



Testimony of JOHN P. COLM

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Opposition Testimony for Ohio Senate Bill 320

November 29, 2016

Chairman Balderson, Vice Chairwoman Jones, Ranking Member Gentile, and Members of the Ohio Senate Energy and Natural Resources Committee, thank you for the opportunity to testify today. I am here to testify in opposition to Senate Bill 320.

I am John Colm, President and Executive Director of WIRE-Net, a non-profit, manufacturing focused economic development organization with offices in Cleveland, Ohio. A team of 19 professional staff at WIRE-Net works every day to strengthen manufacturing in northeast Ohio because of the jobs, investment and production the sector brings to our region, state and nation. WIRE-Net represents over 350-member manufacturing and related member companies that employ 20,000 people across northern Ohio.

WIRE-Net has worked in the clean energy space since 2007, when we began the Great Lakes Wind Network (GLWN) and also began helping our members and other companies make business-to-business connections with several advanced energy industries (solar, fuel cell, shale gas and wind). We worked closely with the State of Ohio Department of Development (now Development Services Agency) to identify and assist Ohio companies to learn about and sell into the US wind industry and helped push Ohio to the top tier of states with manufacturers supplying the wind industry. We are working today with the Lake Erie Energy Corporation to identify regional suppliers that can competitively supply LEEDCo and its partners with the goods and services needed to construct the 6-turbine Lake Erie wind farm now under development. WIRE-Net's GLWN is a recognized expert in clean energy manufacturing, preparing a ground-breaking study of the competitiveness of the US wind industry compared to European and Asian firms. We are now concluding a similar study of the hydrogen and fuel cell industries – both studies involved extensive work with manufacturers around the globe to identify the opportunities and challenges facing US based clean energy companies.



Combined with the Renewable Portfolio Standards, enacted nearly unanimously by the General Assembly in 2008, our work with the Ohio Department of Development put Ohio on the map as one of the leading suppliers to the US wind industry. Billions of dollars of investment and hundreds of Ohio jobs were created in wind farm construction and advanced manufacturing by foundries, forges, machine shops, and other manufactures. But, a herky-jerky approach to Federal wind incentives (the off again, on again nature of the Production Tax Credit), combined with the General Assembly's decision in 2014 to freeze Ohio's Renewable Portfolio Standard and to create the most stringent wind farm setback regulation has forced many Ohio manufacturers out of this new, fast growing sector. These policy shifts, particularly the setback regulations, have resulted in wind farm development in Ohio slowing to a trickle. Manufacturers cannot justify the capital investment needed to compete in the wind industry if the policy supports are so fickle, as they search for markets with a long-term forecast of growth and stability.

This is one reason why WIRE-Net's Board of Directors voted this year to support reinstatement of Ohio's clean energy and efficiency standards, and to fix our broken wind farm setback regulations as well. We saw first-hand how a new industry, at one time taking root in Ohio, attracting investment and creating hundreds of new jobs, could be derailed and allow other states to bypass Ohio in developing a new energy industry.

The second reason WIRE-Net's board supported reinstating the energy standards has to do with manufacturers trying to mitigate the risk of putting all our energy eggs in one fossil fuel basket by diversifying our electricity portfolio to include advanced and renewable energy. What we and the PUCO found is that the clean energy and efficiency standards were doing their job. Not only were the state's utilities well on track to meet the standards, but they were saving residential and business electricity consumers on their electric bills while also improving energy efficiency in our manufacturing sector – which helps improve our manufacturing competitiveness.

Just to be clear, while dozens of our members supply the clean energy industries like wind, solar and energy efficiency, pressing to renew the standards was supported more so because the



standards were helping Ohio manufacturers keep power costs low, helping them compete in global markets.

SB 320 will take Ohio manufacturing further off-track. SB 320 is a 3-year extension of the current freeze; an approach which Governor Kasich has said he would veto. We applaud the Governor's leadership on this issue. SB 320 as currently formulated will extend the freeze, slow development in Ohio of new energy technologies and make our manufacturers less competitive globally. This is about Ohio's energy future. It is an exceedingly complex situation and we urge the General Assembly to oppose this legislation and tackle the questions in a more reasoned manner in the next Assembly.

I appreciate your time and consideration today. I welcome any questions the committee may have.