

House Energy and Natural Resources Subcommittee on Energy Generation
Chair Dick Stein and Chair Michael O'Brien
Opponent Testimony on House Bill 6
Testimony of Annie Gilleo
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Chair Stein, Chair O'Brien, and Members of the Energy and Natural Resources Subcommittee on Energy Generation:

On behalf of the American Council for an Energy-Efficient Economy (ACEEE), I write in opposition to Ohio House Bill 6. ACEEE is a nonprofit research organization based in Washington, D.C. that conducts research and analysis on energy efficiency. We have been active on energy efficiency issues at the national, state, and local level for more than three decades, collecting extensive best-practice information on topics including energy efficiency programs and utility business model design.

House Bill 6 would establish a "Clean Air Program Fund" to support Ohio's aging nuclear fleet while simultaneously rolling back the state's energy efficiency and renewable energy standards. It would effectively saddle customers with the bill for expensive power plants while eliminating options to control how and when they use energy. Unfortunately, the bill is based on a faulty understanding of energy efficiency. Below, we clarify the bill's potential impacts on Ohio's families and businesses.

The Clean Air Program will not save customers money.

HB 6 adds a monthly charge to customers' bills to fund the Clean Air Program, ranging from \$2.50 for residential customers to \$2,500 for large commercial and industrial customers, but it provides no direct benefits in exchange. In contrast, similarly funded energy efficiency programs save customers money by lowering energy usage and keeping utility system costs down. In 2017, every \$1 spent on them created \$2.65 in benefits for Ohio families and businesses.¹ These benefits don't just accrue for program participants. Instead, energy efficiency is an important low-cost resource for all customers. It benefits everyone by keeping costs down. A study by ACEEE found Ohio's energy savings goals could save customers almost \$5.6 billion in avoided energy expenditures and reduced wholesale energy and capacity prices over 10 years of implementation.²

Energy efficiency delivers significant benefits to all Ohioans.

Even beyond the utility sector, energy efficiency produces benefits for Ohioans. Efficiency improvements in buildings and industry decrease fossil fuel emissions and air pollution. The reduced emissions could

¹ *Energy Efficiency: A Good Investment for Ohio*. <http://www.mwalliance.org/sites/default/files/media/Ohio-State-Fact-Sheet.pdf?current=/taxonomy/term/11>.

² *Ohio's Energy Efficiency Resource Standard: Impacts on the Ohio Wholesale Electricity Market and Benefits to the State*. <https://aceee.org/research-report/e138>.

help counties working to improve air quality meet national standards. A recent analysis shows that efficiency is a key tool for reducing emissions for a few Ohio counties in particular: Jefferson, Lorain, Butler, and Hamilton.³ These pollution reductions also have significant impacts on the health of Ohio residents. In fact, ACEEE research found that Ohio is one of the states that could see the biggest health impacts from energy efficiency, saving up to \$1.6 billion in avoided health harms.⁴ And efficiency is a major job creator in the state, employing almost 80,000 Ohioans. It accounts for 20% of all construction jobs and 24% of all energy sector jobs.⁵ HB 6 could entirely erase these health and job benefits.

Large energy savings opportunities should not be left on the table.

Ohio passed legislation in 2008 establishing energy savings goals, and utilities began implementing programs to meet them the following year. Since then, Ohio's energy efficiency programs have saved enough energy to power every home in Ohio for more than 10 months.⁶ But there is still much more to do. Not only have utilities' own potential studies identified a clear pathway to meet the state's current savings goals, ACEEE analysis highlighted additional savings opportunities, including emerging technologies and strategies to encourage additional customer participation.⁷ Instead of throwing in the towel, utilities should be exploring these emerging technologies and expanding outreach to underserved customers.

An opt-in efficiency program is unworkable.

The legislative proposal might seem to throw a lifeline to efficiency and renewable energy programs by allowing interested customers to opt back in. However, this proposal would be impossible to implement. A lot of work goes into preparing a multiyear plan for energy efficiency programs. Utilities need to plan budgets, timelines, objectives, and a whole host of operational details. The proposed legislation, which allows customers to opt-in at will, would mean utilities will have no idea what the size and scope of any programs should be, how many customers programs would cover, or the size of available budgets. It is just not possible to design and implement an effective energy efficiency portfolio under those circumstances, so it's far more likely the programs themselves would cease to exist.

We urge you to oppose HB 6, which would be a significant step backward for Ohio. I appreciate your time and consideration today, and I would be pleased to answer any questions you may have.

Sincerely,



Annie Gilleo
Senior Manager, State Policy
American Council for an Energy-Efficient Economy

³ *Mission Attainment: Incorporating Pollution Reductions from Energy Efficiency in State Implementation Plans.* <https://aceee.org/research-report/h1803>.

⁴ *Saving Energy, Saving Lives: The Health Impacts of Avoiding Power Plant Pollution with Energy Efficiency.* <https://aceee.org/research-report/h1801>.

⁵ Energy Efficiency Jobs in America. <https://e4thefuture.org/wp-content/uploads/2018/09/EE-Jobs-in-America-2018.pdf>.

⁶ *Energy Efficiency: A Good Investment for Ohio.* <http://www.mwalliance.org/sites/default/files/media/Ohio-State-Fact-Sheet.pdf?current=/taxonomy/term/11>.

⁷ *Energy Efficiency Potential in Ohio.* <https://aceee.org/sites/default/files/ohio-potential-8-28-15.pdf.pdf>.