



**Testimony of Robert J. Zadkovich, Vice President Business Development**

**The Great Lakes Towing Company and Great Lakes Shipyard**

**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 represent The Great Lakes Towing Company (commonly known as GLT) and Great Lakes Shipyard. We are 117 year old, Cleveland based maritime company with towing operations throughout the Great Lakes, and operate a shipyard providing new construction and maintenance and repair services to ship owners.

GLT's direct interest in reinstating the Renewable Energy Credits is related to seeing the successful development of Project Icebreaker, the first fresh water offshore wind turbine project in North America. We of course see Project Icebreaker as a growth opportunity for our existing operations in the areas of large steel fabrications from our shipyard operations and in logistics, maintenance and repair services with our towing operations.

The Great Lakes Shipyard working together with AT&F, a Cleveland based, premier provider of custom steel solutions to heavy industry manufacturing industries worldwide, represent the sole Northeast Ohio providers of critical large scale metal fabrications. Both our companies have long histories in Ohio and have been job generators and made significant investments in expanding, updating and modernizing our respective facilities. We represent the core manufacturing capabilities upon which much of Ohio has historically been known for.



In addition to our Company, we recognize that renewable energy projects present opportunities for other Ohio companies, in the areas of design, construction and maintenance – all of which generate new jobs.

The importance of supporting renewable energy, such as Project Icebreaker just off Lake Erie's shoreline, cannot be underestimated in that it represents an entry point to critical supply chains that can have long-term benefits. Major renewable energy projects are highly reliant upon a proven core of prime contractors, major subcontractors and component manufacturers. Having Ohio based companies established in the supply chain not only provides benefits for Ohio based projects but positions Ohio companies to be the suppliers of choice for projects beyond Ohio.

GLT is not immune to the downturn in coal, as world markets have contracted and power generating facilities along the lake front have been shut down the Company and its clients have seen a significant decrease in coal shipments. However, this has not been driven by the rise of renewable energy projects but rather the increase of natural gas as the fuel of choice for newer and retrofitted power plants due to the dramatic decrease in its market price.

The failure to oppose SB 320, will not change the market forces of lower natural gas prices displacing coal but will at best slow and potentially eliminate an avenue of growth for Ohio companies in the renewables industry, and the new jobs that would otherwise be generated.

Further, in terms of attracting new companies to Ohio, the availability of providing renewable, clean energy is of interest to many major companies, particularly technology companies such as Apple, Amazon and Google which all have mandates to investment in and source clean energy for new facilities. Amazon's investment in multiple renewable energy projects for their new Wilmington facility is representative of the internal corporate mandates.

Efficiencies in development, construction and operation of renewable projects will help identify methods to drive down the kilowatt costs on successive projects. Ohio has the opportunity to be a leader in the nation and the prospect of driving economic and employment growth by advocating for the renewable energy credits.



We strongly urge you to oppose passage of SB 320.

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