

House Public Utilities Committee Chairman James Hoops Opponent Testimony on HB 118 Testimony of Jeff Reinkemeyer Director – Eastern Renewables Development

March 23, 2021

Chairman Hoops and Committee Members, please find below the written testimony of Avangrid Renewables on HB 118. Thank you for the opportunity to express our strong opposition to HB 118.

Background on Avangrid Renewables

Avangrid Renewables is one of the leading providers of clean, renewable power in the United States with more than 7,500 MW of owned and controlled wind and solar power facilities in 20 states. Avangrid Renewables also operates a state-of-the-art National Control Center which acts as the nerve center of the company's generation portfolio, making it one of the few companies capable of providing structured energy solutions and allowing large industrial and commercial customers to manage risks and uncertainty in the power industry.

We have made over \$600 million in private investments in Ohio over the last decade, including \$2 million in annual lease payments to local landowners and \$2.7 million in annual payments to local authorities, such as counties, townships and school districts. We are the largest single taxpayer in Van Wert County—larger than the next 11 businesses combined.

Avangrid Renewables works hard to earn the trust and respect of the communities where we do business and by behaving in a transparent and forthright manner. We believe in developing and maintaining strong relationships with landowners and our local communities. In addition to jobs and investment dollars, our contributions to host communities include charitable contributions from the Avangrid Foundation, as well as individual donations and volunteering by local employees.

HB 118 Threatens Private Investment

Utility-scale renewables projects are incredibly capital-intensive in the first few years of a project, requiring significant investment upfront. Risk increases the cost of capital and scares away investors. HB 118 would exponentially increase development risk, making it unlikely that any developer could, or would choose to, afford investing in renewables projects in Ohio. Avangrid Renewables has three utility-scale solar projects in its near-term development pipeline and HB 118 threatens all of them. If all three projects are built, Avangrid Renewables will invest even more—almost half a billion dollars in rural Ohio over the next three to five years.

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HB 118 Creates a Complex, Long and Duplicative Regulatory Structure

HB 118 creates a parallel regulatory system to the OPSB for wind projects over 5 MW and solar projects over 50 MW. It does the same for solar projects 5-50 MW, which are under local jurisdiction. The process created by HB 118 is also complex, long and confusing. Please see the attached process diagram for an illustration of the proposal. Here is a non-exhaustive list of concerning aspects of HB 118:

- The process starts 30 days before submitting an OPSB or building permit application. By this time, most developers have spent well over a million dollars on a project.
- The new process could continue all the way through the OPSB or building permitting process. This means you could have a petition drive for an election underway while trying to navigate the OPSB or building permitting process.
- In the event of the petition option (one of four different pathways a project could experience 30 days after a township is alerted to the project), a very small number of people could trigger an election. The bill says a petition drive can be fulfilled with signatures from a total of 8% or more of the total votes cast in the unincorporated part of a township during the last gubernatorial election. For instance, that number would require only 39 signatures in Palmer Township and 59 signatures in Liberty Township in Putnam County.
- In the event of an election, the referendum process could continue as much as nine months after a certificate or building permit has been awarded.
- If a project spans multiple townships, which they frequently do, each township could chose a different referendum pathway and reach a different conclusion.
- The process can be triggered by an amendment to existing certificates or building permits. We believe this means there could theoretically be multiple referenda on the same project over time.
- The bill attempts to retroactively regulate projects that are currently in OPSB and local zoning processes right now.

Perhaps the most concerning aspect of this bill is the vitriol and misinformation introduced by an election process. A small number of people can have a disproportionately negative impact on public discourse—you might call it "zoning by Facebook." We witnessed what this might look like in proponent testimony when a testifier personally attacked an Avangrid Renewables employee, as well as included pictures of the employee, pictures of the employee's home and the employee's home address. This is not only a demonstration of bad faith; it is also dangerous. We thank Chairman Peterson and Chairman Hoops for recognizing the unauthorized use of our employee's likeness and personal information and removing our employee's personal information off the House and Senate committee's website. We encourage committee members and Ohioans who are following this testimony to read the response letter from our employee, which is included in our testimony packet.

HB 118 Unnecessarily Regulates Existing Local Control Options

While the legislation purports to increase local input and control on the siting of renewable energy projects, the reality is that ample opportunity for both already exist. It adds



unnecessary and overly burdensome regulation to projects that area already directly under local zoning control. Currently, local governments may create whatever regulations they wish for solar projects 5-50 MW. Local communities can utilize zoning to prevent the development of unwanted solar projects of this size. Another misnomer is that OPSB jurisdiction projects ignore local input. However, there are a number of ways that local input already influences outcomes. To start, many times projects without local support will not even make it to the OPSB. Once the OPSB process has started, public input is provided in several hearings. We use those public hearings to improve our project and be a good community partner. One recent example of this is the OPSB hearing for our 150 MW Powell Creek solar project held last July. At the hearing, we heard from some community members that they had concerns with a portion of the project, referred to as "block 33." This portion of property is across the street from several houses and the homeowners were concerned about the view-shed. We listened to these concerns and chose not to put panels on block 33.

Lastly, in our experience, PILOT agreements are a highly effective means of local control. Terms and conditions of these agreements are not limited to annual payments and may include other community benefits and obligations. These agreements can last for 20-25 years and, if broken by the developer, would lead to catastrophic economics for the project. In other words, we have never and will never break a PILOT agreement. Our Powell Creek project is a great example of the wonderful and creative benefits that can be negotiated through a PILOT. In that agreement, we are supporting the development of a sanitary sewer for Miller City, a project the community has been trying to do for two decades. We encourage you to read or watch the testimony of two people from Miller City to hear directly from community members regarding what this project means to them. We have also included several dozen letters of support from people in the Miller City area.

For these reasons, Avangrid Renewables is strongly opposed to HB 118. We appreciate your time and attention and look forward to answering any questions you may have.

Sincerely,

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