



June 19, 2018

Ohio Senate Energy and Natural Resources
Opposition Testimony
Substitute House Bill 114 (Blessing)
Jennifer Kefer, Executive Director, Alliance for Industrial Efficiency

Chairman Balderson, Vice Chair Jordan, Ranking Member O'Brien, and members of the Ohio Senate Energy and Natural Resources Committee:

Thank you for the opportunity to submit written interested party testimony to the Ohio Senate Energy and Natural Resources Committee on Substitute House Bill 114. The Alliance is a diverse coalition that includes representatives from the business, environmental, labor and contractor communities, including over 275 electrical and sheet metal contractors in Ohio alone. Our coalition is committed to enhancing manufacturing competitiveness and reducing emissions through industrial energy efficiency, particularly through the use of clean and efficient power generating systems such as combined heat and power (CHP) and waste heat to power (WHP).

As businesses and employers in Ohio, we oppose Substitute House Bill 114, a bill that would weaken energy efficiency standards and allow commercial and industrial customers who use more than 700,000 kilowatt-hours per year to opt out of energy saving programs. By creating special exemptions for larger energy customers, Substitute House Bill 114 will leave small businesses and Ohio families to cover the costs of reducing energy use in the state. Energy efficiency programs work best when everyone participates.

In 2016, the United States Department of Energy identified 7,288 megawatts of potential CHP installations at commercial and industrial sites in Ohio.¹ Several Ohio utilities offer generous incentives to encourage deployment of CHP. However, under Substitute House Bill 114, the vast majority of these facilities would no longer be required to participate in utility efficiency programs. This, in turn, would make it less likely that this potential will be realized.

We are concerned that Ohio House Bill 114 could undermine Ohio's potential to lead on energy efficiency, resulting in lost economic opportunity for Ohio businesses. HB 114 is antithetical to the state's interest in curbing energy costs for all consumers, and growing an industry currently employing nearly 80,000 Ohioans,² including many of our members. All customers and utilities must participate in efficiency programs to realize this potential.

¹ U.S. Dep't of Energy, March 2016, "Combined Heat and Power: Technical Potential in the United States," at 60 (Table 1) (<https://www.energy.gov/sites/prod/files/2016/04/f30/CHP%20Technical%20Potential%20Study%203-31-2016%20Final.pdf#page=79>).

² Energy Futures Initiative (EFI) and National Association of State Energy Officials (NASEO), 2018, "Energy Employment By State - May 2018," at 179 (https://static1.squarespace.com/static/5a98cf80ec4eb7c5cd928c61/t/5af72033562fa7deeeb50451/1526145078893/USEER2018_StateFacts.pdf#page=179) (reporting 79,653 efficiency jobs in Ohio); See also Environmental Entrepreneurs & E4TheFuture, March 2016, "Energy Efficiency Jobs in America: A comprehensive analysis of energy efficiency across all 50 states," at 10 (reporting 78,202 efficiency jobs in Ohio) (https://e4thefuture.org/wp-content/uploads/2016/12/EnergyEfficiencyJobsInAmerica_FINAL.pdf#page=10)



On May 23, one dozen contractors (including several of our members) shared their concerns with you about this proposal. We are attaching this letter to our testimony to reaffirm their opposition to the opt-out language in HB 114.

We urge you to re-examine the provisions in Ohio House Bill 114 and reject modifications to the efficiency standard that would cost consumers billions and leave economic opportunity on the table.

Sincerely,

Jennifer Kefer, Executive Director
Alliance for Industrial Efficiency

Attachment: Letter from Ohio contractors to President Obhof, May 23, 2018