



Ed Spiker
Senate Bill 2 Interested Party Testimony
Senate Energy Committee
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Chairman Chavez, Vice Chair Landis, Ranking Member Smith, and members of the Senate Energy Committee, my name is Ed Spiker and I am the Chairman of the Ohio Coal Association (OCA). Thank you for the opportunity to provide the Ohio coal industry's perspective on SB 2.

The OCA is a trade association consisting of members that collectively represent every aspect of the coal industry in Ohio, which directly employs nearly 3,000 individuals and indirectly supports upwards of 33,000 jobs. And as discussed below, coal is a key component in providing Ohio with low-cost, reliable electricity. OCA and our members are committed to advancing the development and utilization of Ohio coal as an abundant, affordable, and environmentally sound energy source.

OCA appreciates that the Ohio General Assembly has recognized the need to address the looming energy crisis in Ohio and the region, and we applaud efforts to increase the availability of baseload generation. Coal based electricity generation is low cost, resilient, and the coal can be mined right here in Ohio. There is no shortage of coal in our state; it is an abundant resource in Ohio that can and should be tapped into, which will not only increase reliability in the energy grid but will also create jobs all over the state from the mines to the ancillary jobs our industry supports (not to mention being the bedrock energy resource for advanced manufacturing and production facilities that are coming to Ohio). It is imperative that coal be a key part of any path forward to establish a long-term, sustainable, reliable, and low-cost energy future in the state.

To that end, it is first necessary to ensure that the state protect the coal based generation that exists today. Since the mid-2000s Ohio has seen a drastic decline in coal power plants, with coal dropping from 68% of electric generation in 2014 to 25% in 2023. This has decreased Ohio's electric reliability, making the state more reliant on weather-dependent renewables and 'just in time' pipeline-dependent natural gas. This abrupt transition to an over-reliance on natural gas and renewables at the expense of coal creates a weakness in Ohio's energy infrastructure that should not be overlooked.

To slow this trend and promote reliability, the state should enact certain guardrails to ensure current coal power plants are not forced to close. As the Energy Policy Network recommends, the state should adopt policies to do the following:

- 1) Prohibit the closing of a dispatchable power plants until the new electric generation is entirely constructed and tied into the Ohio electric transmission grid.

- 2) Require the new electric generation to be equal to or greater than the full nameplate capacity of the power plant where the utility is closing.
- 3) Any new renewable generation must be backed up with at least 50 percent dispatchable power generation.

In addition, OCA urges the Committee to consider the importance of providing cost recovery mechanisms for all parties affiliated with the Ohio Valley Electric Cooperative (OVEC), to ensure ongoing support of the plants. While the Ohio Legacy Generation Rider does not directly benefit OVEC, it does provide financial stability by giving additional certainty that the utilities can meet their contractual obligations. Removing this indirect benefit is a step backwards from protecting the baseload generation Ohio and the region relies upon.

OCA also encourages the Committee to consider ways in which the state can reduce the tax and regulatory burden on Ohio coal producers. Even a modest two cent reduction in the state base severance tax rate on coal would go a long way to promoting competition in the market and right sizing the tax structure on coal production. Reducing costs on the production side of the energy market helps keep costs low for consumers, which in turn promotes economic development. Growing energy demand will only continue to exacerbate rising prices and the state will benefit from reducing costs at every step along the energy process, from production through to distribution.

Especially in this tough era of inflation, Ohioans depend on the reliable and low-cost electricity our member companies provide. With the coming energy crisis, Ohio must ensure that coal continues to be a foundation for baseload generation in the state. Coal is a reliable and resilient fuel that can bring energy costs down and continue to bring prosperity to Ohioans, just like our industry has proudly done for over a century.

Thank you again for the opportunity to present testimony, we appreciate your attention to our concerns. We look forward to working with the Committee and the General Assembly to address the energy needs of the state, now and in the future, to ensure Ohioans continue to have access to affordable and reliable energy.