

Testimony of Rebecca Clutter,
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To the Senate Public Utilities Committee

Good afternoon, Chairman Beagle and members of the Committee, thank you for the opportunity to testify today. I am here today to testify against SB 128.

My name is Rebecca Clutter. I am a board member of the National Association of Royalty Owners (NARO) Appalachia Chapter and also the founder of the Landowners for Energy Access and Safe Exploration (LEASE). Both organizations' mission is to represent the interest of our members who are comprised of land, mineral, and royalty owners in Appalachia and to this point, more specifically here in Ohio. NARO and LEASE are the only organizations here that represent solely and without compromise the oil and gas mineral owner's interests. I am also a concerned citizen of Medina County and advocate for private property rights, free market solutions, and domestically produced energy. I am not an expert on this subject, however I feel it is important to voice concerns of the private mineral owners as it relates to this legislation and the impact it could have on end-users of natural gas.

All too often, the voice of the people, the taxpayers, gets left out of these types of discussions. Did you know, for example, that according to NARO there are more mineral owners than there are NRA members? Through inheritance, mineral deeds have been passed down generationally into percentage ownerships. So as you contemplate the impact of this bill, understand that while the shale play may be limited to Southeastern Ohio, that mineral deed holders likely reside in all of your districts. Mineral interest owners frequent restaurants, hire landscapers, purchase appliances, remodel their homes, donate to charitable causes, and the list goes on. These data points are generally not reflected in official Jobs numbers, but do contribute greatly to economic growth from behind the scenes.

While we support all sources of energy, we do not believe that the government should mandate or legislate one energy source over another, particularly when a bailout would directly impede another energy supplier such as is the case with natural gas-fueled power plants, which are a major end-user of natural gas. We do not believe that it is the role of government to pick winners and losers.

It is confounding to me that Ohio would electively chose to penalize private investment made by independent power producers, who are investing billions in the state, thanks to the natural gas produced from our private minerals. Private property owners have a right to market the assets that their land and mineral deeds hold. Subsidizing a nuclear bailout, which this bill would do, hampers private citizens from marketing their plentiful and reliable energy resources as this would drive down the demand for natural gas.

A decreasing demand for natural gas would drive business and jobs away from Ohio. This would also effect the amount of income taxes received from private mineral owners which, in turn, would directly impact the funding for schools, roads, bridges, the National Guard, family services, and more.

Private mineral owners have been a victim of over-supply and a low-commodity pricing environment for far too long. Today, market conditions and the ability to move product via infrastructure development (pipelines) to end-users is finally beginning to improve. There is a renewed hope in some of Ohio's traditionally poorest counties that our private minerals can create energy, draw businesses to our state, and create jobs for untold numbers of Ohioans. But, this cannot happen if one energy source gets a pass in the form of a bailout over another.

Private mineral owners have much to lose if the ability to construct energy infrastructure is thwarted and end-users of natural gas are ultimately put at risk. Testimony from natural gas-fueled power plant projects has already confirmed that they are at risk, should the market become distorted with subsidies for nuclear power.

Monroe County, as an example, is slated to receive one of these new natural gas-fueled power plants. This is noteworthy as the Hannibal facility would be located on the site of the old Ormet Aluminum Plant which closed four years ago and put over 3,000 people out of work practically overnight. Today, the county has some of the best producing natural gas wells in the Appalachian Basin, business is beginning to return along the Ohio River, and this new power plant will create hundreds more jobs at the very site where significant job losses occurred just a few years ago.

My family has property in Monroe County, and I can tell you from a first-hand perspective, that when the Ormet plant closed no one thought that there would ever be any hope of new jobs creation, increased tax revenue generation, or improved economic development in the county. Today, thanks to the prolific natural gas in the region, that has all changed and the irony is that the very site that put all of those people out of work years ago is now beginning to flourish again. If you want to provide hope to a region, stripping the rug out from under them is not how to do it. Allowing for fair, unsubsidized competition benefits everyone.

On an even more personal level, I actually live in the FirstEnergy territory in Medina County and have grave concerns about the government forcing me to pay more for my electric bill, especially when I know that there is a competitor out there that can deliver an equal product at better pricing, and with no bailout required.

It makes no sense to me why Ohio would mandate one energy provider's hierarchy into law and then force consumers to pay for that private entity's inability to manage their corporate finances. Why not let a free and fair market with a level playing field figure it out? The US Department of Treasury's Economics of Taxation website states, "Our American economy is based on the free enterprise system. Consumers are free to decide how to spend or invest their time and money. The goal of producers is to make profits by satisfying consumer demand. Open competition among producers usually results in their providing the best quality of goods or services at the lowest possible prices".

I encourage this body to stay true to the language in Section 4928.02 (A) which reads:

“Sec.4928.02. It is the policy of this state to do the following throughout this state:

(A) Ensure the availability to consumers of adequate, reliable, safe, efficient,
nondiscriminatory, and **reasonably priced** retail electric service.”

Not only would this bill raise prices to consumers, it also discriminates against other energy providers. Inserting language which would support one form energy over another is in my opinion nothing more than an attempt to stack the deck.

Please reject the nuclear bailout, SB 128.

I thank you for your time.