

February 15, 2013

The Honorable William J. Seitz
Ohio State Senator, District 8
1 Capitol Square, 1st Floor
Columbus, Ohio 43215

Dear Senator Seitz,

We write to you today in support of Ohio's Energy Efficiency Resource Standard (EERS) and Renewable Portfolio Standard (RPS). As you know, our associations represent a diverse group of specialty contractors across Ohio, including many small businesses. We recognize that energy efficiency investments will make Ohio businesses more competitive, while also creating opportunities for our members in the design, construction, installation and maintenance of qualifying technology.

We understand that you are seeking input on issues the Ohio Senate Public Utilities Committee should consider as it reviews the state's energy efficiency and renewable portfolio standards. We urge you to maintain the integrity of the EERS and RPS and to give particular consideration to the jobs and businesses they support. We also write to urge the Public Utilities Commission of Ohio (PUCO) to move forward with the necessary rulemaking to implement recent improvements to the standards (as reflected in Ohio Senate Bill 315).

As you know, Ohio shows great potential for technologies like Combined Heat and Power (CHP) and Waste Energy Recovery (WER) to provide clean sources of energy for manufacturers, commercial entities, hospitals and college campuses. By some estimates, CHP could generate 800,000 Megawatts of electricity for Ohio customers while simultaneously boosting manufacturing competitiveness, creating jobs, increasing industrial efficiency, reducing emissions and most importantly, stabilizing energy costs for some of Ohio's most energy-intensive industries.

Last year, the Ohio General Assembly took a step toward advancing CHP and WER in the state by passing Ohio Senate Bill 315 (SB 315), which contains several incentives for WER and CHP technologies. We are grateful to the legislature for making a place for these clean technologies in Ohio's law.

However, we fear that this recent progress for CHP and WER could be stifled by efforts to weaken energy efficiency targets in the EERS and RPS. As you review the standards, we urge you to consider implications of such action on these emerging technologies in the state. Ohio is ranked fifth nationwide in terms of technical potential for CHP and WER – and yet forty-third in terms of deployment. Policy incentives are critical to help realize our full potential in this area.

Since SB 315's passage last year, we have been following closely the steps toward its implementation. We understand that utilities would help customers develop CHP and WER projects to save energy as they work to achieve annual energy efficiency benchmarks. The energy saved by such projects would be factored into Ohio utilities' compliance with the state's EERS and RPS. Such partnerships – between energy-intensive companies and Ohio utilities – is

needed for CHP and WER projects to be built. Utility investments help projects secure financing, shorten a project's return-on-investment period, and resolve interconnection and stand-by issues.

What is most concerning is that only a few short months ago, the Ohio General Assembly re-affirmed its support for the EERS and RPS by passing SB 315. Weakening these standards will reverse the progress Ohio has made in terms of expanding opportunities for CHP and WER. It seems particularly illogical to contemplate changes to the EERS and RPS before the rulemaking process for SB 315 has even begun.

Moreover, the weakening or elimination of the standards would increase energy prices by reducing incentives for energy efficiency. Customers, small business owners, energy efficiency companies, CHP developers, and energy innovators will be on the losing end, while Ohio utilities will continue to profit and increase their margins.

We hope that, through your review of the EERS and RPS, you come to the conclusion that Ohio's EERS and RPS policies are practical and achievable. CHP and WER development and jobs hang in the balance.

Sincerely,

The Mechanical Contractors Association of Ohio
Sam Halker, Chairman

The Lima Area Mechanical Contractors Association
Mike Rinehart, President

The Mechanical Contractors Association of Greater Dayton
Howard Krisher, Chairman

Sheet Metal and Air Conditioning Contractors Association of Cleveland
John R. Sindyla, Esq., Chief Executive Officer

The Sheet Metal & Roofing Contractors Association of the Miami Valley
Verne Peake, President

The Sheet Metal & Air Conditioning Contractor's Association of Cincinnati
Jack McDonald, President

CC:

Members of the Ohio Senate Public Utilities Committee

The Honorable William G. Batchelder, Speaker, Ohio House of Representatives

The Honorable Armond Budish, Minority Leader, Ohio House of Representatives

The Honorable Keith Faber, President of the Ohio Senate

The Honorable John R. Kasich, Governor of Ohio

The Honorable Eric Kearney, Ohio Senate Minority Leader

The Honorable Peter Stautberg, Chairman, Ohio House Public Utilities Committee