



**Senate Energy and Natural Resources Committee  
Proponent Testimony on Senate Bill 188**

**Testimony of Seth Kaplan  
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Chairman Balderson, Vice Chair Jordan, Ranking Member O'Brien, and members of the Ohio Senate Energy and Natural Resources committee, thank you for the opportunity to provide written testimony in support of SB 188. My name is Seth Kaplan and I am Senior Manager of Regional Government Affairs at EDP Renewables. EDP is one of the largest developers of commercial scale wind farms in the country, including the operational Timber Road and Amazon Wind Farms in Paulding County, Ohio. EDP supports SB 188 because it would unlock wind energy development in Ohio by restoring reasonable minimum wind turbine setback standards statewide.

Wind energy has never been cheaper. In 2014, the last year for which we have full data, the average cost of wind energy nationally was \$23.43 per MWh. For context, compare this price to the average day-ahead energy price in PJM (the power grid and wholesale market which serves Ohio). In 2013, the average day-ahead energy price was \$38.66 per MWh. In 2014 the price increased to \$53.14 per MWh,<sup>1</sup> before falling back to \$36.16 per MWh in 2015.<sup>2</sup>

As a result of these falling prices, many corporate customers are recognizing the enormous value of wind energy. These companies are more than ever engaging in direct purchases of wind power, just like Amazon and General Motors have done right here in Ohio. Other major brands are purchasing wind energy not just to meet their environmental goals, but also because it is cost competitive. Just a few of these companies include: Google, Facebook, Walmart, Microsoft, Proctor & Gamble, Dow Chemical and Owens Corning. Notably, our company recently entered into such a contract with Cummins, the company that makes the engines that power so many of the tractors and trucks used in the fields and on the highways of Ohio.

In 2015, corporate purchasers of wind exceeded traditional utility purchasers for the first time. Many of these companies recognize that wind energy – with no fuel costs – provides a long-term hedge against fluctuating energy prices. As such, the ability to construct and purchase utility scale wind power is becoming an increasingly significant factor in site selection for many of the nation's largest businesses.

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<sup>1</sup> [http://www.monitoringanalytics.com/reports/Market\\_Messages/Messages/2014-som-pjm-press-release.pdf](http://www.monitoringanalytics.com/reports/Market_Messages/Messages/2014-som-pjm-press-release.pdf)

<sup>2</sup> [http://www.monitoringanalytics.com/reports/PJM\\_State\\_of\\_the\\_Market/2015/2015-som-pjm-volume2.pdf](http://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2015/2015-som-pjm-volume2.pdf) p. 1.

Unfortunately, the minimum wind turbine property line setback distance imposed in 2014 under HB 483 has created a very difficult environment for wind project development in Ohio, effectively limiting development to “grandfathered” projects that predate these rules and a very narrow class of projects tailored to meet these extraordinary restrictions. These restrictions make development of those grandfathered projects much more expensive and difficult and create nearly impenetrable barriers to the development of new projects that would bring substantial investment to rural communities. It should be noted that, since the passage of HB 483, no new wind farm applications have been filed with Ohio Power Siting Board and very few projects are anticipated to, or will be able to, walk the tightrope of HB 483.

Lifting the sharp and unwarranted restrictions on wind project development through SB 188 will bring tremendous economic development to Ohio, including billions of dollars of investment by the wind industry that will benefit local governments and communities, as well as small businesses and its workers. This investment will include millions of dollars in annual taxes to state and local governments and schools, as well as millions of dollars in landowner lease payments. In addition, wind project development stands to create hundreds of construction jobs and dozens of long-term operations and maintenance jobs. We believe economic opportunity of this scale should be unleashed and not delayed any longer.

For the reasons above, we support SB 188. Thank you.