

Please provide a brief statement on your position:

The Energy and Natural Resources Committee is considering new legislation that will scrap the state's existing energy efficiency standards and renewable energy objectives. House bill #6 has been correctly identified by business, consumer and environmental groups as nothing more than a bailout for a failing corporate entity, First Energy Solutions (FES). The only organizations supporting HB #6 are those who are heavily invested in nuclear power generation. Meanwhile, most energy market experts have concluded that HB #6 will eventually force Ohio businesses and consumers to pay higher utility rates.

To fully understand the negative impact this legislation could have on all Ohioans, consider these points.

- *HB #6 replaces the \$4.39 p/month (average) energy efficiency surcharge consumers currently pay with a lower rate of \$2.50 - but benefits returned, such as home energy efficiency programs will be eliminated. The bill re-directs subsidies exclusively to power suppliers. Why should consumers continue to pay for benefits that have been taken away?*
- *The new surcharge punishes large commercial and industrial users via a tiered billing structure, ranging from \$20 to \$2500 p/month, depending on energy consumed. The surcharge would be levied not on a firm's total usage but upon each electric meter installed at their operating location. Businesses with more than one electric meter pay per meter.*
- *HB #6 is expected to raise \$300 million p/y. The law would then re-direct the \$300 million as a credit of \$9.25 p/megawatt to firms that generate carbon dioxide free power and to natural gas and coal producers who install equipment to reduce emissions. This provision means bankrupt First Energy will receive more than half the \$300 million to operate two obsolete nuclear plants that are scheduled to close. The fossil fuel power producers will be rewarded as they continue to pollute.*
- *Companies who produce solar or wind powered electricity will be hard pressed to qualify for any subsidized support. This bill stipulates solar plants must generate at least 50 megawatts to qualify. Currently, none of Ohio's solar plants achieve the 50 megawatts standard. Wind powered producers must generate 5 to 50 megawatts to receive credits. Adding this limitation on top of Ohio's already restrictive property line set back rules for windmills will inhibit development of more affordable wind power.*
- *HB #6 contains several special interest carve outs that will eventually force consumers to pay more for electricity. The carve outs allow Ohio power producers to opt out of the multi-state capacity market, permits the PUCO to approve confidential low rate billing agreements and it subsidizes FES's higher cost nuclear power production. The lost revenue associated with these exclusive business giveaways will be transferred to consumers.*

In conclusion, I urge committee members to vote against this awful bill and work to establish a forward-looking clean energy plan. Ohio needs an energy policy that...

- *Improves Ohio's existing efficiency standards for in residential, commercial and government buildings.*
- *Protects and improves our environment by eliminating fossil fuel consumption by 2050.*
- *Utilizes surcharge revenues and tax credits to encourage development of renewable power production by start-up businesses and established firms.*
- *Holds public utilities and their investors accountable for poor business decisions and retirement of obsolete facilities.*

Thank you for your time. Let me know if you have any questions or if can I offer any further testimony.

Richard Jordan.

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