



TESTIMONY

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Advance energy equity with community solar

Proponent testimony for HB 197 before the House Public Utilities Committee: 135th General Assembly

Chairman Stein, Vice-Chair Blasdel, Ranking Member Weinstein, and members of the House Public Utilities Committee, thank you for the opportunity to submit proponent testimony on behalf of House Bill 197 (HB 197), which would establish a pilot program for community solar in Ohio. My name is Molly Bryden, and I am the Sustainability Researcher with Policy Matters Ohio, a nonprofit research institute with the mission of creating a more vibrant, equitable, inclusive, and sustainable Ohio.

Community solar would bring broad economic benefits to the state, while responding to shifting consumer demands for cleaner energy sources. Ohio is the fourth-largest energy consumer in the United States. In 2022, Ohio's total electricity consumption made up 3.8% of all electricity consumed in the country, while contributing only 3.2% of utility-scale electricity generation. Simply, electricity demand outweighs in-state supply, and consequently, around 20-25% of Ohio's electricity is purchased from other states and Canada. Community solar would accelerate the addition of new distributed energy resources to the grid, enhancing Ohio's energy independence and resilience.

Community solar can also alleviate financial burdens faced by Ohio's families. According to the Public Utilities Commission of Ohio's Utility Rate Survey, median annual electricity costs for residential customers totaled \$1,468.57 in 2023, with monthly electricity bills ranging from \$95.18 to \$158.26 (considering an average monthly usage of 750 kilowatt hours). This means 17.5% of Ohio households are facing undue energy burdens, without considering heating fuel costs. When considering both electric and gas utility bills based on average consumption in 2023, Ohioans' annual utility costs were \$2,664.66, meaning a household with a median household income of \$66,990 paid 4% of their income to keep the lights and heating on, compared to the national average of 3.1%.¹

¹ ["How High Are Household Energy Burdens?"](#) by Ariel Drehobl, Lauren Ross, and Roxana Ayala. American Council for an Energy-Efficient Economy. September 2020.



Moreover, a family's energy burden, or the percentage of household income spent on home energy costs, is considered high if their utility bills make up 6% or more of their income. Using median annual gas and electric bills for residential customers in 2023, a family would have to make at least \$44,410.98 to maintain a moderate energy burden – whereas 37.9% of Ohio households have an annual income of less than \$50,000, and more than 25% make less than \$35,000. Though access to electricity is critical for sustaining the health and well-being of our communities, Ohio's utilities reported 281,000 service disconnections due to nonpayment between June 2022 and May 2023.

Community solar presents Ohioans with an opportunity to lower their electricity bills while enjoying a cleaner electricity grid, offering long-term economic and environmental benefits – and related health benefits – for Ohio's communities.² HB 197 guarantees bill savings for program participants, facilitating equitable renewable energy development, while falling solar cost further reinforce the financial case for community solar. In fact, while energy generated by solar photovoltaics was 710% more expensive than fossil fuel sources in 2010, it was 29% less expensive than the cheapest fossil fuel generation source by 2022, and the downward trend in solar costs is expected to continue.³

While solar is becoming increasingly competitive with traditional, carbon-intensive generation sources, residential solar is contingent on homeowners' financial capacity to take on a role in energy generation – which wasn't possible before advancements in distributed energy technologies. In Ohio, the average cost of installing a five kilowatt rooftop solar system is \$13,500,⁴ and while federal tax credits can reduce installation expenses by 30%,⁵ the installation must be financed in full before solar adopters can claim the credit when filing their tax returns the following year – making solar inaccessible for many Ohio families, especially when considering the large share of households already facing undue energy burdens. Further, installing solar is not an option for renters, who represent 33.2% of Ohio households. Community solar, however, is an equitable alternative that can scale the uptake of renewable energy sources and lower utility costs for all Ohioans by mitigating financial and structural barriers to residential solar adoption.

Finally, HB 197 would enable Ohio businesses to participate in an emerging market with considerable opportunity for growth. Nationally, annual growth in community solar capacity was between 111% and 161% from 2020 to 2022, and 24 states have passed legislation to enable community solar. Private developers have leveraged the consistent growth in the community solar market through investments in other states. For example,

² [American Community Survey, 2022: 5-Year Estimates](#). U.S. Census Bureau.

³ ["Renewable Power Generation Costs in 2022."](#) International Renewable Energy Agency. August 2023.

⁴ ["Solar Panel Costs in Ohio: Are Solar Panels Worth It?"](#) By Kelly Banks. Forbes Home. February 2024.

⁵ ["Homeowner's Guide to the Federal Tax Credit for Solar Photovoltaics."](#) U.S. Department of Energy, Office of Energy Efficiency & Renewable Energy. April 2024.



the majority of registered community solar project sponsors in Maine – which saw a substantial increase in community solar capacity in 2023 – are from states with a strong history of supportive policies for shared renewables, like community solar. Of the 314 registered project sponsors in Maine, 90 are from Massachusetts, which has the third-greatest community solar capacity in the U.S. This correlation suggests that Ohio businesses can benefit from entering the community solar market. Ohio still has an opportunity to be on the earlier side of the market transformation.

Ohio ranks 46th for renewable energy consumption as a share of energy consumed in the state. Because of the lingering effects of HB 6, Ohio’s renewable portfolio standards are the lowest of any state that has them. We should not let Ohio’s history of pro-utility energy policy prevent us from meeting the increasing consumer demand for clean energy. Ohio’s lawmakers should listen and respond to the needs of their constituents, and HB 197 serves as a critical opportunity to do so.

Expanding access to clean energy assets is good for the state, for business, and for Ohio’s working families. Community solar subscribers enjoy greater power in determining where and how their energy is produced, facilitating greater energy equity and economic opportunities for Ohio.

Thank you for the opportunity to provide proponent testimony on behalf of HB 197. I am happy to answer your questions.