy in the United States. Ohio has an excellent wind resource regime, but we do not currently have any wind projects planned in the state. According to the American Wind Energy Association (AWEA), the wind turbine setback rule that went into effect in Ohio in 2014 is “among the most restrictive in the nation” and “has effectively stopped new wind power development.”¹ Ohio has more wind-related manufacturing facilities than any other state in the nation, but due to this setback law, the state is preventing any in-state wind demand-creation for these manufacturers.

A late provision was added to HB6 that allows a township to hold a referendum petition to approve or reject a certificate issued by the Ohio Power Siting Board (OPSB) for a local wind farm. Unlike any other power source, this referendum can invalidate OPSB certification for wind projects.

The OPSB siting process is robust and is open to affected parties, including host townships and counties, local residents and other parties. Interested parties can participate through mandated public meetings, public comment periods, and as a party to the adjudicated proceedings. The process requires the investment of millions of dollars and years of effort on the part developers. Enabling OPSB decisions to be subsequently overturned by a local referendum would create additional regulatory uncertainty and make investment in the state more unlikely.

We oppose these provisions that create a new roadblock to wind energy development in Ohio.

¹ <https://www.awea.org/resources/news/2017/ohio-senate-reforms-onerous-wind-setback-rule>



In closing, we respectfully ask that the committee consider amendments to keep the AEPS in place and to remove further roadblocks to wind energy siting in the Buckeye state.

We greatly appreciate the opportunity to develop renewable energy in Ohio and to do business with Ohio manufacturers. Thank you for your consideration.

Sincerely,

Tom Carlson
Manager, Regulatory & Legislative Affairs
EDF Renewables North America