



March 23, 2021

House Public Utilities Committee
House Bill 118
Testimony of Gilbert Michaud
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Chairman Hoops, Vice Chair Ray, Ranking Member Smith, and members of the committee, my name is Gilbert Michaud, and I am providing written testimony in opposition of House Bill (HB) 118. Please note that the comments contained herein solely represent the thoughts and insights of myself in particular, and are not intended to represent nor do they constitute the views of Ohio University as a whole, nor any of its schools/colleges or individual departments.

In 2020, I served as principal investigator on an economic and workforce development study that modeled, for the first time ever, the aggregate job and tax-related impacts of utility-scale solar energy growth in Ohio (see: <https://www.ohio.edu/voinovich-school/news-resources/reports-publications/utility-scale-solar>). In this study, my team and I quantified the manifold, positive impacts that utility-scale solar projects are bringing to the state, both directly through construction- and operations-related jobs, but also indirectly through supply chain impacts, as well as income re-spending. In particular, our analysis showed that, comprehensively, over 54,000 construction-related jobs would be supported if the state's utility-scale solar industry builds out to 7.5 gigawatts (GW). An additional 618 operations-related jobs would be created in this same build-out scenario. At the time of this writing, the Ohio Power Siting Board (OPSB) has about 6.5 GW of solar projects in their queue, with more and more projects emerging every month, meaning that these job projections are reasonable in the shorter term, perhaps over the next five years or so.

Moreover, our study calculated that the total construction-related economic impacts of this utility-scale solar build-out would equal \$9.6 billion, and then \$160 million per year (or \$6.4 billion over the assumed 40-year life of the systems) after these projects are connected to the grid. We note that these figures represent conservative estimates given the labor and materials assumptions that we employed (i.e., Ohio could see even larger employment impacts if higher percentages of in-state labor and materials were utilized for future solar projects). Finally, we determined that Ohio communities could receive over \$67 million in annual revenues via the payment in lieu of taxes (PILOT) program, or \$2.7 billion over 40 years, which will directly benefit local schools, health systems, and many other aspects of Ohio communities.

HB 118, as currently drafted, would threaten the natural growth of utility-scale solar in Ohio. As it currently stands, the OPSB approval process for solar projects is already one of the most meticulous and lengthy in the country, with several costly studies required per project before an application can even be filed. Further, while different states have different approaches to local versus state control in this authorization process, it would be unprecedented to mandate approval at *both* levels. In fact, opening this project development to a local referendum would unnecessarily incorporate local politics and misinformation, as well as undermine the centralized state-level process to determine the merits and needs of specific projects. A better path forward to incorporate the local voice, beyond what is already allowed via the testimony process, should focus on flexibility (as outlined in my comments to the OPSB as part of the 2020 Rule Review Process, see: https://puco.ohio.gov/static/OPSB/2020_rules/Ohio+University.pdf), not to change the policies and procedures altogether.

This bill goes against the precedent already set for siting and approving the construction of electricity generating assets in the State of Ohio by unfairly singling out solar and wind. Coal, gas, and nuclear are not, nor have not been, subject to a process of this sort. In addition, a local referendum would also add significant time to the project development process, for those projects that would be approved, slowing down the positive economic and environmental benefits that renewable energy is bringing to the state. Many of the utility-scale solar energy projects being constructed (or that have been proposed) in Ohio are located in rural areas, i.e. areas that have struggled economically, and even more so with the ongoing public health pandemic. HB 118 would institute new risks to solar developers who will likely go build projects in other Midwestern states, leaving Ohio without the positive economic, workforce, and tax related benefits, especially in rural communities in need of such stimuli.

The State of Ohio has fundamental market strengths compared to other U.S. states such as solar-related manufacturing and supply chain advantages. Stifling the growth of utility-scale solar development in Ohio would be unfortunate, as we sell products to other states and watch them realize the positive economic activity of solar project construction, rather than keeping a higher amount of these impacts within the state. With this robust in-state supply chain, and as a zero cost to government economic development strategy, Ohio should proceed with extreme caution as is considers a local referendum process.

Solar energy brings Ohio great value in terms of avoiding electricity imports coming from the grid, and instead using local electricity production, keeping millions of dollars within the state. Our economic impact study suggests that new solar deployment will help promote economic diversification, durable job creation, new economic clusters, and stable income generation across the state. Continuing to allow solar project development without destabilizing the regulatory process also helps attract additional businesses to the state, especially those with corporate sustainability missions or renewables goals. As part of the state's post-pandemic economic recovery, solar energy can help boost construction jobs, as well as enhance tax revenues to geographies that would greatly benefit from such dollars.

If you have any specific questions regarding my thoughts on this bill, and/or my energy and economic impact research, please contact me directly.

Sincerely,



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