



OEC [Action Fund]

**Second Public Utilities Committee & Environment Committee
Hearing on Community Choice Aggregation
Testimony on Best Practices in Community Choice Aggregation
Randi Leppla, Vice President of Energy Policy
September 2nd, 2020**

Chair Dorans, Chair Remy, and members of Columbus City Council, my name is Randi Leppla, and I'm the Vice President of Energy Policy for the Ohio Environmental Council Action Fund. Part of the OEC Action Fund's mission is to protect and enhance the environment and the health of all Ohio communities by advancing critical policy priorities. Thank you for allowing me to provide testimony on best practices in community choice aggregation and to testify as to why, with the right pieces in place, Issue 1's passage this November can be an enormous benefit for all Columbus residents. The OEC Action Fund, as a science-based organization, continues to appreciate the caution being taken by Council in response to the COVID-19 pandemic and your encouragement for members of the public to take part in hearings remotely, and I am pleased to join you via webcast this evening.

Community Choice Aggregation through Issue 1's passage provides the city an opportunity to embrace clean energy in a way that ensures cleaner air, healthier climate and good-paying jobs while moving the city toward a more equitable future. A properly designed program will permit the city to provide competitive electric rates for Columbus citizens and small businesses while supporting local renewable energy development. An innovatively designed program will do just that, plus develop robust energy efficiency programs, invest in opportunity neighborhoods and lift up central Ohio residents through requiring intentional hiring and liveable wages.

The city's effort to shift such a large amount of electricity usage toward clean, renewable energy that focuses project investment in our city's future comes at a critical time, and the OEC Action Fund urges the following recommendations be included in the program design and that the commitments be publicly available prior to the vote in November:

- **100% of the aggregated electric load is sourced from newly-built wind and solar projects located in Ohio, with a preference for central Ohio, by 2022.**
 - The strong focus on building local clean energy projects from the outset of the aggregation program ensures benefits for Columbus and all of Central Ohio. By reducing our carbon footprint locally, we will see air quality improvements directly in our community, providing cleaner air to breath to the poorest air quality neighborhoods of Columbus.
- **Renewable Energy Credits (RECs) are retired on behalf of the program, ensuring additionality.**
 - To ensure the new, clean renewable projects coming online as a result of Columbus’s commitment are truly having an impact, AEP Energy must retire those RECs to ensure no other entity or city can purchase them to meet their sustainability requirements. By retiring the RECs, Columbus ensures that the new projects are adding to the demand for clean energy.
- **Community Grants for Energy Efficiency:**
 - The Community Grants program, which was included in the preferred supplier request, should be used to jumpstart the energy efficiency work through the city’s Sustainable Steps program. This component of the Sustainable Columbus Community Choice Aggregation program should create a new rebate revenue program to expand and improve energy efficiency programs.¹ Creating a fund for this purpose would help ensure that the residents of the six Columbus neighborhoods² who had home energy audits during 2019 and 2020 through the Sustainable Steps Community Energy Savers program are actually able to implement the recommended efficiency improvements in their homes. The creative options available to encourage and support clean energy and energy efficiency for residents and small businesses through a community choice aggregation program are yet another reason the OEC Action Fund is so excited to see Columbus move to aggregate its significant consumption -- an estimated 1,699,332 MWh.

¹ House Bill 6 effectively repealed the state-wide energy efficiency programs, leaving a significant gap behind that needs to be filled. While there are multiple bills currently pending to repeal House Bill 6, the city should not wait to see the result, and should make investments in programming specific to the city so that Columbus residents’ bills continue to decrease thanks to the investment in energy efficiency which saves customers money on their bills every month.

² The six neighborhoods are Franklinton, Hilltop, Milo-Grogan, Near East, University District/Italian Village, and Linden.

- **Community Development Fee:**
 - By adding a very small community development fee onto residents' bills (i.e. \$0.01 per month), the city could begin generating money for a fund that over time would build up and could be used for a variety of items including additional community-wide energy efficiency investments, rebates for electric car charging stations, incentives for low-income customers to install solar, and more.
- **Local Workforce Development and Hiring:**
 - All labor agreements entered into by AEP Energy should include minimum requirements for local hiring and requirements for workforce development in our community, prioritizing opportunities for residents from Sustainable Steps Community Energy Savers neighborhoods and opportunity zones.
 - All labor agreements should be required to meet minimum standards for a liveable wage.
 - Increased local renewable generation should mean that our residents and businesses reap the economic benefits that solar, wind and energy efficiency can bring to the community, and an important part of ensuring that component is including requirements to hire local workforce as well as implementing workforce development opportunities in the renewable energy sector. Investing in the community on this level will help to build expertise in the clean energy sector moving forward and ensure that Columbus is reaping the economic benefits of a clean energy future as well.
 - A new report from Ohio University's Voinovich School of Leadership and Public Affairs³ shows the enormous potential for utility-scale solar in Ohio, and details the economic benefits as well. Under an aggressive scenario deploying 7.5 gigawatts of utility-scale solar across Ohio, the report found that:
 - Over 1.5 million Ohio homes could be powered.
 - 54,113 one-time construction jobs and 618 annual operations and maintenance jobs would be supported in the state.
 - Total economic impacts would be \$9.6 billion during construction and a total of \$6.4 billion over the life of the projects (typically 40 years).

³ *Measuring the Economic Impacts of Utility-Scale Solar in Ohio*, Gilbert Michaud, PhD, Christelle Khalaf, PhD, Michael Zimmer, JD, and David Jenkins, MS (Aug. 28, 2020), available at <https://www.ohio.edu/voinovich-school/news-resources/reports-publications/utility-scale-solar>.

- The Payment in Lieu of Taxes program would generate annual revenues of \$67.5 million, equating to \$2.7 billion over the life of the projects—benefiting counties, schools, and other local government entities like health systems, EMS, Fire, 911 and libraries.

As Columbus seeks to pass Issue 1, we must keep in mind how to centralize these types of benefits here for the city's residents. The benefits to Columbus and central Ohio from leaning into renewables through an aggregation plan that requires local investment, local jobs and workforce development means the city can ensure all Columbus residents benefit in the shift toward clean energy. The aggregation effort to move to 100% renewable energy and bolster efficiency city-wide opens a new door through which we can address longstanding environmental injustices in our community.

Passing an aggressive community choice aggregation plan puts Columbus on the map, yet again, as a smart, sustainable, thriving midwest city where folks want to live and are able to have clean air to breathe when they do. Going 100% renewable and investing in energy efficiency measures as well as local workforce and hiring requirements shows that Columbus is working to address the impacts of climate change for all of its residents, including the most vulnerable, by ensuring the benefits of cleaner air are realized by the whole community. And ensuring local workforce development and hiring requirements are locked in and specifically identify opportunity zones for those investments ensures the benefits of the clean energy economy extend to areas that need it most. The aggregation measure can be a much needed step toward remedying environmental injustices within our community and lay the groundwork to move forward rapidly to fix these inequities in our city.

Thank you for holding this public hearing, and providing the opportunity for input from the community. The OEC Action Fund urges the city and AEP Energy to consider the recommendations included here, and to lay out the details of the program as specifically as possible as part of this effort to ensure Columbus voters can confidently vote YES on Issue 1 this November, putting our city on a path toward a better, more sustainable clean energy future.