

## Ohio House Energy and Natural Resources Subcommittee on Energy Generation

**Ohio HB 6 Testimony** from Tim Wagner, 1376 Melrose Ave, Columbus OH 43224, 614-284-9393

- 1) I'm confused about whether we live in a capitalist economic system or a socialist economic system. Our electric utilities operate in a capitalist system. We tout this as the ideal system because of the efficiencies it brings to the marketplace through competition and innovation and the resultant cost benefits for consumers. First Energy apparently cannot effectively compete under this system and is asking the Ohio government to collect a subsidy from each Ohio electric consumer to help keep it in business. This seems like socialism to me.

I was the data processing officer on an aircraft carrier during the Vietnam War. We were told that we were flying these planes and dropping these bombs to preserve the capitalist system in South Vietnam. Why are we now abandoning the effort, cost and lives made during these war years and undermining the capitalist system that we have in place in our country by adopting socialist practices into our economic system? Are we acknowledging that what we were fighting against in Vietnam is actually a good system that we should now embrace?

It makes me sad to watch our free market system being subverted – to watch innovation and competition being thwarted so that we can prop up some out-of-date systems. I encourage you to remember the history of innovation and competition in so many industries in our great state and help to unleash this economic power rather than taking such extreme measures to shut it down.

- 2) During the past year, my average monthly payment to my electricity provider, AEP, has been about \$33. A subsidy surcharge of \$2.50/month amounts to a 7.5% increase in my monthly bill. This seems like a very large increase, especially for a retired, social security beneficiary like me. If we accept that we want to embrace a socialist variation to our economic system and levy this subsidy on the residents of Ohio, let's institute a formula that doesn't penalize small users like me, and instead tie the amount of the subsidy to the amount of electricity used by each individual consumer.
- 3) First Energy's nuclear power plants use water from Lake Erie to cool their reactors. When the lake water gets too warm to effectively cool their reactors, the plants have to go offline until the lake cools down. This usually happens during the summer when demand for electricity is at its highest. This doesn't make for a very reliable source of electricity. As our global temperatures continue to rise, Lake Erie water will get warmer and warmer and the length of time that First Energy's nuclear power plants will have to be offline will grow longer and longer. Where will our electricity come from during these peak demand periods?
- 4) A large concern about closing First Energy's nuclear power plants is the loss of jobs at the plants and the loss of local property taxes from the plants. It would be a lot cheaper for the citizens of Ohio to pay these costs directly instead of trying to keep the power plants alive. A smaller surcharge on our electric bills could go into a fund that would pay a supplemental unemployment wage to the former employees and to pay the lost property taxes to the local jurisdictions.

In summary, I oppose subverting our free market system by subsidizing this failed utility. If you actually decide to subsidize this failing business, I oppose taxing the smallest consumers of electricity at the highest rate. Finally, it would be much cheaper to close the plants and pay the lost wages and property taxes directly.