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News Release

FOR IMMEDIATE RELEASE
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Changes to Ohio's green energy rules make for bad law *PUCO revisions diminish energy efficiency, renewable energy potential*

COLUMBUS, Ohio – In an economy struggling for jobs and investment, recent changes to the green energy rules will significantly erode the state's electricity law. These changes were made secretly, violate the intent of the law and will lower investment in energy efficiency and renewable energy, the Ohio Consumer and Environmental Advocates (OCEA) said today in its application for rehearing filed at the Public Utilities Commission of Ohio (PUCO).

OCEA also is urging the Joint Committee on Agency Rule Review (JCARR), the body responsible for ensuring agency rules comply with the intent of legislation, to reject the rules and require changes that bring back the balance the legislature worked so hard to achieve through bipartisan efforts.

Senate Bill 221 was passed in May 2008 to partially re-regulate utilities and to require energy efficiency and renewable energy as part of Ohio's energy portfolio. The law requires utilities to invest in money-saving energy efficiency initiatives and job-creating renewable energy projects. After the bill passed, the PUCO conducted a rigorous 10-month rulemaking process, in which consumer, environmental, industrial, small business, renewable energy, and utility advocates made recommendations on PUCO proposals.

With this significant input, the PUCO released a set of energy efficiency and renewable energy rules to JCARR. This initial, balanced, set of rules has been weakened, revised and re-sent to JCARR twice. The PUCO passed its most recent of rules Oct. 28 without transparent and fair proceedings and input from consumer and environmental advocates. JCARR is expected to rule on these rules Nov. 16.

The Ohio Consumer and Environmental Advocates are deeply concerned about two of the recently released rules. The revised rules relax the definition of energy efficiency savings for commercial and industrial customers, contrary to practices in other states. This change creates a double standard for efficiency requirements, in which utility-led efficiency programs for individual consumers are held to a

stronger standard. All customers should be held to the same standard to meet the state's energy efficiency standard. Without identical requirements, many opportunities for residential energy efficiency programs could be eliminated.

The other change made behind closed doors could hamper the integrity of renewable energy. It allows utilities to use any type of fuel to create electricity (including coal), store those megawatts for later use, and obtain renewable energy credits to meet the state's renewable standard. It violates the law and development of actual renewable energy could continue to be delayed along with the associated economic benefits they bring to Ohio should this rule be enacted.

In its Application for Rehearing, OCEA argued that "(t)he energy efficiency and renewable energy requirements are the jewels of Ohio's electric energy law because they can help avoid building expensive power plants and can provide consumers with tools to reduce their utility bills. The changes in the rules made by the PUCO take away these benefits, turning a balanced law into a bad deal for consumers. While the rest of the country is taking steps forward on efficiency and renewable energy, the PUCO's latest changes to the rules have moved Ohio at least several steps backwards."

The following comments are from groups in the Ohio Consumer and Environmental Advocates coalition:

On transparency:

"Citizen Power is disappointed that at the end of a year-long process, last minute decisions were made behind closed doors to significantly modify the green rules, making them significantly less green," Citizen Power attorney Ted Robinson said.

"One year of testimony, filings and public debate at the PUCO led to quality, consensus rules," Ohio Environmental Council attorney Nolan Moser said. "Now, a couple weeks of private back and forth negotiations have jeopardized them. This debate needs to be out in the open."

"The lack of transparency surrounding the PUCO's most recent decision to pull the rules is troubling," said Amanda Moore, Environment Ohio spokeswoman. "The PUCO is making it more difficult for clean energy businesses to thrive in Ohio, costing our state jobs and depriving consumers of clean, renewable sources of energy."

On energy efficiency requirements:

"Senate Bill 221 was passed to change the way Ohioans produce and consume energy but the new rules fall short of the mark," said Dylan Sullivan, energy advocate for the Natural Resources Defense Council. "Allowing large companies to claim savings for actions they would have taken anyway is just a short-sighted corporate giveaway. Companies that are smart about their energy use are far more competitive in global markets. But these rules discourage changes in energy use and that will cost Ohio jobs in the long run."

On renewable energy requirements:

"The renewable energy industry is excited that Senate Bill 221 mandated the development of renewable energy here in Ohio," said Terrance O'Donnell, attorney for Ohio Advanced Energy. "That opens up a huge marketplace opportunity for products such as wind turbines and solar panels. Unfortunately, the latest version of these rules appears to muddy the definition of 'renewable energy,' allowing unspecified

‘pumped storage’ technologies to qualify as renewable energy. Without additional clarity, this vague definition could open up a loophole in the law and scare off the wind and solar industries Ohio is trying to attract.”

“More than a year ago, Ohio’s legislature punted a big opportunity to the PUCO to stimulate and modernize our economy, and now the PUCO is fumbling that ball,” said Jen Miller of the Sierra Club Ohio Chapter. “The PUCO must help Ohio take the lead by getting these rules right, as soon as possible. Now is the time for Ohio utilities to invest in energy efficiency and renewable energy, creating jobs and reducing energy rates.”

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