



Ohio Citizen Action

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House Energy and Natural Resources Committee
Chairman Nino Vitale
Opponent Testimony on Substitute House Bill 6
Testimony of Melissa English
Deputy Director, Ohio Citizen Action

May 8, 2019

Chair Vitale, Vice Chair Kick, Ranking Member Denson, and Members of the House Energy and Natural Resources Committee, my name is Melissa English and I'm the Deputy Director of Ohio Citizen Action, thank you for the opportunity to speak to you today as an opponent to Ohio Substitute House Bill 6.

I speak to you today on behalf of Ohio Citizen Action's 32,000 members and all Ohio utility ratepayers who have a stake in the decision before you. Ohio Citizen Action has fought for fair utility rates since the mid-1970s. In the mid-1980s we successfully curbed "construction work in progress" payments designed to shift the pain of unexpected cost increases from shareholders to consumers who had not even used a watt of energy from the power plants they were subsidizing. I raise this example because Substitute HB 6 proposes a similar, unfair burden on the many Ohioans who don't pay FirstEnergy for their electricity and because it perpetuates a pattern of externalizing costs to consumers that should appropriately be borne by shareholders.

Proponents claim this bill will reduce carbon emissions, improve air quality and decrease consumers' utility bills- all goals we enthusiastically support- but we

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disagree. There are just too many questions to credibly make such claims. For example, how do we know this is not just another scheme designed to enrich shareholders and creditors at the expense of Ohio families? In contrast, how do we know this is enough of a subsidy to keep the bankrupt plants open at all? In sponsor testimony in the Energy Generation Subcommittee, our opposition flatly stated they have no idea if this will save the plants, but that it “will help”. Furthermore, how did the authors of Substitute HB 6 arrive at the \$300 million annual subsidy in the first place? Did the figure come from FirstEnergy Solutions? Until FES opens its books to public scrutiny, how can anyone assess the necessity of the new charges? Inexplicably, the bill’s sponsors were unable to answer this fundamental question in their testimony in the subcommittee and we have yet to hear the explanation.

We especially question how the noble goals of lower bills reduced emissions will be met by defunding existing programs that have been very effective in promoting clean, renewable energy and energy efficiency. According to a recent analysis of PUCO filings from 2009 to 2017, even though Ohio utility customers pay \$4.10 per month for these programs, they enjoy a net savings of \$3.61 per month. That’s due to the efficacy of the energy efficiency program. That equation only works because it invests people’s money in something that saves them even more money. If lawmakers eliminate the state’s energy efficiency program, the math no longer works in customers’ favor and they end up paying \$6.11 more per month than they do today. Add to that math the fact that the cost of providing renewable energy like wind and solar has fallen 69% and 88% respectively, since 2009. In the same period, coal and nuclear costs have risen 9% and 23% respectively and you can see how investing Ohio families’ money in a nuclear bailout at the expense of renewables and energy efficiency is a very bad deal for

everyone but FirstEnergy. (source: Lazard's 2018 Cost of Levelized Energy Report (<https://www.lazard.com/perspective/levelized-cost-of-energy-and-levelized-cost-of-storage-2018/>)).

Why should Ohioans pay to interfere with market forces and competition that are clearly not only already improving air quality, but also saving customers money?

Ohio utility customers deserve these answers, as do our lawmakers.

To sum up, we question the assertion that Substitute HB6 is the best investment Ohio could make to improve air quality and save consumers money. We oppose defunding the state's RPS and EERS programs which actually do improve air quality and save consumers money. We oppose spreading the pain of FirstEnergy's poor business decisions to all Ohio ratepayers. And we urge the members of this committee to vote against Substitute HB 6.

Thank you for your time and consideration today; I'd be glad to answer any questions you may have.