



**LEAGUE OF WOMEN VOTERS®
OF OHIO**

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**Testimony on SB315
Mid-term Budget Review—Energy & Natural Resources Laws & Programs
Before the Senate Energy and Public Utilities Committee
Presented by Alan R. Rosenfield, ScD, FASM
on behalf of the League of Women Voters of Ohio
April 25, 2012**

The League of Women Voters of Ohio believes that SB315 provides a good starting framework for Ohio's energy policy under rapidly-changing conditions. We feel, however, that there are several parts of the legislation that need improvement. This testimony is in two sections – those sections that apply to ODNR responsibilities and those that apply to PUCO responsibilities.

ODNR Responsibilities

Composition of Fracking Liquids We believe that all chemicals used in fracking liquids be made part of the public record. The argument about preserving proprietary secrets is not persuasive for two reasons:

- It is argued that Coke doesn't tell Pepsi. These are two companies targeting the same customer. Competition in oil and gas drilling is for land to obtain mineral rights, which has nothing to do with fracking liquids.
- The nature of engineering is that everyone knows what everyone else is doing, even competitors. The only people being kept in the dark by non-disclosure are those whose air and water is being polluted.

Siting of Wells In January of this year, we wrote ODNR requesting that injection wells be located away from population centers and critical infrastructure (e. g. pipelines). Our concern arose from the earthquakes in Youngstown, the third cluster of earthquakes in Northeastern Ohio caused by injection wells during the last thirty years. While the new ODNR rules may go a long way towards preventing earthquakes, we feel that added precaution needs to be taken because of the incomplete knowledge of geological faults in Ohio.

We are also concerned that the proposed ODNR regulations for State Parks allow wells a little as 300 feet from campsites and sensitive areas. In addition, SB315 allows drilling within urbanized areas. Considering the potential for air and water pollution, as well as documented cases of excessive noise and explosions, we recommend that a 1500 foot distance be kept from population concentrations and critical infrastructure.

Encouraging informed and active participation in government
Working to increase understanding of major public policy issues
Influencing public policy through education and advocacy

PUCO Responsibilities

Combined Heat and Power We agree that giving credit to combined heat and power (CHP) towards the goals of 127-SB221 can be an important part of Ohio energy policy. However, we do not feel that allowing this technology to receive credit towards the renewable energy portion of those goals is reasonable.

There are two arguments for allowing this renewable credit. The first is the cost of renewable energy is believed to be excessive. At the end of 2010 (latest multi-state data available), Ohio produced the least amount of renewable energy of any state in our region. As shown in the Attachment to this testimony, almost all of the other states in our region have managed to increase their amounts of renewable energy with rates lower or comparable to those in Ohio. The reason for this result is that renewables are a small part of the cost of generation, which is only one of many factors that affect utility rates.

The Attachment shows that the high-renewable-energy states have lower unemployment than Ohio. There is no evidence that increased renewable energy levels cost jobs.

The second argument for allowing CHP renewable credits is a belief that there will not be enough capacity to satisfy the law's renewable-energy goals. However, a report prepared for PUCO (*Alternative Energy Resource Market Assessment*, issued by The National Association of Regulatory Utility Commissioners in September 2011) indicates that there will be sufficient supply of renewable energy to satisfy the 127-SB221 goals through the year 2020. A small exception is the prediction of a shortfall in the solar set-aside starting in 2018.

We believe that the advanced-energy goals of 127-SB127 are in much greater danger of being missed. In particular, nuclear power is the only technology mature enough to satisfy those goals. Since construction of a new nuclear reactor in Ohio seemed likely when the legislation was being enacted, there was reason to believe that the advanced-energy goals could be met. Now, the combination of rapidly-increasing costs and the concerns about the Fukujima accident, have severely depressed prospects of nuclear power.

In sum, passage of SB315 will result in overcrowded renewable goals and underfilled advanced energy goals. We urge that CHP credits be allocated to the advanced energy category.

Reporting 127-SB221 requires a report on progress in fulfilling its goals, including job creation and economic impact. We support the idea of a report, but were disappointed to see that the recent PUCO report (*Draft Report by the Staff of the Public Utilities Commission of Ohio; Alternative Energy Portfolio Standard Report*, April 2012) did not include the amount of investment in Ohio for renewable energy or the number of jobs created. We recommend that SB315 add a requirement for an analysis of the effects of 127-SB221 on utility rates. We are confident that a report including this information will illustrate great benefits from 127-SB221.

Thank you for your attention; I will be happy to answer any questions

ATTACHMENT: DATA AND SOURCES
League of Women Voters of Ohio Testimony on SB315

State	Industrial Rate, Cents/kWh	Renewable Electricity, %	Unemployment, %
Illinois	6.2	2.6	9.8
Indiana	6.4	3.0	9.0
Iowa	4.9	17.9	5.6
Kentucky	5.3	3.1	9.1
Michigan	7.2	3.7	9.3
Minnesota	6.3	13.9	5.7
Missouri	5.3	2.7	8.0
Ohio	6.2	0.8	8.1
West Virginia	6.2	2.9	7.9
Wisconsin	7.1	7.1	7.1

States included are Illinois, Indiana, Iowa, Kentucky (no renewable law), Michigan, Minnesota, Missouri, Ohio, West Virginia, and Wisconsin.

Sources

Bureau of Labor Statistics: *Local Area Unemployment Statistics*, December, 2011

US Energy Information Administration: *Average Retail Price of Electricity to Ultimate Customers by End-Use Sector by State, January 2012 and 2011*

US Energy Information Administration: *State Renewable Electricity Profiles 2010*