

**Senate Energy and Public Utilities Committee  
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Ohio Partners for Affordable Energy  
Interested Party Testimony   
June 27, 2019**

Chair Wilson, Vice Chair McColley, Ranking Member Williams, and members of the Ohio Senate Energy and Public Utilities Committee, thank you for the opportunity to submit interested party testimony on the Senate’s Substitute House Bill 6. Ohio Partners for Affordable Energy (OPAE) is an organization that advocates for affordable utility rates and provides energy efficiency services and bill payment assistance to the most vulnerable families in Ohio.

We thank you for continuing the Energy Efficiency and Renewal Portfolio Standards in the substitute bill. The Committee clearly recognizes the benefits that energy efficiency has in reducing the need for additional generating capacity. Continuing the renewable standard will encourage development of what is increasingly the cheapest form of generation. Consumers benefits will expand as the General Assembly identifies other opportunities to decrease barriers to renewable resource development so Ohio can take advantage of the economic development impact of low cost, zero carbon generation.

We are disappointed that the Committee chose to remove language that would increase the transfer of funds from the Home Energy Assistance Program (HEAP) to the Home Weatherization Assistance Program (HWAP) that was included in the House-passed version. Weatherization is a permanent solution to energy affordability. Increasing the commitment of funds that reduce energy use by the most vulnerable households is in the best interest of all ratepayers, and we hope the language will be added back to the legislation. If it is not reinstated, thousands of low income families will not have their homes weatherized.

The substitute bill has many components, but I will confine my testimony to its impact on residential customers, and in particular low-income customers.

**Senate Substitute House Bill 6 Creates Uncertainty and Leaves Low-Income Customers Unprotected.**

Senate Substitute HB 6 includes some positive changes such as the retention of the energy efficiency and renewal portfolio standards. However, it removes a safety net for low-income customers and creates uncertainty for their programs due to the following provisions:

* 1. It eliminates the language in current law requiring utilities achieve certain levels of energy savings each year by instead allowing utilities that have banked a certain amount of energy efficiency savings to rely on those savings for the years 2021-2029. (Lines 1607-1621).
  2. It eliminates a provision from the House-passed version requiring the Director of the Development Services Agency (DSA) to apply to the U.S. Department of Health and Human Services to increase the transfer of federal Low-Income Home Energy Assistance funds to weatherization assistance to 25 percent. (Lines 1803-1813 of the prior version). This language was intended to ensure continued funding for low-income weatherization in the event utilities chose not to continue their DSM programs. The lack of certainty in funding puts at risk a significant number of jobs and will limit investment in training and new equipment that generate profits for a number of small suppliers throughout the state. It also means that more than a thousand elderly, disabled, and families with children will not be provided with energy efficiency services.

**Low-Income Energy Efficiency Programs are Important.**

Since 1981, Ohio has provided assistance to families that cannot afford their utility bills with payment assistance, payment plans, and weatherization programs. The General Assembly has traditionally favored weatherization funding over payment assistance because it is a *permanent* solution to energy affordability. After receiving weatherization services, many households no longer need financial assistance to pay their utility bills. If low-income weatherization funding by electric utilities is eliminated, there will be a greater need for bill payment assistance; bad debt and disconnections will increase costs for ratepayers; and families who simply lack the funds to pay their electric bills could be uprooted from their homes, schools and jobs.

Another benefit of weatherization is the positive effect it has on family health, an impact that can be measured. Many recipients of weatherization services have an elderly or disabled person, or children living in the home. These families often lack the resources to maintain their homes. Weatherization identifies gas leaks, unsafe wiring, and carbon monoxide-emitting appliances in the home. Such instances occur more often than one might think. We see many homes where families cannot afford to replace a broken furnace and instead use electric space heaters or propane burners that are risks for fire and carbon monoxide emissions. After weatherization, these families have more affordable utility bills, stay warm and cool in their homes, and are more able to afford the food and medications they need.

A recent national evaluation revealed that the weatherization services our nonprofit providers deliver reduce medical costs for families by an average of $14,000 over the 16-year life of the measures. ( <http://weatherization.ornl.gov/wp-content/uploads/pdf/WAPRetroEvalFinalReports/ORNL_TM-2014_345.pdf>.) Cutting funding for weatherization programs is like telling a family they cannot save over $800 per year; savings that occurs because family members no longer miss work or school because of illness. Fewer prescriptions are needed. There is a reduced need for emergency room visits, particularly among those with asthma, COPD, and circulatory problems. Weatherization reduces Medicaid costs.

**Requested Changes to House Bill 6**

Senate Substitute HB 6 makes a number of improvements to the House-passed version, but it also creates uncertainty because it is unclear which of the utilities, if any, will need additional programs and cannot simply rely on accumulated savings. Like the House-passed version of HB 6 this could lead to elimination of the funding OPAE uses to serve needy clients, funding that has been in place since the mid-1980s. Additionally, the Senate substitute bill eliminates the safety net for low-income customers by removing the HEAP transfer provision which could help cover any shortfall from the loss of utility program funding. For these reasons, OPAE respectfully requests that the Committee adopt the following changes:

* 1. Add back the increased LIHEAP transfer language from the House-passed version of the bill (Lines 1803-1813 of the House-passed bill).
  2. Require DSA to appropriate the increased transfer from LIHEAP, as previously stated. This can be remedied in two ways:
     + Amend HB 6 to provide for the appropriation increase; or
     + Amend the biennial budget, HB 166, via an amendment being offered by Senator Senators Schaffer and Eklund.

**Conclusion**

OPAE believes that reducing carbon emissions is critical to the world’s future, and the bill makes clear that feeling is shared by members of this General Assembly. It is also critical to continue programs that help low-income families. Through this legislation, we have an opportunity to provide assistance to households with elderly, disabled, and children, and reduce emissions at the same time.

Weatherization works. It cuts power plant emissions, saves families money, improves people’s health, and makes homes more durable. Efficiency programs save ratepayers money by reducing utility costs. Let us continue to help struggling families and ensure the continuation of low-income efficiency programs -- a clean air resource.

I thank you for the opportunity to provide testimony.