



Chair Wilson and members of the Senate Energy and Public Utilities Committee, while we appreciate the time and effort undertaken to improve H.B. 6 and listen to concerns, the members of the Ohio Independent Power Producers (OIPP), remain opposed to H.B. 6. Despite the recent changes, the legislation remains at its core an anti-competitive corporate bailout.

Bailing out the two nuclear plants is bad policy. Bailing out OVEC is also bad policy. Unfortunately, even softening these issues by reducing the costs from the House version do little except to disrupt the pro-market, competitive marketplace in Ohio). Two wrong policy decisions do not make this legislation right.

This legislation creates market distorting subsidies which, as many witnesses have pointed out repeatedly, discourages competition and reduces the incentive to innovate – the very things that drive down energy costs and saves consumers money.

As mentioned in our previous testimony to this Committee, new combined cycle natural-gas power plants represent an investment of approximately \$11 billion, without a penny of ratepayer dollars. That translates to 11,137 MW of clean, reliable energy and more than 14,000 construction and other related jobs. Again, all of this is happening across Ohio without a single penny from Ohioans.

Countless witnesses have rightfully questioned whether the nuclear subsidy is needed. OIPP testified previously, with publically available data, that the OVEC bailout is unnecessary given the financial status of OVEC. None of that has changed.

As for the improvements, the proposed audit in this legislation is still lacking and would keep Ohioans in the dark on whether the subsidy is needed. Additionally, the OVEC provisions remain too vague and open-ended.

To be clear, we are not anti-nuclear power or anti-OVEC. We don't fear competition. OIPP member plants are constantly innovating and striving to increase efficiency. It's the only way to succeed in the market. We simply think others should abide by the same rules and not receive special handouts.

It's notable that on January 23, 2019, FirstEnergy Solutions issued a statement about a development in the bankruptcy process. In that statement FES said it will “emerge as a fully integrated Independent Power Producer focused on maximizing the operating and financial synergies of its retail, nuclear and fossil generating assets.” However, in that same statement, FES went on to make clear that they never had any intention of being a true independent power producer: “The Company continues to have constructive dialogue with important stakeholders at the state and federal levels for necessary financial support.”

The entire FES business model seems reliant relies on the legislature giving it money in exchange for nothing. Our businesses do not operate that way. A competitive marketplace does

not operate that way. At the very least, an entity asking for assistance ought to prove (1) that it needs the assistance and (2) submit to open, transparent auditing of its financials to ensure that the assistance is needed and ratepayers are not simply funding a bailout above reasonable costs. None of that appears in HB 6.

We end our testimony by noting a comment reported by media that combined cycle natural-gas power plants and the natural gas industry would be fine under H.B. 6 because of the “the resources they have and the federal subsidies they have.”

OIPP projects receive no federal subsidy. We have not asked for any public money to finance or construct these projects and do not receive any such support. Our members came to Ohio to build and innovate – not for a handout.

Our members have asked for one thing: let the market work and keep government out of the way. Oppose H.B. 6.