

Preserving Ohio's Nuclear Benefits

Energy and Natural Resources Subcommittee on Energy Generation

March 26, 2019

Background on Ohio's Nuclear Plants

- ▶ 4,300 total primary and secondary jobs
- ▶ \$510 million to the state's GDP
- ▶ Over \$30 million in state and local taxes
- ▶ \$45 million per year with vendors and suppliers in Ohio
- ▶ 90% of the state's zero emission electricity



Davis-Besse and Perry Nuclear Plants

Davis-Besse Nuclear Power Station

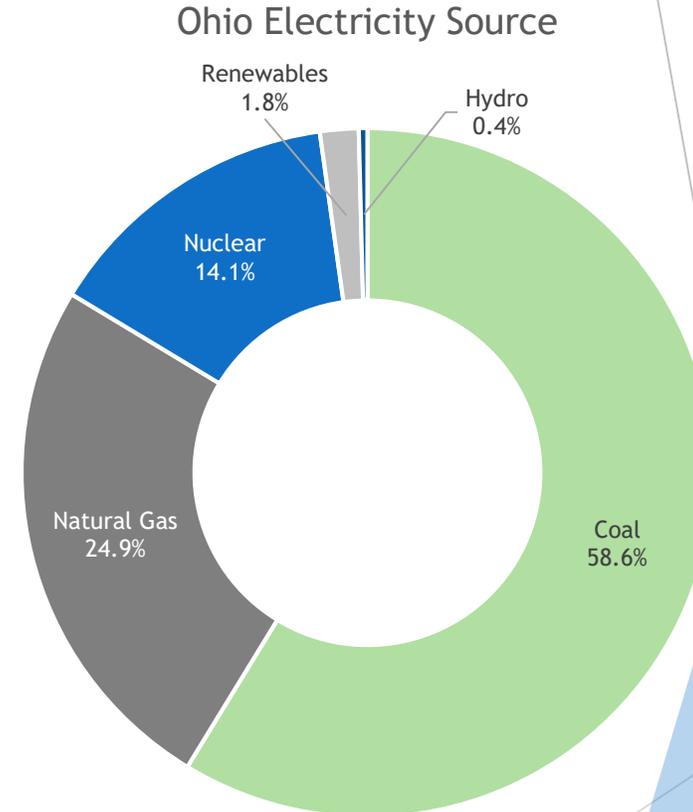
- ▶ 908 megawatt capacity
- ▶ Sits on 954 acres
- ▶ Began operations in 1977 and the current license expiration date is 2037
- ▶ Provides over 700 full time positions
- ▶ Pays \$3 million in state and local taxes and \$11 million in property taxes
- ▶ Avoided over 5 million metric tons of CO2 emissions annually and has a 97% capacity factor.
- ▶ The plant emits no pollutants into the air and operates and maintains the adjacent 733 acres of “Navarre Marsh” wetlands as part of the Ottawa National Wildlife Refuge.

Perry Nuclear Generating Station

- ▶ 1,281 megawatt capacity
- ▶ Sits on 1,100 acres of land
- ▶ Began operation in 1987 and the current license expiration date is 2026 - at which point it is eligible to apply for a 20-year extension
- ▶ Provides over 750 full time positions
- ▶ Pays \$4 million in state and local taxes and \$14 million in property taxes.
- ▶ Avoided 7.3 million metric tons of CO2 emissions annually and has a 91% capacity factor.
- ▶ The National Institute of Urban Wildlife has certified the Perry Plant site as an Urban Wildlife Sanctuary, with more than 850 acres of natural forests and marshes that provide a diverse habitat for area wildlife.

Ohio's Energy Portfolio

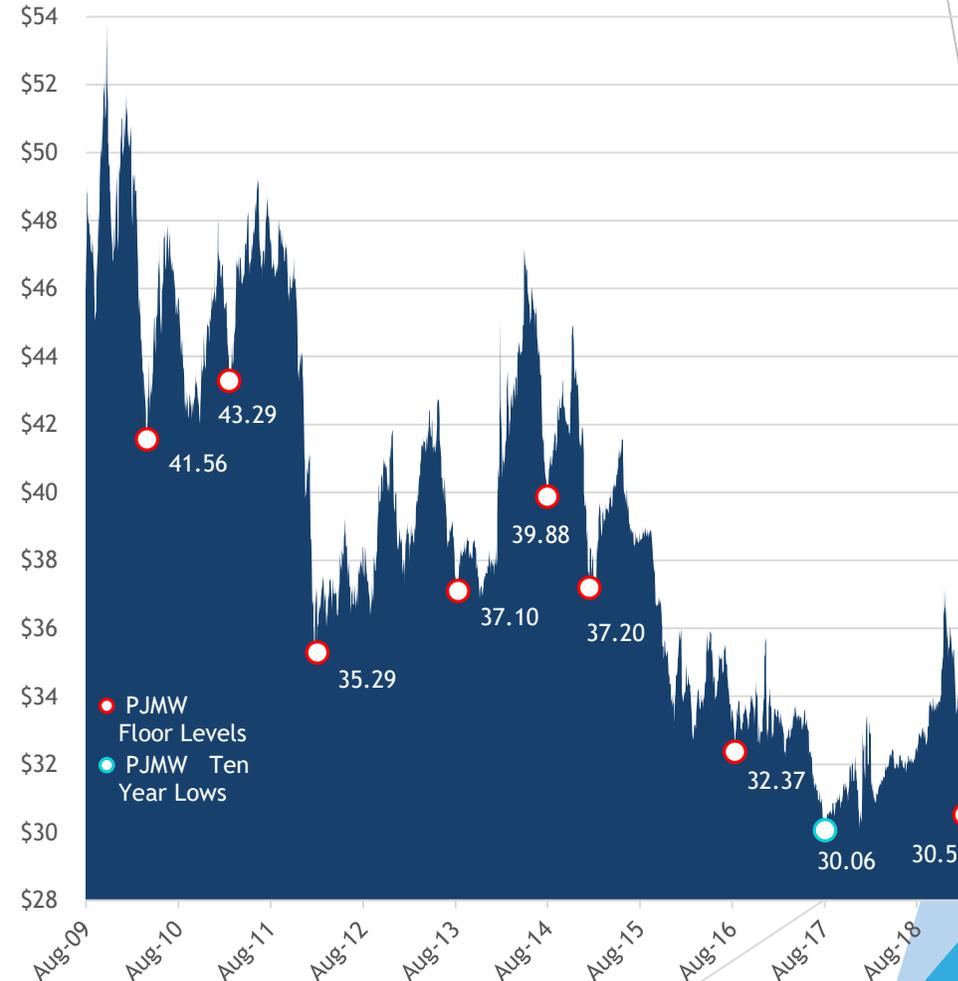
- ▶ In order for Ohio's economy and energy market to grow and thrive we need a diverse energy portfolio that includes nuclear power.
- ▶ Nuclear provides jobs, reliability, over \$500 million towards the state's GDP annually and is part of an important all-of-the-above energy strategy that benefits the entire state.
- ▶ If we are serious about achieving our carbon emission goals we will need to keep these nuclear plants running.
- ▶ Nuclear provides 90% of the state's clean power.



How we got here...

- ▶ Flawed market construct focuses on the least expensive cost of power in the short term.
- ▶ Abundant natural gas supplies, flat demand and subsidies for renewables have suppressed electricity market prices by nearly 40 percent since 2009.
- ▶ Current market forwards for energy and flat capacity prices would indicate this condition will persist.
- ▶ PJM Independent Market Monitor's most recent report indicates Davis-Besse and Perry are projected to be unprofitable.

PJM West Hub Prices 2009
RTC Forwards



Common Myths

- ▶ Nuclear energy is unsafe.
- ▶ Ohio's nuclear units are old and inefficient.
- ▶ Davis-Besse is a poor performing nuclear station.
- ▶ If Ohio's nuclear units close, the displaced zero-carbon generation will be replaced by wind and solar

Reason #1 to Support Nuclear

- ▶ **The cost of doing nothing is higher electric bills.**
 - ▶ Several studies project that the closure of Davis-Besse and Perry nuclear plants would increase the typical Ohio residential customer's electricity bill by an average of \$35 annually between 2022 and 2029, with bills rising as much as \$68 by 2029. This far exceeds the projected cost to secure the continued operations of the stations.

Reason #2 to Support Nuclear

- ▶ **Getting rid of nuclear in Ohio, means we are losing our diverse portfolio and energy independence.**
 - ▶ Nuclear accounts for 14.1% of Ohio's electricity.
 - ▶ If the plants go away, that electricity will need to be imported from other states. Ohio will become more dependent on importing energy from other states, sending jobs and money out of state.

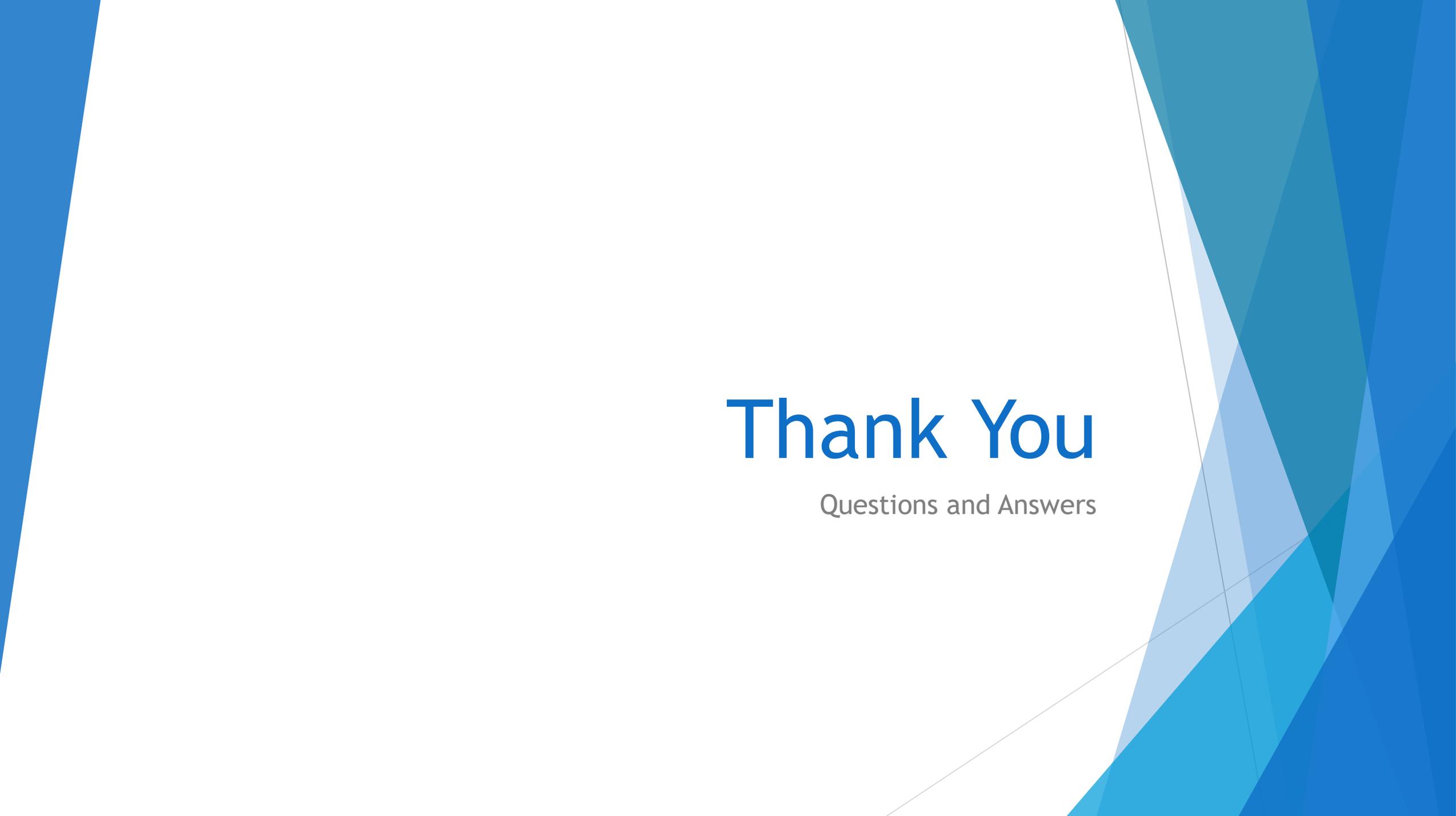
Reason #3 to Support Nuclear

▶ Ohio air is cleaner because of nuclear.

- ▶ Currently, nuclear power represents 90% of Ohio's carbon-free energy. If the plants go away, Ohio will not come close to meeting carbon emission goals.
- ▶ Nuclear energy is the only clean air electricity source that can produce large amounts of electricity around the clock.
- ▶ Energy sources that are likely to replace these nuclear units will come from fossil fuel plants.
- ▶ Letting the nuclear plants close would be the equivalent of adding 2 million cars to the roads - that's approximately a 50% increase in the number of vehicles registered in Ohio.
- ▶ This will also increase the emission of carbon dioxide and other pollutants by 9 million tons, costing the state \$600 million per year.

Reason #4 to Support Nuclear

- ▶ **Failure to act will impact the entire state. It will cost jobs and could threaten the state's economic health.**
 - ▶ 4,300 highly-skilled primary and secondary jobs will be impacted by closure of these plants
 - ▶ Loss of \$510 million to the state economy
 - ▶ Loss of \$30 million in state and local taxes
 - ▶ Loss of \$45 million spent with vendors and suppliers across Ohio

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Thank You

Questions and Answers