



*Forging a partnership between farmers and consumers.
•Working together for Ohio's farmers•*

Interested Party Testimony – Senate Bill 58
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October 29, 2013

Thank you Chairman Seitz, Ranking Member Gentile and members of the Senate Public Utilities Committee for the opportunity to submit written testimony on Senate Bill 58.

Ohio Farm Bureau long ago set out to provide leadership in the development of a comprehensive state energy policy that incorporates a wide array of energy production capabilities. Our members also recognize that it takes input and collaboration from government leaders, energy service providers, utilities and interested consumer groups to create, monitor and adjust an on-going strategy. With that in mind, we commend Chairman Seitz and the committee on recent efforts to analyze the effects of Senate Bill 221 on Ohio's economy, energy consumption and energy supply.

In 2008, Farm Bureau's Board of Trustees voted on, and unanimously endorsed, the comprehensive energy plan that was embodied in SB 221. Our members saw the bill as an opportunity for needed investment in Ohio's energy infrastructure that would lead to more diversification in the state's energy production. Furthermore, Farm Bureau members appreciated the opportunities the bill offered to build a consumer friendly interconnection, and provide new tools to allow farms to use energy in a more efficient way. The bill's advanced and renewable energy portfolio standards also brought with it exciting new economic development prospects.

There have been mixed results in achieving the goals entailed in that legislation's provisions. The type of energy resources available to us have also changed since the passage of SB 221. These circumstances warrant a review of the state's energy policy and we appreciate the work you are doing to that end.

As an interested party, we would like to offer a few considerations for the committee as you continue your work on Senate Bill 58. First, Farm Bureau remains committed to a diversified energy portfolio. We support both developing our own natural resources to reduce dependence on foreign fossil fuels and the existing standard to achieve 25% advanced energy production by 2025. We believe this approach provides both energy security and long-term price stability.

Farm Bureau has embraced this diversified approach by working with energy developers on a number of different energy projects that include both advanced and renewable sources. From oil and gas projects in the east to wind farms in the west, county Farm Bureau members are working with local government leaders, Chambers of Commerce, Ohio State University Extension,

project developers and other interested parties to create projects that enhance community development.

Leases and easements are no longer the only agreements governing the size, scope and extent of project relationships. Active discussions concerning community services, schools, local infrastructure and special needs are becoming key elements in all of these types of projects in rural communities around the state. These are all benefits that many Farm Bureau members care deeply about beyond any personal financial gain they may receive from an individual project.

Farm Bureau recognizes that energy development requires investment and support strategies to incentivize the growth of renewable energy resources. To that end, we ask the committee to carefully consider the potential impact SB 58's changes to the renewable energy portfolio will have on economic development and investment in our state. We are concerned that the removal of the in-state generation requirement for renewables could significantly stymie further development of this industry which has had positive impacts in Ohio, especially in rural communities. Coupled with the elimination of the in-state requirement, allowing Canadian hydro-power to count toward the renewable standard could have a similar effect on Ohio investment.

Farm Bureau is focused on using our past experiences with energy development projects to further enhance collaboration, job growth, infrastructure and community development in rural communities where energy projects can be located. However, Senate Bill 58 creates a great deal of uncertainty for developers of these projects and therefore our rural communities as well.

On the energy efficiency side of the bill, the committee should closely examine the potential loss of energy efficiency benefits for rate payers. Electric load profiling and data analysis shows that farm and agribusiness power requirements are unique. Many operations are neither residential nor commercial in nature. AEP-Ohio has initiated an *Agriculture Pilot Project* incorporating audits, engineering studies and special product offerings that could address the needs for many of these customers. OFBF is supporting the project. More information on the project can be found in *AEP-Ohio's Energy Efficiency/Peak Demand Reduction Action Plan 2012-14*, PUCO Docket 13-1182-EL-EEC. This is a great example of a utility working with farmers to achieve greater efficiency and save dollars.

There has also been a significant amount of debate in committee on the impact of the shared savings and lost transmission and distribution provisions in the current version of the bill. Farmers would be impacted as rate payers if forced to pay back utilities for energy efficiency savings or "lost" revenue.

Farm Bureau will continue to advocate for a comprehensive energy policy that incorporates the use of coal, nuclear, natural gas, petroleum and renewable technologies that include, but are not limited to wind, solar, biomass, geothermal, hydroelectric, and fuel cells. With adjustments, we

believe Senate Bill 58 can keep Ohio on a path to fulfill the goal of establishing a truly diversified approach.

Thank you for your time and consideration of the perspective of Ohio Farm Bureau members. If we can provide you with information as you continue your deliberations or if we can serve as a resource in any way, please do not hesitate to call on us.