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**SENATE ENERGY AND PUBLIC UTILITIES COMMITTEE**

**OPPONENT TESTIMONY ON SUBSTITUTE HOUSE BILL 6**

**JUNE 27, 2019**

Chair Wilson, Vice Chair McColley, Ranking Member Williams, and Members of the Senate Energy and Public Utilities Committee, my name is Robert Kelter, and I am a Senior Attorney at the Environmental Law and Policy Center (ELPC). Thank you for the opportunity to speak to you today as an opponent to Substitute House Bill 6. ELPC is a Midwest environmental advocacy organization that has participated in developing energy efficiency and renewable resource policies, as well as the cases before state commissions to implement those policies, in Ohio, Michigan, Iowa, Wisconsin, Minnesota and Illinois. We focus on protecting the environment, but also emphasize protecting consumer interests in the process.

 ELPC appreciates the attempt by the Committee to find the right place for energy efficiency. However, we think further amendments are needed to meet that goal. Foremost to ELPC, we find the language that sets the new targets at p. 55, line 1608 very confusing. We believe that a straightforward annual target of 1% while limiting inclusion of measures that do not produce real customer benefits solves this problem.

Legislators have expressed concerns regarding utilities relying on low hanging fruit and administrative costs being too high, and we believe there are simpler more straight forward ways to solve those problems:

* Prohibit the counting of savings from products subject to federal appliance standards, which would include standard residential lighting;
* Require programs to average a ten year savings life;
* Prohibit counting of savings from customer action unrelated to the utility programs, codes and standards, and counting of savings from the transmission and distribution system other than voltage optimization;
* Limit counting of savings from residential behavioral programs to 10% of the total target;
* Order the Commission to review administrative costs separately from program costs and ask the Commission to conduct a review of administrative of administrative costs and report back to the legislature.

While the bill attempts to address some of these problems it does not do so in a straightforward way that ensures the outcome we all seek; better programs and better value for customers. Even with all of the legitimate problems raised, these programs still provide cheaper energy than generation. AEP estimates that cost to savings ratio at 4 to 1. Setting the standard at 1% will reduce spending by 2-3 times what customers would have paid to meet the 2% target that current law now requires in 2020, and with the reforms suggested can increase the real benefits.

Finally, I want to say something about jobs. There has been no analysis of how this bill will affect energy efficiency jobs or renewable energy jobs. Most efficiency jobs don’t pay the $80,000 to $100,000 per year that the nuclear plant jobs pay. However, if you’re making $30,000 or $40,000 or $50,000 per year in a refrigerator recycling factory, or insulating homes, that job is just important to that family as the $100,000 job is to the worker at the nuclear plant. All of the studies show that energy efficiency and renewable energy creates thousands more jobs than the power plant jobs we are savings. We should have some reasonable analysis of how this legislation will effect clean energy jobs before we move forward.

Thank you for the opportunity to testify today. I would be happy to answer any questions.