

November 29, 2016

Dear Chairman Balderson and Members of the Senate Energy and Natural Resources Committee

GEM Energy has grown into the 15<sup>th</sup> largest national solar developers in the nation. We are headquartered in Toledo Ohio with approximately 1,110 Ohio employees under the Rudolph Libbe Group of companies. We are opposed to any legislation that will continue the RPS freeze, any reduction to the RPS requirements, or any watering down of the RPS. By allowing the RPS to come back intact we will be able to plan and grow our business here in Ohio, therefore bringing jobs and investments to our state.

Solar is cost effective today. Our costs have plummeted over 80% from our starting point in this business 10 years ago here in Ohio. We can deliver the right look and feel of a solar project to our commercial and industrial customers here in Ohio and give them a price for solar electricity that is in many cases cheaper than what they can source the power for on the grid.

Why do we need an RPS? An RPS for our business gives us a “rule-book”. It allows us to plan 2 plus years out, enabling us to attract jobs and investments here in our state. An RPS provides the guidance allowing us to attract the capital to build these long term, home-grown assets. An RPS “levels the playing field”, allowing us to compete for cost competitive capital to build these projects. Without stable energy policy these capital investments will be lost to other states that do have stable policy. These surrounding states will lead, gain the long term cost competitive assets while Ohio sits on the sidelines. By introducing new bills such as SB 320 or HB 554 Ohio sends a message to investors that Ohio is not open for business. The appearance of any repeal, flip-flopping policy, or whatever else you would like to call it send a clear anti-business message to both vested in-state businesses such as ours and outside of state business that would like to set up shop here or bring their investment here.

I’ve heard many times from lawmakers just let the open market “do its thing” and we don’t need “mandates” to dictate our energy policy here in Ohio. Allowing the RPS to thaw out will diversify Ohio’s energy options providing for long term and cost competitive energy for years to come. Solar is a home grown energy asset. It doesn’t need a commodity fuel input that fluctuates due to unforeseen market conditions. Solar is the future. Solar is advanced energy that relies on the sun as a fuel input providing years of cost effective and clean power generation.

We support all forms of power generation. Diversification of generation sources can only lead to good things. Advanced energy, including solar is new. Solar’s costs are still declining. Solar energy generation will continue to improve similar to the way it has over the dramatic cost reduction and improved efficiency period over the last 10 years.

Utilities that have access to the cheapest capital sources are leveraging the uncertainty in Ohio’s energy policy as a way to maintain full control of Ohio’s energy generation assets. By allowing the RPS to come back, small businesses can install their own solar assets. Small business can choose for themselves to install solar generating assets to benefit them. Without the RPS there is no rule book. By not having an RPS a small business has a much tougher time sourcing capital that is cost

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competitive enough to pay for the upfront costs. This favors the big monopolistic utilities that can come in and run the table.

By allowing the RPS to thaw, Ohio can preserve the solar related jobs both in installation and the large manufacturing segment of Ohio's economy. From our business perspective, allow the RPS to come back intact. Don't allow for the steam rolling of either SB 320 or HB 554 to happen. Energy policy is extremely complex. Wait for the next general assembly to make the best informed decisions after hearing from all vested interests here in this state. Don't make this a political issue or partisan issue. Energy is an American issue. Solar and advanced energy will provide jobs and long term cost complete investments allowing Ohio to lead instead of following. Policy should provide the guidance and framework. Business will innovate and deploy. We can do that if the RPS is allowed to come back January 1.

Thank you,

Jason Slattery – Director of Solar

CC: Senator Randy Gardner