



Testimony of Andrew Gohn on behalf of the American Wind Energy Association Before the Ohio Senate Energy and Natural Resources Committee

Date: June 6, 2018

Bill: House Bill 114

Position: SUPPORT AS AMENDED

Chairman Balderson, Vice Chair Jordan, Ranking Member O'Brien and members of the Committee, thank you for the opportunity to speak with you today. I am here on behalf of the over 1,000 member businesses of the American Wind Energy Association, and the 100,000 workers who are employed in this industry in the United States, many of them right here in Ohio. Wind energy represents a tremendous opportunity for Ohio, but that opportunity is dwindling as policy uncertainty here threatens to push more and more of Ohio's economic development opportunities to neighboring states. Therefore, despite deep reservations about the provisions in HB 114 as amended that reduce Ohio's terminal RPS goal to 8.5%, because of the critical need to reform Ohio's wind energy setback laws, I offer testimony today in support of House Bill 114, as presently amended.

Wind energy is extremely popular in Ohio, as it is nationally. In recent polling, 83% of Ohioans voiced support for *increasing* RPS commitments to clean energy.ⁱ And it's not a partisan issue. Fully 60% of Ohio Republicans and Independents would like the state to go much further than the original renewable requirements with the average respondent supporting approximately 50% RPS goals, much higher than the 12.5% from which this legislation seeks to reduce further. This is not surprising, and tracks national support for clean energy.

On the other hand, this bill, as presently amended, advances another goal that is voiced by these same conservatives – setback reform. Ohioans understand the economic opportunities associated with wind energy and they want these projects here in Ohio. Fully 72% of those same conservative-leaning respondents supported reforming the draconian setbacks that policymakers imposed on property owners in HB 483 (2014). Since that 2014 law was enacted, no new projects have received a new permit from the Ohio Power Siting Board, stalling investments and other economic and environmental benefits to the state.

What these voters understand is that wind energy is a great American success story and that Ohio is an important part of that achievement. Nationally, wind energy prices have fallen 66% in just the last 7 years. This is a product of applying American innovation and expanding the manufacturing supply chain. When it comes to the high value turbine components like towers and nacelles, over 80% are manufactured in the U.S.ⁱⁱ In fact, the wind industry is a growing source of exports for the U.S. This momentum creates high-paying manufacturing jobs, like the ones at Timken in North Canton, or foundry workers in Elyria, or fiberglass workers at MFG global in Ashtabula, or torque drive manufacturers in Sharon Center.

In fact, Ohio has the largest wind energy manufacturing base of any state in the country. With over 60 factories in the state cranking out components for the wind industry, Ohio businesses supplying the wind industry and relying on demand for wind energy, employ 7,500 workers in the state, per a recent study.ⁱⁱⁱ And the potential economic impact of wind energy goes far beyond the manufacturing opportunity, as increasingly, siting of corporate facilities is linked to the availability of clean energy opportunities.

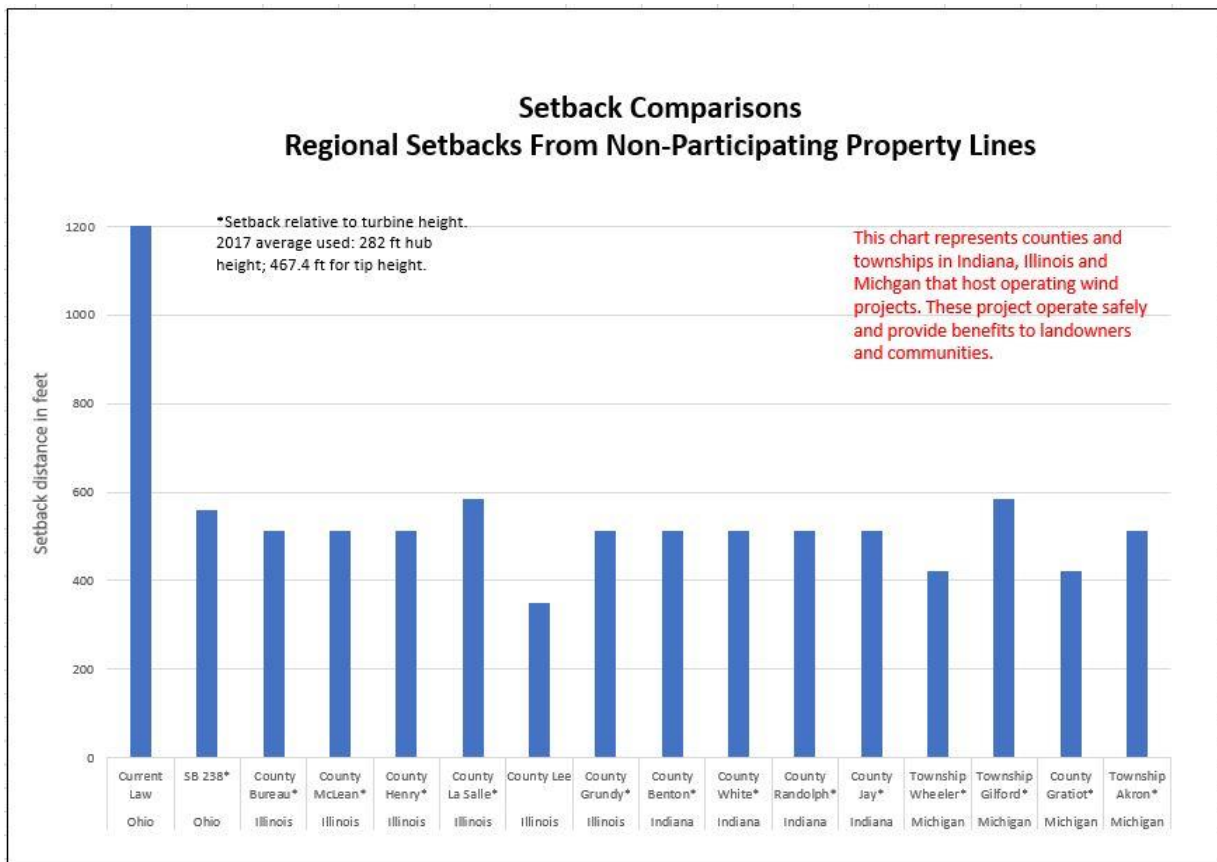


Top U.S. companies like Dow Chemical, Wal-Mart, General Motors, Proctor and Gamble, and many others, all want access to low-cost wind energy, because it saves them money and allows them to hedge against fuel price volatility. Since wind energy has no fuel cost, buyers are able to know the price of their power bill for 20 years. Successful companies know what works and wind energy works for them. Increasingly, companies in the advanced industry economy look for states with policies supportive of renewable energy as they consider siting major facilities.

Wind power has already generated over \$900 million in wind project investment in Ohio, numbers that will grow as the RPS remains in place. However, due to Ohio’s draconian setback policies, neighboring states have seen even larger investment figures. Michigan, which recently chose to expand its RPS, has attracted \$3 billion in private investment in wind energy projects. Other neighbors, Indiana and Pennsylvania, have seen \$4 billion and \$2.7 billion in private investment respectively.

As this body considers reforming those burdensome setback rules, a number of questions have been raised about the appropriateness of its proposed setbacks. The following information is intended to help legislators and other stakeholders consider relevant facts. This information is based on data and experience stemming from wind project development and operation in the US over the last 20 years, including some 55,000 installed wind turbines, providing 85 GW of capacity.

Other County/Township Ordinances





In the above chart, it is clear that current Ohio setback laws are far more restrictive than those of neighboring communities that host wind projects. Certainly, there are jurisdictions in neighboring states of Illinois, Indiana and Michigan that have stricter setbacks than shown in this chart, but it is instructive that none of the total 8,300 megawatts operating in those states have been built under those more restrictive regimes. If Ohio truly wants to see wind projects bring economic benefit to the state, then reforming setbacks to reflect the standards of other communities where projects have been built is critical.

Nationally, the wind industry will continue to thrive. Our costs have fallen so dramatically that we are competing broadly with traditional sources of generation even as we have agreed to phase out federal incentives for wind over the next 3 years. The most recent report from the National Renewable Energy Labs showed how America is now getting almost 14% of its electricity from renewable sources.^{iv} Wind has grown to more than 6% of U.S. generation.

And within the last three years, 9 state legislatures have voted to expand their RPS policy targets, many to 50% or greater clean energy. In these states, many greeted the passage of initial RPS programs with concern over the impact on consumers. Now, having seen these policies play out for many years, voters in these states are seeing the clear benefits, and elected officials are responding.

The fact that Ohio is uniquely considering going in the opposite direction and reducing its commitments to renewable energy makes this a very difficult piece of legislation for AWEA to support. It is bad policy and bad for Ohio to reduce RPS goals. However, the need for setback reform in Ohio is so great that AWEA supports this compromise legislation. We strongly recommend that HB 114 be amended to minimize or eliminate any RPS reduction in this bill because expanding commitment to low-cost clean energy is a recipe for economic success for Ohio and for America.

Thank you for your consideration of this testimony,

Andrew Gohn
Eastern Region Director of State Affairs
American Wind Energy Association

June 6, 2018

ⁱ <http://www.greenenergyoh.org/wp-content/uploads/2016/02/NEXTGEN-CLIMATE-OHIO-50X30-POLLING-MEMO.pdf>

ⁱⁱ <http://energy.gov/sites/prod/files/2016/08/f33/2015-Wind-Technologies-Market-Report-08162016.pdf>

ⁱⁱⁱ <http://elpc.org/wp-content/uploads/2013/02/OhioWindSupply-0218.pdf>

^{iv} <http://www.nrel.gov/docs/fy17osti/66591.pdf>