



Ohio Citizen Action

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House Energy and Natural Resources Subcommittee on Energy Generation
Chair Dick Stein and Chair Michael O'Brien
Opponent Testimony on House Bill 6
Testimony of Melissa K. English
Deputy Director, Ohio Citizen Action

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Chair Stein, Chair O'Brien, and Members of the Energy and Natural Resources Subcommittee on Energy Generation, my name is Melissa English and I'm the Deputy Director of Ohio Citizen Action. I thank you for the opportunity to present our opposition to Ohio 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 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.

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Proponents claim this bill will reduce carbon emissions, improve air quality and decrease consumers' utility bills. We 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, our opposition stated flatly that they have "no idea" if this will save the plants, but that it will "help." Ohio utility customers deserve more certainty before lawmakers allow FirstEnergy to raid their wallets again.

Furthermore, how did the authors of 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 and we have yet to hear the explanation.

We especially question how the noble goals of lower bills and reduced emissions will be met by defunding existing programs that have been very effective in promoting clean, renewable energy and energy efficiency. Ohio's energy efficiency programs saved customers \$1 billion on their bills from 2009 until they were frozen in 2014. Also, the cost of providing renewable energy like wind and solar has fallen 69% and 88% respectively, since 2009—cost reductions driven largely by the scale achieved as a result of RPS policies. In the same period, coal and nuclear costs have risen 9% and 23% respectively. (source: Lazard's 2018 Cost of Levelized Energy Report

[\(https://www.lazard.com/perspective/levelized-cost-of-energy-and-levelized-cost-of-storage-2018/\)](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?

To sum up, we question the assertion that 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. And we urge the members of this committee to vote against HB 6.

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