

House Energy and Natural Resources Subcommittee on Energy Generation  
Chair Dick Stein and Chair Michael O'Brien  
Opponent Testimony on House Bill 6  
Testimony of John Finnigan  
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April 23, 2019

Chair Stein, Chair O'Brien, and Members of the Energy and Natural Resources Subcommittee on Energy Generation, my name is John Finnigan. I am Lead Counsel for Environmental Defense Fund. I thank you for the opportunity to speak to you today as an opponent to Ohio House Bill 6.

Before I discuss what this bill is, I want to discuss what the bill is not. HB 6 is not an infrastructure bill, like the gas tax increase or the proposed Ohio water quality fund, as some have claimed. Those measures will raise revenue for new improvements to roads and water treatment plants. HB 6 raises revenue that will mostly go to old coal and nuclear plants for past spending.

Let's suppose that lawmakers would give the new gas tax revenues to local governments and tell them they don't actually need to spend the money on new roads and bridges, because their past spending on roads and bridges improved the quality of our transportation system. Ohio taxpayers wouldn't be very happy about that. But this is exactly how HB 6 will work. So don't be fooled – this is not an infrastructure bill or a bill to create incentives for improving air quality.

If we want to be serious about improving air quality, we should use a system that creates a limit on carbon emissions that declines over time, and let the competitive market decide which technologies can best accomplish this. History has shown that competitive markets work and that competitive markets are the best way to create incentives for desired outcomes. This bill is a slap in the face to the idea of competitive markets.

Ohio's electric industry is thriving and our energy supply is getting cleaner, with average electricity costs well below the national average. We are the envy of other states. HB 6 would give \$300 million/year in handouts to failing coal and nuclear plants. We don't need these plants to keep the lights on. PJM's forecasted reserve margin for this summer is nearly 30%, far above what is needed. The bill would gut the renewable energy and energy efficiency standards that have led to more than \$1 billion in savings and thousands of new jobs for Ohioans.

It is an Orwellian twist to call HB 6 a "clean air resource" bill. The bill creates a new tax on all customers of the four Ohio utilities, even if they buy their power from other suppliers. The main beneficiary will be FirstEnergy Solutions, which is now in bankruptcy and will soon be owned mainly by a few Wall Street hedge funds.

HB 6 would be the fifth time Ohioans have paid for these plants – (1) when the plants were built; (2) when the retail electricity market was restructured under SB 3 in

1999 and the utilities received billions of dollars in “stranded costs” payments; (3) when utilities were allowed to add the plants back into their electricity supply plans under SB 221 in 2008; (4) under PUCO-approved bailout rulings, which we are currently appealing to the Ohio Supreme Court; and (5) now once again under HB 6. When will it be time to say – enough is enough? Just say no to HB 6.

I began my comments by telling you what this bill is not – an infrastructure bill. I will end my comments by telling you what this bill is. This bill is nothing but a brazen, boondoggle of a bailout for a bankrupt business.

I appreciate your time and consideration today, I would be pleased to answer any questions you may have.