



Proponent Testimony on Ohio Senate Bill 89  
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Ohio Senate Energy and Public Utilities Committee

Chair McColley, Vice Chair Schuring, Ranking Member Williams, and members of the Ohio Senate Energy and Public Utilities Committee, thank you for the opportunity to offer written proponent testimony on Senate Bill 89. My name is Andrew Gohn, and I am Eastern Region Director for the American Clean Power Association (ACP).

ACP works to champion policies that will transform the U.S. power grid to a low-cost, reliable, and renewable power system. Clean energy is currently positioned to become America's dominant power source and a leader in Ohio's energy landscape. Harnessing our world-class clean energy resources will play an essential role in strengthening the country's economy, boosting U.S. manufacturing, and reducing power sector emissions.

As you know, Ohio's HB 6 passed in the 133<sup>rd</sup> General Assembly dramatically decreased renewable portfolio standards (AEPS) by cutting the commitment from 12.5% renewable energy down to 8.5%, creating industrial opt-outs equivalent to a further 2% reduction, and ending the standards entirely after 2026. The elimination of standards in 2026, even the achieved 8.5%, creates a policy cliff which only further damages renewable investment in the state. Senate Bill 89 seeks to restore the extension of the AEPS benchmarks through 2026 and "each calendar year thereafter." This is important because the original intention of the continuation of the benchmarks ensured diversity in generation supply and provided incentive to build renewables in Ohio. During HB 6 deliberations, frustration was expressed about the sourcing of out of state Renewable energy credits to meet the AEPS annual benchmarks. Eliminating the ongoing requirement to maintain 8.5% "each calendar year thereafter" only further disincentives in state renewable energy generation. The provision in SB 89 restoring "each calendar year thereafter," therefore, ensures diversity in Ohio's portfolio and encourages investment in Ohio. Continuation of the AEPS is a critical market signal making long term investment in Ohio more likely to occur.

Additionally, Senate Bill 89 reinstates Ohio's commitment to the pre-HB 6 law requiring a solar carve out within the AEPS. This provision helps ensure solar energy innovation and investment in Ohio. Ohio grown solar energy will spur local economic development, save consumers money, and diversify Ohio's energy portfolio.

Finally, the legislation also seeks to extend the PILOT (Payment in Lieu of Taxes) for qualified energy projects that use renewable energy resources to 2030, which is five years additional to Ohio's biennial budget provision. Unlike typical Tangible Personal Property Tax (TPP), which decreases in value over time, the PILOT paid by wind and solar projects is calculated based on nameplate capacity and stays the same every year for the life of the project. PILOT payments are a predictable and reliable part of the tax base of many communities, and those payments provide long term economic stability. PILOT revenue bridges budget



shortfalls and allows communities to invest in their future, providing new resources to expand opportunities in their schools and social services. [Current operational wind and solar](#) projects provide nearly \$11 million annually. It is additionally important to note that since the inception of the PILOT, it has always had a sunset further extended in various bills. Extending through 2030 creates policy stability and business certainty.

Thank you for the opportunity to submit this testimony and I appreciate your consideration.