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Opposition Testimony for Ohio House Bill 114

(Cleveland, Ohio) Thursday, March 21, 2017 – John Colm, President and Executive Director of WIRE-Net, a non-profit, manufacturing focused economic development organization with offices in Cleveland, Ohio presented testimony to the House Public Utilities Committee in opposition to House Bill 114. This is his written testimony.

HB 114 will take Ohio manufacturing further off-track. HB 114 is an extension of the current freeze; an approach which Governor Kasich has vetoed once already. We applaud the Governor's leadership on this issue. HB 114 as currently formulated will extend the freeze by substituting unenforceable goals and reducing the energy efficiency benchmarks, which will hinder Ohio manufacturer's competitiveness, and slow development in Ohio of new advanced and renewable energy technologies. This is about Ohio's energy future and about manufacturing innovation.

WIRE-Net has worked in the clean energy space since 2007, when we began the Great Lakes Wind Network (GLWN) to help Ohio manufacturers make business-to-business connections in advanced energy industries (solar, fuel cell, shale gas and wind). We worked closely with the State of Ohio Department of Development (now Development Services Agency) to identify and assist Ohio companies to learn about and sell into the US wind industry and helped push Ohio to the top tier of states with manufacturers supplying the wind industry. We are working today with the Lake Erie Energy Corporation to identify regional suppliers that can competitively supply LEEDCo and its partners with the goods and services needed to construct the 6-turbine Lake Erie wind farm now under development. WIRE-Net's GLWN is a recognized expert in clean energy manufacturing, preparing a ground-breaking study of the competitiveness of the US wind industry compared to European and Asian firms. We are now concluding a similar study of the hydrogen and fuel cell industries – both studies involved extensive work with manufacturers around the globe to identify the opportunities and challenges facing US based clean energy companies.

Combined with the Renewable Portfolio Standards, enacted nearly unanimously by the General Assembly in 2008, our work with the Ohio Department of Development put Ohio on the map as one of the leading suppliers to the US wind industry. Billions of dollars of investment and hundreds of Ohio jobs were created in wind farm construction and advanced manufacturing by foundries, forges, machine shops, and other manufactures. But, a herky-jerky approach to Federal wind incentives (the off again, on again nature of the Production Tax Credit), combined with the General Assembly's decision in 2014 to freeze Ohio's Renewable Portfolio Standard and to create the most stringent wind farm setback regulation has forced many Ohio manufacturers out of this new, fast growing sector. These policy shifts have resulted in wind farm development in Ohio slowing to a trickle. Manufacturers cannot justify the capital investment needed to compete in the still young wind industry if the policy supports are so fickle, as they search for markets with a long-term forecast of growth and stability.

This is one reason why WIRE-Net's Board of Directors voted this year to support reinstatement of Ohio's clean energy and efficiency standards, and to fix our broken wind farm setback regulations as well. We saw first-hand how a new industry, at one time taking root in Ohio, attracting investment and creating

hundreds of new jobs, could be derailed while allowing other states to bypass Ohio in developing a new energy industry.

The second reason WIRE-Net's board supported reinstating the energy standards has to do with manufacturers trying to mitigate the risk of putting all our energy eggs in one fossil fuel basket by diversifying our electricity portfolio to include advanced and renewable energy. What we and the PUCO found is that the clean energy and efficiency standards were doing their job. Not only were the state's utilities well on track to meet the standards, but they were saving residential and business electricity consumers on their electric bills while also improving energy efficiency in our manufacturing sector – which helps improve our manufacturing competitiveness.

Just to be clear, while dozens of our members supply clean energy industries like wind, solar and energy efficiency, we support renewing the standards more so because the standards were helping Ohio manufacturers keep power costs low, helping them compete in global markets.

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About WIRE-Net: WIRE-Net is a membership-based, non-profit economic development organization that provides services to manufacturing leaders to strengthen their businesses, create healthy communities and fuel economic growth. A team of 19 professional staff at WIRE-Net work every day to strengthen manufacturing in northeast Ohio because of the jobs, investment and production the sector brings to our region, state and nation. WIRE-Net represents over 370-member manufacturing and related member companies that employ more than 20,000 people across northern Ohio. For information, visit www.wire-net.org