

Senate Energy and Public Utilities
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Senate Bill 52

Opposition Testimony- Written
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Chair McColley, Vice Chair Shurring, Ranking Member Williams and members of the Senate Energy and Public Utilities Committee, thank you for the opportunity to submit written testimony opposing Substitute Senate Bill 52. My name is Raye Ohl and I am the Ohio Political Director for the United Auto Workers Union in Ohio.

The United States needs to take a hard look at industries with the potential to lead our economic recovery from the ongoing pandemic that will create new, family-sustaining jobs. But as we look to rebuild our economy, we must focus on strategies that protect workers and provide good jobs in the economic opportunities of the future.

The growing Lithium- ion (Li-ion) battery manufacturing industry is one of those with tremendous potential. This industry and its associated supply chain, driven by current and projected electric vehicle (EV) demand, is set for exponential global growth. Currently estimated at more than \$35 billion with long-term growth forecasts suggesting that the entire energy storage market will attract \$620 billion in investment over the next 20 years. Estimates are that EVs will make up as much as 90% of battery demand by 2030.

Currently, much of Li-ion manufacturing capacity is in Asia, but as the industry grows there is an opportunity to attract these jobs to the U.S. and specifically to Ohio, if we fight for them. It's essential that we address current U.S. weakness in the Li-ion supply chain as this could have negative implications for associated industries, including Ohio's automotive sector, which is currently home to more than 60,000 United Auto Worker members.

The announcement of the GM-LG Chem joint venture plant in Lordstown has established Ohio in the Li-ion battery manufacturing sector, a key advantage for our state in conversations with supply chain partners looking for a home in the US. We are also home to several other companies active in the supply chain, including BASF Toda America LLC (BTA) which produces cathode materials for Li-ion batteries in Elyria, and Dana Corporation which produces thermal management systems for Li-ion batteries. But Ohio also has deep experience with battery research and development at both government and university labs. Glenn Research Center is NASA's lead for electric propulsion and power and manages Li-ion battery development and deployment for the International Space Station. Air Force Research Lab at Wright Patterson Air Force Base supports research on Li-ion for military applications, including aircraft, UAV, and directed energy weapons.

Government industrial policies have been key to battery sector growth globally. But industrial policies directed at strengthening domestic Li-ion battery supply chains aren't limited to battery components; they have increasingly placed emphasis on the importance of a local renewable energy supply. As the auto sector electrifies and modernizes, so must our state energy policy. From their design and construction, to the strategic materials and resources required, to the supply chain changes that support this electric vehicle revolution, the environment around us has been reshaped.

Electric powered vehicles are disrupting and transforming the energy logistics of ground transportation. As this shift takes place, it will be critical that the US produce the supply chain components domestically, and Ohio has some key advantages that will allow the state to protect its auto sector, including our quickly growing solar industry which serves as a key asset in investment attraction efforts.

The "BIG 3" automotive companies have all been very public about their desires to shift their energy consumption to renewable sources. They want more renewable energy and they increasingly want it sooner and closer to their operations. This increased attention on renewable energy stems from a desire to lower the carbon footprint of vehicle production and will be a key consideration for additional supply chain investment. Ohio is currently on track to help meet this growing demand with its growing solar industry, but passage of Senate Bill 52 puts that at risk, along with the 60,000 auto sector jobs represented by the United Auto Workers.

Ohio is a leading producer of engines and transmissions today, and electric vehicles require neither of these things. If we want to protect our auto-sector workers by attracting the automotive jobs of the future, it will require a comprehensive approach and renewable energy access is central to that effort.

Chairman McColley and members of the Senate Energy and Public Utilities Committee, we urge you to vote no on Substitute Senate Bill 52. Protect our auto workers by working as aggressively and comprehensively as possible to attract new auto supply chain companies and family-sustaining jobs to Ohio.