



**Senate Energy and Public Utilities Committee
David Rinebolt, Executive Director
Ohio Partners for Affordable Energy
Interested Party Testimony
June 19, 2019**

Chair Wilson, Vice Chair McColley, ranking member Williams, and members of the Ohio Senate Energy and Public Utilities Committee, thank you for the opportunity to submit interested party testimony on Substitute House Bill 6 (Sub. HB 6). I am Dave Rinebolt, and I serve as executive director of Ohio Partners for Affordable Energy (OPAE), an organization that advocates for affordable utility rates and provides energy efficiency services and bill payment assistance to the most vulnerable families in Ohio.

While there are many witnesses that will evaluate the overall merits or lack thereof of Sub. HB 6, I want to confine my testimony to its impact on residential customers, particularly low income customers.

The Problem Created by the As-Introduced Version of HB 6

The as-introduced version of the HB 6 eliminated PUCO portfolio-case funding for energy efficiency services to low income residences. This would have had a disastrous impact:

- It would have eliminated statewide programs that previously provided \$15-20 million in weatherization services to decrease energy consumption and expenses of Ohio's most vulnerable families.

- 10,000 fewer homes would have been weatherized annually.
- Up to 500 jobs at agencies and contracting companies that depend on the revenue from these weatherization programs would have been eliminated.

The Version of House Bill 6 Passed by the House is Markedly Better.

Fortunately, the version of HB 6 passed by the House does not eliminate low income energy efficiency programs funded through utility portfolios. Instead, it made the following changes:

1. It provided authorization for utilities to continue energy efficiency programs should they choose to do so (thereby possibly retaining a portion of the original \$15-\$20 million lost.) (Lines 1754-1773.)
2. It mandated that the director of the Development Services Agency apply to the U.S. Department of Health and Human Services to increase to 25 percent, the transfer of federal Low Income Home Energy Assistance funds to be used for weatherization. (Lines 1803-1813). This language was intended to increase funding for low income weatherization by some \$7.2 million. OPAE supports this provision, but notes that there is a need to amend HB 166 to provide the requisite spending authority HB 6 lacks. Otherwise, the Development Services Agency will face a dilemma; it is required to request a transfer of funding but cannot actually spend it.

Low Income Energy Efficiency Programs are Important.

Since 1981, Ohio has assisted families that cannot afford their utility bills with payment assistance, payment plans, and weatherization programs. The General

Assembly has traditionally favored weatherization funding over payment assistance because it is a *permanent* solution to energy affordability. After receiving weatherization services, many households no longer need help to afford their utility bills. If low-income weatherization is eliminated there will be a greater need for bill payment assistance; bad debt and disconnections will increase raising costs for ratepayers; and, families who simply lack the funds to pay their electric bill could be uprooted from their homes, schools and nearby jobs.

Another benefit of weatherization that is now being recognized is the positive effect it has on a family's health, an impact that can be measured. Most of those receiving weatherization services have an elderly or disabled person, or children in the home. These families often lack the resources to maintain their homes. Weatherization identifies gas leaks, unsafe wiring and appliances that are ducting carbon monoxide into the home. This happens more often than you think. We see many homes where families cannot afford to replace a broken furnace and, instead, use electric space heaters or propane burners that are risks for fire and carbon monoxide emissions. After weatherization, utility bills are affordable, people stay warm and can afford pay for the food and medications they need.

A recent national evaluation found that the weatherization services our nonprofits deliver actually reduce medical costs for families by an average of \$14,000 over the life 16-year life of the measures. (http://weatherization.ornl.gov/wp-content/uploads/pdf/WAPRetroEvalFinalReports/ORNL_TM-2014_345.pdf.) Cutting funding for weatherization programs is effectively telling a family they cannot save over

\$800 per year; savings that occurs because family members no longer miss work or school because of illness; fewer prescriptions are needed, and emergency room visits go down. This is particularly the case for people with asthma, COPD, and circulatory problems. Weatherization reduces Medicaid costs.

Requested Changes to House Bill 6

Though the version of HB6 before the committee is better than the as-introduced version, there is always room for improvement. To that end, OPAE respectfully requests that the Committee consider the following changes:

1. Support an Amendment that will enable the DSA to actually appropriate the increased transfer from LIHEAP, as previously mentioned. Because the current version of the bill only addresses DSA's request from the US government to increase the percentage of the LIHEAP transfer, and because there is no corresponding appropriation to increase the percentage, DSA would likely not have the authority to take advantage of the increase. This can be remedied in two ways:
 - Amend HB 6 to provide for this increase, which would be the most straightforward way but risk a line item veto; or
 - To avoid any possibility of a line item veto, amend the biennial budget, HB 166, via amendment number 4987 being offered by Senator Senators Schaffer and Eklund.
2. Preserve the authorization language for EDU EE Portfolios in RC 4928.661, as included in Sub. HB. This method has been working at the

PUCO and provided results for all customers of all classes. Preserving this option for EDUs to request EE funding will allow OPAE to continue providing service to low income Ohioans as approved by the Commission.

3. Finally, if the Senate wants a way to encourage renewable energy development that does not include any sort of charge on customers' bills it should consider virtual net metering. This would enable communities to join together and use their combined load to secure funding to develop renewable resources like community solar. This type of aggregation provides economies of scale for these communities and generates power at less than half the price of single-family rooftop solar. This approach is particularly beneficial for affordable housing.

Conclusion

OPAE believes that reducing carbon emissions is critical to our future, and the bill makes clear that feeling is shared by members of this General Assembly. We also believe it is critical to continue programs that help families in need address emissions. It is a way for the households with elderly, disabled, and children to contribute to solving the crisis.

Weatherization works. It reduces emissions, saves families money, improves people's health, and makes homes more resilient. Efficiency programs save ratepayers money by reducing utility costs. Let us continue the work we are called to do and ensure the continuation of low-income efficiency programs -- a clean air resource.

I thank you for the opportunity to share our thoughts.