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Statement before the House Energy and Natural Resources Subcommittee on Energy
Generation – April 22, 2019

Chair Stein, Chair O'Brien, and Members of the Energy and Natural Resources Subcommittee on Energy Generation, thank you for the opportunity to speak today in opposition of House Bill 6. My name is Daniel Billick and I have a degree in Environmental Economics from Western Washington University in Bellingham, Washington. I grew up in Milwaukee, Wisconsin, just two blocks from the shore of Lake Michigan and I currently live in Cleveland Heights. As a Midwestern native with a deep love for the Great Lakes, as a resident of Ohio, and as a student of the economics behind environmental policy, I am vehemently against HB 6 and urge the Subcommittee to oppose this legislation.

There is little economic sense within HB 6. While proponents of the bill have stressed the regional value of the nuclear plants Davis-Besse and Perry, no one has discussed the free market principles that are applicable to the bill. History has clearly shown that the Davis-Besse and Perry plants have been unable to compete with cheap natural gas and the increasingly competitive price of renewable energy.

Free market economics dictates that a company unable to compete with its competitors will exit the market, to the betterment of consumers and producers. FirstEnergy wishes to bypass this basic tenant of laissez-faire capitalism by trying to place the economic burden of their poor management and investments on Ohioan taxpayers. History often repeats itself, and we need only to look at FirstEnergy's history to realize that if HB 6 passes we will likely be in the same situation we are in now in less than twenty years.

In the past two decades, FirstEnergy has received 11 billion dollars in bailout money, and yet here they are again, seeking further help from taxpayers. Simply put, these two nuclear plants have been severely mismanaged and have little chance to ever become competitive generators of electricity. For example, on March 5, 2002, maintenance workers discovered that corrosion had eaten a football-sized hole into the reactor vessel

head of the Davis-Besse plant. The NRC imposed its largest fine ever—more than \$5 million—against FirstEnergy for the actions that led to the corrosion. The company paid an additional \$28 million in fines in settlement. In addition, the cost of producing energy through natural gas, wind, and solar has dropped dramatically, while the replacement costs for nuclear plant components like turbines and steam generators has soared. How many more financial mistakes must they make before it is realized that subsidies given to a nuclear plant constitute a poor and detrimental investment?

Proponents of HB 6 have emphasized the regional value that these plants have. To such proponents I would suggest looking at Zion, Illinois as an example of how quickly a nuclear plant's community value can change. From 1968-1998 a nuclear power plant operated in Zion, a town north of Chicago and less than 50 miles from my hometown of Milwaukee. When the nuclear plant shut down, the town was left with vats of spent nuclear waste and no place to put it. Public officials and residents of Zion now complain of their town being a ghost town: there is no tourism, there is no development, and there exist few economic opportunities. I have been to Zion, Illinois and I have seen the casks of nuclear waste, and I would say this to residents of Lake and Ottawa County: You do not want to become the next Zion.

It is already clear that FirstEnergy's aim is to shift long-term responsibility for their nuclear waste onto somebody else. Earlier this month, U.S. Bankruptcy Court Judge Alan Koschik rejected FirstEnergy's multi-billion-dollar plan that would have allowed the company to avoid paying cleanup and decommissioning costs for their nuclear and coal power plants. In response to the decision, FirstEnergy stated that they are already working on a revised plan to address Judge Koschik's grievances.

In closing, I strongly urge the members of this subcommittee to oppose House Bill 6. FirstEnergy has clearly demonstrated an inability to compete in a free market economy and a desire to avoid all consequences, environmental and economic, that have and will continue to arise due to their mismanagement. As a student of economics, I am appalled at FirstEnergy's brazen attempts to circumvent and manipulate the free market. As a lover of the Great Lakes, I am terrified of the 320 billion gallons of nuclear waste that sit on its shores. As a resident of Ohio, I am angry that FirstEnergy would expect my

community to bail them out once again. I ask again, if this legislation is approved, will we be here again, in the same exact situation, in 20 years? Members of the subcommittee, you have the power and the responsibility to ensure that in this case, history will not repeat itself.

Thank you,

Daniel D. Billick