



**LEAGUE OF WOMEN VOTERS®
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To: Senate Public Utilities Committee

From: Alan R. Rosenfield, ScD FASM
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Date: May 25, 2013 (Revised: June 14, 2013)

Re: Information Packet on SB 58, Retail Electric Service

This packet contains recent information on issues of concern in the revision of 127-SB221. The first three pages reflect the drop in renewable energy costs and the simultaneous rise in natural gas prices over the past year. They show that:

Wind is now a competitive electricity generator,

The cost of implementing renewable energy mandates is small and,

The amount of renewable energy has no discernable effect on utility rates.

The fourth page points out that the greatest potential for energy conservation lies with the operations of the utilities themselves.

I will be happy to discuss this information with you at any time.

Al Rosenfield

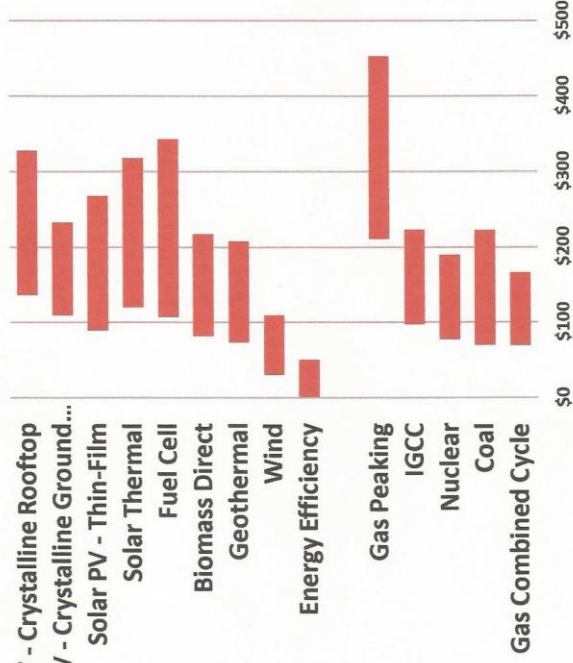
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Levelized Cost Comparisons

- Comparisons of levelized costs of generation indicate that the cost of wind is less than new coal, new natural gas, and new nuclear generation.

Lazard's Levelized Cost of Energy Generation: 2011



Renewable Energy is Low Cost

State (Ref)	Year	Cost Increase
Illinois (IL)	2012	0.04 & 0.08 % (a)
Michigan (MI)	2012	\$ 0.43 - \$0.52 (a)
Minnesota (MN)	2011	0.5 & 1.6 % (a)
Ohio (OH)	2008-11	0.22 %
Ohio (OH)	2012	0.54 %
Wisconsin (WI)	2008-10	1 - 1.1 %

(a) Two separate utilities

References

IL: Illinois Power Agency. (2012) *Annual Report: the Costs and Benefits of Renewable Procurement in Illinois under the Illinois Power Agency and Illinois Public Utilities Acts*

MI: David Miller (2013), *DTE Energy seeks nearly \$90 million in rate reductions* www.milive.com, 04 June 2013; J. D.Quackenbush, et al (2012& 2013). *Report on the implementation of the P.A.295 renewable energy standard and the cost-effectiveness of the energy standards*, Michigan Public Service Commission

MN: Dan Haugen (2011) *Are renewable standards driving up utility rates?* Midwest Energy News, 17 May 2011

OH: Ohio State University (2013) *Economic Analysis of Ohio's Renewable and Energy Efficiency Standards*

WI: Public Service Commission of Wisconsin (2012): *Report of the rate and revenue impacts of the Wisconsin renewable portfolio standard.*

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More Renewable Energy Does not Mean Higher Utility Bills

State	Residential Electric Rates, (a)	Unemployment Percent (b)	Renewables Percent (c)
Iowa	10.85	5.0	26.2
Minnesota	11.37	5.5	18.8
Wisconsin	13.27	7.2	8.1
Michigan	14.14	8.8	4.4
Illinois	10.37	9.5	4.2
W. Virginia	9.85	7.3	3.6
Indiana	10.38	8.7	3.5
Kentucky	9.33	7.9	3.0
Missouri	10.07	6.7	2.1
Ohio	11.66	7.0	1.6

(a) Electric Power Monthly, February 2013; December 2012 rates used.
http://www.eia.gov/electricity/monthly/current_year/february2013.pdf

(b) Bureau of Labor Statistics: *Unemployment Rates for States, Monthly Rankings, Seasonally Adjusted, Feb. 2013*. <http://www.bls.gov/web/laus/laumstrk.htm>

(c) Ref (a); Amount Generated in 2012

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Electric Generating Plants Have the Greatest Potential for Increased Efficiency . . . Because:

Almost half (47%) of all energy waste in the U.S. occurs at power plants.

Source: Lawrence Livermore National Laboratory, *Estimated U.S. Energy Use in 2011* ~ 97.3 Quads

Power plants operate at an average of 32 percent efficiency.

Source: Lawrence Livermore National Laboratory, *Estimated U.S. Energy Use in 2011* ~ 97.3 Quads

Power plant efficiency has not improved in many years.

Source: Sarah Lozanova, *Power Plant Efficiency Hasn't Improved Since 1957*, Clean Technica, June 26, 2008

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