

June 4, 2014

The Honorable John Kasich  
Governor of Ohio  
77 S. High St., 30<sup>th</sup> Floor  
Columbus, OH 43215

**Re: Senate Bill 310**

Dear Governor Kasich:

As you evaluate SB 310, we write to share our perspectives on the legislation. Specifically, we offer our interpretation and projection of the effects of the bill for small, medium and large businesses and four million Ohio households. These comments also reflect concerns of renewable energy businesses, energy efficiency businesses and other interested parties.

SB 310 reverses course on state policy that is producing documented savings from energy efficiency on Ohioans' electric bills. And SB 310 reverses course on state policy that, according to a study commissioned by Ohio Advanced Energy Economy, has been stimulating significant investment and job creation in the energy efficiency and renewable energy industries across Ohio – an industry that includes over 400 companies employing 25,000 Ohioans.

The current state policies promoting energy efficiency and renewable energy align with your 21<sup>st</sup> century energy plan. Unfortunately, key provisions of SB 310 that change those policies have not been adequately vetted and ultimately will hurt Ohio businesses and residents, because:

1. Freezing the standards for two years creates a start-stop effect that will confuse the market place, disrupt investment and reduce energy savings for customers during this period. And this negative effect of the freeze will persist beyond the two years. We expect the result will be higher electric bills and less investment.
2. Allowing electricity output from 30-year old hydroelectric facilities to qualify as “renewable” will increase electric rates and make Ohio a less competitive renewable energy market. The purpose of sending Ohio ratepayer dollars to these old projects is unjustified.
3. Granting electric utilities the “sole discretion” to continue or not continue their efficiency programs gives them a preference in the PUCO's processes that is

unfair to customers. This discretion will allow utilities to choose options that increase profits at the expense of savings and reduced consumer protections, and will lead to higher electricity costs for customers.

4. Allowing utilities to collect additional profit from customers by counting efficiency resulting from compliance with mandatory federal appliance standards that government, not utilities, created. The result is less opportunities for consumer energy savings and lead to additional costs for Ohio residents and businesses.
5. Allowing utilities to count as energy efficiency the investments in upgrading their transmission and distribution (T&D) infrastructure, when such investments do not save customers money. This matter will result in fewer opportunities for customers to save money on energy efficiency and lead to additional costs for Ohio residents and businesses.
6. Creating a non-uniform industrial opt-out process across Ohio, with the utilities, not customers, determining when an opt-out occurs. If a utility decides to extend rather than modify its existing plan, an opt-out will not be available until 2017. If another utility decides to modify its program during the freeze, large customers will be able to opt out in 2015. This creates an uneven playing field.

Additionally, as you evaluate the effect on Ohio of recently proposed carbon pollution standards on power plants, please consider the increased relevance of Ohio's energy standards law. Specifically, the energy efficiency and renewable energy standards should make an important contribution toward Ohio's compliance with future federal emissions rules.

Each of the undersigned businesses and organizations has signed this letter for different reasons. But we all agree that SB 310 is not a true compromise on the issues and that the legislation will be harmful to Ohioans' electric bills and to Ohio's burgeoning renewable energy and energy efficiency industries. We hope that the study committee will incorporate fact-based analysis to reach its conclusion on how best to move forward with the standards in the 2008 energy law.

To protect consumers and their electric bills, keep Ohio businesses competitive and support the cost-effective continued expansion of energy efficiency and renewable energy industries, we stand ready to work with you to see that these standards continue.

Thank you for your consideration.

Sincerely,

## **COMPANIES**

ABB, Inc.  
Aerotorque  
AMG Vanadium  
Atlas Butler Heating & Cooling  
BDL General Contractors  
Belden Brick  
Campbell Soup Company  
Casting Solutions  
Cleveland Air Comfort  
Climate-Tech  
Diamond Manufacturing  
Iberdrola Renewables  
Ingersoll Rand  
Invenergy  
EDF Renewable Energy  
EDP Renewables  
Element Power  
Energy Developments, Inc  
Energy Management Solutions  
EnerSol  
EverPower  
First Solar  
Guardian Energy  
Horton Brothers  
Honda  
Honeywell  
Husky Lima Refinery  
Ineos  
Invenergy  
Jim's Plumbing & Heating, Inc.  
Johnson Controls (JCI)  
Juwi Wind  
Kohli & Kaliher  
Mannik & Smith  
Molded Fiber Glass (MFG)  
MPS Manufacturing  
Myers Controlled Power  
NextEra Energy Resources  
Nissin Brake, Ohio

North Central Solar  
Owens-Corning  
PPG Industries, Inc.  
Reserve Energy Exploration Company  
Ritsko Insulation  
Rudolph Libbe  
Schneider Electric  
Summitville Tiles, Inc.  
Three Rivers Energy  
United Technologies  
Weller & Associates  
Whirlpool

## **ORGANIZATIONS / AGENCIES**

American Wind Energy Association  
Air-Conditioning, Heating, and Refrigeration  
Institute (AHRI)  
Heating, Air-conditioning, Refrigeration  
Distribution International (HARDI)  
Hardin County Chamber and Business Alliance  
LEEDCo  
Lincolnview Local Schools  
MAREC  
Marianist Environmental Education Center  
Ohio Advanced Energy Economy  
Office of the Ohio Consumers' Counsel  
Ohio Energy & Advanced Manufacturing Center  
Ohio Interfaith Power & Light  
Ohio Manufacturers' Association  
Ohio Partners for Affordable Energy  
Operation Free  
Paulding County Economic Development, Inc.  
Small Business Majority  
Solar Energy Industries Association  
Vantage Career Center  
Van Wert Chamber of Commerce  
WIRE-net

cc: Beth Hansen  
Wayne Struble  
Eric Poklar  
Craig Butler, EPA