



**Proponent Testimony of Ryan N. Hodum on Substitute House Bill 190**  
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**Ohio House Public Utilities Committee**  
**May 18, 2016**

Good Morning Chairman Dovilla, Vice Chair Roegner, Ranking Member Ashford, and members of the Ohio House Public Utilities Committee. Thank you for the opportunity to testify today on Substitute House Bill 190, which would remove restrictions on new renewable energy development in Ohio.

My name is Ryan Hodum and I am the Vice President for David Gardiner & Associates. I have over a decade of experience advising Fortune 500 companies on renewable energy markets and policy. It is an honor to submit this testimony to highlight major trends among large institutional customers in Ohio to procure renewable energy.

Large businesses and other institutional energy buyers, including the military and higher education, have dramatically increased their purchases of renewable energy in recent years. Consider these impressive trends and recent developments:

- 43 percent of Fortune 500 companies have set public commitments to address climate change and clean energy in their own operations and supply chain<sup>1</sup>
- 60 percent of Fortune 100 companies have done so already, including companies with a major Ohio presence such as General Electric, General Motors, and Walmart. These companies are saving \$1 billion annually and using 15 conventional power plants-worth of renewable energy<sup>2</sup>
- 51 companies have joined the Corporate Renewable Energy Buyers' Principles, calling for increased access to renewable energy in utility markets. Signatories include manufacturers such as DuPont and Procter & Gamble, retailers such as Staples and Target, and IT leaders such as Amazon and Facebook<sup>3</sup>
- Just last week, over 60 companies joined to launch the Renewable Energy Buyers Alliance to deploy 60 gigawatts (GW) of new corporate renewable energy in the United States by 2025 - almost equal to all the current installed wind capacity and three times the current installed solar capacity in the United States<sup>4</sup>

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<sup>1</sup> Ceres, Calvert Investments, David Gardiner & Associates, and WWF, Jun. 2014, *Power Forward 2.0: How American Companies Are Setting Clean Energy Targets and Capturing Greater Business Value* ([http://www.dgardiner.com/wp-content/uploads/2014/06/power\\_forward\\_2-0\\_FINAL.pdf](http://www.dgardiner.com/wp-content/uploads/2014/06/power_forward_2-0_FINAL.pdf)).

<sup>2</sup> *Id.*

<sup>3</sup> WWF and World Resources Institute, Dec. 2015, *Corporate Renewable Energy Buyers' Principles: Increasing Access To Renewable Energy* ([http://www.wri.org/sites/default/files/Corporate\\_Renewable\\_Energy\\_Buyers\\_Principles.pdf](http://www.wri.org/sites/default/files/Corporate_Renewable_Energy_Buyers_Principles.pdf)).

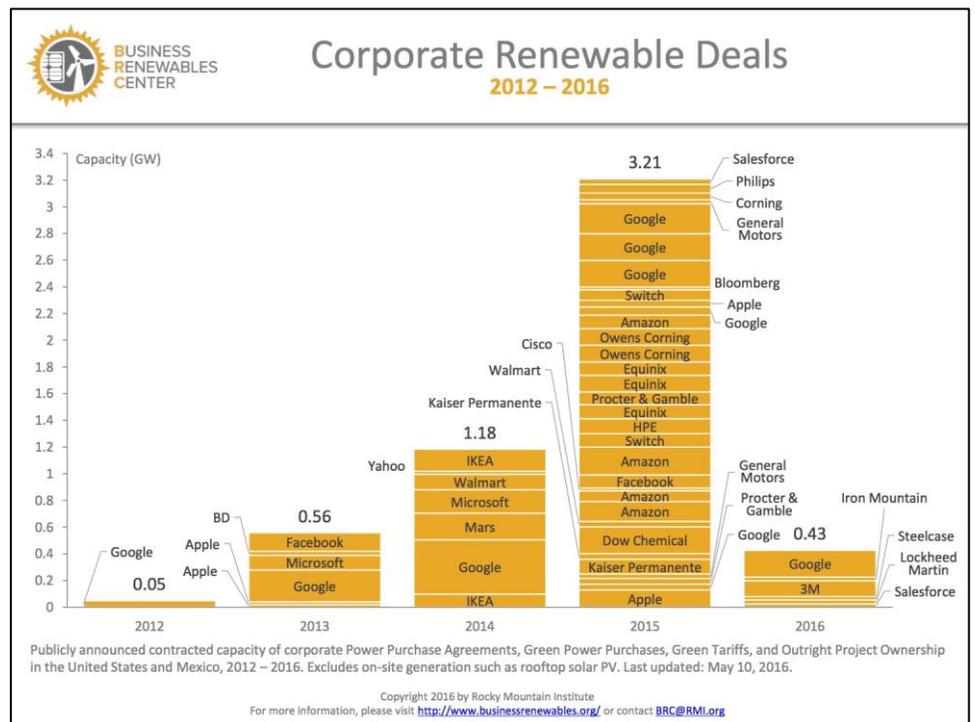
<sup>4</sup> Renewable Energy Buyers Alliance, May 12, 2016, *Renewable Energy Buyers Alliance Forms To Power The Corporate Movement To Renewable Energy* (<http://rebuyers.org/docs/REBA-press-release.pdf>).

In addition, many of the largest retailers and manufacturers in Ohio have set ambitious renewable energy commitments. These commitments reflect a broader national trend among Fortune 500 companies for increased reliance on renewable power as a key operational and policy goal.

- **3M:** Increase renewable energy to 25 percent of total electricity use by 2025<sup>5</sup>
- **Procter & Gamble:** Increase usage of renewable energy in plants to 30% by 2020 and 100% in the long-term<sup>6</sup>
- **Unilever:** Source 100% of energy across operations from renewable sources by 2030<sup>7</sup>
- **Walmart:** Drive the production or procurement of 7 billion kilowatt hours of renewable energy globally by 2020 and source 100% of power from renewable sources in long-term<sup>8</sup>

Corporate procurement of renewable energy continues to grow.

- It doubled from 2013 to 2014 and doubled again from 2014 to 2015.<sup>9</sup> This new demand is helping to drive renewable electricity growth across the US.
- In 2015, *for the first time ever*, Fortune 500 companies and other non-utility customers contracted for more than half (52 percent) of the wind power in America.<sup>10</sup>



**Credit: Rocky Mountain Institute**

<sup>5</sup> 3M, 2016, 2016 Sustainability Report ([http://www.3m.com/3M/en\\_US/sustainability-report/global-challenges/energy-and-climate/](http://www.3m.com/3M/en_US/sustainability-report/global-challenges/energy-and-climate/)).

<sup>6</sup> Procter & Gamble, 2016, *Measuring progress toward our sustainability goals* ([http://www.pg.com/en\\_US/sustainability/performance/index.shtml](http://www.pg.com/en_US/sustainability/performance/index.shtml)).

<sup>7</sup> Unilever, 2016, *Our carbon positive ambition* (<https://www.unilever.com/sustainable-living/what-matters-to-you/moving-to-renewables.html>).

<sup>8</sup> Walmart, 2015, *Walmart's Approach to Renewable Energy* (<http://cdn.corporate.walmart.com/eb/80/4c32210b44ccbae634ddedd18a27/walmarts-approach-to-renewable-energy.pdf>).

<sup>9</sup> Bloomberg New Energy Finance and The Business Council for Sustainable Energy, Feb. 2016, *2016 Sustainable Energy in America Factbook* (<http://www.bcse.org/sustainableenergyfactbook/>).

<sup>10</sup> American Wind Energy Association, April 2016, *2015 U.S. Wind Industry Annual Market Report* (<http://www.awea.org/MediaCenter/pressrelease.aspx?ItemNumber=8711>).

For these companies, renewable energy is a smart business decision – they can save money with renewable power. Powering facilities with renewable energy allows large customers to hedge against power price fluctuations by locking in rates over a long period of time.

This rapidly expanding corporate demand for renewable energy has made any state's renewable energy policies an economic development issue. Members of the Ohio legislature are right to see renewable energy sources, such as wind and solar, as key to attracting Fortune 500 companies to the state. Access to renewable energy is a critical factor for many of America's largest employers when they choose where to do business.

Consider these recent statements from some of the largest Information Technology companies in America:

- **Google** recently issued the following statement in regard to siting new data centers, “When it comes to the site selection process itself, increasingly, renewable energy is part of our consideration...Today it’s actually a necessary component...It’s a very early consideration in the siting process.”<sup>11</sup>
- In regards to siting a new data center in Michigan, **Switch** recently told state lawmakers, “Our first question was: Can you get us our power needs? The second question was: Can you get us 100 percent renewable? If the answer was no, Michigan wasn’t going to be part of the site selection.”<sup>12</sup>
- In Utah, **eBay** recently told state lawmakers, “Companies have been unwilling to site in Utah due to the lack of renewable energy options.”<sup>13</sup>
- Following the announcement of a utility-scale solar facility in Virginia, **Amazon Web Services** noted, “For those states that want to continue to attract renewable energy investment and the corresponding job creation, it is important to have the right policies in place for long-term impact to achieve the economic benefits that Governor McAuliffe, Governor McCrory, and other state leaders are seeking.”<sup>14</sup>
- **Facebook** issued a statement regarding its decision to build a new data center in Iowa, “One of the deciding factors was the opportunity to help develop a new wind project in the state.”<sup>15</sup>

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<sup>11</sup> Tom Gray, American Wind Energy Association, May 8, 2013, *Google Powering Ahead with Renewable Energy* (<http://www.aweablog.org/windpower-2013-update-google-powering-ahead-with-renewable-energy/>).

<sup>12</sup> Andy Balaskovitz, Midwest Energy News, February 11, 2016, *Michigan Corporations Seek to Break Down Obstacles to Renewable Energy* (<http://midwestenergynews.com/2016/02/11/michigan-corporations-seek-to-break-down-obstacles-to-renewable-energy/>).

<sup>13</sup> Lubber, Mindy, Mar. 2012, *eBay and Republican Lawmaker Score Clean Energy Win In Utah* (<http://www.forbes.com/sites/mindylubber/2012/03/22/ebay-and-republican-lawmaker-score-clean-energywin-in-utah/#50bc8335fea98>).

<sup>14</sup> Amazon Web Services, November 2015. *Effective Renewable Energy Policies Spur Investment and Economic Growth* (<https://aws.amazon.com/blogs/aws/effective-renewable-energy-policies-spur-investment-and-economic-growth/>).

<sup>15</sup> Facebook, 2013. *Bringing New Wind to Iowa* (<http://newsroom.fb.com/news/2013/11/bringing-new-wind-to-iowa/>).



These companies don't just choose where to expand based on existing renewable energy policy, they are increasingly weighing in on state policy discussions to expand access to renewable energy. Companies such as Amazon, Cargill, Family Dollar, General Mills, Google, IKEA, Macy's, Target, Unilever, Volvo, and Walmart are urging state governments in Georgia, Kansas, Michigan, Missouri, Nevada, North Carolina, Ohio, and Virginia, and elsewhere, to expand access to renewable energy.

Wind energy – the subject of the legislation before the Committee today – is very important for Fortune 500 companies, who are increasing their demand for wind dramatically. Wind is the primary renewable energy fuel source for large corporate buyers – and will only continue to grow. Between 2008 and 2014, Fortune 500 companies contracted 2,238 megawatts (MW) of wind, according to the Business Renewables Center.<sup>16</sup> In 2015 and 2016, Fortune 500 companies contracted 2,778 MW of wind.

Increasing renewable energy availability in Ohio would unleash the power of private enterprise to the benefit of all ratepayers and citizens of Ohio. Building more renewable energy in Ohio will attract large companies to the state. These companies will promote economic development, create jobs, and provide additional tax revenue for Ohio.

The significant Ohio footprint of these large corporate buyers, combined with the state's substantial, though largely untapped, renewable energy potential makes Ohio an ideal state in which to invest in opportunities to meet corporate renewable energy goals and better serve Ohio customers. If the legislature takes action now on Substitute House Bill 190, these companies can support the development of Ohio's renewable energy resources.

Substitute House Bill 190 can be an important economic driver for Ohio, by creating demand for in-state renewable developers and by signaling to Fortune 500 companies that Ohio is open for business.

I urge the Committee to pass Substitute House Bill 190 and help Fortune 500 companies to meet corporate goals and consumer preferences, while opening up the market for new economic opportunities and job growth.

Thank you for the opportunity to testify on Substitute House Bill 190 and I would be pleased to answer any questions.

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<sup>16</sup> Herve Touati, Business Renewables Center, April 14, 2016, *Corporate Renewables* ([http://www.businessrenewables.org/downloads/BRC\\_SEIA\\_Webinar\\_Deck.pdf](http://www.businessrenewables.org/downloads/BRC_SEIA_Webinar_Deck.pdf)).