Testimony on Substitute HB 190

John Stephenson
Manager, US Public Policy
Amazon

Before the Public Utilities Committee
Ohio House of Representatives

Wednesday, May 18, 2016

Good morning Chairman Dovilla, Vice Chair Roegner, Ranking Member Ashford and Members of the Committee, I'm John Stephenson with Amazon and I am here today to offer our support of Substitute HB 190.

Amazon seeks to be earth's most customer centric company. We put the customer at the center of everything we do and we provide a variety of products and services aimed at buyers, sellers, creators, and developers.

As of Q12016, there are more than 70,000 authors, sellers, and developers in Ohio growing their businesses and reaching new customers on Amazon products and services. There are nearly 36,000 charitable organizations in Ohio that Amazon customers can support simply by shopping on AmazonSmile (smile.amazon.com). AmazonSmile is the exact same Amazon customers know and love, with the added bonus that we donate a percentage of their purchase price to the charitable organization of their choice.

Last year, we announced plans to make significant investments in Ohio, including two large fulfillment centers in Etna and Obetz, a region for Amazon Web Services, and 2,000 new jobs. And that's not including the many seasonal positions we hire each holiday season—jobs that are often converted into regular, full-time roles. We're a company of owners, of builders, and we get our energy from creating and inventing on behalf of our customers.

Our cloud computing division, Amazon Web Services (AWS), provides customers on-demand information technology (IT) that is delivered over the internet with pay as you go pricing using a global network of cloud regions. Startups, enterprises, and government organizations like Netflix, Capital One Bank, the Cleveland Clinic, Pacejet (a Columbus-based provider of cloud-based logistics software), and NASA all use AWS to run virtually every type of workload

imaginable in a secure, agile, and cost effective environment; we currently have over 1 million active customers in 190 countries, including nearly 2,000 government agencies, 5,000 education institutions and more than 17,500 nonprofits.

AWS publicly shared its commitment to sustainable energy in November 2014 when it announced a long term goal to power its global infrastructure with 100 percent renewable energy. In April 2015, AWS announced that approximately 25 percent of the power consumed by its global infrastructure was from renewable energy sources with a goal of increasing that percentage to at least 40 percent by the end of 2016.

AWS is rapidly progressing towards meeting these goals by focusing on four complementary areas. First, AWS is continuously working on ways to increase the energy efficiency of its facilities and equipment, innovating the design and manufacture of its servers, storage, and networking equipment to reduce energy use and improve operational excellence as the business grows.

Second, AWS works with its various power providers that supply AWS datacenters around the world to increase the availability of renewables in their power supply while maintaining low prices.

Third, AWS has funded multiple wind and solar projects to increase the overall amount of renewable energy available on the grids that serve AWS datacenters. These projects include Amazon Wind Farm (Fowler Ridge) in Benton County, Indiana, a 150 megawatt project which is expected to generate 500,000 megawatt hours of wind power annually; and Amazon Solar Farm US East in Accomack County, an 80 megawatt project in Virginia which is expected to generate 170,000 megawatt hours of solar power annually. And Amazon Wind Farm US East is a 208 megawatt wind farm in Perquimans and Pasquotank counties, North Carolina. The wind farm is expected to start generating approximately 670,000 megawatt hours of wind energy annually starting December 2016, or enough to power more than 61,000 US homes in a year. When completed, it will be the first utility-scale wind farm in the state of North Carolina.

On November 19, 2015, Amazon announced that it would work with EDP Renewables to build a new 100 megawatt wind farm in Paulding County in Northwest Ohio that's expected to start generating approximately 320,000 megawatt hours (MWh) of wind energy annually starting in May 2017, or enough to power more than 29,000 US homes in a year.

And fourth, Amazon works with industry associations, international, federal, and state governments to create a more favorable environment for renewable energy.

Unfortunately Ohio's wind turbine setback standards enacted a little more than two years ago have significantly diminished the attractiveness to further investments in wind generation in Ohio. In fact, the current setbacks have acted as a moratorium of sorts on new wind development.

We strongly support HB 190 and the substitute because it would incent additional investment in large, utility-scale wind energy projects in Ohio. The legislation before this committee designates a wind corridor in northwest Ohio where the previous setback standards could be

used with input from the Ohio Power Siting Board. Projects must also be filed with PJM as evidence that the wind project is viable and likely to be developed.

Amazon believes the substitute version of HB 190 strikes a balance that will allow wind development in areas of Ohio where it makes the most economic and operational sense and will help bring into Ohio more high-tech operations that increasingly depend on renewable energy. These large scale projects, thanks to economies of scale, would provide clean electricity to the grids that power our operations in Ohio and they would do so in a cost effective manner.

We are pleased to join with technology companies, wind energy developers, local government organizations, and others in support of substitute HB 190 and we urge its immediate consideration. Thank you.