

Northwest Ohio Aggregation Coalition



May 6, 2019

Cities

Maumee

Northwood

Oregon

Perrysburg
Rossford

Sylvania
Toledo

Waterville

Villages

Delta
Holland

Ottawa Hills

Walbridge

Townships

Lake
Perrysburg

Counties

Lucas

Before

**The Ohio Senate Energy and Public Utilities Committee
Written Testimony on Substitute House Bill 6
By Thomas Hays
On Behalf of the Northwest Ohio Aggregation Coalition
And its 15 Member Communities**

June 27, 2019

Chair Wilson, Vice Chair McColley, Ranking Member Williams and members of the Committee, thank you for this opportunity to present written testimony in opposition to Substitute HB 6 as amended yesterday (SHB 6). The Northwest Ohio Aggregation Coalition and its 15 communities in Lucas, Wood, and Fulton counties strongly oppose SHB 6. We serve over 120,000 residential electric customers and about 30,000 small businesses.

At its core, amended SHB 6 is still just a bailout of FirstEnergy Solutions' (FES) bankrupt Davis-Besse and Perry nuclear plants and a bailout out of two old, uncompetitive OVEC coal plants. We strongly oppose the bill because even as amended it is bad for businesses and residents in Ohio and even worse for our NOAC communities and Northwest Ohio.

No one is knocking on our doors looking to open a new plant or business because of the nearby 40 year old Davis-Besse nuclear plant and its higher priced electricity. In contrast, private investment in low cost natural gas and electric generated from natural gas created an infrastructure here with incredible leverage. This is a "world beating" natural advantage that the Chinese or Emerging Tigers and other states cannot match. Private investment in technology and advanced manufacturing also created the largest US solar panel industry in NOAC's footprint. These new technologies have been job magnets that attract other new plants and businesses.

HB 6 will hurt all of Ohio and especially our 15 communities whose modern cost-effective technologies are in direct competition with the bailed out nuclear and coal plants.

However, if HB 6 is to become law, then several changes made in the yesterday's amendments are far superior to the House version. We urge you to fight to maintain:

- The guardrails and annual audits to avoid over payments. These could be strengthened to specify that payments will be made beyond the break-even point.
- The elimination of "shared savings" in the EE (energy efficiency) programs.
- The EE termination provision and the requirement that the existing, banked EE credits be used. The House version unfairly "ended" EE on the backs of consumers and then

- allowed the utilities to double dip by starting a new one.
- The lowered nuclear plant fee to \$0.80.

Given the stage of the process, we do not comment on other provision that are troublesome. Except that we oppose the changes that now unfairly place an OVEC fee on Northwest Ohio. (When we tell our voters that HB 6 subsidizes a coal plant in Indiana they—and we—are perplexed. Given the number of coal plants closed and the closures coming in Ohio, it is inexplicable.)

The NOAC communities hope that actions like ending the shared savings are a first step to end the Electric Security Programs. We fear from experience that utilities will simply make up any revenue they lose today by submitting another ESP to the PUCO that makes up the difference. Consider that the Supreme Court just found the PUCO approved an illegal and unlawful subsidy to FirstEnergy. Customers however cannot get back the \$450 million they already paid. Here too, we fear our utility will simply submit a new ESP to get the same amount under a new guise. We urge that you add a provision that ends ESP's and also requires that unlawfully collected fees be refunded.

Thank you.