

Testimony of Jerry C. Cirino - President of Lake County Commissioners Ohio Senate Committee on Energy and Public Utilities - June 12, 2019

Chairman Wilson, Vice-Chairman McColley, Ranking Member Williams and members of the Senate Energy and Public Utilities Committee, thank you for giving me the opportunity to appear before you today to address HB 6 and the need to ensure that nuclear power can maintain its vital role as a reliable, resilient, clean-energy solution for Ohio. I am Jerry C. Cirino, Commission President in Lake County, Ohio, where the Perry Nuclear Generating Station is located in Perry, Ohio.

To begin, I'd like to provide the Committee with a little bit of background on my efforts to keep Ohio's nuclear plants open and operating. Over the course of the last two years, I and Ottawa County Commissioner Mark Stahl traveled to Washington, DC multiple times to seek a solution to keeping the plants running. We met with the Department of Energy three times, including meetings with the Undersecretary of Nuclear Energy. We also met with Congressman David Joyce and FERC Commissioner Neil Chatterjee. We also traveled to Philadelphia where we met with PJM to try to find a solution and discussed this issue at two White House briefings. These were significant substantive meetings and we looked long and hard into options and opportunities to keep these plants open. This is something I care deeply about, and I have dedicated hundreds of hours to finding a way to keep these plants open.

Standing here today, I believe it's clear that the only way to keep these plants open will be through a state solution such as House Bill 6. Since a federal solution did not materialize, we need to take matters into our own hands, as other states have done.

I am proud to serve a diverse community of residents, with a growing population of over 230,000, who embrace the region as their home with pride, as have generations before them. Lake County boasts a strong labor force and economic capital and we owe that to one of our key

economic assets: the Perry Nuclear Power Plant. This economic asset must remain in Ohio and should be used to attract and retain businesses in our community and state.

As Commissioner, I want to emphasize today that the Perry Nuclear Power Plant is an engine for economic growth, as it contributes to clean-energy efforts, and secures our power supply for all of Ohio. The current energy market has placed nuclear power at a monetary disadvantage. We cannot allow it to close its doors prematurely and witness the economic calamity that would ensue. According to a survey of Ohio statewide voter attitudes conducted in March 2019, 53% of respondents across the entire state are in support of a proposal to keep the state's nuclear plants operating. That number jumps to 75% once respondents learned of the economic, environmental, and energy security benefits of Ohio's nuclear plants.¹

Since nuclear power plants keep electricity prices low and keep productive economic activity in Ohio, they create exponential economic opportunities and increased tax revenues throughout the economy. For instance, the Perry Nuclear Power Plant pays more than \$18.8 million annually in state and local taxes; if you combine that with the tax revenue from Davis-Besse, it's over \$30 million annually. This revenue flows back to our communities to provide critically important services for our senior citizen and children's programs, first responders, school districts, and other vital services. Looking at another metric, the Perry Nuclear Plant's annual payroll is about \$97 million and if you add in Davis-Besse it's about \$190 million – those are paychecks and funds that are going directly into the pockets of hard-working Ohioans every year. On a macro-level, it has been estimated that the closure of the Perry Nuclear Power Plant, as well as the Davis-Besse Nuclear Power Station, would reduce Ohio's gross domestic product by \$510 million annually. We cannot ignore these staggering figures and letting these plants close permanently would contradict Ohio's overall economic development interests.

¹ This is according to a survey conducted by the Tarrance Group between March 3 and March 6, 2019.

It's important to understand what's behind the numbers I laid out earlier. For instance, the accommodation and food services industries are among the top ten private employment sectors in Lake County. Hotels and restaurants would be greatly harmed if the Perry Nuclear Power Plant closes, due to the major projects and activities at the plant that require vendors and service providers to stay in Lake County for extended periods. The county would suffer lower sales taxes and bed tax revenue -- and sales tax receipts, in particular, are the major source of revenue for the county budget.

The Perry Nuclear Power Plant in Perry employs approximately 700 people, with 500 of them residing in Lake County. In fact, the plant is one of the largest and most significant employers in our county. I am concerned that if we allow the Perry nuclear plant to close, many working families in Lake County would transfer elsewhere because their unique expertise is in the nuclear field. Look no further than what happened after the Vermont Yankee nuclear plant in Vernon, VT shut down in 2014. We can expect the same effects in Ohio: homes will be sold, children will be removed from our school districts, and there will be a loss in local community revenue for small and medium-sized businesses. We will be creating a recessionary environment in our community and those surrounding the Davis-Besse plant.

The annual vendor spending by the Perry and Davis-Besse nuclear plants is greater than \$45 million annually. In Lake County, that includes spending with such companies as Ohio Paving and Construction out of Willoughby, Xylem Dewatering Solutions out of Painesville, E. Dake Plumbing and Heating out of Perry, and Applied Industrial Technologies out of Eastlake. If the Perry Nuclear Power Plant prematurely closes its doors, these great companies based in northeast Ohio will feel the pinch. The economic prosperity and opportunity that citizens and working families of Lake County have experienced for an extended period will be severely undermined.

In Lake County, our commercial, agricultural, and industrial bases open many opportunities for a better quality of life and for economic growth for residents of our state. We are proud of such local companies as STERIS, Lubrizol, Lake Health System, PCC Airfoils – some of which are investments of Warren Buffett – but it's the Perry Nuclear Plant that is the backbone of Lake County and Northeast Ohio.

In addition to jobs, the Perry Nuclear Power Plant prevents substantial emissions of carbon monoxide, sulfur dioxide, and nitrogen oxide, and other particulate matter. Any energy generation solution chosen to replace the Perry Nuclear Power Plant would likely be natural gas or coal-fired and would contribute harmful emissions and other pollutants into the air and our waterways, inflict harm on our bountiful natural resources, and impair our emerging tourism industry. My opposition to the closing of the Perry Nuclear Power Plant is therefore based both on the belief that clean nuclear energy should not be abandoned, and that the premature closure would harm our community in ways that would be lengthy and difficult to rectify.

Time is running out. Our constituents are counting on all of their elected officials to come up with a reasonable legislative solution on their behalf. Let us not reflect on this moment five years from today and ask ourselves why we allowed a critical power source and economic engine to grind to a halt and jobs to leave our communities. I urge you to take prompt action to pass HB 6 to ensure our state continues to enjoy the economic benefits, environmental security, and reliability of our zero-emission nuclear power plants.

Thank you.

Jerry C. Cirino, Commission President, Lake County