

Powering the Future

An Interview with The Honorable Ted Strickland, Governor of Ohio

EDITORS' NOTE *Ted Strickland was elected Governor on November 7, 2006 and was sworn into office on January 8, 2007. He has served as a minister, a psychologist, an administrator at a Methodist children's home, an Assistant Professor of psychology at Shawnee State University, and a Consulting Psychologist at the Southern Ohio Correctional Facility (SOCF). Strickland was elected to Congress from Ohio's sixth district in 1993 and during his 12-year tenure, helped author the Children's Health Insurance Program (CHIP), a federal initiative that now provides health insurance to millions of children of working parents. He attended Asbury College and Theological Seminary in Kentucky, where he received a bachelor's degree in history and a master's degree in divinity. He also received a doctoral degree in counseling psychology from the University of Kentucky.*



The Hon. Ted Strickland

How would you describe Ohio's progress over the past year in achieving your vision for Ohio's advanced energy industry?

Last year, we made a commitment to helping Ohio become a national and international leader in advanced energy initiatives because I believe Ohio will power the future.

Ohio now ranks first among the 50 states in renewable and advanced energy manufacturing projects. Investors and companies alike continue to look to Ohio thanks to sizable investments in research and development and to partnerships between the public and private sectors. The Council of State Governments found that our state ranked first in the nation in creating new green jobs last year, largely because we are making investments in workforce training programs to prepare Ohioans for long-term careers in green energy fields.

This May, I announced a landmark partnership that will establish North America's first fresh water offshore wind farm on Lake Erie.

In order to strengthen Ohio's competitiveness for attracting advanced energy projects, I asked the Ohio legislature to pass a bill to eliminate the tax burden on advanced and alternative energy industry facility investments. The bill passed with bipartisan support in June and I look forward to signing it into law.

What have you done from a policy standpoint to make it easier for advanced energy companies to do business and grow in Ohio?

During the past year, we've built upon our sweeping tax reforms and existing programs to enhance all aspects of Ohio's business climate.

One of our newest initiatives – the Energy Gateway Fund – focuses on growing and sustaining fuel cell, solar, wind, and energy storage industries. With \$30 million in federal stimulus funds and \$10 million from the Ohio Bipartisan Job Stimulus Plan, we have a plan to offer capital to advanced energy companies with products ready for the commercial market. These projects will be heavily

supported by a dollar-for-dollar match from private funds. Revenue generated from the fund's investments will support long-term industry growth in Ohio by reinvesting in additional energy companies.

We have also eliminated Ohio's tangible personal property tax for companies pursuing advanced energy projects that begin construction here before January 1, 2012, that produce energy by 2013 (or 2017 for nuclear, clean coal, and cogeneration projects), and that create Ohio jobs. This important policy improves Ohio's competitiveness among other states, creates jobs for Ohioans, and grows the advanced energy industry in Ohio communities.

Additionally, the Ohio Third Frontier continues to enhance the competitiveness of companies operating in Ohio by dramatically increasing the availability of early-stage equity investment capital, improving research and development collaborations between Ohio's research universities and institutions and for-profit companies, and improving the entrepreneurial environment for technology-based companies.

What are some facts about Ohio's advanced energy industry that people don't know?

Ohio's strong manufacturing base positions our state as a leader to create the products advanced energy companies will need to complete their fuel cells, wind turbine, or solar panels. But it is also true that there is no better place to implement reliable energy solutions.

Ohio is among the top states in the country in overall energy consumption. Reliable energy has a bright future in Ohio thanks to our electricity reform bill, which has prevented skyrocketing rate increases that crippled other states that failed to act.

Another great example is that we took Ohio from not producing one single drop of ethanol in 2007 to producing 295 million gallons last year.

People may also be surprised to learn that Ohio is quickly becoming a center of activity for the solar energy industry. Our state boasts the nation's largest manufacturing facility of thin-film photovoltaic solar panels and has the greatest concentration of applied fuel cell technology in the world. In fact, Ohio has been the number-one choice of businesses making capital investments of at least \$1 million for the past four years, with more companies investing in Ohio than any other state in the nation.

What factors contribute to Ohio's success in the advanced energy industry?

Companies interested in relocating to Ohio consistently cite our workforce as a driving force behind their decision to consider our state over other locations. Our diverse, hardworking, and talented workforce of nearly six million workers is greater than the entire population of 32 other states, and more than 60,000 Ohioans are currently using their specialized skills to support the advanced energy industry.

Another major advantage of locating to Ohio is our long tradition of manufacturing high-quality products used by companies around the world. Ohio has the third-largest manufacturing sector in the United States. We have accelerated production of critical components for the global wind industry, now boasting one of the nation's largest component supplier networks for wind turbine Original Equipment Manufacturers. And because Ohio's neighboring states also have Renewable Portfolio Standards that require a total of 39,495 megawatts (MW) of new renewable energy capacity, our state is a premier location for any type of production facility, including advanced energy and advanced materials.

What are some examples of business attraction wins in advanced energy for Ohio?

GE – which has major operations in the state – is going to develop North America's first freshwater wind farm with the help of the Lake Erie Energy Development Corporation. Their announcement was followed just one day later by CODA Automotive's decision to build its new lithium-ion battery manufacturing plant in Central Ohio. Earlier this year, Babcock & Wilcox and Toshiba both announced investments of \$100 million each to support the USEC American Centrifuge facility in Piketon.

Finally, in the past six months, DuPont announced a \$175 million investment to retool its Circleville facility into making film for solar panels, and Quasar energy recently broke ground on its fourth biomass waste-to-energy system in Ohio. ●