

Testimony of Mr. Brennan Barrington in opposition to House Bill 239 (GA 132):

Mr. Chairman and members of this committee:

This bill proposes to create special rules, allowing higher costs for electricity consumers, if two antiquated, pollution-producing power plants cannot yield enough profit to satisfy investors.

The title and description of this bill are disingenuous, referring to a “national security generation resource”, even though the uranium refining facility once served by these power plants is no longer operating. *Granting, for the sake of argument, that powering the uranium facility ever promoted national security, that time has long passed.* Nothing that this bill will do is related to any *current* legitimate national security interest.

If a power plant with no national security value cannot produce power at a competitive price, despite *not* paying for most of the negative impact of pollution from mining and combustion, then clearly this is a case in which the free market should be allowed to operate. The decline in demand for enriched uranium is a market force, best handled by the free market. Investors in this plant knew they were taking a risk. If patriotism was indeed their motivation, any returns would seem sufficient. Seeking a bailout would seem to belie such altruism.

This bill is big government at its worst. Special-interest money corrupting the public interest. Corporate welfare. Privatized gains, with socialized risk. If you support individual liberty and the operation of the free market, and if you oppose big government, you should vote no on this bill.

Furthermore, the *federal* government originated the demand for these plants. If bailing out investors in these obsolete facilities is a matter of *national security*, then the *national government* should take responsibility. There are 50 states in the union: Ohioans should not bear the costs, alone, of subsidies intended to benefit the whole country. As the Legislative Service Commission points out, the reference in the bill to “ongoing benefits” is not explained.

The Ohio Electric Cooperatives website contains a press release supporting the bill on the grounds that without “a clear path to recover investment costs”, electricity customers would end up paying higher rates in the future. However, this bill *immediately* implements higher rates! The LSC fiscal analysis of this bill estimates the increased per annum cost of electricity for governments in Ohio as \$1.6M per year, not counting the costs to the Public Utilities Commission of dealing with the paperwork. Assuming, as the LSC does, that governments account for 0.63% of Ohio’s electricity demand, this means we can expect Ohioans to pay more than \$250M more for electricity each year under this bill, or about twenty dollars per Ohioan. If this accomplished something important, it would be a perfectly reasonable amount. But I for one do not understand what this bill is meant to accomplish.

Now, let’s set aside climate change. There is a spectrum of opinion on the matter, so I’ll just say that burning coal produces far more carbon dioxide per unit of generated electricity than other fossil fuels, and leave it at that.

However, burning coal certainly releases other harmful pollutants as well. Coal is the leading cause of American sulfur dioxide emissions, which cause acid rain that destroys forests, lakes, and crops. Coal smoke contains nitrous oxides, which worsen respiratory diseases such as asthma. Particulate ash—which I'll mention again later—causes bronchitis, lung failure, and haze.

Finally, coal plants are responsible for the majority of American mercury emissions, which have made fish in many of America's bodies of freshwater unsafe to eat. And there are particulates of lead, heavy metals, and radioactive material; carbon monoxide; incompletely combusted organic compounds that produce ground-level ozone; arsenic....

Republican Governor Arnold Schwarzenegger perhaps said it best. "7 million people die every year from pollution...more than murders, suicides, and car accidents—combined. Every day, 19,000 people die from pollution from fossil fuels. Do you accept those deaths? Do you accept that children all over the world have to grow up breathing with inhalers... [D]o you believe coal and oil will be the fuels of the future?"

Natural gas does not contain many of these substances, and because it is comprised almost entirely of methane rather than more complex hydrocarbons, the combustion is cleaner. As a result, natural gas power plants produce far less pollution than those that burn coal.

Many environmentalists oppose hydraulic fracturing because it risks contaminating groundwater and perpetuates dependence on fossil fuels. That may be true, but given the choice between them, it results in far less pollution than coal. It also has created jobs and grown the economy in Ohio, whose economic recovery has lagged behind that of other states. And while Ohio's coal resources are depleted after more than a century of extraction, there is plenty of natural gas to frack. Our choice may be between Kentucky or West Virginia coal—and Ohio natural gas. This bill distorts the energy markets, in the wrong direction, back toward coal. If you support the hydraulic fracturing industry in Ohio, or you simply don't wish to undercut the livelihoods of constituents working in *modern* energy production, you should oppose this bill.

Proponents of this bill have cited the harm that may be caused to the communities around the power plants that qualify to be affected by this bill if the power plants cease operating. However, only two power plants qualify, and one of those is not even *in Ohio*: it is in Madison, *Indiana*.

The other power plant in question is Kyger Creek, which is at least in Ohio. However, regarding the community around the Kyger Creek Power Plant, any harm to it is a moot point. This is because, due to the operation of Kyger Creek and another nearby coal plant, that community no longer *exists*. In 2000, bluish, foul-smelling smoke began blanketing the town of Cheshire, Ohio, near Kyger Creek, with alarming frequency. After lawsuits from town residents, and the EPA declaring the other power plant in violation of the Clean Air Act, AEP (a major shareholder in the Ohio Valley Electric Corporation, which owns and operates Kyger Creek) bought the entire town for close to \$20M. Today, all that's left of Cheshire are a handful of elderly people who refuse to leave, many dying slowly from respiratory ailments. Those who did not have the good fortune to live within the city limits were not included in the settlement; one such man living nearby could run his finger across his car's hood, and have it coated in coal dust and ash.

Regarding jobs, the total annual payroll for the roughly three hundred employees of Kyger Creek is approximately \$24M. That is less than one-tenth of the additional amount Ohioans will pay for their electricity if this bill passes. This bill may save a tiny number of Ohio jobs, but it will make it harder for many working families, or elderly people on fixed incomes, to get by. Again, if Kyger Creek's electricity price is not competitive, it can and should be shut down. This money would be better spent on renewable energy projects, which could put Ohio on a path to a sustainable future *and* protect jobs.

Given these issues with the bill, it is difficult to understand why Representative Carfagna proposed it. Perhaps the \$2500 campaign contribution that Representative Carfagna received from AEP before the 2016 election is part of the explanation—or, perhaps, the five hundred dollars pitched in by the Ohio Coal Association.

To sum up, this legislation would, if enacted, increase harmful air pollution, increase costs to Ohio's electricity consumers, and actually reverse some of Ohio's progress toward energy security. Urge each of you to support the interests and desires of your constituents, rather than those of energy companies, and vote no on House Bill 239.