

**WRITTEN TESTIMONY OF MADELINE FLEISHER  
IN SUPPORT OF HOUSE BILL 143  
ENVIRONMENTAL LAW & POLICY CENTER  
OHIO HOUSE PUBLIC UTILITIES COMMITTEE  
MARCH 20, 2018**

Chairman Cupp, ranking member Ashford, and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 143. I am providing this testimony on behalf of the Environmental Law & Policy Center (ELPC). While ELPC is an environmental organization, it has a strong consumer background. Enacting HB 143 will benefit both consumers and the environment by removing an artificial barrier to customer self-generation of electricity, consistent with existing Ohio policy.

Ohio Revised Code 4928.02(C) makes it express state policy to “[e]nsure diversity of electricity supplies and suppliers, by giving consumers effective choices over the selection of those supplies and suppliers and by encouraging the development of distributed and small generation facilities.” This policy makes sense for Ohio. Self-generation of electricity through distributed resources (whether solar, wind, combined heat and power (CHP), or some other technology) benefits not only individual users but also the state as a whole.

Distributed generation can decrease individual customers’ bills through lower generation costs and avoided transmission line losses, and can also provide certainty about power prices over many years – an especially vital benefit for businesses trying to plan for the long term. Moreover, distributed generation can benefit all Ohioans by lowering demand on distribution and transmission systems and the associated upkeep costs borne by all customers, and by making the grid more resilient and reliable through a diversified generation portfolio. Finally, saving energy and increasing renewable generation through these distributed resources produces environmental and public health benefits across the state by reducing pollution from fossil fuel generation. The U.S. Department of Energy and U.S. Environmental Protection Agency provide further information about these benefits, in the specific context of CHP, on their respective websites at <https://www.energy.gov/eere/amo/benefits-combined-heat-and-power> and <https://www.epa.gov/chp/chp-benefits>.

The costs of multiple technology options for distributed generation have decreased enough over the last several years that many more customers, both businesses and individuals, can reasonably consider installing CHP, solar, or wind. But these are still significant capital investments that generally require more than cash on hand. The market has responded effectively with tools to overcome that obstacle through a variety of financing options. These financial arrangements are much like a business taking out a loan to purchase equipment or facilities, or an individual using a mortgage to buy a house or entering into a rent-to-own contract for an appliance or furniture. There is no argument that customers utilizing such financial tools to install self-generation systems are trying to take on the role of a utility distributing electricity to other customers in front of the meter.

The kilowatt-hour tax explicitly exempts self-generators, and the General Assembly should make clear that customers do not lose that exemption simply by utilizing available options to finance

distributed generation. House Bill 143 will provide that needed clarity, freeing up the market to facilitate more adoption of self-generation and maximizing the significant benefits such resources can provide to Ohio. I therefore urge you to vote in favor of the bill.

Thank you for your consideration of my testimony.

Sincerely,

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