

# **Troy Balderson commentary: Mandates are expensive and are not based on science**

Saturday April 12, 2014 7:39 AM

The General Assembly has been working over the past few years to improve Ohio's energy policy in a way that benefits Ohio consumers and supports Ohio's growing and changing economy.

Our No. 1 priority in the Statehouse is to promote an environment where businesses will create more jobs and spur economic growth, which in turn puts more money in Ohioans' pocketbooks. One of the foundations of a state's vibrant economy is its energy policy.

The state of Ohio's evolving energy policy continues to play a significant role in Ohio's job-creation strategy, most notably with the recent discovery and exploration of the Marcellus and Utica shale fields, which are bringing tens of thousands of jobs to our state.

In order to effectively create jobs and stimulate economic growth in Ohio, the time has come for us to assess how to improve the state's energy policy. This review must include two key goals.

First, we must be absolutely certain that our energy programs are beneficial to Ohio consumers.

Second, our policies must be compatible and supportive of our ultimate goal of creating jobs and driving our state's economy forward.

In 2008, Ohio imposed a series of mandates and annual benchmarks that, in part, required the industry in Ohio to attain increasing levels of energy efficiency and renewable resources in Ohio.

Those mandates were not based on any facts or science when they were forced upon the industry in 2008.

Instead, they were fabricated to conform with a catchy gimmick or slogan, and have wound up costing all Ohioans. Any government mandate must be paid for by someone.

Up to this point, the mandates from the 2008 law have been paid for by all Ohioans. But has every Ohioan who has contributed to the mandates received a return on their investment? A bill that I recently introduced, Senate Bill 310, seeks to answer that question but only after we have first gathered all the facts.

At this point, the known facts are limited. What we know about the mandates is that more than \$1 billion has been spent since 2009 on the energy-efficiency mandates alone in Ohio — a pricetag that has been ultimately paid for by all Ohioans.

However, what we do not know is how much Ohio consumers have received in return for their billion dollars. Even the experts disagree on this point.

What is most concerning is that the energy-efficiency mandates in the 2008 law will become far more difficult, and far more expensive, to attain during the next five years. If action is not taken, those increasing costs will continue to be passed down to Ohio consumers and drive up the cost of all Ohioans' electric bills. All interested parties in this debate agree on this fact.

Consequently, Ohio's current energy policy is heading down a path without a true sense of where we are going and why. I do not believe that to be a wise approach for our state. In order to bring clarity and stability to consumers and their energy providers, I introduced Senate Bill 310.

This legislation is premised on two simple concepts. First, it requires that the state take the proper time to study what Ohio's long-term energy policy should be. We will accomplish this by creating a committee that will make recommendations to the legislature on the best path forward for Ohio's energy policy.

The committee would include individuals from all across Ohio who will provide diverse perspectives on what Ohio's energy policy should be. The resulting policy must be based on what evidence and science tell us, not on exaggerated rhetoric, slogans, or how the political winds blow at a particular time.

Second, and most important, the evidence and science will provide us with the tools necessary to develop an energy policy in Ohio that will provide actual benefit to Ohio consumers, while supporting job creation and economic development in our state.

Unless changed, the 2008 energy law will continue to drive up the costs of electricity in our state. Senate Bill 310 provides a mechanism for us to determine how to reduce the electric bills of all Ohioans and to encourage job creation and economic growth in our state.

*Troy Balderson represents the 20th District, which encompasses all or parts of Athens, Fairfield, Guernsey, Hocking, Morgan, Muskingum and Pickaway counties, in the Ohio Senate.*

## **Ted Ford commentary: Policy has helped to save billions for ratepayers**

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*“The pursuit of clean alternative, renewable and advanced energy sources, and their supportive technologies, is the pursuit of the future, and our commitment to them shouldn't waiver, despite the fact that their costs aren't yet where we want them to be.”*

— Gov. John Kasich, Sept. 30, 2011

Gov. John Kasich made this pronouncement after an “energy summit” at Ohio State University where approximately 1,000 energy stakeholders from across the energy spectrum and all around the country had gathered for several days of panel discussions, roundtables and, finally, a closing address from the governor.

The summit kicked off a collaborative process to update state energy policy and to adopt a thoughtful strategy to leverage all of Ohio’s energy strengths. Kasich’s energy plan was well rounded. It fostered responsible use of fossil fuels such as coal, oil and natural gas and also recognized the value of renewable energy and energy efficiency. It was truly “all of the above.”

Current law, as revised by the governor’s proposal, would ensure that renewable energy such as wind, solar and industrial “waste heat recovery” make up 12.5 percent of our electricity-generation portfolio by 2025. Current law also requires utilities to be 22 percent more “efficient” about the use of energy by 2025.

In reliance on state law, energy companies have hired thousands of Ohioans and invested millions of dollars into projects and technologies that will deliver this power over the coming decade.

One company alone invested \$600 million in a single wind farm, the largest capital investment in the state in 2012. These projects have attracted global capital and spurred local hiring, while channeling our state universities to focus their research and development in the promising field of cleaner, more sustainable energy.

Ohio’s energy standards also have saved ratepayers money — a lot of money. Studies by Ohio State University and others have shown that ratepayers have saved billions so far and stand to save an additional \$4 billion more over the next decade as a result of the standards.

On the flip side, repealing the standards would increase costs for ratepayers by a similar amount and undermine Ohio’s economic competitiveness. This is why the standards are strongly supported by representatives of big energy consumers such as the Ohio Manufacturers’ Association and the Ohio Hospital Association. Similarly, the AARP opposes this rollback.

Unfortunately, Ohio’s legislative leaders are now set to unravel this policy and gut Ohio’s clean-energy progress. Under the guise that the policy must be “studied,” Senate President Keith Faber, R-Celina, and State Sen. Bill Seitz, R-Cincinnati, are proposing Senate Bill 310, which would kill the law outright and then appoint a committee to look into it later.

This is a like executing a prisoner only to hold his trial at a later date. The so-called “study” is a farce. More autopsy than study.

Senate Bill 310 would be the death knell for a promising, high-growth Ohio industry still in its infancy. Advanced energy is a \$169 billion market in 2014, and Ohio is poised to capture a significant share of that. Senate Bill 310 would send a message to energy entrepreneurs everywhere that Ohio’s investment climate is fraught with added risk as policymakers continuously flip-flop and change the rules in the middle of the game.

Finally, it should be lost on no one that renewable energy and energy efficiency are helping clean up Ohio's historically dirty air and water. They are 100 percent emissions-free and require no strip mining or damaging extraction practices.

Rather than striking a balance that respects the contributions of clean energy production, Senate Bill 310 turns back the clock on this progress.

Senate Bill 310 is a disaster in the making for Ohio's energy future and would make our state uncompetitive. It should be set aside while the state holds a constructive dialogue about any changes that may be needed in the standards. Gov. Kasich sponsored such a dialogue in 2011, and in the end he made a firm, forward-looking commitment to the clean-energy economy of the future.

The key question now is whether he and the state of Ohio will keep it.

*Ted Ford is the President & CEO of Ohio Advanced Energy Economy, a non-profit trade association of renewable-energy and energy-efficiency companies and their customers.*