



MEDIA STATEMENT

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House Bill 6 would cost hardworking Ohio families \$6.11 per month

Despite claims by proponents to the contrary, HB 6 would cost Ohioans \$312 million annually

The following statement can be attributed to Rob Kelter, Senior Attorney for the Environmental Law and Policy Center and Trish Demeter, Chief of Staff of the Ohio Environmental Council Action Fund.

Ohio policymakers promoting Ohio House Bill 6 are misleading Ohioans regarding its so-called cost savings. They have left out the full impact of energy efficiency savings to Ohio customers. Here are the facts.

The fiscal note for House Bill 6 outlines the average monthly bill charges for residential customers that are attributed to Ohio's Renewable Portfolio Standard and to the Energy Efficiency Standard and Peak Demand Reduction requirements. Those combined charges - when averaged across utility service territories - are \$4.10 per month. The \$4.10 charge includes \$0.74 for the renewable energy standard and \$3.36 for energy efficiency and peak demand reduction requirement.

House Bill 6 eliminates the \$4.10 renewable energy and energy efficiency charge and replaces it with a \$2.50 monthly fee on residential customers that would go to new subsidies for nuclear and coal power plants under an "Ohio Clean Air Program Fund." Sponsors of the bill, therefore, claim it will save Ohioans money by reducing their bills from an average of \$4.10 to \$2.50.

However, this claim ignores the benefits and actual bill reductions that Ohioans are receiving from utility investments in energy efficiency. Every year, Ohio utilities file reports with the PUCO documenting the savings from their energy efficiency programs. According to calculations based on the most recent available set of reports for the utilities' 2017 programs, those programs produce actual savings of \$7.71 per month on average. When combined with the cost of \$4.10, the programs today result in a NET SAVINGS to Ohioans of \$3.61 - meaning Ohioans' bills are \$3.61 LOWER per month than they would be without the programs. Because House Bill 6 eliminates the energy efficiency standard, Ohioans will lose the \$7.71 in monthly savings that these programs generate.

Here is the real math for calculating total bill impact for a residential customer if House Bill 6 becomes law: As noted above, under Ohio's current clean energy standards, customers pay \$4.10 in monthly charges but earn \$7.71 in monthly savings for a net savings of \$3.61. Under HB 6, the monthly charge is reduced from \$4.10 to \$2.50, but *all \$7.71 in energy efficiency savings is wiped out.*

Even when accounting for the \$1.60 difference between what Ohioans currently pay for clean energy programs (\$4.10) and the proposed \$2.50 fee for HB 6, *Ohioans' bills will still be \$6.11 per month higher than they are today.*

The energy efficiency standard is currently saving Ohioans money and lowering their electric bills. For every \$1 that utilities spend on energy efficiency, Ohioans save \$2.65. According to utility data filed at the Ohio Public Utilities Commission, from 2009 to 2017 the energy efficiency standard has already saved Ohioans \$5.1 billion.

A Brief Explanation of Efficiency Savings

Customers benefit from energy efficiency programs in a number of ways. The programs fund discounts on lighting, appliances and heating and cooling measures available to all Ohioans, and there are few customers who do not take advantage of these programs. Hence, customers benefit in three significant ways: the programs benefit customers who participate by reducing their energy usage; the programs help utilities avoid making investments in transmission and distribution; and the programs help reduce the expensive power needed on the hottest days of summer when prices peak.

Not included in the calculation is the further savings achieved from energy efficiency and renewable energy's "wholesale price suppression effect" on the market price of electricity because of reduced overall demand. The PUCO Staff estimated this price suppression at 5.7%.

The Real Monthly Cost of House Bill 6: **\$6.11 per month increase per Ohio Family**

A total cost of \$312 million per year to Ohio families

CURRENT LAW: Average Monthly Electricity Bill Impact of Residential Renewable Portfolio Standards (RPS), Energy Efficiency & Peak Demand		HOUSE BILL 6 (As Introduced): Average Monthly Electricity Bill Impact	
Electric bill without surcharges	\$100	Electric bill without surcharges	\$100
RPS Charge	+\$0.74		
Energy Efficiency/ Peak Demand Charge	+\$3.36	Ohio HB 6 Bailout Charge	+\$2.50
Total	\$104.10*		
<small>*Per Fiscal Note to House Bill 6, pages 5-6</small>			
Energy Efficiency SAVINGS	-\$7.71	Energy Efficiency Savings	0
Total bill \$96.39/month		Total bill \$102.50/month	

NOTE: Not included in the calculation above is the further savings achieved from energy efficiency and renewable energy's "wholesale price suppression effect" on the market price of electricity because of reduced overall demand. The PUCO Staff has estimated that the price suppression effect of the energy efficiency standard alone is to reduce wholesale electricity market prices by 5.7% for every 1% energy savings achieved.

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