



**Ohio House Public Utilities Committee
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Testimony of Andrew Gohn on Behalf of the American Clean Power Association
OPPOSE - House Bill 118

Andrew Gohn – Eastern Region Director of State Affairs

Chairman Hoops, Vice Chair Ray, Ranking Member Smith and members of the Committee, thank you for the opportunity to offer testimony in opposition to House Bill 118.

I am Andrew Gohn, Eastern Region Director of State Affairs for the American Clean Power Association (ACP), formerly known as the American Wind Energy Association (AWEA).

ACP works to champion policies that will transform the U.S. power grid to a low-cost, reliable, and renewable power system. Clean energy is set to become America's dominant power source. Harnessing our world-class clean energy resources will play an essential role in strengthening the country's economy, boosting U.S. manufacturing, and reducing power sector emissions.

Over the next 10 years, clean energy is poised to be a cornerstone of our nation's economic recovery and world-class 21st century American economy. The industry is poised to spend over \$1 trillion in capital investment over the next decade and create 1 million direct renewable energy jobs.

The clean power industry is already driving economic prosperity in the state of Ohio. With a clean energy workforce of over 6,000 Ohioans, the sector has invested \$2 billion in Ohio wind, solar and energy storage projects. Last year, clean power projects paid \$10 million in Ohio taxes and PILOT payments and provided over \$8 million in land-lease payments to farmers and private landowners in the state.

The clean energy economic opportunity for Ohio over the next ten years is enormous. The damage to Ohio's economy from closing the state's clean energy sector down would be grave. Unfortunately, the text of House Bill 118 would jeopardize all of the benefits that an advanced energy economy would bring by placing wind and solar projects in a special regulatory category with unfinanceable conditions that no form of energy infrastructure is subject to in Ohio, or anywhere in the United States.

HB 118 would introduce major regulatory and political barriers to renewable energy projects--unprecedented in the state for energy infrastructure. Currently, solar and wind projects are subject to the same regulatory regime as all other forms of energy infrastructure. For renewable energy projects, it has historically taken an average of 15 months and well over \$1 million to go through the OPHB process from permit application to a Certificate decision, not including the



years of preparation, studies, surveys, community outreach, and revisions that predate an application. OPHB requires over 20 studies and typically imposes around 30 permitting conditions to address a wide range of impacts and ensure that the project's benefits are fully realized and the impacts are mitigated.

HB 118 require that, *after* that inclusive and comprehensive state regulatory process, clean energy projects, and no other technologies, would likely be subject to a series of popular referenda in every individual township in the project footprint. These referenda would be timed to coincide with general elections, irrespective of any multi-year delay that might cause. Those referenda would theoretically occur after a project has already undertaken the expensive, extensive, year-long plus OPHB process. In reality, no energy facility developer would be likely to take such a risk and no financial institution would be likely to back such an investment.

HB 118 would also, if enacted, subject even minor project *changes* to such popular referenda. In other words, project developers who need to change out solar modules to utilize a new model or adjust a turbine location at the request of a landowner could face additional local referenda, potentially even in townships unaffected by the change. The bill would even apply retroactively, ensnaring projects that have already gone through the rigorous Ohio Power Siting Board (OPHB) review process as of the date of enactment and violating the state constitution's prohibition on ex post facto laws.

Finally, it would extend Ohio's already commercially infeasible setbacks on wind projects to absurd lengths that would zone out every coal, gas, and nuclear plant in the state if it were applied equally to those technologies.

HB 118 would make Ohio uniquely undesirable in the nation for clean energy investment. Several states, like Ohio, retain state control over siting of all utility-scale generation. (Kentucky, Iowa, Nebraska, Maryland, West Virginia, North Carolina, Connecticut, New York). Some states delegate aspects of siting of generation facilities to local government authorities. Some states have a hybrid approach depending on project size. Clean energy developers have learned to work under both approaches. Local control, when applied across all generation technologies, is not generally an obstacle to clean energy development. However, in states where local government authorizes energy facility permits, it does so through the ordinary process of local zoning. The establishment of ordinances governing the deployment of energy technologies through ordinary zoning process is, even if unfavorable for development, at least understandable and predictable for project finance. Developers can comprehend these ordinances and plan accordingly. HB 118 would isolate Ohio as a no-go state for advanced energy companies and clean energy investment.

How Do Developers Site Clean Energy Projects?

Currently, although unreasonable setback requirements already function as a ban on new wind



energy development in Ohio, solar activity has increased. Currently, solar and wind projects apply for certificates from the OPHB in the same manner as all other generation facilities.

Clean energy companies are experts in finding the perfect area for new wind and solar farms and energy storage facilities. Companies must secure each of the elements below to move a project from development, through construction, and into operation. Failure to successfully navigate any one of these issues can result in a shelved project. These steps are necessary to ensure profitable projects, happy host communities, and responsible stewardship of the land.

The Ohio Power Siting Board already conducts a lengthy regulatory review of each proposed project that includes significant participation from all host communities. In this process, the Board reviews project proposals that can span several townships and ensures that all parties have a voice in the process.

Any investment in communities can be favored by some more than others. However, this is not the case with the vast majority of renewable energy projects. Much of the most vocal opposition to renewable projects is from a small minority, many of whom do not reside in or near the project in question, reacting to (or intentionally exploiting) manifestly incorrect misinformation about wind and solar. Developers in Ohio are doing a good job of community outreach early in the pre-application process and as soon as a competitive market allows. Wind and solar projects will continue to explore ways to improve outreach to communities.

Developers also work to balance benefits regionally and provide more direct benefits to the immediate neighbors of projects. This can mean seeking input on landscaping, negotiating “good neighbor” agreements, and providing residential solar incentives.

Clean power is a driver for economic development in host communities and it supports local municipal services that benefit all property owners. Long-term, comprehensive studies show clean energy projects do not adversely affect property values. Human development of all kinds—not just energy development—can both positively and negatively affect property values. A period of uncertainty is common to any type of economic development activity. Fortunately, many studies have shown that wind and solar have either positive or neutral effects on the value of homes with turbines on the property. And importantly, it does not affect nearby neighbors' property values long-term in the way that some industrial uses can.

Developers typically review several years of data to measure wind speed or solar strength and consistency at a potential location. Developers work hand-in-hand with host communities, gaining support through outreach, engagement, and transparency. Most U.S. wind and utility-scale solar projects are located on private land, so developers work with landowners to lease land.



Developers work closely with federal and state authorities to identify and mitigate potential impacts on land and wildlife. The wind, solar and storage industries are carefully regulated, and developers must secure proper permits from all levels of government.

Access to transmission capacity is essential. Developers use existing transmission when possible and build new infrastructure as needed. Developers secure a utility or other entity to purchase power generated by the clean energy project, often before building it. Investors, typically large banks, carefully review the business plan, ensuring the project is a good investment.

Before a project is built, developers plan for end-of-life equipment removal and land restoration. Ohio Administrative Code, Chapter 4906-4-09, requires that a project operator must maintain wind farm equipment in good condition and post a decommissioning bond in an amount equal to the per-turbine decommissioning costs multiplied by the sum of the number of turbines constructed and under construction. This regulation ensures that projects will be decommissioned at the expense of the project owner and not the local community. The OPHB also requires solar farms to have a decommissioning plan and post a decommissioning bond. Utility-scale renewable energy projects also have strict contractual requirements to supply electricity and any rare event that takes a wind turbine or solar facility offline will be quickly addressed to prevent loss of revenue. When a wind turbine reaches the end of its 30-year lifespan, most of its material, like steel, has substantial salvage value and is recyclable.

How Do Clean Energy Projects Affect Rural Communities?

Communities across the country, particularly those in rural areas, currently face a barrage of challenges as they seek to build vibrant local economies. Attracting and retaining young people, adequately funding schools, and providing essential services have all proved difficult in recent years. And that was before the COVID-19-induced recession added another layer of uncertainty. However, some communities are overcoming these obstacles better than others—those hosting wind and solar projects.

Wind and solar projects paid over \$2.6 billion in state and local taxes and lease payments to landowners across the U.S. in 2020. In 2020, just in Ohio, clean power projects contributed more than \$10 million in taxes to local governments, and more than \$8 million in extra income to farmers and landowners. This drought-proof income has stabilized rural economies across the country.

Unlike with some other infrastructure, the PILOT paid by wind and solar projects is not calculated based on “valuation” of the property—it is based on nameplate capacity which is known to all upfront. No PILOT payment has ever been missed in Ohio and failure to remit a PILOT would result in a foreclosure on the property.

This critical PILOT revenue helps bridge budget shortfalls and allows communities to invest in their future, providing new resources to expand opportunities in their schools and social



services. The jobs needed to build, operate and maintain wind and solar projects offer young people careers that will support their families without needing to leave home, and lease payments provide farmers and ranchers a drought-proof cash crop that stabilizes agricultural economies.

Unlike industrial uses, wind and solar are highly passive, causing very little traffic, noise, light, dust, or odor. Unlike traditional industrial uses, they do not create air pollution, water pollution or waste generation. Many uses approved “by-right” in rurally-zoned districts, such as large-scale poultry operations, commercial greenhouses, slaughterhouses, sand and gravel pits and kennels, have far more significant impacts.

Wind and solar farms are a source of confidence for American farmers who have real concerns regarding severe weather, drought, and market price fluctuations. Farms across America have come to rely on wind energy as a drought-resistant cash crop that generates a stable revenue stream from year to year (averaging around \$10,000 a year for each turbine). Large wind turbines typically use less than half an acre of land, including access roads, so farmers can continue to plant crops and graze livestock right up to the base of the turbines. That is an efficient use of space when you consider that a single wind turbine can power more than 500 average U.S. homes with no pollution and continues to generate income for the landowner. It is true that wind turbine foundations disturb a small plot of land around the base of a turbine. But there are no toxic or irreversible leave-behinds preventing the land from returning to agricultural production once a turbine is taken down.

Wind farms are a natural complement to America’s agriculture economy. 99% of wind farms are found in rural areas, bringing good jobs and new revenue for communities that host them, helping communities invest in schools, purchase new emergency services equipment, and fix roads. Farmers and ranchers who lease small parts of their land for wind turbine development receive steady, recession-proof payments. This can help protect farms from fluctuations in commodity prices or poor crop yields during drought years. It can also allow farmers to reinvest in their business by purchasing new equipment or making other improvements. Ultimately, wind turbines can help keep farms in the family for another generation.

Wind and solar are the only sources of electricity that use essentially no water, meaning America’s farmers and ranchers have less competition for this precious resource. In 2020, wind, solar, and energy storage plants in Ohio avoided water consumption totaling 2 billion gallons, reducing drought stress on agricultural production.

How Would HB 118 Impact Ohio’s Business Environment?

Beyond simply impacting economic development opportunities in Ohio, House Bill 118 is fundamentally discriminatory and anti-competitive and would create uncertainty for all types of commerce in the state. At a time when private sector demand for renewable energy is growing



quickly, government intervention into the marketplace would choke supply and hurt Ohio's business climate. The bill would send an unmistakable anti-business signal.

Companies in Ohio are increasingly choosing to obtain fixed-cost renewables in long-term contracts. This bill dramatically restricts their freedom to exercise energy choice, manage their costs, and take control of their energy future. Moreover, by artificially constraining supply, the bill threatens to drive up electricity costs.

Finally, the precedent this bill would create in terms of politicizing infrastructure would impact all sorts of commercial investment in the state. Beyond the mere impracticability of aligning individual projects with general election timetables, the precedent for other types of rural investment is incredibly damaging. Ohio's economy rests on a fundamental understanding of private property rights in which people have the right to use their private land for commercial prosperity so long as that use conforms to common standards to protect neighboring parcels. Ohioans have, through democratic processes, supported the establishment of regulatory bodies that have the staff, expertise and capacity to set those common standards and evaluate individual proposals on an equal basis.

House Bill 118 would establish a precedent that individual uses of private property are now subject to popularity contests. Under this precedent, any land use proposal could be caught up in the heat of political rhetoric, mischaracterized and distorted in media, attacked by unaccountable out-of-state political interests, canceled on social media, and subject to partisan polarization. Ohioans would be deprived of the benefit of the analytical expertise and objective evaluation their tax dollars paid for and every profitable land use from animal agriculture to fuel crops and residential development could be at risk.

House Bill 118 – Wrong for Ohio

House Bill 118 would essentially function as a moratorium on clean energy investment in Ohio. It would harm rural communities, damage Ohio's business environment, hurt economic development, reduce economic choice for Ohio consumers, and throw cold water on commercial investment of all kinds in the state. For this reason ACP joins a broad coalition of stakeholders in asking this Committee to reject this unreasonable legislation and protect Ohio's economic prosperity into the future.