

**Ohio House Energy & Natural Resources  
Subcommittee on Energy Generation**

Written Testimony in Opposition to House Bill 6  
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Judith Lagano  
Senior Vice President, Asset Management, NRG Energy Inc.

NRG Energy appreciates the opportunity to provide written testimony to the Members of the House Energy & Natural Resources Subcommittee on Energy Generation in opposition to House Bill 6, legislation that moves Ohio away from low-cost, competitive energy markets.

The goal of the Ohio Clean Air Program, created in House Bill 6, to reduce carbon-dioxide pollution is similar to eighteen other states that joined the US Climate Alliance to mitigate the worst consequences of climate change. Competitive markets are the best way to deliver value for consumers in terms of achieving lower prices, spurring innovation and for attracting business investment.

NRG is a leading integrated power company built on diverse generation assets and dynamic retail business. A Fortune 500 company, NRG brings the power of energy to consumers by producing, selling and delivering electricity and related products and services – including carbon free energy choices – to consumers in competitive markets across the U.S. and Canada, as well as 23,000 MW of electric power generation including nuclear, coal, gas, oil and solar nationwide. Our retail brands serve more than three million customers across nineteen states and provinces including Ohio. NRG’s retail companies offer customers a range of products including demand response and energy efficiency, 100% renewable energy, energy plans bundled with

energy efficiency technology, such as Nest thermostats, as well as loyalty rewards and our charitable giving products through our “Choose to Give” plans. NRG is committed to addressing carbon dioxide pollution through science-based goals of reducing carbon emissions 50 percent by 2030 and 90 percent by 2050, some of the most aggressive goals in the industry.

Ohio has a long history of supporting open and competitive electricity markets, starting with its adoption in 1999 of energy competition. The Ohio General Assembly adopted its competition policy to, among other things, ensure diversity of electricity supplies and suppliers, by giving customers choices over the selection of those supplies and suppliers. The General Assembly also rightly saw the value of competition to encourage innovation and market access for cost-effective supply and demand retail electric service. The General Assembly aimed to ensure effective competition in the provision of retail electric service by avoiding anticompetitive subsidies.

NRG must oppose HB 6 as written since the clean air credit payments would harm both the competitive markets and Ohio consumers. HB 6’s Clean Air Program would provide out-of-market state revenue to First Energy Solutions<sup>1</sup>, a bankrupt company with unprofitable nuclear plants in Ohio that can no longer compete due to the success of the competitive market. The Ohio Clean Air program monthly distribution charge would burden Ohio energy consumers with providing millions of dollars in financial support to the privately owned power plants without any assurance that those funds will be invested locally or in the longevity of Ohio power plants. Ohio consumers enjoy low and stable prices and high levels of reliability due to a competitive

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<sup>1</sup> First Energy Solution’s parent, First Energy Corporation, collected \$6.8 billion in transition costs from Ohio ratepayers with the adoption of energy competition in 1999. Should HB 6 be become law, Ohio ratepayers would be burdened with paying twice for the same First Energy assets twenty years later.

energy marketplace that provides a fair and level field for a diverse range of energy generators. According to the US Energy Information Administration Carbon dioxide emissions in Ohio's energy sector fell by 50 million metric tons between 2005 and 2015. Competition has already reduced carbon dioxide emissions, and a truly competitive market in Ohio is the best option for securing even more carbon dioxide emission reductions in the future. HB 6 as written distorts the competitive market and moves Ohio away from competitive marketplace for clean energy options that have led to and will continue to produce investment in more efficient technology, lower prices, and greater energy reliability for Ohio businesses and consumers.

NRG strongly supports decarbonization through market-based solutions. Market based solutions ensure that companies who are willing to invest private capital in Ohio's future bear the investment risk while ensuring ratepayers have access to the most efficient generation resources that meet the state's energy needs and carbon dioxide emission reduction goals. Competitive forces have, and will continue to, drive innovation, efficiency, and cost reductions while achieving Ohio's clean energy policy goals and for the benefit of ratepayers. Ratepayer subsidies, in contrast, do the exact opposite and put ratepayers at risk for bad investments. Ratepayers have already paid \$6.9 billion to transition to a competitive market – NRG urges the legislature to look to the competitive market for solutions to achieve Ohio's carbon dioxide emission reduction goals.

NRG appreciates the opportunity to submit written testimony about this very important issue and looks forward to working with Co-Chairman Stein and O'Brien and the members of the House Subcommittee on Energy Generation to develop market-based solutions for decarbonizing Ohio's energy future.