

Chairman Kick, Vice Chair Lear, Ranking Member Rogers, and members of the House Energy and Natural Resources Committee, thank you for allowing me to present proponent testimony on House Bill 264, which would allow waste energy recovery systems that power manufacturing processes to receive renewable energy credits.

My name is Katie Batten, and I am the Director of Health, Safety, and Environmental at SunCoke Energy.

I would like to begin by giving this committee some background on SunCoke Energy. We have operations in Ohio, Illinois, Indiana, Virginia, and Brazil. We produce coke, which is essentially purified carbon, and is a critical ingredient in the blast furnace production of steel. Coke supports the U.S. steel industry which is critical for the American steel economy and American national defense. Steel is needed for infrastructure, automobiles, appliances and other consumer goods. SunCoke Energy is proud to play a substantial role in this process. Our 4.2 million tons of U.S. capacity represents about 25 percent of the U.S. and Canadian markets, making us the largest independent producer of coke in the United States. Furthermore, we utilize heat-recovery coke-making technology that captures excess heat for steam or electrical power generation while also reducing environmental impacts. We are the only North American coke producer that utilizes this innovative heat-recovery technology in coke-making process. Our advanced technology provides the most environmentally friendly coke production available.

SunCoke currently has two coke-making facilities in Ohio: 200 ovens in Haverhill and 100 in Middletown. We employ 173 people at our Haverhill plant and 91 at our Middletown plant, along with numerous local contractors and vendors at each site. We are proud to be strong supporting members of these communities. These hardworking Ohioans employed at our two facilities operate 300 large-scale, specially designed ovens for our coke-making operations. These facilities can produce over 1,700,000 (620,000 Middletown and 1,100,000 Haverhill) short tons of coke per year, while producing approximately 800,000 pounds per hour of superheated steam from Middletown and Haverhill 2 and roughly 400,000 pounds per hour of saturated plant steam at HH1. The steam harnessed from Haverhill 2 and Middletown produces approximately 90 megawatts of electrical power. Haverhill 1 produces steam, just as Haverhill 2 does, but we capture this steam to power support our neighbor, Altivia's, distillation processes instead of using it to generate power. This difference between Haverhill 1 and 2's processes is why House Bill 264 is important.

As Representative Johnson explained in his sponsor testimony, our Haverhill facility is made up of 200 coke ovens. Haverhill 1 contains 100 of these ovens, where we capture the steam to supply Altivia. We do not receive a renewable energy credit for this recovery process. Haverhill 2, however, recovers this steam to spin a steam turbine generator, which generates about 45 megawatts of electricity. We do receive renewable energy credits for this process. House Bill 264 aims to treat Haverhill 1's energy recovery process as renewable energy the same way that Haverhill 2's is treated.

Specifically, House Bill 264 would include any facility that produces and uses or transfers steam to power a separate manufacturing process as a “waste energy recovery system.” In our case, this will affect Haverhill 1, which recovers steam and transfers it to our neighbors to support the distillation process’s energy requirements. As Haverhill 2 and Middletown’s processes are already waste energy recovery systems as defined in the Ohio Revised Code, this would not affect them, nor affect any current waste energy recovery system in the state. This definition change would allow our Haverhill 1 steam recovery process from waste heat to receive renewable energy credits for about **25** Megawatts of equivalent power generation.

We strongly believe that Haverhill 1 should be considered renewable, as it is equally as renewable as Haverhill 2 and Middletown and are happy to support House Bill 264 to achieve this goal. Haverhill 1’s steam produced by the heat recovery process currently displaces the natural gas that would otherwise be required to support Altivia’s distillation processes, it is good policy for the state to equally support using waste steam to supply energy requirements to other manufacturing processes.

Committee members, I firmly believe that encouraging the use of waste steam in manufacturing processes promotes sustainability, maximizes manufacturing efficiency, and moves Ohio closer to its renewable energy objectives. This legislation extends Renewable Energy Credits to facilities like SunCoke, capturing waste steam not only to generate electricity, but also to supply energy requirements in the form of steam to a separate manufacturing process. I urge you to consider the positive impact this proposed legislation will have on the state of Ohio, both economically and environmentally.

Thank you for allowing me to testify in support of House Bill 264 today. I am happy to answer any questions you may have at this time.