Representative Kent Smith

Ohio House District 8

House Bill 302 – 134th General Assembly

Public Utilities Committee
Rep Kent Smith - May 19, 2021

Chairman Hoops, Vice Chair Ray, and members of the Public Utilities Committee, thank you for providing myself and my cosponsor an opportunity to argue for the passage to House Bill 302 which would lead to a more prosperous future for the residents we serve.

My remarks will cover history, present day and the four possible economic impact projections. But briefly, let's touch on the 1880s. Charles F. Brush designed one of world's earliest electricity-generating windmills in Cleveland, Ohio. His engineering company built the "windmill dynamo" at his home. It operated from 1886 until 1900. One of the communities that I represent is South Euclid. The high school that South Euclid kids graduate from is Brush High School named after the Cleveland inventor.

How We Got Here

Friday (5-21-2021), will mark the 7-year anniversary of the last-minute Senate floor amendment to HB 483, which was inserted with no evidence of problems and with no public input or legislative debate. Amended H.B. 483 nearly tripled the original setback requirements by increasing the setback point of 1,125 feet from the blade tip to the property line, making it one of the most stringent statewide setback laws for wind power development in the country. This bill seeks to ease the regulatory burden on new wind farms in Ohio and provide for a more business friendly environment for clean energy.

Current Market Conditions

With our ancient and recent history lessons over let's cover the current state of affairs. It is no secret that the last federal administration did not prioritize renewable energy. Yet despite that, in 2019, new U.S. renewable energy investment rose 28% to a record $55.5 billion.

So why is that? The financial management firm Lazard publishes a Levelized Cost of Energy (LCOE) analysis – which measures the total cost of building and operating a facility over its lifetime.

According to recent Lazard's reports; 1. US renewable energy prices fell below the cost of coal for the first time in 2018 and 2. Renewable costs continued to fall fast in 2019, with wind and solar hitting new

lows. The Lazard's long-term projection shows renewables beating fossil fuels by ever-larger margins – even without subsidies – a trend forecasted to continue for decades to come.

If this is where the market is going the question that needs to be asked is will Ohio reap the benefits and how much economic activity could that be?

Four Possible Projections

Projecting the amount of lost or potential revenue is tricky so let me share four attempts at it.

1. A 2017 Cleveland dot com article had the headline, "Ohio wind law crippling wind development, $4.2 billion boost to Ohio economy.

   The article documents how Ohio's neighboring states are reaping much larger investment in wind energy – even only three years into the wind turbine setback change of 2014.

   The article also reminds us that the 152-turbine Blue Creek Wind Farm is the largest taxpayer in Van Wert county. It has annually paid $2.7 million in taxes, most of it going to schools, and another $2 million in annual lease payments to property owners. ARTICLE => https://www.cleveland.com/business/2017/05/ohio_wind_law_crippling_wind_d.html

2. An analysis by Purdue University released April 15, 2020 examined what the economic impacts would be if the ten most active wind energy states added another 500 megawatts of wind power. The 10 states that produce the most wind energy in the U.S. — Texas, Iowa, Oklahoma, California, Kansas, Illinois, Minnesota, Oregon, Washington, and Colorado. The result would be almost $24 billion in economic impact in those states ($2.4 billion each), as well as an additional $3 billion throughout the rest of the United States.

3. On March 23, 2021, Alex Fischer of the Columbus Partnership stood before this Committee and said the following: "Currently, the Columbus Region has more than 15 companies considering capital investment amounts of over $14 billion dollars, in turn creating over 20,000 jobs. Each of those investment opportunities either require or prefer renewables as the source of energy."

4. My final possible projection is from the National Renewable Energy Laboratory which does many things but one of those is it examines consistent wind speed rates (see attached map) and therefore predicts wind energy potential. The Laboratory projects the possible capacity for megawatt output by wind power and it rated Ohio as the 4th strongest state east of the Mississippi River (out of 26 states). The Laboratory believes Ohio can produce 119,000 megawatts of wind power. We are currently only producing 864MW, far under the current output of Indiana, Michigan, and Pennsylvania. If Purdue thinks 500 new megawatts can generate $2.4 billion in economic activity … then Ohio just getting to Indiana's current generation level, is a $10 billion dollar payday for the Buckeye state.

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So, is it four billion? Is it 10 billion? Is it 14 billion? Is it more? Whatever it is, those are Ohio workers not getting paychecks, those are Ohio communities and schools not receiving new taxes and those are Ohio property owners, usually farmers, not receiving lease payments.

A quick word about siting and compliance

Siting issues are typically addressed during the planning process, during which the developer uses computerized tools and experience gained from the more than 52,000 wind turbines installed in the United States to evaluate impacts relative to the site and the surrounding community. The siting process, including detailed community dialogue, should identify measures that may be required to minimize or mitigate any problems identified.

As we heard last week from Theresa White, the Executive Director of the Ohio Power Siting Board, a typical application will contain roughly 1,500 pages, a significant portion of which will be technical documents and as many as 30 separate studies.

It is my opinion that the Ohio Power Siting Board is more than capable of handing the utility-scale siting process and to that end, the wind industry should be allowed to compete in Ohio, which means the setback issue needs to be fixed. The clean energy market will only expand, and Ohio needs to embrace this market shift. Indeed, we can't afford not to do so.

We would be happy to answer any questions from the Committee.

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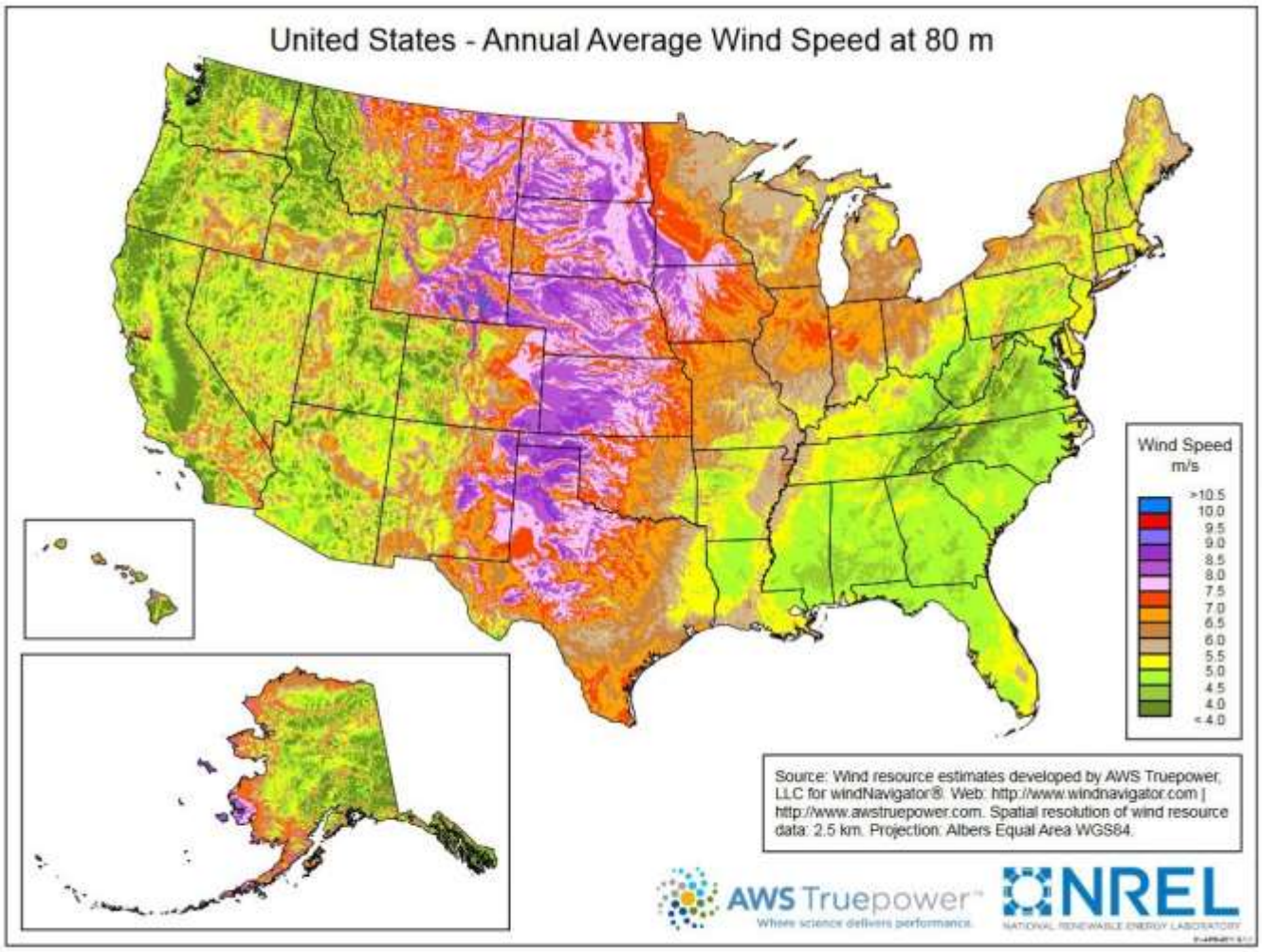

[WINDExchange: U.S. Average Annual Wind Speed at 80 Meters (energy.gov)]: https://windexchange.energy.gov/maps-data/319

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