

Remarks of Dave Griffing  
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Energy and Natural Resources Committee  
Sub-Committee on Energy Generation  
Ohio House of Representatives  
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Chairman Stein, Chairman O'Brien, and distinguished Members of the Committee, thank you for inviting me to speak before you today. I am Dave Griffing, Vice President of Government Affairs for FirstEnergy Solutions, and I am here today on behalf of the nuclear generating facilities in the state of Ohio.

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Nuclear power forms the backbone of Ohio's electric generation fleet and is a major driver of the state's energy economy. Ohio is home to two nuclear facilities, which are both owned and operated by FirstEnergy Solutions. Davis-Besse is located in Oak Harbor and the Perry plant is located in Perry, Ohio. Together, these facilities represent over 2,100 MW of capacity, enough to power between 1.5 – 2 million homes. Roughly 4,300 Ohioans are employed, directly or indirectly, in the nuclear industry, which contributes \$510 million to the Ohio GDP annually and over \$30 million in annual state and local taxes.

In addition to being an economic engine for the state, nuclear power is safe, reliable, and clean. Nuclear facilities produce emissions-free power around-the-

clock, uninterrupted, with planned refueling outages occurring only every eighteen to twenty-four months. They have all the fuel they need secured safely on-site, which allows them to avoid the kinds of disruptions that plague the rest of the industry. Indeed, nuclear power's contribution to the reliability and resilience of the electric grid is unmatched. During very cold weather patterns, there are often major fluctuations in the availability of most power sources: gas-fired generators deal with pipeline capacity constraints or might see their fuel supply diverted to satisfy home heating demand; coal plants can face weather-related difficulty transporting or storing coal. Wind can tail off during extreme cold temperatures, while solar is already offline in the evening or early morning hours. Nuclear power, by contrast, is remarkably reliable, and typically picks up the slack as other generators struggle.

Our civilian nuclear power industry, moreover, is critical to our national security. Nuclear power currently represents around 20 percent of our nation's power mix, but that share is declining. Meanwhile, China has begun a high-profile effort to build 60 nuclear plants over the next ten years. Our civilian nuclear supply chain, led by our partners like Westinghouse, Framatome, and others, is vital to national defense, and our vast expertise in nuclear technology allows us to remain a world leader in nuclear non-proliferation issues. As our capabilities decline due to the

closure of facilities and a lack of domestic plant manufacturing, other countries—including those with very different views on proliferation issues—will fill the void.

Both of Ohio's nuclear plants have initiated the deactivation process. Davis-Besse is scheduled to shut down in May of 2020, and Perry is scheduled to shut down in 2021, but the final decision about whether to deactivate the units will come much sooner than that. Due to the significant expense associated with refueling a nuclear facility, FirstEnergy Solutions will need to make that decision this summer. If retired as currently scheduled, both plants would be shutting down well before their current operating licenses are set to expire, and they would not be brought back into operation.

The impact of losing the state's nuclear facilities cannot be overstated. Nuclear power represents 90% of the state's zero-carbon electricity. These facilities allow the state to avoid 9.3 million metric tons of CO<sub>2</sub> annually and prevent significant emissions of criteria pollutants like sulfur dioxide, nitrogen oxide, and particulate matter that cause asthma and other health problems. Independent experts value these contributions at \$600 million per year. If these facilities are lost, Ohio would be forced to import about 12% of its power. Carbon and other harmful emissions will increase. Grid resilience will deteriorate. And costs to consumers will go

up—a typical residential customer’s bill would go up by an average of \$35 annually between 2022 and 2029, with an increase by as much as \$68 by 2029, according to a recent independent study.

Opponents of nuclear power will argue that these plants are simply failing to compete and that you should “let the market” decide what happens to them. Let me offer some perspective on that. Ohio participates in the PJM wholesale market, which is regulated by FERC. That market decides which power sources are asked to run in Ohio and what they get paid. Generators offer their units into the market based on their variable cost and PJM ranks them from lowest to highest offer price. The market price is then set by the most expensive plant needed to meet demand. This process does not consider whether the selected plants negatively impact air quality in the state. It does not account for whether the power plants add harmful carbon pollution into the atmosphere. All it does is pick the power that is cheapest for the next five-minute increment. Generators that emit carbon or other criteria pollutants therefore enjoy the luxury of having their pollution costs subsidized by all citizens. They do not have to factor these costs into their PJM market offers, which in turn makes non-emitting sources, like nuclear, wind, and solar, appear more expensive.

It is therefore not credible to say nuclear power “can’t compete.” On one hand, some plants have been able to pollute for free, not bearing any of the costs of the pollution they put into the air and the water. On the other hand, just about every form of clean energy technology, except nuclear, receives a payment from the state and/or federal government through renewable energy credits and tax credits. The unintended consequence is that nuclear facilities here and elsewhere in the country are facing the prospect of premature retirement, a paradoxical result as we try to move to an affordable, lower-carbon economy. And let’s be clear, if nuclear plants close and are removed from the supply curve, the replacement power will come from plants that generate carbon *and* were previously too expensive to be called.

The PJM market’s singular focus on cost ignores other policy goals as well. Fuel diversity is a particularly relevant issue in Ohio ignored by the market. We have experienced the downside of an overreliance on one fuel source, coal, including the disruption that occurs when that one fuel source suddenly falls out of favor. Part of the reason coal has fallen out of favor is because our state has been blessed with another abundant, low-cost source of fuel: natural gas. But if we are not careful, given PJM’s singular focus on cost, we may see history repeat itself with an overreliance on natural gas. The displacement of coal by natural gas is well underway, and if legislative support is not provided, natural gas will soon replace

all of the nuclear generation in our state as well. That outcome would leave the state overly dependent on a single fuel source once again—only this time, that fuel source would be one that faces unique supply chain challenges because natural gas is also used for home heating needs. PJM has not, and will not, prevent this displacement. And frankly, it's not their job. That job has been entrusted to you, the policy makers, who have the ability to shape the resource mix in this state. The proposed bill is designed to give Ohio the tools it needs to maintain a diverse and reliable generation portfolio as we transition to a cleaner energy future.

Specifically, using funds recovered through a modest charge on utility bills, the proposed bill would compensate the clean air attributes of various clean energy sources, including nuclear resources that are currently excluded from similar programs. The proposed legislation therefore provides the state with the ability to preserve the benefits of nuclear power—the only zero-carbon, baseload generation source we have—while expanding the support to other carbon-free technologies as they further develop. In short, this bill allows the state to build on its existing clean air resources, including nuclear, wind, solar and others, and develop a comprehensive approach to maintain and grow a diverse, reliable, clean generation portfolio in the state.

House Bill 6 provides a framework for Ohio to transition to a cleaner energy future. As proposed, this bill will save the average residential customer approximately \$2 per month. Failure to pass this bill will increase Ohioans' electric bills, create a generation portfolio dominated by one fuel source, eliminate any possibility of achieving environmental goals, eliminate thousands of highly-skilled jobs, and represent a loss of economic vitality for many of our communities. Through House Bill 6, I believe Ohio has the opportunity to prevent this outcome.

Thank you for your time and attention.