



Policy Matters Ohio is a think tank dedicated to creating a more vibrant, equitable, sustainable and inclusive Ohio, through research, strategic communications, coalition building, and policy advocacy. This brief is one of a series that gathers, in concise lists, some of our more practical and viable recommendations on state policy. The series builds on more than a dozen years of research to provide policymakers and advocates with research-based solutions to some of the state's most pressing problems while creating an Ohio economy that works for all.

Ohio uses an enormous amount of energy, much more than we produce. In 2011, we spent approximately \$51 billion on energy, more than 10 percent of our state's gross domestic product. Only 28 percent of that energy came from Ohio; most of our energy dollars leave the state to purchase fuel from elsewhere, a huge drain on our economy. Much of that energy is wasted: in an antiquated electric grid, leaky homes and buildings, inefficient industrial processes, gas-guzzling vehicles and sprawling communities. This results in needless pollution. By investing to upgrade our grid, make our manufacturing sector leaner and greener, build a 21st century transportation system, and weatherize homes, we can create good jobs, promote home-grown clean energy, save money, stabilize our economy, and improve our environment.

Update our antiquated grid

Nearly 70 percent of energy used by Ohio's electric power industry is lost during generation and transmission – for every three lumps of coal we put in, we get only one out. This waste of scarce resources squanders about \$20 billion worth of energy each year, the equivalent of nearly 5 percent of the state's economy. The end result is that electric customers pay for the wasteful practices of FirstEnergy and other electric utilities. We can and should use our natural resources more wisely. This means investing in combined heat and power technology, a more efficient way to produce electricity from fossil fuels, and relying more on renewable energy. Every million dollars we invest in combined heat and power technology creates four jobs.

Ohio must preserve and enhance its efficiency and renewable energy standards requiring electric utilities to upgrade and invest. Despite FirstEnergy's constant attacks on the law, it is in Ohio's economic interests – and particularly in the interest of consumers – to stay on this more sustainable energy path. Ohio's clean energy laws will help bring our electric power sector into the 21st century, use fossil fuels wisely, and diversify our energy portfolio so Ohioans will be less dependent on volatile fossil fuel prices.

Make manufacturing leaner and greener

Ohio's manufacturing sector is a prime target for achieving energy savings and emissions reductions. By encouraging our manufacturers to better manage energy use, savings can be reinvested in facilities, products, and workers.

We recommend that the state of Ohio:

Expand Ohio's Advanced Energy Fund, which is much too small to get the job done. Use it to provide low-cost industrial energy assessments, efficiency training, and implementation assistance to manufacturers to encourage private investment.

Investigate the potential to build combined heat and power plants on brownfields, and provide manufacturers affordable and stable energy prices through long-term power purchase agreements for clean energy (green incentives). The resulting savings can solidify Ohio's manufacturing stronghold in the new global economy, and make Ohio a more sustainable and vibrant state with a vital role in the nation's future.

Congress should pass the Shaheen-Portman bill, *The Energy Savings and Industrial Competitiveness Act of 2013*, designed to increase use of energy efficiency technologies, particularly in the manufacturing sector, and create jobs.

Build a 21st century transportation system

Over half of Ohio's energy dollars are employed in the transportation sector. Ohio can reduce dependence on imported oil by promoting electric vehicles and buses as well as commuter and freight rail. Doing so will also provide more affordable, efficient, equitable, and environmentally friendly transportation choices. Ohio contributes only .3 percent of the billions spent on transportation toward public transit in the state; less than 2 percent of state and federal funds combined. As a result, our state ranks 47th in the nation for commitment to public transit. We also have underinvested in other options like safe streets for pedestrians and bicyclists. By investing to increase Ohio's transportation choices, we can reduce our economic vulnerability to oil, promote jobs, give firms and workers low-cost and accessible commuting options, improve public health, and reduce emissions.

\$75 million a year for a Transportation Choice fund would move us in the right direction. This investment would represent just 2 percent of our state's transportation spending. Over time, we should increase our commitment to transportation choice to represent 10 percent of the state's transportation budget.

Weatherize homes

Poor Ohioans often live in inefficient, uncomfortable homes, giving them large energy bills they cannot afford to pay. Many people just suffer. Others may get public energy subsidies to help pay winter heating bills and keep the heat on. Ohio's energy subsidies add up to nearly a quarter of a billion dollars every year.

Ohio, the federal government and the state's investor-owned utilities should increase investments in low-income home weatherization programs. Investments in low-income home weatherization are a long-term solution towards ending this cycle of energy poverty. Plus, every \$1 million spent to retrofit homes creates an estimated 17 jobs.

Contact us to learn more about creating a more sustainable economy, while creating jobs, reducing pollution, and positioning us better for tomorrow.