



December 6, 2022

Ohio House of Representatives
% Energy and Natural Resources Committee
77 S High Street
Columbus, OH 43215

RE: Proponent Testimony on the EnergizeOhio Bill (HB 685)

Honorable Committee Members:

The Southeastern Ohio Port Authority (SeOPA) serves as the lead economic development agency for Washington County. SeOPA supports development in myriad ways; however, our focus is primarily on site and infrastructure development. As the owners of the Muskingum River Industrial Park (MRIP) - formerly the AEP Ohio Muskingum River generation facility - which sits less than a mile from three large interstate natural gas pipelines, we emphatically support the EnergizeOhio Bill.

Shortly after acquiring the MRIP early last year, we entered into conversations with a developer that was proposing a \$100MM methanol production facility. The 10-month development process ended with the project being located in Texas as opposed to SE Ohio. A primary factor in this decision: The cost of extending the gas line 5,000 feet to our site. The quoted transportation rates from the companies that reviewed the project, increased the cost of gas beyond the breakeven mark for the company. Had the gas companies had access to special financing, tax abatements, accelerated depreciation, and/or an enhanced rate of return, I am confident we could have secured the project.

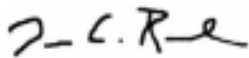
As a result of that near miss, SeOPA began negotiating an easement with the adjacent landowner in an effort to enhance our preparedness for the next project requiring feedstock quantities of natural gas. Like most public agencies, we operate on an extremely tight budget. The opportunity to leverage state funding on the acquisition of the easement, strengthens our ability to successfully develop our site by preserving SeOPA's precious cash reserves.

Recently, our site was assessed by an engineering firm to determine its suitability for a proposed blue fuels project. The result of that in-depth assessment confirms the project will fit on our site, so we intend to move forward with the next steps in the development process. An obvious obstacle to landing that project? Getting the gas line extended to the site. Once again, this is where the passage of HB 685 not only enhances the marketability of our site, it could help SeOPA (and Ohio) secure this investment. As proposed, this project will create more than 100 high-wage jobs in a community that is still recovering from the loss of hundreds of jobs following the decommissioning of the facility in 2015.

These examples from the MRIP illustrate the challenges our community has faced when it comes to accessing natural gas for transformational projects. Throughout our county, there are examples where accessing one of this region's most abundant natural resources has proven nearly impossible. Gas companies typically refuse to lay pipelines to "nowhere"; which means to solicit their investment, there needs to be a sufficient offtake agreement to justify the expense. Conversely, developers looking to locate projects that require large volumes of natural gas, are selecting sites where the gas is already available. This becomes the proverbial "chicken or the egg" paradox and we are ill-equipped at the local level to influence this scenario.

As you know, economic development is inherently challenging; a statement that rings incredibly true in rural communities. Access to natural gas has long been one of our greatest challenges and until the introduction of HB 685, those of us tasked with growing the economy have not been equipped with tools designed to mitigate the obstacles we have faced. The EnergizeOhio Bill can be a difference-maker for communities throughout Ohio and I believe Washington County is positioned to be among the first to deliver a successful case study for the program. Accordingly, and humbly, I encourage the members of the Energy and Natural Resources Committee to do their part to convert the EnergizeOhio Bill into law.

Respectfully,

A handwritten signature in black ink, appearing to read "J.C. Roush".

Jesse C. Roush - Executive Director