

Submitted via Email

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**Testimony of the Nuclear Information and Resource Service
Before the Ohio House of Representatives – Energy Generation Subcommittee**

**Committee Meeting on Proposed H.B. No. 6
“Creates Ohio Clean Air Program”**

Chair Stein, Chair O’Brien, and Members of the Energy and Natural Resources Subcommittee on Energy Generation, thank you for the opportunity to speak to you today as an opponent to Ohio House Bill 6 (H.B. 6). I hereby offer the testimony of Nuclear Information & Resource Service (NIRS), a national, nonprofit environmental organization, with over 650 members in Ohio. We are headquartered in Takoma Park, Maryland, and were founded in 1978 to provide independent, non-partisan, scientifically and technically accurate information on nuclear power, radioactive waste, and sustainable energy.

As NIRS’s Executive Director and the preparer of these comments, I have over twenty years’ experience monitoring the energy and utility sectors, with a particular focus on the U.S. nuclear industry, merchant nuclear power generation, and utility restructuring. Most recently, over the last five years, I have monitored a variety of state-level and national proposals to provide subsidies to merchant nuclear power generators. In that time, I have authored three reports on the subject, co-authored two white papers on alternatives to subsidizing uneconomical nuclear facilities, and provided testimony to the New York, Connecticut, and Maryland legislatures. I also prepared analysis for and comments to the U.S. Environmental Protection Agency on the role of nuclear power in the EPA’s Clean Power Plan regulations.

NIRS encourages the committee to vote “No” on H.B. 6. This bill would be a major step backward for Ohio, guaranteeing that the Buckeye State will only fall further and further behind other states, while burdening consumers with wasteful and counterproductive surcharges. The primary purpose of H.B. 6 would be to create long-term bailout for the Davis-Besse and Perry nuclear power plants, while defunding the state’s renewable energy and energy efficiency programs. The program would charge Ohio utility customers up to \$300 million in the initial year, while reportedly guaranteeing \$160 million to 170 million per year in payments to a single company, First Energy Solutions, the owner of Davis-Besse and Perry.

The argument that Ohio must provide massive subsidies to Davis-Besse and Perry because they account for 90% of Ohio’s non-fossil fuel electricity is nothing more than a self-fulfilling prophecy. The reactors only amount to 12% of the electricity sold in Ohio, which is a statement of how little progress Ohio has made developing new renewable energy sources, relative to the rest of the country. By contrast, other conservative states, including Iowa, Kansas, Oklahoma, and Texas, are all developing wind power at rates that would exceed the total yearly amount of electricity generated by Davis-Besse and Perry within a few years. Expanding the Energy

Efficiency Standard could reduce electricity demand at a similar rate, while producing significant net cost savings for Ohio consumers.

Despite these facts, FirstEnergy has spent the last five years holding energy policy back in Ohio, while pressing the legislature, the Public Utility Commission, and the federal government for various forms of subsidies and bailouts to prop up its outdated and uncompetitive business models. Davis-Besse and Perry are aging, increasingly uneconomical generation facilities that not even FirstEnergy is interested in operating any longer.

Ohio needs a plan to move forward, and H.B. 6 does just the opposite. It is highly unlikely that any meaningful amounts of funding would go to renewable energy projects, due to the eligibility requirements in H.B. 6. The bill limits eligibility of solar generation to utility-scale facilities of 50 MW or greater (Section 3706.4). Projects of that size represent only about 5% of utility-scale solar PV installations nationwide,¹ and this condition will constrain development of solar in Ohio by making nearly all community-owned and customer-sited solar projects infeasible. In addition, the bill's failure to remove wind generation siting restrictions that have proven to severely limit the feasibility of developing wind power in Ohio guarantees this outcome.

What is more, H.B. 6 would unfairly place the cost burden on families and residential consumers. The monthly charge of \$2.50 per residential consumer is disproportionately far greater than the charges for commercial and industrial consumers: \$20.00 and \$250.00, respectively. Typically, commercial businesses consume 20-100 times more electricity than the average household. Industrial consumers use 1,000 to 20,000 times more electricity than residential consumers. This inequity will only place additional economic pressures on families, particularly low- and moderate-income households who struggle with any increase in energy costs.

It would be far more cost-effective and economically beneficial for Ohio to invest in the booming efficiency, wind, and solar industries; and provide support to nuclear workers and host communities through the transition to a clean energy economy.

Thank you for accepting our testimony.

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¹ U.S. Energy Information Administration. "Most U.S. utility-scale solar photovoltaic power plants are 5 megawatts or smaller." U.S. Department of Energy. February 7, 2019.
<https://www.eia.gov/todayinenergy/detail.php?id=38272>