



Ohio Sierra Club  
Nuclear Free Committee  
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May 16, 2017

Testimony of Patricia A. Marida, Chair, Ohio Sierra Club Nuclear Free Committee

TO: The Ohio House of Representatives – Public Utilities Committee

RE: Ohio H.B. 178

Dear Chair Seitz and members of the committee,

I am submitting this testimony in a modified form of our information flier on this proposed nuclear bailout, which says, among other things:

### **NO RATEPAYER GOUGING!**

*Subsidies are intended for startup industries, not for well-established or outdated ones.*

**Electric utilities refused to modernize:** Instead of diversifying with renewables, electric utilities stuck with outdated energy sources. They are now finding it harder to compete with their dirty coal and expensive, unsafe nuclear. Some of the biggest utilities have engaged in a nationwide push to get the public to bail them out for their mistakes. In Illinois and New York, legislators recently passed bailouts for nuclear power – and lawsuits have been filed against these laws. Ohio must not become another “me too” state in the industry’s wish list.

### **NO OHIO RATEPAYER BAILOUTS FOR PENNSYLVANIA NUKES!**

**A ZENC PROGRAM COST TO OHIOANS – \$5 BILLION!** A Zero Nuclear Emissions Credit (ZENC) program would charge Ohio utility customers at least \$282 million the first year. The price of the subsidy would be adjusted each year for inflation, leading the cost to rise in absolute dollars over the 16-year duration of a ZENC program. In inflation-adjusted terms, the total cost of the program over 16 years would be \$5.3 billion.



**FIRSTENERGY IS A PARTICULAR PROBLEM AMONG UTILITIES.** Because of their expensive and in-need-of-major-repairs nukes, FirstEnergy is in more of a financial pickle than other utilities. They are leading the effort for a legislative bailout. **They publicly say they want to sell these plants. A bailout will increase their sale price. To stay in the black, FirstEnergy is deferring needed upgrades and maintenance to their nuclear plants.**

**THE PUBLIC UTILITIES COMMISSION OF OHIO BAILED OUT FIRSTENERGY IN 2016.** This \$200 million/year bailout could be used to replace power in other ways, all of which would cost less and save ratepayers money. FirstEnergy said they needed \$600 million/year.

**FIRSTENERGY’S PREDECESSOR RECEIVED \$9 BILLION WHEN UTILITIES WERE DEREGULATED IN 1999.** They said they wanted to compete. They received over \$9 billion for stranded asset costs under deregulation. Now they want to be bailed out again—when they are failing in the competitive market.

**DAVIS-BESSE: SOLVENT OR INSOLVENT?** In August of 2014, FirstEnergy went to the Public Utilities Commission of Ohio asking for a bailout, claiming financial woes with Davis-Besse. On March 31, 2016, [FirstEnergy showed a profit for Davis-Besse](#) and the Sammis coal plant. FirstEnergy’s 2016 financial statement showed a large paper writeoff loss, but without the paper loss they made an overall profit. In their 10-K financial statement of 2016 they estimate the **value of their 2 Ohio nuclear plants to be only \$245.9 million.** That’s not much more than one year of the bailout they are already getting from the PUCO.

**FIRSTENERGY LED THE FIGHT AGAINST WIND AND SOLAR IN OHIO.** FirstEnergy led the charge for Ohio Senate Bill 310 which froze Ohio's renewable energy standards in 2014. They fought to renew freeze with HB 554 in 2016, and we are thankful that Gov. Kasich vetoed the bill.

**OHIO HAS EXCESS ELECTRIC CAPACITY AND DOES NOT NEED THE POWER FROM DAVIS-BESSE AND PERRY.** 3 new 900+ MW gas plants are in the works in Ohio.

**NUCLEAR POWER EMITS TONS OF CARBON AND RADIOACTIVE WASTE.** Immense amounts of energy are used to fuel nuclear plants, from uranium mining, milling and enrichment to fuel fabrication, transportation and building power plants and numerous other facilities. Not to mention the energy it will take to keep radioactive nuclear waste isolated essentially forever. **The real zero emissions credits should go to wind and solar.** Ohio HB 114 dismantles support for **new, real** zero-emissions wind and solar that use modern, safe technology that doesn't need to be guarded and that more than pays for itself— while SB 128 is a subsidy to an **existing** dirty, dangerous, aging nuclear source that gouges ratepayers for the tab.

**KEEPING DAVIS-BESSE AND PERRY OPEN WILL SADDLE NORTHEAST OHIO WITH TONS MORE HIGH-LEVEL RADIOACTIVE WASTE.** There is no solution for what to do with high-level radioactive waste from nuclear power plants. It is likely to stay near the source of generation until a permanent repository is found. After 70 years, geologists have not been able to find such a location. Opposition has been mounted against every proposed storage site, including opposition from cities through which this dangerous material has been proposed to be shipped.

**Nuclear power is incompatible with warming weather.** Warmer water cannot be used for cooling. Every summer overly-warm water shuts down US nuclear plants – just when electricity demand is highest. See the Sierra Club fact sheet “[How Nuclear Power Worsens Climate Change.](#)”

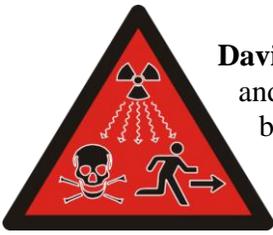
**Regressive rate burden:** Low-income residents bear the highest burden of increased electric rates. Ratepayers in FirstEnergy territory in Northern Ohio already have the highest electric rates in the state due to the expense of building and operating Davis-Besse and Perry.

**Renewables are now cheaper** and less polluting, with no radioactivity and much less carbon. There are now more jobs in solar and wind than in nuclear or coal. [Solar deployment numbers for 2016](#) show a 95% growth! [Utilities bought more new solar capacity](#) than natural gas capacity: 22 states added more than 100 MW of solar each. Jobs in solar energy and efficiency are growing all across Ohio. Wind was booming across Ohio until Ohio legislators gave wind the largest setback regulations in the nation.

**Will Ohio legislators set up a new kind of “free enterprise” system?** A system where the public invests and takes losses while corporations take the profits is fundamentally undemocratic.

**Myth of centralized generation:** Distributed generation is more flexible. If one windmill is not turning it is not as big a problem as when one nuclear plant is offline. Locally-sourced power has major efficiencies. With the continuing increase in renewable sources, the inability to supply electricity is far more likely to happen with an outage of a single large source, and the effects of a large-source outage could be much more serious.

**Continuous Subsidies:** Utilities lobbied against subsidies for wind and solar, while reaping far larger subsidies for coal and nuclear. The 2011 Union of Concerned Scientists report, “[Nuclear Power: Still Not Viable without Subsidies](#)” shows that the cost of subsidies for nuclear power in some instances has been greater than the value of the energy produced. On top of taxpayer subsidies, electric ratepayers across the nation pay more in areas with nuclear power.



**Davis-Besse and Perry pose catastrophic risks.** All old reactors have deteriorating, brittle steel and concrete. Davis-Besse has a cracked shield building. Compliance with fire protection will be a major price tag. Perry sits on an earthquake fault. It was named by Reuters as the world's most dangerous nuclear plant in terms of worker safety. Would our legislators bail out FirstEnergy if one of these had had a meltdown in the last year?

**Every day reactors release radioactivity.** Not only reactors themselves, but the acquisition of their fuel pollutes with chemicals and radioactivity. To get an overall idea of this picture, see the Sierra Club fact sheet "[Conversion, Enrichment, Fuel Fabrication, MOX Fuel and more.](#)"

**High-level radioactive waste**, the used fuel at reactors, is building up. *Bailouts make future generations responsible for much more waste.* A typical nuclear power plant produces about 20 metric tons of used nuclear fuel per year. *There is no good solution for what to do with this waste.* **Fuel pools at Davis-Besse and Perry** already hold several times as many rods as they were designed to hold.