



November 29, 2016

Testimony of Stephen C. Peplin, CEO/Founder of Talan Products Inc.

Opposition Testimony for Senate Bill 320

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

I am the CEO/Founder of Talan Products Inc., a contract manufacturer started in Cleveland in 1986. We have a long history of innovation servicing the manufacturing needs of our customers from all over the world, here is Ohio. Ours sales are approximately \$40,000,000 & we employ 75 Ohioans. For 30 years we have been a high growth company and our highest growth opportunities are ahead of us. We have a history of focusing on innovative technologies that have great growth potential. Today approximately 35% of our sales are in the solar Industry. We produce components for many major system manufacturers in all segments of the solar energy generation industry, including residential, commercial & utility scale.

The solar portion of our sales has been doubling annually for 8 years.

The enterprise value of Talan is in the range of \$25 - \$30 million. We have a large investment in Ohio & it's future economic & hence it's cultural vitality.

The Ohio General Assembly passed renewable energy standards in 2008 almost unanimously. Then in 2014, the legislature placed a "freeze" on the standards that expires at the end of 2016. Senate Bill 320 would essentially eliminate all compliance requirements for the next 3 years. In 2020 the standard would theoretically resume at 6% (unless the legislature again intervenes).

By eliminating compliance requirements for 3 years, this proposed legislation will, in essence extend the freeze. Since inception, these standards have helped Ohio's renewable energy portfolio increase from virtually zero to 2.5%. The costs of renewable energy generation have continued & are continuing to drop every year. Current federal tax policy incentivizes continued investment in this sector. Unfortunately, SB 320/HB 554 would add great instability into this market. This would make Ohio's business & cultural climate far less attractive. It is widely known that the next generation of leaders (the young) are very much in favor of renewable energy. The future success of Ohio hinges on attracting the best & brightest of the next generation. The innovative fastest growing tech companies

in our country also very strongly favor locations encouraging & utilizing renewable energy. I strongly feel policies that discourage renewable & clean energy work against Ohio's interests. In addition, solar & wind energy technicians, are some of the fastest growing job classifications in the country.

Governor Kasich has shown great leadership & acumen re: energy issues & consistently has re-affirmed his support for clean energy & energy efficiency. We support his call to reinstate meaningful standards. If Ohio allows the freeze to lift, it will be very positive for the solar industry, thus affording more growth (& employment ) opportunities for companies including Talan Products.

We urge you to oppose this legislation & reinstate the RPS and energy efficiency standards.

PS. My first company, founded in 1977 was named Energy Efficiency Inc. We were in the energy conservation industry since the 2nd oil embargo. I have been on the right side of history on this issue for a long time. I urge you to act for the future of Ohio & be on the right side of history this time.

I appreciate your time & consideration regarding this issue. I regret not being able to testify in person and I welcome any questions the committee has.

Respectfully Submitted,

*Steve Peplin*  
CEO Talan Products Inc.