The Energy Mandates Study Committee Report (EMSC) discusses the costs of alternative energy, renewable energy and energy efficiency. Yet it does not provide information on any benefits of these investments of any kind. While the committee was charged with conducting a cost-benefit analysis, there is no mention of benefits anywhere in the report after a passing reference on the first page. By ignoring this critical benefit data, this report has revealed a disqualifying bias and does not lead to reasonable or reliable policy recommendations.

MISSING INFORMATION

The reality is that Ohio’s clean energy standards have resulted in enormous electricity bill savings and economic benefit for the state. Reducing these standards only increases the amount of energy that consumers waste, and as a result will raise customers’ electric bills. The lack of substance in the EMSC report in no way justifies the long-term, negative impacts this committee recommends placing on Ohio’s electricity customers by outrageously recommending an indefinite freeze on the standards.

The American Council for an Energy Efficient Economy examined the benefits of energy efficiency in Ohio in 2012, and found that continuing Ohio’s efficiency targets could save customers almost $5.6 billion in avoided energy expenditures, reduced wholesale energy prices, and lower capacity prices. In addition, utilities in Ohio have extensively analyzed the costs and benefits of energy efficiency showing a net excess of $2 billion saved to date in their reports provided to the Public Utilities Commission of Ohio (PUCO) in 2014.

The study’s findings regarding renewable energy largely rely on outdated and incomplete cost information and highlight the absent and delayed reporting from the PUCO which led to the lack of relevant data. However, the report makes no recommendations for steps to be taken to improve the data collection that is already required by law so that the legislature can base policy decisions on current, accurate information. Instead, for example, the report simply defaults to a reliance on cost data for renewable energy credits gathered prior to 2012 which is now outdated.

“...The extreme recommendations of the Study Committee are baseless and unacceptable. This report completely ignores the economic and environmental benefits that energy efficiency and renewable energy have brought to Ohio. However, even this biased report finds that bailing out uneconomic generation in Ohio is an unnecessary and futile exercise.”

— Dan Sawmiller, Sr. Campaign Representative, Sierra Club
Renewable energy costs continue to decline significantly across the country. While Ohio’s current benchmark for renewable energy is 2.5x the level it was in 2011, it is being achieved at half the cost of compliance.

**GRID RELIABILITY AFTER PLANT CLOSURES**

One of the most notable findings of the committee is that Ohio’s power grid will remain reliable even with the retirement of generating plants, stemming from the PJM forward capacity market attracting new resources and investments in existing equipment. In fact, the committee found that PJM has attracted 35,000MWs of new capacity compared to 26,000MWs of retirements. This net gain of more than 9,000MWs directly undermines the Ohio utilities’ justification to the PUCO for bailing out their older, uneconomic coal and nuclear plants on reliability claims, echoing the PUCO Chairman’s comments that such assertions amount to nothing more than scare tactics.

**CLEAN POWER PLAN**

The Clean Power Plan is a landmark action to protect public health, reduce energy bills for households and businesses, create jobs, and bring cleaner sources of power to communities across the country. It seeks to reduce carbon emissions, the leading source of climate change, which contributes to increased precipitation, higher temperatures, and rising sea levels.

The EMSC report supports investments to reduce energy waste in low-income and multi-family housing to earn “extra credit” for complying with the Clean Power Plan, while also attempting to justify an inexcusable indefinite freeze of both the efficiency and renewable standards based on uncertainty surrounding the Clean Power Plan. While Sierra Club supports investments in low-income energy efficiency program activity, the report is hypocritical and directly contradicts itself.

The benefits obtained through investments in clean energy and programs to reduce energy waste justified these annual benchmarks well before the Clean Power Plan was ever introduced. Still, as the report recognizes, Ohio should prepare for the Clean Power Plan and the most cost-effective way to do that is to reinstate these annual benchmarks.

U.S. EPA has clearly recognized that reducing energy waste is an important and proven strategy that states and utilities are already widely using and is one that can substantially and cost-effectively lower CO₂ emissions from the power sector. The Clean Power Plan’s flexible compliance options allow the state to fully deploy the energy efficiency savings already being achieved to meet its goals.

**CONCLUSION**

The recommendations of this study committee are outrageous and should be rejected. Governor Kasich was correct in his swift and decided response that the recommendations are “unacceptable,” consistent with statements he has made previously regarding the potential for Ohio’s clean energy economy.

Sierra Club urges the Governor to stay true to his word that this will be only a temporary freeze, and we look forward to his leadership in getting Ohio back on track with saving electricity customers money and creating jobs in Ohio’s growing clean energy economy while taking steps to address the impacts of climate change on our state.