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**Substitute House Bill 349 - Sponsor Testimony  
Ohio House Energy and Natural Resources Committee  
November 17, 2015**

Chairman Landis, Ranking Member O'Brien, and members of the House Energy and Natural Resources Committee, thank you for giving us the opportunity to offer sponsor testimony on Substitute House Bill 349.

In August of this year, the United States Environmental Protection Agency (USEPA) issued final regulations, called the Clean Power Plan, requiring states to submit plans to reduce carbon emissions from power plants. These regulations are designed to change how electricity is produced by requiring less use of coal (which currently supplies nearly 70% of Ohio's electricity) and more of alternative sources, such as wind and solar. The Clean Power Plan could have a dramatic effect on the cost and reliability of electricity in the state. A recent economic impact study of the final rule shows Ohio electricity rates will likely rise by an annual average of 15% and peak at 21%.<sup>i</sup> Under the Clean Power Plan, if a state does not submit a satisfactory plan under a tight schedule, the EPA will impose one of its own. Ohio and 26 other states have challenged the Clean Power Plan in court, but the litigation will take years, and many of the USEPA deadlines will come before it is completed.<sup>ii</sup>

In response to this reality, this legislation will require that the Ohio EPA obtain an extension of USEPA's initial September 6, 2016 deadline for submission of a state plan. It will require the Ohio EPA to develop, evaluate and provide a proposed state plan for consideration by the General Assembly. This plan will seek to maximize flexibility for the state and minimize adverse impacts on the cost and reliability of electricity, employment and economic status of the state. The bill also requires that before proposing a state plan, the Ohio EPA will develop and evaluate four specific options that address certain features of USEPA's guidelines. Each of these options will evaluate a range of specified factors such as impacts on cost and reliability of energy, employment, manufacturing competitiveness, lower-income communities, and revenues of governmental entities and school districts. This bill will ensure no state plan can be submitted to the USEPA without express approval of the General Assembly. It will also make it so any state

plan would no longer remain in effect if USEPA's Clean Power Plan regulations are invalidated by the courts.

In summary, this legislation will provide important options to the state during the litigation and will help prevent the USEPA from imposing unreasonable or unlawful requirements on Ohio through its own plan. Thank you for your time and thoughtful consideration. We urge support of Substitute House Bill 349. We would be happy to answer any questions that the committee may have.

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<sup>i</sup> <http://www.americaspower.org/sites/default/files/NERA%20CPP%20Final%20Nov%207.pdf>

<sup>ii</sup> [http://www.eenews.net/interactive/clean\\_power\\_plan](http://www.eenews.net/interactive/clean_power_plan)