



Fact Sheet

Protecting Ohio's Clean Energy Law

Ohio's Clean Energy Law

Senate Bill 221 is Ohio's landmark clean energy legislation. Passed in 2008 by a 132-1 margin (Republican-controlled House and Senate, combined) and signed into law by former Democratic Governor

Ted Strickland, SB 221 created one of the strongest renewable energy and energy efficiency standards in the country.

The Economic Potential

Due to the high level of power production and usage in Ohio¹, once the 12.5% renewable energy requirement is fully implemented by the year 2025, Ohio will produce the second highest amount of renewable energy in the country, behind only California.

According to Pew Charitable Trusts, Ohio has experienced the 4th highest level of green job growth in the country². Ohio is now the second largest producer of solar panels in the country and, with a new facility in Toledo coming online soon, will be the largest producer later this year³.

Along with Ohio's large manufacturing sector, this has the potential to transform Ohio's economy. This important transition is already beginning.

Several clean energy manufacturing operations have relocated to Ohio precisely because of our renewable energy standard.

Attracting Investment & Saving Money



Equally impressive is Ohio's energy efficiency standard. Ohio utilities must achieve a cumulative 22.5% energy savings by the year 2025%. Again, if properly implemented, Ohio will have the second strongest total efficiency achievements in country, behind only California⁴.

hundreds of millions of ratepayer dollars are being directed into cost-effective programs, instead of existing generation, which in Ohio is primarily coal fired.

Ohio is on the right path – and our clean energy law is attracting significant investment: A total of 1,093 MW of wind generation alone has been permitted by Ohio's Power Siting Board⁵. Companies like Spain's Isofoton and Prius Energy S.L. are moving manufacturing operations to Ohio⁶.

In 2009 alone, the first year of the energy efficiency standard, energy efficiency programs saved enough power to serve 43,000 homes, valued at approximately \$398 million⁷. The savings from a single utility in 2009 and 2010 were valued at \$631 million. Subtracting \$162 million the utility spent implementing the program, customers of that utility of saved \$469 million in just two years⁸.

Already, the majority of Ohio's investor-owned utilities have increased efficiency program budgets by massive margins;

Additionally, three of Ohio's four investor-owned utilities have easily met energy efficiency targets, bringing extensive savings to all customer classes⁹.

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The Threat

Some are calling for a re-evaluation of this successful legislation. Such a counterproductive move could not come at a worse time, when considering Ohio's economic recovery and slow return to growth.

The renewable energy industry is leading the charge, increasing jobs at a pace unrivaled in other parts of the economy. Additionally, Ohio's energy efficiency provisions are saving customers money.

Because of SB221, Ohio is taking a major role in one of the biggest growth industries in the world. Clean energy companies, which include makers of electric cars, solar panels and biofuels, commanded 23% of all venture capital dollars in 2010¹⁰. Venture capital dollars are coming to Ohio because of this legislation, and jobs and new manufacturing are the result.

So what will happen if this essential legislation goes away?

- Ohio residential, industrial, and commercial customers will pay much more for energy in Ohio.

Ohio's energy efficiency requirements have saved consumers over half a billion dollars already. If this essential requirement goes away, consumers will pay more – much more.
- Ohio is becoming a remarkable leader in green energy research and development. Abandonment of our clean energy legislation would smother our Northwest Ohio solar manufacturing hub, our Northeast Ohio wind manufacturing hub, and other new expanding industries like fuel cell production.
- Utilities will be able to invest easily in large central generating plants at huge expense forgoing more prudent investments in energy efficiency and distributed generation.

Recommendations

Let SB221 continue to work! SB221 is saving customers money and creating jobs. A legislative move that would work to undercut this essential legislation will stifle one of the few bright spots in Ohio's economic picture.

SB 221 is about innovation, growth, and, most importantly, lower bills for all consumers: residential, commercial, and industrial.

¹ Ohio is the 4th largest consumer of power behind Texas, California, and Florida. (2007 Data from EIA) Ohio consumes 161,771 million kwh per year. Ohio is the 7th largest producer of power in the country. 3.5% of all energy consumed in the U.S. is generated in Ohio. (2010 Data from EIA). Ohio's renewable energy and environmental energy laws are tied to consumption, not generation.

² Assuming Florida and Texas do not pass and implement similar renewable energy standards.

³ According to "The Clean Energy Economy" report, PEW June, 2009.

⁴ Solar Energy Industries Association, 1st Quarter 2010 data; Willard and Kelsey Solar Manufacturing

⁵ PUCO report to Energy and Public Utilities Committee of Ohio State Bar Association, Jan. 28, 2011.

⁶ Cleveland Plain Dealer, "Huge Solar Panel Farm Coming to Southeast Ohio," October, 5 2010.

⁷ 2011 Ohio Utility Scorecard, Environment Ohio.

⁸ AEP report to Ohio Collaborative, February 23rd, 2011.

⁹ Only the FirstEnergy companies have shown resistance to the energy efficiency targets.

FirstEnergy applied for a waiver of its 2010 efficiency obligations in late January 2011.

¹⁰ Venture Investment in Clean Tech Companies Rose in 2010, Reuters, March 15, 2011.