

Chairman Stein, Vice Chair Blasdel, Ranking Member Weinstein, members of the House Public Utilities Committee:

Thank you for the opportunity to testify today.

My name is Matt Hargarten and I am a Vice President for the Coalition for Community Solar Access. We represent more than 120 businesses who have deployed over \$10BN in private capital to upgrade the electric grid and build community solar projects around the country.

I am here to voice our industry's support for House Bill 197. This pro-business bill will help lower long-term costs for all ratepayers, make Ohio energy independent, and stimulate over 5 billion dollars in economic development.

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There are three forms of solar, all of which play an important role in an "all of the above" approach to energy. On one end there's utility scale solar - large bulk power systems that take advantage of economies of scale and are located on hundreds of acres of land. On the other end is rooftop solar - small arrays located on your roof.

Today, over 50% of Ohioans aren't eligible for rooftop solar because they rent their home, don't financially qualify, or have other barriers.

In the middle is community solar providing every household and business access to solar energy without needing to install a system on site. Each array has multiple subscribers who buy the energy and receive a credit on their electricity bill for their portion of power produced. Subscription sizes vary based on how much the customer wants and projects have a mix of subscribers including renters, small businesses, churches, hospitals, and schools.

Facilities require 5-30 acres and are often co-located on underutilized or underperforming farmland, helping farmers diversify revenues and hedge against commodity prices. Facilities are also built on commercial rooftops or brownfield sites, providing value for land that otherwise has none.

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The benefits of this type of energy are many.

It improves electric reliability by distributing generation so the grid is more resilient to weather, cyber-attacks, or other large-scale disruptions. It also spurs private investments to improve distribution infrastructure – often to the tune of hundreds of thousands of dollars per project. And because facilities must be built in the utility service territory where the customer resides, it creates homegrown energy, reducing the state's dependence on imported energy from Indiana and Pennsylvania. When commodity prices spike like they did last winter, ratepayers won't have to bear the brunt.

Community solar saves customers money. Customers can still choose their electricity supplier or receive utility default service but subscribing to a community solar facility guarantees savings of 10-20% on their monthly bill.

Community solar is a major economic driver and would attract new businesses. A recent study from Ohio University found that HB 197 will create more than 27,000 jobs and generate \$5.6 billion in economic impact and as much as \$410 million in local taxes over the life of the projects. We expect over 50 counties across the state will see development should this bill pass.

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Lastly, I'd like to proactively address what's being said about the program's cost.

Research and numerous cost-benefit analyses from around the country show the so-called "cost shift" narrative is false and that the benefits smaller projects bring to the entire electric grid categorically reduce long-term costs for all ratepayers. That's because small projects placed on the distribution system closer to customers make more efficient use of existing infrastructure and allow utilities to avoid certain costs that ratepayers would otherwise incur.

Utilities don't have a financial interest in recognizing the long-term benefits of a program like this because it could reduce the guaranteed rate of return they produce for their investors.

The reality is that nearly all subscribers to a community solar project will continue to pay their local utility for fixed charges including distribution fees to support the system's poles and wires. That's why the Ohio Manufacturers' Association in a memo stated that the primary credit rate in HB 197 (quote) "appropriately values avoided generation and transmission costs and does not shift costs to other ratepayers." (end quote).

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This bill is the product of negotiations by many stakeholders over the past two years. Based on numerous IP meetings, we have lowered the program size, put caps on project sizes, included more protections to preserve and protect farmland, and sharpened the language around the credit rate. We remain committed to taking additional feedback to make this a better bill, but there is a very large, diverse coalition of stakeholders you will hear from today, and via letters of support, who want this bill passed.

We respectfully ask you to seize this moment and pass HB 197. Thank you, and I am happy to answer any questions.