

Let me introduce myself. I am James R. Hiendlmayr, Owner & President of Renewable Energy Services of Ohio and this is my wife, Gloria J. Hiendlmayr, Chief Financial Officer of Renewable Energy. We are a family owned and operated business. When extra employees are needed, we contract with our suppliers. I am not an opinion-based witness concerning this Clear Air Program, I am a fact based witness, and owner of a \$5,500,000 renewable energy plant.

I received by Bachelor's and Master's degree while working full time.

My work experience was varied when I was young, but I spent 20 years working for Ohio Caterpillar. My positions were applications engineer, Industrial Engine Sales and Manager of Export Sales.

I consulted to the Rockefeller Foundation and Conservation Law.

I was a Board member of Green Energy Ohio for 10 years. We were instrumental in installing the first commercial grade 3.2MW Wind Turbine in Bowling Green, Ohio

During this time, I became aware of the EPA's program, LMOP, their program to reduce landfill methane gas from the atmosphere. I developed the economic model which was used to determine the economic viability for Landfill Gas to Energy Projects for LMOP. There are 71 landfills in Ohio. There are 20 Landfill Gas to Energy Projects in Ohio with an additional 17 potential landfills for projects. The problem in Ohio is finding a buyer for 24/7-365 days renewable energy. I was told by First Energy that they will never buy renewable energy power.

I was on Governor Taft's Bio-Fuels and Renewable Energy Taskforce.

I have been a member of the Society of Energy Engineers for almost 30 years and have been Certified by the society as a Certified Cogeneration Professional.

At Caterpillar, I worked in 34 countries doing sales, design, supply and the building of much need power systems in remote countries

I became well aware how difficult and how aware you must be to do business in a foreign country.

A friend and I designed and built the 1st Landfill Gas to Energy System in Burlington, Vermont in 1984. The idea was to build a new source of energy. It is the only renewable energy that destroys carbon dioxide.

In 1996, after many years of travel, and the desire to focus on one long term project near home, I saw in Erie County Ohio the need for a Landfill Gas to Energy System. The landfill in Erie County was the single largest polluter in the County. The stink is now gone from the Erie County landfill and the residents are no longer complaining. The landfill is now one of the lowest polluters in the County.

Knowing well the costs of developing a project, (not subsidized) I needed to come up with at least \$450,000 for development costs.

Also, being a member of Green Energy Ohio, I was well aware of the future of the RPS standard. Green Energy's keen interest was that this document was well written for the benefit of all renewables. Unfortunately, a slight error occurred, in that wind and solar were given a larger benefit, than Landfill Gas, which is the only renewable that actually destroys carbon dioxide, wind and solar do not.

I then proceeded with my own funds in developing the Erie County Landfill Gas System. This is an involved process, that was very expensive, but I was able to procure the following:

A Power Purchase Agreement with Amp-Ohio

An Air Quality Permit

A Gas Supply Agreement with Erie County

Ohio Dept. of Development loan approval – 166 loan

With the help of Sherrod Brown, I received an SBA loan in a timely manner.

Local Zoning approval, which included a voter referendum.

Land purchase

Under Amp-Ohio's Power Purchase Agreement, we supply power to the cities of Milan, Oberlin and Painesville.

FERC approved the Landfill Gas to Energy System at Erie County as a grandfathered Qualifying Facility. First Energy denied me interconnection. FERC informed First Energy that I was grandfathered as a Qualifying Facility and that they would be fined until the interconnection was completed. Therefore, it was the 1st interconnection First Energy had supplied in 8 years. First Energy did not embrace renewable energy. Governor Strickland asked me personally “How did you get an interconnection with First Energy?” Decorum prevents me from actually stating my reply.

First Energy’s tried to deter us again with the interconnection price to send our power to Amp-Ohio. It was initially \$450,000 for a small 2.4MW generating facility with \$300,000 up front. This invoice was for 4 poles, and 500 feet of wire and a \$10,000 transfer trip relay. When FERC and the SBA learned of the costs, they requested a detailed cost breakdown from First Energy. The price then dropped to \$135,000, saving us \$315,000. It took 4 months to get the refund from First Energy. Regardless of the RPS Standard, you will not find First Energy purchasing power from Renewables. This leaves a huge area in Ohio void. They only purchase REC’s, paper.

Then, as required by all the financial institutions involved, I had to provide audited statements and \$1.5 million dollars in equity to build the project. Are you requiring audited statements from First Energy before you give them taxpayer’s money?

I now have loans payable (which we have always paid very timely) to the Ohio Department of Development, (a 166 loan), the Toledo Port Authority, the SBA and a small local bank. If this proposal becomes law, I will be unable to repay these loans. Erie County will lose \$150,000 a year and become stinky again.

We sell carbon credits & REC’s forward for 3 years at a time. I will have to go to the market and purchase 85,000 Carbon Credits and 17,000 REC’s. We are under binding contracts to supply to the purchaser’s so many Carbon Credits and REC’s. Under our contracts, Amp-Ohio receives half of our REC’s and Erie County receives half of our Carbon Credits. REC’s and carbon credits for

these entities that will be wiped out by this Clean Air Program. This legislation would put us in breach of those contracts, which are firm supply in nature. The REC and Carbon Credit programs are national. Ohio will have a huge effect on the program and all of the other nearby states. You must think of the impact your proposed program.

During 8 years of operation, the County has earned over \$1,000,000 for nasty gas and carbon credits. The County could have earned more, but one Commissioner wouldn't accept our signed contract and didn't understand that the more gas you sell, the more money you earn. He has since learned.

Thanks to the RPS Standard, it was passed with no advertising, no lobbyists, no political donations and only one dissenting vote. Ohio was ahead of the curve. Now, this State is in last place.

Our 2.4 Mw landfill gas system, operates 24/7 and has 94% availability. We are not like solar and wind. The methane gas from the landfill runs continually. We do have to shut-down occasionally for needed maintenance and overhauls of engines. We destroy 84,000 tons of carbon dioxide annually and this is 3rd party verified. Because of our destruction of emissions, we are a net negative emitter. The only facility in Ohio so certified.

We are a firm or consistent supplier to PJM and a designated resource. We are not as wind and solar, a unit contingent resource. Renewable Energy Services of Ohio received from the Ohio Environmental Council the award for project of the year.

The first flaw with the Clean Air Program is that it strands over \$120 million dollars invested in Ohio in renewables. The RPS Standard has done what the original legislation intended. It brought economic development to Ohio. Now the State of Ohio is contemplating cutting off this business development. People, investors, bankers, the SBA and the Ohio Dept. of Development counted on Ohio's word. There are over 9,000 registered renewables in the State of Ohio and the State is considering making \$120 million dollars of investment, worthless. What do you think that will do to the economy of Ohio, and those invested will be writing down huge losses in their taxes? I heard that the problem is from money coming

from out of the State. What is wrong with that? We have done well with out of State investment regarding new jobs and new taxes. FE's rates have wiped out Northern Ohio. But FE has no problem accepting a loan from the Country of Singapore. Not another state, another country.

In doing my research, I found many numbers regarding the lay-offs that would occur for First Energy. One number is 2,300 direct and indirect workers. The NRC states that there are 1,800 nuclear workers in the U.S. Thanks to Ohio's RPS Standard, Renewable Energy and Energy Efficiency employs 10,000 workers in Ohio. The RPS Standard was passed with only one dissenting vote. These legislators were forwarding thinking. Regarding our young college students and those people under 50, all sorts of clean renewable energy is important. The State of Ohio teaches many students and they take courses or receive degrees in Renewable Energy. Many of these courses are in State supported schools. Now, you tell them all, their efforts are worthless and they must move out of the State of Ohio to use their degrees. Check with the Univ. of Dayton, Ohio State, Univ. of Cincinnati, Kent State. These students could provide you with a deep depth of knowledge regarding the importance of renewables and many different sources of clean energy. Environmental clean-up is important to our young adults. Given all the potential hazards with nuclear energy, I don't think it will take them long, (3 to 5 years), to become very vocal regarding nuclear energy and its waste. At least 15 years ago, Kent State with their knowledge of energy, became disturbed with First Energy's rates. They put in their own power system and have saved the University millions. First Energy gave them nothing but grief, but Kent State has never regretted their decision. The University of Cincinnati is registered for 49 MW's of renewables.

Competition is the engine that drives our economy. Demand for and supply of energy are best determined through fair and competitive markets. Competition provides, more efficiency, greater innovation, improved customer service, improved climate for investment in renewable energy. Competitive energy is the best way to keep prices as low as possible and create a climate that

encourages economic growth, job creation and innovation. Competitive markets for electricity began under the Energy Policy Act of 1992. In competitive markets, regulated utilities continue to manage power transmission and distribution. In States without retail competition, government regulators set electricity prices. Consumers and businesses often have less access to green energy options and new and innovative products and services. It appears, Ohio may be heading down this old road.

Wind and Solar generation have nearly doubled in the U.S. over the last decade. Renewable energy now provides 17.6 percent of our nation's electric power. Collectively, wind and solar in Illinois, Michigan, Wisconsin, Minnesota, Indiana, Missouri, Iowa and Ohio have grown over the last decade to generate nearly 86 GWh. Similarly, there is a growing recognition that addressing climate is an opportunity – rather than an impediment – that promises to revitalize sluggish economic prospects in many states and put more people to work. Renewable Energy in states that are taking definitive action ensure that wind and solar are available to fill the gap left behind from the waning era of coal-intensive power generation. Unfortunately, Ohio is not one of those states. The growing focus on renewable energy has been a boon to the Midwest economy, with nearly 715,000 Midwesterners employed in renewable energy and energy efficiency jobs. Ohio's General Assembly has attempted to repeal the state's wildly successful and cost-effective renewable energy and energy efficiency standard five times over so many years. Not only has Ohio suffered from a lack of progress on its renewable energy policies, lawmakers have taken deliberate action to halt wind and solar at every turn. This has sent a clear message to the renewable energy community – Ohio is simply not open for business.

I understand that First Energy has imposed a deadline of June 30th on Ohio's legislators, because they need to refuel. First Energy has been off-line, and not producing, many times, and for long periods of time due to their own ineptness. Who are they to impose a deadline on the State of Ohio? The RPS Standard is supposed to be eliminated by Jan. 1. Why? The RPS Standard has proved to be fruitful to the State of Ohio. It is not necessary to support First

Energy's nuclear energy and to delete the RPS Standard in the same bill. To eliminate it and institute a huge REC program, requires more thought than 6 months. The OAQDA has to create another bureaucracy to handle the Clean Air Program and it may or may not be equipped to handle it. What is the verification process? Who does it? How is it verified? What penalties are there for failure to follow the rules? Who and how is the process audited?

First Energy has incurred fines from the EPA in the amount of \$1,143,005,274 for 25 violations. Fines from the NRC in the amount of \$33,560,000 for 3 violations which were egregious. Fines from the U.S. Dept. of Labor in the amount of \$27,969,760 for 5 violations. Fines from the Benefit Plan Administrator of \$4,000,000 for 1 violation. Fines from the Dept. of Labor of \$4,000,000 for 1 violation. Fines from the Wage and Hour Dept. of \$908,545 for 4 violations. Fines from Workplace Safety and Health violations of \$237,554 for 12 violations. Total violation fines imposed since 2001 - \$1,266,128,594.

To my knowledge First Energy has never entered into a Power Purchase Agreement with another entity to purchase renewables. They have never supported renewables other than purchasing REC's. Also, the PUCO fined First Energy \$10,000,000 for inter-corporation circular transactions, which inflated the purchase price of REC's.

First Energy Solutions, Ohio Edison and Toledo Edison's billing are fallacies full of euphemisms. (Read electric billings)

No one is interested in purchasing First Energy's decaying, deteriorating nuclear plants. Yet, the PUCO chairman states "transferring the plants to another owner is still viable". The U.S. Dept. of Energy turned them down for a bailout. U.S. Secretary of Energy, Rick Perry stated "The potential for First Energy retirements has been discussed for some time. In anticipation, PJM found that the PJM system would remain reliable. We have adequate amount of generation available. Reports state that solar and wind costs have dropped an extraordinary 88% and 69% since 2009, respectively. While nuclear costs have increased by 23%. Trump turned down bailout for certain coal and nuclear plants. They represent a backward-looking approach to keep dirty and expensive energy

sources instead of embracing clean and cheap energy source. According to Forbes, instead of propping up uneconomic nuclear plants to merely delay their inevitable closures, regulators can encourage smart early retirement policies, First Energy can use low-cost capital, that is available now, to pay off stranded assets, reinvest utility capital into clean energy sources, save customers money, and create a just and equitable transition for displaced workers.

Davis-Besse came on line 7-31-78. In 1978 cell phones were not yet developed. Touch tone phones finally took over rotary phones in 1980's. Deregulation of AT&T occurred in 1984. Computers were just introduced. Do you want a Motorola tube type cell phone or an I-phone?

Opposition to nuclear power occurred in the 70's. They were concerned with nuclear accidents, nuclear proliferation, high costs of nuclear power plants, nuclear terrorism, and radioactive waste disposal. Those concerns are still valid today and we can add another new concern, the high cost of maintenance and operation on a facility that is degrading. This is not an efficient use of money but rather a wasteful use of funds.

As you can see and understand I am opposed to the Clean Air Program. I made a considerable investment of \$5,500,000 in the RPS Standard legislated by the State of Ohio. U.S. AID and the Ex-Im Bank provides insurance to investors in another country, in case the country negates your investment. Who do I see to get my \$5,500,000 back because Ohio changed it's mind?

