

## Testimony on SB 232, Renewable Energy Facilities

Before the Senate Energy and Public Utilities Committee  
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Because the League of Women Voters of Ohio has a diversity of positions, we examine each piece of legislation from multiple angles. My discussion of SB232 reflects our support of education funding and of alternative energy.

SB232 proposes a partial tax abatement for renewable energy facilities. The loss of school property taxes from typical abatements, such as for office buildings, can be offset by income taxes generated by the employees in that building. Renewable energy facilities apparently do not provide sufficient city income tax revenue to make up for the lost property taxes. It is also possible that the abatements resulting from SB232 could be used to erode the concept of making the schools whole.

But renewable energy has a unique feature. As testimony from representatives of Hardin County on this bill has taught us, it is possible for schools to reap benefits from having a wind and/or solar facility nearby to provide a laboratory for vocational education students. The facility can also be used to provide education in such various subjects as physics, data entry and analysis, and cost accounting.

Turning to the alternative energy impact of SB232, the data provided to this committee by the American Wind Energy Association (AWEA) shows that the full tax burden would result in an incremental cost of about 1.5 cents per kWh. Recognizing that electricity costs in Ohio are about ten cents per kWh, the current property tax makes a significant contribution to the total and makes construction of a wind facility less economically viable.

We believe that both arguments have merit. Because of the potential educational benefits of renewable energy, some reduction in the estimated \$40,000 unabated property tax seems reasonable. Indeed the state-by-state comparison provided by AWEA suggests that the tax level in SB232 is somewhat generous and could be raised without doing serious damage to Ohio's competitive position. We urge the Committee to amend SB232 by choosing an abatement level that will result in less of a reduction in school property taxes while preserving the ability to encourage construction of wind facilities.

I will be happy to answer any questions

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