



**Ohio Senate Energy and Public Utilities Committee
Opponent Testimony Senate Substitute House Bill 6
Neil Waggoner - Sierra Club**

Chairman Wilson, Ranking Member Williams, and members of the Senate Energy and Public Utilities Committee. My name is Neil Waggoner and I am the Ohio Campaign Representative for the Sierra Club's Beyond Coal Campaign. Thank you for the opportunity to provide opposition testimony on House Bill 6.

To begin, Sierra Club has welcomed the opportunity for a full discussion on Ohio's current energy portfolio and the necessity of cutting carbon pollution. As we will continue to note, carbon pollution is the main contributor to climate disruption, making extreme weather worse--including more severe floods, widespread wildfires and record drought. It is also linked to life-threatening air pollution--such as the smog that can trigger asthma attacks. In 2017, Ohio was one of the nation's top ten largest contributors to carbon pollution, so this discussion is incredibly important.¹

We are concerned, however, that the myriad of changes to House Bill 6 introduced Wednesday afternoon do not represent major improvements to HB 6, and haste to move the bill will not allow a full and proper vetting of those changes. We are also disappointed and concerned the end result of the current version of HB 6 will not deliver on the original stated intent of the bill --lowering carbon emissions-- and we will actually see carbon emissions increase.

Outlined here are some of our initial responses to the new changes to HB 6.

1. We maintain our opposition to forcing customers to pay more each month to bail out uneconomic generation. We are pleased to see changes that require an auditing process of FirstEnergy's plants but believe a full, open, and independent accounting of the finances of the plants must be done now before one penny is handed over to FirstEnergy.

¹ [US EPA 2017 Greenhouse Gas Emissions from Point Sources.](#)

2. Removing blanket legislative approval of the OVEC bailout is a good first step but the bill should go further. Economic analysis of the OVEC plants show the plants will continue to lose money² while at the same time, the three Ohio utilities with approved bailouts have taken no meaningful steps to divest themselves from OVEC, despite PUCO orders to do so.³ Meanwhile, First Energy is seeking through bankruptcy to exit the OVEC contract, which could increase the costs for other Ohio utility customers who are stuck with these bailouts. The Committee would best serve the people of Ohio by ending current bailout programs approved by PUCO and prohibiting any future bailouts. In the absence of that, the Committee should rein in these bailouts and require the utilities to actually divest themselves from OVEC. This should be done by at minimum by putting a hard end date on OVEC bailout recovery, and a hard cap on costs so that the utilities will not be able to continue to recover banked costs that are over the monthly cap past a bailout end date.
3. We support maintaining the renewable portfolio standard but believe it should be increased, not cut to 8.5%. Additionally, we have major objections to removing a significant amount of Ohio's load from determining to what the 8.5% applies, and the removal of provisions that guarantee we will maintain the final renewable percentage of load once the program sunsets. As it stands, this bill will reduce Ohio's carbon-free, renewable energy -- not increase it.
4. We have concerns the changes to the efficiency standard will mean leaving a great deal of savings left on the table and Ohio will not reduce energy waste to our maximum potential. Maintaining a 22.2% reduction is a good first step but removing incentives and programs that are delivering an even greater reduction is not the right direction. Again, like the RPS, we should be increasing our ambition, not lowering it.

To conclude, Sierra Club still believes there is an opportunity in front of the legislature. Ohio has not had a comprehensive, consistent energy policy for years and the engagement of so many parties on HB 6 shows there is real interest in developing something meaningful. The development of that sort of policy, however, takes time and consensus building. There seems to be a real desire for the latter but the unsubstantiated claims and frantic deadlines made by FirstEnergy have allowed very little of the former.

To conclude, we appreciate the work the Committee has put into HB 6 to date, however, at this time, Sierra Club and our membership remains opposed to the bill. Instead of rushing to pass HB 6, we encourage the Committee to take more time to fully vet the most recent changes to HB 6 and work to further improve the bill. As we have stated before, we encourage you to pursue a true comprehensive energy agenda with a focus on how to increase investment in energy efficiency, expand clean energy development, lower carbon emissions, and to also

² [Direct Testimony of Jeremy Fisher on Behalf of Sierra Club, PUCO Docket 17-032-EL-AIR, filed June 25, 2018 \("Fisher Testimony"\)](#)

³ [PUCO case 16-0395-el-ss0, Annual Report on OVEC electronically filed by Mr. Jeffrey S Sharkey on behalf of The Dayton Power and Light Company.](#)

support communities and workers disproportionately impacted by the transition away from, and retirement of, dirty energy generation and outdated fuels.

I am happy to answer any questions or provide followup information as would be helpful to the committee.