



CITIZENS UTILITY BOARD OF OHIO

Opponent Testimony of Tom Bullock on Substitute Senate Bill 52 Executive Director, Citizens Utility Board of Ohio House Public Utilities Committee June 23, 2021

Chair Hoops, Vice-Chair Ray, Ranking Member Smith, and members of the House Public Utilities Committee, thank you for the opportunity to submit testimony on Substitute Senate Bill 52 (Sub SB 52). My name is Tom Bullock, and I am executive director of the Citizens Utility Board of Ohio (CUB Ohio).

CUB Ohio is a consumer organization working on behalf of residential and small business utility customers. We are a nonpartisan nonprofit with membership across the state, and we work for cheaper bills, reliable service, transparency, consumer rights, and clean, healthy energy. CUB Ohio's perspective on energy sources is that we do not rule any fuel source out or in. We are for the consumer, and we analyze for affordability, reliability, and cleanliness.

Our comments today are spoken from that perspective: what impact proposed Sub SB 52 will have on consumers and whether it harms or helps their interests.

To provide context on how consumers fare in Ohio, I'd like to share the findings of our first-of-its-kind Fall 2020 report, "[Electric Utility Performance: Ranking Ohio Among the States](#)", which shows utilities have work to do to improve on the costs they charge consumers. CUB Ohio assessed performance of Ohio's electric utilities, finding they rank among the bottom five in the nation in three areas of importance to electricity customers: affordability, reliability and environmental impact. The report, which can be found at CUBOH.org, catalogued the performance of utilities in all 50 states plus the District of Columbia; Ohio's electric utilities scored a cumulative rating of 47th out of 51.

Turning to the legislation under consideration today, we support consumer access to clean energy that is *affordable* so that, as state government works to improve air quality and reduce the climate impacts of energy generation, it does so in a manner that is within the means of Ohio families and small businesses.

Fast-dropping wind and solar prices, now ranking nationally among the lowest for any energy source, have helped greatly in this regard. This has prompted [more than 150 companies across sectors to increasingly choose fixed-cost renewables, contracting 35 GW of wind and solar to power their businesses](#). A sampling of better-known companies include:

- Ohio companies such as Eaton Corporation, Cargill, General Motors, Procter & Gamble, FirstSolar, Budweiser/Anheuser-Busch, Dannon, Campbell's Soup, and Nestle;
- [national companies and iconic products](#) such as Lego, Mars/M&Ms, Walmart, Target, Disney, McDonald's, Johnson & Johnson, and Clorox.

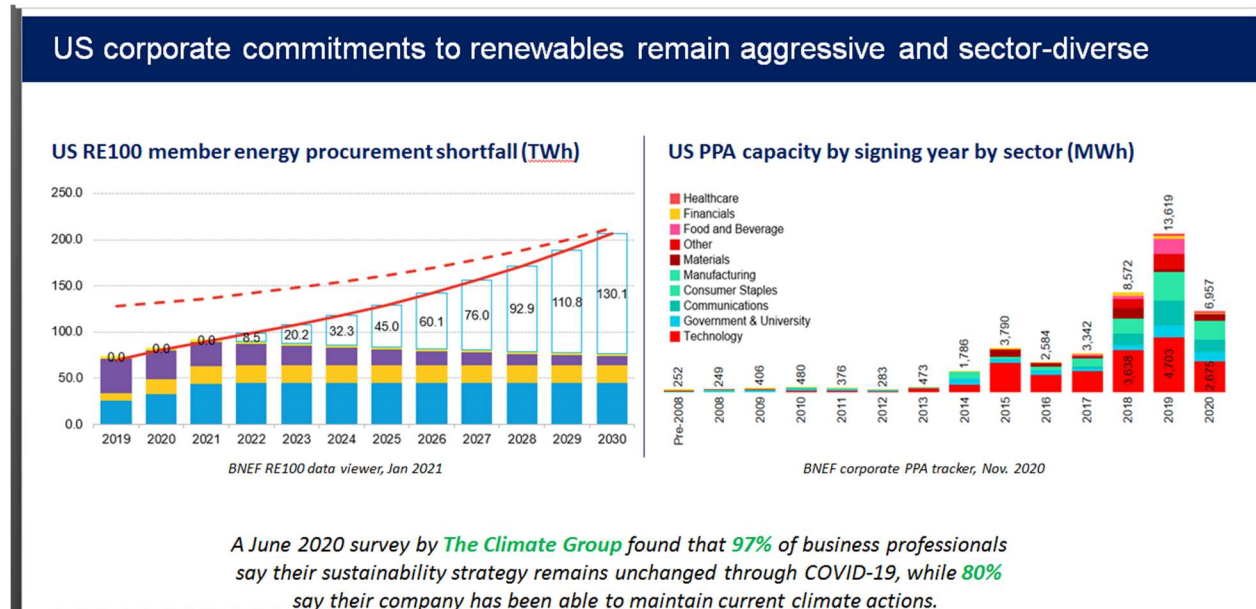
A major concern with Sub SB 52 is its impact on affordability and the harm it will do to consumer prices: by erecting barriers to and injecting uncertainty in solar and wind development, it will significantly curtail supply of the most affordably priced renewable power and therefore drive up

costs. Solar pricing, for example, is like most commodities and development projects—as they achieve scale, they become more cost-effective:

- a solar project on your home or small business that is 6- to 50-KW in size could cost \$2.00 to \$2.50/watt to install;
- a large utility scale project of 100MW to 200MW might cost \$1.00/watt to install; and
- an even larger utility project of several hundred megawatts could cost as low as \$0.70/watt.

Size is a key factor in the cost of solar power. To the extent that the State of Ohio puts hurdles in front of larger projects, it will be removing affordable supply and limiting consumer access to less expensive solar energy. This means **the project siting changes you are considering through a local lens have at the same time an energy price inflation impact on consumers statewide.**

To compound potential supply restrictions, energy brokers in Ohio see increasing demand for clean power. The following slide shows demand is forecasted to grow and outstrip current supply even without new, severe restrictions proposed in Sub SB 52. The slide provides a snapshot of U.S. corporate renewable commitments, with the left-half showing the shortfall between supply available now and new development needed to meet renewable energy demand. This shows the need for more supply in Ohio (and everywhere) to continue adding to the renewable energy mix and keep prices affordable.



PJM’s analysis reaches the same conclusion: a 2013 report commissioned by them found that adding up to 30 percent of renewables to the PJM mix would lower costs for fuel, operations, and maintenance, resulting in lower prices across the board. The study shows renewable energy additions do not just lower prices for solar and wind, but also prices for energy across all sources. And [new data from Xcel Energy shows that all-energy source competitive solicitation secured even lower costs than anticipated.](#)

As you can see, Sub SB 52 is not “just” a local control bill proposal relevant to certain counties and townships but will have a significant, far-reaching ripple effect on energy prices paid by all consumers throughout Ohio. Whether intended or not, Sub SB 52 is a consumer energy price inflationary bill. Ohio legislators not only have the ability choose a less harmful and costly approach to consumer prices, but, we argue, a responsibility to do so.

In sharp contrast, the General Assembly has previously taken a statewide view on energy siting: in 2004, Sub HB 278 preempted all local authorities regarding oil and gas development. The Ohio Department of Natural Resources became the sole source of regulation. Sub SB 52 proposes to take a 180 degree turn and allow a local township or county to trump private property owners and statewide energy markets for solar and wind. Does the General Assembly now intend to revisit oil and gas development policy in Sub HB 278 and reverse course after more than sixteen years? If you do not, but instead regulate some energy sources from a statewide supply perspective and others from a local control perspective, this double standard will distort the market by imposing a noneconomic barrier to entry for innovative new sources while benefiting existing, incumbent generators by protecting them from price competition. That barrier will have unfortunate side effects: hurting construction employment and raising prices due to suppressed competition. Sub SB 52 leaves these problems unaddressed and exposes Ohio consumers to upward pressure on energy prices. If you decide to revise state and local control of energy development, any change made should be consistent across all energy sources and, indeed, across all projects under the Ohio Power Siting Board’s jurisdiction, which also includes electric generation plants, electric transmission lines, and gas pipelines.

Thank you for the opportunity to testify. I am happy to answer questions.