

June 13, 2019

To the Ohio Senate

RE: Sub House Bill 6 - Opponent Testimony
Victoria Clemons, nuclear community resident

PROACTIVE PLANNING FOR A COMPREHENSIVE NUCLEAR FREE ENERGY PLAN

1. Just Transitions

It is inevitable that nuclear power plants will close. Even if everything goes right, the operating lifetime of a nuclear plant is limited by the expiration date on the plant's operating license. Knowing that closure is the inevitable fate of nuclear power plants, it is critical that transition planning for closure takes place well before it happens. The key to avoiding such a crisis is – "just transitions."

Just transitions are the pre-planning for inevitable reactor closure that will both soften the economic blow from lost tax base revenues, while bringing in new business and job opportunities for the affected communities. Nuclear utilities, being a "company town" type employer, do have at the very least a moral obligation to help the communities they impact plan for responsible closure. So that the outcome is fair to both parties, this obligation should be made a legal obligation as well, spelling out clearly what those obligations are.

Employees can be retained to enter the \$4 billion-dollar alternative energy market which is now just waiting to see what happens here in Ohio. Keep looking to the future. What happens next, what will be the issues and where are the opportunities. In Europe the problem to solve has already been made clear. There are not enough "specialized decommissioning resources" for the rate of NPP closures. Can Ottawa or Lake County contribute a workforce of 1200 people "specialized in decommissioning resources"? **Not yet.** Is this an opportunity? FirstEnergy Solutions will not be the company that saves 1200 jobs ... it has to be you. Could it be Holtec, Areva or Northstar?

Last September the California State Legislature amended their Public Utilities Code, relating to electricity. The "Retain & Retrain" bill was brought forth when the Diablo Canyon Nuclear Power Plant announced their intentions to close. California had already experienced such a closure with the San Onofre plant back in 2013. The California Bill laid out future power plans in the state and it outlined the basis of a "Retain and Retrain" program. The bill would also require that the Public Utilities Commission approve the full funding of a community impact mitigation settlement, and for an employee retention program to be funded with monies from the plants decommissioning fund.

Because a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime, an Act and amendment to current regulations would be required. I have obtained copies of California's bill and the amendments made to the California Public Utilities Code which I would like to share as a template for an Ohio regulation to be written into the Ohio Code or Ohio Public Utilities Code.

I believe these changes can and should be made now regardless of whether the Davis Besse Nuclear Plant remains in operation. I believe that such protections should be pursued by all nuclear communities to protect their citizens and workers if not at the state level then at a federal level. These are contracts we can negotiate with FirstEnergy Solutions now and see that they are binding to the new owners, be it Exelon for continued operation or a decommissioning company such as Holtec.

2. Community Advisory Panel

Citizen's Advisory Panels provide advice, information, and recommendations on issues affecting the NPP sites. Among those issues are clean-up standards and environmental restoration; waste management and disposition; watching the use of the trust fund; excess facilities; future land use and long-term stewardship; risk assessment and management; and clean-up science and technology activities. The board's membership should be carefully considered to reflect a full diversity of viewpoints in the affected community and region.

The State of Massachusetts has a C.A.P., a Citizen's Advisory Panel for decommissioning nuclear power plants requirement written into their State Code. It is now 2 years since FE announced its plan for closure, Ohio should have immediately rewritten our state code, so we are two years behind schedule in protecting the citizens and nuclear communities in Ohio by forming a CAP for Davis Besse and Perry.

3. It's All About the Money.

What part of all this should be the company's cost of doing business? What part of all this could be considered a cost of decommissioning and thereby be paid through the trust fund? Do you create new subsidies for old reactors or new subsidies for an economic and energy transition? You could always tax something too.

A cost-effective suite of programs and services that would reduce the economic hardship on localities and uncertainty of the energy sector transition would include:

- 1) Transitional revenue support for municipalities and school districts.
- 2) Economic development to recruit new industries and employers.
- 3) Retention of 50% of existing nuclear worker jobs for decommissioning.
- 4) Transfers/rehiring of workers to other reactors or utility divisions.
- 5) Economic support, retraining, and job placement for workers who do lose their jobs.
- 6) Early retirement for workers nearing the end of their careers.

There must be dedicated funding for worker and community transition to ensure resources are available when needed. For instance, a \$1/MWh surcharge (0.1 cents/kWh) on electricity consumption would generate \$4 billion/year, nationwide. Such a sum is far less, on a state-by-state basis, than subsidies for uneconomic nuclear reactors alone.

Such a program for a nuclear reactor could cost around \$40 million/year for 5-10 years, with costs decreasing after the first three or four years. That is one-half to one-third the annual cost of subsidies for a reactor in Illinois, New Jersey, or New York, and the total cost would be up to a factor ten lower than the cost of nuclear subsidies over the full 10-12 years.

A NEW TAX! Amend the state finance law, establish the Ohio State tax on dry cask storage fund. Direct nuclear generating facilities to transfer certain monies in exchange for the storage of dry casks containing spent fuel.

JUSTIFICATION: The unintended use of property: when any commercial enterprise adds new structures, businesses must pay additional tax. Why exempt the nuclear power industry from this standard practice? Davis Besse and the Perry nuclear power plant were not intended to serve as long-term waste repositories. For years nuclear plants have been operating with an assumption that a federal repository for nuclear waste would one day be in place. Currently there is no solution to long-term nuclear waste storage; future regulation of such waste, which has a half-life of thousands of years, is unclear. There is an added security risk to spent fuel storage, especially in high density emergency planning zones EPZs: Long-term waste casks, especially when clustered, present an attractive terrorist target. This places an undue burden upon the municipalities that must protect the surrounding population. This bill would deter storage of nuclear waste but also create new revenue.

Such a nuclear waste trust fund will provide a source of revenue for emergency planning zone counties of Ottawa, Lucas, Erie and Sandusky, for emergency services and provides a revenue stream for schools and municipalities. It can also fund the economic and energy transition in Ohio. Currently all of the nuclear waste created since the plants started operation are on site in dry casks, soon there will 60-70 more casks at each plant.

THE REVENUE STREAM: In 1994 Minnesota charged \$500,000 per spent nuclear fuel cask, amounting to \$9 million annually. In 2003 their statute was amended to a fixed sum of \$16 million annually. The annual amount set aside for their Renewable Development Fund increased throughout the years as the company has placed in service more and more dry cask storage at its Prairie Island and Monticello nuclear generating plants. A cumulative total of \$307,548,394 million has been set-aside in the RDF since its inception.

The State of New York has, in the past, attempted to tax \$750,000 per spent nuclear fuel cask per year.

It's time for a totally comprehensive energy plan in Ohio

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