



OEC [Action Fund]

**Proponent Testimony
Ohio House Bill 450 (Lanese/Baldrige)
Ohio House Public Utilities Committee
November 10, 2021**

Good morning Chair Hoops, Vice Chair Ray, Ranking Member Smith; I am Miranda Leppla, Vice President of Energy Policy for the Ohio Environmental Council (OEC) Action Fund. Our organization works to secure healthy air, land, and water for all who call Ohio home. Thank you for allowing me to provide proponent testimony on Ohio House Bill 450 (HB 450).

The OEC Action Fund has pushed Ohio to transition away from fossil fuels and toward clean, renewable sources of energy in order to fight climate change and put Ohio on a path to a sustainable future. Community solar programs, like those created by HB 450, are long overdue in the state. These programs will spur development of clean energy generation, help Ohioans save money on their electric bills, and create new development opportunities in communities that have been left behind by the energy transition. These programs bring a new set of Ohio residential and small business customers into the clean energy transition who aren't able to install rooftop solar, whether it's because they rent, their home or building doesn't receive the right type of sunlight, they don't have access to the capital necessary for solar, or their homeowners association won't permit them (something we hope will be remedied by Senate Bill 61¹). Passing House Bill 450 will bring environmental benefits and cost savings to Ohioans, and drive economic development and job creation in Ohio. The OEC Action Fund urges support for this legislation.

Environmental Benefits

HB 450 creates multiple opportunities to expand solar in Ohio, improving Ohio's environment to the benefit of all Ohioans. The legislation permits the Public Utilities Commission of Ohio to certify up to 2,000 megawatts (MWs) of community solar projects² and an additional 1,000 MWs to be constructed on distressed sites, with the majority required to be located in Appalachia.³ By enabling community solar, this bill expands the market for solar development significantly in Ohio, essentially creating a new class of customers for solar projects--those

¹ The OEC Action Fund [supports passage](#) of Senate Bill 61 (Blessing/Antonio), which strikes a balance between preserving the character of planned communities while also enabling residents to make clean energy choices on their private property.

² Lines 137-139.

³ Lines 140-147.

who currently cannot choose to power their homes and businesses by solar. This will result in a cleaner, more diversified grid across our state, reducing harmful emissions and improving air quality.

As mentioned, HB 450 focuses some of the solar development on “distressed sites”, defined as brownfields under Ohio Revised Code 122.65, solid waste facilities that have been closed, or communities with lower incomes that are important locations for additional investment.⁴ In doing so, the legislation utilizes previously underdeveloped land for environmentally beneficial projects, and could help communities that are often the most impacted by environmental degradation.

Cost Savings

Community solar will allow more Ohioans to take advantage of the cost savings solar provides. Rooftop solar allows customers to generate electricity at a potentially lower rate than purchased from the utility, with the opportunity to also receive compensation for excess energy generated from their rooftop installation. Customers who don’t own their home, don’t have access to credit, or lack the upfront costs of installation are missing out on these potential cost savings. Community solar allows residents to be compensated if the project they subscribe to exceeds their monthly energy needs, up to 120% of their average annual energy usage. The legislation allows community solar subscribers to receive the same benefits that current net metered customers in Ohio are able to receive today.⁵ However, we do think this language could be clarified by adding in the specific compensation structure as set forth in the net metering rules⁶ rather than simply referencing the Ohio Revised Code provision.

Currently, Ohioans without the means to put rooftop solar on their home miss out on the reliable, affordable energy direct access to solar provides. As we saw in Texas last spring, extreme weather and the impact of natural disasters on fossil fuel generation can result in enormous price swings, which can impact customers with lower incomes significantly. Community solar reduces risk by allowing customers to tie their purchase of electricity to local generation at reasonable rates, without the risk of dramatic fluctuation.

The average Ohio household spends 3% of their income on their electric bills, with the average monthly bill being \$108.⁷ Ohio households can expect to save hundreds of dollars if given the opportunity to connect to community solar. Energy burdens are particularly high for low-income and rural Ohioans. Households with extremely low-incomes spend an average of 12% of their income on electric bills compared to the statewide average of 3%. Rural counties (especially in northwest and southeast Ohio) have energy burdens of 6%—twice the statewide

⁴ Lines 108-120.

⁵ Lines 152-161.

⁶ See Ohio Administrative Code 4901:1-10-28, *available at* <https://codes.ohio.gov/ohio-administrative-code/rule-4901:1-10-28>.

⁷ U.S. Energy Information Administration, “[Average retail price of electricity to ultimate customers](#),” 2019.

average.⁸ By allowing customers in these areas to purchase from local projects, their energy burden is lessened, and they're able to use their incomes for other needs.

Economic Development and Job Creation

Currently, there is 800 MW of solar installed in the state, powering over 100,000 homes. This legislation removes restrictions on the market, and would allow developers to build up to 3,000 MW of solar, a dramatic increase in energy development that creates jobs right here in Ohio, unlike electricity purchased by utilities outside the state. While some will argue that community solar causes cost shifting between customer classes, this concern is overstated and inaccurate. Community solar subscribers pay their fair share of the various costs and charges for electric transmission and distribution, and community solar is a win for Ohioans while also ensuring Ohio's electric distribution utilities are made whole since they receive cost recovery through transmission and distribution charges to customers.

By focusing 1,000 MW of the community solar development in distressed areas, with a focus on Appalachia, this bill will create jobs for communities that would otherwise be left behind by the transition to clean energy. Further allowing utilization of grants from the Ohio Department of Development's Brownfield Remediation Program⁹ increases the likelihood of the development taking place in otherwise underdeveloped areas.

The OEC Action Fund urges passage of HB 450. Ohio has been a leader in energy choice for decades, allowing Ohioans to select where their energy comes from and what type of energy to use. This legislation removes an unnecessary barrier that blocks Ohioans from choosing solar, and enables a new set of Ohioans to take advantage of the cost saving and environmental benefits of solar.

All Ohioans will benefit from community solar development across the state, and the legislation's careful focus on developing distressed sites will result in much needed jobs for communities that are struggling amidst the energy transition. Thank you for the opportunity to testify today, and I would be happy to answer any questions you have.

⁸ Ma, Ookie, Krystal Laymon, Megan Day, Ricardo Oliveira, Jon Weers, and Aaron Vimont. 2019. [Low-Income Energy Affordability Data \(LEAD\) Tool](#) Methodology. Golden, CO: National Renewable Energy Laboratory. NREL/TP-6A20-74249.

⁹ Lines 166-171.