



Office of the
Ohio Consumers' Counsel
Residential Utility Consumer Advocate

SENATE PUBLIC UTILITIES COMMITTEE

Senate Bill 223

Submitted by:
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**JANINE L. MIGDEN-OSTRANDER
TESTIMONY BEFORE THE
SENATE PUBLIC UTILITIES COMMITTEE**

Good afternoon, Chairman Widener, Vice Chairman Schaffer, Ranking Minority Member Miller and members of the committee. I am Janine Migden-Ostrander, the Ohio Consumers' Counsel. The Office of the Ohio Consumers' Counsel (OCC) is the statutory representative of Ohio's 4.5 million residential utility consumer households. I am pleased to have the opportunity to testify today in support of Senate Bill 223. I applaud Senator Stewart for his efforts on behalf of the public in introducing this bill.

SB 223 expands the current special improvement district (SID) opportunity, enacted last year in House Bill 1, by adding energy efficiency and other renewable technologies to the legislation which was originally limited to financing for solar projects only. This financing model has been known around the country as Property Assessed Clean Energy Financing, or the PACE model. If SB 223 were enacted, projects that would qualify for this innovative financing would include energy efficiency and alternative energy projects such as wind and geothermal energy that reduce grid-generated energy production and support the production of clean renewable energy. The proposed legislation also expands the municipal solar energy revolving loan program to include alternative energy.

PACE financing is a new policy tool which solves the long standing problem of how to overcome the upfront cost barrier to investing in energy efficient and renewable energy improvements. State level PACE legislation like SB 223 enables cities to create programs to loan the upfront money needed for energy efficiency and renewable energy improvements to property owners who repay the loan through an additional voluntary assessment on their property tax bill. Energy efficiency and renewable energy improvements allow home owners and businesses to control their energy bills over a long time period. In today's environment, where energy bills are on the rise, and many families are struggling due to the economy, innovative financing structures for energy efficiency and renewable energy are a positive step in the right direction.

Other benefits of the bill are that it:

- Provides another avenue for meeting the in-state renewable energy requirements under ORC 4928.64 by growing the Ohio Renewable Energy Credit (REC) market;
- Allows private investment to help implement energy efficiency improvements that complement the state's energy efficiency requirements under ORC 4928.66;
- Encourages clean energy development while remaining revenue neutral since the city issues bonds to raise funds for the improvements. The program costs and interest on the bonds are recovered through a small percentage added onto the voluntary assessments;
- Allows the financing design to work within the familiar framework of Ohio's Special Improvement Districts (SIDs). With the formation of a clean energy public improvement district the city can loan the upfront costs of energy efficiency and renewable energy projects which the property owner repays through a voluntary assessment on their property bill;
- Allows a SID energy project to include the cost of consulting and energy auditing;
- Allows private or public entities to take advantage of a SID energy improvement project; and
- Offers a clean energy financing opportunity to municipalities that have their own electric systems and for whom the benchmark requirements of SB 221 do not apply.

In closing, SB 223 will complement existing state policy supporting energy efficiency and renewable energy development and will help move Ohio rapidly into a position of energy affordability and sustainability.

Thank you for the opportunity to offer this testimony.