



WRITTEN TESTIMONY

Ohio House of Representative; Committee on Public Utilities

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H. B. 79, Permit electric distribution utility establish certain portfolios

Mr. Chairman and members of the Committee, thank you for the opportunity to testify on this important legislation. My name is Joe Flarida and I serve as the Executive Director of Power a Clean Future Ohio. We founded and launched Power a Clean Future Ohio in February 2020 with an incredible coalition of experts, advocates, and local government leaders. We are also fortunate to have the strong support of many voices in the Ohio business community as we work in collaboration to grow our state's clean energy economy and save money for Ohio's local governments and their taxpayers.

PCFO serves one purpose: to support Ohio's local governments in achieving their clean energy goals, be it through the lens of environmental protection, economic development, or budget management. These investments are positive and meaningful regardless of the scale or purpose. All of our work is focused on ensuring equitable, effective outcomes that fit the community we are supporting. We encourage local governments to plan comprehensively to account for the economic development opportunity, potential cost-savings, and the considerable environmental benefits of this work in the near and long-term.

Power a Clean Future Ohio works with 44 cities and local governments across our state of every size and in every region. Across this wide-range of communities one priority is clear - regardless of a local government's policy or political priorities, investing in energy efficiency is always a good idea.

House bill 79 establishes voluntary utility energy efficiency programs. Ohio previously had mandatory energy efficiency programs through the utilities and their elimination through House Bill 6 left a gap for Ohio consumers. This gap since the passage of HB 6 has shown the value and demand for these programs. Critics may say that utilities have not proven to be trustworthy stewards of programs like these. While I would agree that utilities are very much the imperfect tool in our complex system of energy delivery and management, in this case, they are the best and only tool for the job of wide-scale energy efficiency investments for residents and small businesses. Additionally, the adoption of this much needed bill should come with more rigorous scrutiny of utilities, not less. Fortunately, these programs would need to be approved by the Public Utilities Commission of Ohio, a competency that is already central to the Commission's work. The Commission will need to provide the oversight necessary and the public will have

every opportunity to intervene and weigh in before these programs are approved as they have done in the past.

Other critics may say this bill is unnecessary because of recent federal legislation incentivizing energy efficiency technologies. It is true that Americans have an opportunity to take advantage of historic federal tax incentives that will transform our economy by shepherding a major shift to clean energy in the coming years. But one thing should be absolutely clear: federal tax incentives are in no way a substitute for utility energy efficiency programs. In fact, doing one without the other is poor planning and bad policy for our state. A voluntary energy efficiency program is complementary to federal incentives by creating a market-based entry point for energy efficiency products relative to their inefficient competitors. These investments will also bolster a growing pipeline for workforce development by creating certainty to the businesses supporting the growth of the industry. Other states are incentivizing the adoption of more efficient building technologies and practices, doubling down on the federal investment and seeing the savings, job growth, and public health benefits multiply as a result.

In our work with local governments, tackling energy efficiency is a tough challenge and there is more our state can do to help them. Under current law, local governments can make the investments necessary for their own operations, and to the extent resources allow, they can inform residents and small businesses of what is possible by investing in energy efficiency, but without a program like the type authorized in HB 79, any significant progress at scale is hindered. These programs focus on common sense, effective efficiency solutions for residents and small businesses, and complement efforts made by cities to reduce demand.

The programs authorized in HB 79 are structured to benefit consumers. There is a cap on charges of no more than \$1.50 per month for utility customers. There is, however, no cap on the savings a customer can accumulate as a result of the benefits of these programs. As we are seeing with a volatile energy market and rising utility prices this summer, the scale of those savings can add up quickly and bring major financial benefits to consumers at no more than \$1.50 per month. If a customer chooses to opt out, they will have the opportunity to do so. This legislation will lead to more resilient, prosperous communities across the state of Ohio.