

**Testimony by Lee A. Blackburn
Before the Public Utilities Committee
Ohio House of Representatives
Proposed HB 178 – Address Zero Emissions Nuclear Resource Program**

I would urge the members of the Public Utilities Committee to vote against HB 178 for the following reasons:

- 1) The annual initial proposed subsidy of approximately \$282 million is more than the combined value of the Davis Besse and Perry nuclear operating facilities as currently carried on the books of FirstEnergy per their 2016 10-K annual report. It doesn't make logical sense to provide a bailout greater than the value of the asset.
- 2) These are aging, inefficient and highly complex power plants that consume huge sums of money just for upkeep, let alone the exorbitant costs for operations. Even with a bailout, potential deferred maintenance increases the risk of a catastrophe.
- 3) Two new gas-powered generating facilities, comparable in size to Davis Besse, are coming online in the Toledo area and will be much more cost efficient, rendering Davis Besse obsolete. These are just two of many more generating plants being built in Ohio that will negatively impact Perry as well.
- 4) FirstEnergy has announced its intention to exit the nuclear generating marketing. Meaning any bailout would just enhance FirstEnergy's ability to sell Davis Besse and Perry, potentially enrich FirstEnergy's shareholders and likely benefit an out of state buyer, not an in-state company.
- 5) Should FirstEnergy not be able to find a buyer, they have made no plans for the replacement of the lost power, let alone provide for their workers or the communities in which the facilities reside.
- 6) FirstEnergy pushed hard for the deregulation of the electricity market in Ohio, singing the praises of a free market economy. We should allow the market to decide the fate of these reactors.

Thank you,

Lee A. Blackburn