

## Senate Energy and Public Utilities Committee Chairman Steve Wilson Opponent Testimony on Substitute House Bill 6 WRITTEN Testimony from Nestlé

June 17, 2019

Chair Wilson, Vice Chair McColley, Ranking Member Williams, and Members of the Senate Energy and Public Utilities Committee,

Thank you for the opportunity to submit testimony on Substitute House Bill 6. **Nestlé strongly supports Ohio's clean energy standards and opposes their repeal.** As this legislation moves forward in the Senate, I want to ensure that you have a clear understanding of: (1) **the significant business value of both renewables and energy efficiency**; and (2) **the strong support from the business community for policies that enable investment in these technologies**. Nestlé is also part of a <u>coalition of 21 businesses</u>, institutions, employers and <u>investors</u> in Ohio calling on you and your colleagues in the legislature to preserve the state's clean energy standards (see letter attached).

**Nestlé strongly supports Ohio's clean energy standards and opposes their repeal.** HB 6 would repeal Ohio's Renewable Portfolio Standard (RPS) and the Energy Efficiency Resource Standard (ERS). The loss of energy efficiency programs will be especially problematic for the smaller businesses that make up our supply chain. It will be more difficult for these companies to reduce energy waste, making it harder for them to cut energy costs and stay competitive with their peers in other states. The loss of both the RPS and the ERS will be detrimental to the state's economy and to Nestlé's ability to invest in clean technologies in Ohio.

Ohio's Renewable and Energy Efficiency Standards drive the clean energy economy by bringing down costs, supporting innovation, and spurring investment in the state. Analysis has found that the standards drive job creation and GDP growth in Ohio [1]. These policies also help overcome market barriers–like upfront costs and economies of scale–that are currently standing in the way of renewables and efficiency reaching their full potential. Nestlé strongly supports clean energy standards like the RPS and the ERS as essential policy frameworks for driving cleaner, more cost-effective energy investments.

**Nestlé is working to procure 100% of our electricity from renewable energy sources.** We'd like to bring a portion of our investment in renewables to Ohio. However, right now, the policy uncertainty around the RPS makes Ohio less appealing from a renewable investment standpoint.

**Energy efficiency is our least cost resource.** Efficiency programs are essential for overcoming upfront costs and unlocking long-term savings of efficiency investments. Nestlé



wants cost-effective electricity, and we know that efficiency is fundamental to cutting energy costs: the cheapest energy is the energy you never have to use.

We need a policy environment that signals to businesses that Ohio is committed to clean, affordable energy and is a good place to invest. Energy efficiency and renewable standards keep energy costs low, consistent and predictable over the long-term. Global companies like ours have many potential investment opportunities all around the world. However, we also have limited money to make these investments. Low energy costs and good efficiency and renewable energy policies are a major reason we have invested so much in Ohio.

## Don't move Ohio backward on efficiency and renewables. If anything, we ask that these issues be removed entirely from the bill.

Thank you for your consideration, please do not hesitate to reach out with questions.

Sincerely,

Meg Villarreal

Meg Villarreal Policy and Public Affairs Nestle

[1] http://www.poweringohio.org/files/2018/05/Powering-Ohio\_FINAL-WEB.pdf



Dear Senate President Obhof and House Speaker Householder,

As businesses, institutions, employers and investors in Ohio, we strongly oppose legislation that would weaken Ohio's renewable and energy efficiency standards and efforts to allow commercial and industrial customers to opt out of energy saving programs. Weakening these policies will lead to higher energy costs and create prolonged uncertainty for businesses and investors operating in Ohio.

Clean energy standards help businesses and institutions cut energy costs, hedge against fuel price volatility, and help us stay competitive. They also help us plan ahead and make sound investment decisions into the future. For Ohio's health care providers, strong standards are also about health – with clean energy leading to better patient outcomes. Undercutting the current standards will further constrain investment and growth in the state by removing the requirements for utilities to invest in some of the most competitive and least-cost energy resources—renewable energy and energy efficiency. We write to collectively express our strong opposition to any provisions which would weaken Ohio's clean energy standards.

While the original standards were in place, investments in Ohio's clean energy sector created thousands of new jobs and stimulated over \$160 million in annual GDP growth. In addition, ratepayers were saving hundreds of millions of dollars each year on their bills, and were on track to save more than \$5 billion by 2020.' States with clean energy standards are better able to meet the needs of businesses and offer diverse energy options—helping Ohio compete in today's global economy.

We recognize the significant economic opportunity presented by renewable energy and energy efficiency standards and urge you to vote against this legislation and protect Ohio's clean energy economy. Please do not hesitate to contact us with any questions.

Sincerely, Alliance for Industrial Efficiency Ameresco, Inc.

<sup>&</sup>lt;sup>1</sup> Ohio's energy efficiency standard alone has saved Ohio customers \$5.1 billion in energy bill savings from 2009-2017.

**Burton Snowboards** Clif Bar & Company Cree Lighting Energy Management Solutions, Inc. Friends Fiduciary Heat is Power Association IKEA Ingersoll Rand JLL Midwest Cogeneration Association (MCA) Nestlé National Association of Energy Service Companies (NAESCO) National Electrical Manufacturers Association (NEMA) Polyisocyanurate Insulation Manufacturers Association (PIMA) Recleim LLC Schneider Electric Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) - Cleveland Chapter Trillium Asset Management Unitarian Universalist Association United Technologies

CC:

Governor Mike DeWine Members of the Senate Energy and Public Utilities Committee Members of the House of Representatives Energy and Natural Resources Committee

For more information or to connect with the signatories, please contact <u>helfrich@ceres.org</u>