

HARDI

HEATING AIR-CONDITIONING REFRIGERATION DISTRIBUTORS INTERNATIONAL

June 18, 2019

Senator Steve Wilson
Senate Building
1 Capitol Square
1st Floor
Columbus, OH 43215

CC: Members of the Energy and Public Utilities Committee

RE: H.B. 6, "The Clean Air Program Fund"

Dear Chairman Wilson,

Heating, Air-conditioning, & Refrigeration Distributors International (HARDI) is opposed to the repeal of Ohio's energy efficiency requirements included in H.B. 6. This section would negatively impact Ohio's economy and set back the work utilities have accomplished in implementing energy efficiency programs.

HARDI is comprised of approximately 1,000 member companies, nearly 500 of which are U.S.-based wholesale distribution companies. 57 member companies have operations in Ohio servicing approximately 400,000 households. More than 80 percent of HARDI's distributor members are classified as small businesses that collectively employ over 40,000 U.S. workers, representing more than \$35 billion in annual sales and an estimated 85 percent of the U.S. wholesale distribution market of HVACR products.

In 2008 the state legislature successfully pass legislation requiring Ohio utilities to implement energy efficiency programs to reduce energy usage and demand. The Ohio energy efficiency programs provide incentives to consumers to purchase more efficient HVAC equipment. These consumer incentives increase demand for energy efficient HVAC products while offsetting the increased cost compared to lower efficiency equipment. As a result, consumers receive the benefit of lower utility bills and increase comfort, additionally, the HVAC community benefits through selling higher quality products. Contractors are able to use these incentives as a sales tool for customers to upgrade to more efficient replacement products. This increase in energy efficiency reduces peak demand for Ohio utilities, if no energy efficiency programs are implemented to replace the current program the cost savings for utilities will be lost.

By eliminating the 2008 energy efficiency mandate on utilities and abolishing the mechanism that pays for Ohio's energy efficiency programs, H.B. 6 is putting at risk the immense benefits of

these programs. Since Ohio established energy savings goals a decade ago, the Midwest Energy Efficiency Alliance has found that the state's program has saved enough electricity to power every home in Ohio for over 10 months, saving Ohio customers \$5.1 billion in energy bill savings. Additionally, Ohio utilities have stated to the Public Utilities Commission of Ohio that the state's energy efficiency standards and programs have saved customers twice what they cost. These economic benefits are a result of the state's energy efficiency programs over the past ten years and are critical to the citizens of Ohio. Passing H.B. 6 would put these benefits at risk and could cost Ohio taxpayers more in the long term.

HARDI encourages the committee to remove the repeal of Ohio's energy efficiency programs. HARDI and others strongly support energy efficiency and believe the voluntary programs created by H.B. 6 will not provided the same benefits as the current program. Thank you for your consideration of this important matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alex Ayers", with a long horizontal flourish extending to the right.

Alex Ayers
Director of Government Affairs
HARDI