

Senate Energy and Public Utilities Committee  
Chairman Steve Wilson  
Opponent Testimony on Substitute House Bill 6  
Testimony of David Little  
Head of USA, Innergex Renewables USA

June 19, 2019

Chair Wilson, Vice Chair McColley, Ranking Member Williams, and Members of the Senate Energy and Public Utilities Committee, my name is David Little, Head of USA Development, Innergex Renewables, thank you for the opportunity to speak to you today as an opponent to Substitute House Bill 6.

I appreciate your time and consideration this afternoon, and in capacity of capital investment and energy development, I would be pleased to answer any questions you may during or after my brief testimony.

Innergex is opposed to Substitute HB 6, a measure that repeals Ohio's Renewable Portfolio Standard (RPS). The bill mandates a new customer charge to pay for a "Clean Air Program" to subsidize energy projects inefficiently without cost consideration.

Innergex is the owner of the Hillcrest Solar Project ("Hillcrest", or the "Project"), a 200 MWac solar PV project located in Brown County, Ohio. We have also committed to purchase \$90 Million of capital equipment for the project (panels) from an Ohio based company located in Perrysburg. Further, we have a commitment to use Ohio labor to construct the project, which will account for over 80% of total labor.

Hillcrest is one of the largest solar projects proposed for Ohio and is ready for construction in 2019 in weeks not months. HB-6 places the Project in jeopardy by modifying existing state energy policy upon which our approximately \$250 million investment will rely. Energy project business models are built around predictability, stability, and consistency.

Investments can't be made while their corresponding taxation structures are changing.

Hillcrest will benefit Ohioans. The Project will provide up to 380 well-paying Ohio based construction trade jobs and another 150 plus related local jobs during construction. The Project will also provide an annual guaranteed revenue stream of \$1.8 million for the Western Brown Local School District, Green Township, and Brown County during the expected 35-year operating life. Beyond the benefits to schools and local government, our partner landowners will receive payments of several hundred thousand dollars per year. Brown County and the adjacent counties are regions that welcome this economic revitalization after the recent closure of coal plants.

If Ohio's Clean Air Program were to pass as written it would place this Project, as well as many others in the state of Ohio, at risk. Rather than supporting a policy with such negative financial

impacts on local schools, townships, and counties, maintaining the existing policy that works for all energy projects should be the top priority of this committee. Any perceived failure with the state RPS can be directly correlated by actions of the legislature that eliminated in-state requirements for projects and then placed a two-year freeze on the program. The problem isn't the RPS, it is the stop and go way the policy is implemented and the signal it sends to the market.

Projects that are ready for construction, such as Hillcrest, Ohio has attracted dozens of high-quality developers and investors willing to deploy capital for the development of renewable energy projects in the State. For example, PJM data identifies 9,707 MW of planned solar in the interconnection queue. These projects are distributed among 41 Ohio counties! Similarly, for wind, 3,929MW are currently in the interconnection queue located in nine Ohio counties. Of the solar and wind in the queue, according to a well-regarded energy database, 5,321 MW are in the advanced development phase.

At a time when many states are moving their renewable portfolio standards towards 50%, or even 100%, this measure would have Ohio going in the other direction.

Is this the investment signal and commitment to renewable energy that you wish to send to corporations expanding in Ohio? The elimination of the Alternative Energy Portfolio Standard (AEPS) signals to investors that Ohio is not interested in companies who have sustainability goals, such as technology companies, large data centers and other businesses who are committed purchasers of renewable energy and have sustainable energy goals.

Bloomberg reports 32,000 MW of clean power purchased by corporations since 2008, an amount comparable to the generation capacity of the Netherlands, with 86% of this activity coming since 2015 and more than 40% in 2018 alone.

States that provide clear policy direction and stable policy environments will attract the jobs and investments available from renewable energy projects like our Hillcrest Project. Policy uncertainty, such as rolling back Ohio's 12.5% AEPS to exclude policy considerations for renewable energy, will detract from current and future investment in Ohio.

Both nuclear and renewable energy generation can co-exist in Ohio. You can have zero emission goals and renewable energy incentives working together to make Ohio attractive for future investment.

Innergex opposes Substitute HB 6 in its current form. Prevent passage of this bill, which as written sends negative signals to investors, technology companies and data centers that Ohio is closed for their business.